FCSRMC

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

# Risk Management Council Meeting

*Thursday, October 05, 2017*

*FCSRMC Mission Statement:*
*FCSRMC delivers comprehensive and innovative enterprise-wide risk management services and solutions to support the educational mission of the Florida College System.*

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FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

# Risk Management Council Meeting
# October 05, 2017

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## AGENDA

**Action Items:**


1. FCSRMC Personnel ..... pg 01

2. Employee Benefit Plans:
   a. Employee Benefit Plans 2018 Recommendations ..... pg 03
   b. Product Portfolio Enhancements:
      1. Wellness ..... pg 16
      2. Teladoc ..... pg 31
      3. High Deductible Health Plans ..... pg 41


**Information Items:**


3. Property/Casualty Program:
   a. FEMA, Funding, College Deductibles & More…2018-19 Renewal Options ..... pg 61

4. Financial Statements – June 2017:
   a. Employee Benefit Plans ..... pg 69
   b. Property/Casualty Program ..... pg 72
   c. Investment Program ..... pg 75

5. Miscellaneous:
   a. Operations Committee Membership ..... pg 101

Action Item 1.

FCSRMC Personnel

**ACTION**

**Council of Presidents - Risk Management Council** **Action Item: 1.**
**October 05, 2017**

***FCSRMC***

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FCSRMC Personnel

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Motion to approve the FCSRMC Compensation – 2% Non-recurring September 15, 2017 as submitted:

Full-time FCSRMC personnel who are employed as of September 1, 2017 may receive a one-time, non-recurring periodic salary supplement of 2% of their 2017-2018 base salary to be paid upon completion of service for services performed from July 1, 2017, through August 31, 2017, or a prorated share based on the days of full-time employment for this period. This payment will be paid on the September 15, 2017 pay date.

Discussion:

AFC to provide voting results.

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# FCSRMC Personnel

The Operations Committee recommends the following:

- FCSRMC Staff:
    - FCSRMC personnel who are employed as of September 1, 2017 may receive a one-time, non-recurring periodic salary supplement of 2% of their 2017-2018 base salary to be paid upon completion of service for services performed from July 1, 2017, through August 31, 2017, or a prorated share based on the days of full-time employment for this period.

      This payment will be paid on the September 15, 2017 pay date.

# Action Item 2.a.
# Employee Benefit Plans

# 2018 Recommendations

**ACTION**

**Council of Presidents - Risk Management Council** **Action Item: 2.a.**
**October 05, 2017**

***Employee Benefit Plans***

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Employee Benefit Plans 2018 Recommendation

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Motion to approve the Employee Benefit Plans 2018 Recommendation as submitted.

Discussion:

AFC to provide voting results.

# EMPLOYEE BENEFIT PLANS

# 2018

# RATE FUNDING INFORMATION

# SELF-INSURED HEALTH PROGRAM

## KEY RATING COMPONENTS

### Collective Purchasing

The purchasing power of the 23 participating colleges is utilized in securing the highest value products and services from the marketplace.

### Annual Overall Pool Rate Funding Assessment

An underwriting evaluation is completed annually using the entire pool of claim experience in order to establish the projected claims for the upcoming period. When combined with anticipated expenses, interest income, pharmacy rebates and any other credits or debits, the necessary change in the revenue for the upcoming calendar year is identified. All college rates are adjusted by the same percentage.

### Individual College Rate Validation

When a college first enrolls in the Consortium health program, their initial rates are established from their recent claim experience coupled with the fee advantages of the overall program products and services.

Subsequent to the initial enrollment, a periodic (every three years) actuarial rate validation is completed using each individual college specific demographics, claim experience and regional medical costs. From this assessment, it is determined whether any increase or decrease in an individual college rate is warranted when combined with the annual pool adjustment.

## BENCHMARK REPORT[1]

The most recent Benchmark Report as certified by actuarial firm Milliman USA indicates FCSRMC member claim cost share is more favorable than the regional, industry and national comparisons. A lower member cost share is an indicator that FCSRMC is absorbing a larger percentage of total medical expenditures compared to peer groups within the benchmark comparisons:

- FCSRMC 11.9%
- Industry (education) 13.4%
- Regional (southeast) 16.8%
- National 15.2%

[1] The detailed Benchmark Report is in the Exhibit section of this paper.

# SELF-INSURED HEALTH PROGRAM

## 2018 PERCENTAGE RATE CHANGE

| College | Annual Pool Rate Adjustment[2] | Rate Validation Application[3] | Combined Pool and Rate Validation Change |
|---|---|---|---|
| Chipola College | 4.88% | (17.90%) | (13.02%) |
| Florida SouthWestern State College | 4.88% | (13.08%) | (8.20%) |
| North Florida Community College | 4.88% | (9.63%) | (4.75%) |
| State College of FL Manatee-Sarasota | 4.88% | (6.21%) | (1.33%) |
| Florida State College at Jacksonville | 4.88% | (2.78%) | 2.10% |
| Daytona State College | 4.88% | (1.24%) | 3.64% |
| Santa Fe College | 4.88% | 0.00% | 4.88% |
| Polk State College | 4.88% | 0.00% | 4.88% |
| Florida Keys Community College | 4.88% | 0.00% | 4.88% |
| South Florida State College | 4.88% | 0.00% | 4.88% |
| Pensacola State College | 4.88% | 0.00% | 4.88% |
| Indian River State College | 4.88% | 0.00% | 4.88% |
| Gulf Coast State College | 4.88% | 0.00% | 4.88% |
| St. Johns River State College | 4.88% | 0.00% | 4.88% |
| Palm Beach State College | 4.88% | 0.00% | 4.88% |
| Seminole State College | 4.88% | 0.53% | 5.41% |
| Northwest Florida State College | 4.88% | 0.57% | 5.45% |
| College of Central Florida | 4.88% | 1.46% | 6.34% |
| Florida Gateway College | 4.88% | 8.57% | 13.45% |
| Lake-Sumter State College | 4.88% | 9.55% | 14.43% |
| Pasco-Hernando State College | 4.88% | 9.60% | 14.48% |
| Eastern Florida State College | 4.88% | 10.32% | 15.20% |
| Tallahassee Community College | 4.88% | 25.15% | 30.03% |
| | | | |

[2] Annually the overall pool experience and expected expenses and credits are evaluated to determine the necessary uniform rate funding adjustment for all colleges. The complete rate funding development worksheet is included in the Exhibit section of this paper.

[3] Every three years the individual college unit rates will be evaluated for their actuarial accuracy based on their claim experience, demographics and regional medical costs. Due to the individual college experience not being 100% credible, a 5% plus or minus corridor will be applied resulting in adjustments to the outlier college rates. This year's rate validation assessment was completed by FSA Actuary Glen Volk of Gallagher Benefit Services. An overview of this year's rate validation is included in the Exhibit section of this paper.

# FULLY INSURED PRODUCTS[4]

## 2018 PERCENTAGE RATE CHANGE

- Aetna Employee Assistance Program 2.0%
- BlueMedicare NA%
- Capital Health HMO 8.1%
- Delta Dental 0.0%
- Florida Health Care HMO 2.8%
- UNUM Life and Disability 0.0%
- VSP Vision 0.0%

# 2018 EMPLOYEE BENEFIT PLANS BUDGET[5]

- 2018 Self-Insured Health Program Funding $109,535,104
- 2018 Fully Insured Premium $ 16,709,724
- Total 2018 Employee Benefit Plans Budget $126,244,828

[4] No commissions are paid on FCSRMC Employee Benefit Plan products.
[5] The detailed budget is in the Exhibit section of this paper.

# EXHIBITS

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# 2018 SELF-INSURED HEALTH PROGRAM FUNDING

| | | |
|---|---|---|
| **2018 CLAIM AND STOP LOSS EXPENSE** | | |
| Paid Claims | $ | 101,150,697 |
| Claim Reserve Change | $ | 590,769 |
| Incurred Claims | $ | 101,741,465 |
| Stop Loss Insurance ($400,000) | $ | 4,393,111 |
| TOTAL CLAIM AND STOP LOSS EXPENSE | $ | 106,134,577 |
| **2018 ADMINISTRATION AND SUPPORT EXPENSE** | | |
| Plan Administrator Fees | $ | 4,896,205 |
| Plan Administrator Termination Fee Change | $ | 85,766 |
| Consortium Administrative Budget | $ | 848,556 |
| Audit | $ | 25,000 |
| Consulting | $ | 100,000 |
| FBMC | $ | 790,000 |
| Health Equity | $ | 20,000 |
| Teladoc | $ | 110,000 |
| Wellness | $ | 100,000 |
| TOTAL ADMINISTRATION AND SUPPORT EXPENSE | $ | 6,975,527 |
| **CREDITS and RECOVERIES** | | |
| Pharmacy Rebates | $ | (3,000,000) |
| Investment Earnings | $ | (575,000) |
| TOTAL CREDITS AND RECOVERIES | $ | (3,575,000) |
| **2018 FUNDING** | | |
| 2018 Total Funding Required | $ | 109,535,104 |
| Less 2017 Current Funding | $ | 104,442,096 |
| DOLLAR CHANGE | $ | 5,093,008 |
| PERCENTAGE CHANGE | | **4.88%** |

## 2018 SELF-INSURED HEALTH PROGRAM FUNDING continued

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **2018 EXPECTED PAID CLAIMS** | | | | | | | |
| BO 3562 Employee | ( | 3800 | x | $577.41 ) | x 12 | $ | 26,329,837.75 |
| BO 3562 Dependent | ( | 807 | x | $766.06 ) | x 12 | $ | 7,418,477.63 |
| BO 03359 (HRA)Employee | ( | 213 | x | $566.53 ) | x 12 | $ | 1,448,053.74 |
| BO 03359 (HRA)Dependent | ( | 97 | x | $779.68 ) | x 12 | $ | 907,544.52 |
| BO 03559 Employee | ( | 927 | x | $586.65 ) | x 12 | $ | 6,525,864.14 |
| BO 03559 Dependent | ( | 268 | x | $778.31 ) | x 12 | $ | 2,503,051.35 |
| BO 03769 Employee | ( | 3184 | x | $557.78 ) | x 12 | $ | 21,311,536.97 |
| BO 03769 Dependent | ( | 743 | x | $740.01 ) | x 12 | $ | 6,597,922.30 |
| HMO 10 Employee | ( | 1699 | x | $573.89 ) | x 12 | $ | 11,700,451.61 |
| HMO 10 Dependent | ( | 291 | x | $859.86 ) | x 12 | $ | 3,002,629.07 |
| HMO 51 Employee | ( | 1016 | x | $577.33 ) | x 12 | $ | 7,038,837.43 |
| HMO 51 Dependent | ( | 279 | x | $865.02 ) | x 12 | $ | 2,896,082.17 |
| HMO 58 Employee | ( | 324 | x | $510.76 ) | x 12 | $ | 1,985,840.04 |
| HMO 58 Dependent | ( | 76 | x | $765.27 ) | x 12 | $ | 697,930.69 |
| BO 03900 Employee | ( | 19 | x | $464.81 ) | x 12 | $ | 105,977.60 |
| BO 03900 Dependent | ( | 3 | x | $616.67 ) | x 12 | $ | 22,200.28 |
| BO 05772 Employee | ( | 72 | x | $535.26 ) | x 12 | $ | 462,462.81 |
| BO 05772 Dependent | ( | 23 | x | $710.13 ) | x 12 | $ | 195,996.73 |
| **SUB TOTAL** | | | | | | **$** | **101,150,696.80** |
| **2018 INCURRED BUT NOT REPORTED (IBNR)** | | | | | | $ | 10,115,069.68 |
| **2017 INCURRED BUT NOT REPORTED (IBNR)** | | | | | | $ | 9,524,301.00 |
| **CLAIM RESERVE CHANGE** | | | | | | $ | 590,768.68 |
| **2018 EXPECTED INCURRED CLAIMS** | | | | | | **$** | **101,741,465.48** |
| **2018 ADMINISTRATIVE FEES (Per Employee)** | | | | | | | |
| BO 3562 | ( | 3800 | x | $36.19 ) | x 12 | $ | 1,650,264.00 |
| BO 03359 (HRA) | ( | 213 | x | $36.19 ) | x 12 | $ | 92,501.64 |
| BO 03559 | ( | 927 | x | $36.19 ) | x 12 | $ | 402,577.56 |
| BO 03769 | ( | 3184 | x | $36.19 ) | x 12 | $ | 1,382,747.52 |
| HMO 10 | ( | 1699 | x | $36.19 ) | x 12 | $ | 737,841.72 |
| HMO 51 | ( | 1016 | x | $36.19 ) | x 12 | $ | 441,228.48 |
| HMO 58 | ( | 324 | x | $36.19 ) | x 12 | $ | 140,706.72 |
| HRA fee | ( | 213 | x | $3.45 ) | x 12 | $ | 8,818.20 |
| BO 03900 | ( | 19 | x | $36.19 ) | x 12 | $ | 8,251.32 |
| BO 05772 | ( | 72 | x | $36.19 ) | x 12 | $ | 31,268.16 |
| **SUB TOTAL ADMINISTRATIVE FEES** | | | | | | **$** | **4,896,205.32** |
| 2018 Administrative Fee Termination Reserve (7.9% of IBNR) | | | | | | $ | 799,090.50 |
| 2017 Administrative Fee Termination Reserve (7.9% of IBN | | | | | | $ | 713,324.87 |
| TERMINATION RESERVE ADMINISTRATION FEE CHANGE | | | | | | **$** | **85,765.63** |
| **2018 STOP LOSS FEES ($400k)** | | | | | | | |
| BO 3562 Specific Employee | ( | 3,800 | x | $32.53 ) | x 12 | $ | 1,483,368.00 |
| BO 3562 Specific Dependent | ( | 807 | x | $0.00 ) | x 12 | $ | - |
| BO 03359 (HRA) Specific Employee | ( | 213 | x | $32.53 ) | x 12 | $ | 83,146.68 |
| BO 03359 (HRA) Specific Dependent | ( | 97 | x | $0.00 ) | x 12 | $ | - |
| BO 03559 Specific Employee | ( | 927 | x | $32.53 ) | x 12 | $ | 361,863.72 |
| BO 03559 Specific Dependent | ( | 268 | x | $0.00 ) | x 12 | $ | - |
| BO 03769 Specific Employee | ( | 3,184 | x | $32.53 ) | x 12 | $ | 1,242,906.24 |
| BO 03769 Specific Dependent | ( | 743 | x | $0.00 ) | x 12 | $ | - |
| HMO 10 Specific Employee | ( | 1,699 | x | $32.53 ) | x 12 | $ | 663,221.64 |
| HMO 10 Specific Dependent | ( | 291 | x | $0.00 ) | x 12 | $ | - |
| HMO 51 Specific Employee | ( | 1,016 | x | $32.53 ) | x 12 | $ | 396,605.76 |
| HMO 51 Specific Dependent | ( | 279 | x | $0.00 ) | x 12 | $ | - |
| HMO 58 Specific Employee | ( | 324 | x | $32.53 ) | x 12 | $ | 126,476.64 |
| HMO 58 Specific Dependent | ( | 76 | x | $0.00 ) | x 12 | $ | - |
| BO 03900 Specific Employee | ( | 19 | x | $32.53 ) | x 12 | $ | 7,416.84 |
| BO 03900 Specific Dependent | ( | 3 | x | $0.00 ) | x 12 | $ | - |
| BO 05772 Specific Employee | ( | 72 | x | $32.53 ) | x 12 | $ | 28,105.92 |
| BO 05772 Specific Dependent | ( | 23 | x | $0.00 ) | x 12 | $ | - |
| **SUB TOTAL STOP LOSS FEES** | | | | | | **$** | **4,393,111.44** |

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# EMPLOYEE BENEFIT PLANS
# 2018 BUDGET

| | |
|---|---|
| **2018 CLAIM AND STOP LOSS EXPENSE** | |
| Paid Claims | $ 101,150,697 |
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| Consortium Administrative Budget | $ 848,556 |
| Audit | $ 25,000 |
| Consulting | $ 100,000 |
| FBMC | $ 790,000 |
| Health Equity | $ 20,000 |
| Teladoc | $ 110,000 |
| Wellness | $ 100,000 |
| TOTAL ADMINISTRATION AND SUPPORT EXPENSE | $ 6,975,527 |
| **CREDITS and RECOVERIES** | |
| Pharmacy Rebates | $ (3,000,000) |
| Investment Earnings | $ (575,000) |
| TOTAL CREDITS AND RECOVERIES | $ (3,575,000) |
| **FULLY INSURED PREMIUM** | |
| Aetna EAP | $ 104,378 |
| BlueMedicare | $ 1,116,133 |
| Capital Health HMO | $ 5,606,787 |
| Delta Dental | $ 2,746,338 |
| Florida Healthcare HMO | $ 3,540,075 |
| UNUM | $ 3,179,052 |
| VSP | $ 416,961 |
| TOTAL FULLY INSURED PREMIUM | $ 16,709,724 |
| **TOTAL 2018 BUDGET** | **$126,244,828** |

## 2018 SELF-INSURED HEALTH PROGRAM FUNDING continued

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **2018 EXPECTED PAID CLAIMS** | | | | | | | |
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| HMO 58 Specific Employee | ( | 324 | x | $32.53 ) | x 12 | $ | 126,476.64 |
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| BO 05772 Specific Employee | ( | 72 | x | $32.53 ) | x 12 | $ | 28,105.92 |
| BO 05772 Specific Dependent | ( | 23 | x | $0.00 ) | x 12 | $ | - |
| **SUB TOTAL STOP LOSS FEES** | | | | | | **$** | **4,393,111.44** |

**FCSRMC**

**2018 Increases by College with Rate Validation Adjustments**

| | | |
|---|---|---|
| Target Increases | 4.88% | *(From Florida Blue renewal)* |
| Average Loss Ratio | 89.5% | *(Net of Stop Loss Recoveries)* |
| Current Annualized Premium | $104,442,096 | |
| Target Premium | $109,538,870 | |
| Rating Corridor | 5.0% | |

| | | | | Experience Rating w/ 5% Corridor | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| COLLEGE | Loss Ratio | Variance From Average | 2017 Annualized Premium | Adjusted Loss Ratio | Rate Validation Adjustment | Pool Rate Adjustment | 1/1/2018 Combined Adjustment | 1/1/2018 Annualized Premium | Increase in Annualized Premium | Age/Sex Factor | 2016 PMPM Premium | Pooling Impact | Average Age/Sex Factor | Average PMPM Premium | Average Pooling Impact |
| CHIPOLA COLLEGE | 69.2% | -20.3% | $1,705,840 | 74.2% | -17.90% | 4.88% | -13.02% | $1,483,781 | ($222,058) | 1.458 | $434.31 | 0.0% | | | |
| FLA SOUTHWESTERN STATE COLLEGE | 73.3% | -16.2% | $6,056,451 | 78.3% | -13.08% | 4.88% | -8.20% | $5,559,548 | ($496,903) | 1.333 | $496.35 | 0.0% | | | |
| NORTH FLA COMMUNITY COLLEGE | 76.3% | -13.2% | $912,855 | 81.3% | -9.63% | 4.88% | -4.75% | $869,527 | ($43,328) | 1.336 | $474.25 | 0.0% | | | |
| STATE COLLEGE OF FLA MANATEE | 79.2% | -10.3% | $4,005,061 | 84.2% | -6.21% | 4.88% | -1.33% | $3,951,880 | ($53,181) | 1.472 | $581.44 | 0.0% | | | |
| FLORIDA STATE COLLEGE AT JACKS | 82.1% | -7.4% | $14,034,737 | 87.1% | -2.78% | 4.88% | 2.10% | $14,329,473 | $294,736 | 1.532 | $514.32 | -0.1% | 1.461 | $511.71 | -0.1% |
| DAYTONA STATE COLLEGE | 83.4% | -6.1% | $5,414,794 | 88.4% | -1.24% | 4.88% | 3.64% | $5,612,163 | $197,369 | 1.369 | $551.24 | -1.7% | | | |
| SANTA FE COLLEGE | 85.1% | -4.4% | $6,886,985 | 89.5% | 0.00% | 4.88% | 4.88% | $7,223,070 | $336,085 | 1.437 | $494.54 | -0.9% | | | |
| POLK STATE COLLEGE | 85.4% | -4.0% | $4,797,287 | 89.5% | 0.00% | 4.88% | 4.88% | $5,031,395 | $234,108 | 1.372 | $571.18 | -0.9% | | | |
| FLA KEYS COMMUNITY COLLEGE | 87.4% | -2.1% | $947,178 | 89.5% | 0.00% | 4.88% | 4.88% | $993,400 | $46,222 | 1.324 | $629.54 | 0.0% | | | |
| SOUTH FLORIDA STATE COLLEGE | 89.0% | -0.5% | $2,420,705 | 89.5% | 0.00% | 4.88% | 4.88% | $2,538,835 | $118,130 | 1.434 | $555.08 | -11.6% | 1.402 | $538.52 | -2.3% |
| PENSACOLA STATE COLLEGE | 89.2% | -0.3% | $5,302,388 | 89.5% | 0.00% | 4.88% | 4.88% | $5,561,144 | $258,757 | 1.499 | $553.21 | 0.0% | | | |
| INDIAN RIVER STATE COLLEGE | 89.8% | 0.3% | $7,273,984 | 89.5% | 0.00% | 4.88% | 4.88% | $7,628,955 | $354,970 | 1.363 | $492.79 | -1.1% | | | |
| GULF COAST STATE COLLEGE | 89.8% | 0.4% | $2,996,028 | 89.5% | 0.00% | 4.88% | 4.88% | $3,142,234 | $146,206 | 1.463 | $518.88 | 0.0% | | | |
| ST JOHNS RIVER STATE COLLEGE | 90.9% | 1.4% | $3,011,594 | 89.5% | 0.00% | 4.88% | 4.88% | $3,158,560 | $146,966 | 1.330 | $406.34 | 0.0% | | | |
| PALM BEACH STATE COLLEGE | 92.4% | 3.0% | $10,141,546 | 89.5% | 0.00% | 4.88% | 4.88% | $10,636,453 | $494,907 | 1.394 | $477.27 | -0.9% | 1.406 | $488.51 | -0.6% |
| SEMINOLE STATE COLLEGE | 94.9% | 5.5% | $7,102,034 | 89.9% | 0.53% | 4.88% | 5.41% | $7,486,437 | $384,403 | 1.386 | $523.02 | -2.0% | | | |
| NW FLA STATE | 95.0% | 5.5% | $2,449,008 | 90.0% | 0.57% | 4.88% | 5.45% | $2,582,529 | $133,521 | 1.416 | $540.10 | 0.0% | | | |
| COLLEGE OF CENTRAL FLORIDA | 95.7% | 6.2% | $3,079,216 | 90.7% | 1.46% | 4.88% | 6.34% | $3,274,380 | $195,164 | 1.528 | $458.55 | 0.0% | | | |
| FLORIDA GATEWAY COLLEGE | 101.8% | 12.3% | $1,762,458 | 96.8% | 8.57% | 4.88% | 13.45% | $1,999,562 | $237,104 | 1.562 | $559.22 | -2.2% | | | |
| LAKE SUMTER STATE COLLEGE | 102.6% | 13.1% | $2,682,055 | 97.6% | 9.55% | 4.88% | 14.43% | $3,068,966 | $386,910 | 1.357 | $583.93 | 0.0% | 1.436 | $523.98 | -1.1% |
| PASCO-HERNANDO STATE COLLEGE | 102.7% | 13.2% | $4,041,635 | 97.7% | 9.60% | 4.88% | 14.48% | $4,626,733 | $585,098 | 1.420 | $478.36 | -0.4% | | | |
| EASTERN FLORIDA STATE COLLEGE | 103.3% | 13.8% | $6,221,262 | 98.3% | 10.32% | 4.88% | 15.20% | $7,167,056 | $945,794 | 1.369 | $461.21 | -1.0% | | | |
| TALLAHASSEE COMMUNITY COLLEGE | 115.9% | 26.5% | $1,196,995 | 110.9% | 25.15% | 4.88% | 30.03% | $1,556,431 | $359,435 | 1.701 | $489.84 | -3.2% | 1.424 | $469.96 | -1.0% |
| TOTAL | | | $104,442,096 | | | | | $109,482,511 | $5,040,415 | 1.426 | $507.03 | -1.0% | 1.426 | $507.03 | -1.0% |

*Experience Rating w/ 5% Corridor* *The rate validation adjustment is limited to the amount by which the College loss ratio is less than or exceeds the average loss ratio by more than 5%*

# Blue Health Intelligence ® Benchmark Reporting

## Florida College System Risk Management Consortium (FCSRMC)
## Employee Cost Share Comparison
## BHI Benchmark Data January 2016 to December 2016, Paid Through February 2017

Blue health Intelligence (BHI) is the nation's largest healthcare data warehouse that brings together medical and pharmacy claims experience representing 54 million lives across 18 Blue Cross Blue Shield plans.

The BHI data warehouse uses normalized data with completion factors applied, is actuarially credible , and is certified by Milliman, USA.

These statistics allow baseline comparisons of your data against National, Regional, and Industry benchmarks. These benchmarks are selected from a dataset that encompasses 83 U.S. industries and annual claims totaling $104 billion.

The Industry benchmark utilized for FCSRMC is the Educational Services grouping based on the Standard Industrial Classification System. Regional comparisons are based on the southern U.S. census region.

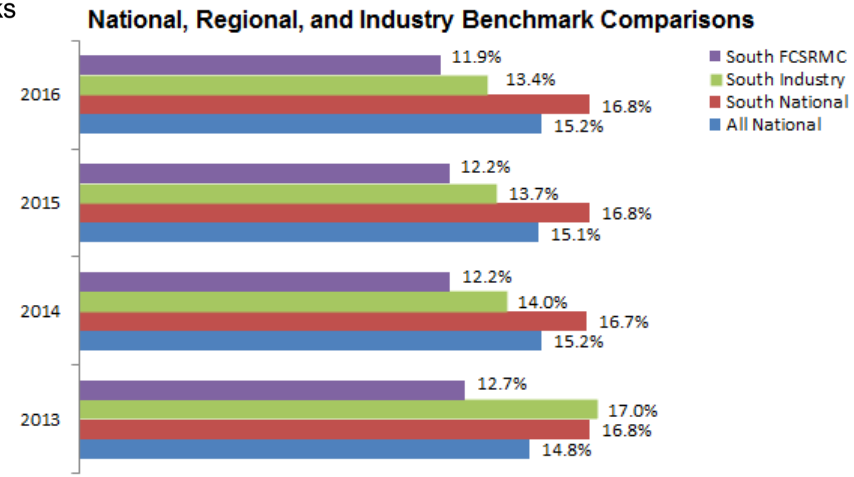
### Employee Cost Share Comparison

This comparison of claim payments shows how costs are shared by your employees.

FCSRMC's employee cost share (in the form of deductible, copayments and coinsurance costs) remained flat, representing 11.9% of your total claim payments. This statistic continues to remain lower than all of the benchmarks year-over-year.

A lower employee cost share is an indicator that FCSRMC is absorbing a larger percentage of total medical expenditures compared to your peer groups within the benchmarks comparisons.

This comparison indicates that FCSRMC actively pursues a benefit design strategy that helps minimize the burden of continuing rising health care costs on its members.




Florida Blue

FCSRMC
FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

# SELF-INSURED HEALTH PROGRAM

## January 2017 Enrollment

### Total Participant Counts

| | | Non-Health Care Reform Compliant | | Health Care Reform Compliant | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group Number | College | PPO 3562 | HMO 10 | FROZEN PPO 03559 | FROZEN HMO 51 | PPO Plus 03769 | PPO Core 05772 | HMO 58 | HRA 03359 | PPO Part-time 03900 | FHCP HMO TSI | FHCP HMO T5I | CHP | Total by College |
| 78804 | Chipola College | 203 | | | | | | | | | | | | 203 |
| 78803 | College of Central Florida | | | | | 352 | | | 26 | | | | | 378 |
| 78805 | Daytona State College | | | 309 | | 98 | | | | | 248 | 159 | | 814 |
| 78801 | Eastern Florida State College | | 493 | | | 214 | | | | | | | | 707 |
| 78812 | Florida Gateway College | | | 47 | | 135 | | 26 | | | | | | 208 |
| 78808 | Florida Keys Community College | 69 | | | | 11 | | | 3 | | | | | 83 |
| 78806 | Florida Southwestern State College | | | | | 384 | | 217 | 5 | 5 | | | | 611 |
| 16087 | Florida State College Jax | | | 97 | 155 | 989 | | | | | | | | 1,241 |
| 78809 | Gulf Coast State College | 264 | | | | 37 | | | 5 | | | | | 306 |
| 78811 | Indian River State College | 739 | | | | 23 | | | | | | | | 762 |
| 78813 | Lake-Sumter State College | 231 | | | | | 11 | | 4 | | | | | 246 |
| 78816 | North Florida Community College | 98 | | | | | | | | | | | | 98 |
| 41934 | Northwest Florida State College | | | | | 202 | | 64 | 2 | | | | | 268 |
| 92727 | Palm Beach State College | | | 486 | 841 | | | | | | | | | 1,327 |
| 78819 | Pasco-Hernando State College | 218 | 170 | | | 15 | | 1 | 44 | | | | | 448 |
| 78820 | Pensacola State College | 237 | 280 | | | | | | | 6 | | | | 523 |
| 78821 | Polk State College | 312 | 171 | | | | | | | | | | | 483 |
| 78822 | St. Johns River State College | | | | | 238 | | 12 | 56 | | | | | 306 |
| 78824 | Santa Fe College | 605 | 68 | | | | | | 26 | | | | | 699 |
| 78814 | State College of FL Manatee-Sarasota | 185 | 166 | | | | 55 | | | 5 | | | | 411 |
| 31980 | Seminole State College | 384 | 300 | | | | | | 17 | | | | | 701 |
| 78826 | South Florida State College | 154 | | | | 77 | | | 20 | 3 | | | | 254 |
| 78827 | Tallahassee Community College | | | 111 | | | | | | | | | 542 | 653 |
| | Total | 3,699 | 1,648 | 1,050 | 996 | 2,775 | 66 | 320 | 208 | 19 | 248 | 159 | 542 | 11,730 |

# Action Item 2.b.1.
# Employee Benefit Plans

## Wellness

**ACTION**

**Council of Presidents - Risk Management Council** **Action Item: 2.b.1.**
**October 05, 2017**

***Employee Benefit Plans***

---

Product Portfolio Enhancements - Wellness

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Motion to approve the Product Portfolio Enhancements - Wellness as submitted.

