



# Monterey County Stable Value Fund *Quarterly Report*

*Fund Inception Date:* December 2006  
*Fund Investment Manager:* Great-West Life & Annuity Insurance Company  
*Investment Policy Statement:* Government only

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

March 31, 2019

Great-West Financial<sup>SM</sup> refers to products and services provided by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York (GWL&A of NY), Home Office: White Plains, NY; its subsidiaries and affiliates including Great-West Capital Management, LLC. The trademarks, logos, service marks, and design elements used are owned by GWL&A. ©2013 Great-West Life & Annuity Insurance Company. All rights reserved. 11/2013 PT187353



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**Monterey County Stable Value Fund**  
**Quarterly Statement as of**  
**March 31, 2019**

**Fund Characteristics**

	<u>3/31/19</u>	<u>12/31/18</u>
Number of Long Term Holdings	204	206
Market Value of Assets	\$86.66 MM	\$85.38 MM
Book Value Liabilities (participant account balances)	\$87.19 MM	\$86.78 MM
Market Value of Assets to Book Value of Liabilities	99.4%	98.4%
Average Life	3.7 Years	3.9 Years
Average Duration	2.7 Years	2.8 Years
Credited Rate	2.05% 1Q 2019	1.95% 4Q 2018
Next Quarter Credited Rate	2.15% 2Q 2019	
Average Rating (S&P / Moody's / Fitch)	AA+/AAA/AAA	AA+/AAA/AAA

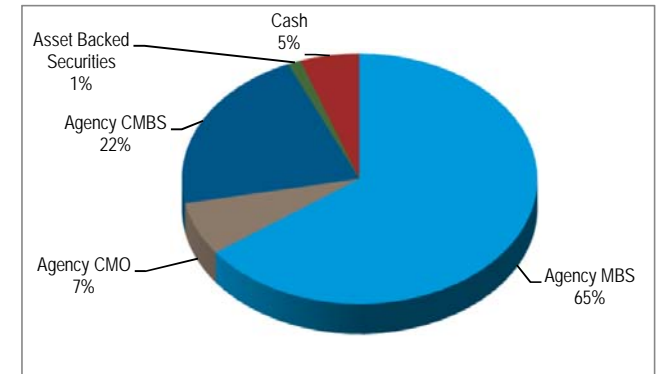
**Fees and Expenses**

Investment Management Fee	0.22%
Fee Paid to Plan Account	0.08%
<b>Total Fees</b>	<b>0.30%</b>

**Fund Allocation**

*(in millions)*

	<u>3/31/19</u>		<u>12/31/18</u>	
	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Market Value</u>	<u>% of Portfolio</u>
Agency MBS	\$ 56.30	65.0%	\$ 54.29	63.6%
Agency CMO	\$ 5.98	6.9%	\$ 5.40	6.3%
Agency CMBS	\$ 18.67	21.5%	\$ 23.10	27.1%
Asset Backed Securities	\$ 1.03	1.2%	\$ 1.02	1.2%
<b>Total Market Value of Long Term Holdings</b>	<b>\$ 81.98</b>	<b>94.6%</b>	<b>\$ 83.79</b>	<b>98.1%</b>
Cash, Short Term & Other	\$ 4.67	5.4%	\$ 1.58	1.9%
<b>Total Market Value of Assets</b>	<b>\$ 86.66</b>	<b>100.0%</b>	<b>\$ 85.38</b>	<b>100.0%</b>



# Performance



**Monterey County Stable Value Fund**  
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**March 31, 2019**

**Performance/Credited Rates**

<u>Annual Performance</u>	<u>3-Month</u>	<u>YTD</u>	<u>1-Yr</u>	<u>3-Yr</u>	<u>5-Yr</u>	<u>10-Yr</u>	<u>Since Inception</u>
Monterey County CSVF (net of fees)	0.50%	0.50%	1.92%	1.87%	1.93%	2.68%	3.07%

<u>Calendar Year Performance</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Monterey County CSVF (net of fees)	1.86%	1.83%	1.91%	1.99%	2.05%

