



Information Item

Date: August 12, 2015

To: Mayor and City Council
From: Gigi Decavalles-Hughes, Director of Finance/City Treasurer
Subject: City Monthly Cash and Investment Report for April 2015

Introduction

In compliance with the City Charter, State law, and the City's Investment Policy, the attached monthly report provides information concerning City investments and cash held and/or managed by the Director of Finance/City Treasurer as of April 30, 2015.

Discussion

The April 2015 Cash and Investment Report provides an updated review of the City's investment portfolio and cash position. The value of cash and investments held in the pooled portfolio increased by \$11 million in April to \$681.9 million primarily due to a scheduled large property tax apportionment from Los Angeles County and a reimbursement from the Redevelopment Successor Agency for a payment the City made on behalf of the Agency. The pooled portfolio yield-to-maturity of 0.94% is one basis point higher than the prior month and twenty five basis points higher than in April 2014. Net investment earnings for the month were \$0.2 million. Fiscal year-to-date earnings are 39.2% greater than for the same period last year. Although the extended low interest rate environment continues to limit investment returns, portfolio yields have now increased in each of the last eleven months. As of April, we had not yet received the final report on the State Controller's Office audit of RDA assets. As a result, the uncertainty regarding RDA dissolution required the holding of extraordinarily large cash balances for an extended period. However, as this uncertainty continues to dissipate, the City has begun rebalancing the portfolio. This rebalancing will continue in a prudent and orderly manner over the next six to twelve months.

In addition to the pooled portfolio, the City's total cash holdings as of April 30, 2015 included \$17.6 million in debt proceeds held in trust with various fiscal agents, \$14.2 million in other funds held in trust, and \$29,222 in petty cash/change funds for a total balance of \$713.8 million.

In compliance with Governmental Accounting Standards, the Monthly Cash and Investment Report provides the fair market value of all investments held by the City, with certain exceptions, as of the last day of the month. The fair market value may be greater or less than the original purchase price (book/reported value) of the investments due to fluctuations in the market resulting in either an unrealized gain or loss for financial disclosure purposes only. Since it is the City's policy to hold most securities to maturity, these fluctuations in market value do not affect the redemption value of the securities or the overall yield to maturity of the portfolio. The book values of investments shown in this report are exclusive of amortization/accretion of premiums/discounts. As of April 30, 2015, the market value of the City's portfolio was approximately \$0.6 million greater than the book value.

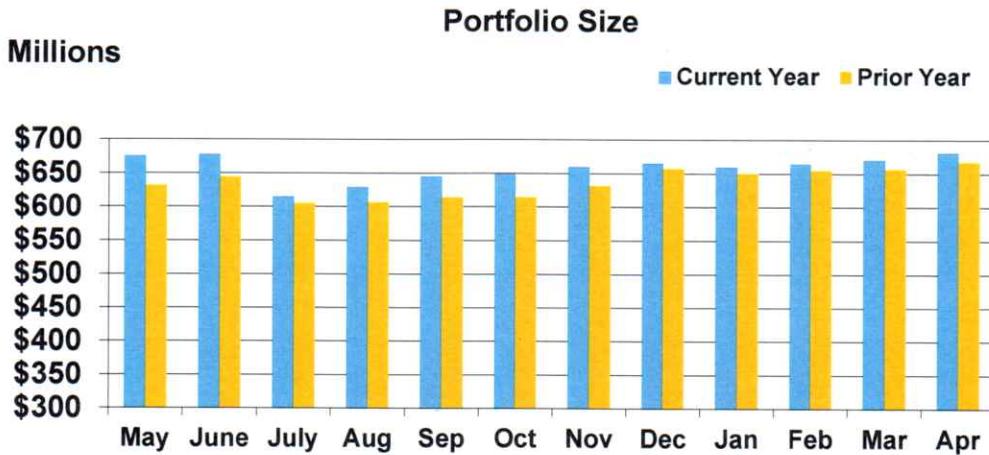
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer as of April 30, 2015.

Prepared by: David Carr, Assistant City Treasurer

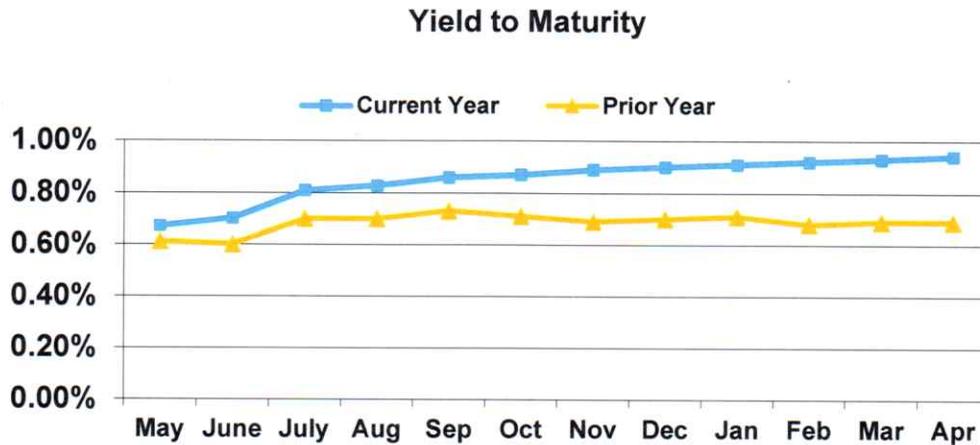
Attachments: 1 – Investment Highlights
2 – Investment Report

Investment Highlights

April 30, 2015

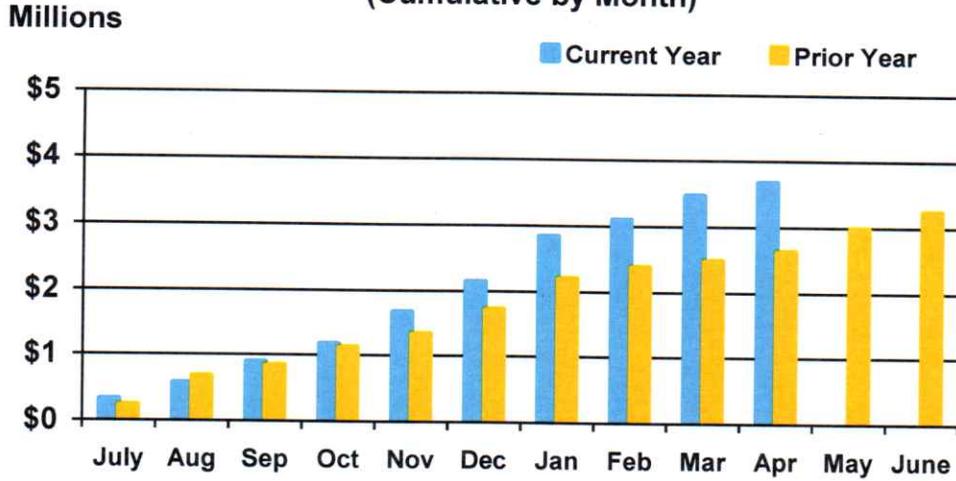


- As of April 30, 2015, the portfolio size is \$681.9 million, \$11 million more than in the prior month, reflecting a property tax payments and a reimbursement from the RDA Successor Agency, and \$14.5 million more than one year earlier. Receipts have exceeded outflows over the last twelve months reflecting increased revenues.

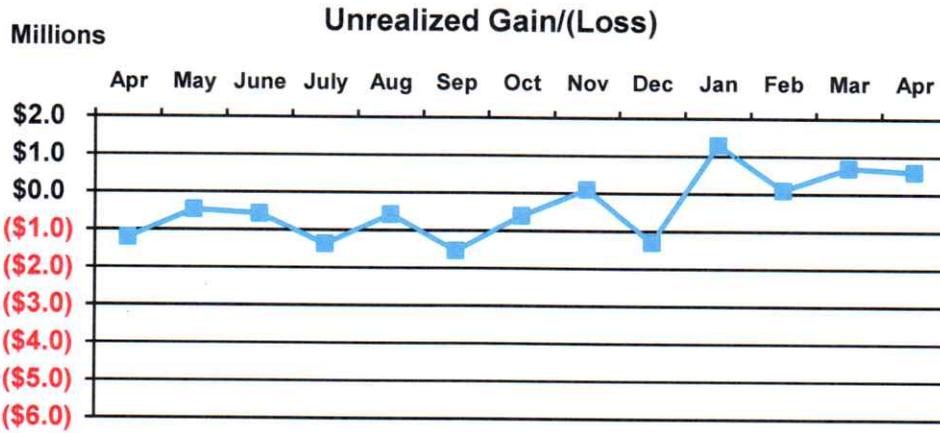


- As of April 30, 2015, yield to maturity is 0.94%.
- Up one basis point from the prior month and twenty-five basis points from one year earlier.

Fiscal Year-to-Date Interest Earnings (Cumulative by Month)



- Fiscal year-to-date earnings (cash basis) are up 39.2% from one year earlier.



- As of April 30, 2015, the market value is about \$0.6 million more than the unamortized book value (purchase price).



