



# Information Item

**Date: June 21, 2016**

To: Mayor and City Council  
From: Gigi Decavalles-Hughes, Director of Finance/City Treasurer  
Subject: City Monthly Cash and Investment Report for March 2016

## **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 March 31, 2016.

## **Discussion**

The March 2016 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 decreased by \$1.8 million in March to \$690.4 million. However, excluding a transfer of \$7.9 million to the Redevelopment Successor Agency for future payment to the State (based on State Controller review direction), the portfolio increased by \$5.9 million. The pooled portfolio yield-to-maturity of 1.07% was unchanged from the prior month, but up 14 basis points from March 2015. Net investment earnings for the month were \$0.5 million. March's year-to-date investment earnings were 24.9% greater than for the same period last year. However, portfolio yields have leveled off as interest rates remain somewhat volatile as the markets try to anticipate future interest rate changes by the Federal Reserve. Eventually, the yield should begin to increase when rates begin to move higher.

In addition to the pooled portfolio, the City's total cash holdings as of March 31, 2016 included \$3.4 million in debt proceeds held in trust with various fiscal agents, \$31.6 million in other funds held in trust, and \$28,922 in petty cash/change funds for a total balance of \$725.4 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 March 31, 2016, the market value of the City's portfolio was approximately \$1.7 million more than the book value.

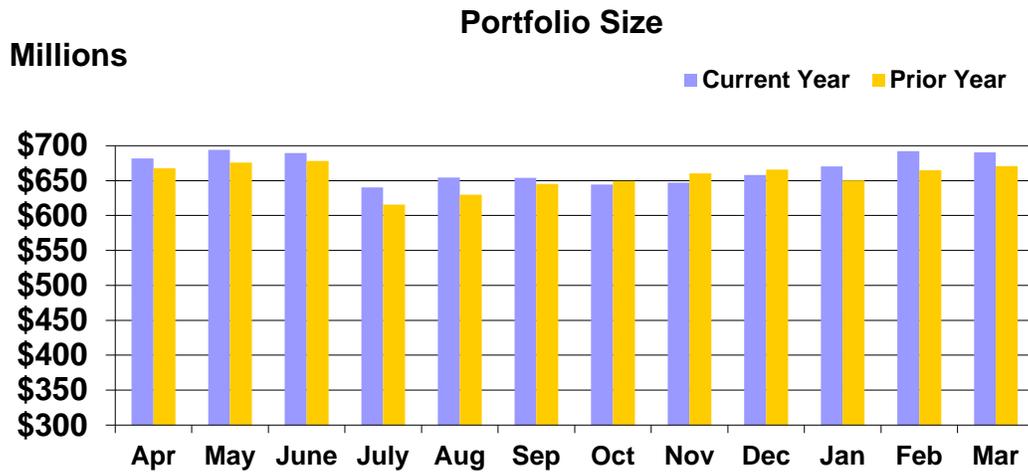
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer as of March 31, 2016.

Prepared by: David Carr, Assistant City Treasurer

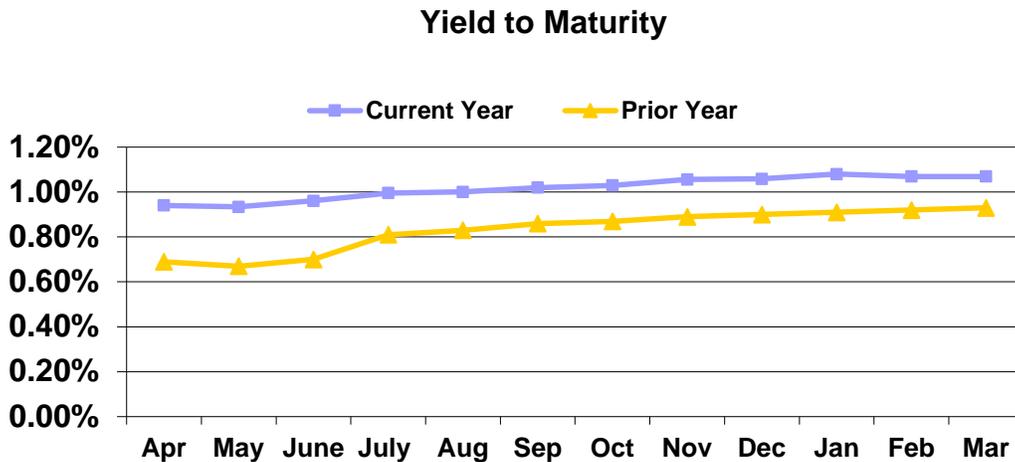
Attachments: 1 – Investment Highlights  
2 – Investment Report

# Investment Highlights

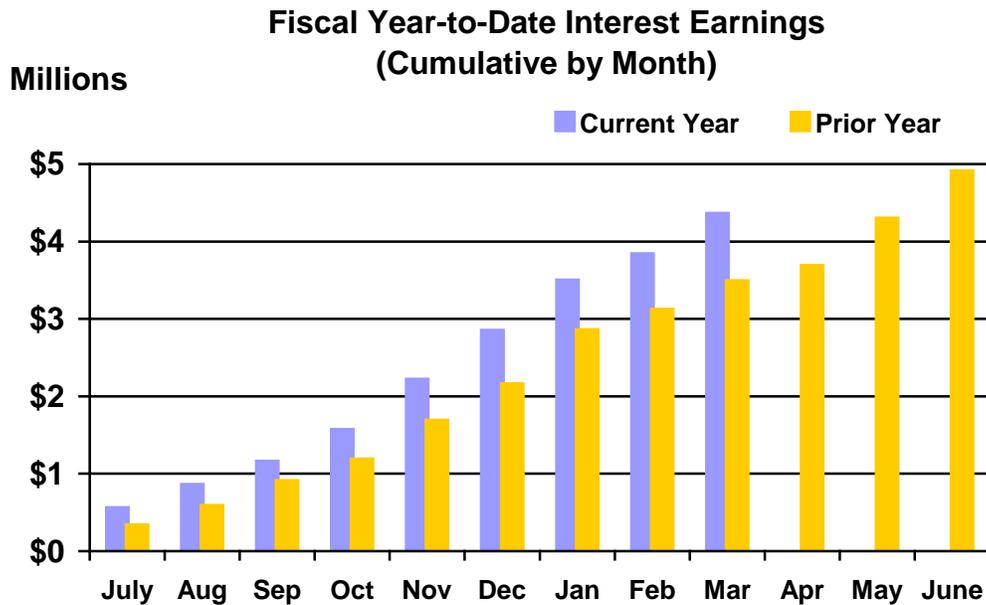
## March 31, 2016



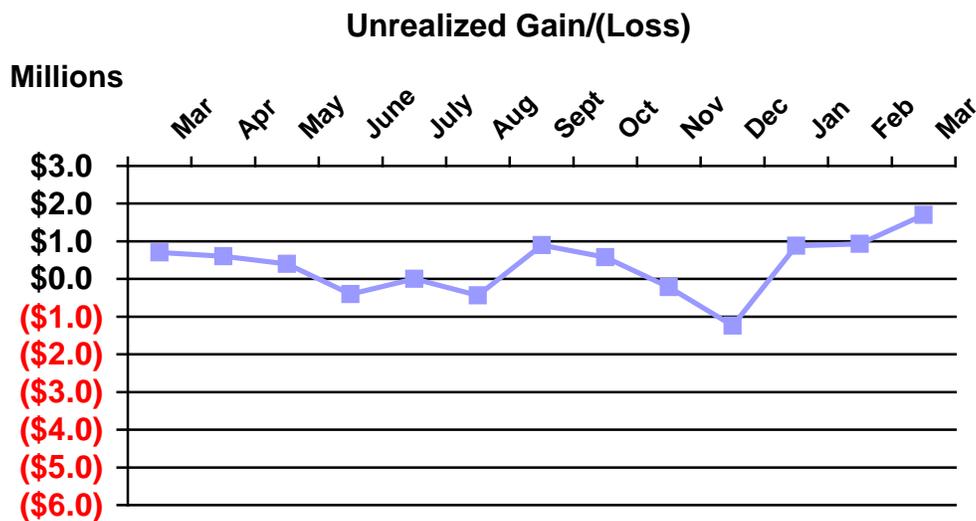
- As of March 31, 2016, the portfolio size is \$690.4 million, \$1.8 million less than in the prior month, but almost \$20 million more than one year earlier.



- As of March 31, 2016, yield to maturity is 1.07%.
- The yield was unchanged from the prior month, but up 14 basis points from one year ago.



- March's year-to-date interest earnings (cash basis) are 24.9% greater than one year earlier.