	<u>31-Mar</u>	<u>28-Feb</u>	<u>31-Jan</u>	<u>31-Dec</u>
Current Yield of the Portfolio Based on BV of Assets	2.62%	2.59%	2.58%	2.58%
Amortization of Realized G/L AND of Asset/Liability Differential	-0.15%	-0.15%	-0.16%	-0.15%
Net Investment Performance	2.47%	2.44%	2.42%	2.43%
Investment Management Fees	-0.22%	-0.22%	-0.22%	-0.22%
Fee Paid to Plan Account	-0.08%	-0.08%	-0.08%	-0.08%
Investment Performance After Fees	2.17%	2.14%	2.12%	2.13%

**Credited Rate History**

	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>		<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2019	2.05%				2009	4.65%	4.65%	4.50%	4.50%
2018	1.80%	1.85%	1.85%	1.95%	2008	4.95%	4.85%	4.80%	4.75%
2017	1.80%	1.80%	1.85%	1.85%	2007	4.70%	4.70%	4.80%	4.90%
2016	1.95%	1.95%	1.90%	1.85%	2006	N/A	N/A	N/A	4.50%
2015	1.95%	2.00%	2.00%	2.00%					
2014	2.10%	2.00%	2.05%	2.05%					
2013	2.50%	2.40%	2.25%	2.15%					
2012	3.20%	3.10%	2.90%	2.65%					
2011	3.85%	3.75%	3.65%	3.50%					
2010	4.40%	4.40%	4.20%	4.15%					