Investment Report

April 30, 2015

Prepared by:
Gigi Decavalles-Hughes, Director of Finance/City Treasurer
David R. Carr, Assistant City Treasurer

**City of Santa Monica
Cash Receipts, Disbursements and Cash Balances
April 30, 2015**

Petty Cash/Change Funds		\$29,222.00
Pooled Portfolio		
Wells Fargo Bank (1)	\$60,420,331.17	
Bank of New York (BNY)		
Cash	\$0.00	
Corporate Bonds	\$130,390,879.18	
Treasury Bills	\$2,990,625.00	
State of California Bonds	\$6,655,793.32	
Supranationals	\$2,004,041.11	
Federal Agencies Securities	\$429,850,278.69	
Total Bank of New York	<u>\$571,891,617.30</u>	
State of California Local Agency Investment Fund - City	\$49,621,090.93	
Total Pooled Portfolio		\$681,933,039.40
Restricted Cash/Investments Held in Trust/Debt Proceeds		
Union Bank - Redevelopment Agency Term Loan	\$11,649,821.53	
Union Bank-Earthquake Recovery Redevelopment 2006		
Tax Allocation Refunding Bonds Series A & B	\$12.82	
Union Bank-Civic Center Parking Project 2004 Lease Revenue Bonds	\$2,590,085.97	
Union Bank-RDA 2011 Tax Allocation Bonds	\$2,262,586.85	
BNY-2011 Parking Structure Series A & B	\$0.00	
BNY-Library Improvement Project 2002	\$0.00	
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	\$2.00	
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,061,983.25	
U.S. Bank-Wastewater Enterprise Revenue Bonds-2012 Refunding	\$1.31	
Total Restricted Cash/Investments Held in Trust		\$17,564,493.73
Other Restricted Funds/Funds Held in Trust		
Cemetery Perpetual Care Fund (3)	\$10,365,740.00	
Mausoleum Perpetual Care Fund (3)	\$1,206,377.00	
Santa Monica Redevelopment Successor Agency RPTTF-Wells Fargo	\$411,906.10	
Wells Fargo Bank - HUD Depository Account (4)	\$154,923.63	
Wells Fargo Bank - Payroll Account	\$154,354.77	
Wells Fargo Bank -RDA Successor Agency - OP Special Fund	\$288,580.24	
Union Bank - W.E. O'Neil Direct Owner Costs PGW Escrow	\$1,478,797.62	
Union Bank - Morley Direct Owner Costs Civic Escrow	\$59,983.59	
Wells Fargo Bank - Public Agency Family Self Sufficiency Program (2)	<u>\$128,586.30</u>	
Total Other Funds Held in Trust		\$14,249,249.25
GRAND TOTAL		\$713,776,004.38

City of Santa Monica
Cash Receipts, Disbursements and Cash Balances
April 30, 2015

- (1) These are the actual bank account balances as of 4/30/2015. They only reflect checks and warrants that have been presented for payment and deposits received by the bank. The balance on deposit per the City books would reflect reductions for all checks and warrants issued and an increase for all deposits transmitted. Housing Authority and Parking Authority Funds are included in totals.
- (2) The City of Santa Monica Housing Authority administers the Family Self Sufficiency Program. An escrow account is set up for each family in the program. The Housing Authority maintains and releases the escrow funds as required by HUD regulations.
- (3) The Cemetery Perpetual Care Funds and the Mausoleum Perpetual Care Funds are held in trust by Charles Schwab & Company, Inc. and administered by the investment firm Nelson Capital Management. Market value is shown since a large portion of the portfolio is in equities.
- (4) HUD Depository account is used to receive monthly housing assistance payments from HUD.

Pursuant to Section 711d of the City Charter, I submit the following:

Cash and Investments - March 31, 2015	670,868,995.70
Receipts	54,223,976.48
Disbursements	(43,159,932.78)
Cash and Investments - April 30, 2015	681,933,039.40

Pooled portfolio only. Excludes certain investments held in trust by third parties such as bond proceeds, perpetual care funds, and other escrow accounts. Also excludes payroll account and Successor Agency accounts at Wells Fargo Bank.

Gigi Decavalles-Hughes
Director of Finance/City Treasurer

Overview

As of April 30, 2015, total City cash and investments (including cash held for the Successor Agency to the Redevelopment Agency) were \$713.8 million, an \$8.2 million increase from the prior month. The pooled portfolio increased by \$11 million, primarily due to receipt of a large property tax apportionment from Los Angeles County and a reimbursement from the Redevelopment Successor for a payment the City made on behalf of the Agency. The reimbursement reduced Other Restricted Funds/Funds Held in Trust by \$2.2 million. Total cash and investments are categorized as follows:

Petty Cash/Change Funds	\$	29,222.00
Pooled Investment Portfolio	\$	681,933,039.40
Restricted Cash/Investment Held in Trust	\$	17,564,493.73
Other Funds Held in Trust	\$	14,249,249.25
Total	\$	<u>713,776,004.38</u>

Definitions

- Basis Point – One hundredth of one percent (.01%)
- Book (Reported) Value – The price paid for the security at purchase
- Bullets – A security with a fixed coupon or interest rate that cannot be redeemed by the issuer before the maturity date
- Callable Securities – A security that can be redeemed by the issuer before the maturity date
- Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a security. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.
- Market Value – The price at which a security is currently trading and could be presumably bought or sold
- Par Value – The full face value of the security
- Rebalancing – Strategy whereby low yielding securities are sold at a loss with the proceeds used to purchase higher yielding securities
- Unrealized Gain/Loss – Difference between the current market value and purchase price (book value) of a security
- Yield to Maturity – The rate of return of a security held to maturity when both interest payments and the investor's gain or loss (premium paid or discount taken) on the security is taken into account.

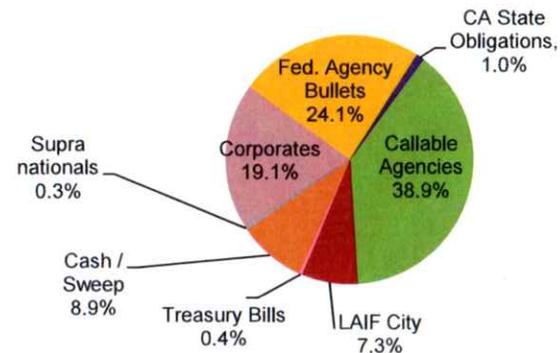
Pooled Investment Portfolio

As of April 30, 2015, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$681.9 million, \$11 million more than in the prior month. Since the City holds most investments to maturity, variations in portfolio book value are typically due to receipt and expenditure patterns during the month rather than any realized gains or losses on securities. Additionally, the City does not amortize premiums or accrete discounts except for financial reporting purposes on the last day of each fiscal year. As noted above, the April increase reflects a large property tax apportionment from Los Angeles County and a reimbursement from the Redevelopment Successor for a payment the City made on behalf of the Agency. Thirteen investments were made during the month (\$35.1 million), two investments matured (\$10.2 million), and seven investments were called (\$21.8 million). The State Local Agency Investment Fund (LAIF) account balance increased slightly in April reflecting a quarterly interest distribution. The balance of cash held at Wells Fargo Bank increased to \$60.4 million as of month-end. Funds on deposit with Wells Fargo earn a net 0.0725% in earnings which are used as a credit against monthly banking expenses. Details of the main portfolio follow.

Portfolio Composition

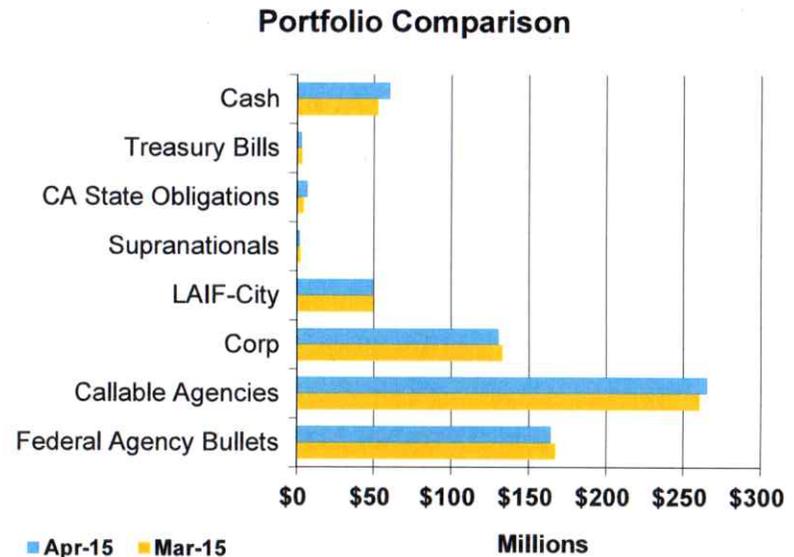
The portfolio is appropriately diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (63%). The remaining 37% includes the State Local Agency Investment Fund (7.3%), corporate bonds (19.1%), CA State Obligations (1%), Treasury Bills (0.4%), Supranationals (0.3%) and cash (8.9%). This portfolio mix allows the City to maintain its primary investment objectives of safety and liquidity while attaining a rate of return consistent with the City’s Investment Policy and investment strategy.