Discussion:

AFC to provide voting results.

# 2018 FCSRMC Wellness Program Recommendations

**Goals:**

(1) Address overall spend for wellness
(2) Increase awareness and health screening participation to at least 50% (*approximately 30% in 2016)
(3) Establish cohort/baseline group to support measurement of outcomes primarily through participant changes in risk categories
(4) Engage participants in new platform tools and resources; promote programs designed to reduce risk factors for disease (ex. Diabetes Prevention Program)

| | **$100,000 Wellness Fund** |
|---|---|
| **Wellness Activities** | (1) Health Screening<br>(2) Personal Health Assessment<br>(3) WellCards<br>(4) Communication Plan<br>(5) Diabetes Prevention Program |
| **Wellness Fund Options** | 85-90% participation =$20/participant<br>50% participation = $15/participant |

- ***Individual College Wellness Plans: FCSRMC & Florida Blue are prepared to work with each individual college in the development and support of a wellness business plan and initiatives.***

**Recommendations for college wellness business plans include:**

- Quarterly Webinar Participation
- Wellness Steering Committee Participation
- Quarterly Action Plan completion
- Minimum 50% member participation in health screenings

**Recommendations for health screenings and Personal Health Assessment (PHA) include:**

- Onsite screenings for plan-covered employees:
  - Additional screening options may include: Remote screening program-members are given the opportunity to visit a local diagnostic lab to participate in the biometric testing
- Personal Health Assessment: Online via Better You Strides Portal

Florida Blue
BetterYou
Diabetes Prevention Program
Presented by
Florida Blue
In the pursuit of health®

# Presentation Overview

- Why offer the Diabetes Prevention Program (DPP)
- What is the DPP
- How to Qualify for the DPP
- Availability of the DPP
- Florida Blue's Approved Vendor

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# A little about prediabetes

- 29 million Americans have diabetes
- 86 million Americans with prediabetes—that's 1 out of 3 adults!
- Of those 86 million, 9 out of 10 of them don't even know they have it.
- Without intervention, 15% to 30% of people with prediabetes will develop type 2 diabetes within 5 years.

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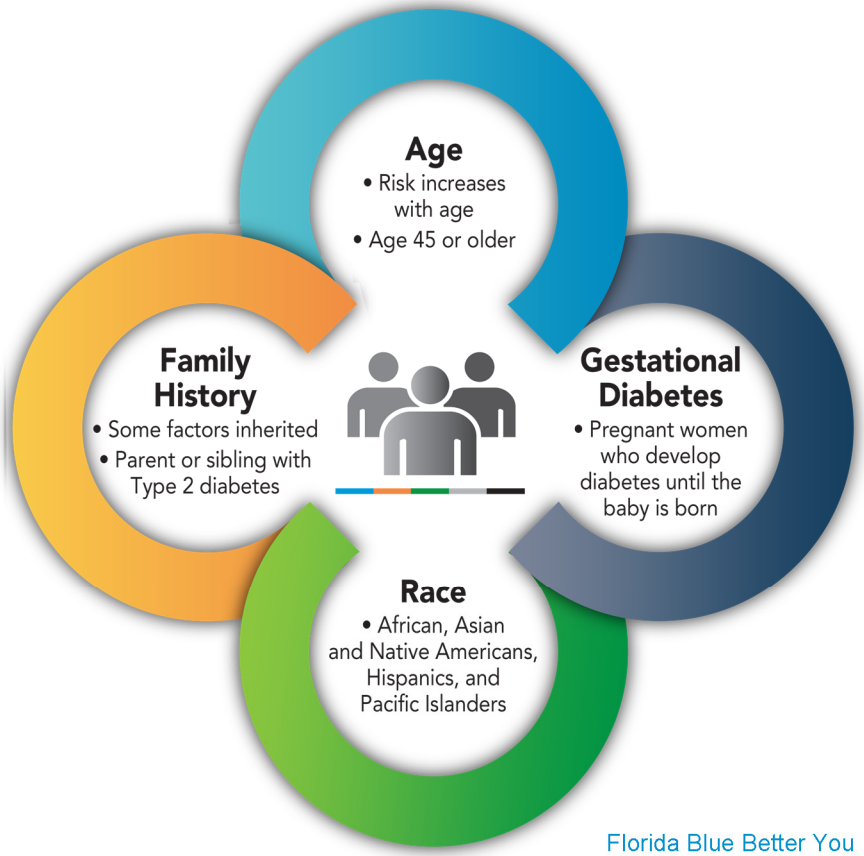
# Risk factors for developing diabetes?

- Overweight
- Physical Inactivity
- Family History
- Age
- Race and Ethnicity
- Gestational Diabetes

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# What is the Diabetes Prevention Program?

- CDC evidence based program
- DPP is an in-person or digital based lifestyle change program, developed by the CDC
- DPP is led by a trained, certified lifestyle coach
- Individuals learn the necessary skills to lose weight and increase physical activity

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# Diabetes Prevention Program Main Emphasis

## 3 Key lifestyle changes:

- Maintain a healthy weight
  - Lose 5 to 7% body weight
- Get physically active
  - 150 minutes of moderate intensity
- Eat a healthy diet

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# Program Basics

The standardized curriculum is recognized by the CDC, and is a year-long behavior-change program:

- First 6 months – 16 weekly hour-long sessions
- Second 6 months – Monthly hour-long sessions

The curriculum covers an array of topics:

- Be a Fat and Calorie Detective
- Move Those Muscles
- Healthy Eating and Identifying Substitutions
- You Can Manage Stress
- Problem Solving and Planning Ahead

# Qualifications

- Participants must be 18 years or older
- Body Mass Index (BMI) must be 24 or higher
- Covered under participating health plan with active coverage
- A non-diagnosis of Diabetes

**And one of the following:**

- A1c between 5.7 and 6.4
- Fasting Blood Glucose between 100-125
- Diagnosed with Gestational Diabetes during a previous pregnancy
- Score 9 or higher on the CDC's risk quiz

## Better You Diabetes Prevention Program

Are you one of the 86 million Americans with prediabetes?[1] Find out now.

By working with a Lifestyle Coach, you will learn ways to incorporate changes into your life including:

- Losing weight through healthy meal planning
- Understanding food and nutrition labels
- Changing nutrition and exercise habits for a healthy lifestyle

**Don't wait. Take the quiz[2] now and find out if you're at risk for diabetes. You can change your life for the better.**

For each "Yes" answer, add the number of points listed. Find out if you're at risk for type 2 diabetes.

If you score 9 or higher, then you may be at risk for type 2 diabetes, and may qualify for the program. This does **NOT** mean you have diabetes. You will need a blood test to confirm if you have diabetes. **Please note**: If you have already been diagnosed with type 1 or type 2 diabetes, you do not qualify for the program.

| ACTIVITIES | YES | NO |
|---|---|---|
| Have you given birth to a baby weighing more than 9 pounds at birth? | 1 | 0 |
| Do you have a parent with diabetes? | 1 | 0 |
| Do you have a brother or sister with diabetes? | 1 | 0 |
| Find your height on the chart on the next page. Do you weigh as much as or more than the weight listed for your height? | 5 | 0 |
| Are you younger than 65 years of age and get little or no physical activity in a typical day? | 5 | 0 |
| Are you between 45 and 64 years of age? | 5 | 0 |
| Are you 65 years of age or older? | 9 | 0 |
| TOTAL POINTS FOR ALL "YES" RESPONSES: | | |

Please consult your doctor to confirm that you have prediabetes and do not have any other health issues that would prohibit you from participating.

BetterYou Prevention
A program from Florida Blue

88439 0117

Florida Blue
In the pursuit of health®

# Availability of the DPP

The DPP is available to Self-Funded/ASO Groups as a benefit

- The DPP is a voluntary program
- Subscribers and dependents (Qualified) may participate
- The DPP is available at no cost to the member
- Participants must sit out a year after completing, or terminating the program

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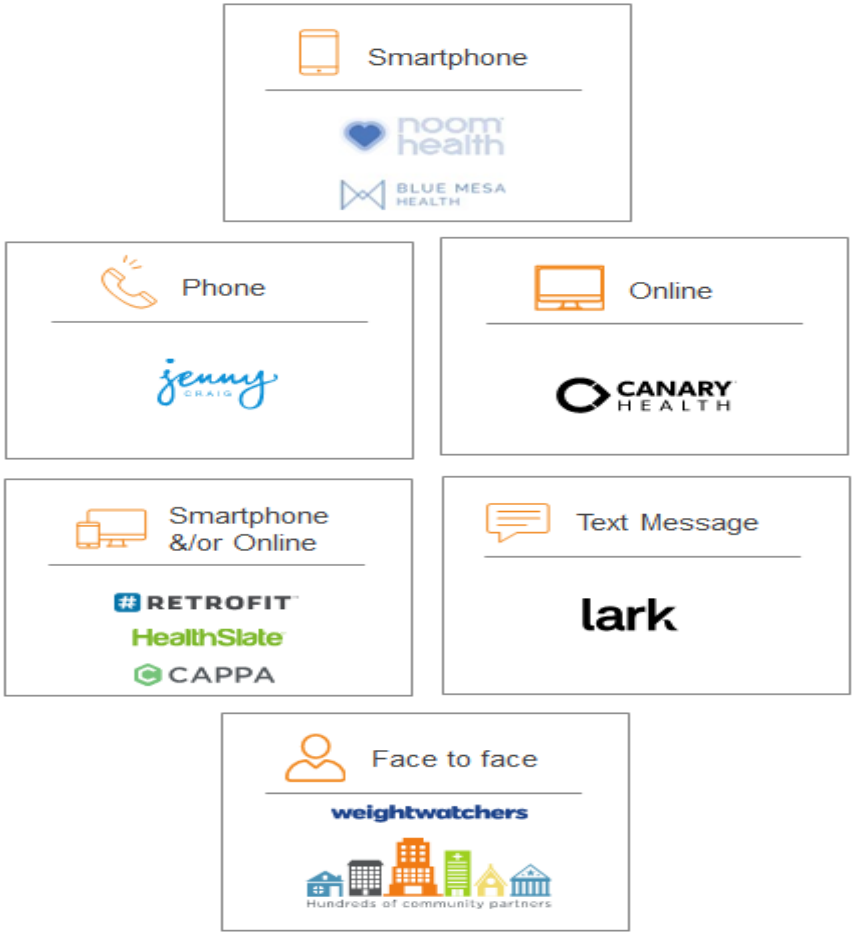
# Approved Vendor - Solera Health

Member is referred to Florida Blue's DPP vendor (Solera Health).

- Members may call directly to Solera Health between 9am to 9pm EST Monday through Friday
- Members can also be referred to www.Solera4Me.com/ to complete the 1-minute quiz and enroll online
- Member meets program criteria and is referred to downstream provider for enrollment.

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# New Vendor!  YMCA

Member is referred to Florida Blue's DPP vendor (YMCA).

- Members may call directly to their local YMCA to enroll into the DPP
- Member is enrolled into a local class
- Onsite Classes Available (minimum participation requirements apply)

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# Questions?

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# Resources

Centers for Disease Control and Prevention

https://www.cdc.gov/diabetes/prevention/index.html

http://www.cdc.gov/diabetes/prevention/prediabetes-type2/index.html

Action Item 2.b.2.
Employee Benefit Plans

Teladoc

**ACTION**

**Council of Presidents - Risk Management Council** **Action Item: 2.b.2.**
**October 05, 2017**

***Employee Benefit Plans***

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Product Portfolio Enhancements - Teladoc

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Motion to approve the Product Portfolio Enhancements - Teladoc as submitted.

Discussion:

AFC to provide voting results.

FCSRMC
FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## Teladoc Recommendation:

1. Implement Teladoc starting 12/1/17
2. $10 Copay

TELADOC™

# Today's health care doesn't feel so good.

## INCREASING COSTS

Employer-sponsored family health coverage reached $16,834 this year, up 3%.[1]

## FEWER PHYSICIANS

By 2025 US population growth will out pace physician supply, creating a shortage of 159,300 physicians.[2]

## QUALITY OF CARE

13% of all office visits, and 20% of all trips to the ER require a follow-up visit.[3]

INDEPENDENT STUDY BY RAND

RAND CORPORATION

1. Kaiser Family Foundation: 2014 Employer Health Benefits Survey
2. AMA Physician Mastefile (January 2007); AAMC CWS GME Analysis March 2009
3. Independent study by Rand of 300,000 Teladoc participants analyzing 2 years of claims data, conducting a 30-day episode of care analysis.

# Teladoc is making it better!

## $717 SAVINGS PER CONSULT

At $40 per consult, Teladoc is a low-cost alternative for health care.

## 24/7/365 ACCESS TO A DOCTOR

34% of Teladoc consults occur on holidays and weekends.[3] • Teladoc consults have an 8 minute median call back time.*

## 91% CONSULT RESOLUTION

Only 6% of Teladoc consults result in a follow-up visit.[3]

* 2014 Teladoc reporting

# Feel better fast . . .

It's simple. Teladoc provides access to U.S. board-certified physicians who can resolve most non-emergent medical issues via phone or online video.

**Talk to a doctor 24/7/365, anywhere**

8 MINUTE
MEDIAN CALL BACK TIME

## HOW IT WORKS

### STEP 1: CONTACT TELADOC 24/7/365

Access to Teladoc's nationwide network of board certified physicians is available via phone, video or mobile app.

### STEP 2: TALK WITH A PHYSICIAN

A physician will review the patient's medical history and contact them within minutes.

### STEP 3: RESOLVE THE ISSUE

A physician will diagnose and prescribe medication, if medically necessary, electronically to the pharmacy of choice.

### TELADOC PHYSICIANS ARE

U.S. board-certified in internal medicine, family practice, emergency medicine or pediatrics • State-licensed • U.S. residents who average 15 years of experience.

# . . . when you need care!

Teladoc is a convenient alternative to urgent care or ER visits. U.S. board-certified physicians are available anytime, anywhere, and can resolve many non emergent medical issues.

## DIAGNOSE, TREAT & PRESCRIBE

Teladoc physicians can prescribe medication, when medically necessary for a wide range of conditions.*

## SOME CONDITIONS WE TREAT INCLUDE

### GENERAL HEALTH

Talk to a doctor within minutes.

- Cold & Flu systems
- Bronchitis
- Allergies
- Pink eye
- Urinary tract infection
- Respiratory infection
- Sinus problems
- Ear infection

**And more!**

### DERMATOLOGY

A specialist at your fingertips.

- Skin Infection
- Acne
- Skin rash
- Abrasions
- Moles/Warts

**And more!**

### BEHAVIORAL HEALTH

Counselling on your terms

- Stress/Anxiety
- Depression
- Addiction
- Domestic Abuse
- Grief Counselling

**And more!**

* Teladoc physicians do not prescribe substances controlled by the DEA, non-therapeutic, and/or certain other drugs which may be harmful because of potential for abuse.

# . . . with proven results . . .

With Teladoc, it costs less to feel better. Teladoc significantly lowers costs and improves access to care by providing an alternative to urgent care or ER usage.

**Delivering a member experience that delights**

95% SATISFACTION

91% RESOLUTION

## INDEPENDENT STUDY BY VERACITY ANALYTICS

Dr. Niteesh Choudhry of Harvard Medical School concludes:

*"Teladoc resolves patient issues faster with increased savings, by redirecting care from ER and office visits."*

- Dr Niteesh Choudhry

AVERAGE COST PER EPISODE*

ER Visit $2,661

Office Visit $191

| $673 | + | $44 | = | **$717** |
|---|---|---|---|---|
| **Average claims savings per episode of care** | | **Average productivity savings** | | **Total savings per consult** |

*Episode of care: Includes initial encounter and any subsequent utilization of follow up office visits, hospitalization, or ER utilization, resulting from initial encounter within a 30 day window for same and related diagnoses

Data is from research from Niteesh Choudhry of Harvard Medical School and Veracity Analytics, using Rent-A-Center claims data.

# . . . that's Teladoc!

Teledoc is the first, largest and fastest growing provider of telehealth medical consultations, serving millions of members nationwide.

**Driving utilization and generating ROI**

400%
PROVEN ROI

Want to achieve an ROI of 400%? Teladoc's proven formula for ROI is:

- ☑ EXECUTIVE SUPPORT
- ☑ TARGETED COMMUNICATIONS:
- ☑ DIGITAL OUTREACH
- ☑ $0 MEMBER CONTRIBUTION PLAN DESIGN

Put it to work for you!

$0
Low member contributions drives

20%
Increased member utilization

400%
Delivering ROI

2014
298,000
CONSULTS

500,000 estimated for 2015

2002
FOUNDED

1st & largest provider of telehealth medical consults in the U.S.

100%
CERTIFIED

U.S. board-certified physicians credentialed to NCQA standards

# Select a telehealth partner who can scale and drive long-term value.

**WHEN SELECTING A PARTNER LOOK FOR:**

- ☑ NCQA-credentialed clinical quality
- ☑ A scalable network that aligns incentives and ensures quality
- ☑ 3rd party-validated cost savings and ROI
- ☑ Integration with health plans and other industry players
- ☑ Effective resolution and member satisfaction
- ☑ True utilization and engagement, not just enrollment
- ☑ Multiple ways for member to interact (mobile, phone and video)

**YOU DESERVE BETTER. TELADOC.**

**Teladoc, Inc**
**P** 1-800-Teladoc (835-2362) **W** Teladoc.com

**Learn more!**
*Find out how you can save with Teladoc.*

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Action Item 2.b.3.
Employee Benefit Plans

High Deductible Health Plans

**ACTION**

**Council of Presidents - Risk Management Council** **Action Item: 2.b.3.**
**October 05, 2017**

***Employee Benefit Plans***

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Product Portfolio Enhancements – High Deductible Health Plans

---

Motion to approve the Product Portfolio Enhancements – High Deductible Health Plans as submitted.

Discussion:

AFC to provide voting results.

# HEALTH ACCOUNTS powered by HealthEquity

*Proposal to FCSRMC for HSA administrative services*

## THE POWERFUL & *easy* health account SOLUTION

HealthEquity®

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# A *simpler* approach to consumer-directed healthcare

HealthEquity delivers a fully-integrated approach to consumer-directed healthcare that combines our industry-leading healthcare account solutions with your preferred health plan. This approach ensures easy enrollment, less paperwork and a hassle-free claims process.

An integrated experience means simplified account management; online tools, resources and education; and the dedicated service and support that sets HealthEquity apart. For your employees, it means healthcare accounts they can easily understand and use, with member services support available every hour of every day.

## Presented to:

**FCSRMC**

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**Gary West**
Regional Sales Director
P: 610.568.5244
gwest@healthequity.com

*HealthEquity, Inc., does not provide legal, tax, financial or medical advice. Nothing in this communication is intended as legal, tax, financial or medical advice. Always consult a professional when making life changing decisions.*

*Investments are subject to risk, including the possible loss of the principal invested and are not FDIC Insured or guaranteed by HealthEquity. Before making any investments, review the fund's prospectus. HealthEquity Advisors, LLC is a separate, wholly-owned subsidiary of HealthEquity, Inc.*

HealthEquity®

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RFP_Cover_Integrated_Mar_2017

HealthEquity

August 1, 2017

FCSRMC,

HealthEquity was founded in 2002 and has 15 years of experience providing consumer-directed health accounts tailored to fit your needs. We know you have a choice when selecting a partner for these services and appreciate your consideration.

### HealthEquity offers a proven solution

- **Best-in-class solution:** Our industry-leading health savings account (HSA) solution enables your benefits program to thrive.
- **100% focus on your success:** Our proven services help deliver an attractive benefit that drives savings.
- **Helping our members win:** Our team of highly-trained member services specialists is available every hour of every day to help our members understand their HSA and how to best use it in today's complex healthcare environment.

HealthEquity is the largest non-bank custodian with $5 billion is custodial assets. We provide account-based health plan services to 2.7 million members; this includes accounts in HSAs, flexible spending accounts (FSAs), health reimbursement arrangements (HRAs) and medical savings accounts (MSAs). In addition, we are one of the top healthcare account administrators in the country serving more than 34,000 employers and 87 health plans nationwide.

Well-designed consumer-directed healthcare (CDH) plans motivate employees to adopt healthy habits and embrace cost-effective healthcare practices without compromising on the quality of treatment. We are committed to supporting FCSRMC's goals to enhance your benefits offering and improve employee engagement. One way we do this is by helping employees effectively navigate their healthcare accounts through helpful support tools and resources, such as an online portal, mobile app, and by phone with our member services team.

Enclosed is HealthEquity's proposal for FCSRMC's HSA administrative services. We are proposing an end-to-end solution—from initial setup, to employee enrollment and education; ongoing administration of claims and reimbursements; reporting and auditing; and helpful tools that assist with driving HSA adoption. In addition, we will give you the visibility, accountability and control you are looking for in a healthcare account solution.

Thank you for your consideration. We look forward to working with you.

Sincerely,

Gary West
Regional Sales Director
610.568.5244
gwest@healthequity.com


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HealthEquity

# Proposal to FCSRMC for HSA administrative services

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# Executive summary

You want an HSA administrator with depth of experience and leading-edge services: HealthEquity has been providing health care accounts since January 2003 (with MSAs), and HSA administration since they were first made available by law, in 2004. We've been providing FSA and HRA administration since January 2007. We offer integrated account services, to streamline the process and combine accounts for the benefit of both members and employers.

HealthEquity provides all the services for the account holder (listed below), but the funds will be deposited in an FDIC-insured financial institution. The following services are provided as part of HealthEquity's HSA administration services:

- FDIC insured account for each account holder - up to FDIC dollar limits
- Recordkeeping for claims, payments and contributions
- Regular online statements
- Tax documentation
- HSA debit cards (Visa®)
- U.S.-based, live member support and education, every hour of every day
- Integrated HealthEquity PayChoice™ automatic bill pay and self-reimbursement platform
- Integrated investment options – Index Investor HSA™ (17 Vanguard funds covering 10 asset classes)
- Online contribution management for employer and employees
- Convenient services, including HealthEquity mobile app (for iPhone and android devices) and documentation library

## About HealthEquity

We are the oldest and largest dedicated health savings custodian/administrator in the country and are recognized as the fastest growing of the top 10 HSA custodians. As a non-bank administrator licensed by the U.S. Department of Treasury, HealthEquity is a custodian for approximately $5 billion in assets, which are FDIC-insured at the individual member level. Our integrated health-care accounts approach delivers a superior experience by providing employees with access to their claims through a single member portal, regardless of their health insurance provider, disease management or pharmacy benefit manager. This integrated approach allows our members to have a single view into their health savings, health spend and reimbursement, and our member website has been ranked #1 in the industry.

From the beginning, HealthEquity has emphasized providing an exceptional client and member experience. We believe that a responsible healthcare account administrator has to be more than a bank. HealthEquity is a combination of business partner, consultant, educator, and coach.

Why? You are implementing a health care account strategy to accomplish some specific objectives for your company and your employees. With our extensive experience in health care financial services, we know what it takes to achieve those objectives. We know how to measure your current situation and help you set metrics with your own data so you can track progress and adjust your course throughout the year. We know what motivates employees to adopt your healthcare account strategy to the degree necessary to achieve the financial, operational, and employee satisfaction results you are looking for.


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As an IRS-approved non-bank custodian, HealthEquity offers the unique combination of health care and banking that employees have come to expect. We will help streamline FCSRMC's benefit offering through our administration of health account services, claims processing, and educational support.

We go beyond just having a finely tuned, specialized IT platform for the solution, a highly usable web portal, and a skilled staff to give you flawless administration. We also provide the human touch for members at all hours of the day and night, every day of the year.

## Our chief differentiators

HealthEquity offers health plans, employers and members:

- **Timely execution:** Complete data integration between HealthEquity and the health plan enables timely execution before, during, and after enrollment
- **Simple, elegant solutions:** Intuitive online administration tools designed specifically for consumer-driven health care
- **Powerful resources:** Dedicated support and education for partners through our sales support team, broker web portal, and other tailored tools
- **Convenience:** Employers and members benefit from proprietary web capabilities featuring online payments and real-time claims data
- **Account mentors:** Through our always-available member service center we provide a unique customer experience, delivered by a knowledgeable team that offers expert advice and insight to maximize savings
- **Compelling insight:** We understand health care consumers and speak effectively to their values and experiences. Our tailored communications provide a clear, positive message that engages employees and inspires greater adoption.

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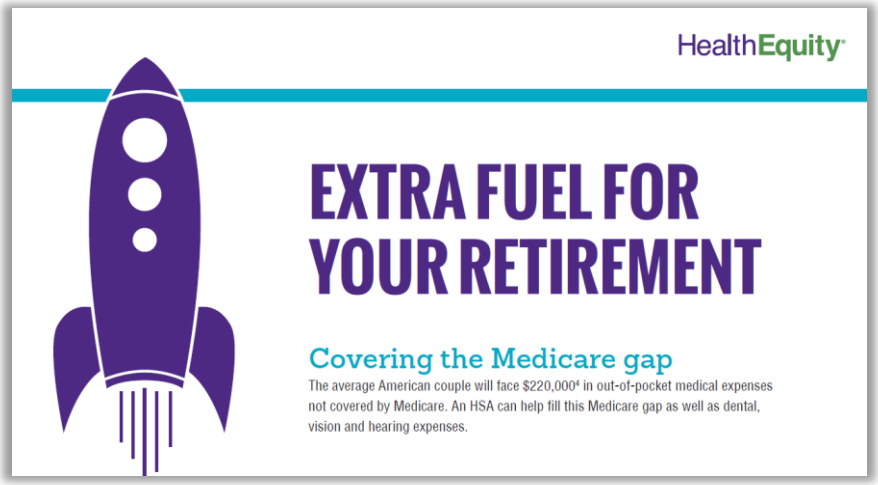
## What you can expect from HealthEquity as your CDHP partner

HealthEquity believes that helping employees and dependents become better educated consumers of healthcare will best support their personal health and financial fitness while at the same time better managing the year-to-year cost trend experienced by their employer.

Our key goals are to:

- Support the long-term reduction of your medical plan cost trend
- Ensure a convenient and profound consumer experience, and improve employee health through timely and convenient employee engagement
- Educate and assist your employees every hour of every day
- Provide all your employees and their dependents with convenient, online healthcare decision-support tools and provider payment options




## HSA administrative services

HealthEquity is approved as a non-bank administrator and custodian by the IRS. HealthEquity provides all the services for the account holder (*listed below*), but the funds will be deposited in an FDIC-insured financial institution first. The following services are provided as part of HealthEquity's HSA administrative services:

- FDIC insured account for each account holder - up to FDIC dollar limits
- Recordkeeping for claims and all payments and contributions
- Regular online statements
- Tax reporting
- HSA debit cards
- U.S.-based member support and education, every hour of every day
- Integrated HealthEquity PayChoice™ automatic bill pay and self-reimbursement platform
- Integrated investment options delivered through Advisor™
- Online contribution management for employer and employees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## Integrating medical & pharmacy claims data

Integrating the medical and pharmacy claim information from your participating health plan(s) and prescription drug managers (PBM) with pre-tax accounts and an online bill pay system creates the ability for members to create a lifetime record of all their medical expenses and how they were paid.

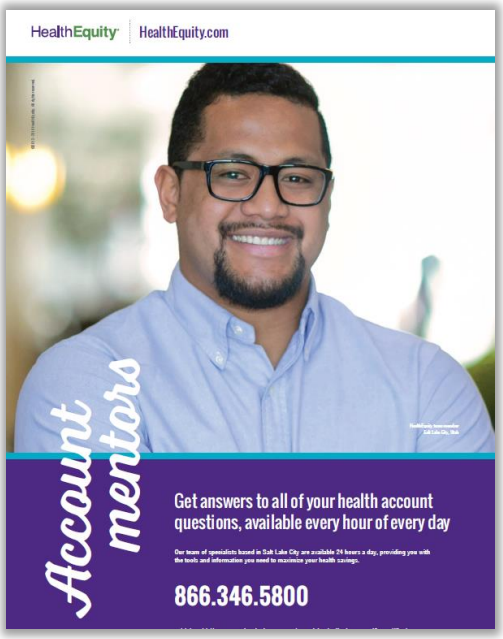
With HealthEquity, you can mix and match account types, wellness incentive programs, health plan designs, and health plan partners, then present them to your employees in a simple and consistent user interface with a single sign-on.

HealthEquity has a wide range of experience in accepting data files from many combinations of health plan partner claim systems. As long as the information can be “pushed” out, HealthEquity can receive it and integrate it. HealthEquity will provide a document that outlines the specific data needed in the claim file.

