Quarter ending: December 31, 2015

Alisa Cutchen, CCMT, CPFIM
City Treasurer
Economic and Market Overview
Oct – Dec 2015:

- Federal Reserve raised interest rates 25bps
- 2-year Treasury up from 0.64% to 1.06%
- Equity Markets flat for year
- Dec. Unemployment Rate: 5.01%
- Dec. Labor Participation Rate: 62.6%
### Portfolio Overview 12/31/15:

#### $ 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>$140.6</td>
<td>$141.1</td>
<td>68%</td>
<td>None</td>
</tr>
<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>25.4</td>
<td>25.4</td>
<td>12%</td>
<td>$50 million</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>40.4</td>
<td>40.7</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td><strong>$206.4</strong></td>
<td><strong>$207.2</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Portfolio Overview 12/31/15:

- **Book Value by Maturity:**

  - 2 - 3Yr: $76,083,761
  - 3 - 4Yr: $23,057,018
  - 4 - 5Yr: $40,000,000
  - 0 - 1Yr: $5,013,715
  - 1 - 2Yr: $37,617,853
  - Cash: $25,362,390
Portfolio Overview 12/31/15:

- Portfolio Composition:

  - Federal Agencies 68%
  - Corporate Bonds 20%
  - LAIF 12%
Portfolio Overview 12/31/15:

- Federal Agency Holdings:
  - Federal Home Loan Bank
  - Federal National Mortgage Association (Fannie Mae)
  - Federal Farm Credit Bank
  - Federal Home Loan Mortgage Corp. (Freddie Mac)
Portfolio Overview 12/31/15:

- Federal Agency Structure Composition:

  - Structured: 22.21%
  - Bullet: 12.10%
  - Fixed Clb: 33.79%

Book Value % of Portfolio By Agency Type
Portfolio Overview 12/31/15:

- Select Corporate Bond Issuers:
  - Apple Inc.
  - Caterpillar Financial Corp.
  - GE Capital Corp.
  - Coca Cola Co.
  - Merck & Co Inc.
  - Oracle Corp.
  - Toyota Motor Credit
# Portfolio Earnings:

## Quarter ending 12/31/15:

<table>
<thead>
<tr>
<th></th>
<th>Month Ending 12/31/15</th>
<th>Fiscal YTD 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Earnings:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Year</td>
<td>$170,245</td>
<td>$499,734</td>
</tr>
<tr>
<td>Current Budget</td>
<td>$110,000</td>
<td>$330,000</td>
</tr>
<tr>
<td>Last Year Actual</td>
<td>$140,610</td>
<td>$413,850</td>
</tr>
<tr>
<td><strong>Effective Rate of Return</strong></td>
<td>1.07%</td>
<td>1.09%</td>
</tr>
</tbody>
</table>

*versus benchmark:* 0.64%
Conclusion:

- City Portfolio remains within compliance with all governmental regulations and the City’s Investment Policy
- No losses
QUESTIONS?

Thank you