Portfolio Composition



Portfolio Comparison

The chart to the right shows the overall structure of the portfolio by type of investment compared to last month. There was no significant change from the prior month. A large portion of the portfolio has been kept very liquid reflecting continuing uncertainty regarding the impact of RDA dissolution on cash flow needs. In late October 2013, the City, RDA Successor Agency, and the State Department of Finance entered in a settlement agreement, which has reduced some of the uncertainty. The final results of the State Controller’s review have now been received, and staff has begun to rebalance the portfolio. This rebalancing will be accomplished in a prudent and orderly manner over the next six to twelve months. Additionally, the City continues to hold a significant portion of the remainder of the portfolio in short maturity investments as interest rates remain near historic lows. The bond market, financial and economic conditions, and portfolio structure are continuously evaluated when making investment decisions.



Rebalancing of Portfolio

As noted in the previous reports, the City continues to implement revisions to the investment strategy that is intended to increase portfolio returns with minimal increase in risk. While it will take some time to fully implement the new strategy, some initial steps have been taken. One of the changes is the approach to portfolio rebalancing. Staff has expanded the parameters of rebalancing to look for opportunities to improve portfolio performance even in these times of low and relatively stable interest rates. No rebalancing occurred in April. Staff will continue to look for prudent opportunities.

**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
April 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Treasury Coupon Securities												
912828WT3	11477	U. S. Treasury Note		07/25/2014	3,000,000.00	3,013,590.00	2,990,625.00	0.875	1,086	0.982	806	07/15/2017
Subtotal and Average			2,990,625.00		3,000,000.00	3,013,590.00	2,990,625.00		1,086	0.982	806	
Federal Agency Coupon												
31331J4J9	11020	Federal Farm Credit Bank		12/07/2010	2,000,000.00	2,017,960.00	2,000,000.00	1.740	1,826	1.740	220	12/07/2015
31331KLE8	11086	Federal Farm Credit Bank		05/18/2011	2,500,000.00	2,501,725.00	2,501,250.00	1.600	1,461	1.587	17	05/18/2015
3133EA3J5	11253	Federal Farm Credit Bank		10/10/2012	5,000,000.00	4,986,900.00	5,000,000.00	0.900	1,826	0.900	893	10/10/2017
3133EA5W4	11260	Federal Farm Credit Bank		10/24/2012	5,000,000.00	5,000,250.00	5,000,000.00	0.650	1,461	0.650	542	10/24/2016
3133ECHV9	11296	Federal Farm Credit Bank		03/21/2013	5,000,000.00	5,002,750.00	4,997,550.00	0.350	861	0.371	90	07/30/2015
3133ECKV5	11302	Federal Farm Credit Bank		04/05/2013	3,000,000.00	2,995,680.00	3,000,000.00	0.700	1,522	0.700	766	06/05/2017
3133EA4H8	11305	Federal Farm Credit Bank		04/04/2013	5,000,000.00	4,981,950.00	4,999,250.00	0.820	1,559	0.824	802	07/11/2017
3133EDC59	11401	Federal Farm Credit Bank		01/03/2014	3,870,000.00	3,871,741.50	3,865,588.20	0.250	593	0.320	110	08/19/2015
3133EDNC2	11456	Federal Farm Credit Bank		06/13/2014	2,500,000.00	2,504,050.00	2,499,375.00	0.700	945	0.710	623	01/13/2017
3133EDQ21	11464	Federal Farm Credit Bank		07/09/2014	5,000,000.00	5,008,100.00	5,000,000.00	1.470	1,461	1.470	1,165	07/09/2018
3133EDQZ8	11474	Federal Farm Credit Bank		07/23/2014	2,500,000.00	2,499,525.00	2,498,750.00	1.520	1,461	1.533	1,179	07/23/2018
3133EDQL9	11481	Federal Farm Credit Bank		08/27/2014	3,000,000.00	3,001,680.00	2,999,640.00	0.230	414	0.241	167	10/15/2015
3133EDNS7	11508	Federal Farm Credit Bank		11/06/2014	2,105,000.00	2,107,883.85	2,104,305.35	0.450	592	0.470	416	06/20/2016
3133EEFP0	11523	Federal Farm Credit Bank		12/22/2014	2,500,000.00	2,505,950.00	2,499,083.33	1.200	1,092	1.217	962	12/18/2017
3133EDK92	11527	Federal Farm Credit Bank		12/24/2014	5,000,000.00	5,010,100.00	5,000,847.22	0.500	579	0.621	451	07/25/2016
3133EEJY7	11536	Federal Farm Credit Bank		01/22/2015	1,155,000.00	1,153,579.35	1,154,422.50	1.690	1,551	1.702	1,452	04/22/2019
3133EEYJ3	11573	Federal Farm Credit Bank		04/13/2015	2,500,000.00	2,485,725.00	2,500,000.00	1.680	1,827	1.680	1,809	04/13/2020
313375PT8	11147	Federal Home Loan Bank		09/19/2011	2,500,000.00	2,504,175.00	2,500,000.00	0.750	1,410	0.750	90	07/30/2015
3133823A9	11285	Federal Home Loan Bank		02/22/2013	5,000,000.00	4,992,650.00	5,000,000.00	1.150	1,826	1.150	1,028	02/22/2018
3133834R9	11322	Federal Home Loan Bank		05/15/2013	3,000,000.00	3,000,090.00	2,990,280.00	0.375	1,136	0.480	420	06/24/2016
313379ER6	11323	Federal Home Loan Bank		05/15/2013	3,000,000.00	3,001,380.00	3,015,210.00	0.500	758	0.255	42	06/12/2015
313382Z63	11325	Federal Home Loan Bank		05/22/2013	5,000,000.00	5,001,350.00	5,000,000.00	0.750	1,826	0.700	1,117	05/22/2018
313383CM1	11329	Federal Home Loan Bank		06/20/2013	3,000,000.00	2,999,730.00	3,000,000.00	0.600	1,279	0.600	599	12/20/2016
313383EN7	11334	Federal Home Loan Bank		06/20/2013	5,000,000.00	5,005,350.00	5,000,000.00	1.000	1,826	1.000	1,146	06/20/2018
313383GK1	11337	Federal Home Loan Bank		06/27/2013	3,800,000.00	3,801,178.00	3,800,000.00	1.125	1,826	1.125	1,153	06/27/2018
313383C25	11345	Federal Home Loan Bank		06/25/2013	2,500,000.00	2,507,375.00	2,412,500.00	1.200	1,821	1.818	1,146	06/20/2018
313379DT3	11386	Federal Home Loan Bank		11/12/2013	4,000,000.00	4,017,080.00	3,960,880.00	1.250	1,669	1.472	1,134	06/08/2018
313379ER6	11396	Federal Home Loan Bank		12/23/2013	3,000,000.00	3,001,380.00	3,010,950.00	0.500	536	0.251	42	06/12/2015
3130A0XC9	11435	Federal Home Loan Bank		02/26/2014	4,000,000.00	4,022,320.00	4,000,000.00	1.300	1,461	1.300	1,032	02/26/2018
3130A1BK3	11444	Federal Home Loan Bank		03/24/2014	5,000,000.00	5,003,850.00	5,000,000.00	0.500	823	0.500	420	06/24/2016
3130A23F1	11452	Federal Home Loan Bank		05/30/2014	5,000,000.00	5,004,100.00	5,000,000.00	1.250	1,824	1.225	1,488	05/28/2019
3130A25G7	11453	Federal Home Loan Bank		06/05/2014	3,000,000.00	3,000,270.00	2,999,526.00	1.050	1,188	1.055	858	09/05/2017