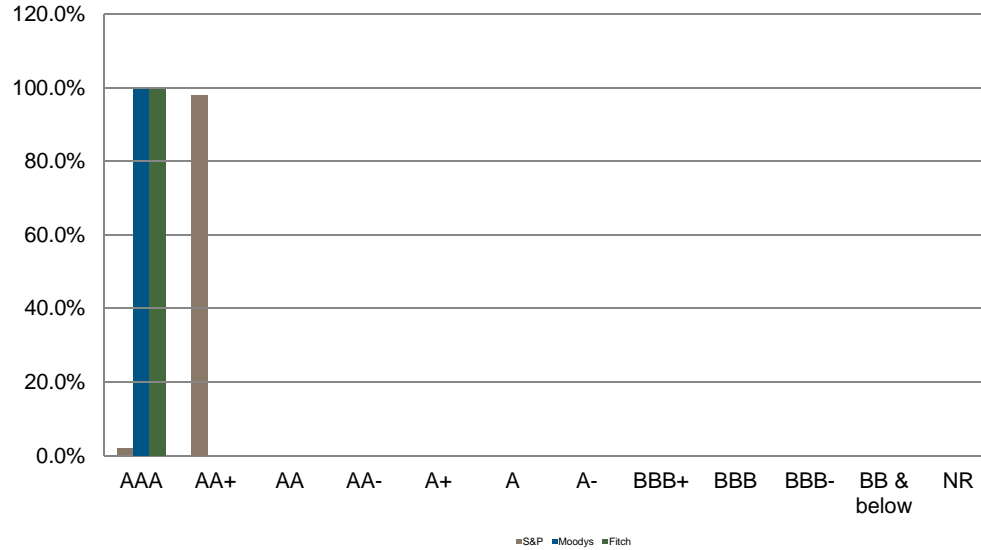


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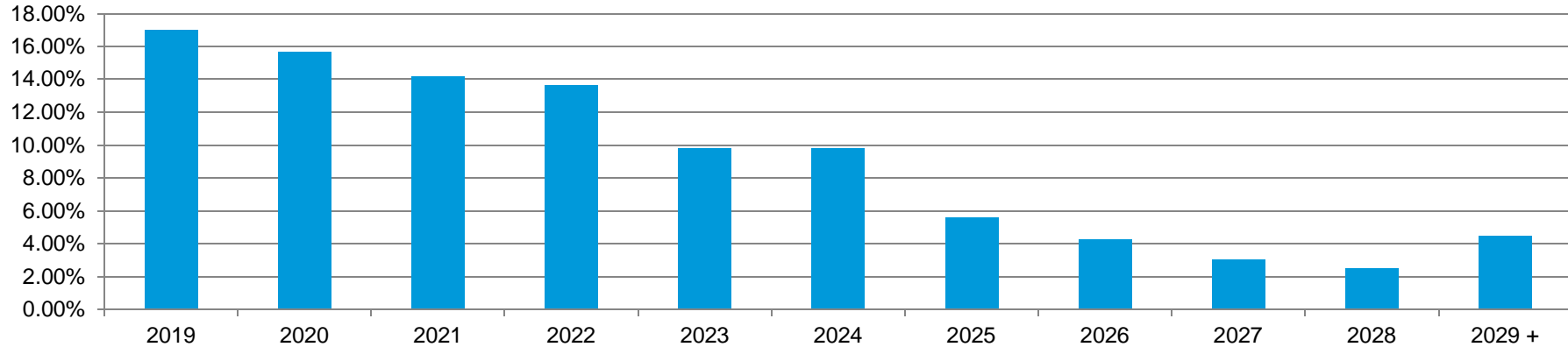
**Portfolio Quality**

	Total Assets		
	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>
AAA	2.1%	100.0%	100.0%
AA+	97.9%	0.0%	0.0%
AA	0.0%	0.0%	0.0%
AA-	0.0%	0.0%	0.0%
A+	0.0%	0.0%	0.0%
A	0.0%	0.0%	0.0%
A-	0.0%	0.0%	0.0%
BBB+	0.0%	0.0%	0.0%
BBB	0.0%	0.0%	0.0%
BBB-	0.0%	0.0%	0.0%
BB & below	0.0%	0.0%	0.0%
NR	0.0%	0.0%	0.0%

**Portfolio Quality**



**Estimated Cash Flow Schedule\***



\* Estimated principal and interest flow from current securities in the portfolio.



