



Information Item

Date: August 1, 2016

To: Mayor and City Council
From: Gigi Decavalles-Hughes, Director of Finance/City Treasurer
Subject: City Monthly Cash and Investment Report for April 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 April 30, 2016.

Discussion

The April 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 increased by \$15.1 million in April to \$705.5 million. The increase is primarily due to a scheduled large property tax apportionment from Los Angeles County and receipt of a federal grant reimbursement related to the California Incline Project. The pooled portfolio yield-to-maturity of 1.08% was up one basis point from the prior month and up 14 basis points from April 2015. Net investment earnings for the month were \$0.5 million. April's year-to-date investment earnings were 32.7% greater than for the same period last year. Portfolio yields have leveled off as interest rates remain volatile as the markets try to anticipate future interest rate changes by the Federal Reserve in the light of international developments as well as some uncertainty in the domestic economy. 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 April 30, 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 \$740.5 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, 2016, the market value of the City's portfolio was approximately \$1.5 million more than the book value.

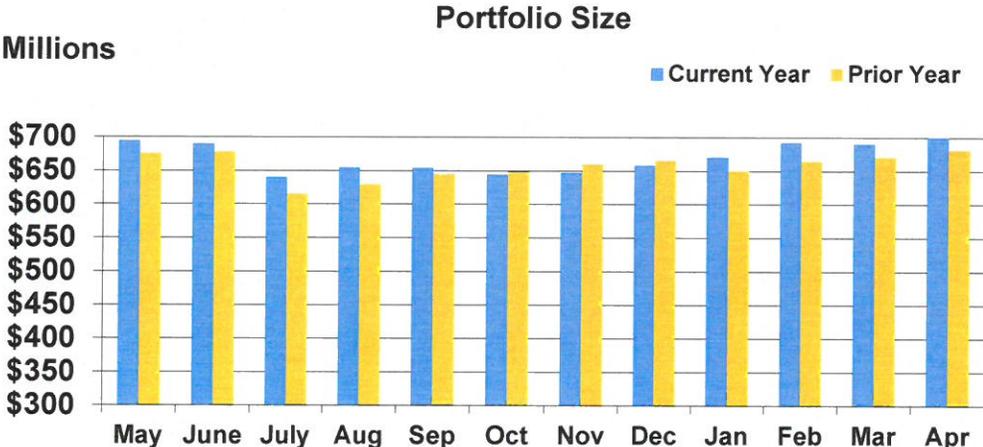
Attached is a summary of investment activity as well as a detailed report of public monies held by the City Treasurer as of April 30, 2016.

Prepared by: David Carr, Assistant City Treasurer

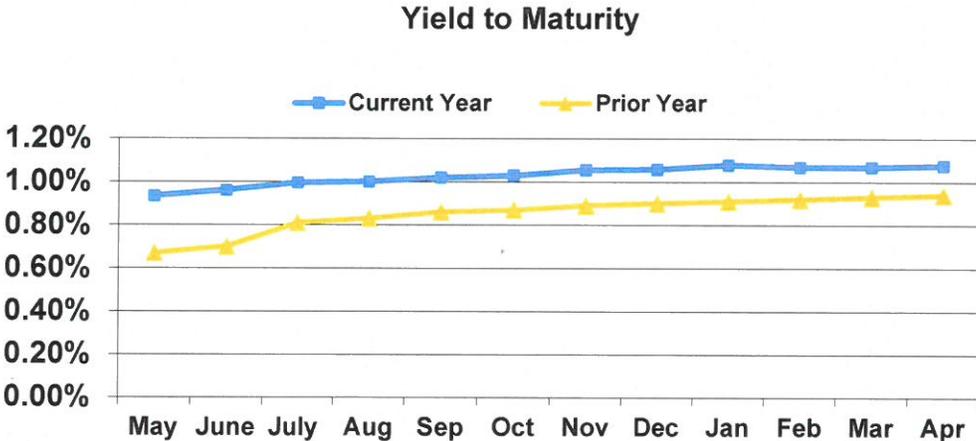
Attachments: 1 – Investment Highlights
2 – Investment Report

Investment Highlights

April 30, 2016

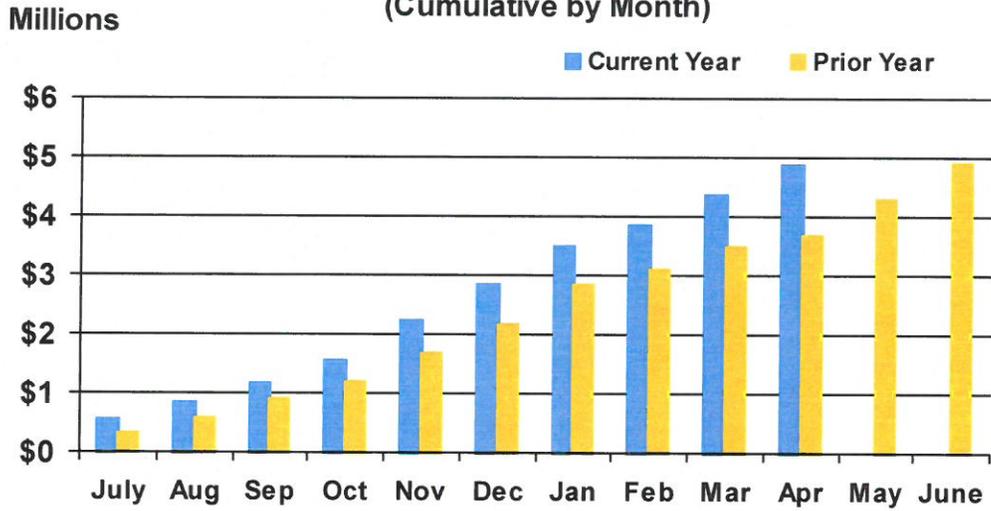


- As of April 30, 2016, the portfolio size is \$705.5 million, \$15.1 million more than in the prior month and \$23.6 million more than one year earlier.

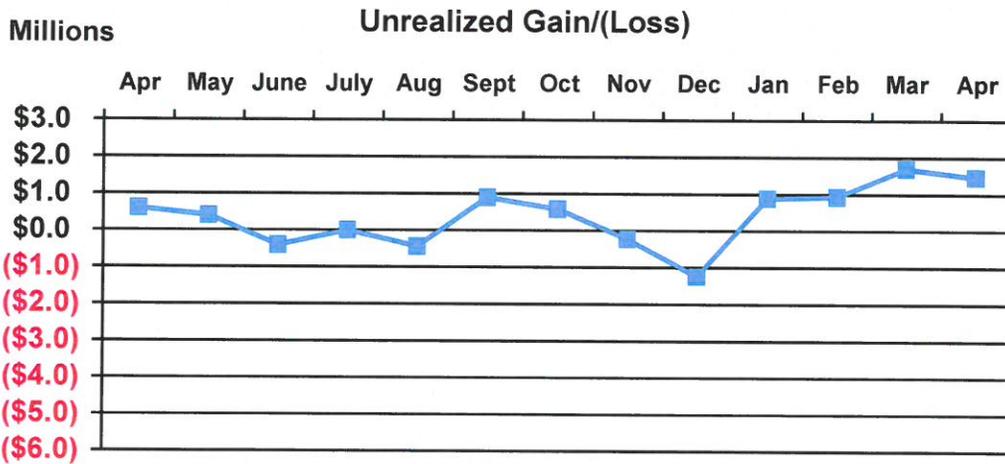


- As of April 30, 2016, yield to maturity is 1.08%.
- The yield was up one basis point from the prior month and up 14 basis points from one year ago.

