

## **Everett School Employee Benefit Trust**

Portfolio Review

November 2015



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## **Everett School Employee Benefit Trust**

As of September 30, 2015

### **PORTFOLIO REVIEW CRITERIA**

The Trustees of the Everett School Employee Benefit Trust have retained the Hyas Group to independently monitor and evaluate the quality of investment implementation in accordance to the Trust's current IPS. Becker Capital Management is the sole investment manager hired on behalf of the Trust. Our review criteria are based on the Trust's IPS and the general risk and return objectives established and communicated by the Trustees. Our analysis includes reviews of the following criteria:

- Portfolio Valuation & Investment Performance
- Diversification Characteristics
- Portfolio Liquidity & Term Structure
- Credit & Interest Rate Risk

The Trust's cash flow needs have recently stabilized and in May 2015 changes were made to the Trust's Investment Policy Statement (IPS) that extended the allowable maturity range of securities that could be held in the portfolio. Becker Capital Management is in the process of transitioning the portfolio within the new policy guidelines while prudently managing trading costs. It is expected that the transition will take place over the next year as the majority of securities mature and the capital is reinvested according to the new policy guidelines. The Trust continues its high credit quality focus and conservative duration exposure in order to reduce liquidity and interest rate risk. The revised/current IPS is included in this report.

## **FINANCE**

### **Investment Guidelines**

#### **Role of Trustees**

The Trustees are responsible to ensure that the Trust fund is managed:

- Effectively and prudently, in full compliance with the law and the Trust; and
- For the exclusive purposes of providing benefits to participants in the Trust and defraying the costs of administering the Trust.

The Trustees will select, retain, and replace an Investment Consultant, one or more Investment Managers and may select other professional service providers in connection with the investment of the Trust funds.

#### **Objectives**

The investment objectives of the Trust funds shall be the following, in the order given:

1. Preservation of principle.
2. Meeting the liquidity needs of the Trust to pay claims and other expenses.
3. Diversification of investment to minimize the risk of large losses, within the permissible investment parameters of the Trust.

In that regard, the Investment Manager will manage a diversified portfolio of cash, U.S. government treasury bonds (hereinafter “Treasury”), U.S. government agency bonds (hereinafter “Agency”) and bank issued FDIC insured Certificates of Deposit with the goal of meeting the expenditure needs of the Trust. The strategy will be implemented via a portfolio that seeks to manage security purchases and maturities such that the Trust is able to maintain on account, available for immediate use, the equivalent of three (3) months of expenditure requirements, as directed from time to time by the Trustees. Additionally, the Treasury portion of the portfolio will also be structured to hold assets equal to at least three (3) months of projected net expenditures in order to provide added liquidity in the event of an unforeseen expenditure event. To the extent that expected Trust expenditures over the prospective three (3) month period require immediate, unencumbered liquidity, Trust funds will be invested in a designated cash account and held in a money market fund rather than in individual bonds. Investments in this money market fund will also be considered Treasury securities for purposes of the allocation targets of these Investment Guidelines.

### **Investment Consultant**

The Investment Consultant ("Investment Consultant") shall be selected by the Trustees. The Investment Consultant is responsible to monitor and evaluate the conduct and performance of the Trust's Investment Managers on a periodic basis as directed by the Trustees. The Investment Consultant shall be completely independent of the Investment Managers. The Investment Consultant's review of the performance of the Investment Manager shall include, among other things, an evaluation of the Investment Manager's compliance with these Investment Guidelines and of the results of the Investment Manager in comparison to the benchmark index and with the performance of funds with similar investment strategies to the Trust. The review may also include recommendations on changes to the Permitted Investments or other portions of these Investment Guidelines. The Investment Consultant shall report the results of its independent monitoring and evaluation to the Trustees on an annual basis, or as otherwise directed by the Trustees. The Investment Consultant also may be asked to provide educational meetings or seminars on financial, fiduciary, investment, or similar matters to the Trustees.

### **Investment Manager**

The Trust fund shall be invested by one or more professional investment managers or management companies selected by the Trustees ("Investment Manager"). The day-to-day decisions concerning investments shall be made by the Investment Manager, who shall be a fiduciary of the Trust funds and who shall make such investments in accordance with these Investment Guidelines. The Investment Manager shall provide monthly, quarterly, annual, and other reports on the investments as required in the contract between the Trust and the Investment Manager.

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The Trustees shall consider a variety of factors in selecting an Investment Manager, including costs and fees, past performance, prior experience with the investment of funds similar to the Trust, responsiveness, technical capabilities, experience and reputation of personnel, decision structure, and any other matter deemed relevant by the Trustees. The Investment Manager is required to report to the Trustees any material changes in the following which occur while the Investment Manager has been retained by the Trust:

- Material changes in the Investment Manager's investment decision structure or process.
- Changes in organization of the Investment Manager, including mergers and acquisitions.
- Any change in key personnel of the Investment Manager responsible for the formulation and execution of investment strategy.

The Investment Consultant shall review the performance of the Investment Manager annually or otherwise as directed by the Trustees. The Trustees may, but need not, consult with other investment professionals concerning such performance as necessary or desirable. The Trustees may replace the Investment Manager or add additional Investment Managers at any time in their discretion. The Investment Manager may be selected by a request for proposal or other process on a periodic basis and as determined by the Trustees.

### **Liquidity Needs**

It is acknowledged that the liquidity needs of the Trust fund will vary from time to time depending upon circumstances then prevailing. Thus the administrative agent shall keep the Investment Manager informed on a periodic basis of the expected liquidity needs of the Trust.

### **Periodic Review of Guidelines**

The circumstances that bear on these Investment Guidelines may change from time to time. The Trustees, in consultation with the Investment Consultant, will review these Investment Guidelines at least once annually.

### **Portfolio Guidelines**

The Trust portfolio will be benchmarked against the Merrill Lynch 1-5 Year Government Index and as such should generally be structured with similar credit and interest rate characteristics. Average portfolio duration is to be managed within 1-3 years and average credit quality at A+ or higher by Standard & Poor's rating agency (or equivalent Moody's rating) with no individual securities rated lower than BBB-. In addition, to insure appropriate diversification no single issuer, with the exception of government and agency issuers, shall exceed 3% of the portfolio at purchase. No single credit industry shall exceed 15% of the portfolio at purchase.