Portfolio INVT
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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
April 30, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
Federal Agency Coupon												
3130A26M3	11454	Federal Home Loan Bank		06/03/2014	5,000,000.00	5,000,150.00	5,000,000.00	0.125	360	0.125	28	05/29/2015
3130A2NH5	11471	Federal Home Loan Bank		07/22/2014	4,000,000.00	4,000,480.00	4,000,000.00	0.170	365	0.170	82	07/22/2015
3130A2X27	11480	Federal Home Loan Bank		09/24/2014	2,500,000.00	2,500,775.00	2,500,000.00	0.515	639	0.515	420	06/24/2016
3130A27B6	11483	Federal Home Loan Bank		09/02/2014	666,666.66	662,853.33	666,666.66	1.800	1,742	1.800	1,501	06/10/2019
3130A2FT8	11485	Federal Home Loan Bank		09/03/2014	5,000,000.00	4,999,500.00	4,999,000.00	0.125	289	0.150	49	06/19/2015
3130A2ZY5	11488	Federal Home Loan Bank		09/15/2014	2,500,000.00	2,500,650.00	2,499,725.00	0.210	389	0.220	161	10/09/2015
3130A2QV1	11494	Federal Home Loan Bank		10/01/2014	5,000,000.00	5,001,400.00	5,001,950.00	0.340	481	0.310	269	01/25/2016
313375RN9	11504	Federal Home Loan Bank		11/04/2014	3,000,000.00	3,017,550.00	3,026,280.00	1.000	493	0.353	315	03/11/2016
3130A3KJ2	11514	Federal Home Loan Bank		11/21/2014	3,000,000.00	2,999,700.00	3,000,000.00	0.320	483	0.320	322	03/18/2016
313383R78	11516	Federal Home Loan Bank		11/21/2014	2,825,000.00	2,841,300.25	2,838,644.75	0.750	605	0.457	444	07/18/2016
3130A3HV9	11521	Federal Home Loan Bank		12/03/2014	3,000,000.00	2,999,310.00	2,997,996.25	0.125	350	0.200	201	11/18/2015
3130A3MR2	11524	Federal Home Loan Bank		12/30/2014	2,500,000.00	2,507,000.00	2,500,000.00	2.000	1,826	2.000	1,704	12/30/2019
3130A3S88	11526	Federal Home Loan Bank		12/22/2014	3,355,000.00	3,354,765.15	3,353,384.94	0.250	358	0.304	228	12/15/2015
3133834R9	11528	Federal Home Loan Bank		12/24/2014	5,000,000.00	5,000,150.00	4,985,750.00	0.375	548	0.566	420	06/24/2016
3130A3PA6	11530	Federal Home Loan Bank		12/30/2014	6,000,000.00	6,032,100.00	6,000,000.00	1.550	1,826	1.550	1,704	12/30/2019
3130A2C61	11540	Federal Home Loan Bank		01/30/2015	3,000,000.00	2,999,490.00	3,001,352.50	0.375	497	0.380	406	06/10/2016
3130A3Y32	11546	Federal Home Loan Bank		02/04/2015	3,000,000.00	2,999,310.00	3,000,000.00	0.270	383	0.270	297	02/22/2016
3130A4CU4	11550	Federal Home Loan Bank		02/27/2015	5,000,000.00	5,004,600.00	5,000,000.00	1.600	1,369	1.600	1,306	11/27/2018
3130A4GY2	11552	Federal Home Loan Bank		03/24/2015	5,500,000.00	5,521,450.00	5,500,000.00	1.375	1,280	1.375	1,242	09/24/2018
3130A4HE5	11554	Federal Home Loan Bank		03/23/2015	3,000,000.00	3,008,400.00	3,000,000.00	1.200	1,096	1.200	1,057	03/23/2018
3130A4JX1	11555	Federal Home Loan Bank		03/26/2015	3,000,000.00	3,004,770.00	3,000,000.00	1.400	1,096	1.400	1,060	03/26/2018
3130A4KX9	11556	Federal Home Loan Bank		03/30/2015	4,750,000.00	4,770,520.00	4,750,000.00	1.800	1,827	1.800	1,795	03/30/2020
3130A4Q54	11558	Federal Home Loan Bank		03/18/2015	5,000,000.00	5,011,900.00	5,000,000.00	0.800	791	0.798	747	05/17/2017
3130A4RJ3	11562	Federal Home Loan Bank		04/13/2015	3,000,000.00	2,993,250.00	3,000,000.00	1.200	1,187	1.200	1,169	07/13/2018
3130A4TH5	11570	Federal Home Loan Bank		03/30/2015	3,000,000.00	2,993,160.00	3,000,000.00	1.300	1,369	1.300	1,337	12/28/2018
3130A4WN8	11572	Federal Home Loan Bank		04/29/2015	2,500,000.00	2,484,500.00	2,500,000.00	1.500	1,827	1.500	1,825	04/29/2020
3130A4WW8	11574	Federal Home Loan Bank		04/29/2015	2,500,000.00	2,489,025.00	2,500,000.00	1.350	1,461	1.350	1,459	04/29/2019
3130A4SL7	11577	Federal Home Loan Bank		04/09/2015	1,285,000.00	1,280,104.15	1,285,441.72	1.375	1,450	1.375	1,428	03/29/2019
3130A4Y63	11580	Federal Home Loan Bank		04/23/2015	2,500,000.00	2,498,200.00	2,498,913.89	0.250	358	0.300	350	04/15/2016
3130A4W32	11584	Federal Home Loan Bank		04/28/2015	2,500,000.00	2,499,175.00	2,500,000.00	0.700	731	0.700	728	04/28/2017
3130A4JT0	11590	Federal Home Loan Bank		03/17/2015	2,750,000.00	2,750,797.50	2,750,190.97	0.500	1,701	0.500	1,656	11/12/2019
3134G3B90	11243	Fed Home Loan Mortgage Corp		08/15/2012	2,000,000.00	1,998,380.00	1,998,520.00	0.875	1,826	0.890	837	08/15/2017
3137EADJ5	11290	Fed Home Loan Mortgage Corp		01/31/2013	2,500,000.00	2,514,000.00	2,509,875.00	1.000	1,639	0.910	819	07/28/2017
3134G37H7	11301	Fed Home Loan Mortgage Corp		04/25/2013	5,000,000.00	4,995,150.00	5,000,000.00	1.150	1,826	1.150	1,090	04/25/2018
3134G44N5	11317	Fed Home Loan Mortgage Corp		05/28/2013	3,000,000.00	2,980,950.00	3,000,000.00	0.750	1,645	0.750	942	11/28/2017
3137EADH9	11335	Fed Home Loan Mortgage Corp		05/29/2013	3,000,000.00	3,016,950.00	3,009,930.00	1.000	1,492	0.976	790	06/29/2017

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Federal Agency Coupon												
3134G47M4	11338	Fed Home Loan Mortgage Corp		06/26/2013	3,000,000.00	3,005,490.00	2,999,250.00	1.500	1,826	1.505	1,152	06/26/2018
3134G3ZH6	11341	Fed Home Loan Mortgage Corp		06/06/2013	4,000,000.00	4,019,520.00	4,000,000.00	1.000	1,510	1.000	816	07/25/2017
3137EADH9	11348	Fed Home Loan Mortgage Corp		06/27/2013	2,500,000.00	2,514,125.00	2,474,375.00	1.000	1,463	1.346	790	06/29/2017
3134G4MP0	11388	Fed Home Loan Mortgage Corp		12/20/2013	2,700,000.00	2,701,944.00	2,700,000.00	0.750	1,278	1.137	781	06/20/2017
3137EADJ5	11394	Fed Home Loan Mortgage Corp		12/17/2013	5,000,000.00	5,028,000.00	4,992,900.00	1.000	1,319	1.040	819	07/28/2017
3134G4RT7	11399	Fed Home Loan Mortgage Corp		12/27/2013	3,000,000.00	3,001,380.00	3,000,000.00	0.530	913	0.530	423	06/27/2016
3134G4UU0	11420	Fed Home Loan Mortgage Corp		02/26/2014	5,000,000.00	5,001,300.00	5,000,000.00	0.600	912	0.600	483	08/26/2016
3134G4W95	11429	Fed Home Loan Mortgage Corp		03/17/2014	4,000,000.00	3,999,680.00	4,000,000.00	0.500	823	0.500	413	06/17/2016
3134G4Y28	11441	Fed Home Loan Mortgage Corp		03/27/2014	5,000,000.00	5,009,500.00	5,000,000.00	1.550	1,826	1.550	1,426	03/27/2019
3134G54Z5	11447	Fed Home Loan Mortgage Corp		05/28/2014	3,000,000.00	3,003,180.00	3,000,000.00	1.500	1,553	1.500	1,215	08/28/2018
3134G55C5	11448	Fed Home Loan Mortgage Corp		05/28/2014	4,000,000.00	4,003,960.00	4,000,000.00	1.500	1,458	1.503	1,120	05/25/2018
3134G3W55	11455	Fed Home Loan Mortgage Corp		06/03/2014	3,000,000.00	3,004,500.00	3,009,480.00	0.450	539	0.235	207	11/24/2015
3134G5AQ8	11463	Fed Home Loan Mortgage Corp		06/30/2014	2,000,000.00	1,999,820.00	2,000,000.00	0.700	914	0.700	609	12/30/2016
3134G5CY9	11470	Fed Home Loan Mortgage Corp		07/30/2014	5,000,000.00	5,013,250.00	5,000,000.00	1.500	1,461	1.500	1,186	07/30/2018
3134G5HH1	11479	Fed Home Loan Mortgage Corp		09/19/2014	3,000,000.00	3,003,330.00	3,000,000.00	1.000	1,004	1.000	780	06/19/2017
3134G5CY9	11492	Fed Home Loan Mortgage Corp		09/19/2014	2,500,000.00	2,506,625.00	2,489,375.00	1.500	1,410	1.614	1,186	07/30/2018
3134G5LV5	11498	Fed Home Loan Mortgage Corp		11/17/2014	2,500,000.00	2,503,250.00	2,499,910.00	1.000	1,096	1.001	931	11/17/2017
3134G5MF9	11501	Fed Home Loan Mortgage Corp		11/12/2014	2,500,000.00	2,500,900.00	2,500,000.00	1.250	1,826	1.250	1,656	11/12/2019
3134G57G4	11510	Fed Home Loan Mortgage Corp		11/06/2014	3,000,000.00	3,004,110.00	3,000,000.00	1.020	967	1.019	791	06/30/2017
3134G4Z92	11520	Fed Home Loan Mortgage Corp		12/03/2014	2,500,000.00	2,509,600.00	2,505,475.00	0.875	866	0.782	717	04/17/2017
3134G5VF9	11525	Fed Home Loan Mortgage Corp		12/29/2014	5,000,000.00	5,024,700.00	5,000,000.00	1.450	1,278	1.450	1,155	06/29/2018
3134G5U78	11529	Fed Home Loan Mortgage Corp		12/24/2014	3,000,000.00	3,004,740.00	3,000,220.00	1.320	1,094	1.320	966	12/22/2017
3134G6AC7	11538	Fed Home Loan Mortgage Corp		01/28/2015	3,000,000.00	3,000,750.00	3,000,000.00	0.850	912	0.850	819	07/28/2017
3134G6CN1	11541	Fed Home Loan Mortgage Corp		02/18/2015	3,000,000.00	2,999,250.00	3,000,000.00	1.000	912	1.000	840	08/18/2017
3134G6CN1	11542	Fed Home Loan Mortgage Corp		02/18/2015	2,000,000.00	1,999,500.00	2,000,000.00	1.000	912	1.000	840	08/18/2017
3134G6AY9	11544	Fed Home Loan Mortgage Corp		02/17/2015	3,000,000.00	2,999,820.00	2,999,250.00	0.700	731	0.713	658	02/17/2017
3133ECPA2	11548	Fed Home Loan Mortgage Corp		02/12/2015	4,000,000.00	3,997,960.00	4,000,000.00	1.070	1,096	1.070	1,018	02/12/2018
3134G6FJ1	11553	Fed Home Loan Mortgage Corp		03/26/2015	5,000,000.00	5,008,800.00	5,000,000.00	1.400	1,188	1.400	1,152	06/26/2018
3134G6RG0	11563	Fed Home Loan Mortgage Corp		04/29/2015	4,000,000.00	3,992,840.00	4,000,000.00	1.350	1,279	1.350	1,277	10/29/2018
3134G6UP6	11578	Fed Home Loan Mortgage Corp		04/29/2015	2,500,000.00	2,498,425.00	2,500,000.00	1.000	1,827	1.000	1,825	04/29/2020
3134G5T62	11579	Fed Home Loan Mortgage Corp		04/15/2015	3,700,000.00	3,701,961.00	3,709,702.74	0.625	986	0.598	970	12/26/2017
31315PYT0	11318	Farmer Mac		05/02/2013	3,000,000.00	2,988,420.00	3,000,000.00	0.990	1,826	0.990	1,097	05/02/2018
31315PN88	11351	Farmer Mac		07/05/2013	2,000,000.00	2,012,560.00	2,000,000.00	1.100	1,301	1.100	636	01/26/2017
31315P6C8	11450	Farmer Mac		05/27/2014	10,000,000.00	9,999,700.00	9,999,500.00	0.130	370	0.135	31	06/01/2015
31315P6X2	11499	Farmer Mac		10/29/2014	2,000,000.00	2,000,180.00	1,999,850.00	0.180	365	0.188	181	10/29/2015
31315PQ28	11511	Farmer Mac		11/20/2014	2,000,000.00	2,013,400.00	2,000,000.00	1.970	1,826	1.970	1,664	11/20/2019