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



- April's year-to-date interest earnings (cash basis) are 32.7% greater than one year earlier.



- As of April 30, 2016, the market value is approximately \$1.5 million more than the unamortized book value (purchase price).



City of
Santa Monica[®]

Investment Report

April 30, 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
April 30, 2016

Petty Cash/Change Funds		\$28,922.00
Pooled Portfolio		
Wells Fargo Bank (1)	\$31,596,664.21	
Wells Fargo Custodial Account		
Cash	\$0.00	
Corporate Bonds	\$147,220,670.42	
Treasury Bills	\$12,509,335.95	
State of California Bonds	\$9,176,948.20	
Supranationals	\$18,513,685.00	
Federal Agencies Securities	\$430,630,255.19	
Total Wells Fargo Custodial Account	<u>\$618,050,894.76</u>	
State of California Local Agency Investment Fund - City	\$55,804,838.29	
Total Pooled Portfolio		\$705,452,397.26
Restricted Cash/Investments Held in Trust/Debt Proceeds		
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	\$19,001.51	
Union Bank-RDA 2011 Tax Allocation Bonds	\$2,262,514.54	
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	\$1,123,419.58	
U.S. Bank-Wastewater Enterprise Revenue Bonds-2012 Refunding	\$0.32	
Total Restricted Cash/Investments Held in Trust		\$3,404,965.84
Other Restricted Funds/Funds Held in Trust		
Cemetery Perpetual Care Fund (3)	\$10,279,771.00	
Mausoleum Perpetual Care Fund (3)	\$1,204,423.00	
Wells Fargo - Santa Monica Redevelopment Successor Agency RPTTF	\$19,523,177.88	
Wells Fargo - HUD Depository Account (4)	\$289,352.56	
Wells Fargo - Payroll Account	\$143,709.94	
Wells Fargo - Public Agency Family Self Sufficiency Program (2)	\$170,544.22	
Total Other Funds Held in Trust		\$31,610,978.60
GRAND TOTAL		\$740,497,263.70

City of Santa Monica
Cash Receipts, Disbursements and Cash Balances
April 30, 2016

- (1) These are the actual bank account balances as of 4/30/2016. 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 - March 31, 2016	690,388,349.13
Receipts	63,291,732.11
Disbursements	(48,227,683.98)
Cash and Investments - April 30, 2016	705,452,397.26

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, 2016, total City cash and investments (including cash held for the Successor Agency to the Redevelopment Agency) were \$740.5 million, a \$15.1 million increase from the prior month. The increase is essentially in the pooled portfolio and primarily reflects a scheduled large property tax apportionment from Los Angeles and receipt of a federal grant reimbursement related to the California Incline Project. Restricted Cash/Investments Held in Trust/Debt Proceeds and Other Restricted Funds/Funds Held in Trust were essentially unchanged from the prior month. Total cash and investments are categorized as follows:

Petty Cash/Change Funds	\$	28,922.00
Pooled Investment Portfolio	\$	705,452,397.26
Restricted Cash/Investment Held in Trust	\$	3,404,965.84
Other Funds Held in Trust	\$	31,610,978.60
Total	\$	<u>740,497,263.70</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.

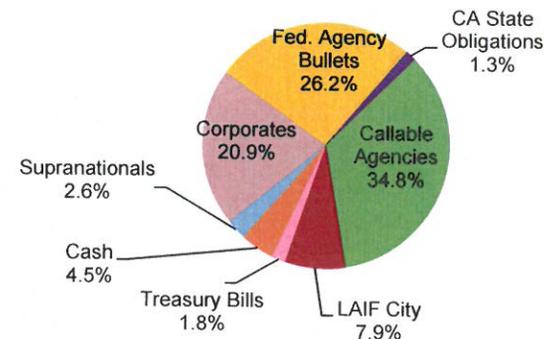
Pooled Investment Portfolio

As of April 30, 2016, the portfolio size (unamortized book value/purchase price) of City pooled cash and investments is \$705.5 million, \$15.1 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 stated above, the increase primarily reflects a scheduled large property tax apportionment from Los Angeles County and receipt of a federal grant reimbursement related to the California Incline Project. Seventeen investments were made during the month (\$61 million), four investments matured (\$19 million), and nine investments were called (\$29.5 million). The month-end balance of cash held at Wells Fargo Bank increased by about \$5.5 million in April. 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

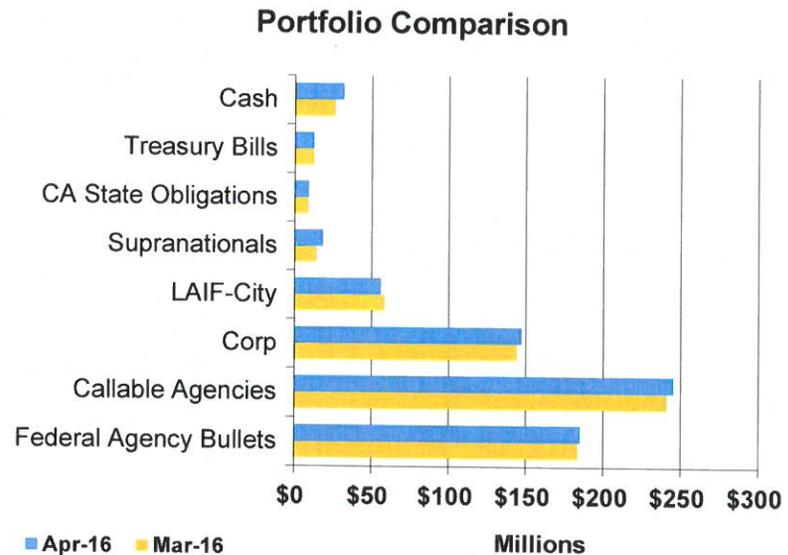
The portfolio is appropriately diversified and is in compliance with the City’s Investment Policy and applicable provisions of the State Government Code. The largest sector of the portfolio is Federal Agency Securities (61%). The remaining 38.9% includes the State Local Agency Investment Fund (7.9%), Corporate Bonds (20.9%), CA State Obligations (1.3%), Treasury Bills (1.8%), Supranationals (2.6%) and cash (4.5%). 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 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, which should become available when interest rates show a consistent upward trend.

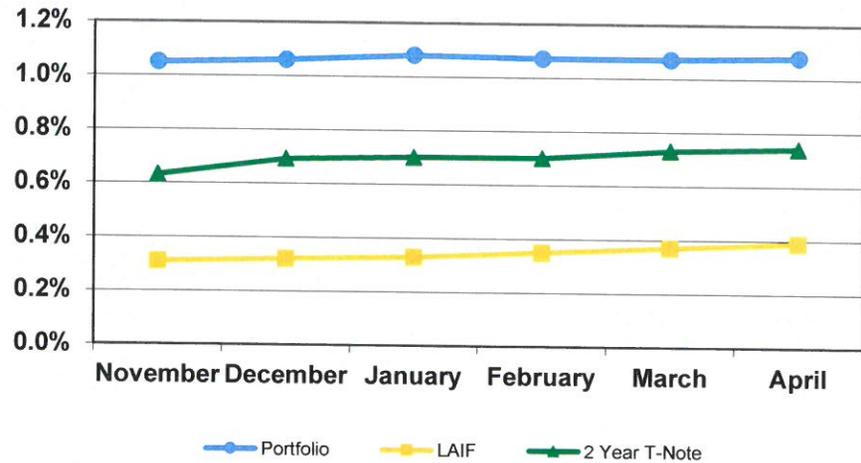
Portfolio Yield

The portfolio yield-to-maturity was 1.08% as of April 30, 2016, up one basis point from the prior month and up 14 basis points from one year earlier. Benchmark interest rates rose slightly in April. The month-end two-year Constant Maturing Treasury security yield (CMT) rose four basis points during the month, essentially offsetting the prior month's decrease. 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 remain volatile, but rose slightly in April. As noted above, the rate for the two year constant maturing Treasury note (CMT) rose four basis points in April, but is still well below in most recent high of 1.06% reached in December 2015. March even though the twelve month moving average increased by one basis point. During the last year, the two year CMT month-end rate has varied from a low of 0.58% 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 0.53% in April, two basis points higher than last month, but the rate still remains near its all-time low. However, the LAIF month-end rate was 0.39%, the highest level in four years.