### **Permitted Investments**

The Investment Manager may select from the following permitted investments. These investments should have varying maturity dates as necessary to comply with liquidity needs, manage interest rate risk, to and in order to achieve diversification of the Trust funds. Provided, however, that the maturity date for any permitted investment will not be longer than ten (10) years. The Trustees, in consultation with the Investment Consultant, may establish additional maturity and asset allocation parameters for each type of permitted investment.

Total Portfolio Benchmark	Merrill Lynch 1-5 Year Government Index
<b>Permitted Investment</b>	<b>Criteria</b>
Cash/Money Market Funds	The money market fund is invested in the highest quality debt with a weighted average maturity of 90 days or less.
	The fund is registered with and regulated by the Securities and Exchange Commission.
	The fund is rated by at least one nationally recognized rating firm of not less than AAA or its equivalent.
	The fund shall not be subject to any sales loads or other such contingent charges.

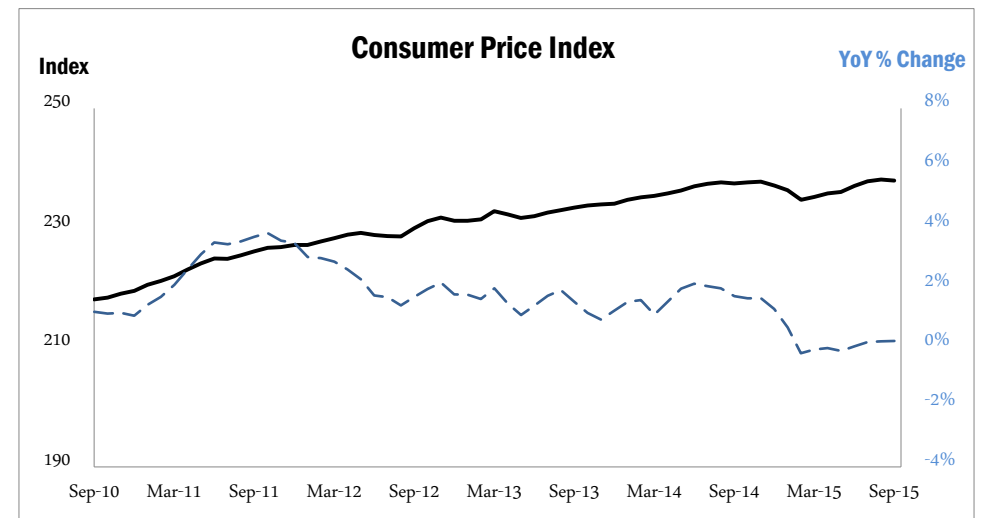
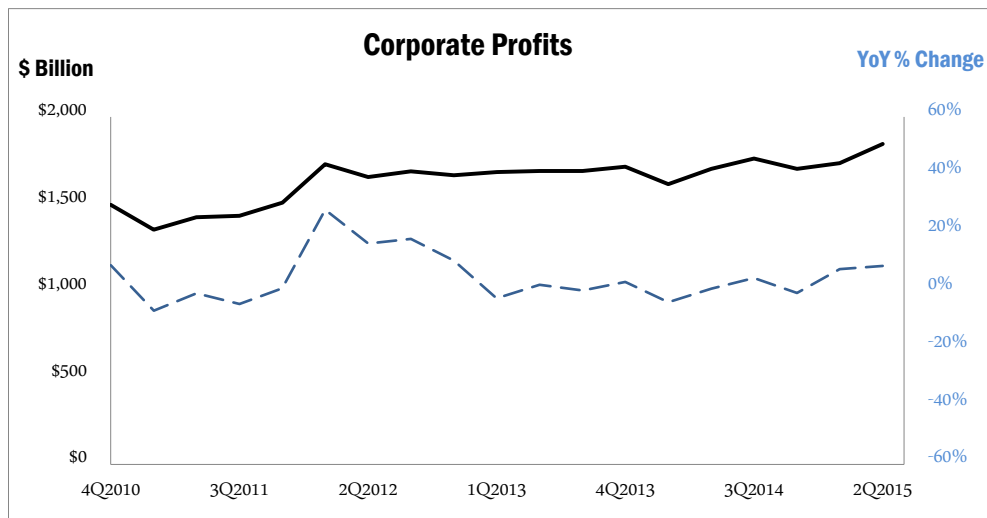
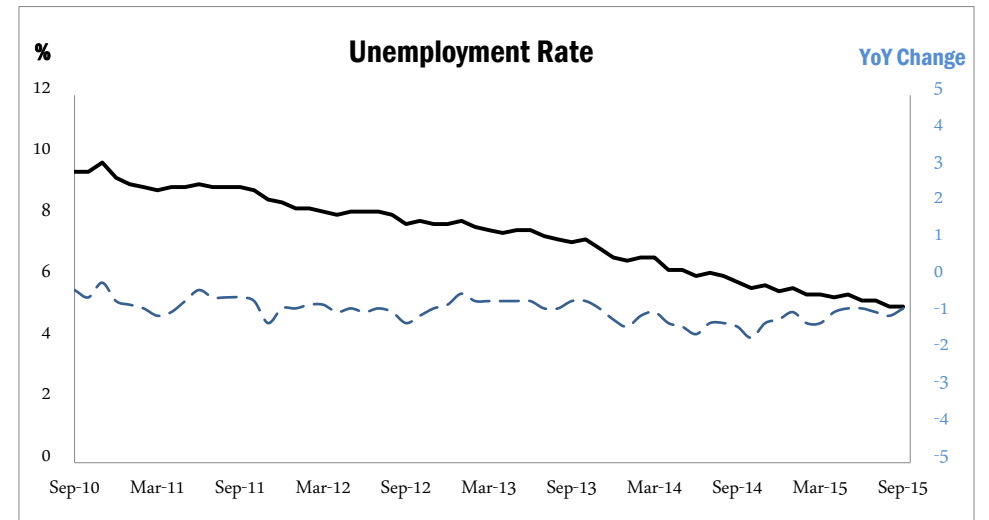
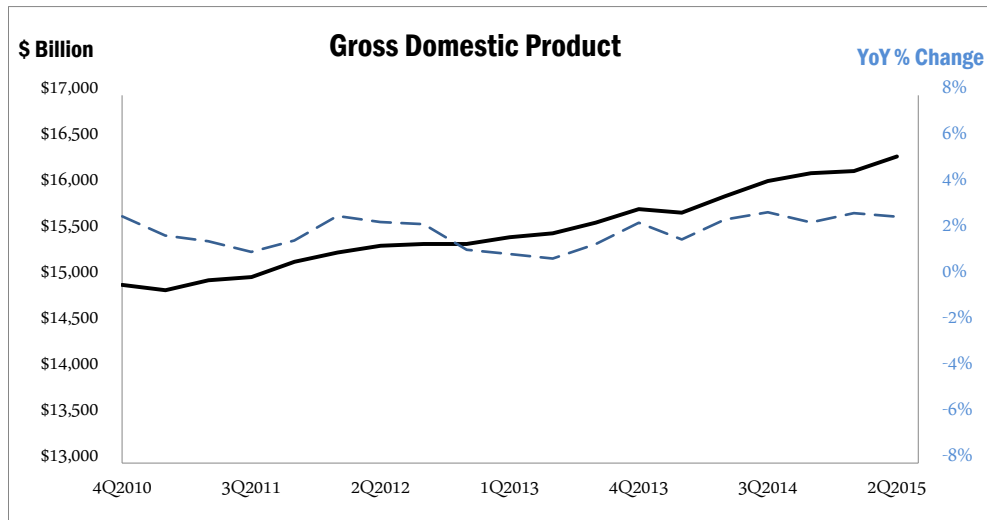
Permitted Investment	Criteria
U.S. Government Fixed Income	Invested in public obligations of the U.S. Treasury including U.S. Treasury Notes, Bonds and other issues backed by the full faith and credit of the U.S. Government.
U.S. Government Agency Fixed Income	Invested in issues of federal agencies of the U.S. Government, including FNMA, federal land banks, federal intermediate credit banks, federal farm credit banks, federal home loan banks, FHLMC, any agency created by Act of Congress that is authorized to issue direct debt obligations of the U.S. Government.
Domestic Certificates of Deposit	Invested in certificates issued or endorsed by a domestic bank or a savings and loan association, organized and supervised under federal laws in which principal and interest are fully insured and unconditionally guaranteed by the U.S. Government.  Certificates will be rated by at least one nationally recognized rating firm of not less than A-1 or P-1.