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Federal Agency Coupon												
3136G03Y5	11264	Federal National Mort Assoc		11/21/2012	5,000,000.00	5,001,100.00	5,000,000.00	0.750	1,826	1.045	935	11/21/2017
3136G05Q0	11269	Federal National Mort Assoc		11/27/2012	5,000,000.00	4,999,550.00	5,000,000.00	0.750	1,826	0.730	941	11/27/2017
3136G1DA4	11286	Federal National Mort Assoc		02/28/2013	5,000,000.00	5,002,450.00	5,000,000.00	1.000	1,826	1.171	1,034	02/28/2018
3135G0WS8	11316	Federal National Mort Assoc		05/15/2013	3,000,000.00	2,997,990.00	3,000,000.00	0.600	1,280	0.600	564	11/15/2016
3135G0XA6	11319	Federal National Mort Assoc		05/21/2013	3,000,000.00	2,988,210.00	3,000,000.00	1.030	1,826	1.030	1,116	05/21/2018
3136G1NQ8	11336	Federal National Mort Assoc		06/19/2013	4,000,000.00	4,004,520.00	4,000,000.00	1.000	1,461	1.000	780	06/19/2017
3135G0PP2	11425	Federal National Mort Assoc		02/12/2014	2,500,000.00	2,504,575.00	2,492,050.00	1.000	1,316	1.090	873	09/20/2017
3136G22T3	11468	Federal National Mort Assoc		07/28/2014	4,000,000.00	4,009,080.00	4,000,000.00	1.050	1,096	1.050	819	07/28/2017
3136G22V8	11469	Federal National Mort Assoc		07/25/2014	4,000,000.00	4,041,640.00	4,000,000.00	1.500	1,461	1.500	1,181	07/25/2018
3136G23W5	11478	Federal National Mort Assoc		08/28/2014	3,000,000.00	3,015,060.00	3,000,000.00	2.000	1,826	2.000	1,580	08/28/2019
3136G26T9	11486	Federal National Mort Assoc		09/30/2014	2,500,000.00	2,517,250.00	2,500,000.00	2.050	1,826	2.050	1,613	09/30/2019
3136G26U6	11487	Federal National Mort Assoc		10/07/2014	2,500,000.00	2,537,400.00	2,500,000.00	2.000	1,826	2.000	1,620	10/07/2019
3135G0ZF3	11491	Federal National Mort Assoc		09/17/2014	4,000,000.00	4,018,160.00	4,000,000.00	1.070	1,045	1.070	819	07/28/2017
3136G2B48	11517	Federal National Mort Assoc		12/19/2014	4,000,000.00	4,006,200.00	4,000,000.00	1.550	1,461	1.550	1,328	12/19/2018
3136G2D87	11537	Federal National Mort Assoc		02/13/2015	3,000,000.00	2,995,170.00	3,000,000.00	1.000	1,096	1.000	1,019	02/13/2018
3136G2EF0	11545	Federal National Mort Assoc		02/27/2015	2,000,000.00	1,993,000.00	2,000,000.00	1.450	1,461	1.450	1,398	02/27/2019
3136G2G92	11571	Federal National Mort Assoc		04/27/2015	2,500,000.00	2,495,375.00	2,500,000.00	1.050	1,096	1.050	1,092	04/27/2018
313G6HE6	11591	Freddie mac Discount NT		03/16/2015	3,000,000.00	3,006,810.00	3,000,000.00	1.000	823	1.000	777	06/16/2017
Subtotal and Average			417,366,308.51		421,961,666.66	422,439,603.08	421,854,367.02		1,215	0.962	848	
Federal Agency Discount												
313384JT76	11539	Federal Home Loan Bank		01/30/2015	5,000,000.00	4,999,250.00	4,997,250.00	0.110	180	0.112	89	07/29/2015
313396KR3	11564	Fed Home Loan Mortgage Corp		03/27/2015	3,000,000.00	2,999,400.00	2,998,661.67	0.110	146	0.112	111	08/20/2015
Subtotal and Average			7,995,911.67		8,000,000.00	7,998,650.00	7,995,911.67		167	0.112	97	
Local Agency Investment Funds												
SYS10090	10090	Local Agency Investment Fund			49,621,090.93	49,621,090.93	49,621,090.93	0.280	1	0.280	1	
Subtotal and Average			49,605,189.88		49,621,090.93	49,621,090.93	49,621,090.93		1	0.280	1	
Columbia Money Market Fund												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	0.00	0.00	0.00	0.010	1	0.010	1	
Subtotal and Average			0.00		0.00	0.00	0.00		0	0.000	0	
Local Agency Investment Funds - RDA												
SYS10092	10092	LAIF - RDA		03/17/2009	0.00	0.00	0.00	0.385	1	0.385	1	