## HSA employer enrollment process

Enrolling your group is easy and fast. For employers with fewer than 2,000 accounts/eligible employees, it is a completely self-service process. You can get help with your enrollment by calling HealthEquity’s client services team at 866.382.3510 from 7am to 6pm Mountain Time, Monday through Friday.

Alternately, if your health plan is integrated with HealthEquity, we may be able to use an eligibility file from the health plan to help enroll employees interested in the HSA.




## HSA employee enrollment process

HealthEquity’s goal is to create an easy and convenient method for employees to sign up for their tax advantaged health account.

Our recommended approach is to include the necessary language in the open enrollment materials for a member to select an account and indicate how much they want to contribute each pay period.

This information is collected by you as the employer or your health plan and then sent to HealthEquity in an eligibility file that contains plan design information and a “flag” to identify the services that will be offered to the member.

You can also enroll employees through the employer portal, or you can create a login for your broker so that the broker can enroll the employees for you. You can:

- Enter each employee individually using an on-screen form; or
- Upload an Excel spreadsheet (a template is available within the employer portal).

If you have questions or need help, our client services team can guide you through the process (866.382-3510).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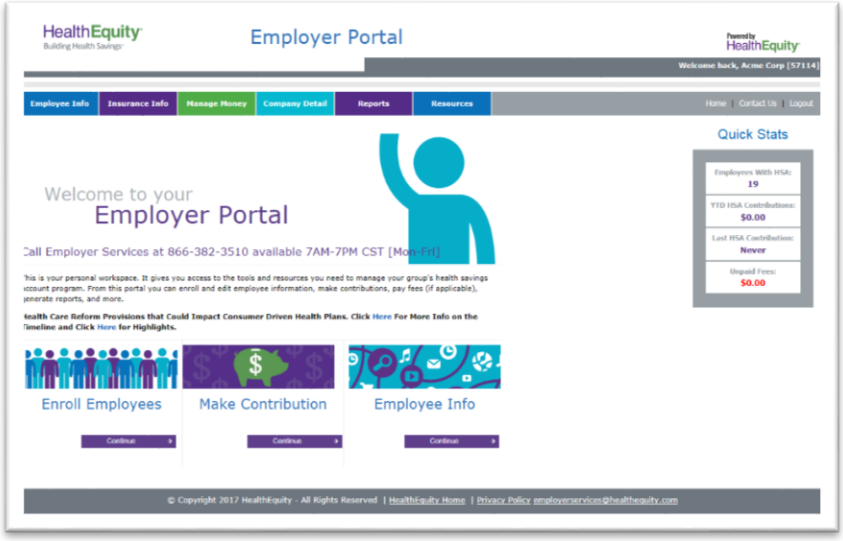
## Accessing the employer portal

HealthEquity's employer portal provides full visibility and control for viewing reports, paying invoices, managing account setup, and funding and banking arrangements. You can access the employer portal directly from HealthEquity's public website at www.healthequity.com.

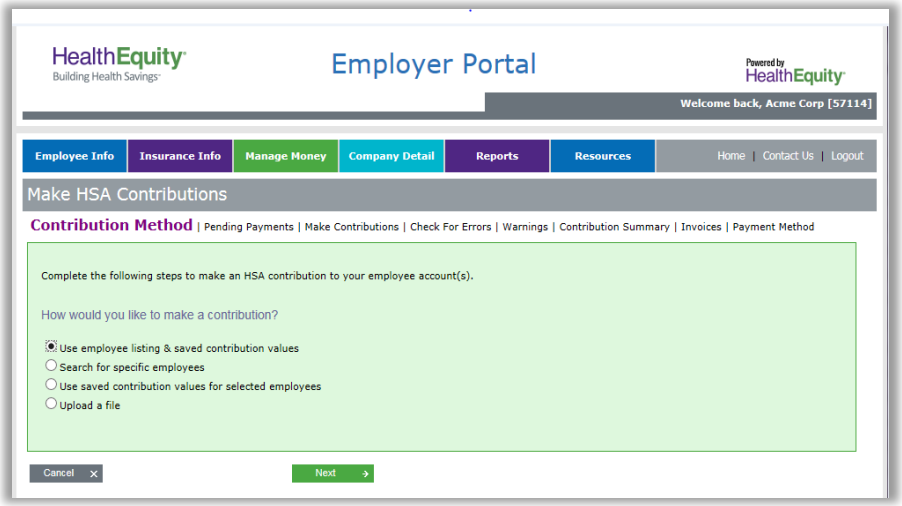
From the Partners tab, select Employers and then click on Login from the drop-down menu.

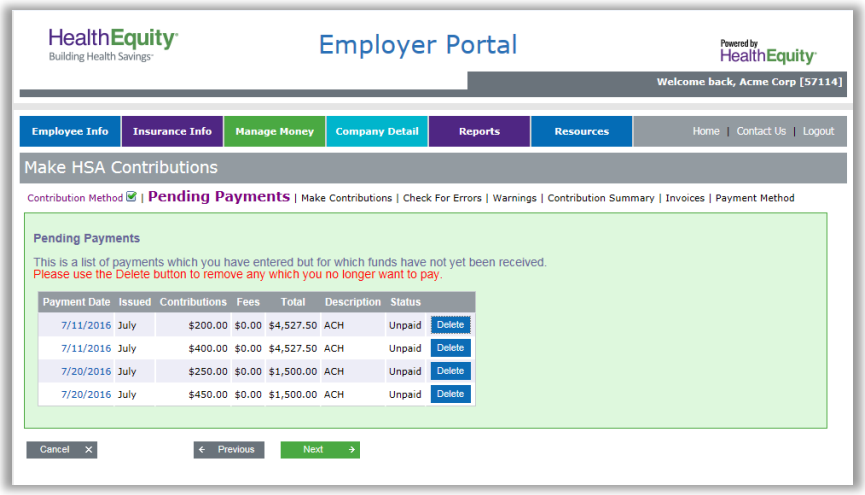



## HSA contribution process

Employer contributions and contributions from employee payroll deductions can be scheduled via debit ACH from the HealthEquity employer portal.

Contributions are allocated online, and then an ACH is scheduled from the business bank account for the date that the client requests.




Employees may also make individual contributions to their account via EFT from their HealthEquity member portal or with a check accompanied by an HSA contribution form.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# Employer services

## Support from client services

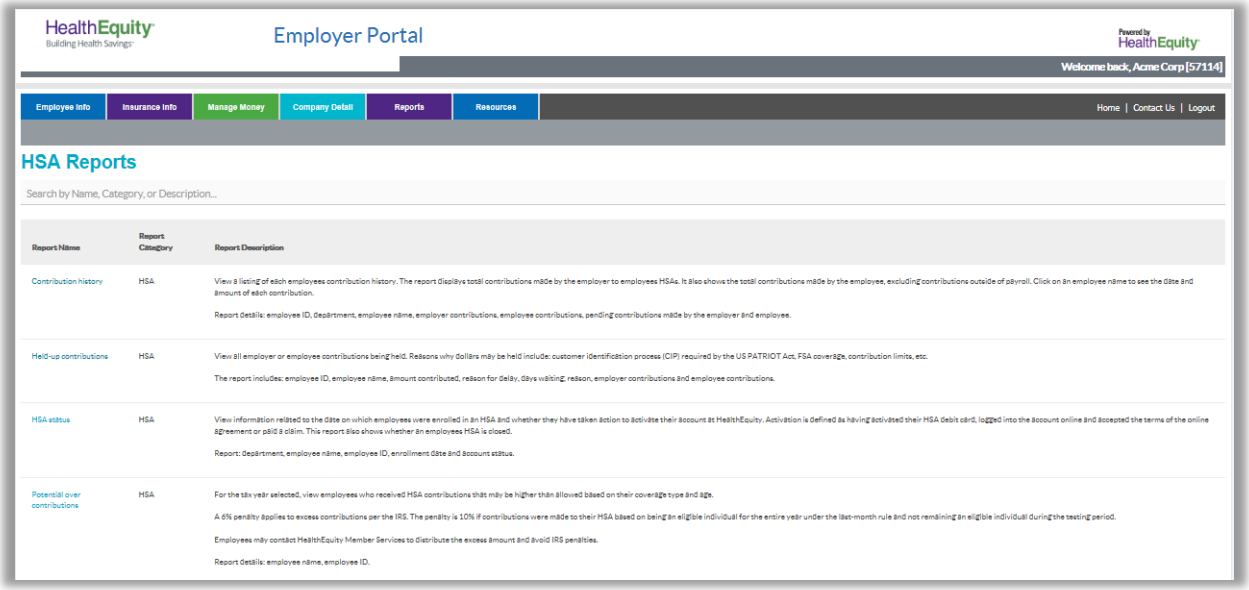
Your client services team is available to you from 7am to 6pm Mountain Time, Monday through Friday. They are available to help you set up and use all of HealthEquity's account management services, orient you to the employer portal, and answer any of your questions. Their toll free number is 866.382.3510.

## Employer orientation

Once your company's plan is set up and employees have been enrolled, HealthEquity will contact you to provide an orientation of tools and services. During this time, HealthEquity describes the next steps of plan administration.

## HealthEquity employer portal

You will be provided online access to the HealthEquity employer portal. From this portal, you will be able to run real-time reports and view real-time summary data of your plan(s) and participants. HealthEquity will provide portal training and documentation during employer orientation.




## Employer reports

You will be provided with all the information needed to assist you during your plan administration.

You can access on-demand reporting at any time. These reports will allow visibility for account balances, account status, card status, and payment batches. To comply with HIPAA requirements, these reports will suppress specific claim information.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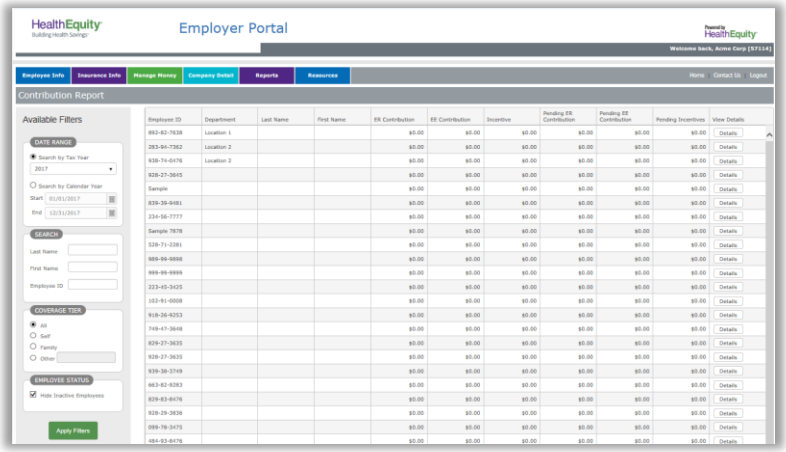
## HSA employer reports are available at any time on the employer portal.

Reports available through the employer portal include:

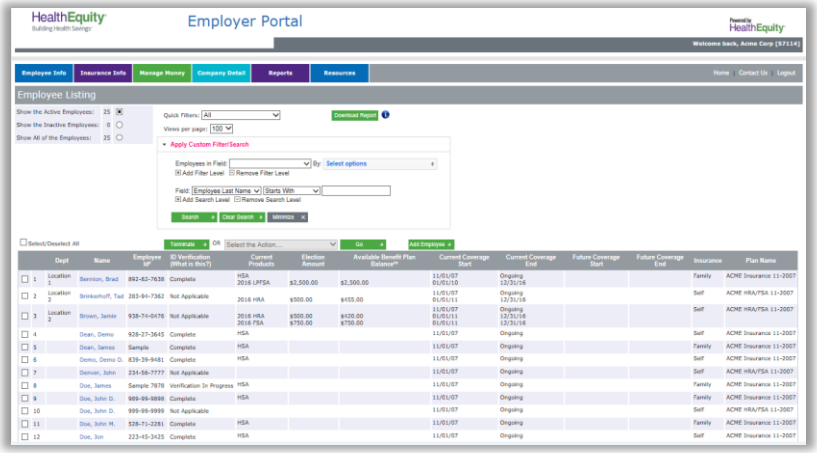
- Contributions based on calendar year
- Contributions based on tax year
- Employee account summary
- Account status reports
- Potential over contributions
- Past payments
- PPD account numbers (optional)




## Ongoing eligibility & coverage

HealthEquity will maintain plan records based on eligibility information submitted by you or your health plan as to the dates on which a plan participant's coverage commences and terminates.

We will also maintain records of plan coverage applicable to each plan participant based on information submitted by you or your health plan.




## Processing debit card transactions

Here is the process by which the provider is paid and the debit card balance is updated:

- HealthEquity receives a daily file from the processor indicating all card activity (authorizations, settlements, declines), and we respond with a new "starting balance" for the next 24-hour period.
- HealthEquity calculates that starting balance by reconciling card activity transactions with other transactions that occur in our system (scheduled payments, contributions).
- After recalculating the balance, we send that back to the card processor each day to be the maximum balance on the card.
- Between cycles, the card processor applies card swipes and settlements against that balance.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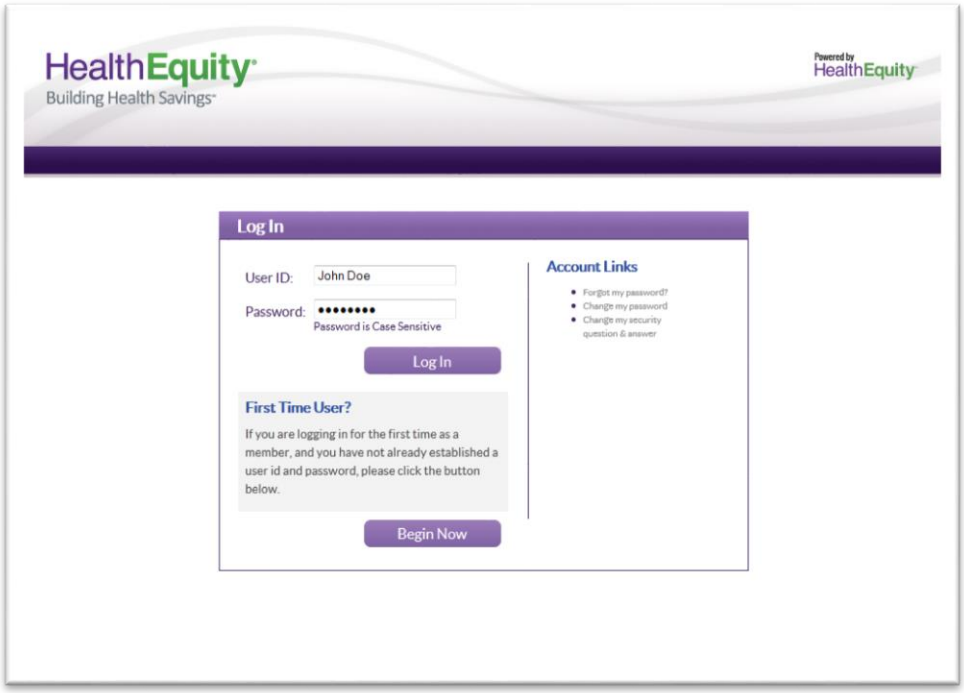
# Member services

## Employee welcome & HealthEquity member portal




Employees will receive a welcome letter and their debit cards once their enrollment is complete. The letter will provide them with plan information as well as the contact information they need to reach HealthEquity's member services team, every hour of every day.

The letter will also encourage the participant to log onto the HealthEquity member portal for real-time balance information and payment status.

## Live, toll-free, friendly assistance every hour of every day

HealthEquity believes that consumers of healthcare need access to someone to talk to any time of the day, any day of the year. We provide it through our 24/7 member services center.

HealthEquity specialists are trained to help employees and dependents navigate the complex healthcare system. They handle all types of calls including enrolling members, activating debit cards, educating members about available services, helping members understand health plan basic such as how co-pays, deductibles and co-insurance work, and providing ideas on how to cost-effectively manage conditions. These specialists can also help with:

- Answering questions concerning member's eligibility;
- Researching questions concerning claims for reimbursement;
- Responding appropriately to issues, concerns, etc.

They also facilitate "warm transfers" to the health plan to answer specific questions about claims, coverage, and other questions or complaints that are specific to the health plan.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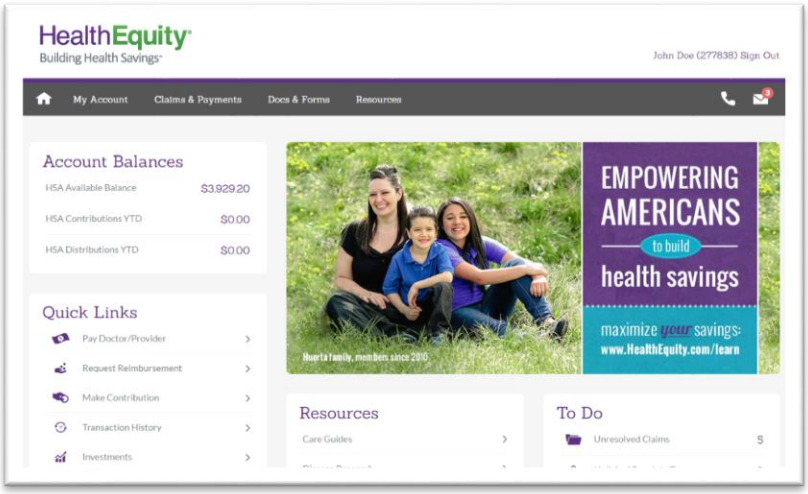
# Payments & reimbursements

PayChoice™ is HealthEquity's proprietary online payment platform that allows all account holders convenient access to pay healthcare bills from any of their tax-advantaged accounts, including HSAs, HRAs, and FSAs, and their personal bank account, if desired.

Integration with health plan eligibility and claims data greatly simplifies the management of healthcare expenses by giving the member immediate access to adjudicate claims that can be paid directly from the same "all accounts" HealthEquity website.




## HSA debit cards

HealthEquity provides up to three free Visa debit cards per health savings account. These can be co-branded with your company's logo.

Our debit card issuer is TSYS. We have been using their services since 2006.

## Using debit cards to pay for medical services & medications

HealthEquity does not recommend using the debit card to pay providers in full at the time of service. Instead, it is best to wait for the medical insurance carrier to adjudicate and discount the claim, and then issue the explanation of benefits. Then the member can initiate payment to the provider using the PayChoice™ feature on their HealthEquity member portal and avoid overpaying for services.

If the member has already used the debit card to pay the provider the "full retail" price, we explain the following to the member:

- They may receive a refund check from the provider for the overpayment and need to pursue that. If they need help with this, HealthEquity will set up a three-way phone conference between the member, their provider, and the HealthEquity member services agent who helps facilitate the conversation.
- The member needs to send the overpayment to HealthEquity for deposit back into the appropriate healthcare account.
- HealthEquity restores the overpayment to the member account it was originally drawn.

## Paying claims

HealthEquity has built one of the top member portals on the web. Change Sciences Group recently reported that HealthEquity's member portal is the best portal for paying claims, managing health financial information and for getting help with account-based health plans.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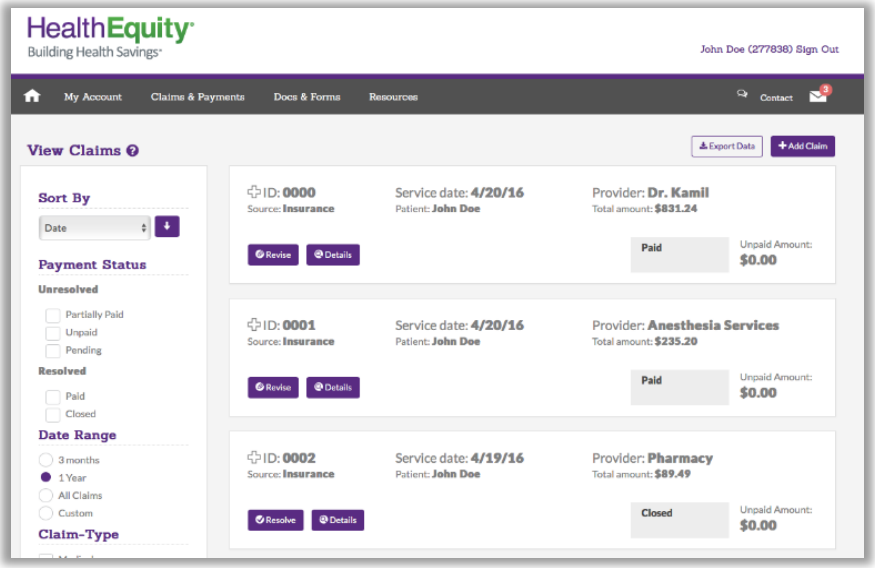
When a claim is received, the member is notified by email that a new claim has been sent to their member portal:



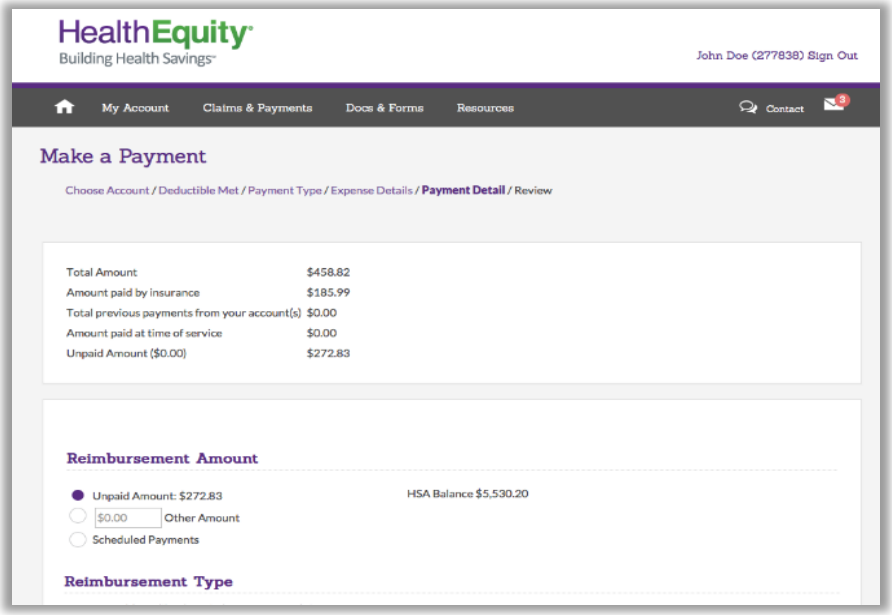

One key element of that member experience on the portal is HealthEquity's proprietary payment tool, the PayChoice™ platform.

Electronic claims are sent from your insurance carriers, and then are managed and paid by the member via the member mortal. The PayChoice™ platform allows the member to:

- View the claim details
- Understand which part of the claim is their responsibility
- Choose the method to pay the claim
- Schedule time payments to providers
- Track all current and past claims
- Track available balances in their various healthcare accounts; and
- Initiate self-reimbursement by check or EFT for out-of-pocket medical expenses

## Manually submitted claims

HealthEquity also accommodates claims sent by fax and U.S. mail. The claims must be accompanied by the appropriate claim form (available upon request from the toll-free member services hotline or online on the member portal) and correctly itemized receipts to substantiate the claim.





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### Tracking account transactions

Members have two ways to track their accounts:

- They can go to the HealthEquity member portal to view collective and individual details on all their accounts and to manage their contributions, reimbursements, and payments.
- They can call our toll-free member services hotline to talk with a live, U.S.-based specialist at any time of the day or night, seven days a week, 365 days a year. The specialist will be prepared to give them an update on any aspect of their accounts, current and past claims, and a wide variety of other topics to help them become more savvy healthcare consumers.
- Members can use the HealthEquity mobile app to track and manage accounts while on the go.

### Claiming reimbursements

Members will be able to initiate their own reimbursements online via the HealthEquity member portal.

HealthEquity will process and initiate electronic transfer of reimbursement funds to the bank accounts of plan participants within two business days following receipt of the claim. The EFT process at the bank will take from two to five business days. In most cases in our experience, the funds transfer is completed the same day it is initiated.

## Decision support tools

HealthEquity uses a variety of decision support tools to help members become more educated around their health care financial options. We also provide links out to our health plan partners, so that members can easily access health care information provided through their insurance plans as well.

### Member portal tutorials:

- Introduction to health savings accounts
- Member portal introduction
- My account overview
- My money overview
- How to make a contribution
- Pay a provider
- Investments overview

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# Compliance with privacy & data security

HealthEquity ensures compliance with privacy and data security laws, such as HIPAA, and maintains information that identifies a plan participant in a confidential manner. HealthEquity agrees to take all reasonable precautions to prevent disclosure or the use of claims information for a purpose unrelated to the administration of the plan.

All stored data is encrypted in the database. On a dynamic basis, data is replicated disk to disk from our primary facility (Bluffdale, UT) to our backup center (Austin, TX), daily and weekly backups are made at both data centers. Our hosting facilities employ 24/7 security guards, biometric access controls, redundant power and internet connectivity, and restrict physical access to the equipment, all pre-screened with security background checks. Hosting facilities have completed SOC 2 Type II certifications.

Member profiles are created primarily through the transmission and receipt of electronic eligibility files from health plan partners. Because HealthEquity promotes easy, integrated registration, our health plan partners generally facilitate joint enrollment into qualified high deductible health insurance plans and enrollment in healthcare accounts (HSA, FSA, and HRA) on the same form. The plan processes these enrollments, and sends the healthcare account enrollee information in electronic format to HealthEquity. All files are encrypted and transmitted via SFTP.

To facilitate a positive member experience, HealthEquity also supports a Single Sign-On (SSO) specification, allowing health plans and partners with their own authenticated web sites to link directly to HealthEquity's member portal without requiring a separate login step. The SSO specification uses AES encryption of a common identifier, usually the health plan member's ID.