Legal Reference: [WAC 200-110-090](#)

(Applies only if the Trust self-insures any Trust benefits.) Standards for management—  
Standards for operations—Financial plans

Adopted: August 29, 2005  
Revised: December 8, 2008  
Revised: January 24, 2011  
Updated: February, 2011  
Revised: December 12, 2011  
Updated: October 16, 2013  
Revised: May 13, 2015

## 3Q2015 Economic Data



Labor Market Statistics (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	5-Yr Avg.	Date
Jobs Added/Lost Monthly	142,000	423,000	35,000	201,300	Sep-15
Unemployment Rate	5.1%	9.8%	5.1%	7.4%	Sep-15
Median Unemployment Length (Weeks)	11.4	24.3	9.4	17.2	Sep-15
Average Hourly Earnings	\$25.09	\$25.10	\$22.74	\$23.87	Sep-15

Source: Federal Reserve Bank of St. Louis and Bureau of Labor Statistics

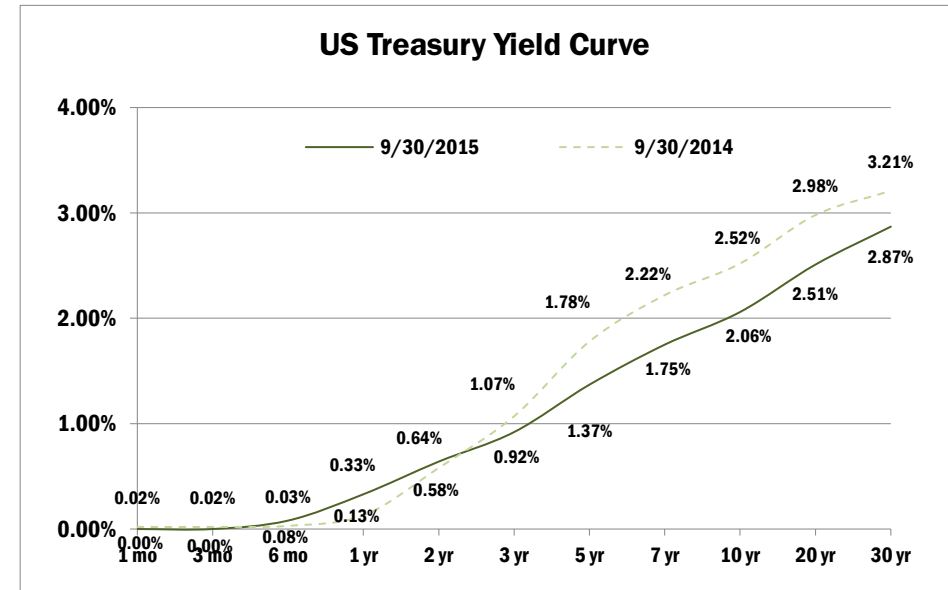
Other Prices and Indexes (Monthly)					
Category	Recent	5-Yr High	5-Yr Low	% Off Peak	Date
Gas: Price per Gallon	\$2.37	\$3.90	\$2.14	-39.3%	Sep-15
Spot Oil	\$42.87	\$109.53	\$42.87	-60.9%	Aug-15
Case-Shiller Home Price Index	178.3	179.9	136.9	30.3%*	Jul-15
Medical Care CPI	446.8	446.8	391.3	14.2%*	Aug-15