Portfolio Yield



At its April 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 remained flat at 5%, and continues 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. Final first quarter GDP showed a relatively weak growth rate of 1.1% after a 4th quarter increase of 1.4%. 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 increased 0.5% in April.

The upward trend in the City’s portfolio yield-to-maturity has stalled 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 April was \$0.5 million. Year-to-date earnings are 32.7% greater than for the same period last year.

**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
April 30, 2016**

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	3,007,860.00	2,990,625.00	0.875	1,086	0.982	440	07/15/2017
912828TWO	11658	U. S. Treasury Note		10/30/2015	2,000,000.00	2,001,260.00	2,000,000.00	0.750	732	0.750	548	10/31/2017
912828WX4	11683	U. S. Treasury Note		01/27/2016	2,500,000.00	2,501,075.00	2,500,585.94	0.500	186	0.454	91	07/31/2016
912828SJO	11692	U. S. Treasury Note		02/16/2016	3,000,000.00	3,006,810.00	3,009,609.38	0.875	378	0.564	303	02/28/2017
912828SM3	11698	U. S. Treasury Note		02/24/2016	2,000,000.00	2,007,660.00	2,008,515.63	1.000	401	0.610	334	03/31/2017
Subtotal and Average			12,509,335.95		12,500,000.00	12,524,665.00	12,509,335.95		569	0.679	338	
Federal Agency Coupon												
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	527	10/10/2017
3133ECKV5	11302	Federal Farm Credit Bank		04/05/2013	3,000,000.00	3,000,480.00	3,000,000.00	0.700	1,522	0.700	400	06/05/2017
3133EA4H8	11305	Federal Farm Credit Bank		04/04/2013	5,000,000.00	5,000,000.00	4,999,250.00	0.820	1,559	0.824	436	07/11/2017
3133EDNC2	11456	Federal Farm Credit Bank		06/13/2014	2,500,000.00	2,503,975.00	2,499,375.00	0.700	945	0.710	257	01/13/2017
3133EDNS7	11508	Federal Farm Credit Bank		11/06/2014	2,105,000.00	2,105,526.25	2,104,305.35	0.450	592	0.470	50	06/20/2016
3133EDK92	11527	Federal Farm Credit Bank		12/24/2014	5,000,000.00	5,001,750.00	4,990,500.00	0.500	579	0.621	85	07/25/2016
3133EE2D1	11607	Federal Farm Credit Bank		06/24/2015	5,000,000.00	5,005,700.00	5,000,000.00	1.720	1,461	1.720	1,149	06/24/2019
3133EE4S6	11615	Federal Farm Credit Bank		07/29/2015	5,000,000.00	5,010,300.00	4,992,250.00	1.650	1,461	1.690	1,184	07/29/2019
3133EFLN5	11646	Federal Farm Credit Bank		10/28/2015	4,000,000.00	3,998,000.00	4,000,000.00	0.450	397	0.450	211	11/28/2016
3133EFRL3	11665	Federal Farm Credit Bank		11/30/2015	3,000,000.00	3,006,270.00	3,000,000.00	1.890	1,827	1.890	1,674	11/30/2020
3133EFRH2	11666	Federal Farm Credit Bank		11/30/2015	3,000,000.00	3,004,500.00	3,000,000.00	1.340	1,096	1.340	943	11/30/2018
3133EFZR1	11691	Federal Farm Credit Bank		02/16/2016	3,000,000.00	2,997,956.67	3,000,656.67	0.800	727	0.793	652	02/12/2018
3133EF3B1	11721	Federal Farm Credit Bank		04/12/2016	2,000,000.00	1,996,400.00	1,997,280.00	0.750	736	0.818	717	04/18/2018
3133EF3P0	11723	Federal Farm Credit Bank		04/20/2016	5,000,000.00	4,982,950.00	5,000,000.00	1.490	1,552	1.490	1,541	07/20/2020
3133834R9	11322	Federal Home Loan Bank		05/15/2013	3,000,000.00	3,000,300.00	2,990,280.00	0.375	1,136	0.480	54	06/24/2016
313383GK1	11337	Federal Home Loan Bank		06/27/2013	3,800,000.00	3,805,016.00	3,800,000.00	1.125	1,826	1.125	787	06/27/2018
313383C25	11345	Federal Home Loan Bank		06/25/2013	2,500,000.00	2,508,525.00	2,412,500.00	1.200	1,821	1.818	780	06/20/2018
313379DT3	11386	Federal Home Loan Bank		11/12/2013	4,000,000.00	4,029,360.00	3,960,880.00	1.250	1,669	1.472	768	06/08/2018
3130A1BK3	11444	Federal Home Loan Bank		03/24/2014	5,000,000.00	5,001,800.00	5,000,000.00	0.500	823	0.500	54	06/24/2016
313383R78	11516	Federal Home Loan Bank		11/21/2014	2,825,000.00	2,827,486.00	2,838,644.75	0.750	605	0.457	78	07/18/2016
3133834R9	11528	Federal Home Loan Bank		12/24/2014	5,000,000.00	5,000,500.00	4,985,750.00	0.375	548	0.566	54	06/24/2016
3130A2C61	11540	Federal Home Loan Bank		01/30/2015	3,000,000.00	3,000,270.00	2,999,790.00	0.375	497	0.380	40	06/10/2016
3130A4KX9	11556	Federal Home Loan Bank		03/30/2015	4,750,000.00	4,790,517.50	4,750,000.00	1.800	1,827	1.800	1,429	03/30/2020
3130A4Q54	11558	Federal Home Loan Bank		03/18/2015	5,000,000.00	5,009,550.00	5,000,000.00	0.800	791	0.798	381	05/17/2017
3130A5AV1	11586	Federal Home Loan Bank		05/26/2015	2,000,000.00	2,000,240.00	2,000,000.00	0.500	731	0.500	390	05/26/2017
313379EE5	11596	Federal Home Loan Bank		05/21/2015	3,000,000.00	3,053,850.00	3,021,810.00	1.625	1,485	1.592	1,139	06/14/2019
3130A5RE1	11608	Federal Home Loan Bank		06/29/2015	3,000,000.00	3,002,340.00	3,000,000.00	1.170	1,096	1.170	789	06/29/2018
313380EC7	11628	Federal Home Loan Bank		09/22/2015	3,000,000.00	3,000,000.00	2,996,940.00	0.750	717	0.802	495	09/08/2017

Portfolio INVT
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**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
April 30, 2016**