# Conclusion

We at HealthEquity have a strong desire to partner with you and your health plan to make every aspect of your HSA and reimbursement account administration run smoothly, and in accordance with your expectations. We offer you and your employees:

- **Simplicity amidst complexity:** Reform drives significant benefit complexity – our plans make compliance straightforward and more efficient for your staff
- **More popular programs:** Our plans shield employees from added compliance costs and lower exposure to taxes and fees, making them increasingly 'in-demand' benefits among employees
- **Bottom line savings:** Our solution lowers your exposure to trend, 'Pay or Play' penalties and tax liabilities – we work closely with you to ensure that the plan is broadly and successfully adopted


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# Fee schedules

| Health Savings Account (HSA) | | |
|---|---|---|
| | **< 1,000 Accounts** | |
| **Account Activation and Setup** | FREE | |
| **HSA Monthly Administration PAPM** | $2.70 | |

| HSA Account Holder Fees<br>(Fees subject to change with appropriate advance notice) | | |
|---|---|---|
| **HealthEquity Visa Card** | Up to 3 FREE | Additional or replacement cards / $5 per card |
| **Electronic Statement** | FREE | |
| **Paper Statement (avoided with Electronic Statements)** | $1.00 | Monthly |
| **Card Transaction** | FREE | |
| **Payment to Provider** | FREE | |
| **Electronic Payment to Self** | FREE | |
| **Paper Check to Self** | $2.00 | Per transaction |
| **Investment Trades** | FREE | |
| **Investment Account*** | FREE | (A cash balance of at least $2000 must remain in the HSA. Any amount above that threshold can be invested.) |
| **Stop Payment Request** | $20.00 | Per request |
| **Overdraft or Non-Sufficient Funds** | $20.00 | Per transaction |
| **Return Deposit** | $20.00 | Per transaction |
| **Account Closing** | $25.00 | One-time |


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FCSRMC
FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## Product Mapping (HCR Compliant)
## Effective January 201y

| Product | HRA (HCR Compliant) | HSA (Single) | HSA (Family) |
|---|---|---|---|
| | BlueOptions HRA 03359 | BlueOptions HSA 05190 | BlueOptions HSA 05191 |
| **Cost Sharing - Member's Responsibility** | | | |
| **Deductible (DED) (Per Person/Family Aggregate)** | | | |
| In-Network | $1,500/$3,000 | $1,500/NA | $3,000/$3,000 |
| Out-of-Network | Combined with In-Network | $3,000/NA | $6,000/$6,000 |
| **Coinsurance (BCBSF pays / Member pays)** | | | |
| In-Network | 80% / 20% | 80% / 20% | 80% / 20% |
| Out-of-Network | 60% / 40% | 60% / 40% | 60% / 40% |
| **Out of Pocket Maximum (Per Person/Family Aggregate)** | | | |
| In-Network | $3,000/$9,000 | $4,500/NA | $6,850/$9,000 |
| Out-of-Network | Combined with In-Network | $9,000/NA | $18,000/$18,000 |
| **Medical / Surgical Care by a Physician** | | | |
| **Office Services** | | | |
| In-Network Family Physician | DED + 20% | DED + 20% | DED + 20% |
| In-Network Specialist | DED + 20% | DED + 20% | DED + 20% |
| Out-of-Network | DED + 40% | DED + 40% | DED + 40% |
| **Hospital location (Inpatient/Outpatient/ER)** | | | |
| In-Network | DED + 20% | DED + 20% | DED + 20% |
| Out-of-Network | Same as In-Network | Same as In-Network | Same as In-Network |
| **Medical / Surgical Care at a Facility** | | | |
| **Inpatient Hospital Facility (per admit)** | | | |
| In-Network Option 1 | DED + 20% | DED + 20% | DED + 20% |
| In-Network Option 2 | DED + 25% | DED + 25% | DED + 20% |
| Out-of-Network | DED + 40% | DED + 40% | DED + 40% |
| **Outpatient Hospital Facility (per visit)** | | | |
| In-Network Option 1 | DED + 20% | DED + 20% | DED + 20% |
| In-Network Option 2 | DED + 25% | DED + 25% | DED + 25% |
| Out-of-Network | DED + 40% | DED + 40% | DED + 40% |
| **Emergency Room Facility (per visit)** | | | |
| In-Network | DED + 20% | DED + 20% | DED + 20% |
| Out-of-Network | Same as In-Network | Same as In-Network | Same as In-Network |
| Wellness | no member cost share | no member cost share | no member cost share |
| Ambulance | DED + 20% | DED + 20% | DED + 20% |
| Gastric ByPass | covered 1 per lifetime | covered 1 per lifetime | covered 1 per lifetime |
| RX | $15/$45/$65/25%* Mail $30/$90/$130/25% | Retail/Mail Order 100% after DED | Retail/Mail Order 100% after DED |
| Women's Wellness (HCR) | Standard | Standard | Standard |
| Notes | *$250 Monthly Member Out of Pocket Maximum per specialty prescription applies | NA | NA |

Information Item 3.a.
Property/Casualty Program

FEMA, Funding, College Deductibles & More
…2018-19 Renewal Options

FCSRMC
FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## FEMA, Funding, College Deductibles & More…

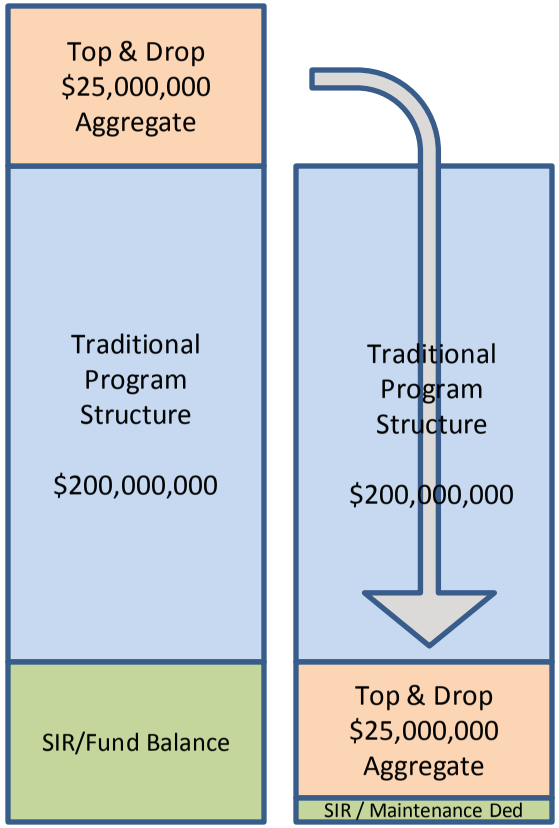
1. FCSRMC Program Improvements
    a. Budget
    b. Funding Policy
    c. College Property Deductible
    d. Siver Consulting Obtain and Maintains Project
    e. Future - Building Mitigation Project (handout)
        i. Improve site specifics
            1. Overall program stability
            2. Underwrite true risk to reduce uncertainty
        ii. Start with buildings that will have the most impact from mitigation and building factors reviewed.
            1. 140 buildings (5 from each College, 10 from MDC)

2. Future Uncertainties
    a. FEMA Reimbursement/Public Assistance (PA)
        i. State disaster deductibles are being considered and likely to be approved
        ii. Current Administration may make tighten assistance further
        iii. Obtain and Maintain Requirements/Subsequent Events
        iv. Federal Procurement Guidelines

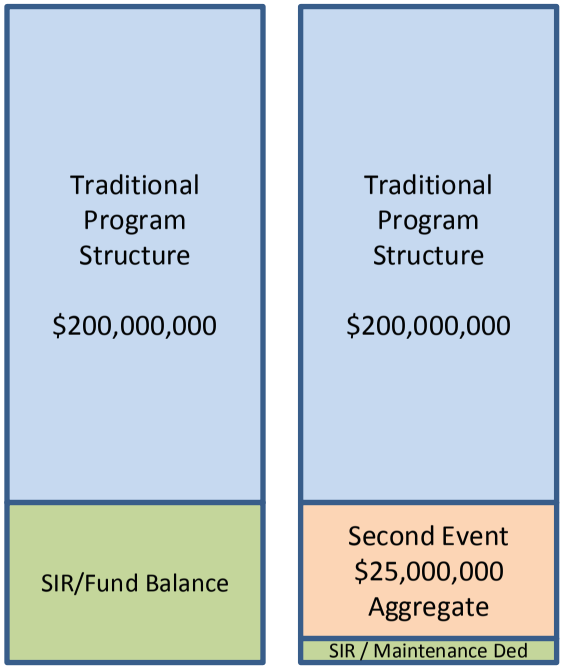
3. Future Risk Transfer Alternatives
    a. Hurricane Deductible/Maximum:
        i. Improve Hurricane Deductible Max – Currently $50M
            1. 2017 option to reduce cap from $50M to $25M for $525,000
        ii. 2% Hurricane Deductible – Currently 3%
            1. 2% all counties except 3% tri-county
        iii. Flat hurricane deductible (minimum likely $25M)
        iv. Revert to Named Storm vs Hurricane deductible (bargaining chip)
    b. “Top & Drop” Cover (new – see illustration)
        i. Aggregate excess layer above the current $200M providing $225M if needed; or
        ii. **Acts as Second Event Cover** where the top layer is not needed but the fund balance has been impacted
        iii. Various limits available and may be extended out up to 3 years
    c. Multi Year Second Event Cover (new – see illustration)
        i. Allows for insurance to be in place in the event a catastrophic loss (or a series of smaller losses) erodes fund balance
        ii. Once the trigger is satisfied the Second Event Cover replaces the fund balance subject to a smaller retention
        iii. Various limits available and may be extended out up to 3 years
    d. Multiyear Agreement with No Claim Bonus
    e. Hurricane Deductible buy down (purchased 2005-2010)
    f. Various Parametric Product Alternatives

# Florida College System Risk Management Consortium

## Fund Balance Protection Illustration




Top & Drop




Second Event

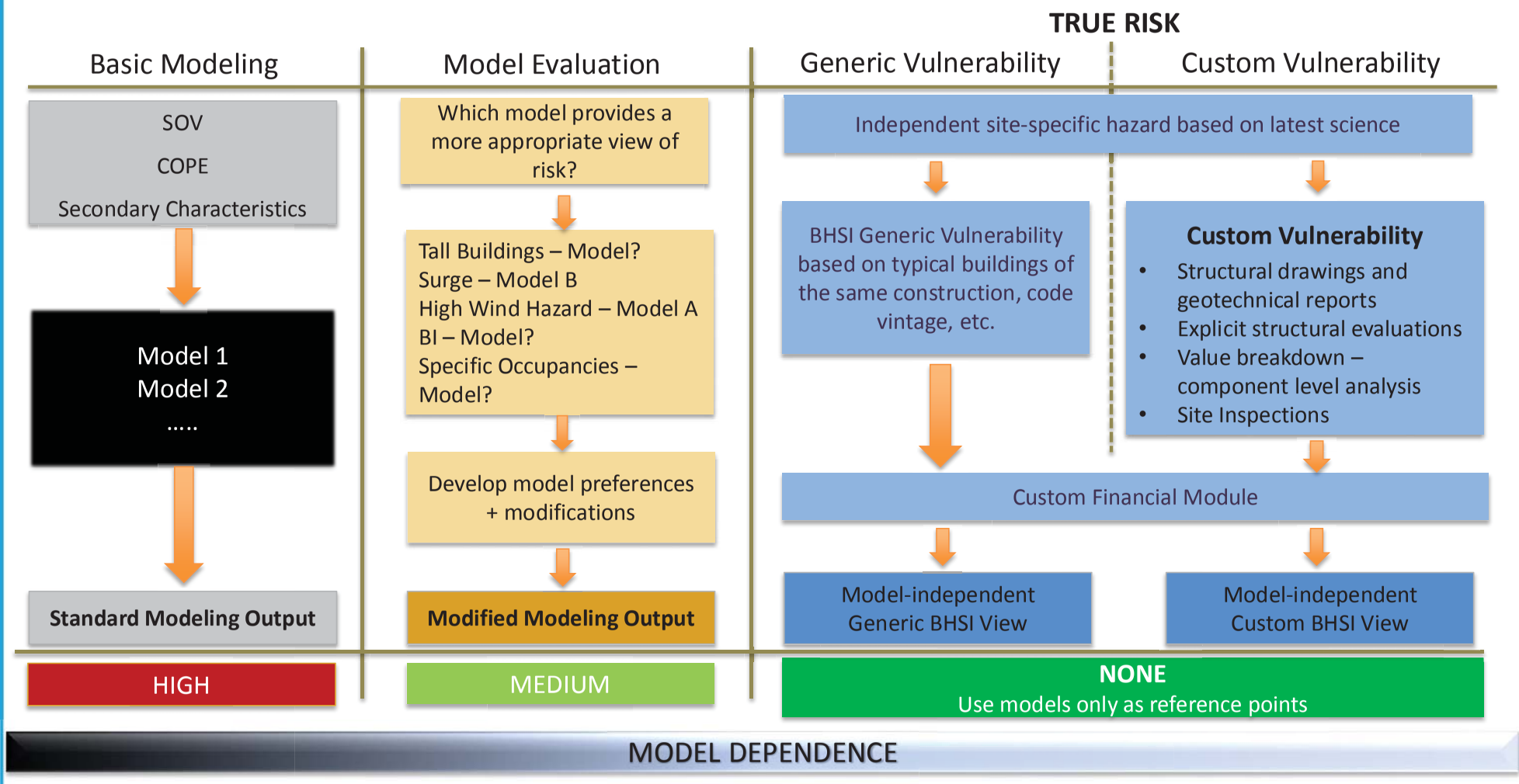
# Florida College System Study

July, 2017

Berkshire Hathaway
Specialty Insurance

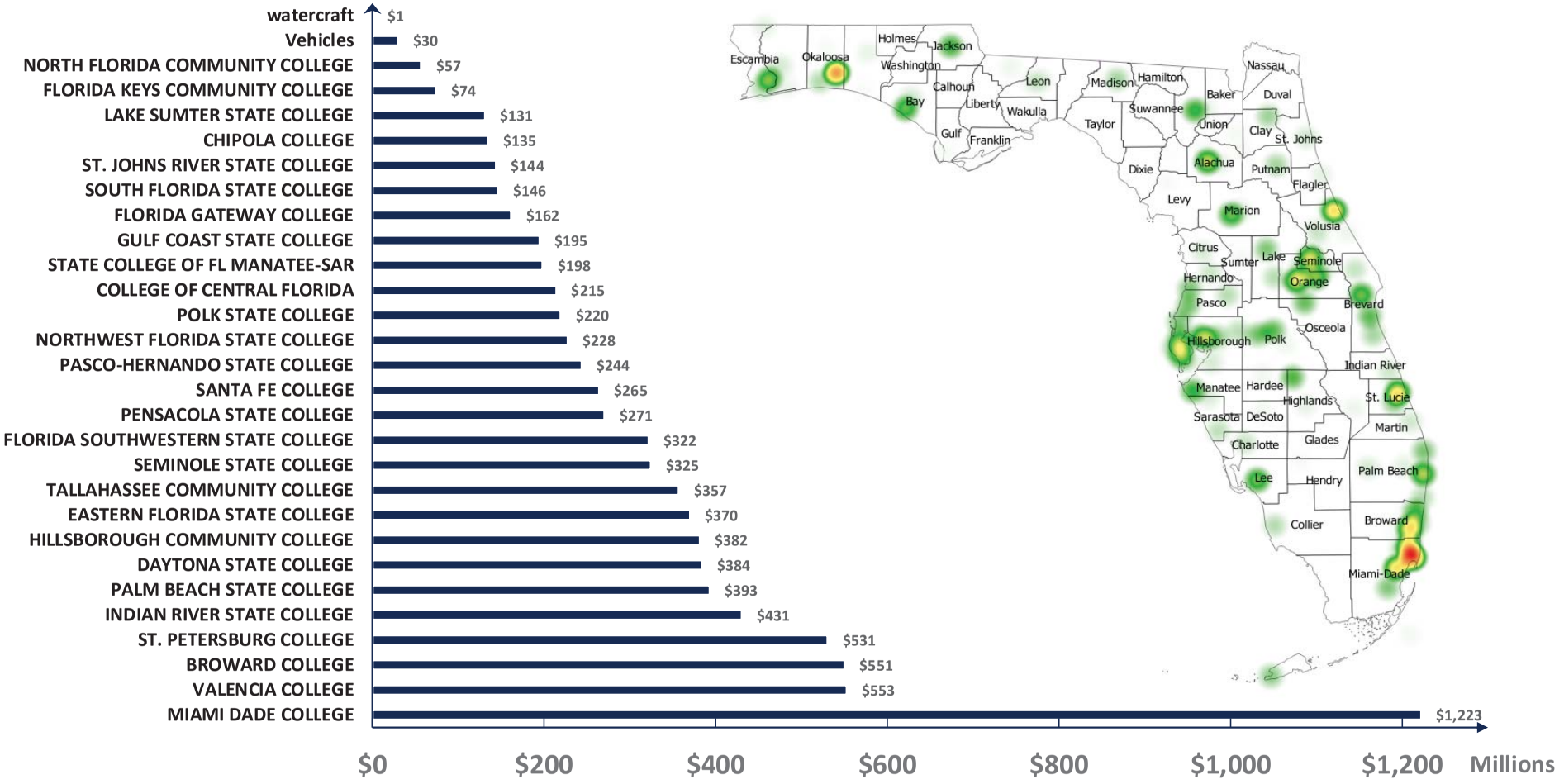
Berkshire Hathaway Specialty Insurance

# Path to "True Risk"



Berkshire Hathaway Specialty Insurance

# Total Insured Value by Campus





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Berkshire Hathaway Specialty Insurance

# What if the top loss drivers were retrofitted?

- Selected Top 5 loss drivers from each college (other than Miami-Dade)
- Picked Top 10 loss drivers from Miami-Dade College
- Applied custom damageability to reflect mitigation measures

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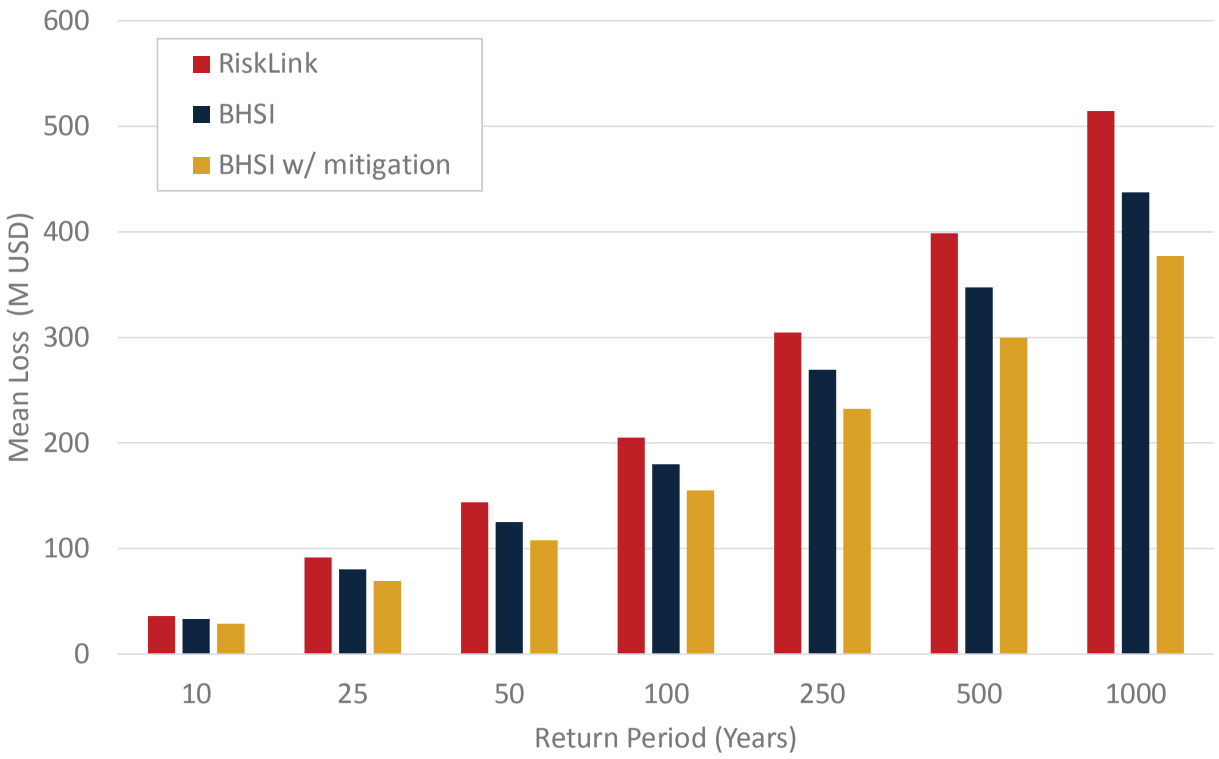
Berkshire Hathaway Specialty Insurance

# Overall Account Loss Comparison

| Layer | No Mitigation | With Mitigation |
|---|---|---|
| Ground Up AAL | 13,839,080 | 11,937,424 |
| 25MPo 25MXs 0 | 1.00 | 0.92 |
| 25MPo 25MXs 25M | 1.00 | 0.83 |
| 50MPo 50MXs 50M | 1.00 | 0.78 |
| 50MPo 50MXs 100M | 1.00 | 0.72 |





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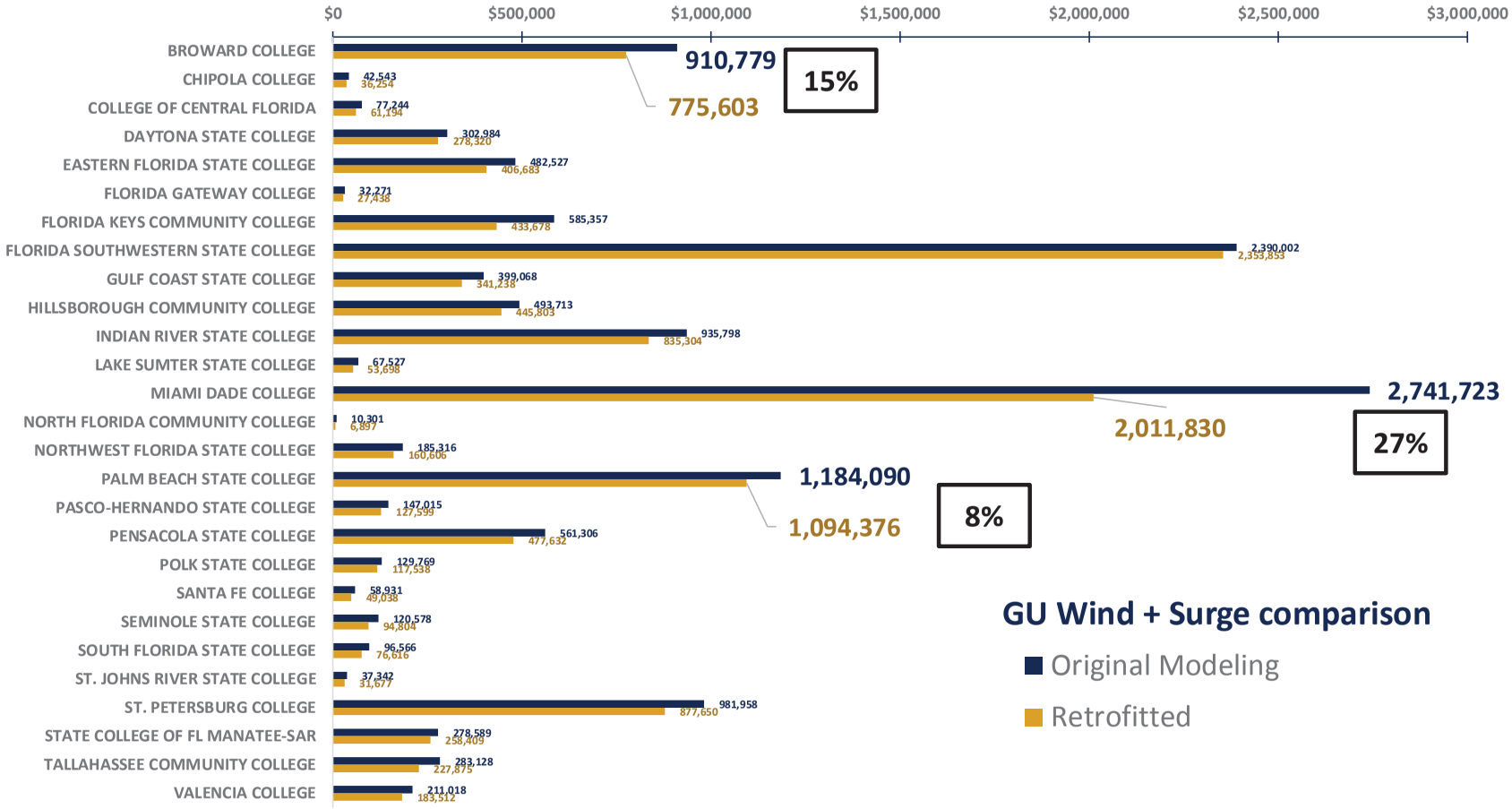
Berkshire Hathaway Specialty Insurance

# Impact of Mitigation on Loss Potentials by Campus





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# Information Item 4.a.
# Financial Statements – June 2017

# Employee Benefit Plans

# FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## EMPLOYEE BENEFIT PLANS

*REVENUES AND EXPENDITURES BUDGET REPORT*

*As of June 30, 2017*

| | | TOTAL ACTUAL, 6 MONTHS | | | | | TOTAL ESTIMATED 2017 | |
|---|---|---|---|---|---|---|---|---|
| | | CURRENT BUDGET | REALIZED | UNREALIZED | % UNREALIZED | | PROJECTED THRU 12/31/17 | % CURRENT BUDGET |
| **REVENUES** | | | | | | | | |
| 46620 | Life Assess EBP | 2,817,117.00 | 1,587,331.71 | 1,229,785.29 | 43.65% | | 3,174,000.00 | 112.67% |
| 46621 | Health Assess EBP | 117,402,299.00 | 58,202,423.20 | 59,199,875.80 | 50.42% | | 116,500,000.00 | 99.23% |
| | ***Members Assessments*** | ***120,219,416.00*** | ***59,789,754.91*** | ***60,429,661.09*** | ***50.27%*** | | ***119,674,000.00*** | ***99.55%*** |
| 46624 | Recoveries- Pharmacy Rebates/ERRP | 1,700,000.00 | 2,218,555.68 | (518,555.68) | -30.50% | | 2,900,000.00 | 170.59% |
| | ***Recoveries*** | ***1,700,000.00*** | ***2,218,555.68*** | ***(518,555.68)*** | ***-30.50%*** | | ***2,900,000.00*** | ***170.59%*** |
| 48130 | Int on Invest-Long Term | 180,000.00 | 99,107.07 | 80,892.93 | 44.94% | | 180,000.00 | 100.00% |
| 48150 | Int on Invest-SBA | 6,800.00 | 2,533.02 | 4,266.98 | 62.75% | | 5,000.00 | 73.53% |
| 48170 | Int on Invest-SPIA | 370,000.00 | 201,573.78 | 168,426.22 | 45.52% | | 370,000.00 | 100.00% |
| 48200 | Gain-Loss on Investments | - | (13,123.83) | 13,123.83 | 100.00% | | - | 0.00% |
| 48210 | Unreal (Gain)/Loss | - | (164,123.80) | 164,123.80 | 100.00% | | - | 0.00% |
| 63850 | Investment Costs | - | (23,678.76) | 23,678.76 | 100.00% | | - | 0.00% |
| | ***Interest & Investment Income, Net*** | ***556,800.00*** | ***102,287.48*** | ***430,833.76*** | ***77.38%*** | | ***555,000.00*** | ***99.68%*** |
| | **TOTAL REVENUES** | **$ 122,476,216.00** | **$ 62,110,598.07** | **$ 60,341,939.17** | **49.27%** | | **$123,129,000.00** | **100.53%** |
| **EXPENDITURES** | | | **EXPENDED** | **ENC'D** | **UNENC'D** | **% UNENC'D** | | |
| 63700 | Life & AD/D Premium | 2,817,117.00 | 1,587,333.57 | | 1,229,783.43 | 43.65% | 3,174,000.00 | 112.67% |
| 63751 | Blue Options Svc Fee | 4,963,032.00 | 2,450,209.03 | | 2,512,822.97 | 50.63% | 4,900,000.00 | 98.73% |
| 63752 | Blue MediCare PPO | 1,052,730.00 | 531,080.10 | | 521,649.90 | 49.55% | 1,062,000.00 | 100.88% |
| 63754 | Transitional Fee | | 48,884.00 | | (48,884.00) | 100.00% | 48,884.00 | 0.00% |
| 63756 | Blue Options S/L | 4,439,174.00 | 2,193,237.66 | | 2,245,936.34 | 50.59% | 4,386,000.00 | 98.80% |
| 63762 | Capital Health Plan | 5,107,403.00 | 2,594,559.69 | | 2,512,843.31 | 49.20% | 5,188,000.00 | 101.58% |
| 63763 | Horizon Health (EAP Services) | 103,299.00 | 51,552.45 | | 51,746.55 | 50.09% | 103,299.00 | 100.00% |
| 63764 | Florida Health Care Plan | 3,469,580.00 | 1,694,151.52 | | 1,775,428.48 | 51.17% | 3,390,000.00 | 97.71% |
| 63770 | FBMC Benefits Administration | 476,000.00 | 311,411.19 | 183,588.81 | (19,000.00) | -3.99% | 495,000.00 | 103.99% |
| 63771 | Plan C (Hospital, Dental, Vision) | 3,069,363.00 | 1,591,103.14 | | 1,478,259.86 | 48.16% | 3,183,000.00 | 103.70% |
| 63776 | Wellness Iniative Refund | 300,000.00 | 163,681.95 | | 136,318.05 | 45.44% | 327,364.00 | 109.12% |
| 63507 | PCORI Fee | | 14,095.82 | | (14,095.82) | 0.00% | 15,000.00 | 0.00% |
| 63880 46623 | Incurred Claims net of Stop Loss | 95,243,010.00 | 47,703,862.42 | | 47,539,147.58 | 49.91% | 95,243,010.00 | 100.00% |
| 63888 | I.B.N.R Liability Changes | 494,872.00 | - | | 494,872.00 | 0.00% | 494,872.00 | 0.00% |
| | ***Premiums, Claims & Fees*** | ***121,535,580.00*** | ***60,935,162.54*** | ***183,588.81*** | ***60,416,828.65*** | ***49.71%*** | ***122,010,429.00*** | ***100.39%*** |
| 50120 | Admin Cost EBP-Payroll | 494,528.00 | 261,841.28 | | 232,686.72 | 47.05% | 523,000.00 | 105.76% |
| 60120 | Admin Cost EBP-Current Expenses | 314,358.00 | 153,747.11 | | 160,610.89 | 51.09% | 314,358.00 | 100.00% |
| 62504 | Service Contracts/Agreements | - | 57,650.00 | 21,050.00 | (78,700.00) | 0.00% | 78,700.00 | 0.00% |
| 65001 | Consultant Fees | 100,000.00 | - | 87,070.00 | 12,930.00 | 12.93% | 100,000.00 | 100.00% |
| 65004 | Auditing Fees | 25,000.00 | 9,500.00 | - | 15,500.00 | 62.00% | 25,000.00 | 100.00% |
| 65702 | Software Administrative | - | - | 2,500.00 | (2,500.00) | 0.00% | 2,500.00 | 0.00% |
| 70120 | Admin Cost EBP-Capital | 6,750.00 | 8,159.80 | | (1,409.80) | -20.89% | 8,200.00 | 121.48% |
| | ***Administrative Expenses*** | ***940,636.00*** | ***490,898.19*** | ***110,620.00*** | ***$ 339,117.81*** | ***36.05%*** | ***1,051,758.00*** | ***111.81%*** |
| | **TOTAL EXPENDITURES** | **$ 122,476,216.00** | **$ 61,426,060.73** | **294,208.81** | **$ 60,755,946.46** | **49.61%** | **$ 123,062,187.00** | **100.48%** |
| **INCREASE (DECREASE) IN FUND BALANCE** | | **$ -** | **$ 684,537.34** | | | | **$ 66,813.00** | |

# Florida College System Risk Management Consortium
## Employee Benefit Plans
### Statement of Revenues, Expenses and Changes in Net Position
### For the Months Ending June 30, 2017 and 2016

| REVENUES | 2017 | 2016 |
|---|---|---|
| Premiums Earned - Member Assessments | $ 59,789,754.91 | $ 57,218,231.83 |
| Premiums Ceded to Reinsurers | | |
| Life and AD/D Premium | (1,587,333.57) | (1,403,815.61) |
| Plan Blue Choice/Options/HMO/HRA S/L Premium | (2,193,237.66) | (2,209,778.96) |
| Fully Insured Premium (CHP, CHIP, Medicare, EAP, FHCP) | (6,773,858.09) | (6,326,983.70) |
| Net Premiums Earned | 49,235,325.59 | 47,277,653.56 |
| Interest Earned on Investment-SBA | 2,533.02 | 0.91 |
| Interest Earned on Investment-SPIA | 201,573.78 | 216,123.93 |
| Interest Earned on Investment-Managed Account | 99,107.07 | 84,188.91 |
| Investment Costs | (23,678.76) | (19,227.29) |
| Investment Income | 279,535.11 | 281,086.46 |
| Realized Gain or (Loss) on Sale of Securities | (13,123.83) | 3,617.09 |
| Unrealized Gain or (Loss) on Investments (1) | (164,123.80) | 141,306.28 |
| Net Gain or (Loss) on Investments | (177,247.63) | 144,923.37 |
| **Total Revenue** | 49,337,613.07 | 47,703,663.39 |
| **EXPENSES** | | |
| Incurred Claims | 47,891,911.04 | 44,277,003.05 |
| Recoveries-Stop Loss Adjustments | (188,048.62) | (621,247.71) |
| Recoveries-Pharmacy Rebates/ERRP | (2,218,555.68) | (1,505,039.88) |
| Incurred Claims Net of Recoveries | 45,485,306.74 | 42,150,715.46 |
| Claims Servicing Fees | 2,676,870.80 | 2,645,000.18 |
| Administrative Costs | 490,898.19 | 458,925.96 |
| **Total Expenses** | 48,653,075.73 | 45,254,641.60 |
| **INCREASE (DECREASE) IN NET POSITION** | **684,537.34** | **2,449,021.79** |
| **NET POSITION, BEGINNING** | 24,113,026.33 | 20,526,098.69 |
| **NET POSITION, ENDING** | $ 24,797,563.67 | $ 22,975,120.48 |

(1) Includes SPIA fair value adjustment of $(191,765.52) for reporting purposes.

