

Date: January 11, 2018

Who: Kent Grealish Diane Papan, Council Member
Hal Fick Drew Corbett
Jeff Adams Lisa Wesley
Margaret Taylor

What: INVESTMENT ADVISORY COMMITTEE

When: January 18, 2018 (Thursday)
3:30 to 5:00 p.m.

Where: City of San Mateo - Room B
330 West 20th Avenue
San Mateo, CA 94403

AGENDA

1. Welcome new member – Jeff Adams
2. Investment Committee Member terms
3. Investment Policy – Council consent calendar
4. PFM - Portfolio Review
 - Yield Trend
 - Strategy
 - Market Value
5. Review Quarterly Report – October 2017 thru December 2017
6. Confirm next meeting date(s)

For more detailed information regarding LAIF and San Mateo County Pool investments, please refer to:

LAIF: <http://www.treasurer.ca.gov/pmia-laif/laif.asp>

SM County Pool: <http://www.sanmateocountytreasurer.org/investmentReports.html>

<i>Investment Advisory Committee Meetings</i>			Quarterly Investment Report
Jan 18, 2018	3:30 p.m.	Room B	Oct/Nov/Dec
April 19, 2018	3:30 p.m.	Room C	Jan/Feb/Mar
July 19, 2018	3:30 p.m.	Room C	April/May/June
Oct 18, 2018	3:30 p.m.	Room C	July/Aug/Sept

**Investment Advisory Committee Meeting
November 9, 2017**

Attendees: Hal Fick Drew Corbett *PFM attendees:*
Diane Papan Lisa Wesley Izac Chyou
Kent Grealish
Margaret Tayler

Committee composition:

Welcome new member – Margaret Taylor.

Continued discussion of recruitment of final committee vacancy. Drew to contact Jeff Adams.

PFM Quarterly presentation:

Economic conditions continue to remain consistent with previous quarter activity.

- Consumer confidence highest in 16 years. Consumer spending still high as compared to 2016.
- Corporate market remains high.
- Unemployment rates have reduced.
- Short term instruments (CD's) providing higher yield at this time. Investment report reflects sale of agencies and treasuries to gain greater yield from negotiable CD's.
- Commercial paper and negotiable CD's continue to offer significant yield over short term government securities.

Adjournment:

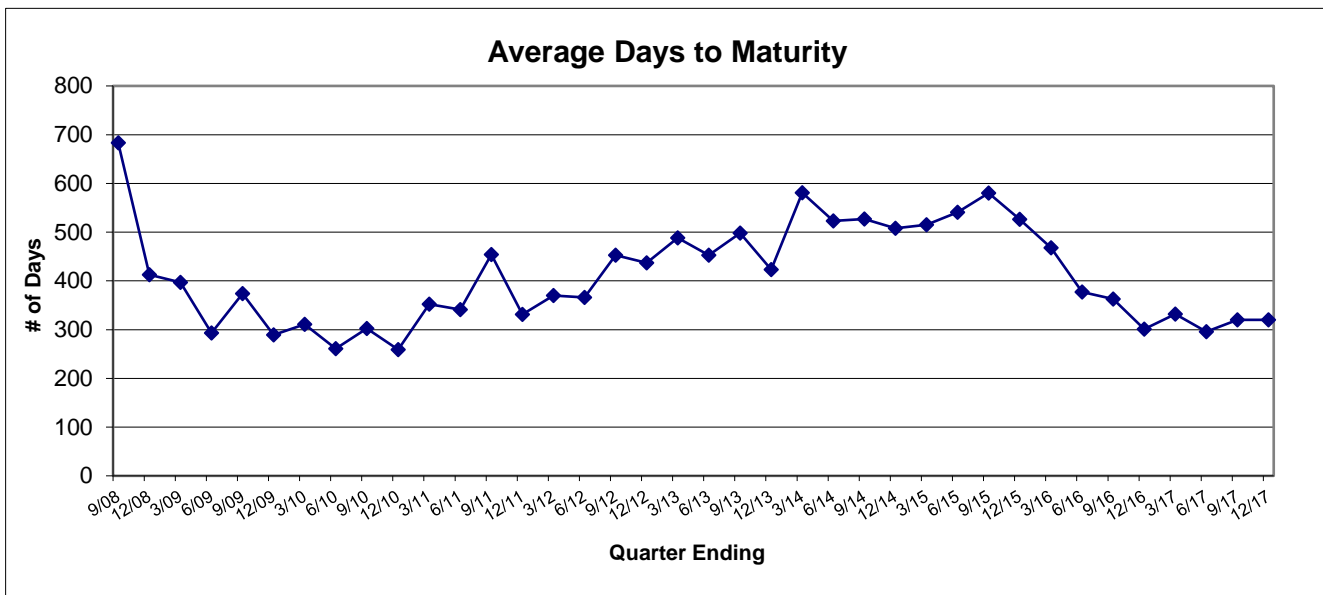
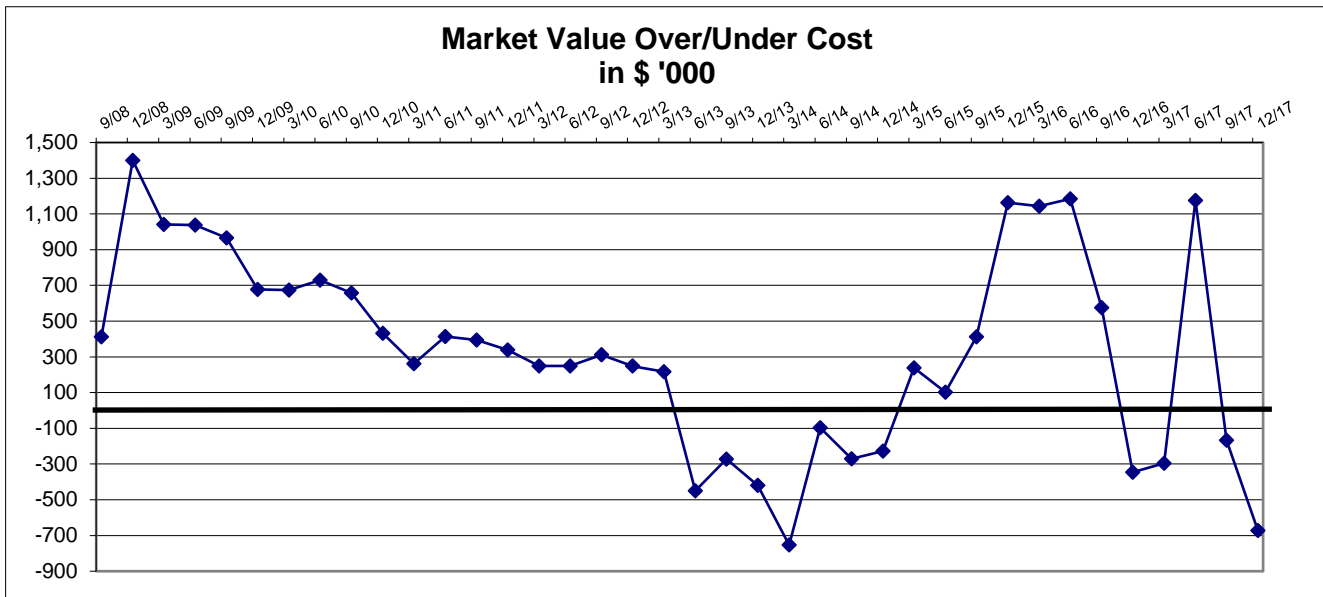
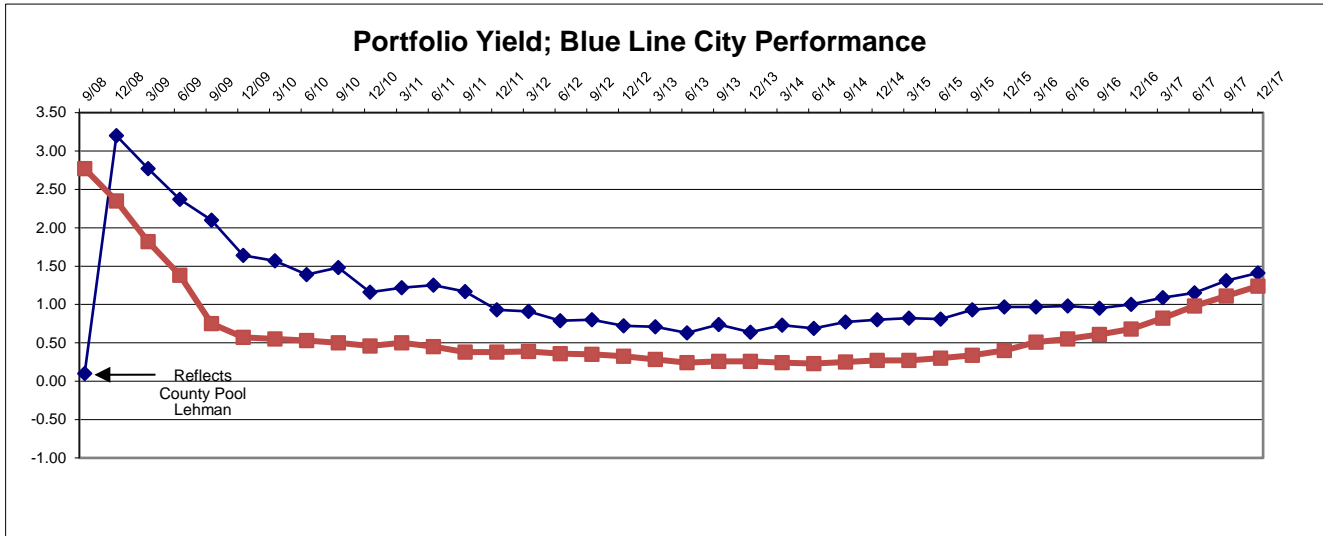
Next meeting – Thursday, January 18th, 2018