\*% Off Low

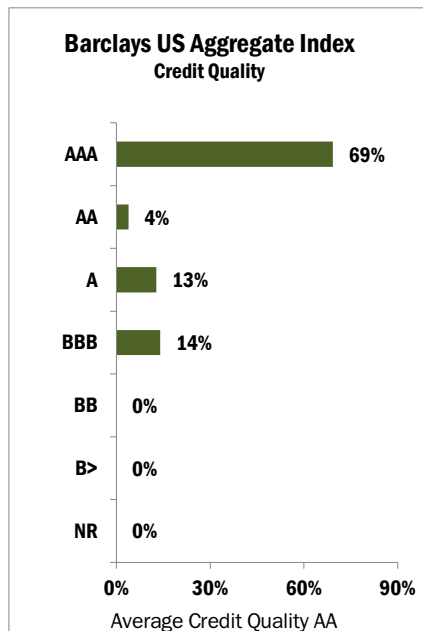


## 3Q2015 Bond Market Data

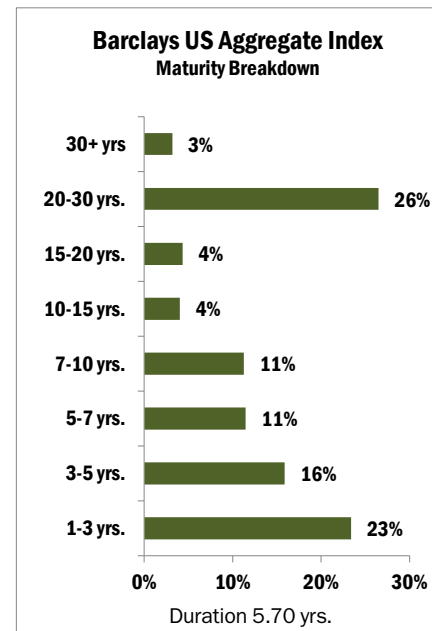
Index	QTR	YTD	1 yr.	3 yrs.	5 yrs.	10 yrs.
90-Day T-Bill	0.02%	0.04%	0.04%	0.06%	0.07%	1.29%
Barclays US Aggregate	1.23%	1.13%	2.94%	1.71%	3.10%	4.64%
Barclays Short US Treasury	0.06%	0.15%	0.15%	0.14%	0.16%	1.50%
Barclays Int. US Treasury	1.24%	2.06%	3.05%	1.09%	1.92%	3.91%
Barclays Long US Treasury	5.08%	0.17%	8.80%	2.78%	6.22%	6.99%
Barclays US TIPS	-1.15%	-0.80%	-0.83%	-1.83%	2.55%	4.01%
Barclays US Credit	0.53%	-0.26%	1.50%	2.02%	4.09%	5.28%
Barclays US Mortgage-Backed	1.30%	1.61%	3.43%	1.98%	3.03%	4.71%
Barclays US Asset-Backed	0.74%	1.83%	2.38%	1.21%	2.12%	3.41%
Barclays US High Yield	-4.86%	-2.45%	-3.43%	3.51%	6.15%	7.25%
Barclays Global	0.85%	-2.25%	-3.26%	-1.59%	0.81%	3.71%
Barclays International	0.64%	-4.82%	-7.67%	-4.00%	-0.85%	2.98%
Barclays Emerging Market	-2.39%	0.30%	-1.43%	1.34%	4.66%	6.88%



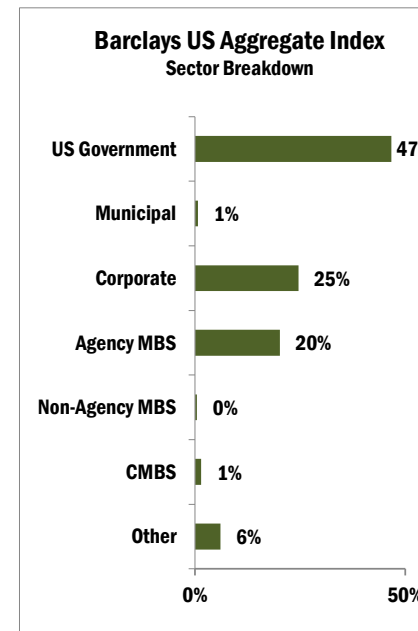
Source: Department of US Treasury



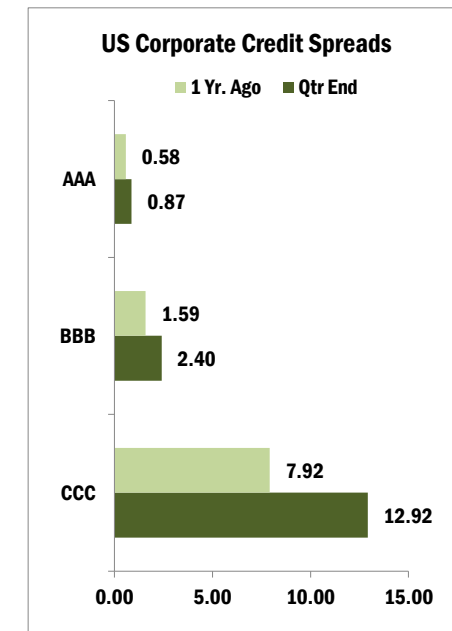
Source: Morningstar



Source: Morningstar



Source: Morningstar



Source: Federal Reserve / Bank of America

## Everett School Employee Benefit Trust

As of September 30, 2015

### TOTAL ACCOUNT PERFORMANCE (as of September 30, 2015)

	QTR	YTD	1-Year	3-Year	Since Inception <sup>2</sup>
Everett School Employee Benefit Trust <sup>1,3</sup>	0.23%	0.83%	0.95%	0.66%	1.31%
B of A ML 1-Yr US Treasury Note Index <sup>3</sup>	0.11%	0.32%	0.25%	0.27%	0.43%
B of A ML 0-5 Yr US Treasury Index <sup>3</sup>	0.57%	1.34%	1.73%	0.76%	1.43%

<sup>1</sup>Performance results are gross of investment advisory fees.