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Subtotal and Average			0.00		0.00	0.00	0.00		0	0.000	0	
Corporate Bonds												
037833AH3	11320	Apple Inc.		05/06/2013	3,000,000.00	3,001,800.00	3,002,430.00	0.450	1,093	0.423	368	05/03/2016
037833AJ9	11321	Apple Inc.		05/06/2013	2,500,000.00	2,486,900.00	2,505,600.00	1.000	1,823	0.954	1,098	05/03/2018
037833AJ9	11326	Apple Inc.		05/17/2013	2,500,000.00	2,486,900.00	2,478,975.00	1.000	1,812	1.175	1,098	05/03/2018
037833AQ3	11461	Apple Inc.		06/13/2014	3,000,000.00	3,061,140.00	3,011,100.00	2.100	1,788	2.020	1,466	05/06/2019
084670BG2	11291	Berkshire Hathaway		02/11/2013	2,000,000.00	2,005,700.00	2,005,620.00	0.800	1,095	0.705	286	02/11/2016
084670BL1	11490	Berkshire Hathaway		09/16/2014	4,000,000.00	4,068,520.00	3,998,840.00	2.100	1,793	2.106	1,566	08/14/2019
084670BD9	11565	Berkshire Hathaway		03/31/2015	2,000,000.00	2,041,220.00	2,049,593.33	1.900	672	0.710	641	01/31/2017
19416QEB2	11476	Colgate Palmolive		07/28/2014	1,500,000.00	1,489,725.00	1,472,835.00	0.900	1,373	1.396	1,096	05/01/2018
19416QDX5	11509	Colgate Palmolive		11/10/2014	3,698,000.00	3,734,277.38	3,733,759.66	1.300	797	0.851	625	01/15/2017
1727275	11500	Cisco Systems		10/27/2014	5,000,000.00	5,032,800.00	5,031,600.00	1.100	858	0.828	672	03/03/2017
17275RAR3	11502	Cisco Systems		10/30/2014	2,500,000.00	2,544,475.00	2,531,750.00	2.125	1,583	1.819	1,400	03/01/2019
25468PDA1	11519	Walt Disney Company		11/28/2014	4,000,000.00	4,038,040.00	3,991,229.24	1.850	1,644	1.901	1,490	05/30/2019
25468PDA1	11551	Walt Disney Company		02/23/2015	2,000,000.00	2,019,020.00	2,014,760.56	1.850	1,557	1.774	1,490	05/30/2019
427866AP3	11449	HERSHEY COMPANY		05/20/2014	947,000.00	1,006,632.59	1,049,579.04	5.450	835	0.656	489	09/01/2016
459200HD6	11397	IBM Corp		12/23/2013	2,278,000.00	2,278,182.24	2,292,761.44	0.750	504	0.280	10	05/11/2015
459200GX3	11473	IBM Corp		07/24/2014	4,000,000.00	4,067,760.00	4,105,920.00	1.950	729	0.612	448	07/22/2016
459200HZ7	11549	IBM Corp		02/06/2015	3,000,000.00	2,998,860.00	2,990,850.00	1.125	1,096	1.229	1,012	02/06/2018
458140AL4	11513	Intel		11/20/2014	3,000,000.00	3,015,540.00	2,995,260.00	1.350	1,121	1.403	959	12/15/2017
478160AY0	11293	Johnson & Johnson		02/12/2013	2,000,000.00	2,035,380.00	2,105,040.00	2.150	1,188	0.522	380	05/15/2016
478160BG8	11391	Johnson & Johnson		12/05/2013	2,000,000.00	2,032,260.00	2,000,080.00	1.650	1,826	1.649	1,314	12/05/2018
478160BF0	11518	Johnson & Johnson		11/25/2014	4,000,000.00	4,006,960.00	4,005,200.00	0.700	734	0.635	577	11/28/2016
46623EJR1	11506	JP Morgan Chase		11/06/2014	2,000,000.00	2,004,540.00	2,010,960.00	1.100	343	0.410	167	10/15/2015
88579YAE1	11392	3M		12/10/2013	2,500,000.00	2,509,625.00	2,495,925.00	1.000	1,294	1.047	787	06/26/2017
88579YAE1	11393	3M		12/10/2013	2,500,000.00	2,509,625.00	2,495,475.00	1.000	1,294	1.052	787	06/26/2017
88579YAD3	11467	3M		07/08/2014	3,544,000.00	3,585,925.52	3,605,842.80	1.375	814	0.584	517	09/29/2016
58933YAC9	11547	Merck		02/06/2015	3,000,000.00	2,994,450.00	3,001,750.00	1.100	1,090	1.085	1,006	01/31/2018
594918AG9	11211	Microsoft		05/10/2012	5,000,000.00	5,025,900.00	5,170,600.00	1.625	1,233	0.602	147	09/25/2015
594918AP9	11311	Microsoft		04/30/2013	2,500,000.00	2,497,325.00	2,505,000.00	0.875	1,660	0.931	929	11/15/2017
64952WBK8	11283	New York Life		01/23/2013	2,855,000.00	2,859,710.75	2,872,529.70	1.300	1,741	1.167	913	10/30/2017
68389XAX3	11522	Oracle		12/05/2014	2,500,000.00	2,539,875.00	2,515,975.00	2.250	1,768	2.110	1,621	10/08/2019
68389XAQ8	11576	Oracle		04/13/2015	3,000,000.00	3,074,070.00	3,117,406.67	2.375	1,373	1.459	1,355	01/15/2019
717081DD2	11430	Pfizer Inc		02/24/2014	4,000,000.00	4,013,920.00	4,008,800.00	0.900	1,056	0.823	625	01/15/2017
717081DL4	11515	Pfizer Inc		11/24/2014	3,000,000.00	3,046,800.00	3,018,075.00	2.100	1,633	1.971	1,475	05/15/2019
742718DV8	11352	Procter & Gamble		07/05/2013	1,985,000.00	2,008,264.20	2,011,658.55	1.450	1,137	1.010	472	08/15/2016
742718EG0	11507	Procter & Gamble		11/10/2014	3,000,000.00	3,033,270.00	3,000,598.33	1.900	1,817	1.904	1,645	11/01/2019

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Corporate Bonds												
89236TAL9	11333	Toyota Motor Credit Corp		05/28/2013	3,000,000.00	3,006,420.00	3,008,190.00	0.800	1,085	0.707	382	05/17/2016
89233P6J0	11357	Toyota Motor Credit Corp		07/19/2013	2,000,000.00	2,002,480.00	2,009,720.00	0.875	728	0.629	77	07/17/2015
89236TBP9	11472	Toyota Motor Credit Corp		07/21/2014	4,000,000.00	4,053,560.00	4,000,000.00	2.125	1,823	2.125	1,539	07/18/2019
90520EAF8	11493	MUFG UNION BANK		09/30/2014	4,000,000.00	4,031,120.00	3,991,080.00	2.250	1,679	2.301	1,466	05/06/2019
90521APH5	11431	UnionBanc Investments		02/24/2014	4,000,000.00	4,026,800.00	4,068,800.00	1.500	945	0.827	514	09/26/2016
94974BFE5	11287	Wells Fargo & Compnay		01/31/2013	2,000,000.00	2,003,660.00	2,032,480.00	1.500	881	0.820	61	07/01/2015
94974BFL9	11362	Wells Fargo & Compnay		07/29/2013	3,000,000.00	3,017,520.00	2,997,120.00	1.250	1,087	1.283	446	07/20/2016
94974BFE5	11443	Wells Fargo & Compnay		04/22/2014	4,523,000.00	4,531,277.09	4,580,984.86	1.500	435	0.420	61	07/01/2015
94985H5F7	11363	Wells Fargo Bank		07/29/2013	2,500,000.00	2,501,925.00	2,499,125.00	0.750	721	0.768	80	07/20/2015
Subtotal and Average			131,550,102.31		129,330,000.00	130,330,154.77	130,390,879.18		1,213	1.140	815	
Supranationals												
45905URG1	11566	IBRD (World Bank)		03/27/2015	2,000,000.00	2,001,280.00	2,004,041.11	0.700	662	0.664	627	01/17/2017
Subtotal and Average			2,004,041.11		2,000,000.00	2,001,280.00	2,004,041.11		662	0.664	627	
State of California Obligations												
13063CKL3	11459	State of California		06/09/2014	3,000,000.00	3,047,550.00	3,020,790.00	2.250	1,787	2.100	1,461	05/01/2019
13063CSQ4	11583	State of California		04/29/2015	2,500,000.00	2,501,000.00	2,507,050.00	1.800	1,799	1.740	1,797	04/01/2020
91412GSB2	11532	University of California		01/12/2015	1,130,000.00	1,136,599.20	1,127,953.32	1.796	1,631	1.851	1,522	07/01/2019
Subtotal and Average			4,315,879.99		6,630,000.00	6,685,149.20	6,655,793.32		1,765	1.922	1,598	
Total and Average			615,828,058.46		620,542,757.59	622,089,517.98	621,512,708.23		1,108	0.943	771	

**City of Santa Monica
Portfolio Management
Activity By Type
April 1, 2015 through April 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Treasury Coupon Securities							
Subtotal							2,990,625.00
Federal Agency Coupon							
3133EDXD9	11495	Federal Farm Credit Bank	0.430	04/14/2015	0.00	4,000,000.00	
3133EEYJ3	11573	Federal Farm Credit Bank	1.680	04/13/2015	2,500,000.00	0.00	
3130A2DX1	11460	Federal Home Loan Bank	1.000	04/09/2015	0.00	3,000,000.00	
3130A1U97	11465	Federal Home Loan Bank	0.125	04/29/2015	0.00	4,999,750.00	**
3130A27B6	11483	Federal Home Loan Bank	1.800	04/28/2015	0.00	1,333,333.34	
3130A32U7	11489	Federal Home Loan Bank	2.000	04/09/2015	0.00	2,500,000.00	
3130A3VU5	11533	Federal Home Loan Bank	0.550	04/29/2015	0.00	4,000,000.00	
3130A4RJ3	11562	Federal Home Loan Bank	1.200	04/13/2015	3,000,000.00	0.00	
3130A4WN8	11572	Federal Home Loan Bank	1.500	04/29/2015	2,500,000.00	0.00	
3130A4WW8	11574	Federal Home Loan Bank	1.350	04/29/2015	2,500,000.00	0.00	
3130A4SL7	11577	Federal Home Loan Bank	1.375	04/09/2015	1,285,000.00	0.00	
3130A4Y63	11580	Federal Home Loan Bank	0.250	04/23/2015	2,498,775.00	0.00	
3130A4W32	11584	Federal Home Loan Bank	0.700	04/28/2015	2,500,000.00	0.00	
3134G5X83	11531	Fed Home Loan Mortgage Corp	1.450	04/30/2015	0.00	3,000,000.00	
3134G5WM3	11534	Fed Home Loan Mortgage Corp	1.000	04/09/2015	0.00	4,002,000.00	
3134G6RG0	11563	Fed Home Loan Mortgage Corp	1.350	04/29/2015	4,000,000.00	0.00	
3134G6UP6	11578	Fed Home Loan Mortgage Corp	1.000	04/29/2015	2,500,000.00	0.00	
3134G5T62	11579	Fed Home Loan Mortgage Corp	0.625	04/15/2015	3,702,701.00	0.00	
3136G2G92	11571	Federal National Mort Assoc	1.050	04/27/2015	2,500,000.00	0.00	
Subtotal					29,486,476.00	26,835,083.34	421,854,367.02
Federal Agency Discount							
Subtotal							7,995,911.67
Local Agency Investment Funds (Monthly Summary)							
SYS10090	10090	Local Agency Investment Fund	0.280		31,802.11	0.00	
Subtotal					31,802.11	0.00	49,621,090.93
Columbia Money Market Fund (Monthly Summary)							
Subtotal							0.00
Local Agency Investment Funds - RDA (Monthly Summary)							