# Holdings Detail











Long Term Holdings Report  
March 31, 2019

Monterey County Stable Value Fund

Cusip	Description	Par Value	Purchase Price	Book Value	Market Value *	Purchase Date	Book Yld	S&P **	Moody's	Fitch's	
31418C5C4	FNMA POOL #MA3542	3 1/2% Due 12/1/2028 Mo-1	688,273.46	689,994.14	689,895.45	705,617.04	20181022	3.33	AA+	Aaa	AAA
31418CMJ0	FNMA POOL #MA3060	3% Due 7/1/2032 Mo-1	1,241,659.13	1,238,845.99	1,238,846.42	1,253,594.86	20190301	3.03	AA+	Aaa	AAA
31418CNG5	FNMA POOL #MA3090	3% Due 8/1/2032 Mo-1	1,271,896.00	1,270,070.13	1,270,063.95	1,284,117.33	20190228	3.01	AA+	Aaa	AAA
31418C8E8	FNMA POOL #MA3408	3 1/2% Due 7/1/2028 Mo-1	1,519,068.32	1,542,444.33	1,540,904.01	1,557,025.03	20180706	3.05	AA+	Aaa	AAA
31418CZ23	FNMA POOL #MA3460	3 1/2% Due 9/1/2028 Mo-1	662,862.14	670,940.78	670,515.44	679,560.07	20180910	3.14	AA+	Aaa	AAA
31418CZA5	FNMA POOL #MA3436	3 1/2% Due 8/1/2028 Mo-1	1,751,957.72	1,770,846.01	1,769,744.13	1,799,364.80	20180713	3.17	AA+	Aaa	AAA
31418MUR1	FNMA POOL #AD0591 MEGA	5% Due 12/1/2039 Mo-1	76,104.76	78,911.13	78,673.27	82,261.95	20100120	3.97	AA+	Aaa	AAA
31418NFF2	FNMA POOL #AD1065	4% Due 3/1/2025 Mo-1	102,350.54	107,388.12	105,003.62	105,441.50	20100825	2.83	AA+	Aaa	AAA
31418PS71	FNMA POOL #AD2341	4 1/2% Due 3/1/2040 Mo-1	202,490.35	211,127.85	210,496.06	214,089.03	20110603	3.28	AA+	Aaa	AAA
31419AN52	FNMA POOL #AE0411	4 1/2% Due 9/1/2040 Mo-1	118,355.47	123,505.82	123,033.80	125,136.60	20101116	3.52	AA+	Aaa	AAA
31419CQT3	FNMA POOL #AE2265	4 1/2% Due 3/1/2040 Mo-1	89,309.52	92,735.36	92,359.20	94,390.54	20100810	3.72	AA+	Aaa	AAA
31419E6N4	FNMA POOL #AE4476	4% Due 3/1/2041 Mo-1	302,571.67	327,581.10	325,383.33	313,810.62	20120828	2.41	AA+	Aaa	AAA
31419EJ83	FNMA POOL #AE3886	4 1/2% Due 11/1/2040 Mo-1	105,765.59	109,302.11	108,919.09	111,825.52	20101202	3.85	AA+	Aaa	AAA
31419GRA4	FNMA POOL #AE5880	4% Due 11/1/2040 Mo-1	114,384.04	118,333.90	117,892.40	118,646.71	20101006	3.34	AA+	Aaa	AAA
36202E2A6	GNMA POOL #004369	5% Due 2/20/2039 Mo-1	52,972.40	53,899.43	53,831.71	56,662.66	20090130	4.35	AA+	Aaa	AAA
36202FEH5	GNMA POOL #004636	4 1/2% Due 2/20/2040 Mo-1	176,180.47	186,641.18	185,862.52	185,509.46	20101028	2.92	AA+	Aaa	AAA
36202FLP9	GNMA POOL #004834	4 1/2% Due 10/20/2040 Mo-1	201,695.36	213,639.52	212,754.88	212,366.03	20101028	3.00	AA+	Aaa	AAA
3837ETC7	GNMA CMO SER.2012-68 CL.CV	3% Due 7/20/2025 Mo-1	263,611.91	282,764.89	270,861.59	260,123.51	20120615	1.79	AA+	Aaa	AAA
62888UAB6	NCUA GTD NOTES TRUST 2010-R2	CMO FLOAT SER.2010-R2 CL.2A	295,714.45	297,655.08	302,606.77	295,963.94	20140122	1.07	AA+	Aaa	AAA
92261WAB6	VENDEE MORTGAGE TRUST	CMO SER.2011-1 CL.DV	167,491.45	173,432.16	168,903.99	170,353.29	20110414	3.07	AA+	Aaa	AAA
92261XAA6	VENDEE MORTGAGE TRUST	CMO SER.2010-1 CL.DA	175,901.06	179,103.02	176,317.32	178,683.89	20100415	3.88	AA+	Aaa	AAA
			80,864,085.63	82,519,150.70	82,167,214.44	81,981,261.32		2.61			
		Cash, Short Term & Other ***	4,674,358.98	4,674,358.98	4,674,358.98	4,674,358.98		2.42			
204	Number of Long Term Securities		85,538,444.61	87,193,509.68	86,841,573.42	86,655,620.30		Book Yield	2.60		
							Annual Eff. Yield	2.62			

\* Fixed income and other securities are valued by independent pricing services approved by Great-West Life & Annuity Insurance Company ("the Company"). In some instances, valuations from independent pricing services are not available or do not reflect significant events in the market therefore fair valuation procedures are implemented by the Company.

For fixed income securities, regardless of whether the price is sourced from our independent pricing services or the fair value procedures of the Company, fair value determinations involve judgments that are inherently subjective. These determinations are made in good faith and in accordance with procedures adopted by the independent pricing services or the Company. Factors used in the determination of fair value may include but are not limited to market data incorporating available trade, and bid and other market information, such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing. Model processes, such as the Option Adjusted Spread model, are used to develop prepayment and interest rate scenarios. Pricing evaluators gather information from market sources and integrate relevant credit information, perceived market movements, and sector news into the evaluated pricing applications and models. These policies are intended to assure the Portfolio's valuation fairly reflects security values at the time of pricing.

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\*\*\* Cash, Short Term & Other includes cash, short-term investments, interest receivable, cash and/or securities received as collateral, receivable for cash posted as collateral, receivable for investments sold, collateral payable to counterparties, contract transactions receivable, payable for investments purchased, contract transactions payable and miscellaneous other receivable/payables, as applicable.