# Florida College System Risk Management Consortium
## Employee Benefit Plans
### Statement of Net Position
### June 30, 2017 and 2016

| ASSETS | 2017 | 2016 |
|---|---|---|
| Cash in Banks | $ 3,694,057.11 | $ 965,127.52 |
| Investment State Board of Admin. | 2,034.12 | 320.23 |
| Investment Special Purpose Investment Acct. (1) | 24,712,847.27 | 26,361,878.36 |
| Cash and Cash Equivalents | 28,408,938.50 | 27,327,326.11 |
| Investment Securites-Managed Account | 9,792,267.77 | 9,631,814.82 |
| Unrealized Holding Gain/(Loss) on Investments | (36,395.58) | 124,635.33 |
| Investments Available for Sale | 9,755,872.19 | 9,756,450.15 |
| Accrued Interest Receivable | 94,019.31 | 38,489.27 |
| Reinsurance & Other Receivables | 4,099,467.32 | 2,663,417.40 |
| Deposits Receivable (2) | 30,450.00 | 26,625.00 |
| Property and Equipment - Net of Depreciation | 15,914.04 | 25,896.95 |
| **TOTAL ASSETS** | $ 42,404,661.36 | $ 39,838,204.88 |
| **LIABILITIES** | | |
| Accounts Payable-Claims | $ 9,137,542.91 | $ 7,984,624.21 |
| Claims Incurred but not Reported | 5,394,000.00 | 6,196,003.00 |
| Liability for Losses Incurred | 14,531,542.91 | 14,180,627.21 |
| Deferred Revenue | 1,122,055.20 | 784,225.27 |
| Accounts Payable-Operations | 1,873,832.23 | 1,837,316.38 |
| Accrued Liability-Compensated Absences | 79,667.35 | 60,915.54 |
| **TOTAL LIABILITIES** | $ 17,607,097.69 | $ 16,863,084.40 |
| **TOTAL NET POSITION** | $ 24,797,563.67 | $ 22,975,120.48 |

(1) Includes SPIA fair value adjustment of $(191,765.52) for reporting purposes.

(2) Deposits receivable consists of funds held by Health Equity for prefunding of the HRA plan.

# Information Item 4.b.
# Financial Statements – June 2017

## Property/Casualty Program

# FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## PROPERTY AND CASUALTY PLAN

*REVENUES AND EXPENDITURES BUDGET REPORT*
*As of June 30, 2017*

| | | TOTAL ACTUAL, 4 MONTHS, 2017-2018 | | | | TOTAL ESTIMATED 2017-2018 | |
|---|---|---|---|---|---|---|---|
| **REVENUES** | | CURRENT BUDGET | REALIZED | UNREALIZED | % UNREALIZED | PROJECTED THRU 02/28/18 | % CURRENT BUDGET |
| 46610 | Annual Assessment | 25,860,102.00 | 8,620,034.72 | 17,240,067.28 | 66.67% | 25,860,102.00 | 100.00% |
| 46612 | Allied Health | 325,000.00 | 92,221.49 | 232,778.51 | 71.62% | 277,000.00 | 85.23% |
| 46614 | Inter-Collegiate | 1,900,000.00 | 677,108.32 | 1,222,891.68 | 64.36% | 2,031,325.00 | 106.91% |
| 46615 | Facilities Use | 10,000.00 | 2,708.38 | 7,291.62 | 72.92% | 10,000.00 | 100.00% |
| 46616 | Other SP Assessment | 500,000.00 | 78,036.24 | 421,963.76 | 84.39% | 500,000.00 | 100.00% |
| 46617 | Master Builder's Risk | - | 10,016.00 | (10,016.00) | - | 25,000.00 | - |
| 46618 | Educ/Tng Student | 360,000.00 | 103,693.05 | 256,306.95 | 71.20% | 312,000.00 | 86.67% |
| 46619 | WC SIR Assessment | 219,132.00 | - | 219,132.00 | 100.00% | 219,132.00 | 100.00% |
| | **Members Assessments** | **29,174,234.00** | **9,583,818.20** | **19,590,415.80** | **67.15%** | **29,234,559.00** | **100.21%** |
| 46624 | Recoveries | 200,000.00 | 82,198.36 | 117,801.64 | 58.90% | 200,000.00 | 100.00% |
| 46625 | Recoveries-Excess | 250,000.00 | 33,107.24 | 216,892.76 | 86.76% | 250,000.00 | 100.00% |
| | **Recoveries** | **450,000.00** | **115,305.60** | **334,694.40** | **74.38%** | **450,000.00** | **100.00%** |
| 48130 | Int on Invest-Long Term | 100,000.00 | 45,194.22 | 54,805.78 | 54.81% | 100,000.00 | 100.00% |
| 48140 | Bank Int Earned - ACE/Chubb | - | 2,263.18 | (2,263.18) | - | 5,000.00 | - |
| 48150 | Int on Invest-SBA | 10,000.00 | 1.16 | 9,998.84 | 99.99% | 500.00 | 5.00% |
| 48170 | Int on Invest-SPIA | 390,000.00 | 170,175.47 | 219,824.53 | 56.37% | 450,000.00 | 115.38% |
| 48200 | Realized (Gain)/Loss | - | (8,249.26) | 8,249.26 | - | (25,000.00) | - |
| 48210 | Unrealized (Gain)/Loss | - | (250,454.78) | 250,454.78 | - | - | - |
| 63850 | Investment Costs (Reporting Fees) | (55,000.00) | (15,546.67) | (39,453.33) | 71.73% | (55,000.00) | 100.00% |
| | **Interest and Investment Income, Net** | **445,000.00** | **(56,616.68)** | **501,616.68** | **112.72%** | **475,500.00** | **106.85%** |
| | **TOTAL REVENUES** | **$ 30,069,234.00** | **$ 9,642,507.12** | **$ 20,426,726.88** | **67.93%** | **$ 30,160,059.00** | **100.30%** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **EXPENDITURES** | | CURRENT BUDGET | EXPENDED | ENC'D | UNENC'D | % UNENC'D | PROJECTED THRU 02/29/16 | % CURRENT BUDGET |
| 63790 | Annual Ins Premium | 16,361,717.00 | 5,468,288.07 | | 10,893,428.93 | 66.58% | 16,404,000.00 | 100.26% |
| 63820 | WC-Carrier Audit | 25,000.00 | - | | 25,000.00 | 100.00% | 25,000.00 | 100.00% |
| 63830 | Special Assessment | 510,000.00 | 80,744.62 | | 429,255.38 | 84.17% | 510,000.00 | 100.00% |
| 63831 | Master Builder's Risk Assessment | - | 10,016.00 | | (10,016.00) | - | 25,000.00 | - |
| 63835 | Claims/Loss Svc Fees | 866,479.00 | 282,284.00 | 584,195.00 | - | 0.00% | 866,479.00 | 100.00% |
| 63880 | Incurred Claims (Clms Pd+IBNR Change) | 10,000,000.00 | 4,126,126.27 | | 5,873,873.73 | 58.74% | 12,000,000.00 | 120.00% |
| 63882 | Claims Boiler & Machinery | - | 22,028.11 | | (22,028.11) | - | 25,000.00 | - |
| 63887 | Cyber Risk Claims | - | - | | - | - | - | - |
| 63889 | WC SIR Expense | 219,132.00 | - | | 219,132.00 | 100.00% | 219,132.00 | 100.00% |
| | **Premiums & Claims Expenses** | **27,982,328.00** | **9,989,487.07** | **584,195.00** | **17,408,645.93** | **62.21%** | **30,074,611.00** | **107.48%** |
| 50110 | Salary P/C | 495,863.00 | 181,295.72 | | 314,567.28 | 63.44% | 545,000.00 | 109.91% |
| 60110 | Admin Cost P/C | 323,443.00 | 111,167.64 | | 212,275.36 | 65.63% | 300,000.00 | 92.75% |
| 62001 | Printing Services | 17,500.00 | - | | 17,500.00 | 100.00% | 17,500.00 | 100.00% |
| 63895 | Conf/Training/Seminars | 35,000.00 | - | 19,600.00 | 15,400.00 | 44.00% | 35,000.00 | 100.00% |
| 64501 | SREF Inspection | 132,050.00 | 75,300.00 | 56,750.00 | - | 0.00% | 132,050.00 | 100.00% |
| 65001 | Consulting Services | 30,000.00 | 13,356.25 | 16,643.75 | - | 0.00% | 30,000.00 | 100.00% |
| 65007 | Other Professional Fees (Actuary) | 45,500.00 | 58,720.18 | 6,201.49 | (19,421.67) | -42.68% | 65,000.00 | 142.86% |
| 65702 | Software Administrative (RMIS) | 83,300.00 | - | | 83,300.00 | 100.00% | 83,300.00 | 100.00% |
| 70110 | Capital Cost P/C | 29,250.00 | 8,159.81 | | 21,090.19 | 72.10% | 29,250.00 | 100.00% |
| | **Administrative Expenses** | **1,191,906.00** | **447,999.60** | **99,195.24** | **644,711.16** | **54.09%** | **1,237,100.00** | **103.79%** |
| | **TOTAL EXPENDITURES** | **$ 29,174,234.00** | **$ 10,437,486.67** | **$ 683,390.24** | **$ 18,053,357.09** | **61.88%** | **$ 31,311,711.00** | **107.33%** |
| **INCREASE (DECREASE) IN FUND BALANCE** | | **$ 895,000.00** | **$ (794,979.55)** | | | | **$ (1,151,652.00)** | |

# Florida College System Risk Management Consortium
## Property and Casualty Plan
### Statement of Revenues, Expenses and Changes in Net Position
### For the Months Ending June 30, 2017 and 2016

| | FY 2017-18 | FY 2016-17 |
|---|---|---|
| **REVENUES** | | |
| ALLIED HEALTH ASSESSMENT | $ 92,221.49 | $ 96,018.73 |
| ANNUAL ASSESSMENT | 8,620,034.72 | 7,326,256.72 |
| INTERCOLLEGIATE ASSESSMENT | 677,108.32 | 644,747.64 |
| EDUCATION / TRAINING | 103,693.05 | 112,226.92 |
| WC SIR ASSESSMENT | - | 52,881.22 |
| MASTER BUILDER'S RISK ASSESSMENT | 10,016.00 | - |
| OTHER SPECIAL ASSESSMENT | 80,744.62 | 97,820.99 |
| PREMIUMS EARNED - Members Assessments | 9,583,818.20 | 8,329,952.22 |
| ANNUAL ASSESSMENTS | (5,468,288.07) | (5,599,097.74) |
| WC - CARRIER AUDIT (PRIOR YEAR) | - | (1,447.00) |
| MASTER BUILDER'S RISK ASSESSMENT | (10,016.00) | - |
| SPECIAL ASSESSMENTS | (80,744.62) | (97,820.99) |
| PREMIUMS CEDED TO REINSURERS | (5,559,048.69) | (5,698,365.73) |
| NET PREMIUMS EARNED | 4,024,769.51 | 2,631,586.49 |
| INTEREST EARNED FROM BANK | 2,263.18 | - |
| INTEREST EARNED ON INVESTMENT - SBA | 1.16 | 487.04 |
| INTEREST EARNED ON INVESTMENT - SPIA | 170,175.47 | 191,550.98 |
| INTEREST EARNED ON INVESTMENTS - Managed Account | 45,194.22 | 37,556.34 |
| INVESTMENT COSTS | (15,546.67) | (15,114.26) |
| INTEREST INCOME | 202,087.36 | 214,480.10 |
| REALIZED GAIN OR (LOSS) ON SALE OF SECURITIES | (8,249.26) | 2,712.41 |
| UNREALIZED GAIN OR (LOSS) ON SALE OF SECURITIES (1) | (250,454.78) | 43,946.03 |
| NET GAINS (LOSSES) ON INVESTMENTS | (258,704.04) | 46,658.44 |
| **TOTAL REVENUES** | 3,968,152.83 | 2,892,725.03 |
| **EXPENSES** | | |
| INCURRED CLAIMS | 4,126,126.27 | 2,828,012.67 |
| INCURRED CLAIMS - Boiler & Machinery | 22,028.11 | - |
| WC SIR ASSESSMENT | - | 52,881.22 |
| RECOVERIES | (115,305.60) | (35,904.82) |
| INCURRED CLAIMS | 4,032,848.78 | 2,844,989.07 |
| CLAIM ADJUSTMENTS & SERVICING FEES | 282,284.00 | 341,824.00 |
| ADMINISTRATIVE EXPENSES | 447,999.60 | 366,557.88 |
| **TOTAL EXPENSES** | 4,763,132.38 | 3,553,370.95 |
| **INCREASE (DECREASE) IN NET POSITION** | **(794,979.55)** | **(660,645.92)** |
| **NET POSITION, BEGINNING** | 21,780,225.56 | 26,081,865.16 |
| **NET POSITION, ENDING** | $ 20,985,246.01 | $ 25,421,219.24 |

(1) Includes SPIA fair value adjustment of $(258,257.81) for reporting purposes.

# Florida College System Risk Management Consortium
## Property and Casualty Plan
### Statement of Net Position
### June 30, 2017 and 2016

| | FY 2017-18 | FY 2016-17 |
|---|---|---|
| **ASSETS** | | |
| CASH IN BANKS | $ 8,354,732.13 | $ 268,022.81 |
| INVESTMENT STATE BOARD OF ADMINISTRATION | 312.22 | 2,610.88 |
| INVESTMENT SPECIAL PURPOSE INVESTMENT ACCT. (1) | 33,281,717.80 | 35,875,289.75 |
| CASH INVESTMENTS - STATE INVESTMENT POOLS | 33,282,030.02 | 35,877,900.63 |
| INVESTMENT SECURITIES - Managed Account | 6,531,852.27 | 6,424,823.47 |
| UNREALIZED HOLDING GAIN OR (LOSS) ON SECURITIES | (27,403.86) | 80,010.49 |
| MANAGED INVESTMENTS AVAILABLE FOR SALE | 6,504,448.41 | 6,504,833.96 |
| ACCRUED INTEREST RECEIVABLE | 77,308.81 | 22,270.29 |
| A/R ANNUAL ASSESSMENT | 5,827,515.00 | 7,916,723.00 |
| A/R FACILITIES USE | - | 1,060.16 |
| A/R SELF INSURER ASSESSMENT | - | 21,848.39 |
| A/R OTHER SPECIAL ASSESSMENT | 36,753.00 | 19,166.80 |
| PREMIUMS RECEIVABLE & PREPAID CLAIMS | 5,864,268.00 | 7,958,798.35 |
| PREPAID INSURANCE - BUILDERS RISK | 126,829.00 | - |
| RESTRICTED DEPOSIT (2) | 3,506,473.56 | 3,807,344.26 |
| PROPERTY AND EQUIPMENT - NET DEPRECIATION | 13,714.36 | 20,323.45 |
| **TOTAL ASSETS** | $ 57,729,804.29 | $ 54,459,493.75 |
| **LIABILITIES** | | |
| CLAIMS INCURRED BUT NOT REPORTED OR PAID | $ 28,161,000.00 | $ 23,475,000.00 |
| ACCOUNTS PAYABLE - CLAIMS | 310,135.26 | 47,218.17 |
| LIABILITY FOR LOSSES INCURRED | 28,471,135.26 | 23,522,218.17 |
| UNEARNED FUNDING ASSESSMENT REVENUE | 17,507,301.68 | 14,917,823.04 |
| PREPAID INSURANCE PREMIUMS | (9,456,846.03) | (9,757,518.47) |
| UNEARNED FUNDING ASSESSMENTS - NET OF PREPAID INSURANCE PREMIUMS | 8,050,455.65 | 5,160,304.57 |
| ACCOUNTS PAYABLE - OPERATIONS | 141,224.45 | 294,110.75 |
| ACCRUED LIABILITY - COMPENSATED ABSENCES | 81,742.92 | 61,641.02 |
| **TOTAL LIABILITIES** | $ 36,744,558.28 | $ 29,038,274.51 |
| **NET POSITION** | | |
| UNDESIGNATED | 20,985,246.01 | 24,421,219.24 |
| DESIGNATED FOR LOSS CONTINGENCY | - | 1,000,000.00 |
| **TOTAL NET POSITION** | $ 20,985,246.01 | $ 25,421,219.24 |

(1) Includes SPIA fair value adjustment of $(258,257.81) for reporting purposes.

(2) Restricted Deposit includes $3,506,473.56 in collateral held by ACE/Chubb for workers compensation

# Information Item 4.c.
# Financial Statements – June 2017

# Investment Program

pfm

FCSRMC

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

# Investment Performance Review
# For the Quarter Ended June 30, 2017


Investment Advisors

PFM Asset Management LLC

Steven Alexander, CTP, CGFO, CPPT, Managing Director
Meredith LaBuda Sullivan, Portfolio Manager
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## Tab I

- Market Update

## Tab II

- Executive Summary
- 1-5 Year Investment Portfolio

## Tab III

- Asset Allocation Chart
- Quarterly Account Summary
- Compliance Report
- Important Disclosures

# Tab I





## SUMMARY

- Despite mixed economic data, and political and policy difficulties in the U.S., market conditions were characterized by investor optimism amid very low volatility. Bond yields were relatively well behaved during the quarter, credit spreads narrowed further, and equity markets moved higher still.
- For the second time this year, the Federal Open Market Committee (FOMC) raised the federal funds rate by 0.25%, setting a new target range of 1.00% to 1.25% for the overnight benchmark rate. The FOMC's latest economic forecasts and "dot plot" were largely unchanged. The Federal Reserve (the Fed) is still forecasting one more rate hike this year, although market-implied probabilities show only about a 50% chance of a hike in the second half of the year.
- Perhaps just as important, the Fed announced plans to gradually reduce the size of its balance sheet by decreasing its reinvestment of principal payments on existing holdings. The reduction will be $10 billion per month initially, and will increase in steps of $10 billion per month at three-month intervals, until it reaches $50 billion per month. The specific timetable is likely to be announced later this year.
- U.S. equity markets had another strong quarter. In the past three months, all three major U.S. indices hit new all-time highs. The S&P 500 Index (S&P 500) returned 3.1% and is up 9.3% for the first half of the year. The Health Care and Industrial sectors were the strongest performers during the quarter.

## ECONOMIC SNAPSHOT

- U.S. economic data released in June was below expectations. While business investment accelerated, it was partly offset by weak consumer spending and a slowdown in government spending and inventories. On the positive side, the labor market remained strong, consumer confidence remained high, business surveys were optimistic and the housing market returned to near pre-crisis levels. Second quarter gross domestic product (GDP) growth is expected to show a rebound from the weak 1.4% growth rate of the first quarter.
- The labor market remained strong in the second quarter as the U.S. economy added 581,000 net new jobs, the most since the third quarter of 2016. The unemployment rate declined to a 16-year low, ending the quarter at 4.4%, but the labor force participation rate remained suppressed. At the same time, wage growth remained tepid, as average hourly earnings rose only 2.5% year-over-year (YoY) in June. The lack of wage pressures — a key driver of inflation — seems to indicate further slack remains in the labor market despite strong job gains.

## INTEREST RATES

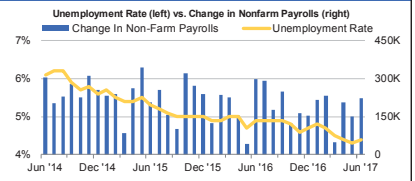
- Short-term (three years and under) yields ended the second quarter higher, reflecting the Fed's June rate hike, while medium- to long-term yields declined amid subdued inflation expectations and fading prospects for near-term stimulus from tax reform or infrastructure spending.
- The two-year Treasury note yield ended the quarter 13 basis points (bps) (0.13%) higher at 1.38%, while the 10-year Treasury yield fell 8 bps (0.08%) to 2.30%. The result was a notably flatter yield curve, which reduced the incentive to invest in longer maturities.
- In the money market space, shorter-term Treasury yields continued to rise, reflecting the Fed's June rate hike, but beyond 6-month maturities, yields flattened out. Yield spreads on commercial paper (CP) and certificates of deposit (CD) relative to U.S. Treasuries continued to narrow from their exceptionally wide levels of late 2016 and early 2017. CP/CD spreads now offer only modest incremental yield, similar to long-standing averages, and are considered fair value.

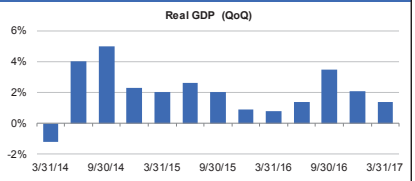
## SECTOR PERFORMANCE

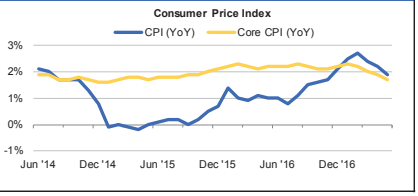
- U.S. Treasury indices posted positive returns in the second quarter. Returns for shorter indices were generated mostly by income, offset by modest price depreciation as yields on shorter maturities increased. Returns on longer Treasury indices were quite strong, benefitting from both income return and price appreciation from falling long-term rates and a flattening yield curve.
- Federal agency yield spreads ground tighter during the quarter as demand continued to outpace supply. The sector modestly outperformed comparable-duration Treasuries for the fourth quarter in a row.
- Corporate yield spreads tightened further during the quarter, reaching their narrowest levels since 2014 as the reach for yield continued globally. The sector generated strong outperformance relative to comparable-maturity Treasuries, its seventh straight quarter of outperformance.
- Shorter-duration mortgage-backed securities (MBS) outperformed Treasuries, but longer-duration structures could not keep pace. MBS remains at risk from the expected reduction in the Fed's balance sheet holdings later this year.
- For the second quarter in a row, asset-backed securities (ABS) posted strong outperformance versus Treasuries. Spreads across nearly all credit sectors tightened, including ABS.

## Economic Snapshot

| Labor Market | Latest | | Mar '17 | Jun '16 |
|---|---|---|---|---|
| Unemployment Rate | Jun'17 | 4.4% | 4.5% | 4.9% |
| Change In Non-Farm Payrolls | Jun'17 | 222,000 | 50,000 | 297,000 |
| Average Hourly Earnings (YoY) | Jun'17 | 2.5% | 2.6% | 2.6% |
| Personal Income (YoY) | May'17 | 3.5% | 3.9% | 3.4% |
| Initial Jobless Claims (week) | 7/1/17 | 248,000 | 235,000 | 267,000 |
| **Growth** | | | | |
| Real GDP (QoQ SAAR) | 2017Q1 | 1.4% | 1.4%[1] | 1.4%[2] |
| GDP Personal Consumption (QoQ SAAR) | 2017Q1 | 1.1% | 1.1%[1] | 4.3%[2] |
| Retail Sales (YoY) | May'17 | 3.8% | 4.8% | 3.0% |
| ISM Manufacturing Survey (month) | Jun'17 | 57.8 | 57.2 | 52.8 |
| Existing Home Sales SAAR (month) | May'17 | 5.62 mil. | 5.70 mil. | 5.48 mil. |
| **Inflation / Prices** | | | | |
| Personal Consumption Expenditures (YoY) | May'17 | 1.4% | 1.8% | 0.9% |
| Consumer Price Index (YoY) | May'17 | 1.9% | 2.4% | 1.0% |
| Consumer Price Index Core (YoY) | May'17 | 1.7% | 2.0% | 2.2% |
| Crude Oil Futures (WTI, per barrel) | Jun 30 | $46.04 | $50.60 | $48.33 |
| Gold Futures (oz.) | Jun 30 | $1,242 | $1,247 | $1,321 |



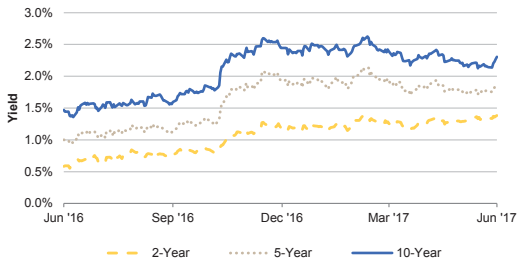

*1. Data as of First Quarter 2017.*
*2. Data as of Second Quarter 2016.*
*Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.*
*Source: Bloomberg.*



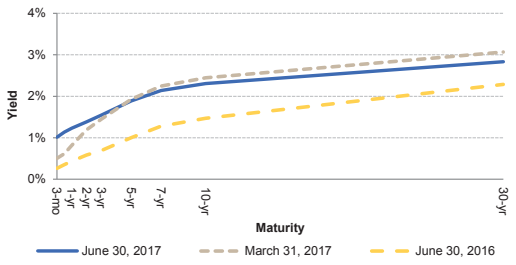


## Interest Rate Overview

### U.S. Treasury Note Yields



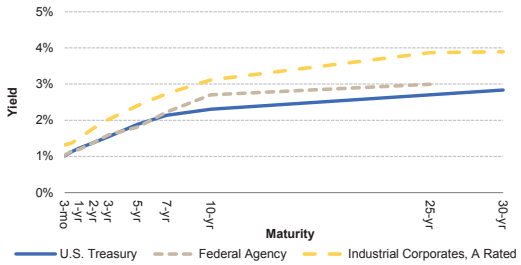

### U.S. Treasury Yield Curve




### U.S. Treasury Yields

| Maturity | Jun '17 | Mar '17 | Change over Quarter | Jun '16 | Change over Year |
|---|---|---|---|---|---|
| 3-month | 1.01% | 0.75% | 0.26% | 0.26% | 0.75% |
| 1-year | 1.23% | 1.02% | 0.21% | 0.44% | 0.79% |
| 2-year | 1.38% | 1.26% | 0.12% | 0.58% | 0.80% |
| 5-year | 1.89% | 1.92% | (0.03%) | 1.00% | 0.89% |
| 10-year | 2.31% | 2.39% | (0.08%) | 1.47% | 0.84% |
| 30-year | 2.84% | 3.01% | (0.17%) | 2.29% | 0.55% |

### Yield Curves as of 6/30/17




*Source: Bloomberg.*

## BofA Merrill Lynch Index Returns

| | As of 6/30/17 | | Returns for Periods ended 6/30/17 | | |
|---|---|---|---|---|---|
| **June 30, 2017** | **Duration** | **Yield** | **3-month** | **1-year** | **3-years** |
| **1-3 Year Indices** | | | | | |
| **U.S. Treasury** | 1.89 | 1.40% | 0.17% | (0.11%) | 0.69% |
| **Federal Agency** | 1.78 | 1.48% | 0.25% | 0.25% | 0.83% |
| **U.S. Corporates, A-AAA rated** | 1.95 | 1.95% | 0.55% | 1.04% | 1.43% |
| **Agency MBS (0 to 3 years)** | 2.25 | 1.88% | 0.60% | 0.35% | 1.15% |
| **Taxable Municipals** | 1.74 | 2.34% | 0.34% | 1.20% | 1.77% |
| **1-5 Year Indices** | | | | | |
| **U.S. Treasury** | 2.69 | 1.54% | 0.38% | (0.53%) | 1.08% |
| **Federal Agency** | 2.24 | 1.58% | 0.37% | 0.06% | 1.10% |
| **U.S. Corporates, A-AAA rated** | 2.80 | 2.16% | 0.84% | 0.99% | 1.91% |
| **Agency MBS (0 to 5 years)** | 3.33 | 2.32% | 0.66% | 0.04% | 1.65% |
| **Taxable Municipals** | 2.65 | 2.41% | 0.56% | 0.88% | 2.27% |
| **Master Indices (Maturities 1 Year or Greater)** | | | | | |
| **U.S. Treasury** | 6.36 | 1.91% | 1.22% | (2.45%) | 2.20% |
| **Federal Agency** | 3.99 | 1.87% | 0.88% | (0.35%) | 1.88% |
| **U.S. Corporates, A-AAA rated** | 7.16 | 2.91% | 2.21% | 0.98% | 3.49% |
| **Agency MBS (0 to 30 years)** | 4.69 | 2.76% | 0.90% | (0.03%) | 2.15% |
| **Taxable Municipals** | 4.18 | 2.86% | 0.94% | (0.16%) | 2.74% |

*Returns for periods greater than one year are annualized.*

*Source: BofA Merrill Lynch Indices.*





## DISCLOSURES

*PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.*

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# Tab II





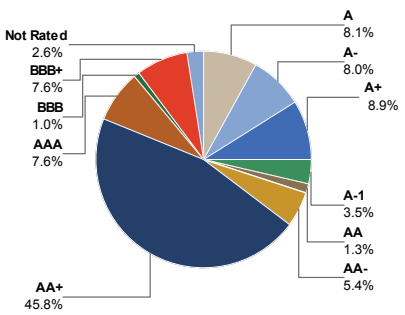
- The Consortium's Investment Portfolio is of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, Federal Agency/CMO, mortgage-backed securities, asset-backed securities, corporate note, and commercial paper securities.
- The Investment Portfolio's quarterly total return performance of 0.57% outperformed the benchmark's performance of 0.38% by 0.19%. Over the past year, the Portfolio earned 0.20%, versus -0.53% for the benchmark.
- Key drivers of market conditions in the 2nd quarter included:
  - An additional Federal Reserve (Fed) rate hike,
  - Mixed readings on key economic data in the U.S.,
  - Persistently subdued inflation readings,
  - Narrowing credit spreads, and
  - Stronger growth readings and higher yields in Europe and elsewhere.
- Short-term and long-term Treasury yields diverged during the second quarter as short-term (three years and under) yields moved higher, pricing in the Fed's June rate hike, while yields on longer-term maturities fell amid muted inflation and fading prospects for stimulative fiscal policy. As a result, the yield curve flattened, retracing all the steepening that took place following the U.S. presidential election.
- Our duration strategy is to remain largely in line with benchmark durations unless we have a strong conviction that rates are not appropriately reflecting market risks and expectations. Since market conditions were consistent with moderate growth and a Fed on track to gradually raise rates, we positioned portfolios to be "neutral" – that is with durations equal to benchmark durations – to start the second quarter. During May and June, however, we allowed durations to drift shorter as we believed that rates were not adequately pricing in the likelihood of a near-term Fed rate increase. When the Fed did raise rates in June, shorter-term portfolios benefited as yields adjusted to reflect a higher Fed funds rate.
- Our outlook for the third quarter is for continued modest growth in the U.S. economy. But, the future path of Fed tightening is less certain, as recent economic data has been disappointing, fiscal policy initiatives have stalled, and inflation remains below the Fed's 2% target.
- With rates priced for the current level of uncertainty, we are once again positioning portfolio durations to match that of benchmarks. We will continue to assess our duration positioning during the quarter as we gain more clarity surrounding Fed policy and trajectory of the U.S. and global economy.