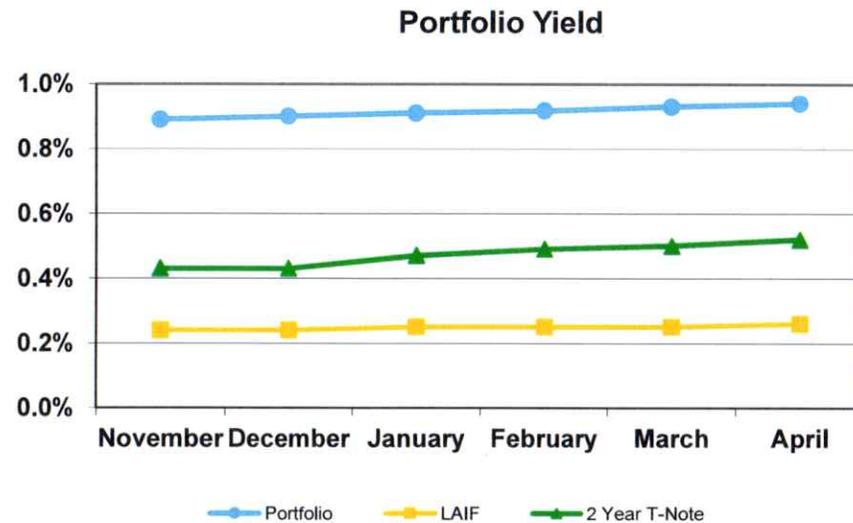
** - Indicates incomplete recording of maturity redemption.

**City of Santa Monica
Portfolio Management
Activity By Type
April 1, 2015 through April 30, 2015**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds - RDA (Monthly Summary)							
Subtotal							0.00
Corporate Bonds							
68389XAQ8	11576	Oracle	2.375	04/13/2015	3,099,990.00	0.00	
94974BEU0	11451	Wells Fargo & Compnay	3.625	04/15/2015	0.00	5,150,375.96	
Subtotal						3,099,990.00	5,150,375.96
Supranationals							
Subtotal							2,004,041.11
State of California Obligations							
13063CSQ4	11583	State of California	1.800	04/29/2015	2,507,050.00	0.00	
Subtotal						2,507,050.00	0.00
Total					35,125,318.11	31,985,459.30	621,512,708.23

Portfolio Yield

The portfolio yield-to-maturity was 0.94% as of April 30, 2015, up one basis point from the prior month and twenty-five basis points from one year earlier. This was the eleventh consecutive month in which the portfolio yield has increased. However, the extended record low interest rate environment continues to hamper portfolio returns as rates remain near historically low levels. The month-end two-year Constant Maturing Treasury security yield (CMT) increased slightly in April to 0.58% after falling in the prior month. The twelve month moving average ended the month at 0.52%, up two basis points from the prior month. As noted earlier, a significant amount of the portfolio is still being held in very liquid investments with short maturities, which also presents a downward pressure on the portfolio yield. The chart compares the month-end portfolio yield to the twelve-month moving averages of the two-year Constant Maturing Treasury security yield (CMT) and State Local Agency Investment Fund (LAIF) yield. The yield-to-maturity does not include the impact of the earnings allowance earned on deposits with Wells Fargo Bank. As noted earlier, these deposits earned a net 0.0725% in April. However, this allowance is not payable to the City in cash and can only be used to offset bank fees. Therefore, this allowance is not included in the yield-to-maturity calculation.



Overall, interest rates in the two to five year maturity range were relatively flat after several months of volatility. However, volatility may continue in the upcoming months as financial markets try and assess economic data and the timing of future action by the Federal Reserve. In addition, uncertain global economic activity continues to affect rates. During the last twelve months, the two year CMT month-end rate has varied from a low of 0.37% to 0.67%. Rates are now expected to remain relatively low through at least the fall of 2015. The twelve month moving average LAIF yield was 0.26% in April, one basis point higher than last month, and remains near its all-time low. The month-end LAIF rate was 0.28%.

At its April meeting, the Federal Open Market Committee (Fed) left the target Fed Funds rate unchanged at a range of 0% to 0.25%. The Fed policy statement noted that economic growth slowed during the winter months, but it believes the slowing

was in large part due to transitory, rather than on-going factors. The pace of job growth moderated, labor utilization rates flattened, and the growth in household spending declined. However, Inflation remains low and consumer sentiment remains strong. The Fed continues to indicate that lower interest rates were still appropriate and that it could be patient in deciding when to begin to tighten (raise) rates. Fed action is now not expected until at least September 2015. First quarter 2015 GDP actually showed a slight contraction in economic activity after only mild growth of 2.2% in the fourth quarter of 2014. Most recent economic projections predict annualized growth in the 2.5-3% range for 2015. The April unemployment rate fell slightly to 5.4%. The stock market, as measured by the Dow Jones Industrial Average was relatively flat in April.

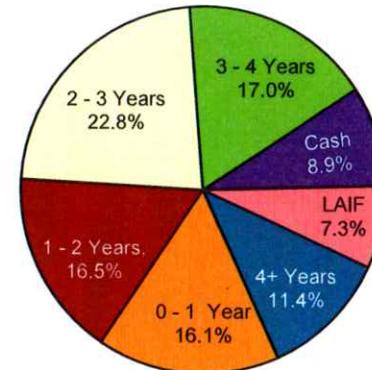
The City's portfolio yield-to-maturity is now showing a consistent, but moderate upward trend. However, interest rates remain very volatile and this volatility is expected to continue over the next several months as the market tries to anticipate Fed action. Overall, modest portfolio yield increases can be anticipated as the new investment strategy is implemented and the RDA situation is completely resolved.

Net investment income in April was \$0.2 million. Fiscal year-to-date revenues on a cash basis are 39.2% greater than the same period last year.

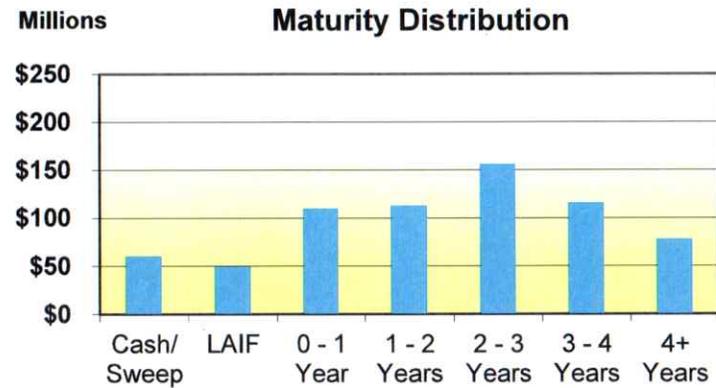
Maturity Distribution

The weighted average days to maturity of the portfolio as of April 30, 2015 is 771 days (2.1 years), relatively unchanged from March. This calculation is for invested funds only and does not reflect the City's primary liquidity funds being held in cash at Wells Fargo Bank. As noted earlier, there are fiscal benefits to this strategy under the current interest rate environment. While the City has begun to lower the high liquidity portion of the portfolio as the final impact of RDA dissolution is becoming clearer, approximately half of the portfolio continues to be held in maturities of 2 years or less (including cash and LAIF balances).

Portfolio Maturities



While interest rates have advanced over the last several months, the interest rate environment is still extremely low compared to historical standards and continues to be very volatile. Based on this, the portfolio's average days to maturity will likely continue to vary over the next several months. While many investments are still being made in shorter term securities, some investments in longer term securities to replace matured or called bonds are being made to take advantage of the yield curve. As noted earlier, interest rates are still expected to remain relatively low until the fall of 2015.



Unrealized Gains/Losses

The Governmental Accounting Standards Board Statement No. 31 (GASB 31) requires public agencies to report all investments, with certain exceptions, at current fair market value rather than at the original purchase price. Current fair market value is defined in GASB 31 as “the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation state.”