<sup>2</sup>Inception date is 9/03/2009

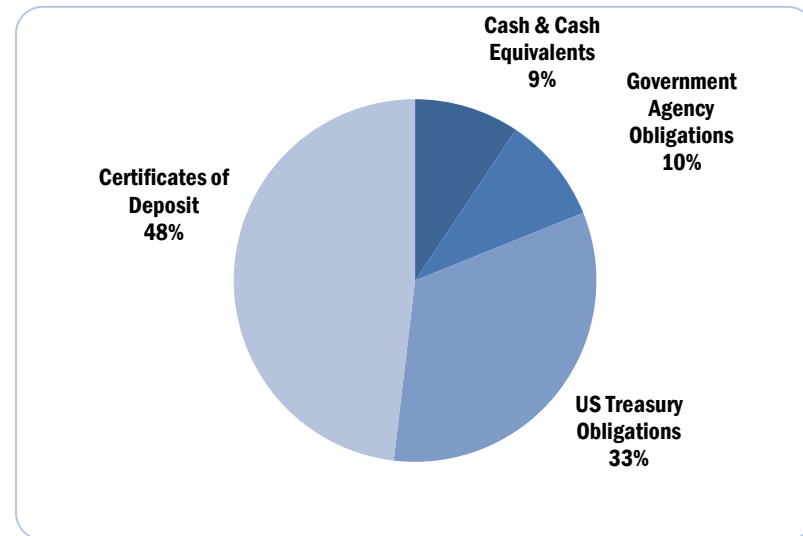
<sup>3</sup>Policy & Benchmark Revised December 2011 & May 2015

### Portfolio Statistics as of September 30, 2015

Number of Holdings:	27
Average Duration (Years):	1.66
Average Yield-to-Worst:	0.77%
Average Maturity:	1.73
Average Credit Quality:	Aaa

<b>Beginning Market Value<sup>4</sup>:</b>	\$5,885,720
<b>Contributions:</b>	\$6,060
<b>Distributions:</b>	\$300,000
<b>Gains/Losses:</b>	\$48,162
<b>Total Market Value:</b>	\$5,639,942

### Sector Breakdown as of September 30, 2015



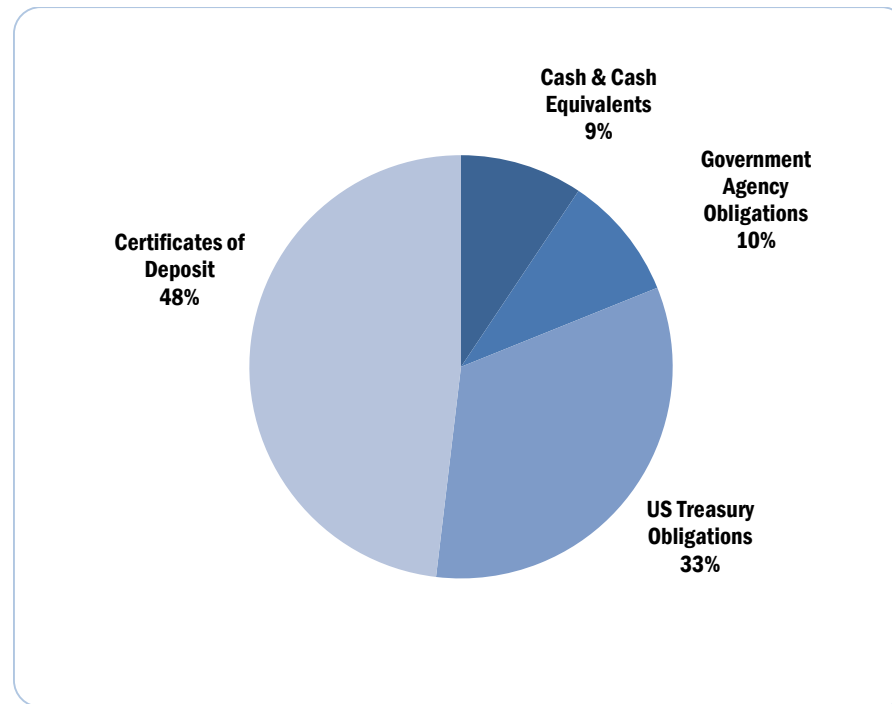
<sup>4</sup>As of September 30, 2015

## Everett School Employee Benefit Trust

As of September 30, 2015

### DIVERSIFICATION CHARACTERISTICS

The IPS provides the manager with latitude to operate within four broad asset class categories that include: Cash & Cash Equivalents (Money Market Funds), US Treasury Securities, US Government Agency Securities and Domestic Certificates of Deposit (CDs). The following chart indicates the actual percentage allocation of Trust dollars across these four broad categories as of September 30, 2015. At the present time, there is no specified guideline or limitation to the percentage allocations across the broad sector categories. However, in aggregate, Becker Capital is expected to take credit and duration risks in-line with the B of A ML 0-5 Yr US Treasury Index.



## Everett School Employee Benefit Trust

As of September 30, 2015

Overall, the portfolio retains a very high credit quality focus with the overwhelming majority of the portfolio backed directly or indirectly by the full faith and credit of the US Government which minimizes concentration risks. However, the chart below highlights the portfolio's allocation to CDs and reviews the diversification within the CD sector.

One of the key stipulations within the IPS is that Certificates of Deposit must be fully insured and unconditionally guaranteed by the US Government. The Federal Deposit Insurance Corporation (FDIC) is a United States government corporation that guarantees deposits in member banks. Until fairly recently, the FDIC guaranteed deposits up to \$100,000 per depositor. In 2013, Congress approved a permanent increase to \$250,000.

Based on the current FDIC program, it is essential that the investment manager only retain CDs issued by member firms and that investments remain below the guaranteed thresholds. We have listed the ten largest CD investments in the current portfolio as of September, 2015. At the time of this report, all CD allocations were at or below the \$250,000 limit.

Issuer	Market Value
CAPITAL ONE BANK C D 1.450% 2/04/19	\$250,897.50
STATE BK INDIA C D 1.000% 12/21/15	\$250,402.50
ALLY BANK MIDVAL C D 0.900% 12/07/15	\$250,297.50
FIRSTBANK PR C D 0.600% 11/24/15	\$250,137.50
AMERICAN EXPR BK C D 1.450% 11/06/17	\$250,042.50
MARLIN BUS BANK C D 0.450% 10/16/15	\$250,010.00
SALLIE MAE BANK C D 1.450% 11/13/17	\$249,942.50
PARTNERS BANK CA C D 1.500% 9/30/19	\$249,035.00
CONNECTONE BANK C D 1.350% 7/09/18	\$248,672.50
GE CAPITAL BANK C D 0.550% 11/24/15	\$150,073.50

## Everett School Employee Benefit Trust

As of September 30, 2015

Per a prior report, we had Becker Capital review and verify/confirm that each CD is in fact issued by a FDIC member firm and covered under the current FDIC program. Becker was able to confirm nearly all the CDs were issued by FDIC member firms and we recommended selling those issues that couldn't be confirmed.

Diversification by individual issue and issuer are additional key elements of proper portfolio construction. The following table lists the fifteen largest issues as of September 30, 2015.