- As of March 31, 2016, the market value is about \$1.7 million more than the unamortized book value (purchase price).



# Investment Report

## March 31, 2016

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**  
**March 31, 2016**

<b>Petty Cash/Change Funds</b>		<b>\$28,922.00</b>
<b>Pooled Portfolio</b>		
Wells Fargo Bank (1)	\$26,098,212.52	
Wells Fargo Custodial Account		
Cash	\$0.00	
Corporate Bonds	\$144,222,545.42	
Treasury Bills	\$12,509,335.95	
State of California Bonds	\$9,176,948.20	
Supranationals	\$14,513,685.00	
Federal Agencies Securities	\$425,128,495.97	
Total Wells Fargo Custodial Account	<u>\$605,551,010.54</u>	
State of California Local Agency Investment Fund - City	<u>\$58,739,126.07</u>	
<b>Total Pooled Portfolio</b>		<b>\$690,388,349.13</b>
<b>Restricted Cash/Investments Held in Trust/Debt Proceeds</b>		
Union Bank - Redevelopment Agency Term Loan	\$0.00	
Union Bank-Earthquake Recovery Redevelopment 2006		
Tax Allocation Refunding Bonds Series A & B	\$21.53	
Union Bank-Civic Center Parking Project 2015 Lease Revenue Bonds	\$19,001.42	
Union Bank-RDA 2011 Tax Allocation Bonds	\$2,262,503.38	
BNY-2011 Parking Structure Series A & B	\$3.30	
BNY-Parking Authority Lease Revenue Bonds 2002 Refunding	\$5.06	
BNY-Public Safety Facility Bonds 2009 Refunding	\$1,123,397.02	
U.S. Bank-Wastewater Enterprise Revenue Bonds-2012 Refunding	<u>\$0.32</u>	
<b>Total Restricted Cash/Investments Held in Trust</b>		<b>\$3,404,932.03</b>
<b>Other Restricted Funds/Funds Held in Trust</b>		
Cemetery Perpetual Care Fund (3)	\$10,292,024.00	
Mausoleum Perpetual Care Fund (3)	\$1,206,384.00	
Wells Fargo - Santa Monica Redevelopment Successor Agency RPTTF	\$19,522,889.84	
Wells Fargo - HUD Depository Account (4)	\$251,765.11	
Wells Fargo - Payroll Account	\$157,341.26	
Wells Fargo - Public Agency Family Self Sufficiency Program (2)	<u>\$176,882.32</u>	
<b>Total Other Funds Held in Trust</b>		<b>\$31,607,286.53</b>
<b>GRAND TOTAL</b>		<b>\$725,429,489.69</b>

**City of Santa Monica  
Cash Receipts, Disbursements and Cash Balances  
March 31, 2016**

- (1) These are the actual bank account balances as of 3/31/2016. 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 the 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 - February 29, 2016	692,213,838.11
Receipts	59,270,498.12
Disbursements	(61,095,987.10)
Cash and Investments - March 31, 2016	690,388,349.13

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 March 31, 2016, total City cash and investments (including cash held for the Successor Agency to the Redevelopment Agency) were \$725.4 million, a \$6 million increase from the prior month. The pooled portfolio decreased by \$1.8 million. However, excluding a transfer of \$7.9 million to the Redevelopment Successor Agency for future payment to the State (based on the State Controller direction), the portfolio increased by \$5.9 million. Restricted Cash/Investments Held in Trust/Debt Proceeds decreased by \$11.7 million reflecting draw down of remaining Wells Fargo loan proceeds to the Successor Agency. This drawdown and the transfer of the \$7.9 million from the General Fund to the Successor Agency are the primary reasons for the \$19.5 million increase in Other Restricted Funds/Funds Held in Trust. Total cash and investments are categorized as follows:

Petty Cash/Change Funds	\$ 28,922.00
Pooled Investment Portfolio	\$ 690,388,349.13
Restricted Cash/Investment Held in Trust	\$ 3,404,932.03
Other Funds Held in Trust	\$ 31,607,286.53
Total	<u>\$ 725,429,489.69</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.

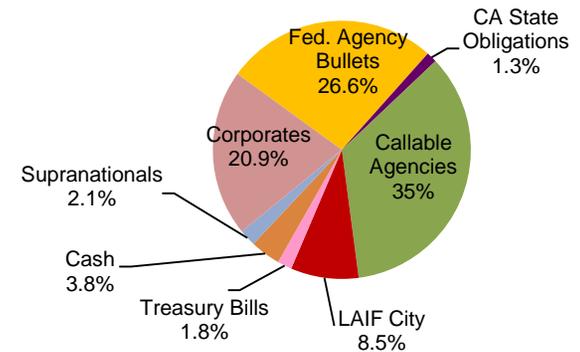
**Pooled Investment Portfolio**

As of March 31, 2016, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$690.4 million, \$1.8 million less 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. However, as noted above, excluding a transfer of \$7.9 million to the Redevelopment Successor Agency for future payment to the State, the portfolio increased by \$5.9 million. Fifteen investments were made during the month (\$57.9 million), three investments matured (\$9 million), and eleven investments were called (\$40.8 million). The month-end balance of cash held at Wells Fargo Bank decreased by about \$3.9 million in March. 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**

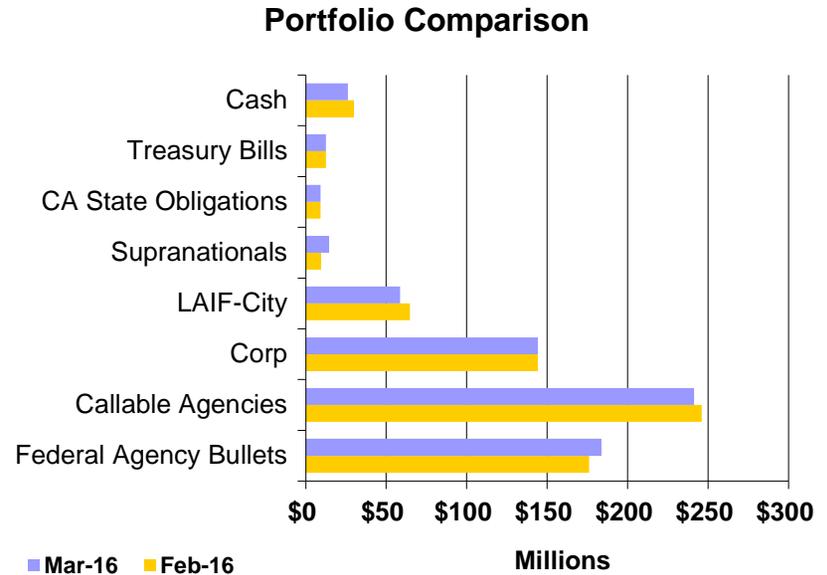
The portfolio is appropriately diversified and is in compliance with the City's Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (61.6%). The remaining 38.4% includes the State Local Agency Investment Fund (8.5%), Corporate Bonds (20.9%), CA State Obligations (1.3%), Treasury Bills (1.8%), Supranationals (2.1%) and cash (3.8%). 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. The portfolio rebalancing continues 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 March. Staff will continue to look for prudent opportunities, which should become available when interest rates show a consistent upward trend.

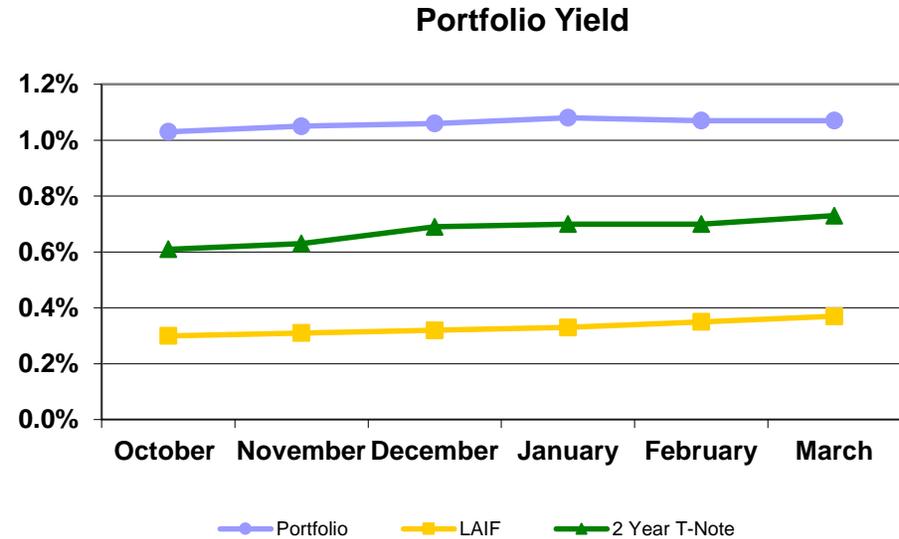
**Portfolio Yield**

The portfolio yield-to-maturity was 1.07% as of March 31, 2016, unchanged from the prior month, but up 14 basis points from one year earlier. Interest rates fell slightly in March. The month-end two-year Constant Maturing Treasury security

yield (CMT) fell five basis points during the month. 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 March. 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 remain volatile, but fell slightly March. As noted above, the rate for the two year constant maturing Treasury note (CMT) fell five basis points in March even though the twelve month moving average increased by three basis points. During the last year, the two year CMT month-end rate has varied from a low of 0.56% to the December high of 1.06%. Financial markets continue to try and assess U.S. and global economic data and the timing of future action by the Federal Reserve. The twelve month moving average LAIF yield rose to 0.37% in March, two basis points higher than last month, but the rate still remains near its all-time low. However, the LAIF month-end rate was 0.51%, the highest level in five years.