### Portfolio Statistics

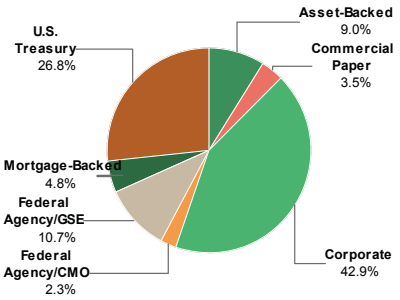
As of June 30, 2017

| | |
|---|---|
| Par Value: | $16,128,633 |
| Total Market Value: | $16,341,679 |
| *Security Market Value:* | $16,252,578 |
| *Accrued Interest:* | $81,433 |
| *Cash:* | $7,668 |
| Amortized Cost: | $16,258,474 |
| Yield at Market: | 1.86% |
| Yield at Cost: | 1.86% |
| Effective Duration: | 2.64 Years |
| Duration to Worst: | 3.08 Years |
| Average Maturity: | 4.16 Years |
| Average Credit: ** | AA |

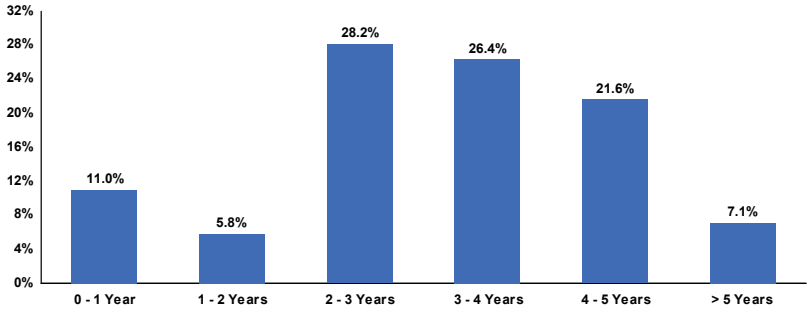
### Credit Quality (S&P Ratings)




### Sector Allocation




### Maturity Distribution



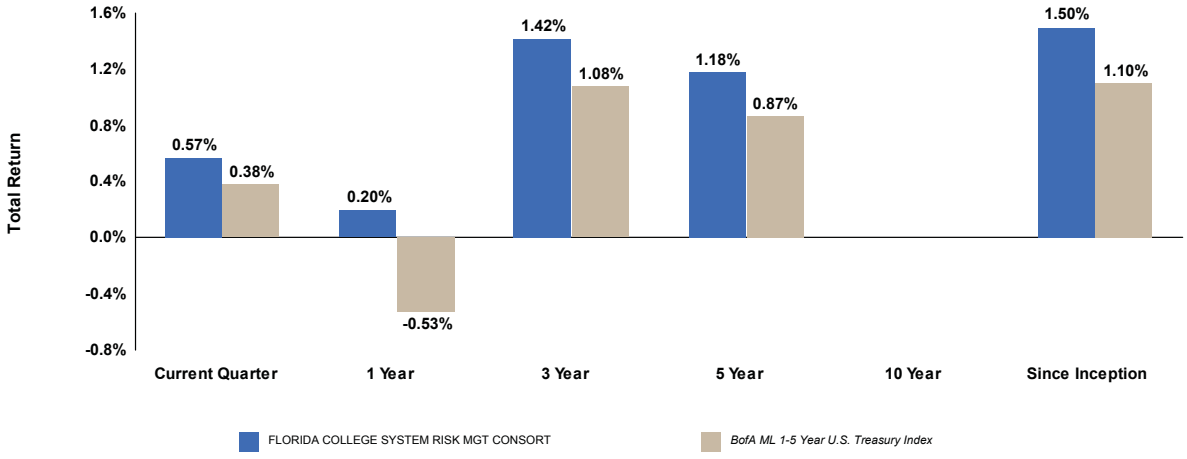

** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*





### Portfolio Performance (Total Return)

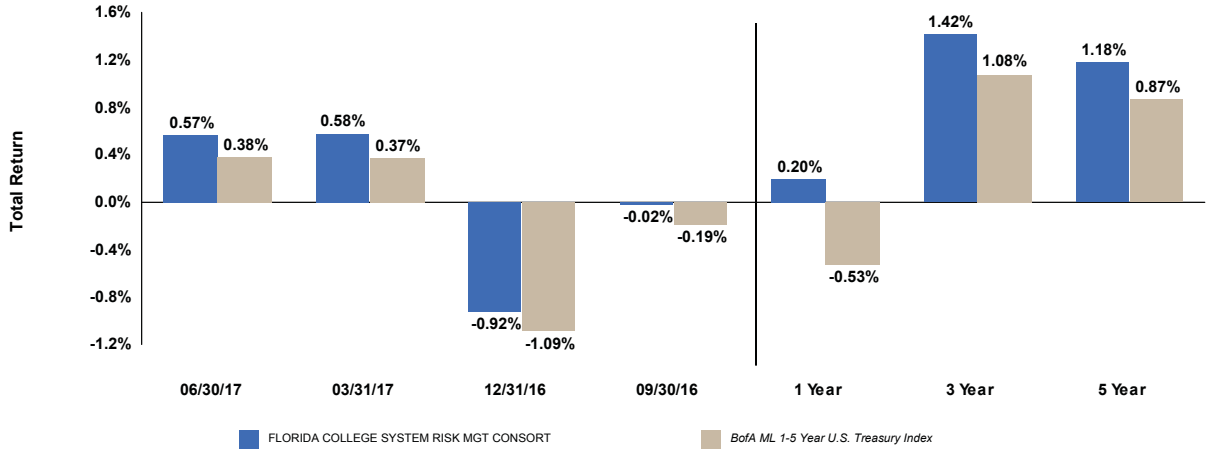
| Portfolio/Benchmark | Effective Duration | Current Quarter | 1 Year | Annualized Return 3 Year | 5 Year | 10 Year | Since Inception (09/30/10) ** |
|---|---|---|---|---|---|---|---|
| **FLORIDA COLLEGE SYSTEM RISK MGT CONSORT** | 2.64 | 0.57% | 0.20% | 1.42% | 1.18% | - | 1.50% |
| ***BofA ML 1-5 Year U.S. Treasury Index*** | *2.63* | *0.38%* | *-0.53%* | *1.08%* | *0.87%* | - | *1.10%* |
| **Difference** | | 0.19% | 0.73% | 0.34% | 0.31% | - | 0.40% |




*Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.*

## Portfolio Performance (Total Return)

| Portfolio/Benchmark | Effective Duration | Quarter Ended 06/30/17 | 03/31/17 | 12/31/16 | 09/30/16 | 1 Year | Annualized Return 3 Year | 5 Year |
|---|---|---|---|---|---|---|---|---|
| **FLORIDA COLLEGE SYSTEM RISK MGT CONSORT** | 2.64 | 0.57% | 0.58% | -0.92% | -0.02% | 0.20% | 1.42% | 1.18% |
| ***BofA ML 1-5 Year U.S. Treasury Index*** | *2.63* | *0.38%* | *0.37%* | *-1.09%* | *-0.19%* | *-0.53%* | *1.08%* | *0.87%* |
| **Difference** | | 0.19% | 0.21% | 0.17% | 0.17% | 0.73% | 0.34% | 0.31% |



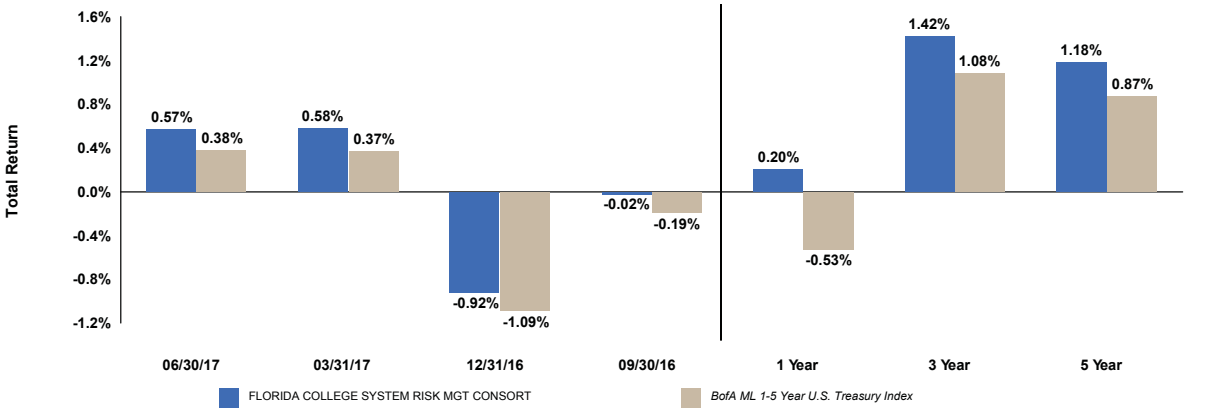

*Portfolio performance is gross of fees unless otherwise indicated.*





## Portfolio Performance (Total Return)

| Portfolio/Benchmark | Effective Duration | Quarter Ended 06/30/17 | 03/31/17 | 12/31/16 | 09/30/16 | 1 Year | Annualized Return 3 Year | 5 Year |
|---|---|---|---|---|---|---|---|---|
| **FLORIDA COLLEGE SYSTEM RISK MGT CONSORT** | 2.64 | 0.57% | 0.58% | -0.92% | -0.02% | 0.20% | 1.42% | 1.18% |
| ***Net of Fees ***** | 0.00 | 0.55% | 0.56% | -0.94% | -0.04% | 0.13% | 1.35% | 1.11% |
| ***BofA ML 1-5 Year U.S. Treasury Index*** | 2.63 | 0.38% | *0.37%* | *-1.09%* | *-0.19%* | *-0.53%* | *1.08%* | *0.87%* |
| **Difference (Gross)** | | 0.19% | 0.21% | 0.17% | 0.17% | 0.73% | 0.34% | 0.31% |
| **Difference (Net)** | | 0.17% | 0.19% | 0.15% | 0.15% | 0.66% | 0.27% | 0.24% |




*Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.*

## Portfolio Earnings

***Quarter-Ended June 30, 2017***

| | Market Value Basis | Accrual (Amortized Cost) Basis |
|---|---|---|
| **Beginning Value (03/30/2017)** | $16,183,104.17 | $16,206,509.43 |
| **Net Purchases/Sales** | $55,898.38 | $55,898.38 |
| **Change in Value** | $13,575.22 | ($3,933.53) |
| **Ending Value (06/30/2017)** | $16,252,577.77 | $16,258,474.28 |
| **Interest Earned** | $79,332.58 | $79,332.58 |
| **Portfolio Earnings** | $92,907.80 | $75,399.05 |

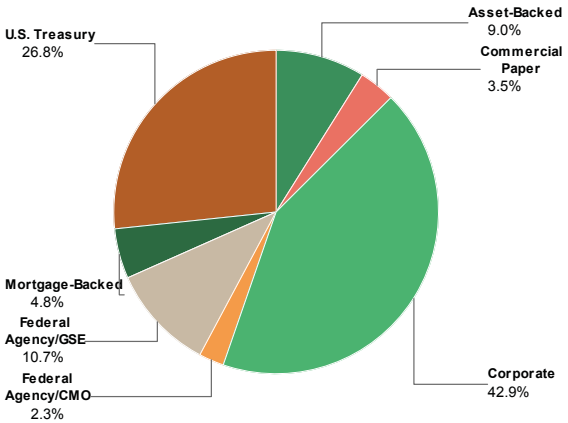




## Sector Allocation

***As of June 30, 2017***

| Sector | Market Value ($) | % of Portfolio |
|---|---|---|
| Corporate | 6,974,290 | 42.9% |
| U.S. Treasury | 4,353,697 | 26.8% |
| Federal Agency/GSE | 1,744,785 | 10.7% |
| Asset-Backed | 1,462,520 | 9.0% |
| Mortgage-Backed | 772,364 | 4.8% |
| Commercial Paper | 565,435 | 3.5% |
| Federal Agency/CMO | 379,487 | 2.3% |
| **Total** | **$16,252,578** | **100.0%** |

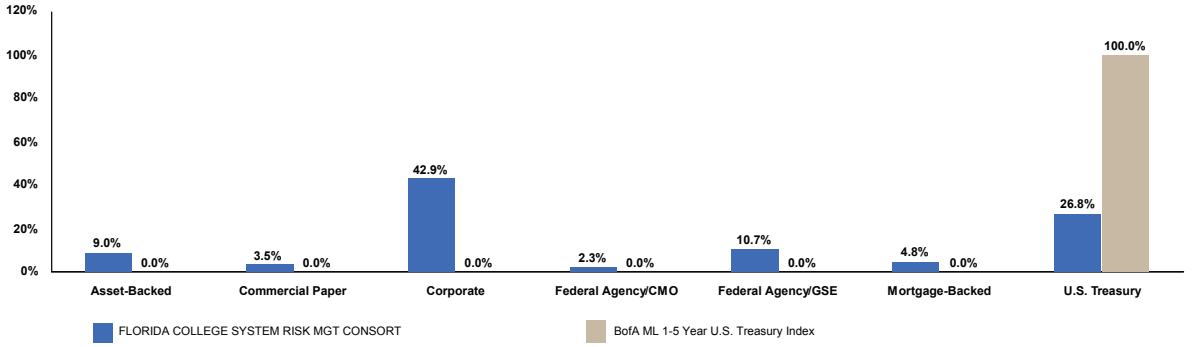



*Detail may not add to total due to rounding.*

## Sector Allocation

***As of June 30, 2017***

| Sector | Market Value ($) | % of Portfolio | % of Benchmark |
|---|---|---|---|
| **Corporate** | 6,974,290 | 42.9% | - |
| **U.S. Treasury** | 4,353,697 | 26.8% | *100.0%* |
| **Federal Agency/GSE** | 1,744,785 | 10.7% | - |
| **Asset-Backed** | 1,462,520 | 9.0% | - |
| **Mortgage-Backed** | 772,364 | 4.8% | - |
| **Commercial Paper** | 565,435 | 3.5% | - |
| **Federal Agency/CMO** | 379,487 | 2.3% | - |
| **Total** | **$16,252,578** | **100.0%** | ***100.0%*** |



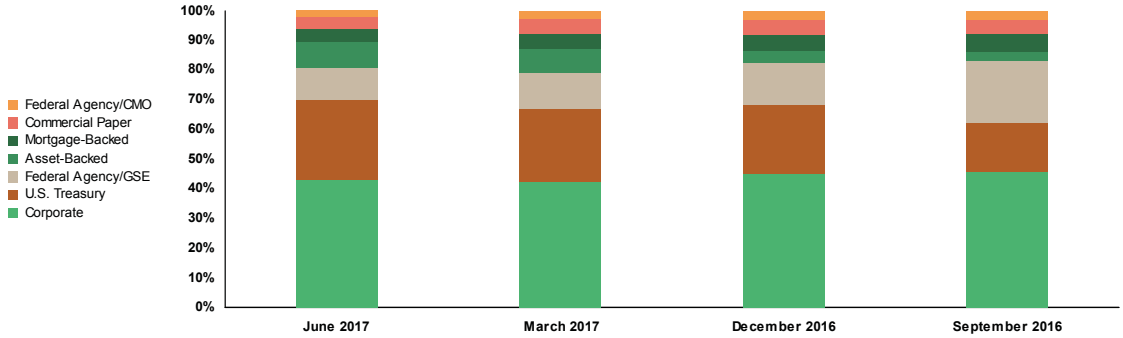

*Detail may not add to total due to rounding.*





## Sector Allocation

| | June 30, 2017 | | March 31, 2017 | | December 31, 2016 | | September 30, 2016 | |
|---|---|---|---|---|---|---|---|---|
| **Sector** | **MV ($MM)** | **% of Total** | **MV ($MM)** | **% of Total** | **MV ($MM)** | **% of Total** | **MV ($MM)** | **% of Total** |
| **Corporate** | 7.0 | 42.9% | 6.9 | 42.7% | 7.1 | 44.9% | 7.4 | 45.8% |
| **U.S. Treasury** | 4.4 | 26.8% | 3.9 | 24.2% | 3.7 | 23.4% | 2.7 | 16.6% |
| **Federal Agency/GSE** | 1.7 | 10.7% | 2.0 | 12.3% | 2.3 | 14.4% | 3.3 | 20.5% |
| **Asset-Backed** | 1.5 | 9.0% | 1.3 | 7.9% | 0.6 | 3.5% | 0.6 | 3.5% |
| **Mortgage-Backed** | 0.8 | 4.8% | 0.8 | 5.0% | 0.9 | 5.4% | 0.9 | 5.7% |
| **Commercial Paper** | 0.6 | 3.5% | 0.9 | 5.5% | 0.9 | 5.6% | 0.8 | 5.0% |
| **Federal Agency/CMO** | 0.4 | 2.3% | 0.4 | 2.4% | 0.5 | 2.8% | 0.5 | 2.9% |
| **Total** | **$16.3** | **100.0%** | **$16.2** | **100.0%** | **$15.9** | **100.0%** | **$16.1** | **100.0%** |

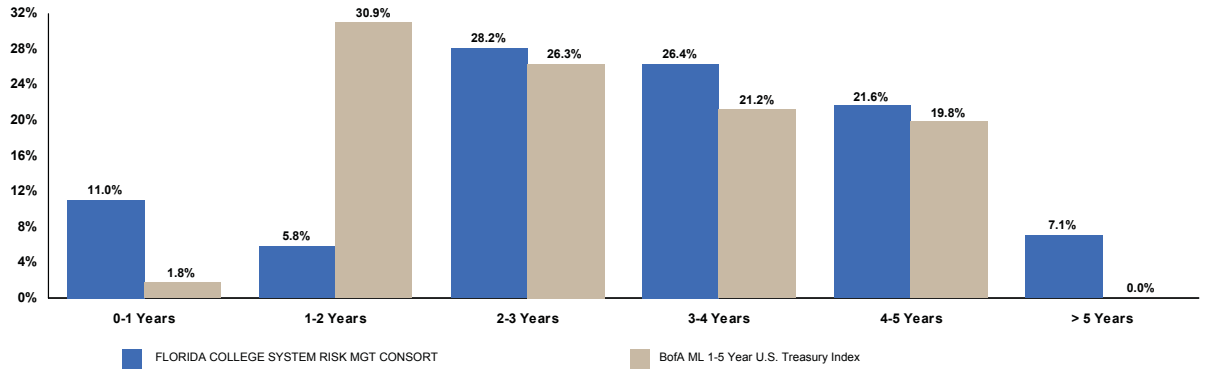



*Detail may not add to total due to rounding.*

## Maturity Distribution

*As of June 30, 2017*

| Portfolio/Benchmark | Yield at Market | Average Maturity | 0-1 Years | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years | >5 Years |
|---|---|---|---|---|---|---|---|---|
| **FLORIDA COLLEGE SYSTEM RISK MGT CONSORT** | 1.86% | 4.16 yrs | 11.0% | 5.8% | 28.2% | 26.4% | 21.6% | 7.1% |
| **BofA ML 1-5 Year U.S. Treasury Index** | *1.54%* | *2.80 yrs* | *1.8%* | *30.9%* | *26.3%* | *21.2%* | *19.8%* | *0.0%* |



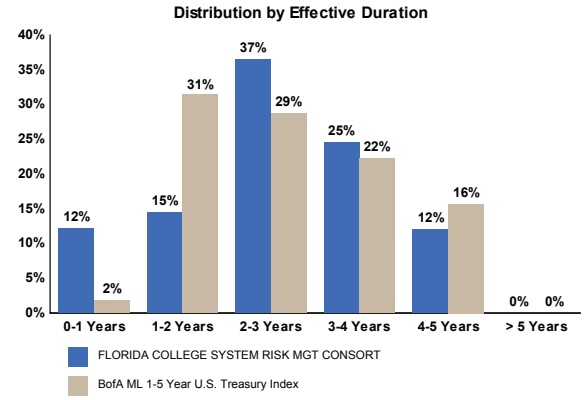


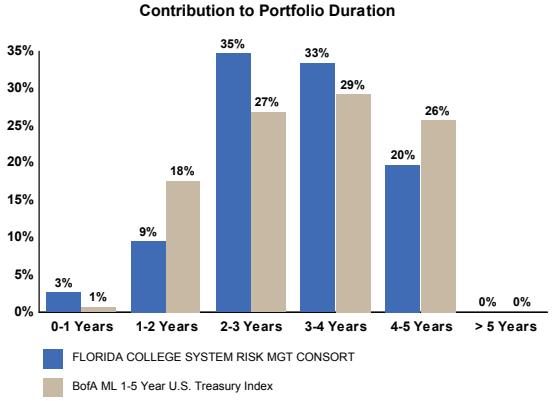



## Duration Distribution

*As of June 30, 2017*

| Portfolio / Benchmark | Effective Duration | 0-1 YEARS | 1-2 YEARS | 2-3 YEARS | 3-4 YEARS | 4-5 YEARS | > 5 YEARS |
|---|---|---|---|---|---|---|---|
| **FLORIDA COLLEGE SYSTEM RISK MGT CONSORT** | 2.64 | 12.2% | 14.5% | 36.6% | 24.6% | 12.0% | 0.0% |
| **BofA ML 1-5 Year U.S. Treasury Index** | *2.63* | *1.8%* | *31.4%* | *28.8%* | *22.3%* | *15.8%* | *0.0%* |

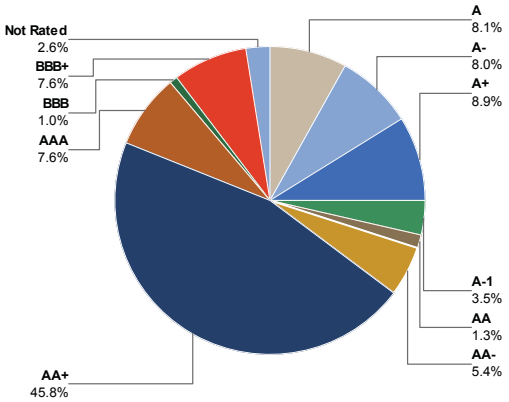


## Credit Quality

*As of June 30, 2017*

| S&P Rating | Market Value ($) | % of Portfolio |
|---|---|---|
| AA+ | $7,451,292 | 45.8% |
| A+ | $1,450,564 | 8.9% |
| A | $1,324,075 | 8.2% |
| A- | $1,307,608 | 8.1% |
| AAA | $1,243,230 | 7.7% |
| BBB+ | $1,238,836 | 7.6% |
| AA- | $878,696 | 5.4% |
| A-1 | $565,435 | 3.5% |
| Not Rated | $419,642 | 2.6% |
| AA | $214,425 | 1.3% |
| BBB | $158,776 | 1.0% |
| **Totals** | **$16,252,578** | **100.0%** |




*Detail may not add to total due to rounding.*





## Issuer Distribution

*As of June 30, 2017*

| Issuer | Market Value ($) | % of Portfolio |
|---|---|---|
| UNITED STATES TREASURY | 4,441,675 | 27.3% |
| FANNIE MAE | 1,281,811 | 7.9% |
| FREDDIE MAC | 887,202 | 5.5% |
| BANK OF NOVA SCOTIA | 639,544 | 3.9% |
| AMERICAN HONDA FINANCE | 511,021 | 3.1% |
| THE BANK OF NEW YORK MELLON CORPORATION | 509,676 | 3.1% |
| FEDERAL HOME LOAN BANKS | 441,972 | 2.7% |
| GOLDMAN SACHS GROUP INC | 426,317 | 2.6% |
| JP MORGAN CHASE & CO | 401,241 | 2.5% |
| AMERICAN EXPRESS CO | 369,992 | 2.3% |
| MORGAN STANLEY | 322,454 | 2.0% |
| BANK ON MONTREAL CHI | 300,000 | 1.9% |
| RABOBANK NEDERLAND | 298,363 | 1.8% |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | 285,652 | 1.8% |
| WELLS FARGO & COMPANY | 275,707 | 1.7% |
| BB&T CORPORATION | 273,989 | 1.7% |
| ALLY AUTO RECEIVABLES TRUST | 270,004 | 1.7% |
| MITSUBISHI UFJ FINANCIAL GROUP INC | 267,072 | 1.6% |

Top 5 = 47.7%
Top 10 = 61.0%

| Issuer | Market Value ($) | % of Portfolio |
|---|---|---|
| BP PLC | 262,386 | 1.6% |
| CITIGROUP INC | 252,533 | 1.6% |
| CNH EQUIPMENT TRUST | 240,045 | 1.5% |
| GENERAL ELECTRIC CO | 217,849 | 1.3% |
| PFIZER INC | 214,425 | 1.3% |
| HYUNDAI AUTO RECEIVABLES | 204,366 | 1.3% |
| CISCO SYSTEMS INC | 203,210 | 1.3% |
| APPLE INC | 200,959 | 1.2% |
| MICROSOFT CORP | 200,351 | 1.2% |
| STATE STREET CORPORATION | 197,474 | 1.2% |
| BOEING COMPANY | 190,062 | 1.2% |
| FORD CREDIT AUTO OWNER TRUST | 189,648 | 1.2% |
| HONDA AUTO RECEIVABLES | 189,207 | 1.2% |
| AMERICAN EXPRESS CREDIT ACCOUN | 179,858 | 1.1% |
| ROYAL BANK OF CANADA | 178,617 | 1.1% |
| FORD MOTOR COMPANY | 158,776 | 1.0% |
| WESTPAC BANKING CORP | 158,757 | 1.0% |
| VERIZON COMMUNICATIONS | 149,554 | 0.9% |
| CHEVRON CORPORATION | 120,263 | 0.7% |
| TOYOTA AUTO RECEIVABLES | 109,718 | 0.7% |
| HOME DEPOT INC | 80,037 | 0.5% |





| Issuer | Market Value ($) | % of Portfolio |
|---|---|---|
| DEERE & COMPANY | 71,119 | 0.4% |
| NISSAN AUTO RECEIVABLES | 49,640 | 0.3% |
| JOHN DEERE OWNER TRUST | 30,034 | 0.2% |
| **Grand Total:** | **16,252,578** | **100.0%** |