Asset Name	Market Value	% of Portfolio
U S TREASURY NT 2.375% 7/31/17	\$1,032,280.00	18.4%
FIDELITY MONEY MARKET PT CL I	\$528,758.27	9.4%
F N M A M T N 1.625% 10/26/15	\$500,500.00	8.9%
U S TREASURY NT 2.750% 2/28/18	\$471,141.00	8.4%
U S TREASURY NT 1.625% 4/30/19	\$356,380.50	6.3%
CAPITAL ONE BANK C D 1.450% 2/04/19	\$250,897.50	4.5%
STATE BK INDIA C D 1.000% 12/21/15	\$250,402.50	4.5%
ALLY BANK MIDVAL C D 0.900% 12/07/15	\$250,297.50	4.5%
FIRSTBANK PR C D 0.600% 11/24/15	\$250,137.50	4.5%
AMERICAN EXPR BK C D 1.450% 11/06/17	\$250,042.50	4.4%
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PARTNERS BANK CA C D 1.500% 9/30/19	\$249,035.00	4.4%
CONNECTONE BANK C D 1.350% 7/09/18	\$248,672.50	4.4%
GE CAPITAL BANK C D 0.550% 11/24/15	\$150,073.50	2.7%

## **Everett School Employee Benefit Trust**

As of September 30, 2015

Issue size and diversification within US Treasuries is considered largely irrelevant as it relates to credit risk. The embedded assumption is that all Treasury securities would be treated equally under the unlikely scenario whereby the Treasury could not meet its obligation on any of its securities. Hence, the large allocations to any specific Treasury issue would not appear to subject the Trust to any inappropriate credit risk. That said, we would stress that a large allocation to a specific Treasury issue does have significant impact on the portfolio's overall duration (interest rate risk) profile. Government agency debentures are generally viewed in the same light as US Treasuries, with individual issue size largely irrelevant as it relates to credit risk.

The current money market allocation remains quite large at 9% of the portfolio. As such, we deemed it important to once again review/highlight Becker's choice of money market vehicles, the Fidelity Money Market Fund (FMPXX). The Fund's stated investment objective is as follows:

“Investing in U.S. dollar-denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services or by one if only one rating service has rated a security, or, if unrated, determined to be of equivalent quality by FMR.”

The most recent holdings report indicates the Fund is highly diversified by number of securities, breadth of issuers and unique asset classes. In addition, the weighted average maturity of the portfolio is 19 days, well within the 90-day maximum established in the current IPS. The IPS also stipulates that cash and money market funds be rated Aaa by at least one rating firm. At the time of this review, 100% of assets were reported Tier1 (the highest short-term rating category) as rated by Moody's, Standard & Poor's and Fitch.

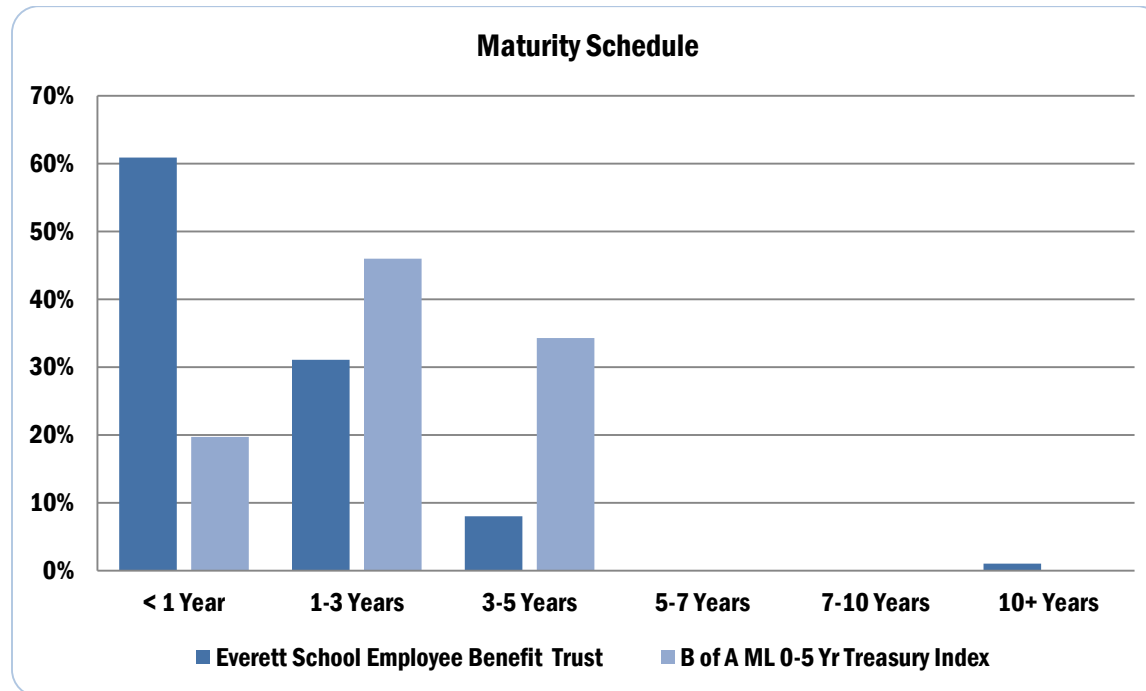
It is important to highlight that the IPS does not specifically prohibit Becker from investing in US Agency mortgage backed securities (MBS). However, the Hyas Group has directed them to be more strict in their interpretation of the IPS and refrain from investing in MBS securities. The portfolio retains only modest legacy exposure to Agency MBS.

## Everett School Employee Benefit Trust

As of September 30, 2015

### PORTFOLIO LIQUIDITY & TERM STRUCTURE

The current investment policy identifies a general desire to construct a portfolio that provides high levels of liquidity to meet unpredictable cash flow needs and manage interest-rate risk within the portfolio. The following charts indicate that the portfolio is heavily focused on the short-end of the yield curve with 60% of the portfolio demonstrating maturities of less than 1-year and nearly 92% of the portfolio with maturities less than three years. We wish to highlight that while no new securities with extended maturity dates have been added to the portfolio, Becker Capital has assumed a limited number (<1%) of legacy securities that retain extended maturities. In addition, the portfolio remains highly liquid based on trade date availability of proceeds.