At its March meeting, the Federal Open Market Committee (Fed) left the Fed Funds rate unchanged at a range of 0.25% - 0.5%. The labor market continued its improvement although the unemployment rate rose slightly to 5%, but is still near the lowest level in eight years. Growth in household spending and business investment continued to increase at moderate rates and the housing sector is showing further improvement. Inflation remains low, but long term expectations are nearly in line with Fed policy mandates. Preliminary 1<sup>st</sup> quarter GDP showed a very weak growth rate of 0.8% after a 4<sup>th</sup> quarter increase of 1.4%. However, most recent economic projections predict annualized growth in the 2% range for the full year and only slightly higher for the next two years. The Fed continues to indicate that the pace of future rate changes will be “gradual” and that rates will remain lower than typical for “some time”. The stock market as measured by the Dow Jones Industrial Average was relatively unchanged.



The upward trend in the City's portfolio yield-to-maturity has stalled a bit due to the interest rate volatility. The yield is now expected to remain relatively flat over the next several months before returning to a slow upward trend.

Net investment income on a cash basis in March was \$0.5 million. Year-to-date earnings are 24.9% greater than for the same period last year.

**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Treasury Coupon Securities</b>												
912828WT3	11477	U. S. Treasury Note		07/25/2014	3,000,000.00	3,007,260.00	2,990,625.00	0.875	1,086	0.982	470	07/15/2017
912828TWO	11658	U. S. Treasury Note		10/30/2015	2,000,000.00	2,000,700.00	2,000,000.00	0.750	732	0.750	578	10/31/2017
912828WX4	11683	U. S. Treasury Note		01/27/2016	2,500,000.00	2,500,925.00	2,500,585.94	0.500	186	0.454	121	07/31/2016
912828SJ0	11692	U. S. Treasury Note		02/16/2016	3,000,000.00	3,006,450.00	3,009,609.38	0.875	378	0.564	333	02/28/2017
912828SM3	11698	U. S. Treasury Note		02/24/2016	2,000,000.00	2,007,340.00	2,008,515.63	1.000	401	0.610	364	03/31/2017
<b>Subtotal and Average</b>			<b>12,517,109.62</b>		<b>12,500,000.00</b>	<b>12,522,675.00</b>	<b>12,509,335.95</b>		<b>569</b>	<b>0.679</b>	<b>368</b>	
<b>Federal Agency Coupon</b>												
3133EA3J5	11253	Federal Farm Credit Bank		10/10/2012	5,000,000.00	5,000,050.00	5,000,000.00	0.900	1,826	0.900	557	10/10/2017
3133ECKV5	11302	Federal Farm Credit Bank		04/05/2013	3,000,000.00	2,999,910.00	3,000,000.00	0.700	1,522	0.700	430	06/05/2017
3133EA4H8	11305	Federal Farm Credit Bank		04/04/2013	5,000,000.00	5,000,050.00	4,999,250.00	0.820	1,559	0.824	466	07/11/2017
3133EDNC2	11456	Federal Farm Credit Bank		06/13/2014	2,500,000.00	2,505,950.00	2,499,375.00	0.700	945	0.710	287	01/13/2017
3133EDNS7	11508	Federal Farm Credit Bank		11/06/2014	2,105,000.00	2,105,947.25	2,104,305.35	0.450	592	0.470	80	06/20/2016
3133EDK92	11527	Federal Farm Credit Bank		12/24/2014	5,000,000.00	5,002,550.00	4,990,500.00	0.500	579	0.621	115	07/25/2016
3133EEYJ3	11573	Federal Farm Credit Bank		04/13/2015	2,500,000.00	2,500,300.00	2,500,000.00	1.680	1,827	1.680	1,473	04/13/2020
3133EE2D1	11607	Federal Farm Credit Bank		06/24/2015	5,000,000.00	5,007,350.00	5,000,000.00	1.720	1,461	1.720	1,179	06/24/2019
3133EE4S6	11615	Federal Farm Credit Bank		07/29/2015	5,000,000.00	5,010,250.00	4,992,250.00	1.650	1,461	1.690	1,214	07/29/2019
3133EFLN5	11646	Federal Farm Credit Bank		10/28/2015	4,000,000.00	3,995,680.00	4,000,000.00	0.450	397	0.450	241	11/28/2016
3133EFRL3	11665	Federal Farm Credit Bank		11/30/2015	3,000,000.00	3,008,010.00	3,000,000.00	1.890	1,827	1.890	1,704	11/30/2020
3133EFRH2	11666	Federal Farm Credit Bank		11/30/2015	3,000,000.00	3,005,730.00	3,000,000.00	1.340	1,096	1.340	973	11/30/2018
3133EFZR1	11691	Federal Farm Credit Bank		02/16/2016	3,000,000.00	2,999,426.67	3,000,656.67	0.800	727	0.793	682	02/12/2018
3133834R9	11322	Federal Home Loan Bank		05/15/2013	3,000,000.00	2,999,970.00	2,990,280.00	0.375	1,136	0.480	84	06/24/2016
313383GK1	11337	Federal Home Loan Bank		06/27/2013	3,800,000.00	3,807,182.00	3,800,000.00	1.125	1,826	1.125	817	06/27/2018
313383C25	11345	Federal Home Loan Bank		06/25/2013	2,500,000.00	2,509,925.00	2,412,500.00	1.200	1,821	1.818	810	06/20/2018
313379DT3	11386	Federal Home Loan Bank		11/12/2013	4,000,000.00	4,033,240.00	3,960,880.00	1.250	1,669	1.472	798	06/08/2018
3130A1BK3	11444	Federal Home Loan Bank		03/24/2014	5,000,000.00	5,002,350.00	5,000,000.00	0.500	823	0.500	84	06/24/2016
313383R78	11516	Federal Home Loan Bank		11/21/2014	2,825,000.00	2,828,870.25	2,838,644.75	0.750	605	0.457	108	07/18/2016
3133834R9	11528	Federal Home Loan Bank		12/24/2014	5,000,000.00	4,999,950.00	4,985,750.00	0.375	548	0.566	84	06/24/2016
3130A2C61	11540	Federal Home Loan Bank		01/30/2015	3,000,000.00	2,999,880.00	2,999,790.00	0.375	497	0.380	70	06/10/2016
3130A4KX9	11556	Federal Home Loan Bank		03/30/2015	4,750,000.00	4,796,312.50	4,750,000.00	1.800	1,827	1.800	1,459	03/30/2020
3130A4Q54	11558	Federal Home Loan Bank		03/18/2015	5,000,000.00	5,012,250.00	5,000,000.00	0.800	791	0.798	411	05/17/2017
3130A4RJ3	11562	Federal Home Loan Bank		04/13/2015	3,000,000.00	3,000,270.00	3,000,000.00	1.200	1,187	1.200	833	07/13/2018
3130A4WN8	11572	Federal Home Loan Bank		04/29/2015	2,500,000.00	2,501,750.00	2,500,000.00	1.500	1,827	1.500	1,489	04/29/2020
3130A4WW8	11574	Federal Home Loan Bank		04/29/2015	2,500,000.00	2,500,975.00	2,500,000.00	1.350	1,461	1.350	1,123	04/29/2019
3130A4Y63	11580	Federal Home Loan Bank		04/23/2015	2,500,000.00	2,500,075.00	2,498,775.00	0.250	358	0.300	14	04/15/2016
3130A5AV1	11586	Federal Home Loan Bank		05/26/2015	2,000,000.00	2,000,600.00	2,000,000.00	0.500	731	0.500	420	05/26/2017