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												
3130A6MH7	11645	Federal Home Loan Bank		10/28/2015	3,000,000.00	3,004,020.00	3,000,000.00	1.720	1,827	1.720	1,641	10/28/2020
3130A6UX3	11673	Federal Home Loan Bank		12/28/2015	4,000,000.00	4,012,280.00	4,000,000.00	1.500	1,278	1.500	1,153	06/28/2019
3130A6XG7	11675	Federal Home Loan Bank		12/28/2015	2,500,000.00	2,504,350.00	2,500,000.00	0.750	366	0.750	241	12/28/2016
3130A6YR2	11680	Federal Home Loan Bank		01/22/2016	4,000,000.00	4,005,040.00	4,000,000.00	1.800	1,461	1.800	1,361	01/22/2020
3130A6Z42	11681	Federal Home Loan Bank		01/27/2016	3,000,000.00	3,005,580.00	3,000,000.00	1.250	821	1.250	726	04/27/2018
3130A7BV6	11700	Federal Home Loan Bank		02/24/2016	2,500,000.00	2,501,416.67	2,500,291.67	0.600	357	0.610	290	02/15/2017
3130A7BV6	11701	Federal Home Loan Bank		02/24/2016	2,500,000.00	2,501,416.67	2,500,066.67	0.600	357	0.620	290	02/15/2017
3130A7H73	11709	Federal Home Loan Bank		03/29/2016	3,000,000.00	3,001,470.00	3,000,000.00	1.000	730	1.000	697	03/29/2018
3130A7UG8	11728	Federal Home Loan Bank		04/26/2016	4,000,000.00	3,996,920.00	3,999,492.00	0.625	365	0.638	360	04/26/2017
3134G3B90	11243	Fed Home Loan Mortgage Corp		08/15/2012	2,000,000.00	2,004,440.00	1,998,520.00	0.875	1,826	0.890	471	08/15/2017
3137EADJ5	11290	Fed Home Loan Mortgage Corp		01/31/2013	2,500,000.00	2,509,300.00	2,509,875.00	1.000	1,639	0.910	453	07/28/2017
3134G44N5	11317	Fed Home Loan Mortgage Corp		05/28/2013	3,000,000.00	2,996,610.00	3,000,000.00	0.750	1,645	0.750	576	11/28/2017
3137EADH9	11335	Fed Home Loan Mortgage Corp		05/29/2013	3,000,000.00	3,007,650.00	3,009,930.00	1.000	1,492	0.976	424	06/29/2017
3134G3ZH6	11341	Fed Home Loan Mortgage Corp		06/06/2013	4,000,000.00	4,012,280.00	4,000,000.00	1.000	1,510	1.000	450	07/25/2017
3137EADH9	11348	Fed Home Loan Mortgage Corp		06/27/2013	2,500,000.00	2,506,375.00	2,474,375.00	1.000	1,463	1.346	424	06/29/2017
3137EADJ5	11394	Fed Home Loan Mortgage Corp		12/17/2013	5,000,000.00	5,018,600.00	4,992,900.00	1.000	1,319	1.040	453	07/28/2017
3134G5AQ8	11463	Fed Home Loan Mortgage Corp		06/30/2014	2,000,000.00	2,003,500.00	2,000,000.00	0.700	914	0.700	243	12/30/2016
3134G5LV5	11498	Fed Home Loan Mortgage Corp		11/17/2014	2,500,000.00	2,506,475.00	2,499,910.00	1.000	1,096	1.001	565	11/17/2017
3134G4Z92	11520	Fed Home Loan Mortgage Corp		12/03/2014	2,500,000.00	2,506,375.00	2,505,475.00	0.875	866	0.782	351	04/17/2017
3134G6AC7	11538	Fed Home Loan Mortgage Corp		01/28/2015	3,000,000.00	3,005,430.00	3,000,000.00	0.850	912	0.850	453	07/28/2017
3133EEPA2	11548	Fed Home Loan Mortgage Corp		02/12/2015	4,000,000.00	3,997,360.00	4,000,000.00	1.070	1,096	1.070	652	02/12/2018
3134G6R47	11598	Fed Home Loan Mortgage Corp		06/10/2015	5,000,000.00	5,004,700.00	5,000,000.00	1.500	1,461	1.500	1,135	06/10/2019
3134G63H4	11601	Fed Home Loan Mortgage Corp		05/29/2015	2,500,000.00	2,500,925.00	2,500,000.00	1.000	913	1.000	575	11/27/2017
3134G7QZ7	11622	Fed Home Loan Mortgage Corp		08/27/2015	5,000,000.00	5,003,600.00	5,000,000.00	1.250	1,827	1.250	1,579	08/27/2020
3134G7XN6	11629	Fed Home Loan Mortgage Corp		09/30/2015	2,500,000.00	2,503,175.00	2,500,000.00	1.250	1,827	2.140	1,613	09/30/2020
3134G7XN6	11633	Fed Home Loan Mortgage Corp		09/30/2015	2,500,000.00	2,503,175.00	2,500,000.00	1.250	1,827	2.140	1,613	09/30/2020
3134G7G70	11637	Fed Home Loan Mortgage Corp		09/28/2015	2,500,000.00	2,503,450.00	2,500,000.00	1.400	1,369	1.400	1,153	06/28/2019
3134G7Q79	11640	Fed Home Loan Mortgage Corp		10/27/2015	5,000,000.00	4,993,900.00	5,000,000.00	1.000	1,004	1.000	817	07/27/2018
3134G73X7	11650	Fed Home Loan Mortgage Corp		10/30/2015	3,000,000.00	3,001,320.00	3,000,000.00	0.720	728	0.720	544	10/27/2017
3134G73Q2	11652	Fed Home Loan Mortgage Corp		10/27/2015	4,000,000.00	3,990,080.00	4,000,000.00	1.000	1,004	1.000	817	07/27/2018
3134G75A5	11657	Fed Home Loan Mortgage Corp		10/29/2015	2,500,000.00	2,500,800.00	2,500,000.00	1.250	1,826	1.250	1,641	10/28/2020
3134G8A41	11667	Fed Home Loan Mortgage Corp		12/28/2015	3,000,000.00	3,000,870.00	3,000,000.00	1.000	731	1.000	606	12/28/2017
3134G85J4	11670	Fed Home Loan Mortgage Corp		12/02/2015	3,000,000.00	3,000,305.00	2,999,810.00	0.750	1,090	0.742	939	11/26/2018
3134G8HZ5	11685	Fed Home Loan Mortgage Corp		01/29/2016	5,000,000.00	4,996,700.00	5,000,000.00	1.000	1,461	1.000	1,368	01/29/2020
3134G8LS6	11690	Fed Home Loan Mortgage Corp		03/30/2016	5,000,000.00	4,987,000.00	5,000,000.00	0.750	1,826	0.750	1,794	03/30/2021
3134G8PX1	11708	Fed Home Loan Mortgage Corp		03/28/2016	3,000,000.00	3,002,370.00	3,000,936.00	1.200	914	1.187	880	09/28/2018