## Everett School Employee Benefit Trust

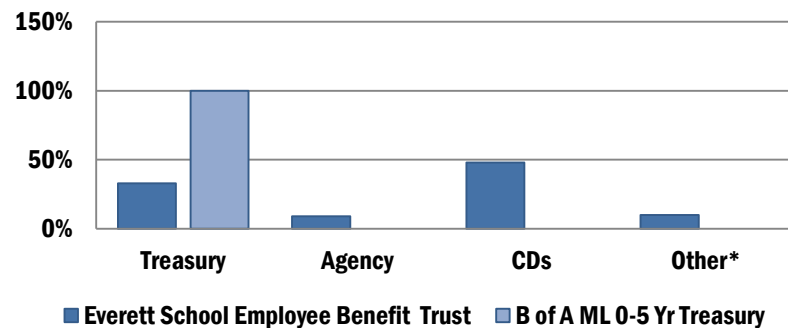
As of September 30, 2015

### CREDIT & INTEREST RATE RISK

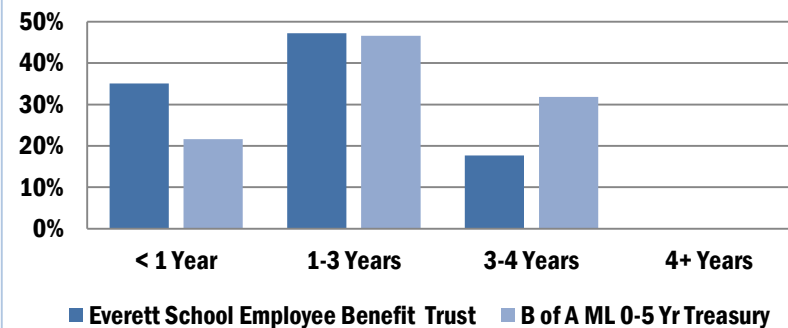
The Trust is managed under an extremely conservative mandate focused primarily on preservation of capital. While there are no specific policy guidelines established at the total portfolio level, the following charts confirm the conservative nature in which the portfolio is currently structured and managed. Interest rate risk is modest with total portfolio duration at 1.66 years and the average quality of the portfolio as defined by the Moody's rating agency is "Aaa". At the sub-sector level we previously confirmed that the Fidelity Money Market Fund, utilized as the money market investment of choice, was operating within the highest quality of assets and held weighted average maturity in check.

Characteristics	Everett School Employee Benefit Trust	B of A ML 0-5 Yr Treasury
Average Quality	Aaa	Aaa
Effective Duration	1.66 Years	2.25 Year

Quality Schedule



Duration Schedule





## **Everett School Employee Benefit Trust**

As of September 30, 2015

### **SUMMARY & RECOMMENDATIONS**

In our opinion, the portfolio's overall allocation, credit quality, duration (interest rate risk) and general portfolio diversification are consistent with the Trust's investment objectives and policy. The primary objectives under the current IPS are preservation of principal and liquidity. This objective can be further broken down into the management of two primary components: credit risk and interest rate risk. The current IPS guidelines place extremely strict limitations on the credit quality of individual securities that Becker Capital Management (Becker) may purchase on behalf of the Trust. Based on our review, Becker is adhering to the IPS guidelines and credit risk is tightly constrained. With duration less than 2 years, the portfolio has modest interest rate risk.

During Becker's tenure on the portfolio the fixed income market has faced the backdrop of historically low interest rates and highly accommodative U.S. monetary policy. At the end of the third quarter, the 1-Year Treasury Bond was yielding 0.33% and the 3-Year Treasury around 0.92%. Given the current interest rate environment and the tight credit quality and duration constraints of this portfolio, we stress that return expectations for the portfolio should remain modest.

#### **Action Items:**

- Please refer to meeting agenda for specific action items.



*Becker Capital Management, Inc.*

**PORTFOLIO SUMMARY**  
**Everett School Employee Benefit Trust**  
**September 30, 2015**

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income	Yield	Yield To Mat
<b>Fixed Income</b>						
GOVERNMENT BONDS						
TSY	1,867,189.45	1,859,799.70	33.0	41,812.50	2.2	0.74
AGY	516,329.00	500,499.00	8.9	8,125.00	1.6	0.24
	<u>2,383,518.45</u>	<u>2,360,298.70</u>	<u>41.8</u>	<u>49,937.50</u>	<u>2.1</u>	<u>0.64</u>
GNMA						
PASS	35,774.10	37,097.18	0.7	1,744.14	4.7	0.00
	<u>35,774.10</u>	<u>37,097.18</u>	<u>0.7</u>	<u>1,744.14</u>	<u>4.7</u>	<u>0.00</u>
CERTIFICATES OF DEPOSIT	2,695,000.00	2,695,660.44	47.8	32,175.00	1.2	0.83
Accrued Interest		18,127.47	0.3			
<u>Fixed Income Total</u>	<u>5,114,292.55</u>	<u>5,111,183.79</u>	<u>90.6</u>	<u>83,856.64</u>	<u>1.6</u>	<u>0.74</u>
<b>Cash and Equiv.</b>						
CASH AND EQUIVALENTS	528,758.44	528,758.44	9.4	52.88	0.0	
<u>Cash and Equiv. Total</u>	<u>528,758.44</u>	<u>528,758.44</u>	<u>9.4</u>	<u>52.88</u>	<u>0.0</u>	<u>0.00</u>
<b>TOTAL PORTFOLIO</b>	<b><u>5,643,050.99</u></b>	<b><u>5,639,942.22</u></b>	<b><u>100.0</u></b>	<b><u>83,909.51</u></b>	<b><u>1.5</u></b>	<b><u>0.74</u></b>

Account statements are sent directly to clients by the custodian on at least a quarterly basis. Clients are encouraged to compare the statements received from their custodians with the statements they receive from BCM. If you are not receiving statements directly from your custodian, please contact Stephanie Moyer at 503-223-1720.