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**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupon</b>												
313379EE5	11596	Federal Home Loan Bank		05/21/2015	3,000,000.00	3,059,640.00	3,021,810.00	1.625	1,485	1.592	1,169	06/14/2019
3130A5RE1	11608	Federal Home Loan Bank		06/29/2015	3,000,000.00	3,003,720.00	3,000,000.00	1.170	1,096	1.170	819	06/29/2018
313380EC7	11628	Federal Home Loan Bank		09/22/2015	3,000,000.00	2,998,440.00	2,996,940.00	0.750	717	0.802	525	09/08/2017
3130A6MH7	11645	Federal Home Loan Bank		10/28/2015	3,000,000.00	3,005,460.00	3,000,000.00	1.720	1,827	1.720	1,671	10/28/2020
3130A6PY7	11654	Federal Home Loan Bank		10/29/2015	2,000,000.00	2,000,500.00	2,000,000.00	1.125	1,827	1.125	1,672	10/29/2020
3130A6UX3	11673	Federal Home Loan Bank		12/28/2015	4,000,000.00	4,014,680.00	4,000,000.00	1.500	1,278	1.500	1,183	06/28/2019
3130A6WW3	11674	Federal Home Loan Bank		01/19/2016	3,000,000.00	3,000,510.00	3,000,000.00	1.250	821	1.247	748	04/19/2018
3130A6XG7	11675	Federal Home Loan Bank		12/28/2015	2,500,000.00	2,504,525.00	2,500,000.00	0.750	366	0.750	271	12/28/2016
3130A6XZ5	11677	Federal Home Loan Bank		01/06/2016	5,000,000.00	5,000,400.00	5,000,000.00	2.000	1,643	2.000	1,557	07/06/2020
3130A6YR2	11680	Federal Home Loan Bank		01/22/2016	4,000,000.00	4,007,440.00	4,000,000.00	1.800	1,461	1.800	1,391	01/22/2020
3130A6Z42	11681	Federal Home Loan Bank		01/27/2016	3,000,000.00	3,007,710.00	3,000,000.00	1.250	821	1.250	756	04/27/2018
3130A7BV6	11700	Federal Home Loan Bank		02/24/2016	2,500,000.00	2,499,341.67	2,500,291.67	0.600	357	0.610	320	02/15/2017
3130A7BV6	11701	Federal Home Loan Bank		02/24/2016	2,500,000.00	2,499,341.67	2,500,066.67	0.600	357	0.620	320	02/15/2017
3130A7H73	11709	Federal Home Loan Bank		03/29/2016	3,000,000.00	3,002,220.00	3,000,000.00	1.000	730	1.000	727	03/29/2018
3134G3B90	11243	Fed Home Loan Mortgage Corp		08/15/2012	2,000,000.00	2,005,220.00	1,998,520.00	0.875	1,826	0.890	501	08/15/2017
3137EADJ5	11290	Fed Home Loan Mortgage Corp		01/31/2013	2,500,000.00	2,509,025.00	2,509,875.00	1.000	1,639	0.910	483	07/28/2017
3134G44N5	11317	Fed Home Loan Mortgage Corp		05/28/2013	3,000,000.00	2,997,600.00	3,000,000.00	0.750	1,645	0.750	606	11/28/2017
3137EADH9	11335	Fed Home Loan Mortgage Corp		05/29/2013	3,000,000.00	3,008,940.00	3,009,930.00	1.000	1,492	0.976	454	06/29/2017
3134G3ZH6	11341	Fed Home Loan Mortgage Corp		06/06/2013	4,000,000.00	4,017,040.00	4,000,000.00	1.000	1,510	1.000	480	07/25/2017
3137EADH9	11348	Fed Home Loan Mortgage Corp		06/27/2013	2,500,000.00	2,507,450.00	2,474,375.00	1.000	1,463	1.346	454	06/29/2017
3137EADJ5	11394	Fed Home Loan Mortgage Corp		12/17/2013	5,000,000.00	5,018,050.00	4,992,900.00	1.000	1,319	1.040	483	07/28/2017
3134G5AQ8	11463	Fed Home Loan Mortgage Corp		06/30/2014	2,000,000.00	2,002,440.00	2,000,000.00	0.700	914	0.700	273	12/30/2016
3134G5LV5	11498	Fed Home Loan Mortgage Corp		11/17/2014	2,500,000.00	2,507,625.00	2,499,910.00	1.000	1,096	1.001	595	11/17/2017
3134G4Z92	11520	Fed Home Loan Mortgage Corp		12/03/2014	2,500,000.00	2,504,325.00	2,505,475.00	0.875	866	0.782	381	04/17/2017
3134G6AC7	11538	Fed Home Loan Mortgage Corp		01/28/2015	3,000,000.00	3,006,570.00	3,000,000.00	0.850	912	0.850	483	07/28/2017
3133EPA2	11548	Fed Home Loan Mortgage Corp		02/12/2015	4,000,000.00	3,998,720.00	4,000,000.00	1.070	1,096	1.070	682	02/12/2018
3134G6R47	11598	Fed Home Loan Mortgage Corp		06/10/2015	5,000,000.00	5,008,650.00	5,000,000.00	1.500	1,461	1.500	1,165	06/10/2019
3134G63H4	11601	Fed Home Loan Mortgage Corp		05/29/2015	2,500,000.00	2,502,075.00	2,500,000.00	1.000	913	1.000	605	11/27/2017
3134G7QZ7	11622	Fed Home Loan Mortgage Corp		08/27/2015	5,000,000.00	5,008,150.00	5,000,000.00	1.250	1,827	1.250	1,609	08/27/2020
3134G7XN6	11629	Fed Home Loan Mortgage Corp		09/30/2015	2,500,000.00	2,505,075.00	2,500,000.00	1.250	1,827	2.140	1,643	09/30/2020
3134G7XN6	11633	Fed Home Loan Mortgage Corp		09/30/2015	2,500,000.00	2,505,075.00	2,500,000.00	1.250	1,827	2.140	1,643	09/30/2020
3134G7G70	11637	Fed Home Loan Mortgage Corp		09/28/2015	2,500,000.00	2,505,450.00	2,500,000.00	1.400	1,369	1.400	1,183	06/28/2019
3134G7Q79	11640	Fed Home Loan Mortgage Corp		10/27/2015	5,000,000.00	5,000,050.00	5,000,000.00	1.000	1,004	1.000	847	07/27/2018
3134G73X7	11650	Fed Home Loan Mortgage Corp		10/30/2015	3,000,000.00	3,000,090.00	3,000,000.00	0.720	728	0.720	574	10/27/2017
3134G73Q2	11652	Fed Home Loan Mortgage Corp		10/27/2015	4,000,000.00	4,000,360.00	4,000,000.00	1.000	1,004	1.000	847	07/27/2018
3134G75A5	11657	Fed Home Loan Mortgage Corp		10/29/2015	2,500,000.00	2,500,325.00	2,500,000.00	1.250	1,826	1.250	1,671	10/28/2020