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Federal Agency Coupon												
3134G8UC1	11710	Fed Home Loan Mortgage Corp		03/30/2016	2,500,000.00	2,500,400.00	2,500,000.00	1.450	1,279	1.450	1,247	09/30/2019
3134G8VC0	11711	Fed Home Loan Mortgage Corp		03/28/2016	3,000,000.00	3,008,250.00	3,000,000.00	1.200	1,005	1.200	971	12/28/2018
3134G8VC0	11712	Fed Home Loan Mortgage Corp		03/28/2016	3,000,000.00	3,008,250.00	3,000,000.00	1.200	1,005	1.200	971	12/28/2018
3134G8VE6	11713	Fed Home Loan Mortgage Corp		03/29/2016	5,000,000.00	4,998,850.00	5,000,000.00	1.020	730	1.020	697	03/29/2018
3134G8TY5	11714	Fed Home Loan Mortgage Corp		03/30/2016	5,000,000.00	5,002,200.00	5,000,000.00	1.420	1,461	1.420	1,429	03/30/2020
3134G8WJ4	11717	Fed Home Loan Mortgage Corp		04/26/2016	3,500,000.00	3,500,665.00	3,500,000.00	1.100	913	1.100	908	10/26/2018
3134G8Y60	11720	Fed Home Loan Mortgage Corp		04/27/2016	3,000,000.00	2,999,070.00	3,000,000.00	1.000	821	1.000	817	07/27/2018
3134G9AH0	11724	Fed Home Loan Mortgage Corp		04/27/2016	5,000,000.00	5,002,500.00	5,000,000.00	1.300	1,370	1.300	1,366	01/27/2020
3134G9AA5	11726	Fed Home Loan Mortgage Corp		04/28/2016	5,000,000.00	5,000,700.00	5,000,000.00	1.225	1,278	1.225	1,275	10/28/2019
3134G8XP9	11727	Fed Home Loan Mortgage Corp		04/26/2016	3,000,000.00	3,000,420.00	3,000,000.00	1.150	1,095	1.150	1,090	04/26/2019
3134G9CY1	11733	Fed Home Loan Mortgage Corp		04/27/2016	2,000,000.00	2,002,100.00	1,999,500.00	1.000	730	1.013	726	04/27/2018
3134G9AD9	11734	Fed Home Loan Mortgage Corp		04/28/2016	5,005,000.00	5,007,402.40	5,003,748.75	1.500	1,826	1.505	1,823	04/28/2021
31315PYT0	11318	Farmer Mac		05/02/2013	3,000,000.00	3,015,810.00	3,000,000.00	0.990	1,826	0.990	731	05/02/2018
31315PN88	11351	Farmer Mac		07/05/2013	2,000,000.00	2,008,060.00	2,000,000.00	1.100	1,301	1.100	270	01/26/2017
3132X0GA3	11735	Farmer Mac		04/29/2016	2,500,000.00	2,500,000.00	2,500,000.00	1.080	1,095	1.080	1,093	04/29/2019
3135G0XA6	11319	Federal National Mort Assoc		05/21/2013	3,000,000.00	2,998,860.00	3,000,000.00	1.030	1,826	1.030	750	05/21/2018
3135G0PP2	11425	Federal National Mort Assoc		02/12/2014	2,500,000.00	2,509,350.00	2,492,050.00	1.000	1,316	1.090	507	09/20/2017
3136G22T3	11468	Federal National Mort Assoc		07/28/2014	4,000,000.00	4,002,440.00	4,000,000.00	1.050	1,096	1.050	453	07/28/2017
3136G22V8	11469	Federal National Mort Assoc		07/25/2014	4,000,000.00	4,008,720.00	4,000,000.00	1.500	1,461	1.500	815	07/25/2018
3136G26U6	11487	Federal National Mort Assoc		10/07/2014	2,500,000.00	2,518,450.00	2,500,000.00	2.000	1,826	2.000	1,254	10/07/2019
3135G0ZF3	11491	Federal National Mort Assoc		09/17/2014	4,000,000.00	4,000,560.00	4,000,000.00	1.070	1,045	1.070	453	07/28/2017
3136G2D87	11537	Federal National Mort Assoc		02/13/2015	3,000,000.00	3,004,380.00	3,000,000.00	1.000	1,096	1.000	653	02/13/2018
3136G2EF0	11545	Federal National Mort Assoc		02/27/2015	2,000,000.00	2,000,240.00	2,000,000.00	1.450	1,461	1.450	1,032	02/27/2019
3136G2K48	11589	Federal National Mort Assoc		05/27/2015	5,000,000.00	5,003,850.00	5,000,000.00	1.800	1,827	1.800	1,487	05/27/2020
3135G0XP3	11617	Federal National Mort Assoc		08/05/2015	5,000,000.00	5,000,100.00	5,000,450.00	0.375	335	0.365	65	07/05/2016
3136G2PJ0	11642	Federal National Mort Assoc		10/26/2015	1,000,000.00	1,000,740.00	1,000,000.00	1.010	1,096	1.010	908	10/26/2018
3136G2R58	11649	Federal National Mort Assoc		10/29/2015	2,500,000.00	2,502,025.00	2,500,000.00	1.040	1,093	1.040	908	10/26/2018
3136G2QM2	11651	Federal National Mort Assoc		11/16/2015	2,500,000.00	2,500,250.00	2,500,000.00	1.200	1,277	1.200	1,110	05/16/2019
3135G0XP3	11653	Federal National Mort Assoc		10/27/2015	5,000,000.00	5,000,100.00	5,002,400.00	0.375	252	0.305	65	07/05/2016
3136G2R25	11655	Federal National Mort Assoc		10/29/2015	2,500,000.00	2,501,500.00	2,500,000.00	1.550	1,644	1.550	1,459	04/29/2020
3136G2RQ2	11656	Federal National Mort Assoc		10/29/2015	3,000,000.00	3,002,550.00	3,000,000.00	1.400	1,461	1.400	1,276	10/29/2019
3135G0G98	11664	Federal National Mort Assoc		11/27/2015	4,000,000.00	4,000,200.00	3,996,040.00	1.300	1,096	1.334	940	11/27/2018
3136G25M5	11669	Federal National Mort Assoc		12/02/2015	4,000,000.00	4,015,200.00	4,022,440.00	1.865	1,387	1.712	1,236	09/19/2019
3135GOXP3	11672	Federal National Mort Assoc		12/21/2015	5,000,000.00	5,000,100.00	4,993,700.00	0.375	197	1.913	65	07/05/2016
3136G2WV5	11684	Federal National Mort Assoc		01/29/2016	3,500,000.00	3,502,170.00	3,500,000.00	1.220	1,092	1.220	999	01/25/2019
3136G2XS1	11686	Federal National Mort Assoc		02/26/2016	5,000,000.00	4,997,850.00	5,000,000.00	1.000	1,096	1.452	1,031	02/26/2019