## Sector/Issuer Distribution

*As of June 30, 2017*

| Sector / Issuer | Market Value ($) | % of Sector | % of Total Portfolio |
|---|---|---|---|
| **Asset-Backed** | | | |
| ALLY AUTO RECEIVABLES TRUST | 270,004 | 18.5% | 1.7% |
| AMERICAN EXPRESS CREDIT ACCOUN | 179,858 | 12.3% | 1.1% |
| CNH EQUIPMENT TRUST | 240,045 | 16.4% | 1.5% |
| FORD CREDIT AUTO OWNER TRUST | 189,648 | 13.0% | 1.2% |
| HONDA AUTO RECEIVABLES | 189,207 | 12.9% | 1.2% |
| HYUNDAI AUTO RECEIVABLES | 204,366 | 14.0% | 1.3% |
| JOHN DEERE OWNER TRUST | 30,034 | 2.1% | 0.2% |
| NISSAN AUTO RECEIVABLES | 49,640 | 3.4% | 0.3% |
| TOYOTA AUTO RECEIVABLES | 109,718 | 7.5% | 0.7% |
| **Sector Total** | **1,462,520** | **100.0%** | **9.0%** |
| **Commercial Paper** | | | |
| MITSUBISHI UFJ FINANCIAL GROUP INC | 267,072 | 47.2% | 1.6% |
| RABOBANK NEDERLAND | 298,363 | 52.8% | 1.8% |
| **Sector Total** | **565,435** | **100.0%** | **3.5%** |
| **Corporate** | | | |
| AMERICAN EXPRESS CO | 369,992 | 5.3% | 2.3% |
| AMERICAN HONDA FINANCE | 511,021 | 7.3% | 3.1% |
| APPLE INC | 200,959 | 2.9% | 1.2% |





| Sector / Issuer | Market Value ($) | % of Sector | % of Total Portfolio |
|---|---|---|---|
| BANK OF NOVA SCOTIA | 639,544 | 9.2% | 3.9% |
| BANK ON MONTREAL CHI | 300,000 | 4.3% | 1.8% |
| BB&T CORPORATION | 273,989 | 3.9% | 1.7% |
| BOEING COMPANY | 190,062 | 2.7% | 1.2% |
| BP PLC | 262,386 | 3.8% | 1.6% |
| CHEVRON CORPORATION | 120,263 | 1.7% | 0.7% |
| CISCO SYSTEMS INC | 203,210 | 2.9% | 1.3% |
| CITIGROUP INC | 252,533 | 3.6% | 1.6% |
| DEERE & COMPANY | 71,119 | 1.0% | 0.4% |
| FORD MOTOR COMPANY | 158,776 | 2.3% | 1.0% |
| GENERAL ELECTRIC CO | 217,849 | 3.1% | 1.3% |
| GOLDMAN SACHS GROUP INC | 426,317 | 6.1% | 2.6% |
| HOME DEPOT INC | 80,037 | 1.1% | 0.5% |
| JP MORGAN CHASE & CO | 401,241 | 5.8% | 2.5% |
| MICROSOFT CORP | 200,351 | 2.9% | 1.2% |
| MORGAN STANLEY | 322,454 | 4.6% | 2.0% |
| PFIZER INC | 214,425 | 3.1% | 1.3% |
| ROYAL BANK OF CANADA | 178,617 | 2.6% | 1.1% |
| STATE STREET CORPORATION | 197,474 | 2.8% | 1.2% |
| THE BANK OF NEW YORK MELLON CORPORATION | 509,676 | 7.3% | 3.1% |
| UNITED STATES TREASURY | 87,978 | 1.3% | 0.5% |
| VERIZON COMMUNICATIONS | 149,554 | 2.1% | 0.9% |
| WELLS FARGO & COMPANY | 275,707 | 4.0% | 1.7% |
| WESTPAC BANKING CORP | 158,757 | 2.3% | 1.0% |

| Sector / Issuer | Market Value ($) | % of Sector | % of Total Portfolio |
|---|---|---|---|
| **Sector Total** | **6,974,290** | **100.0%** | **42.9%** |
| **Federal Agency/CMO** | | | |
| FREDDIE MAC | 93,835 | 24.7% | 0.6% |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | 285,652 | 75.3% | 1.8% |
| **Sector Total** | **379,487** | **100.0%** | **2.3%** |
| **Federal Agency/GSE** | | | |
| FANNIE MAE | 745,814 | 42.7% | 4.6% |
| FEDERAL HOME LOAN BANKS | 441,972 | 25.3% | 2.7% |
| FREDDIE MAC | 556,999 | 31.9% | 3.4% |
| **Sector Total** | **1,744,785** | **100.0%** | **10.7%** |
| **Mortgage-Backed** | | | |
| FANNIE MAE | 535,996 | 69.4% | 3.3% |
| FREDDIE MAC | 236,367 | 30.6% | 1.5% |
| **Sector Total** | **772,364** | **100.0%** | **4.8%** |
| **U.S. Treasury** | | | |
| UNITED STATES TREASURY | 4,353,697 | 100.0% | 26.8% |
| **Sector Total** | **4,353,697** | **100.0%** | **26.8%** |
| **Portfolio Total** | **16,252,578** | **100.0%** | **100.0%** |





## Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| **BUY** | | | | | | | | | |
| 4/3/17 | 4/6/17 | 270,000 | 05531FAX1 | BB&T CORP NOTES | 2.75% | 4/1/22 | 272,347.88 | 2.59% | |
| 4/19/17 | 4/20/17 | 120,000 | 3137EAEF2 | FHLMC AGENCY NOTES | 1.37% | 4/20/20 | 119,589.60 | 1.49% | |
| 5/8/17 | 5/10/17 | 165,000 | 61747WAF6 | MORGAN STANLEY CORP NOTES | 5.75% | 1/25/21 | 185,509.64 | 2.68% | |
| 5/8/17 | 5/10/17 | 185,000 | 38141GWC4 | GOLDMAN SACHS GROUP INC | 3.00% | 4/26/22 | 186,399.83 | 2.86% | |
| 5/22/17 | 5/30/17 | 180,000 | 02582JHG8 | AMXCA 2017-4 A | 1.64% | 12/15/21 | 179,971.16 | 1.65% | |
| 5/24/17 | 6/5/17 | 80,000 | 437076BQ4 | HOME DEPOT INC CORP NOTES | 1.80% | 6/5/20 | 79,953.60 | 1.82% | |
| 6/7/17 | 6/9/17 | 105,000 | 06406RAA5 | BANK OF NY MELLON CORP NOTES | 2.60% | 2/7/22 | 107,203.02 | 2.32% | |
| 6/20/17 | 6/23/17 | 85,000 | 00206RDB5 | US TREASURY N/B CORP NOTES | 3.80% | 3/15/22 | 89,359.18 | 2.87% | |
| 6/23/17 | 6/26/17 | 270,000 | 06538CCK5 | BANK OF TOKYO MITSUBISHI UFJ COMM PAPER | 0.00% | 3/19/18 | 267,007.50 | 1.52% | |
| 6/26/17 | 6/28/17 | 410,000 | 912828U81 | US TREASURY N/B NOTES | 2.00% | 12/31/21 | 419,035.56 | 1.72% | |
| 6/26/17 | 6/28/17 | 400,000 | 912828W89 | US TREASURY N/B NOTES | 1.87% | 3/31/22 | 404,183.15 | 1.75% | |
| **Total BUY** | | **2,270,000** | | | | | **2,310,560.12** | | |
| **INTEREST** | | | | | | | | | |
| 4/1/17 | 4/15/17 | 94,376 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 314.59 | | |
| 4/1/17 | 4/15/17 | 67,376 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 280.73 | | |
| 4/1/17 | 4/15/17 | 67,758 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 254.09 | | |
| 4/1/17 | 4/15/17 | 30,941 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 141.81 | | |
| 4/1/17 | 4/15/17 | 65,370 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 272.37 | | |
| 4/1/17 | 4/16/17 | 163,031 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 257.36 | | |
| 4/1/17 | 4/16/17 | 130,079 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 211.38 | | |
| 4/1/17 | 4/25/17 | 62,400 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 260.00 | | |
| 4/1/17 | 4/25/17 | 90,227 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 338.35 | | |
| 4/1/17 | 4/25/17 | 134,278 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 391.65 | | |

| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| 4/1/17 | 4/25/17 | 87,450 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 255.06 | | |
| 4/1/17 | 4/25/17 | 130,750 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 381.35 | | |
| 4/1/17 | 4/25/17 | 25,892 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 118.67 | | |
| 4/3/17 | 4/3/17 | 0 | MONEY0002 | MONEY MARKET FUND | | | 79.09 | | |
| 4/15/17 | 4/15/17 | 50,000 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| 4/15/17 | 4/15/17 | 110,000 | 34531EAD8 | FORDO 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| 4/15/17 | 4/15/17 | 125,000 | 44931PAD8 | HART 2017-A A3 | 1.76% | 8/15/21 | 97.78 | | |
| 4/15/17 | 4/15/17 | 50,000 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| 4/15/17 | 4/15/17 | 190,000 | 12636WAB2 | CNH EQUIPMENT TRUST POOL | 1.64% | 7/15/20 | 199.08 | | |
| 4/15/17 | 4/15/17 | 110,000 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 114.58 | | |
| 4/15/17 | 4/15/17 | 30,000 | 47787XAC1 | JDOT 2017-A A3 | 1.78% | 4/15/21 | 63.78 | | |
| 4/15/17 | 4/15/17 | 230,000 | 02007HAC5 | ALLYA 2017-2 A3 | 1.78% | 8/15/21 | 181.96 | | |
| 4/15/17 | 4/15/17 | 80,000 | 44891EAC3 | HYUNDAI AUTO RECEIVABLES TRUST | 1.29% | 4/15/21 | 86.00 | | |
| 4/15/17 | 4/15/17 | 40,000 | 02007PAC7 | ALLYA 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| 4/15/17 | 4/15/17 | 80,000 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| 4/18/17 | 4/18/17 | 100,000 | 438124AC3 | HAROT 2016-3 A3 ABS | 1.16% | 6/18/19 | 96.67 | | |
| 4/18/17 | 4/18/17 | 90,000 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 91.50 | | |
| 4/21/17 | 4/21/17 | 140,000 | 61746BEA0 | MORGAN STANLEY CORP NOTES | 2.50% | 4/21/21 | 1,750.00 | | |
| 4/25/17 | 4/25/17 | 200,000 | 38141GVT8 | GOLDMAN SACHS GRP INC CORP NT (CALLABLE) | 2.00% | 4/25/19 | 2,000.00 | | |
| 4/25/17 | 4/25/17 | 40,000 | 38141GVT8 | GOLDMAN SACHS GRP INC CORP NT (CALLABLE) | 2.00% | 4/25/19 | 400.00 | | |
| 4/28/17 | 4/28/17 | 190,000 | 097023BF1 | BOEING COMPANY (FLOATING) NOTE | 1.29% | 10/30/17 | 540.61 | | |
| 4/30/17 | 4/30/17 | 50,000 | 0258M0EC9 | AMERICAN EXPRESS CREDIT CORP | 1.70% | 10/30/19 | 425.00 | | |
| 4/30/17 | 4/30/17 | 170,000 | 912828T67 | US TREASURY NOTES | 1.25% | 10/31/21 | 1,062.50 | | |
| 4/30/17 | 4/30/17 | 150,000 | 912828Q78 | US TREASURY NOTES | 1.37% | 4/30/21 | 1,031.25 | | |
| 4/30/17 | 4/30/17 | 420,000 | 912828Q78 | US TREASURY NOTES | 1.37% | 4/30/21 | 2,887.50 | | |
| 5/1/17 | 5/1/17 | 0 | MONEY0002 | MONEY MARKET FUND | | | 22.50 | | |
| 5/1/17 | 5/16/17 | 162,463 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 256.46 | | |
| 5/1/17 | 5/16/17 | 129,637 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 210.66 | | |
| 5/1/17 | 5/15/17 | 63,147 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 263.11 | | |
| 5/1/17 | 5/15/17 | 30,124 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 138.07 | | |





| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| 5/1/17 | 5/15/17 | 92,484 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 308.28 | | |
| 5/1/17 | 5/15/17 | 66,207 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 248.28 | | |
| 5/1/17 | 5/15/17 | 66,151 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 275.63 | | |
| 5/1/17 | 5/25/17 | 129,806 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 378.60 | | |
| 5/1/17 | 5/25/17 | 86,568 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 252.49 | | |
| 5/1/17 | 5/25/17 | 90,059 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 337.72 | | |
| 5/1/17 | 5/25/17 | 133,340 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 388.91 | | |
| 5/1/17 | 5/25/17 | 25,826 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 118.37 | | |
| 5/1/17 | 5/25/17 | 61,314 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 255.47 | | |
| 5/5/17 | 5/5/17 | 200,000 | 0258M0EB1 | AMERICAN EXPRESS CREDIT CORP NOTES | 2.25% | 5/5/21 | 2,250.00 | | |
| 5/13/17 | 5/13/17 | 200,000 | 037833BD1 | APPLE INC CORP NOTE | 2.00% | 5/6/20 | 2,000.00 | | |
| 5/15/17 | 5/15/17 | 50,000 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| 5/15/17 | 5/15/17 | 50,000 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| 5/15/17 | 5/15/17 | 230,000 | 02007HAC5 | ALLYA 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| 5/15/17 | 5/15/17 | 110,000 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 114.58 | | |
| 5/15/17 | 5/15/17 | 40,000 | 02007PAC7 | ALLYA 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| 5/15/17 | 5/15/17 | 190,000 | 12636WAB2 | CNH EQUIPMENT TRUST POOL | 1.64% | 7/15/20 | 259.67 | | |
| 5/15/17 | 5/15/17 | 110,000 | 34531EAD8 | FORDO 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| 5/15/17 | 5/15/17 | 125,000 | 44931PAD8 | HART 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| 5/15/17 | 5/15/17 | 30,000 | 47787XAC1 | JDOT 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| 5/15/17 | 5/15/17 | 80,000 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| 5/15/17 | 5/15/17 | 80,000 | 44891EAC3 | HYUNDAI AUTO RECEIVABLES TRUST | 1.29% | 4/15/21 | 86.00 | | |
| 5/18/17 | 5/18/17 | 90,000 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 91.50 | | |
| 5/18/17 | 5/18/17 | 100,000 | 438124AC3 | HAROT 2016-3 A3 ABS | 1.16% | 6/18/19 | 96.67 | | |
| 5/19/17 | 5/19/17 | 200,000 | 857477AV5 | STATE STREET CORP NOTES | 1.95% | 5/19/21 | 1,950.00 | | |
| 5/31/17 | 5/31/17 | 100,000 | 912828G61 | US TREASURY NOTES | 1.50% | 11/30/19 | 750.00 | | |
| 5/31/17 | 5/31/17 | 600,000 | 912828A42 | US TREASURY NOTE | 2.00% | 11/30/20 | 6,000.00 | | |
| 6/1/17 | 6/1/17 | 0 | MONEY0002 | MONEY MARKET FUND | | | 45.33 | | |
| 6/1/17 | 6/15/17 | 90,688 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 302.29 | | |
| 6/1/17 | 6/15/17 | 64,781 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 242.93 | | |

| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| 6/1/17 | 6/15/17 | 65,054 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 271.06 | | |
| 6/1/17 | 6/15/17 | 62,675 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 261.15 | | |
| 6/1/17 | 6/15/17 | 29,463 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 135.04 | | |
| 6/1/17 | 6/16/17 | 161,892 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 255.56 | | |
| 6/1/17 | 6/16/17 | 129,193 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 209.94 | | |
| 6/1/17 | 6/25/17 | 130,024 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 379.24 | | |
| 6/1/17 | 6/25/17 | 89,891 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 337.09 | | |
| 6/1/17 | 6/25/17 | 84,844 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 247.46 | | |
| 6/1/17 | 6/25/17 | 123,953 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 361.53 | | |
| 6/1/17 | 6/25/17 | 24,524 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 112.40 | | |
| 6/1/17 | 6/25/17 | 59,823 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 249.26 | | |
| 6/8/17 | 6/8/17 | 250,000 | 172967LC3 | CITIGROUP INC | 2.90% | 12/8/21 | 3,625.00 | | |
| 6/11/17 | 6/11/17 | 400,000 | 064159GM2 | BANK OF NOVA SCOTIA CORP NOTE (CALLABLE) | 1.70% | 6/11/18 | 3,400.00 | | |
| 6/14/17 | 6/14/17 | 240,000 | 064159HT6 | BANK OF NOVA SCOTIA NOTES | 1.65% | 6/14/19 | 1,980.00 | | |
| 6/15/17 | 6/15/17 | 110,000 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 114.58 | | |
| 6/15/17 | 6/15/17 | 80,000 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| 6/15/17 | 6/15/17 | 125,000 | 44931PAD8 | HART 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| 6/15/17 | 6/15/17 | 110,000 | 34531EAD8 | FORDO 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| 6/15/17 | 6/15/17 | 80,000 | 44891EAC3 | HYUNDAI AUTO RECEIVABLES TRUST | 1.29% | 4/15/21 | 86.00 | | |
| 6/15/17 | 6/15/17 | 30,000 | 47787XAC1 | JDOT 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| 6/15/17 | 6/15/17 | 50,000 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| 6/15/17 | 6/15/17 | 40,000 | 02007PAC7 | ALLYA 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| 6/15/17 | 6/15/17 | 230,000 | 02007HAC5 | ALLYA 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| 6/15/17 | 6/15/17 | 180,000 | 02582JHG8 | AMXCA 2017-4 A | 1.64% | 12/15/21 | 123.00 | | |
| 6/15/17 | 6/15/17 | 190,000 | 12636WAB2 | CNH EQUIPMENT TRUST POOL | 1.64% | 7/15/20 | 259.67 | | |
| 6/15/17 | 6/15/17 | 200,000 | 17275RAX0 | CISCO SYSTEMS INC CORP NOTES | 2.45% | 6/15/20 | 2,450.00 | | |
| 6/15/17 | 6/15/17 | 50,000 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| 6/18/17 | 6/18/17 | 100,000 | 438124AC3 | HAROT 2016-3 A3 ABS | 1.16% | 6/18/19 | 96.67 | | |
| 6/18/17 | 6/18/17 | 90,000 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 91.50 | | |
| 6/21/17 | 6/21/17 | 440,000 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 2,475.00 | | |





| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| 6/21/17 | 6/21/17 | 135,000 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 759.38 | | |
| 6/23/17 | 6/23/17 | 125,000 | 40434CAA3 | HSBC USA INC | 1.30% | 6/23/17 | 812.50 | | |
| 6/24/17 | 6/24/17 | 320,000 | 166764AE0 | CHEVRON CORP GLOBAL NOTES | 1.71% | 6/24/18 | 2,748.80 | | |
| 6/30/17 | 6/30/17 | 410,000 | 912828U81 | US TREASURY N/B NOTES | 2.00% | 12/31/21 | 4,100.00 | | |
| **Total INTEREST** | | **12,618,862** | | | | | **60,530.83** | | |
| **MATURITY** | | | | | | | | | |
| 6/23/17 | 6/23/17 | 125,000 | 40434CAA3 | HSBC USA INC | 1.30% | 6/23/17 | 125,000.00 | | 0.00 |
| **Total MATURITY** | | **125,000** | | | | | **125,000.00** | | **0.00** |
| **PAYDOWNS** | | | | | | | | | |
| 4/1/17 | 4/25/17 | 168 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 167.55 | | 0.00 |
| 4/1/17 | 4/25/17 | 944 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 944.02 | | 0.00 |
| 4/1/17 | 4/25/17 | 881 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 881.35 | | 0.00 |
| 4/1/17 | 4/25/17 | 1,086 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 1,085.90 | | 0.00 |
| 4/1/17 | 4/25/17 | 66 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 65.74 | | 0.00 |
| 4/1/17 | 4/25/17 | 939 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 938.54 | | 0.00 |
| 4/1/17 | 4/16/17 | 569 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 568.79 | | 0.00 |
| 4/1/17 | 4/16/17 | 443 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 442.51 | | 0.00 |
| 4/1/17 | 4/15/17 | 817 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 816.64 | | 0.00 |
| 4/1/17 | 4/15/17 | 2,222 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 2,222.29 | | 0.00 |
| 4/1/17 | 4/15/17 | 1,225 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 1,224.94 | | 0.00 |
| 4/1/17 | 4/15/17 | 1,891 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,891.12 | | 0.00 |
| 4/1/17 | 4/15/17 | 1,551 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,551.32 | | 0.00 |
| 5/1/17 | 5/25/17 | 168 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 168.25 | | 0.00 |
| 5/1/17 | 5/25/17 | 5,853 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 5,852.83 | | 0.00 |

| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| 5/1/17 | 5/25/17 | 1,724 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 1,723.77 | | 0.00 |
| 5/1/17 | 5/25/17 | 1,491 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 1,490.96 | | 0.00 |
| 5/1/17 | 5/25/17 | 1,302 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 1,302.24 | | 0.00 |
| 5/1/17 | 5/25/17 | 3,316 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 3,315.70 | | 0.00 |
| 5/1/17 | 5/15/17 | 661 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 661.14 | | 0.00 |
| 5/1/17 | 5/15/17 | 472 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 472.11 | | 0.00 |
| 5/1/17 | 5/15/17 | 1,097 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 1,097.09 | | 0.00 |
| 5/1/17 | 5/15/17 | 1,796 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,796.09 | | 0.00 |
| 5/1/17 | 5/15/17 | 1,426 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,425.54 | | 0.00 |
| 5/1/17 | 5/16/17 | 571 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 570.68 | | 0.00 |
| 5/1/17 | 5/16/17 | 444 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 443.79 | | 0.00 |
| 6/1/17 | 6/15/17 | 693 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 692.66 | | 0.00 |
| 6/1/17 | 6/15/17 | 1,380 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 1,379.82 | | 0.00 |
| 6/1/17 | 6/15/17 | 1,279 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 1,278.73 | | 0.00 |
| 6/1/17 | 6/15/17 | 1,887 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,887.20 | | 0.00 |
| 6/1/17 | 6/15/17 | 2,025 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 2,024.53 | | 0.00 |
| 6/1/17 | 6/25/17 | 169 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 168.95 | | 0.00 |
| 6/1/17 | 6/25/17 | 3,491 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 3,491.27 | | 0.00 |
| 6/1/17 | 6/25/17 | 445 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 444.74 | | 0.00 |
| 6/1/17 | 6/25/17 | 1,358 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 1,358.34 | | 0.00 |
| 6/1/17 | 6/25/17 | 63 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 62.88 | | 0.00 |
| 6/1/17 | 6/25/17 | 828 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 828.41 | | 0.00 |
| 6/1/17 | 6/16/17 | 573 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 572.58 | | 0.00 |
| 6/1/17 | 6/16/17 | 3,984 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 3,983.55 | | 0.00 |
| **Total PAYDOWNS** | | **51,295** | | | | | **51,294.56** | | **0.00** |

**SELL**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 4/3/17 | 4/6/17 | 50,000 | 912828WL0 | US TREASURY NOTES | 1.50% | 5/31/19 | 50,484.34 | 1.29% | (239.94) |





| Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield at Market | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|
| 4/3/17 | 4/6/17 | 187,000 | 037833AQ3 | APPLE INC GLOBAL NOTES | 2.10% | 5/6/19 | 190,616.58 | 1.58% | 2,010.65 |
| 4/3/17 | 4/6/17 | 45,000 | 912828G61 | US TREASURY NOTES | 1.50% | 11/30/19 | 45,332.19 | 1.42% | 37.52 |
| 4/19/17 | 4/20/17 | 120,000 | 912828UQ1 | US TREASURY NOTES | 1.25% | 2/29/20 | 119,818.82 | 1.37% | 610.56 |
| 5/8/17 | 5/10/17 | 200,000 | 17275RAR3 | CISCO SYSTEMS INC GLOBAL NOTES | 2.12% | 3/1/19 | 202,612.58 | 1.62% | 1,849.38 |
| 5/8/17 | 5/10/17 | 130,000 | 084664BW0 | BERKSHIRE HATHAWAY NOTES | 1.30% | 5/15/18 | 130,661.63 | 1.42% | (144.62) |
| 5/22/17 | 5/26/17 | 165,000 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 165,018.77 | 1.36% | (733.38) |
| 5/24/17 | 6/1/17 | 80,000 | 912828UQ1 | US TREASURY NOTES | 1.25% | 2/29/20 | 79,871.47 | 1.43% | 258.38 |
| 6/7/17 | 6/9/17 | 80,000 | 912828H86 | US TREASURY NOTES | 1.50% | 1/31/22 | 79,674.50 | 1.71% | 939.92 |
| 6/23/17 | 6/26/17 | 200,000 | 166764AE0 | CHEVRON CORP GLOBAL NOTES | 1.71% | 6/24/18 | 200,487.09 | 1.48% | 468.00 |
| 6/26/17 | 6/28/17 | 75,000 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 74,628.66 | 1.39% | (824.24) |
| 6/26/17 | 6/28/17 | 135,000 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 134,331.58 | 1.39% | (661.12) |
| 6/27/17 | 6/28/17 | 300,000 | 89233GV45 | TOYOTA MOTOR CREDIT CORP COMM PAPER | 0.00% | 8/4/17 | 299,654.67 | 1.12% | 24.67 |
| 6/27/17 | 6/28/17 | 300,000 | 09659BUR9 | BNP PARIBAS NY BRANCH COMM PAPER | 0.00% | 7/25/17 | 299,721.00 | 1.24% | 13.50 |
| **Total SELL** | | **2,067,000** | | | | | **2,072,913.88** | | **3,609.28** |

## Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 4/1/17 | 4/15/17 | 94,375.55 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 314.59 | | |
| INTEREST | 4/1/17 | 4/15/17 | 67,376.31 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 280.73 | | |
| INTEREST | 4/1/17 | 4/15/17 | 67,758.28 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 254.09 | | |
| INTEREST | 4/1/17 | 4/15/17 | 30,940.83 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 141.81 | | |
| INTEREST | 4/1/17 | 4/15/17 | 65,369.72 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 272.37 | | |
| PAYDOWNS | 4/1/17 | 4/15/17 | 816.64 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 816.64 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/15/17 | 2,222.29 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 2,222.29 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/15/17 | 1,224.94 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 1,224.94 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/15/17 | 1,891.12 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,891.12 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/15/17 | 1,551.32 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,551.32 | | 0.00 |
| INTEREST | 4/1/17 | 4/16/17 | 163,031.38 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 257.36 | | |
| INTEREST | 4/1/17 | 4/16/17 | 130,079.24 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 211.38 | | |
| PAYDOWNS | 4/1/17 | 4/16/17 | 568.79 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 568.79 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/16/17 | 442.51 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 442.51 | | 0.00 |
| INTEREST | 4/1/17 | 4/25/17 | 62,399.60 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 260.00 | | |
| INTEREST | 4/1/17 | 4/25/17 | 90,226.75 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 338.35 | | |
| INTEREST | 4/1/17 | 4/25/17 | 134,278.40 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 391.65 | | |
| INTEREST | 4/1/17 | 4/25/17 | 87,449.59 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 255.06 | | |
| INTEREST | 4/1/17 | 4/25/17 | 130,750.20 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 381.35 | | |
| INTEREST | 4/1/17 | 4/25/17 | 25,892.01 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 118.67 | | |





| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| PAYDOWNS | 4/1/17 | 4/25/17 | 167.55 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 167.55 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/25/17 | 944.02 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 944.02 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/25/17 | 881.35 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 881.35 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/25/17 | 1,085.90 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 1,085.90 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/25/17 | 65.74 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 65.74 | | 0.00 |
| PAYDOWNS | 4/1/17 | 4/25/17 | 938.54 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 938.54 | | 0.00 |
| INTEREST | 4/3/17 | 4/3/17 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 79.09 | | |
| BUY | 4/3/17 | 4/6/17 | 270,000.00 | 05531FAX1 | BB&T CORP NOTES | 2.75% | 4/1/22 | (272,347.88) | 2.59% | |
| SELL | 4/3/17 | 4/6/17 | 50,000.00 | 912828WL0 | US TREASURY NOTES | 1.50% | 5/31/19 | 50,484.34 | 1.29% | (239.94) |
| SELL | 4/3/17 | 4/6/17 | 187,000.00 | 037833AQ3 | APPLE INC GLOBAL NOTES | 2.10% | 5/6/19 | 190,616.58 | 1.58% | 2,010.65 |
| SELL | 4/3/17 | 4/6/17 | 45,000.00 | 912828G61 | US TREASURY NOTES | 1.50% | 11/30/19 | 45,332.19 | 1.42% | 37.52 |
| INTEREST | 4/15/17 | 4/15/17 | 50,000.00 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| INTEREST | 4/15/17 | 4/15/17 | 110,000.00 | 34531EAD8 | FORDO 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| INTEREST | 4/15/17 | 4/15/17 | 125,000.00 | 44931PAD8 | HART 2017-A A3 | 1.76% | 8/15/21 | 97.78 | | |
| INTEREST | 4/15/17 | 4/15/17 | 50,000.00 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| INTEREST | 4/15/17 | 4/15/17 | 190,000.00 | 12636WAB2 | CNH EQUIPMENT TRUST POOL | 1.64% | 7/15/20 | 199.08 | | |
| INTEREST | 4/15/17 | 4/15/17 | 110,000.00 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 114.58 | | |
| INTEREST | 4/15/17 | 4/15/17 | 30,000.00 | 47787XAC1 | JDOT 2017-A A3 | 1.78% | 4/15/21 | 63.78 | | |
| INTEREST | 4/15/17 | 4/15/17 | 230,000.00 | 02007HAC5 | ALLYA 2017-2 A3 | 1.78% | 8/15/21 | 181.96 | | |
| INTEREST | 4/15/17 | 4/15/17 | 80,000.00 | 44891EAC3 | HYUNDAI AUTO RECEIVABLES TRUST | 1.29% | 4/15/21 | 86.00 | | |
| INTEREST | 4/15/17 | 4/15/17 | 40,000.00 | 02007PAC7 | ALLYA 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| INTEREST | 4/15/17 | 4/15/17 | 80,000.00 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |

| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 4/18/17 | 4/18/17 | 100,000.00 | 438124AC3 | HAROT 2016-3 A3 ABS | 1.16% | 6/18/19 | 96.67 | | |
| INTEREST | 4/18/17 | 4/18/17 | 90,000.00 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 91.50 | | |
| BUY | 4/19/17 | 4/20/17 | 120,000.00 | 3137EAEF2 | FHLMC AGENCY NOTES | 1.37% | 4/20/20 | (119,589.60) | 1.49% | |
| SELL | 4/19/17 | 4/20/17 | 120,000.00 | 912828UQ1 | US TREASURY NOTES | 1.25% | 2/29/20 | 119,818.82 | 1.37% | 610.56 |
| INTEREST | 4/21/17 | 4/21/17 | 140,000.00 | 61746BEA0 | MORGAN STANLEY CORP NOTES | 2.50% | 4/21/21 | 1,750.00 | | |
| INTEREST | 4/25/17 | 4/25/17 | 200,000.00 | 38141GVT8 | GOLDMAN SACHS GRP INC CORP NT (CALLABLE) | 2.00% | 4/25/19 | 2,000.00 | | |
| INTEREST | 4/25/17 | 4/25/17 | 40,000.00 | 38141GVT8 | GOLDMAN SACHS GRP INC CORP NT (CALLABLE) | 2.00% | 4/25/19 | 400.00 | | |
| INTEREST | 4/28/17 | 4/28/17 | 190,000.00 | 097023BF1 | BOEING COMPANY (FLOATING) NOTE | 1.29% | 10/30/17 | 540.61 | | |
| INTEREST | 4/30/17 | 4/30/17 | 50,000.00 | 0258M0EC9 | AMERICAN EXPRESS CREDIT CORP | 1.70% | 10/30/19 | 425.00 | | |
| INTEREST | 4/30/17 | 4/30/17 | 170,000.00 | 912828T67 | US TREASURY NOTES | 1.25% | 10/31/21 | 1,062.50 | | |
| INTEREST | 4/30/17 | 4/30/17 | 150,000.00 | 912828Q78 | US TREASURY NOTES | 1.37% | 4/30/21 | 1,031.25 | | |
| INTEREST | 4/30/17 | 4/30/17 | 420,000.00 | 912828Q78 | US TREASURY NOTES | 1.37% | 4/30/21 | 2,887.50 | | |
| INTEREST | 5/1/17 | 5/1/17 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 22.50 | | |
| INTEREST | 5/1/17 | 5/15/17 | 63,147.43 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 263.11 | | |
| INTEREST | 5/1/17 | 5/15/17 | 30,124.19 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 138.07 | | |
| INTEREST | 5/1/17 | 5/15/17 | 92,484.43 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 308.28 | | |
| INTEREST | 5/1/17 | 5/15/17 | 66,206.96 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 248.28 | | |
| INTEREST | 5/1/17 | 5/15/17 | 66,151.37 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 275.63 | | |
| PAYDOWNS | 5/1/17 | 5/15/17 | 661.14 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 661.14 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/15/17 | 472.11 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 472.11 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/15/17 | 1,097.09 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 1,097.09 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/15/17 | 1,796.09 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,796.09 | | 0.00 |





| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| PAYDOWNS | 5/1/17 | 5/15/17 | 1,425.54 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,425.54 | | 0.00 |
| INTEREST | 5/1/17 | 5/16/17 | 162,462.59 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 256.46 | | |
| INTEREST | 5/1/17 | 5/16/17 | 129,636.73 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 210.66 | | |
| PAYDOWNS | 5/1/17 | 5/16/17 | 570.68 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 570.68 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/16/17 | 443.79 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 443.79 | | 0.00 |
| INTEREST | 5/1/17 | 5/25/17 | 129,806.18 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 378.60 | | |
| INTEREST | 5/1/17 | 5/25/17 | 86,568.24 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 252.49 | | |
| INTEREST | 5/1/17 | 5/25/17 | 90,059.20 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 337.72 | | |
| INTEREST | 5/1/17 | 5/25/17 | 133,339.86 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 388.91 | | |
| INTEREST | 5/1/17 | 5/25/17 | 25,826.27 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 118.37 | | |
| INTEREST | 5/1/17 | 5/25/17 | 61,313.70 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 255.47 | | |
| PAYDOWNS | 5/1/17 | 5/25/17 | 168.25 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 168.25 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/25/17 | 5,852.83 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 5,852.83 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/25/17 | 1,723.77 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 1,723.77 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/25/17 | 1,490.96 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 1,490.96 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/25/17 | 1,302.24 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 1,302.24 | | 0.00 |
| PAYDOWNS | 5/1/17 | 5/25/17 | 3,315.70 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 3,315.70 | | 0.00 |
| INTEREST | 5/5/17 | 5/5/17 | 200,000.00 | 0258M0EB1 | AMERICAN EXPRESS CREDIT CORP NOTES | 2.25% | 5/5/21 | 2,250.00 | | |
| BUY | 5/8/17 | 5/10/17 | 165,000.00 | 61747WAF6 | MORGAN STANLEY CORP NOTES | 5.75% | 1/25/21 | (185,509.64) | 2.68% | |
| BUY | 5/8/17 | 5/10/17 | 185,000.00 | 38141GWC4 | GOLDMAN SACHS GROUP INC | 3.00% | 4/26/22 | (186,399.83) | 2.86% | |
| SELL | 5/8/17 | 5/10/17 | 200,000.00 | 17275RAR3 | CISCO SYSTEMS INC GLOBAL NOTES | 2.12% | 3/1/19 | 202,612.58 | 1.62% | 1,849.38 |
| SELL | 5/8/17 | 5/10/17 | 130,000.00 | 084664BW0 | BERKSHIRE HATHAWAY NOTES | 1.30% | 5/15/18 | 130,661.63 | 1.42% | (144.62) |

| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 5/13/17 | 5/13/17 | 200,000.00 | 037833BD1 | APPLE INC CORP NOTE | 2.00% | 5/6/20 | 2,000.00 | | |
| INTEREST | 5/15/17 | 5/15/17 | 50,000.00 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| INTEREST | 5/15/17 | 5/15/17 | 50,000.00 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| INTEREST | 5/15/17 | 5/15/17 | 230,000.00 | 02007HAC5 | ALLYA 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| INTEREST | 5/15/17 | 5/15/17 | 110,000.00 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 114.58 | | |
| INTEREST | 5/15/17 | 5/15/17 | 40,000.00 | 02007PAC7 | ALLYA 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| INTEREST | 5/15/17 | 5/15/17 | 190,000.00 | 12636WAB2 | CNH EQUIPMENT TRUST POOL | 1.64% | 7/15/20 | 259.67 | | |
| INTEREST | 5/15/17 | 5/15/17 | 110,000.00 | 34531EAD8 | FORDO 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| INTEREST | 5/15/17 | 5/15/17 | 125,000.00 | 44931PAD8 | HART 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| INTEREST | 5/15/17 | 5/15/17 | 30,000.00 | 47787XAC1 | JDOT 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| INTEREST | 5/15/17 | 5/15/17 | 80,000.00 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| INTEREST | 5/15/17 | 5/15/17 | 80,000.00 | 44891EAC3 | HYUNDAI AUTO RECEIVABLES TRUST | 1.29% | 4/15/21 | 86.00 | | |
| INTEREST | 5/18/17 | 5/18/17 | 90,000.00 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 91.50 | | |
| INTEREST | 5/18/17 | 5/18/17 | 100,000.00 | 438124AC3 | HAROT 2016-3 A3 ABS | 1.16% | 6/18/19 | 96.67 | | |
| INTEREST | 5/19/17 | 5/19/17 | 200,000.00 | 857477AV5 | STATE STREET CORP NOTES | 1.95% | 5/19/21 | 1,950.00 | | |
| SELL | 5/22/17 | 5/26/17 | 165,000.00 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 165,018.77 | 1.36% | (733.38) |
| BUY | 5/22/17 | 5/30/17 | 180,000.00 | 02582JHG8 | AMXCA 2017-4 A | 1.64% | 12/15/21 | (179,971.16) | 1.65% | |
| SELL | 5/24/17 | 6/1/17 | 80,000.00 | 912828UQ1 | US TREASURY NOTES | 1.25% | 2/29/20 | 79,871.47 | 1.43% | 258.38 |
| BUY | 5/24/17 | 6/5/17 | 80,000.00 | 437076BQ4 | HOME DEPOT INC CORP NOTES | 1.80% | 6/5/20 | (79,953.60) | 1.82% | |
| INTEREST | 5/31/17 | 5/31/17 | 100,000.00 | 912828G61 | US TREASURY NOTES | 1.50% | 11/30/19 | 750.00 | | |
| INTEREST | 5/31/17 | 5/31/17 | 600,000.00 | 912828A42 | US TREASURY NOTE | 2.00% | 11/30/20 | 6,000.00 | | |
| INTEREST | 6/1/17 | 6/1/17 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 45.33 | | |





| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 6/1/17 | 6/15/17 | 90,688.34 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 302.29 | | |
| INTEREST | 6/1/17 | 6/15/17 | 64,781.42 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 242.93 | | |
| INTEREST | 6/1/17 | 6/15/17 | 65,054.28 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 271.06 | | |
| INTEREST | 6/1/17 | 6/15/17 | 62,675.32 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 261.15 | | |
| INTEREST | 6/1/17 | 6/15/17 | 29,463.05 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 135.04 | | |
| PAYDOWNS | 6/1/17 | 6/15/17 | 692.66 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 692.66 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/15/17 | 1,379.82 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 1,379.82 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/15/17 | 1,278.73 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 1,278.73 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/15/17 | 1,887.20 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,887.20 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/15/17 | 2,024.53 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 2,024.53 | | 0.00 |
| INTEREST | 6/1/17 | 6/16/17 | 161,891.91 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 255.56 | | |
| INTEREST | 6/1/17 | 6/16/17 | 129,192.94 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 209.94 | | |
| PAYDOWNS | 6/1/17 | 6/16/17 | 572.58 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 572.58 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/16/17 | 3,983.55 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 3,983.55 | | 0.00 |
| INTEREST | 6/1/17 | 6/25/17 | 130,024.16 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 379.24 | | |
| INTEREST | 6/1/17 | 6/25/17 | 89,890.95 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 337.09 | | |
| INTEREST | 6/1/17 | 6/25/17 | 84,844.47 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 247.46 | | |
| INTEREST | 6/1/17 | 6/25/17 | 123,953.35 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 361.53 | | |
| INTEREST | 6/1/17 | 6/25/17 | 24,524.03 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 112.40 | | |
| INTEREST | 6/1/17 | 6/25/17 | 59,822.74 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 249.26 | | |
| PAYDOWNS | 6/1/17 | 6/25/17 | 168.95 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 168.95 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/25/17 | 3,491.27 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 3,491.27 | | 0.00 |

| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| PAYDOWNS | 6/1/17 | 6/25/17 | 444.74 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 444.74 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/25/17 | 1,358.34 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 1,358.34 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/25/17 | 62.88 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 62.88 | | 0.00 |
| PAYDOWNS | 6/1/17 | 6/25/17 | 828.41 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 828.41 | | 0.00 |
| BUY | 6/7/17 | 6/9/17 | 105,000.00 | 06406RAA5 | BANK OF NY MELLON CORP NOTES | 2.60% | 2/7/22 | (107,203.02) | 2.32% | |
| SELL | 6/7/17 | 6/9/17 | 80,000.00 | 912828H86 | US TREASURY NOTES | 1.50% | 1/31/22 | 79,674.50 | 1.71% | 939.92 |
| INTEREST | 6/8/17 | 6/8/17 | 250,000.00 | 172967LC3 | CITIGROUP INC | 2.90% | 12/8/21 | 3,625.00 | | |
| INTEREST | 6/11/17 | 6/11/17 | 400,000.00 | 064159GM2 | BANK OF NOVA SCOTIA CORP NOTE (CALLABLE) | 1.70% | 6/11/18 | 3,400.00 | | |
| INTEREST | 6/14/17 | 6/14/17 | 240,000.00 | 064159HT6 | BANK OF NOVA SCOTIA NOTES | 1.65% | 6/14/19 | 1,980.00 | | |
| INTEREST | 6/15/17 | 6/15/17 | 110,000.00 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 114.58 | | |
| INTEREST | 6/15/17 | 6/15/17 | 80,000.00 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| INTEREST | 6/15/17 | 6/15/17 | 125,000.00 | 44931PAD8 | HART 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| INTEREST | 6/15/17 | 6/15/17 | 110,000.00 | 34531EAD8 | FORDO 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| INTEREST | 6/15/17 | 6/15/17 | 80,000.00 | 44891EAC3 | HYUNDAI AUTO RECEIVABLES TRUST | 1.29% | 4/15/21 | 86.00 | | |
| INTEREST | 6/15/17 | 6/15/17 | 30,000.00 | 47787XAC1 | JDOT 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| INTEREST | 6/15/17 | 6/15/17 | 50,000.00 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| INTEREST | 6/15/17 | 6/15/17 | 40,000.00 | 02007PAC7 | ALLYA 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| INTEREST | 6/15/17 | 6/15/17 | 230,000.00 | 02007HAC5 | ALLYA 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| INTEREST | 6/15/17 | 6/15/17 | 180,000.00 | 02582JHG8 | AMXCA 2017-4 A | 1.64% | 12/15/21 | 123.00 | | |
| INTEREST | 6/15/17 | 6/15/17 | 190,000.00 | 12636WAB2 | CNH EQUIPMENT TRUST POOL | 1.64% | 7/15/20 | 259.67 | | |
| INTEREST | 6/15/17 | 6/15/17 | 200,000.00 | 17275RAX0 | CISCO SYSTEMS INC CORP NOTES | 2.45% | 6/15/20 | 2,450.00 | | |
| INTEREST | 6/15/17 | 6/15/17 | 50,000.00 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |





| Tran. Type | Trade Date | Settle Date | Par ($) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt ($) | Yield | Realized G/L (BV) |
|---|---|---|---|---|---|---|---|---|---|---|
| INTEREST | 6/18/17 | 6/18/17 | 100,000.00 | 438124AC3 | HAROT 2016-3 A3 ABS | 1.16% | 6/18/19 | 96.67 | | |
| INTEREST | 6/18/17 | 6/18/17 | 90,000.00 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 91.50 | | |
| BUY | 6/20/17 | 6/23/17 | 85,000.00 | 00206RDB5 | US TREASURY N/B CORP NOTES | 3.80% | 3/15/22 | (89,359.18) | 2.87% | |
| INTEREST | 6/21/17 | 6/21/17 | 440,000.00 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 2,475.00 | | |
| INTEREST | 6/21/17 | 6/21/17 | 135,000.00 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 759.38 | | |
| INTEREST | 6/23/17 | 6/23/17 | 125,000.00 | 40434CAA3 | HSBC USA INC | 1.30% | 6/23/17 | 812.50 | | |
| MATURITY | 6/23/17 | 6/23/17 | 125,000.00 | 40434CAA3 | HSBC USA INC | 1.30% | 6/23/17 | 125,000.00 | | 0.00 |
| BUY | 6/23/17 | 6/26/17 | 270,000.00 | 06538CCK5 | BANK OF TOKYO MITSUBISHI UFJ COMM PAPER | 0.00% | 3/19/18 | (267,007.50) | 1.52% | |
| SELL | 6/23/17 | 6/26/17 | 200,000.00 | 166764AE0 | CHEVRON CORP GLOBAL NOTES | 1.71% | 6/24/18 | 200,487.09 | 1.48% | 468.00 |
| INTEREST | 6/24/17 | 6/24/17 | 320,000.00 | 166764AE0 | CHEVRON CORP GLOBAL NOTES | 1.71% | 6/24/18 | 2,748.80 | | |
| BUY | 6/26/17 | 6/28/17 | 410,000.00 | 912828U81 | US TREASURY N/B NOTES | 2.00% | 12/31/21 | (419,035.56) | 1.72% | |
| BUY | 6/26/17 | 6/28/17 | 400,000.00 | 912828W89 | US TREASURY N/B NOTES | 1.87% | 3/31/22 | (404,183.15) | 1.75% | |
| SELL | 6/26/17 | 6/28/17 | 75,000.00 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 74,628.66 | 1.39% | (824.24) |
| SELL | 6/26/17 | 6/28/17 | 135,000.00 | 3130A8DB6 | FHLB GLOBAL NOTE | 1.12% | 6/21/19 | 134,331.58 | 1.39% | (661.12) |
| SELL | 6/27/17 | 6/28/17 | 300,000.00 | 89233GV45 | TOYOTA MOTOR CREDIT CORP COMM PAPER | 0.00% | 8/4/17 | 299,654.67 | 1.12% | 24.67 |
| SELL | 6/27/17 | 6/28/17 | 300,000.00 | 09659BUR9 | BNP PARIBAS NY BRANCH COMM PAPER | 0.00% | 7/25/17 | 299,721.00 | 1.24% | 13.50 |
| INTEREST | 6/30/17 | 6/30/17 | 410,000.00 | 912828U81 | US TREASURY N/B NOTES | 2.00% | 12/31/21 | 4,100.00 | | |
| **TOTALS** | | | | | | | | **(820.85)** | | **3,609.28** |

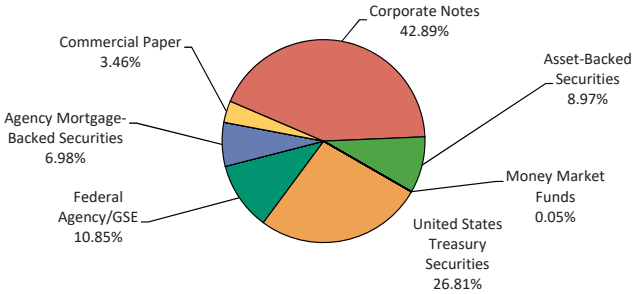
# Tab III



For the Quarter Ended June 30, 2017*

*FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM*

*Asset Allocation*




| Security Type[1] | Amortized Cost (Includes Interest) | Allocation Percentage | Notes | Permitted by Policy | In Compliance |
|---|---|---|---|---|---|
| United States Treasury Securities | 4,383,198.73 | 26.81% | | **100%** | YES |
| Federal Agency/GSE | 1,773,729.62 | 10.85% | | **75%** | YES |
| Supranationals | - | 0.00% | | **25%** | YES |
| Foreign Sovereign Governments | - | 0.00% | | **10%** | YES |
| Foreign Sovereign Agencies | - | 0.00% | | **10%** | YES |
| Agency Mortgage-Backed Securities | 1,140,562.18 | 6.98% | | **25%** | YES |
| Repurchase Agreements | - | 0.00% | | **40%** | YES |
| Commercial Paper | 565,511.67 | 3.46% | | **50%** | YES |
| Corporate Notes | 7,011,052.06 | 42.89% | | **50%** | YES |
| Asset-Backed Securities | 1,465,852.52 | 8.97% | | **25%** | YES |
| Bankers' Acceptances | - | 0.00% | | **10%** | YES |
| State and/or Local Government Debt | - | 0.00% | | **25%** | YES |
| Money Market Funds | 7,668.47 | 0.05% | | **50%** | YES |
| Bank Deposits or Savings Accounts | - | 0.00% | | **50%** | YES |
| Fixed Income Mutual Funds & ETFs | - | 0.00% | | **20%** | YES |
| Intergovernmental Investment Pool | - | 0.00% | | **50%** | YES |

Notes:
1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
* Does not include bond proceeds.

| Individual Issuer Breakdown | Amortized Cost (Includes Interest) | Allocation Percentage | Notes | Permitted by Policy | In Compliance |
|---|---|---|---|---|---|
| Government National Mortgage Association (GNMA) | 287,628.92 | 1.76% | | 40% | YES |
| Federal Farm Credit Bank (FFCB) | - | 0.00% | | 40% | YES |
| Federal Home Loan Bank (FHLB) | 447,406.20 | 2.74% | | 40% | YES |
| Federal National Mortgage Association (FNMA) | 1,286,672.26 | 7.87% | | 40% | YES |
| Federal Home Loan Mortgage Corporation (FHLMC) | 892,584.42 | 5.46% | | 40% | YES |
| American Express Company Corporate Notes | 371,458.13 | 2.27% | | 5% | YES |
| American Honda Finance Corporate Notes | 513,904.34 | 3.14% | | 5% | YES |
| Apple, Inc. Corporate Notes | 200,356.19 | 1.23% | | 5% | YES |
| Bank of Montreal Corporate Notes | 301,809.06 | 1.85% | | 5% | YES |
| Bank of New York Company Inc. Corporate Notes | 510,131.08 | 3.12% | | 5% | YES |
| Bank of Nova Scotia Corporate Notes | 640,496.22 | 3.92% | | 5% | YES |
| BB&T Corporate Notes | 274,004.73 | 1.68% | | 5% | YES |
| Boeing Company Corporate Notes | 190,424.34 | 1.16% | | 5% | YES |
| BP Capital Markets Corporate Notes | 264,142.73 | 1.62% | | 5% | YES |
| Chevron Corporation Corporate Notes | 120,040.09 | 0.73% | | 5% | YES |
| Cisco Systems, Inc. Corporate Notes | 200,528.04 | 1.23% | | 5% | YES |
| Citigroup, Inc. Corporate Notes | 250,083.69 | 1.53% | | 5% | YES |
| Deere and Company Corporate Notes | 70,612.00 | 0.43% | | 5% | YES |
| Ford Motor Company Corporate Notes | 161,171.92 | 0.99% | | 5% | YES |
| General Electric Capital Corporation Corporate Notes | 221,740.96 | 1.36% | | 5% | YES |
| Goldman Sachs Group, Inc. Corporate Notes | 427,887.20 | 2.62% | | 5% | YES |
| Home Depot Corporate Notes | 80,058.70 | 0.49% | | 5% | YES |
| JP Morgan Chase & Company Corporate Notes | 403,950.00 | 2.47% | | 5% | YES |
| Microsoft Corporation Corporate Notes | 201,418.14 | 1.23% | | 5% | YES |
| Morgan Stanley Corporate Notes | 326,495.79 | 2.00% | | 5% | YES |
| Pfizer, Inc. Corporate Notes | 217,294.52 | 1.33% | | 5% | YES |
| Royal Bank of Canada Corporate Notes | 180,997.95 | 1.11% | | 5% | YES |
| State Street Corporation Corporate Notes | 200,374.24 | 1.23% | | 5% | YES |
| US Treasury Corporate Notes | 89,414.83 | 0.55% | | 5% | YES |
| Verizon Communications Corporate Notes | 153,705.59 | 0.94% | | 5% | YES |
| Wells Fargo & Company Corporate Notes | 277,633.40 | 1.70% | | 5% | YES |
| Westpac Banking Corp Corporate Notes | 160,918.18 | 0.98% | | 5% | YES |





| Individual Issuer Breakdown | Amortized Cost (Includes Interest) | Allocation Percentage | Notes | Permitted by Policy | In Compliance |
|---|---|---|---|---|---|
| Bank of Tokyo Mistubishi Commercial Paper | 267,063.75 | 1.63% | | 5% | YES |
| Rabobank NY Commercial Paper | 298,447.92 | 1.83% | | 5% | YES |
| Ally Auto Receivables Trust ABS | 270,183.49 | 1.65% | | 5% | YES |
| American Express ABS | 180,102.92 | 1.10% | | 5% | YES |
| CNH Equipment Trust ABS | 240,155.23 | 1.47% | | 5% | YES |
| Ford Credit Auto Owner Trust ABS | 190,122.98 | 1.16% | | 5% | YES |
| Honda Auto Receivables ABS | 190,063.58 | 1.16% | | 5% | YES |
| Hyundai Auto Receivables ABS | 205,125.19 | 1.25% | | 5% | YES |
| John Deere ABS | 30,019.80 | 0.18% | | 5% | YES |
| Nissan Auto Receivables ABS | 50,022.40 | 0.31% | | 5% | YES |
| Toyota Auto Receivables ABS | 110,056.93 | 0.67% | | 5% | YES |
| Money Market Fund - Sweep Account | 7,668.47 | 0.05% | | 25% | YES |

## Quarterly Account Summary

| Portfolio Balances: | | March 31, 2017 | April 30, 2017 | May 31, 2017 | June 30, 2017 | Quarter End |
|---|---|---|---|---|---|---|
| (1) | **Amortized Cost of Holdings** | $16,206,509.43 | $16,181,735.95 | $16,213,240.11 | $16,258,474.28 | |
| (2) | Accrued Interest | 57,177.45 | 66,073.09 | 74,869.15 | 81,432.50 | |
| | Amortized Cost of Securities | $16,263,686.88 | $16,247,809.04 | $16,288,109.26 | $16,339,906.78 | |
| (3) | Reconciled Money Fund Balance | 11,862.16 | 50,587.17 | 35,351.47 | 7,668.47 | |
| | Total Amortized Cost of Portfolio | $16,275,549.04 | $16,298,396.21 | $16,323,460.73 | $16,347,575.25 | |
| | Net Change in Amortized Cost | | $22,847.17 | $25,064.52 | $24,114.52 | $72,026.21 |

| Portfolio Earnings: | | April 30, 2017 | May 31, 2017 | June 30, 2017 | Quarter End |
|---|---|---|---|---|---|
| | **Ending Amortized Cost of Securities** | $16,247,809.04 | $16,288,109.26 | $16,339,906.78 | $16,339,906.78 |
| (4) | Plus Proceeds on Sales | 406,251.93 | 578,164.45 | 1,088,497.50 | 2,072,913.88 |
| (5) | Plus Proceeds of Maturities | 12,800.71 | 20,320.19 | 143,173.66 | 176,294.56 |
| (6) | Plus Coupons Received | 14,992.30 | 18,029.56 | 27,508.97 | 60,530.83 |
| (7) | Less Cost of New Purchases | (391,937.48) | (631,834.23) | (1,286,788.41) | (2,310,560.12) |
| | Less Beginning Amortized Cost of Securities | (16,206,509.43) | (16,181,735.95) | (16,213,240.11) | (16,206,509.43) |
| (8) | Plus (Minus) Reconciling Transactions | | | | - |
| | Total Portfolio Accrual Basis Earnings | $83,407.07 | $91,053.28 | $99,058.39 | $132,576.50 |

Notes:
(1) Detail of Securities Held page Amortized Cost total. Does not include forward settling trades.
(2) Detail of Securities Held page Accrued Interest total.
(3) Cash/Money Report page Cash/Money Fund Balance.
(4) Security Transactions & Interest page subtotal Sales.
(5) Security Transactions & Interest page subtotal Maturities, Sinks, MBS Pmts., Calls
(6) Security Transactions & Interest page subtotal Interest.
(7) Security Transactions & Interest page subtotal Buys.
(8) Bank Statement vs. PFM Statement Reconciled Cash+Money Fund Balance





## Portfolio Characteristics

| | Since Inception Total Return | Yield to Maturity at Market | Yield to Maturity at Cost |
|---|---|---|---|
| 1-5 Year Investment Portfolio | 1.50% | 1.86% | 1.86% |
| ML 1 -5 Year U.S. Treasury Note Index | 1.10% | 1.54% | - |

| | Effective Duration | Longest Individual Security Effective Duration | Maximum Corporate Exposure |
|---|---|---|---|
| 1-5 Year Investment Portfolio | 2.64 Years | 4.51 Years | 3.90% |
| ML 1 -5 Year U.S. Treasury Note Index | 2.63 Years | - | - |

| Investment Policy Rule | In Compliance? | Notes |
|---|---|---|
| 1. Investments limited to authorized fixed securities | Yes | |
| 2. Maximum effective duration must not exceed 5.5 years | Yes | |
| 3. Sector Allocation Limits must not be exceeded | Yes | Please see Asset Allocation Chart for specific details |
| 4. Individual Issuer Limits must not be exceeded | Yes | Please see Asset Allocation Chart for specific details |
| 5. Individual corporate exposure must not exceed 5% | Yes | |
| 6. Portfolio duration must not exceed 3 years | Yes | |
| 7. Performance Benchmark must be the ML 1-5 Year U.S. Treasury Index | Yes | |
| 8. Monthly reporting of holdings and transactions | Yes | |
| 9. Quarterly reporting of the fund's performance | Yes | |
| 10. Maintaining an approved list of dealers | Yes | |
| 11. Transactions executed via competitive bids | Yes | |
| 12. Maintain custodial arrangements and agreements | Yes | |
| 13. Maximum exposure to issuers in any non-U.S. country cannot exceed 10 percent per country. | Yes | |

## IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results.The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis.Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.





## GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while ominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

## GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Information Item 5.a.
Miscellaneous

Operations Committee Membership

# Florida College System Risk Management Consoritum
# OPERATIONS COMMITTEE MEMBERS

## VOTING MEMBERS

***Term Dates: Start: 06/01/16 End: 05/31/18***

**Dr. James Henningsen, Chair**
President
College of Central Florida
O: 352-873-5835 C: 352-873-5847
E: henningj@cf.edu
**Currently serving the last year of the previous Chair's term*

**Dr. John Holdnak, Vice Chair**
President
Gulf Coast State College
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**Currently serving the last year of the previous Vice-Chair's term*

***Term Dates: Start: 02/01/16 End: 01/31/19***

**Richard Becker**
VP Administration & Business Services
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**Ken Burdzinski (Retirement)**
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***Term Dates: Start: 02/01/17 End: 01/31/20***

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***Term Dates Start: 02/01/15 End: 01/31/18***

*** Mae Ashby**
AVP Human Resources
Seminole State College
O: 407-708-2170 C:
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**Replaced Bill Hunter 01/28/16*
*Currently serving two of the three-year term.*

**E. H. Levering**
Sr. VP Business Affairs & CFO
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## MEMBERS IN-TRAINING

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Revised: January 20, 2017