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<b>Federal Agency Coupon</b>												
3134G8A41	11667	Fed Home Loan Mortgage Corp		12/28/2015	3,000,000.00	3,001,470.00	3,000,000.00	1.000	731	1.000	636	12/28/2017
3134G85J4	11670	Fed Home Loan Mortgage Corp		12/02/2015	3,000,000.00	3,000,635.00	2,999,810.00	0.750	1,090	0.742	969	11/26/2018
3134G8HZ5	11685	Fed Home Loan Mortgage Corp		01/29/2016	5,000,000.00	4,998,150.00	5,000,000.00	1.000	1,461	1.000	1,398	01/29/2020
3134G8LS6	11690	Fed Home Loan Mortgage Corp		03/30/2016	5,000,000.00	5,000,450.00	5,000,000.00	0.750	1,826	0.750	1,824	03/30/2021
3134G8PX1	11708	Fed Home Loan Mortgage Corp		03/28/2016	3,000,000.00	3,003,900.00	3,000,936.00	1.200	914	1.187	910	09/28/2018
3134G8UC1	11710	Fed Home Loan Mortgage Corp		03/30/2016	2,500,000.00	2,500,350.00	2,500,000.00	1.450	1,279	1.450	1,277	09/30/2019
3134G8VC0	11711	Fed Home Loan Mortgage Corp		03/28/2016	3,000,000.00	3,003,270.00	3,000,000.00	1.200	1,005	1.200	1,001	12/28/2018
3134G8VC0	11712	Fed Home Loan Mortgage Corp		03/28/2016	3,000,000.00	3,003,270.00	3,000,000.00	1.200	1,005	1.200	1,001	12/28/2018
3134G8VE6	11713	Fed Home Loan Mortgage Corp		03/29/2016	5,000,000.00	5,004,150.00	5,000,000.00	1.020	730	1.020	727	03/29/2018
3134G8TY5	11714	Fed Home Loan Mortgage Corp		03/30/2016	5,000,000.00	5,004,600.00	5,000,000.00	1.420	1,461	1.420	1,459	03/30/2020
31315PYT0	11318	Farmer Mac		05/02/2013	3,000,000.00	3,002,370.00	3,000,000.00	0.990	1,826	0.990	761	05/02/2018
31315PN88	11351	Farmer Mac		07/05/2013	2,000,000.00	2,007,340.00	2,000,000.00	1.100	1,301	1.100	300	01/26/2017
3135G0XA6	11319	Federal National Mort Assoc		05/21/2013	3,000,000.00	3,000,000.00	3,000,000.00	1.030	1,826	1.030	780	05/21/2018
3135G0PP2	11425	Federal National Mort Assoc		02/12/2014	2,500,000.00	2,507,775.00	2,492,050.00	1.000	1,316	1.090	537	09/20/2017
3136G22T3	11468	Federal National Mort Assoc		07/28/2014	4,000,000.00	4,003,560.00	4,000,000.00	1.050	1,096	1.050	483	07/28/2017
3136G22V8	11469	Federal National Mort Assoc		07/25/2014	4,000,000.00	4,012,040.00	4,000,000.00	1.500	1,461	1.500	845	07/25/2018
3136G26U6	11487	Federal National Mort Assoc		10/07/2014	2,500,000.00	2,521,400.00	2,500,000.00	2.000	1,826	2.000	1,284	10/07/2019
3135G0ZF3	11491	Federal National Mort Assoc		09/17/2014	4,000,000.00	3,999,480.00	4,000,000.00	1.070	1,045	1.070	483	07/28/2017
3136G2D87	11537	Federal National Mort Assoc		02/13/2015	3,000,000.00	3,005,370.00	3,000,000.00	1.000	1,096	1.000	683	02/13/2018
3136G2EF0	11545	Federal National Mort Assoc		02/27/2015	2,000,000.00	2,000,600.00	2,000,000.00	1.450	1,461	1.450	1,062	02/27/2019
3136G2K48	11589	Federal National Mort Assoc		05/27/2015	5,000,000.00	5,008,700.00	5,000,000.00	1.800	1,827	1.800	1,517	05/27/2020
3135G0XP3	11617	Federal National Mort Assoc		08/05/2015	5,000,000.00	4,998,700.00	5,000,450.00	0.375	335	0.365	95	07/05/2016
3136G2P92	11639	Federal National Mort Assoc		10/29/2015	5,000,000.00	5,001,350.00	5,000,000.00	1.100	1,096	1.100	941	10/29/2018
3136G2PJ0	11642	Federal National Mort Assoc		10/26/2015	1,000,000.00	1,001,020.00	1,000,000.00	1.010	1,096	1.010	938	10/26/2018
3136G2PP6	11644	Federal National Mort Assoc		10/29/2015	4,000,000.00	4,001,240.00	4,000,000.00	1.070	1,096	1.070	941	10/29/2018
3136G2R58	11649	Federal National Mort Assoc		10/29/2015	2,500,000.00	2,502,775.00	2,500,000.00	1.040	1,093	1.040	938	10/26/2018
3136G2QM2	11651	Federal National Mort Assoc		11/16/2015	2,500,000.00	2,500,900.00	2,500,000.00	1.200	1,277	1.200	1,140	05/16/2019
3135G0XP3	11653	Federal National Mort Assoc		10/27/2015	5,000,000.00	4,998,700.00	5,002,400.00	0.375	252	0.305	95	07/05/2016
3136G2R25	11655	Federal National Mort Assoc		10/29/2015	2,500,000.00	2,500,550.00	2,500,000.00	1.550	1,644	1.550	1,489	04/29/2020
3136G2RQ2	11656	Federal National Mort Assoc		10/29/2015	3,000,000.00	3,000,900.00	3,000,000.00	1.400	1,461	1.400	1,306	10/29/2019
3135G0G98	11664	Federal National Mort Assoc		11/27/2015	4,000,000.00	4,000,840.00	3,996,040.00	1.300	1,096	1.334	970	11/27/2018
3136G25M5	11669	Federal National Mort Assoc		12/02/2015	4,000,000.00	4,019,080.00	4,022,440.00	1.865	1,387	1.712	1,266	09/19/2019
3135G0XP3	11672	Federal National Mort Assoc		12/21/2015	5,000,000.00	4,998,700.00	4,993,700.00	0.375	197	1.913	95	07/05/2016
3136G2WV5	11684	Federal National Mort Assoc		01/29/2016	3,500,000.00	3,503,290.00	3,500,000.00	1.220	1,092	1.220	1,029	01/25/2019
3136G2XS1	11686	Federal National Mort Assoc		02/26/2016	5,000,000.00	4,999,750.00	5,000,000.00	1.000	1,096	1.452	1,061	02/26/2019
3135G0G80	11687	Federal National Mort Assoc		02/04/2016	5,000,000.00	5,005,525.00	5,005,625.00	0.500	1,013	1.511	956	11/13/2018

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<b>Federal Agency Coupon</b>												
3136G2Y68	11688	Federal National Mort Assoc		02/26/2016	2,500,000.00	2,499,200.00	2,500,000.00	0.750	1,096	0.880	1,061	02/26/2019
3136G2XZ5	11689	Federal National Mort Assoc		02/24/2016	2,500,000.00	2,496,800.00	2,500,000.00	1.350	1,461	1.350	1,424	02/24/2020
3136G2LD7	11693	Federal National Mort Assoc		02/16/2016	3,000,000.00	3,011,100.00	3,016,560.00	1.750	913	1.524	868	08/17/2018
3136G3AM7	11695	Federal National Mort Assoc		02/26/2016	5,000,000.00	4,997,000.00	5,000,000.00	1.250	1,827	1.250	1,792	02/26/2021
3136G3BT1	11702	Federal National Mort Assoc		03/22/2016	5,000,000.00	5,002,650.00	5,000,000.00	1.000	1,826	1.000	1,816	03/22/2021
3136G3CT0	11705	Federal National Mort Assoc		03/15/2016	2,400,000.00	2,402,040.00	2,400,000.00	1.400	1,826	1.400	1,809	03/15/2021
3136G3DB8	11707	Federal National Mort Assoc		03/23/2016	4,000,000.00	4,003,603.33	4,000,083.33	0.750	1,094	0.750	1,085	03/22/2019
<b>Subtotal and Average</b>			<b>371,195,212.49</b>		<b>367,380,000.00</b>	<b>367,891,630.34</b>	<b>367,263,144.44</b>		<b>1,214</b>	<b>1.140</b>	<b>868</b>	
<b>Federal Agency Discount</b>												
313312C24	11621	Federal Farm Credit Bank		08/19/2015	3,000,000.00	2,986,425.00	2,986,425.00		362	0.465	136	08/15/2016
313312C65	11634	Federal Farm Credit Bank		09/23/2015	5,000,000.00	4,982,070.00	4,982,070.83	0.390	331	0.403	140	08/19/2016
313312K66	11647	Federal Farm Credit Bank		10/21/2015	5,000,000.00	4,981,550.00	4,981,551.39	0.370	359	0.382	196	10/14/2016
313312J43	11718	Federal Farm Credit Bank		03/31/2016	4,000,000.00	3,990,028.00	3,990,026.67	0.480	187	0.496	186	10/04/2016
313384WD7	11635	Federal Home Loan Bank		09/23/2015	5,000,000.00	4,992,430.00	4,992,430.56	0.250	218	0.257	27	04/28/2016
313384ZB8	11682	Federal Home Loan Bank		01/27/2016	5,000,000.00	4,989,650.00	4,989,650.00	0.460	162	0.467	97	07/07/2016
313384VX4	11703	Federal Home Loan Bank		02/29/2016	7,500,000.00	7,496,580.00	7,496,577.08	0.310	53	0.314	21	04/22/2016
313384XJ3	11704	Federal Home Loan Bank		02/29/2016	7,500,000.00	7,493,220.00	7,493,216.67	0.370	88	0.375	56	05/27/2016
313384VN6	11716	Federal Home Loan Bank		03/31/2016	4,000,000.00	3,999,756.00	3,999,754.44	0.170	13	0.172	12	04/13/2016
313588E35	11715	Federal National Mort Assoc		03/31/2016	4,000,000.00	3,993,496.00	3,993,497.78	0.380	154	0.386	153	09/01/2016
313588H81	11678	Freddie mac Discount NT		12/30/2015	4,000,000.00	3,981,360.00	3,981,361.11	0.610	275	0.631	182	09/30/2016
313588M44	11679	Freddie mac Discount NT		12/30/2015	4,000,000.00	3,978,792.00	3,978,790.00	0.630	303	0.652	210	10/28/2016
<b>Subtotal and Average</b>			<b>48,200,660.13</b>		<b>58,000,000.00</b>	<b>57,865,357.00</b>	<b>57,865,351.53</b>		<b>193</b>	<b>0.404</b>	<b>108</b>	
<b>Local Agency Investment Funds</b>												
SYS10090	10090	Local Agency Investment Fund			58,739,126.07	58,739,126.07	58,739,126.07	0.506	1	0.506	1	
<b>Subtotal and Average</b>			<b>61,448,803.49</b>		<b>58,739,126.07</b>	<b>58,739,126.07</b>	<b>58,739,126.07</b>		<b>1</b>	<b>0.506</b>	<b>1</b>	
<b>Columbia Money Market Fund</b>												
SYS10091	10091	Columbia Money Market Reserves		09/15/2006	0.00	0.00	0.00	0.010	1	0.010	1	
<b>Subtotal and Average</b>			<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>	<b>0.000</b>	<b>0</b>	
<b>Local Agency Investment Funds - RDA</b>												
SYS10092	10092	LAIF - RDA		03/17/2009	0.00	0.00	0.00	0.385	1	0.385	1	
<b>Subtotal and Average</b>			<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>	<b>0.000</b>	<b>0</b>	

