City Treasurer’s Mission: Preservation and Return of Investments

- Portfolio governed by:
  - California State Regulations
  - City’s Investment Policy – Certified by California Municipal Treasurers Association
City Treasurer’s Mission: Preservation and Return of Investments

- Goal: Own Legal AND Suitable Investments to meet the objectives:
  - Safety of Principal
  - Adequate Liquidity
  - Market Rate of Return

In this absolute order of priority
City Treasurer’s Mission: Preservation and Return of Investments

- Frequently Utilized Investments:
  - U.S. Federal Agency Issues
  - Corporate Notes/Bonds
  - LAIF (CA State Pool)
Interest Rate Volatility:
2-year Treasury Yield: June 2013-June 2015

High: 0.741% on 12/23/14
Low: 0.272% on 11/21/13
June 30, 2015: 0.639%
## Portfolio Overview:
### Investment Summary

$ in millions:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Market Value</th>
<th>Book Value</th>
<th>% of Portfolio</th>
<th>Policy Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Agency Issues</td>
<td>$ 133.00</td>
<td>$ 133.06</td>
<td>61%</td>
<td>None</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>$ 46.32</td>
<td>$ 46.32</td>
<td>21%</td>
<td>$50 million</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>$ 38.16</td>
<td>$ 38.23</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td><strong>$ 217.48</strong></td>
<td><strong>$ 217.61</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Portfolio Overview: Investments by Type

By Book Value:

- Corporate Bonds: 18%
- Local Agency Investment Funds: 21%
- Federal Agencies: 61%
Portfolio Overview:
Historical Book Value

May 2014 - June 2015 - $ in millions

- May 2014: $191.4
- June 2014: $196.4
- July 2014: $188.9
- August 2014: $191.4
- September 2014: $178.3
- October 2014: $165.4
- November 2014: $175.4
- December 2014: $187.7
- January 2015: $184.5
- February 2015: $204.5
- March 2015: $199.5
- April 2015: $219.6
- May 2015: $219.6
- June 2015: $217.6
Portfolio Performance:  
As of June 30, 2015

<table>
<thead>
<tr>
<th>Total Earnings</th>
<th>Month Ending:</th>
<th>Fiscal YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2015</td>
<td></td>
</tr>
<tr>
<td>Current Year</td>
<td>$ 180,652</td>
<td>$ 1,444,489</td>
</tr>
<tr>
<td>Current Budget</td>
<td>$ 100,000</td>
<td>$ 900,000</td>
</tr>
<tr>
<td>Last Year Actual</td>
<td>$ 130,492</td>
<td>$ 1,069,299</td>
</tr>
</tbody>
</table>

Effective Rate of Return 0.99%  
Benchmark* 0.43%  
1.00%  

Benchmark: The average of the monthly LAIF rate and the 12-month rolling average 2-year Constant Maturity Treasury (CMT) rate, per Investment Policy Statement
QUESTIONS?