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Federal Agency Coupon												
3135G0G80	11687	Federal National Mort Assoc		02/04/2016	5,000,000.00	5,005,575.00	5,005,625.00	0.500	1,013	1.511	926	11/13/2018
3136G2Y68	11688	Federal National Mort Assoc		02/26/2016	2,500,000.00	2,498,650.00	2,500,000.00	0.750	1,096	0.880	1,031	02/26/2019
3136G2XZ5	11689	Federal National Mort Assoc		02/24/2016	2,500,000.00	2,492,875.00	2,500,000.00	1.350	1,461	1.350	1,394	02/24/2020
3136G2LD7	11693	Federal National Mort Assoc		02/16/2016	3,000,000.00	3,010,290.00	3,016,560.00	1.750	913	1.524	838	08/17/2018
3136G3AM7	11695	Federal National Mort Assoc		02/26/2016	5,000,000.00	4,993,200.00	5,000,000.00	1.250	1,827	1.250	1,762	02/26/2021
3136G3BT1	11702	Federal National Mort Assoc		03/22/2016	5,000,000.00	5,000,450.00	5,000,000.00	1.000	1,826	1.000	1,786	03/22/2021
3136G3CT0	11705	Federal National Mort Assoc		03/15/2016	2,400,000.00	2,401,272.00	2,400,000.00	1.400	1,826	1.400	1,779	03/15/2021
3136G3DB8	11707	Federal National Mort Assoc		03/23/2016	4,000,000.00	3,997,883.33	4,000,083.33	0.750	1,094	0.750	1,055	03/22/2019
3136G3JR7	11725	Federal National Mort Assoc		04/26/2016	2,000,000.00	1,997,360.00	1,995,000.00	1.000	1,095	1.085	1,090	04/26/2019
Subtotal and Average			363,878,131.98		377,385,000.00	377,764,738.49	377,259,390.19		1,201	1.130	854	
Federal Agency Discount												
313312C24	11621	Federal Farm Credit Bank		08/19/2015	3,000,000.00	2,986,425.00	2,986,425.00		362	0.465	106	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	110	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	166	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	156	10/04/2016
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	67	07/07/2016
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	26	05/27/2016
313384YF0	11730	Federal Home Loan Bank		04/25/2016	4,000,000.00	3,998,352.00	3,998,351.11		53	0.284	47	06/17/2016
313384XG9	11731	Federal Home Loan Bank		04/25/2016	4,000,000.00	3,999,200.00	3,999,200.00	0.240	30	0.243	24	05/25/2016
313384ZS1	11732	Federal Home Loan Bank		04/25/2016	4,000,000.00	3,996,724.00	3,996,724.44	0.335	88	0.340	82	07/22/2016
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	123	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	152	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	180	10/28/2016
Subtotal and Average			55,116,137.80		53,500,000.00	53,370,867.00	53,370,865.00		194	0.422	99	
Local Agency Investment Funds												
SYS10090	10090	Local Agency Investment Fund			55,804,838.29	55,804,838.29	55,804,838.29	0.525	1	0.525	1	
Subtotal and Average			59,640,839.25		55,804,838.29	55,804,838.29	55,804,838.29		1	0.525	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	

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Local Agency Investment Funds - RDA												
SYS10092	10092	LAIF - RDA		03/17/2009	0.00	0.00	0.00	0.385	1	0.385	1	
Subtotal and Average			0.00		0.00	0.00	0.00		0	0.000	0	
Corporate Bonds												
053015AD5	11632	AUTOMATIC DATA PROCESSING		09/24/2015	2,500,000.00	2,580,150.00	2,516,775.00	2.250	1,818	2.107	1,598	09/15/2020
037833AH3	11320	Apple Inc.		05/06/2013	3,000,000.00	3,000,000.00	3,002,430.00	0.450	1,093	0.423	2	05/03/2016
037833AJ9	11321	Apple Inc.		05/06/2013	2,500,000.00	2,501,050.00	2,505,600.00	1.000	1,823	0.954	732	05/03/2018
037833AJ9	11326	Apple Inc.		05/17/2013	2,500,000.00	2,501,050.00	2,478,975.00	1.000	1,812	1.175	732	05/03/2018
037833AQ3	11461	Apple Inc.		06/13/2014	3,000,000.00	3,075,060.00	3,011,100.00	2.100	1,788	2.020	1,100	05/06/2019
06406HCU1	11610	Bank of New York Mellon		06/26/2015	2,000,000.00	2,038,560.00	2,006,980.00	2.200	1,419	2.390	1,109	05/15/2019
06406HCL1	11618	Bank of New York Mellon		08/07/2015	5,000,000.00	5,071,300.00	5,063,500.00	2.100	1,090	1.662	822	08/01/2018
084670BL1	11490	Berkshire Hathaway		09/16/2014	4,000,000.00	4,103,280.00	3,998,840.00	2.100	1,793	2.106	1,200	08/14/2019
084670BD9	11565	Berkshire Hathaway		03/31/2015	2,000,000.00	2,017,600.00	2,043,260.00	1.900	672	0.710	275	01/31/2017
19416QEB2	11476	Colgate Palmolive		07/28/2014	1,500,000.00	1,501,635.00	1,472,835.00	0.900	1,373	1.396	730	05/01/2018
19416QDX5	11509	Colgate Palmolive		11/10/2014	3,698,000.00	3,713,901.40	3,733,759.66	1.300	797	0.851	259	01/15/2017
17275RAT9	11500	Cisco Systems		10/27/2014	5,000,000.00	5,015,450.00	5,031,600.00	1.100	858	0.828	306	03/03/2017
17275RAR3	11502	Cisco Systems		10/30/2014	2,500,000.00	2,564,450.00	2,531,750.00	2.125	1,583	1.819	1,034	03/01/2019
17275RAU6	11606	Cisco Systems		06/18/2015	2,500,000.00	2,534,200.00	2,506,100.00	1.650	1,093	1.566	775	06/15/2018
25468PDA1	11519	Walt Disney Company		11/28/2014	4,000,000.00	4,082,000.00	3,991,229.24	1.850	1,644	1.901	1,124	05/30/2019
25468PDA1	11551	Walt Disney Company		02/23/2015	2,000,000.00	2,041,000.00	2,006,230.00	1.850	1,557	1.774	1,124	05/30/2019
25468PDE3	11627	Walt Disney Company		09/18/2015	5,000,000.00	5,118,050.00	4,977,650.00	2.150	1,826	2.245	1,600	09/17/2020
427866AP3	11449	HERSHEY COMPANY		05/20/2014	947,000.00	961,356.52	1,049,579.04	5.450	835	0.656	123	09/01/2016
459200GX3	11473	IBM Corp		07/24/2014	4,000,000.00	4,012,720.00	4,105,920.00	1.950	729	0.612	82	07/22/2016
459200HZ7	11549	IBM Corp		02/06/2015	3,000,000.00	3,006,420.00	2,990,850.00	1.125	1,096	1.229	646	02/06/2018
459200HL8	11588	IBM Corp		05/08/2015	2,073,000.00	2,073,000.00	2,075,052.27	0.450	364	0.350	5	05/06/2016
458140AL4	11513	Intel		11/20/2014	3,000,000.00	3,020,130.00	2,995,260.00	1.350	1,121	1.403	593	12/15/2017
478160AY0	11293	Johnson & Johnson		02/12/2013	2,000,000.00	2,001,100.00	2,105,040.00	2.150	1,188	0.522	14	05/15/2016
478160BG8	11391	Johnson & Johnson		12/05/2013	2,000,000.00	2,034,380.00	2,000,080.00	1.650	1,826	1.649	948	12/05/2018
478160BF0	11518	Johnson & Johnson		11/25/2014	4,000,000.00	4,003,800.00	4,005,200.00	0.700	734	0.635	211	11/28/2016
191216BT6	11659	Coca Cola		11/09/2015	3,000,000.00	3,054,960.00	2,975,400.00	1.875	1,814	2.049	1,640	10/27/2020
191216AR1	11694	Coca Cola		02/22/2016	4,000,000.00	4,304,990.00	4,286,990.00	3.150	1,728	1.750	1,659	11/15/2020
88579YAE1	11392	3M		12/10/2013	2,500,000.00	2,506,925.00	2,495,925.00	1.000	1,294	1.047	421	06/26/2017
88579YAE1	11393	3M		12/10/2013	2,500,000.00	2,506,925.00	2,495,475.00	1.000	1,294	1.052	421	06/26/2017
88579YAD3	11467	3M		07/08/2014	3,544,000.00	3,556,829.28	3,605,842.80	1.375	814	0.584	151	09/29/2016
58933YAC9	11547	Merck		02/06/2015	3,000,000.00	3,008,430.00	3,001,200.00	1.100	1,090	1.085	640	01/31/2018
594918AP9	11311	Microsoft		04/30/2013	2,500,000.00	2,502,775.00	2,505,000.00	0.875	1,660	0.931	563	11/15/2017