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<b>Corporate Bonds</b>												
053015AD5	11632	AUTOMATIC DATA PROCESSING		09/24/2015	2,500,000.00	2,572,975.00	2,516,775.00	2.250	1,818	2.107	1,628	09/15/2020
037833AH3	11320	Apple Inc.		05/06/2013	3,000,000.00	2,999,730.00	3,002,430.00	0.450	1,093	0.423	32	05/03/2016
037833AJ9	11321	Apple Inc.		05/06/2013	2,500,000.00	2,505,150.00	2,505,600.00	1.000	1,823	0.954	762	05/03/2018
037833AJ9	11326	Apple Inc.		05/17/2013	2,500,000.00	2,505,150.00	2,478,975.00	1.000	1,812	1.175	762	05/03/2018
037833AQ3	11461	Apple Inc.		06/13/2014	3,000,000.00	3,084,060.00	3,011,100.00	2.100	1,788	2.020	1,130	05/06/2019
06406HCU1	11610	Bank of New York Mellon		06/26/2015	2,000,000.00	2,032,940.00	2,006,980.00	2.200	1,419	2.390	1,139	05/15/2019
06406HCL1	11618	Bank of New York Mellon		08/07/2015	5,000,000.00	5,075,150.00	5,063,500.00	2.100	1,090	1.662	852	08/01/2018
084670BL1	11490	Berkshire Hathaway		09/16/2014	4,000,000.00	4,076,880.00	3,998,840.00	2.100	1,793	2.106	1,230	08/14/2019
084670BD9	11565	Berkshire Hathaway		03/31/2015	2,000,000.00	2,017,840.00	2,043,260.00	1.900	672	0.710	305	01/31/2017
19416QEB2	11476	Colgate Palmolive		07/28/2014	1,500,000.00	1,499,355.00	1,472,835.00	0.900	1,373	1.396	760	05/01/2018
19416QDX5	11509	Colgate Palmolive		11/10/2014	3,698,000.00	3,715,010.80	3,733,759.66	1.300	797	0.851	289	01/15/2017
17275RAT9	11500	Cisco Systems		10/27/2014	5,000,000.00	5,014,750.00	5,031,600.00	1.100	858	0.828	336	03/03/2017
17275RAR3	11502	Cisco Systems		10/30/2014	2,500,000.00	2,572,125.00	2,531,750.00	2.125	1,583	1.819	1,064	03/01/2019
17275RAU6	11606	Cisco Systems		06/18/2015	2,500,000.00	2,535,225.00	2,506,100.00	1.650	1,093	1.566	805	06/15/2018
25468PDA1	11519	Walt Disney Company		11/28/2014	4,000,000.00	4,082,720.00	3,991,229.24	1.850	1,644	1.901	1,154	05/30/2019
25468PDA1	11551	Walt Disney Company		02/23/2015	2,000,000.00	2,041,360.00	2,006,230.00	1.850	1,557	1.774	1,154	05/30/2019
25468PDE3	11627	Walt Disney Company		09/18/2015	5,000,000.00	5,134,700.00	4,977,650.00	2.150	1,826	2.245	1,630	09/17/2020
427866AP3	11449	HERSHEY COMPANY		05/20/2014	947,000.00	965,040.35	1,049,579.04	5.450	835	0.656	153	09/01/2016
459200GX3	11473	IBM Corp		07/24/2014	4,000,000.00	4,017,320.00	4,105,920.00	1.950	729	0.612	112	07/22/2016
459200HZ7	11549	IBM Corp		02/06/2015	3,000,000.00	3,005,430.00	2,990,850.00	1.125	1,096	1.229	676	02/06/2018
459200HL8	11588	IBM Corp		05/08/2015	2,073,000.00	2,073,103.65	2,075,052.27	0.450	364	0.350	35	05/06/2016
458140AL4	11513	Intel		11/20/2014	3,000,000.00	3,024,360.00	2,995,260.00	1.350	1,121	1.403	623	12/15/2017
478160AY0	11293	Johnson & Johnson		02/12/2013	2,000,000.00	2,003,720.00	2,105,040.00	2.150	1,188	0.522	44	05/15/2016
478160BG8	11391	Johnson & Johnson		12/05/2013	2,000,000.00	2,038,720.00	2,000,080.00	1.650	1,826	1.649	978	12/05/2018
478160BF0	11518	Johnson & Johnson		11/25/2014	4,000,000.00	3,999,760.00	4,005,200.00	0.700	734	0.635	241	11/28/2016
191216BT6	11659	Coca Cola		11/09/2015	3,000,000.00	3,048,765.00	2,977,275.00	1.875	1,814	2.049	1,670	10/27/2020
191216AR1	11694	Coca Cola		02/22/2016	4,000,000.00	4,330,270.00	4,286,990.00	3.150	1,728	1.750	1,689	11/15/2020
88579YAE1	11392	3M		12/10/2013	2,500,000.00	2,505,475.00	2,495,925.00	1.000	1,294	1.047	451	06/26/2017
88579YAE1	11393	3M		12/10/2013	2,500,000.00	2,505,475.00	2,495,475.00	1.000	1,294	1.052	451	06/26/2017
88579YAD3	11467	3M		07/08/2014	3,544,000.00	3,556,510.32	3,605,842.80	1.375	814	0.584	181	09/29/2016
58933YAC9	11547	Merck		02/06/2015	3,000,000.00	3,008,640.00	3,001,200.00	1.100	1,090	1.085	670	01/31/2018
594918AP9	11311	Microsoft		04/30/2013	2,500,000.00	2,501,400.00	2,505,000.00	0.875	1,660	0.931	593	11/15/2017
594918BF0	11660	Microsoft		11/10/2015	2,500,000.00	2,524,931.94	2,499,456.94	1.300	1,089	1.316	946	11/03/2018
594918BG8	11661	Microsoft		11/10/2015	2,500,000.00	2,562,347.22	2,498,122.22	2.000	1,820	2.024	1,677	11/03/2020
64952WBK8	11283	New York Life		01/23/2013	2,855,000.00	2,861,852.00	2,872,529.70	1.300	1,741	1.167	577	10/30/2017
68389XAX3	11522	Oracle		12/05/2014	2,500,000.00	2,579,150.00	2,515,975.00	2.250	1,768	2.110	1,285	10/08/2019