The current fair market value and unrealized gain/loss of a security do not affect its redemption value or yield if held to maturity. There is an inverse relationship between the price of the bond and the market interest rate. The City’s practice is to purchase most securities with the intent to hold them to maturity. Book values are exclusive of interest realized to date on investments. Also, the book value shown is the purchase price and is exclusive of any amortization of premiums or accretion of discounts. As of April 30, 2015, the market value and the book value of the City’s pooled investments (excluding cash) are:

\$ 622,089,517.98	Market Value
\$ 621,512,708.23	Book Value
\$ 576,809.75	

Compliance

California State law and the City's Investment Policy set certain legal standards for allowable investments that can be included in the City's portfolio. Additionally, there are certain maximum limits for classes of investments, as well as minimum credit quality requirements. In testing for compliance, the City considers all funds under the direct control and invested directly by the City. Bond and loan proceeds, as well as the Cemetery and Mausoleum Perpetual Care Funds are excluded.

The following tables summarize portfolio compliance as of April 30, 2015. All investments were in compliance with State law and the City's Investment Policy at the time of purchase and continue to be in compliance. State law requires that any investment subject to a credit downgrade subsequent to the time of purchase shall be reviewed for possible sale within a reasonable amount of time after the downgrade. The City's investment portfolio includes three bonds issued by Berkshire Hathaway Company (BRK) with a total book value of \$8,054,053. One of those bonds with a book value of \$2,005,620 was purchased before Berkshire Hathaway bonds were slightly downgraded in May 2013 from AA+ to AA. The revised rating of AA is still within the second highest category of bond ratings (defined as high quality with a "very strong capacity to meet financial commitments"). Additionally, total holdings in BRK represent a minor (1.2%) portion of the City portfolio. Based on this, staff continues to recommend holding these securities at this time.

The portfolio also holds two bonds issued by 3M Corporation with a combined book value of \$8,597,243 (1.2% of total portfolio) that were slightly downgraded by Moody's in February 2015 from Aa2 to Aa3 due to an anticipated increase in the amount of debt in the company's capital structure. This moved the Moody's rating to a level equal to the S&P level of AA-, which is still considered "high quality". Based on this, and the expectations of continued strong operating performance by the company, staff recommends continuing to hold these securities at this time.

Further detail regarding City compliance with State law and City investment guidelines is presented as follows:

Credit Ratings - Corporate Medium Term Notes

	<u>Standard & Poors/ Fitch</u>	<u>Moody's</u>	<u>In Compliance (Yes/No)</u>
Best Quality	AAA	Aaa	Yes
	AA+	Aa1	Yes
High Quality	AA	Aa2	Yes
	AA-	Aa3	Yes
	A+	A1	Yes
Upper Medium Grade	A	A2	Yes
	A-	A3	Yes
	BBB+	Baa1	No
Medium Grade	BBB	Baa2	No
	BBB-	Baa3	No

Portfolio Allocation as of 4/30/15

	Pooled Portfolio (1) (3)	% of Portfolio	Legal/ Policy Limit	In Compliance (Yes/No)
Federal Agency Securities				
Federal Home Loan Bank	\$167,341,892.68	24.5%	50.0%	Yes
Federal National Mortgage Association	58,992,050.00	8.7%	50.0%	Yes
Federal Home Loan Mortgage Corporation	123,896,924.41	18.2%	50.0%	Yes
Farmer Mac	21,999,350.00	3.2%	50.0%	Yes
Federal Farm Credit Bank	57,620,061.60	8.4%	50.0%	Yes
Total Federal Agency Securities	\$429,850,278.69	63.0%	n/a	Yes
Treasury Bills	\$2,990,625.00	0.4%	n/a	Yes
State of CA/UC Obligations	\$6,655,793.32	1.0%	n/a	Yes
Corporate Bonds	\$130,390,879.18	19.1%	30.0%	Yes
Supranationals	\$2,004,041.11	0.3%	30.0%	Yes
Money Market Mutual Funds	\$0.00	0.0%	10.0%	Yes
State Local Agency Investment Fund-City	\$49,621,090.93	7.3%	\$50 million	Yes
Cash (2)	\$60,420,331.17	8.9%	None	Yes
Total (Book Value)	\$681,933,039.40	80.9%		

Notes:

(1) Excludes bond proceeds, funds held in trust for others, petty cash accounts, and other funds which are not entirely under City ownership and control

(2) City's general bank account held at Wells Fargo Bank and cash balance held by BNY Mellon. Does not include balance of HUD depository account (\$154,923.63), Successor Agency RPTTF account (\$411,906.10), Ocean Park Special Fund (\$288,580.24), payroll account (\$154,354.77) or other cash accounts that are restricted as to use.

(3) Value used to test compliance is reported value (book value plus unrealized purchased interest).

City Portfolio as of 4/30/15 (Book Value)

<u>Corporate Security</u>	<u>Pooled Portfolio</u>	<u>Credit Rating*</u>	<u>In Compliance (Yes/No)</u>
IBM 0.75% maturing 5/11/15	\$2,292,761.44	AA-	Yes
Wells Fargo and Company 1.50% maturing 7/1/15	\$6,613,464.86	A+	Yes
Toyota Motor Credit Corp. 0.875% maturing 7/17/15	\$2,009,720.00	AA-	Yes
Wells Fargo Bank 0.75% maturing 7/20/15	\$2,499,125.00	A+	Yes
Microsoft 1.625% maturing 9/25/15	\$5,170,600.00	AAA	Yes
JP Morgan Chase 1.1%, maturing 10/15/15	\$2,010,960.00	A	Yes
Berkshire Hathaway 0.8% maturing 2/11/16	\$2,005,620.00	AA	Yes
Apple Inc. 0.45% maturing 5/3/16	\$3,002,430.00	AA+	Yes
Johnson & Johnson 2.15% maturing 5/15/16	\$2,105,040.00	AAA	Yes
Toyota Motor Credit Corp. 0.8% maturing 5/17/16	\$3,008,190.00	AA-	Yes
Wells Fargo and Company 1.25% maturing 7/20/16	\$2,997,120.00	A+	Yes
IBM 1.95% maturing 7/22/16	\$4,105,920.00	AA-	Yes
Procter & Gamble 1.45% maturing 8/15/16	\$2,011,658.55	AA-	Yes
Hershey Company 5.45% maturing 9/1/16	\$1,049,579.04	A	Yes
UnionBanc Investments 1.5% maturing 9/26/16	\$4,068,800.00	A+	Yes
3M Corp. 1.375% maturing 9/29/16	\$3,605,842.80	AA-	Yes
Johnson & Johnson 0.7% maturing 11/28/16	\$4,005,200.00	AAA	Yes
Colgate Palmolive 1.3% maturing 1/15/17	\$3,733,759.66	AA-	Yes
Pfizer, Inc. 0.9% maturing 1/15/17	\$4,008,800.00	AA	Yes
Berkshire Hathaway 1.9% maturing 1/31/17	\$2,049,593.33	AA	Yes
Cisco Systems 1.1% maturing 3/3/17	\$5,031,600.00	AA-	Yes
3M Corp. 1% maturing 6/26/17	\$4,991,400.00	AA-	Yes
New York Life 1.3% maturing 10/30/17	\$2,872,529.70	AA+	Yes
Microsoft 0.875% maturing 11/15/17	\$2,505,000.00	AAA	Yes
Intel 1.35%, maturing 12/15/17	\$2,995,260.00	A+	Yes
Merck 1.1% maturing 1/31/18	\$3,001,750.00	AA	Yes
IBM 1.125% maturing 2/6/18	\$2,990,850.00	AA-	Yes
Colgate Palmolive 0.9% maturing 5/1/18	\$1,472,835.00	AA-	Yes
Apple Inc. 1% maturing 5/3/18	\$4,984,575.00	AA+	Yes
Johnson & Johnson 1.65% maturing 12/05/18	\$2,000,080.00	AAA	Yes
Oracle 2.38% maturing 1/15/19	\$3,117,406.67	AA-	Yes
Cisco Systems 2.125% maturing 3/1/19	\$2,531,750.00	AA-	Yes
MFUG Union Bank 2.25% maturing 5/6/19	\$3,991,080.00	A+	Yes
Apple Inc. 2.1% maturing 5/6/19	\$3,011,100.00	AA+	Yes
Pfizer, Inc. 2.1% maturing 5/15/19	\$3,018,075.00	AA	Yes
Walt Disney Company 1.85%, maturing 5/30/19	\$6,005,989.80	A	Yes
Toyota Motor Credit Corp. 2.125% maturing 7/18/19	\$4,000,000.00	AA-	Yes
Berkshire Hathaway 2.18% maturing 8/14/19	\$3,998,840.00	AA	Yes
Oracle 2.25% maturing 10/8/19	\$2,515,975.00	AA-	Yes
Procter & Gamble 1.9% maturing 11/1/19	\$3,000,598.33	AA-	Yes

* Per Standard and Poors

Certification

In compliance with California Government Code Section 53546 as amended February 1, 1996, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.



Gigi Decavalles-Hughes, Director of Finance/City Treasurer