*Becker Capital Management, Inc.*

**PORTFOLIO APPRAISAL - CASH ASSETS**  
Everett School Employee Benefit Trust  
*September 30, 2015*

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Annual Income	Yield To Mat	Pct. Assets
<b>CASH AND EQUIVALENTS</b>								
	MONEY MARKET FUND			528,758.44	528,758.44	52.88		9.4
<b>TOTAL FIXED INCOME ASSETS</b>				<b>528,758.44</b>	<b>528,758.44</b>	<b>52.88</b>	<b>0.00</b>	<b>9.4</b>



*Becker Capital Management, Inc.*

**PORTFOLIO APPRAISAL - FIXED INCOME ASSETS**

Everett School Employee Benefit Trust

September 30, 2015

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Total Cost	Annual Income	Yield To Mat	Pct. Assets
<b>CERTIFICATES OF DEPOSIT</b>									
250,000	MARLIN BUSINESS BANK CD 0.450% Due 10-16-15	100.00	100.00	250,000.00	250,009.00	250,000.00	1,125.00	0.37	4.4
250,000	FIRSTBANK PUERTO RICO CD 0.600% Due 11-24-15	100.00	100.06	250,000.00	250,138.50	250,000.00	1,500.00	0.23	4.4
150,000	GE CAPITAL BANK 0.550% Due 11-24-15	100.00	100.05	150,000.00	150,073.80	150,000.00	825.00	0.21	2.7
100,000	GOLDMAN SACHS BANK USA 1.000% Due 11-30-15	100.00	100.12	100,000.00	100,122.60	100,000.00	1,000.00	0.24	1.8
100,000	SAFRA NATL BANK CD 0.700% Due 11-30-15	100.00	100.08	100,000.00	100,076.60	100,000.00	700.00	0.22	1.8
250,000	ALLY BANK UT 0.900% Due 12-07-15	100.00	100.12	250,000.00	250,296.75	250,000.00	2,250.00	0.26	4.4
250,000	STATE BANK OF INDIA CD 1.000% Due 12-21-15	100.00	100.16	250,000.00	250,403.00	250,000.00	2,500.00	0.28	4.4
95,000	GE MONEY BANK UT 4.500% Due 12-30-15	100.00	101.00	95,000.00	95,950.19	95,000.00	4,275.00	0.45	1.7
250,000	AMERICAN EXPRESS BK FSB CD 1.450% Due 11-06-17	100.00	100.02	250,000.00	250,043.50	250,000.00	3,625.00	1.44	4.4
250,000	SALLIE MAE BANK UT 1.450% Due 11-13-17	100.00	99.98	250,000.00	249,942.50	250,000.00	3,625.00	1.46	4.4
250,000	CONNECTONE BANK 1.350% Due 07-09-18	100.00	99.47	250,000.00	248,671.50	250,000.00	3,375.00	1.55	4.4
250,000	CAPITAL ONE BANK CD 1.450% Due 02-04-19	100.00	100.36	250,000.00	250,897.75	250,000.00	3,625.00	1.34	4.4
250,000	PARTNERS BANK CA CD 1.500% Due 09-30-19	100.00	99.61	250,000.00	249,034.75	250,000.00	3,750.00	1.61	4.4
	Accrued Interest				7,137.74				0.1
TOTAL CERTIFICATES OF DEPOSIT				2,695,000.00	2,702,798.18	2,695,000.00	32,175.00	0.83	47.9
<b>GNMA</b>									
75,000	GNMA POOL 3207 5.500% Due 03-20-17	131.81	101.89	1,089.39	842.16	1,089.39	45.46	?	0.0
60,000	GNMA POOL 3255 5.000% Due 06-20-17	103.51	103.36	1,780.80	1,778.26	1,780.80	86.02	?	0.0
45,000	GNMA POOL 476724 6.000% Due 12-15-23	101.12	112.35	3,402.57	3,780.64	3,402.57	201.90	?	0.1
45,000	GNMA POOL 2629M 6.000% Due 08-20-28	135.86	113.26	1,353.11	1,128.03	1,353.11	59.76	?	0.0



*Becker Capital Management, Inc.*

**PORTFOLIO APPRAISAL - FIXED INCOME ASSETS**

Everett School Employee Benefit Trust

September 30, 2015

Quantity	Security	Unit Cost	Price	Total Cost	Market Value	Total Cost	Annual Income	Yield To Mat	Pct. Assets
60,000	GNMA POOL 2671 6.000% Due 11-20-28	112.93	112.32	1,288.02	1,281.04	1,288.02	68.43	?	0.0
35,556	GNMA POOL 3259 5.500% Due 07-20-32	122.59	113.17	2,249.41	2,076.49	2,249.41	100.92	?	0.0
63,000	GNMA POOL 3345 5.000% Due 02-20-33	107.08	110.97	5,176.29	5,364.52	5,176.29	241.71	?	0.1
25,000	GNMA POOL 3359 5.000% Due 03-20-33	104.57	110.66	2,000.77	2,117.40	2,000.77	95.67	?	0.0
125,702	GNMA POOL 3414 5.000% Due 07-20-33	103.42	110.92	12,629.01	13,543.79	12,629.01	610.54	?	0.2
40,110	GNMA POOL 3458 5.000% Due 10-20-33	102.78	110.91	4,804.74	5,184.84	4,804.74	233.74	?	0.1
	Accrued Interest				56.10				0.0
	TOTAL GNMA			35,774.10	37,153.28	35,774.10	1,744.14	0.00	0.7
<b>GOVERNMENT BONDS</b>									
500,000	FEDERAL NATL MTG ASSN 1.625% Due 10-26-15	103.27	100.10	516,329.00	500,499.00	516,329.00	8,125.00	0.24	8.9
1,000,000	UNITED STATES TREAS NTS 2.375% Due 07-31-17	104.31	103.23	1,043,111.33	1,032,279.00	1,043,111.33	23,750.00	0.60	18.3
450,000	UNITED STATES TREAS NTS 2.750% Due 02-28-18	105.05	104.70	472,710.94	471,140.55	472,710.94	12,375.00	0.78	8.4
350,000	UNITED STATES TREAS NTS 1.625% Due 04-30-19	100.39	101.82	351,367.19	356,380.15	351,367.19	5,687.50	1.10	6.3
	Accrued Interest				10,933.63				0.2
	TOTAL GOVERNMENT BONDS			2,383,518.45	2,371,232.33	2,383,518.45	49,937.50	0.64	42.0
<b>TOTAL FIXED INCOME ASSETS</b>				<b>5,114,292.55</b>	<b>5,111,183.79</b>	<b>5,114,292.55</b>	<b>83,856.64</b>	<b>0.74</b>	<b>90.6</b>