**City of Santa Monica  
Portfolio Management  
Portfolio Details - Investments  
March 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity	Maturity Date
<b>Corporate Bonds</b>												
68389XAQ8	11576	Oracle		04/13/2015	3,000,000.00	3,109,920.00	3,099,990.00	2.375	1,373	1.459	1,019	01/15/2019
717081DD2	11430	Pfizer Inc		02/24/2014	4,000,000.00	4,001,400.00	4,008,800.00	0.900	1,056	0.823	289	01/15/2017
717081DL4	11515	Pfizer Inc		11/24/2014	3,000,000.00	3,089,430.00	3,016,500.00	2.100	1,633	1.971	1,139	05/15/2019
742718DV8	11352	Procter & Gamble		07/05/2013	1,985,000.00	1,991,768.85	2,011,658.55	1.450	1,137	1.010	136	08/15/2016
742718EG0	11507	Procter & Gamble		11/10/2014	3,000,000.00	3,086,160.00	2,999,490.00	1.900	1,817	1.904	1,309	11/01/2019
89236TAL9	11333	Toyota Motor Credit Corp		05/28/2013	3,000,000.00	3,000,420.00	3,008,190.00	0.800	1,085	0.707	46	05/17/2016
89236TBP9	11472	Toyota Motor Credit Corp		07/21/2014	4,000,000.00	4,090,360.00	4,000,000.00	2.125	1,823	2.125	1,203	07/18/2019
89236TCP8	11620	Toyota Motor Credit Corp		08/11/2015	2,000,000.00	2,017,820.00	2,000,000.00	1.550	1,067	1.550	833	07/13/2018
90520EAF8	11493	MUFG UNION BANK		09/30/2014	4,000,000.00	4,023,720.00	3,991,080.00	2.250	1,679	2.301	1,130	05/06/2019
90521APH5	11431	UnionBanc Investments		02/24/2014	4,000,000.00	4,006,520.00	4,068,800.00	1.500	945	0.827	178	09/26/2016
94974BFL9	11362	Wells Fargo & Compnay		07/29/2013	3,000,000.00	3,005,310.00	2,997,120.00	1.250	1,087	1.283	110	07/20/2016
94974BEZ9	11648	Wells Fargo & Compnay		10/23/2015	3,000,000.00	3,036,000.00	3,061,530.00	2.625	419	0.820	258	12/15/2016
<b>Subtotal and Average</b>			<b>144,223,334.62</b>		<b>143,102,000.00</b>	<b>145,036,220.13</b>	<b>144,222,545.42</b>		<b>1,315</b>	<b>1.371</b>	<b>761</b>	
<b>Supranationals</b>												
4581X0CB2	11641	Inter-American Develop Bank		10/08/2015	1,500,000.00	1,501,140.00	1,506,375.00	0.875	404	0.659	228	11/15/2016
45905URG1	11566	IBRD (World Bank)		03/27/2015	2,000,000.00	2,002,860.00	2,001,280.00	0.700	662	0.664	291	01/17/2017
45905URF3	11592	IBRD (World Bank)		05/20/2015	3,000,000.00	3,009,510.00	3,006,030.00	0.900	789	0.806	472	07/17/2017
459058ET6	11643	IBRD (World Bank)		10/13/2015	3,000,000.00	2,998,710.00	3,000,000.00	0.800	731	0.800	560	10/13/2017
45905UVK7	11706	IBRD (World Bank)		03/17/2016	5,000,000.00	5,028,925.00	5,000,000.00	1.750	1,826	1.750	1,811	03/17/2021
<b>Subtotal and Average</b>			<b>11,933,039.84</b>		<b>14,500,000.00</b>	<b>14,541,145.00</b>	<b>14,513,685.00</b>		<b>1,077</b>	<b>1.095</b>	<b>901</b>	
<b>State of California Obligations</b>												
13063CKL3	11459	State of California		06/09/2014	3,000,000.00	3,101,850.00	3,020,790.00	2.250	1,787	2.100	1,125	05/01/2019
13063CSQ4	11583	State of California		04/29/2015	2,500,000.00	2,544,400.00	2,507,050.00	1.800	1,799	1.740	1,461	04/01/2020
91412GSB2	11532	University of California		01/12/2015	1,130,000.00	1,154,667.90	1,127,333.20	1.796	1,631	1.851	1,186	07/01/2019
91412GSB2	11638	University of California		09/29/2015	2,500,000.00	2,554,575.00	2,521,775.00	1.796	1,371	1.556	1,186	07/01/2019
<b>Subtotal and Average</b>			<b>9,176,948.20</b>		<b>9,130,000.00</b>	<b>9,355,492.90</b>	<b>9,176,948.20</b>		<b>1,657</b>	<b>1.822</b>	<b>1,241</b>	
<b>Total and Average</b>			<b>658,695,108.40</b>		<b>663,351,126.07</b>	<b>665,951,646.44</b>	<b>664,290,136.61</b>		<b>1,031</b>	<b>1.070</b>	<b>698</b>	

**City of Santa Monica  
Portfolio Management  
Portfolio Details - Cash  
March 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity
Average Balance			0.00						0		0
Total Cash and Investments			658,695,108.40		663,351,126.07	665,951,646.44	664,290,136.61		1,031	1.070	698

**City of Santa Monica  
Portfolio Management  
Activity By Type  
March 1, 2016 through March 31, 2016**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Treasury Coupon Securities</b>							
<b>Subtotal</b>							<b>12,509,335.95</b>
<b>Federal Agency Coupon</b>							
313375RN9	11504	Federal Home Loan Bank	1.000	03/11/2016	0.00	3,026,280.00	
3130A3KJ2	11514	Federal Home Loan Bank	0.320	03/18/2016	0.00	3,000,000.00	
3130A4GY2	11552	Federal Home Loan Bank	1.375	03/24/2016	0.00	5,500,000.00	
3130A4HE5	11554	Federal Home Loan Bank	1.200	03/23/2016	0.00	3,000,000.00	
3130A4TH5	11570	Federal Home Loan Bank	1.300	03/30/2016	0.00	3,000,000.00	
3130A4SL7	11577	Federal Home Loan Bank	1.375	03/29/2016	0.00	1,285,000.00	
3130A7H73	11709	Federal Home Loan Bank	1.000	03/29/2016	3,000,000.00	0.00	
3134G6V42	11594	Fed Home Loan Mortgage Corp	2.000	03/29/2016	0.00	4,000,000.00	
3134G65Q2	11600	Fed Home Loan Mortgage Corp	1.000	03/24/2016	0.00	2,000,000.00	
3134G6V42	11602	Fed Home Loan Mortgage Corp	2.000	03/29/2016	0.00	5,000,000.00	
3134G7YX3	11626	Fed Home Loan Mortgage Corp	1.550	03/28/2016	0.00	3,000,000.00	
3134G8CG2	11668	Fed Home Loan Mortgage Corp	1.300	03/29/2016	0.00	4,000,000.00	
3134G8F87	11671	Fed Home Loan Mortgage Corp	1.125	03/30/2016	0.00	5,000,000.00	
3134G8FR5	11676	Fed Home Loan Mortgage Corp	2.000	03/30/2016	0.00	5,000,000.00	
3134G8LS6	11690	Fed Home Loan Mortgage Corp	0.750	03/30/2016	5,000,000.00	0.00	
3134G8PX1	11708	Fed Home Loan Mortgage Corp	1.200	03/28/2016	3,000,936.00	0.00	
3134G8UC1	11710	Fed Home Loan Mortgage Corp	1.450	03/30/2016	2,500,000.00	0.00	
3134G8VC0	11711	Fed Home Loan Mortgage Corp	1.200	03/28/2016	3,000,000.00	0.00	
3134G8VC0	11712	Fed Home Loan Mortgage Corp	1.200	03/28/2016	3,000,000.00	0.00	
3134G8VE6	11713	Fed Home Loan Mortgage Corp	1.020	03/29/2016	5,000,000.00	0.00	
3134G8TY5	11714	Fed Home Loan Mortgage Corp	1.420	03/30/2016	5,000,000.00	0.00	
3136G3BT1	11702	Federal National Mort Assoc	1.000	03/22/2016	5,000,000.00	0.00	
3136G3CT0	11705	Federal National Mort Assoc	1.400	03/15/2016	2,400,000.00	0.00	
3136G3DB8	11707	Federal National Mort Assoc	0.750	03/23/2016	4,000,000.00	0.00	
<b>Subtotal</b>					<b>40,900,936.00</b>	<b>46,811,280.00</b>	<b>367,263,144.44</b>
<b>Federal Agency Discount</b>							
313312J43	11718	Federal Farm Credit Bank	0.480	03/31/2016	3,990,026.67	0.00	
313384VN6	11716	Federal Home Loan Bank	0.170	03/31/2016	3,999,754.44	0.00	
313588UP8	11604	Federal National Mort Assoc	0.220	03/21/2016	0.00	2,994,646.67	
313588E35	11715	Federal National Mort Assoc	0.380	03/31/2016	3,993,497.78	0.00	
<b>Subtotal</b>					<b>11,983,278.89</b>	<b>2,994,646.67</b>	<b>57,865,351.53</b>