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Corporate Bonds												
594918BF0	11660	Microsoft		11/10/2015	2,500,000.00	2,521,156.94	2,499,456.94	1.300	1,089	1.316	916	11/03/2018
594918BG8	11661	Microsoft		11/10/2015	2,500,000.00	2,561,797.22	2,498,122.22	2.000	1,820	2.024	1,647	11/03/2020
64952WBK8	11283	New York Life		01/23/2013	2,855,000.00	2,864,450.05	2,872,529.70	1.300	1,741	1.167	547	10/30/2017
68389XAX3	11522	Oracle		12/05/2014	2,500,000.00	2,577,225.00	2,515,975.00	2.250	1,768	2.110	1,255	10/08/2019
68389XAQ8	11576	Oracle		04/13/2015	3,000,000.00	3,102,570.00	3,099,990.00	2.375	1,373	1.459	989	01/15/2019
717081DD2	11430	Pfizer Inc		02/24/2014	4,000,000.00	4,008,080.00	4,008,800.00	0.900	1,056	0.823	259	01/15/2017
717081DL4	11515	Pfizer Inc		11/24/2014	3,000,000.00	3,083,640.00	3,016,500.00	2.100	1,633	1.971	1,109	05/15/2019
742718DV8	11352	Procter & Gamble		07/05/2013	1,985,000.00	1,989,883.10	2,011,658.55	1.450	1,137	1.010	106	08/15/2016
742718EG0	11507	Procter & Gamble		11/10/2014	3,000,000.00	3,074,880.00	2,999,490.00	1.900	1,817	1.904	1,279	11/01/2019
89236TAL9	11333	Toyota Motor Credit Corp		05/28/2013	3,000,000.00	3,000,330.00	3,008,190.00	0.800	1,085	0.707	16	05/17/2016
89236TBP9	11472	Toyota Motor Credit Corp		07/21/2014	4,000,000.00	4,092,520.00	4,000,000.00	2.125	1,823	2.125	1,173	07/18/2019
89236TCP8	11620	Toyota Motor Credit Corp		08/11/2015	2,000,000.00	2,018,600.00	2,000,000.00	1.550	1,067	1.550	803	07/13/2018
89236TDC6	11729	Toyota Motor Credit Corp		04/25/2016	3,000,000.00	3,001,230.00	3,000,000.00	1.100	730	1.100	724	04/25/2018
90520EAF8	11493	MUFG UNION BANK		09/30/2014	4,000,000.00	4,042,840.00	3,991,080.00	2.250	1,679	2.301	1,100	05/06/2019
90521APH5	11431	UnionBanc Investments		02/24/2014	4,000,000.00	4,009,000.00	4,068,800.00	1.500	945	0.827	148	09/26/2016
94974BFL9	11362	Wells Fargo & Compnay		07/29/2013	3,000,000.00	3,004,410.00	2,997,120.00	1.250	1,087	1.283	80	07/20/2016
94974BEZ9	11648	Wells Fargo & Compnay		10/23/2015	3,000,000.00	3,033,330.00	3,061,530.00	2.625	419	0.820	228	12/15/2016
Subtotal and Average			144,822,295.42		146,102,000.00	147,999,419.51	147,220,670.42		1,303	1.365	731	
Supranationals												
4581X0CB2	11641	Inter-American Develop Bank		10/08/2015	1,500,000.00	1,501,815.00	1,506,375.00	0.875	404	0.659	198	11/15/2016
45905URG1	11566	IBRD (World Bank)		03/27/2015	2,000,000.00	2,003,980.00	2,001,280.00	0.700	662	0.664	261	01/17/2017
45905URF3	11592	IBRD (World Bank)		05/20/2015	3,000,000.00	3,008,190.00	3,006,030.00	0.900	789	0.806	442	07/17/2017
459058ET6	11643	IBRD (World Bank)		10/13/2015	3,000,000.00	2,997,930.00	3,000,000.00	0.800	731	0.800	530	10/13/2017
45905UVK7	11706	IBRD (World Bank)		03/17/2016	5,000,000.00	5,029,990.00	5,000,000.00	1.750	1,826	1.750	1,781	03/17/2021
459058FB4	11719	IBRD (World Bank)		04/26/2016	4,000,000.00	3,992,760.00	4,000,000.00	1.300	1,095	1.300	1,090	04/26/2019
Subtotal and Average			15,180,351.67		18,500,000.00	18,534,665.00	18,513,685.00		1,081	1.139	918	
State of California Obligations												
13063CKL3	11459	State of California		06/09/2014	3,000,000.00	3,090,960.00	3,020,790.00	2.250	1,787	2.100	1,095	05/01/2019
13063CSQ4	11583	State of California		04/29/2015	2,500,000.00	2,536,125.00	2,507,050.00	1.800	1,799	1.740	1,431	04/01/2020
91412GSB2	11532	University of California		01/12/2015	1,130,000.00	1,152,317.50	1,127,333.20	1.796	1,631	1.851	1,156	07/01/2019
91412GSB2	11638	University of California		09/29/2015	2,500,000.00	2,549,375.00	2,521,775.00	1.796	1,371	1.556	1,156	07/01/2019
Subtotal and Average			9,176,948.20		9,130,000.00	9,328,777.50	9,176,948.20		1,657	1.822	1,211	

**City of Santa Monica
Portfolio Management
Portfolio Details - Investments
April 30, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	YTM 365	Days to Maturity
Total and Average			660,324,040.27		672,921,838.29	675,327,970.79	673,855,733.05		1,035	1.077	694

**City of Santa Monica
Portfolio Management
Portfolio Details - Cash
April 30, 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			660,324,040.27		672,921,838.29	675,327,970.79	673,855,733.05		1,035	1.077	694