# Glossary



# Glossary

<b>Agency Securities:</b>	Debt instruments issued by an agency of the Federal government. Though not general obligations of the U.S. Treasury such securities are sponsored by the government and therefore have high safety ratings.
<b>Amortization of Realized Gains/Losses:</b>	If applicable, The process of recognizing realized gains or losses that occurred due to the sale of assets or prepayment of securities that were faster or slower than expected via the crediting rate. Amortization period is typically the average duration of the portfolio.
<b>Amortization of the Difference Between Assets and Liabilities:</b>	If applicable, the process of recognizing differences between what the fund has earned and the interest that was credited from inception to the statement date via the crediting rate. Amortization period is the average duration of the portfolio.
<b>Asset Backed Securities (ABS):</b>	A debt security whose cash flows are backed by a pool of receivables or other financial assets.
<b>Average Life:</b>	The average expected maturity date of the securities based on current pre-payment speeds and determined by an outside organization.
<b>Average Maturity:</b>	The number of years until a bond pays back its principal.
<b>Book Value Assets:</b>	The amount owed by the issuer of the security to the security holder on behalf of the plan participants, subject to certain terms and conditions.
<b>Book Value Liabilities:</b>	The value of deposited principal, plus accrued interest, minus withdrawals and expenses
<b>Collateralized Mortgage Obligations (CMO):</b>	Mortgage backed bonds that separates mortgage pools into different maturity classes.
<b>Commercial Mortgage Backed Securities (CMBS):</b>	An asset backed security whose cash flows are backed by the principal and interest payments of commercial or multifamily property mortgage loans.
<b>Corporates:</b>	A debt instrument issued by a private Corporation whose cash flows are backed by the issuing organization.
<b>Credit Quality</b>	The measure of the financial soundness of an institution, indicating its ability to honor its financial obligations in a timely manner.
<b>Crediting Rate</b>	The interest rate applied to the book value of the stable value fund liabilities, expressed as an effective annual yield.
<b>Duration:</b>	A theoretical measurement developed by Professor Frederic Macauley that measures the sensitivity of a financial instrument to changes in
<b>FGLMC:</b>	Federal Home Loan Mortgage Corporation - Gold pool. Nicknamed Freddie Mac.
<b>FHLMC:</b>	Federal Home Loan Mortgage Corporation. Nicknamed Freddie Mac.
<b>FNMA:</b>	Federal National Mortgage Association. Nicknamed Fannie Mae.
<b>GNMA:</b>	Government National Mortgage Association. Nicknamed Ginnie Mae.
<b>GSE:</b>	Government Sponsored Entity
<b>Investment Grade:</b>	A security judged likely enough to meet payment obligations that banks are allowed to invest in it.
<b>Investment Guidelines</b>	Guidelines established between a plan sponsor or trustee and an investment manager that dictate the investment parameters and risk
<b>Market Value Assets:</b>	The cash value of a security could be sold for at a given price on the open market. Prices are determined by independent pricing services.
<b>Mortgage Backed Securities (MBS):</b>	An asset backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans.
<b>Nationally Recognized Statistical Ratings Organization (NRSRO)</b>	A firm that evaluates the financial quality of an institution's debt, the claims paying ability of life insurance companies, and/or the deposit credit rating of banks. Examples of NRSROs include Standard & Poor's (S&P), Moody's Investors Service, and Fitch Ratings. For a list of all NRSROs, please visit <a href="http://www.sec.gov/divisions/marketreg/ratingagency.htm">www.sec.gov/divisions/marketreg/ratingagency.htm</a> .
<b>Par Value:</b>	Maturity value of the security.
<b>Purchase Price:</b>	Original purchase price of the security less any reductions from principal payments.
<b>Treasury Notes:</b>	Intermediate securities issued by the United States Government with maturities of 1 to 10 years.
<b>Vendee:</b>	Veterans Administration Mortgage.
<b>Yield To Maturity</b>	The rate of return anticipated on a security if it is held until the maturity date. The calculation takes into account the current market price, par value, coupon interest rate and the time to maturity and assumes that all coupons are reinvested at the same rate.