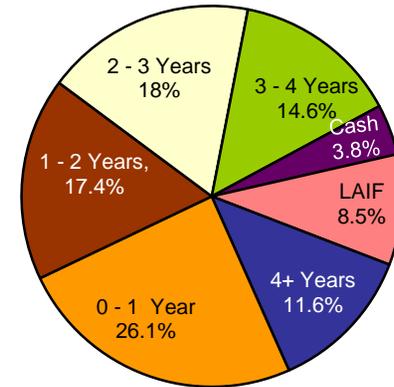
**City of Santa Monica  
Portfolio Management  
Activity By Type  
March 1, 2016 through March 31, 2016**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Local Agency Investment Funds (Monthly Summary)</b>							
SYS10090	10090	Local Agency Investment Fund	0.506		0.00	6,000,000.00	
		<b>Subtotal</b>			<b>0.00</b>	<b>6,000,000.00</b>	<b>58,739,126.07</b>
<b>Columbia Money Market Fund (Monthly Summary)</b>							
		<b>Subtotal</b>					<b>0.00</b>
<b>Local Agency Investment Funds - RDA (Monthly Summary)</b>							
		<b>Subtotal</b>					<b>0.00</b>
<b>Corporate Bonds</b>							
		<b>Subtotal</b>					<b>144,222,545.42</b>
<b>Supranationals</b>							
45905UVK7	11706	IBRD (World Bank)	1.750	03/17/2016	5,000,000.00	0.00	
		<b>Subtotal</b>			<b>5,000,000.00</b>	<b>0.00</b>	<b>14,513,685.00</b>
<b>State of California Obligations</b>							
		<b>Subtotal</b>					<b>9,176,948.20</b>
		<b>Total</b>			<b>57,884,214.89</b>	<b>55,805,926.67</b>	<b>664,290,136.61</b>

**Maturity Distribution**

The weighted average days to maturity of the portfolio as of March 31, 2016 is 698 days (1.91 years), a slight decrease from February. 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. While the City has begun to lower the high liquidity portion of the portfolio as the final impact of RDA dissolution has become clear, approximately 55.8% of the portfolio continues to be held in maturities of 2 years or less (including cash and LAIF balances).

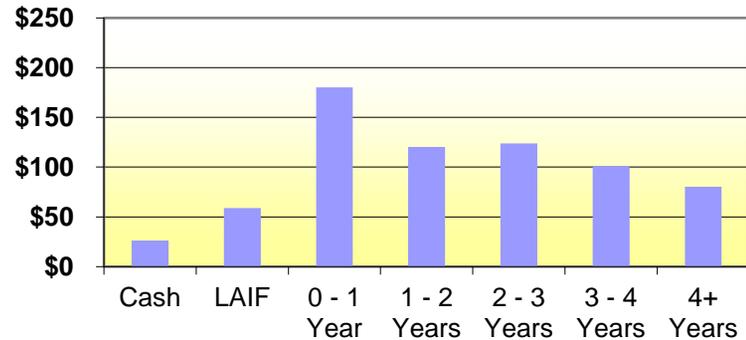
**Portfolio Maturities**



The current 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 that 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 through at least late 2016.

**Millions**

**Maturity Distribution**



**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 March 31, 2016, the market value and the book value of the City’s pooled investments (excluding cash) are:

\$ 665,951,646.44	Market Value
\$ 664,290,136.61	Book Value
\$ 1,661,509.83	

**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 its 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 March 31, 2016. 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 several bonds that have been downgraded since purchase. In all cases, staff believes that the underlying financial strength of the companies is adequate to recommend holding the bonds at this time. However, staff will continue to monitor the status of all these companies and may recommend (on a case by case basis) selling some bonds if an opportunity presents itself to realize a gain on the sale

while not negatively impacting the portfolio's risk/return profile. These downgrades are discussed in further detail below:

- The portfolio includes two bonds issued by Berkshire Hathaway Company (BRK) with a total book value of \$6,042,100. 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 (0.9%) portion of the City's invested funds.
- The portfolio also holds two bonds issued by 3M Corporation with a combined book value of \$8,597,243 (1.3% of total invested funds) that were downgraded by Moody's in February 2015 from Aa2 to Aa3 and again from Aa3 to A1 in February 2016 due to an anticipated increase in the amount of debt in the company's capital structure. However, the bonds are still rated AA- by Standard and Poors (S&P), which is still considered "high quality".
- The portfolio holds two Coca-Cola bonds (book value of \$7,264,265 or 1.1% of total invested funds) that was downgraded by S&P from AA to AA- in February 2016. The rating is now the same level as Moody's Aa3 rating, still considered high quality.
- Additionally there were two slight downgrades first reported in the October monthly report. Two Bank of New York Mellon (BNY) bonds with a total book value \$7,070,480 and two Wells Fargo and Company bonds with a total book value of \$6,058,650 had their bond ratings reduced by (S&P) in December 2015 from A+ to A. These new ratings are still in compliance with the City's Investment Policy and State law. Additionally, the BNY bonds are rated higher by both of the other two major rating agencies (Fitch and Moody's). The Wells Fargo bonds are also rated higher by Fitch and the same by Moody's.

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

**Credit Ratings - Corporate Medium Term Notes**

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

**Portfolio Allocation as of 3/31/16**

	Pooled Portfolio (1) (3)	% of Portfolio	Legal/ Policy Limit	In Compliance (Yes/No)
<b>Federal Agency Securities</b>				
Federal Home Loan Bank	\$123,727,356.84	17.9%	50.0%	Yes
Federal National Mortgage Association	115,422,846.11	16.7%	50.0%	Yes
Federal Home Loan Mortgage Corporation	115,951,882.11	16.8%	50.0%	Yes
Farmer Mac	5,000,000.00	0.7%	50.0%	Yes
Federal Farm Credit Bank	65,026,410.91	9.4%	50.0%	Yes
<b>Total Federal Agency Securities</b>	<b>\$425,128,495.97</b>	<b>61.6%</b>	n/a	Yes
<b>Treasury Bills</b>	\$12,509,335.95	1.8%	n/a	Yes
<b>State of CA/UC Obligations</b>	\$9,176,948.20	1.3%	n/a	Yes
<b>Corporate Bonds</b>	\$144,222,545.42	20.9%	30.0%	Yes
<b>Supranationals</b>	\$14,513,685.00	2.1%	30.0%	Yes
<b>Money Market Mutual Funds</b>	\$0.00	0.0%	10.0%	Yes
<b>State Local Agency Investment Fund-City</b>	\$58,739,126.07	8.5%	\$65 million	Yes
<b>Cash (2)</b>	\$26,098,212.52	3.8%	None	Yes
<b>Total (Book Value)</b>	<b>\$690,388,349.13</b>	<b>100.0%</b>		

**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 (\$251,765.11), Successor Agency RPTTF account (\$19,522,889.84), Payroll account (\$157,341.26) 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).

**Certification**

**City Portfolio as of 3/31/16 (Book Value)**

<b>Corporate Security</b>	<b>Pooled Portfolio</b>	<b>Credit Rating*</b>	<b>In Compliance (Yes/No)</b>
IBM 0.45% maturing 5/06/16	\$2,075,052.27	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
Wells Fargo and Company 2.625% maturing 12/15/16	\$3,061,530.00	A	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	\$2,043,260.00	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	\$3,001,200.00	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
Cisco Systems 1.65% maturing 6/15/18	\$2,506,100.00	AA-	Yes
Toyota Motor Credit Corp. 1.55% maturing 7/13/18	\$2,000,000.00	AA-	Yes
Bank of New York Mellon 2.1% maturing 8/01/18	\$5,063,500.00	A	Yes
Microsoft 1.30% maturing 11/03/18	\$2,499,456.94	AAA	Yes
Johnson & Johnson 1.65% maturing 12/05/18	\$2,000,080.00	AAA	Yes
Oracle 2.38% maturing 1/15/19	\$3,099,990.00	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	\$3,016,500.00	AA	Yes

<b>Corporate Security</b>	<b>Pooled Portfolio</b>	<b>Credit Rating*</b>	<b>In Compliance (Yes/No)</b>
Bank of New York Mellon 2.2% maturing 5/15/19	\$2,006,980.00	A+	Yes
Walt Disney Company 1.85%, maturing 5/30/19	\$5,997,459.24	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	\$2,999,490.00	AA-	Yes
Walt Disney Company 2.15%, maturing 9/17/20	\$4,977,650.00	A	Yes
Automatic Data Processing 2.25% maturing 9/15/20	\$2,516,775.00	AA	Yes
Coca Cola 1.875% maturing 10/27/20	\$2,977,275.00	AA-	Yes
Microsoft 2.00% maturing 11/03/20	\$2,498,122.22	AAA	Yes
Coca Cola 3.15% maturing 11/15/20	\$4,286,990.00	AA-	Yes

\* Per Standard and Poors

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.

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Gigi Decavalles-Hughes, Director of Finance/City Treasurer