**City of Santa Monica
Portfolio Management
Activity By Type
April 1, 2016 through April 30, 2016**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Treasury Coupon Securities							
Subtotal							12,509,335.95
Federal Agency Coupon							
3133EEYJ3	11573	Federal Farm Credit Bank	1.680	04/13/2016	0.00	2,500,000.00	
3133EF3B1	11721	Federal Farm Credit Bank	0.750	04/12/2016	1,997,280.00	0.00	
3133EF3P0	11723	Federal Farm Credit Bank	1.490	04/20/2016	5,000,000.00	0.00	
3130A4RJ3	11562	Federal Home Loan Bank	1.200	04/13/2016	0.00	3,000,000.00	
3130A4WN8	11572	Federal Home Loan Bank	1.500	04/29/2016	0.00	2,500,000.00	
3130A4WW8	11574	Federal Home Loan Bank	1.350	04/29/2016	0.00	2,500,000.00	
3130A4Y63	11580	Federal Home Loan Bank	0.250	04/15/2016	0.00	2,498,775.00	
3130A6PY7	11654	Federal Home Loan Bank	1.125	04/29/2016	0.00	2,000,000.00	
3130A6WW3	11674	Federal Home Loan Bank	1.250	04/19/2016	0.00	3,000,000.00	
3130A6XZ5	11677	Federal Home Loan Bank	2.000	04/06/2016	0.00	5,000,000.00	
3130A7UG8	11728	Federal Home Loan Bank	0.625	04/26/2016	3,999,492.00	0.00	
3134G8WJ4	11717	Fed Home Loan Mortgage Corp	1.100	04/26/2016	3,500,000.00	0.00	
3134G8Y60	11720	Fed Home Loan Mortgage Corp	1.000	04/27/2016	3,000,000.00	0.00	
3134G9AH0	11724	Fed Home Loan Mortgage Corp	1.300	04/27/2016	5,000,000.00	0.00	
3134G9AA5	11726	Fed Home Loan Mortgage Corp	1.225	04/28/2016	5,000,000.00	0.00	
3134G8XP9	11727	Fed Home Loan Mortgage Corp	1.150	04/26/2016	3,000,000.00	0.00	
3134G9CY1	11733	Fed Home Loan Mortgage Corp	1.000	04/27/2016	1,999,500.00	0.00	
3134G9AD9	11734	Fed Home Loan Mortgage Corp	1.500	04/28/2016	5,003,748.75	0.00	
3132X0GA3	11735	Farmer Mac	1.080	04/29/2016	2,500,000.00	0.00	
3136G2P92	11639	Federal National Mort Assoc	1.100	04/29/2016	0.00	5,000,000.00	
3136G2PP6	11644	Federal National Mort Assoc	1.070	04/29/2016	0.00	4,000,000.00	
3136G3JR7	11725	Federal National Mort Assoc	1.000	04/26/2016	1,995,000.00	0.00	
Subtotal					41,995,020.75	31,998,775.00	377,259,390.19
Federal Agency Discount							
313384WD7	11635	Federal Home Loan Bank	0.250	04/28/2016	0.00	4,992,430.56	
313384VX4	11703	Federal Home Loan Bank	0.310	04/22/2016	0.00	7,496,577.08	
313384VN6	11716	Federal Home Loan Bank	0.170	04/13/2016	0.00	3,999,754.44	
313384YF0	11730	Federal Home Loan Bank		04/25/2016	3,998,351.11	0.00	
313384XG9	11731	Federal Home Loan Bank	0.240	04/25/2016	3,999,200.00	0.00	
313384ZS1	11732	Federal Home Loan Bank	0.335	04/25/2016	3,996,724.44	0.00	
Subtotal					11,994,275.55	16,488,762.08	53,370,865.00

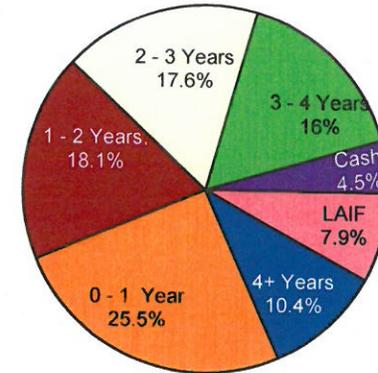
**City of Santa Monica
Portfolio Management
Activity By Type
April 1, 2016 through April 30, 2016**

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
SYS10090	10090	Local Agency Investment Fund	0.525		5,065,712.22	8,000,000.00	
		Subtotal			<u>5,065,712.22</u>	<u>8,000,000.00</u>	<u>55,804,838.29</u>
Columbia Money Market Fund (Monthly Summary)							
		Subtotal					<u>0.00</u>
Local Agency Investment Funds - RDA (Monthly Summary)							
		Subtotal					<u>0.00</u>
Corporate Bonds							
89236TDC6	11729	Toyota Motor Credit Corp	1.100	04/25/2016	3,000,000.00	0.00	
		Subtotal			<u>3,000,000.00</u>	<u>0.00</u>	<u>147,220,670.42</u>
Supranationals							
459058FB4	11719	IBRD (World Bank)	1.300	04/26/2016	4,000,000.00	0.00	
		Subtotal			<u>4,000,000.00</u>	<u>0.00</u>	<u>18,513,685.00</u>
State of California Obligations							
		Subtotal					<u>9,176,948.20</u>
		Total			<u>66,055,008.52</u>	<u>56,487,537.08</u>	<u>673,855,733.05</u>

Maturity Distribution

The weighted average days to maturity of the portfolio as of April 30, 2016 is 694 days (1.90 years), a slight decrease 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. While the City has begun to lower the high liquidity portion of the portfolio as the final impact of RDA dissolution has become clearer, approximately 56% of the portfolio continues to be held in maturities of 2 years or less (including cash and LAIF balances).

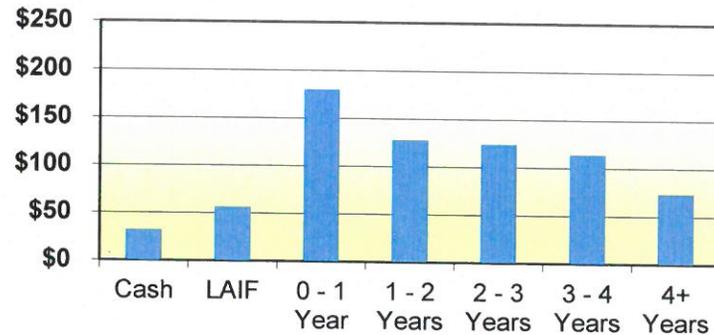
Portfolio Maturities



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 April 30, 2016, the market value and the book value of the City’s pooled investments (excluding cash) are:

\$ 675,327,970.79	Market Value
<u>\$ 673,855,733.05</u>	Book Value
\$ 1,472,237.74	

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 April 30, 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 three 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 March 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 \$7,228,440 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 and the Wells Fargo bonds are both rated higher by the other two major rating agencies (Fitch and Moody's).

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

Credit Ratings - Corporate Medium Term Notes

	Standard & Poors/ Fitch	Moody's	In Compliance (Yes/No)
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 4/30/16

	Pooled Portfolio (1) (3)	% of Portfolio	Legal/ Policy Limit	In Compliance (Yes/No)
Federal Agency Securities				
Federal Home Loan Bank	\$102,733,587.31	14.6%	50.0%	Yes
Federal National Mortgage Association	108,417,846.11	15.4%	50.0%	Yes
Federal Home Loan Mortgage Corporation	142,455,130.86	20.2%	50.0%	Yes
Farmer Mac	7,500,000.00	1.1%	50.0%	Yes
Federal Farm Credit Bank	69,523,690.91	9.9%	50.0%	Yes
Total Federal Agency Securities	\$430,630,255.19	61.0%	n/a	Yes
Treasury Bills	\$12,509,335.95	1.8%	n/a	Yes
State of CA/UC Obligations	\$9,176,948.20	1.3%	n/a	Yes
Corporate Bonds	\$147,220,670.42	20.9%	30.0%	Yes
Supranationals	\$18,513,685.00	2.6%	30.0%	Yes
Money Market Mutual Funds	\$0.00	0.0%	20.0%	Yes
State Local Agency Investment Fund-City	\$55,804,838.29	7.9%	\$65 million	Yes
Cash (2)	\$31,596,664.21	4.5%	None	Yes
Total (Book Value)	\$705,452,397.26	100.0%		

- 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 (\$289,352.56), Successor Agency RPTTF account (\$19,523,177.88), Payroll account (\$143,709.94) 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 4/30/16 (Book Value)

<u>Corporate Security</u>	<u>Pooled Portfolio</u>	<u>Credit Rating*</u>	<u>In Compliance (Yes/No)</u>
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

<u>Corporate Security</u>	<u>Pooled Portfolio</u>	<u>Credit Rating*</u>	<u>In Compliance (Yes/No)</u>
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	\$3,000,000.00	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	\$2,975,400.00	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
Toyota Motor Credit Corp. 1.100% maturing 4/25/18	\$4,000,000.00	AA-	Yes

* Per Standard and Poors

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.

Danielle Blum

For

Gigi Decavalles-Hughes, Director of Finance/City Treasurer