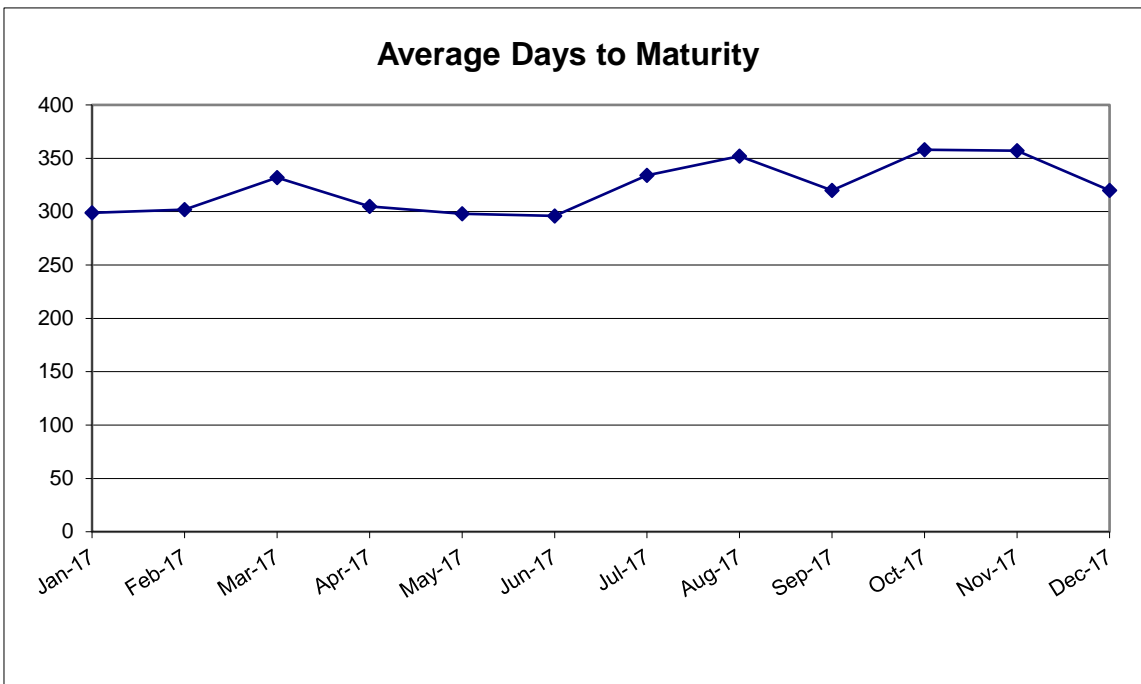
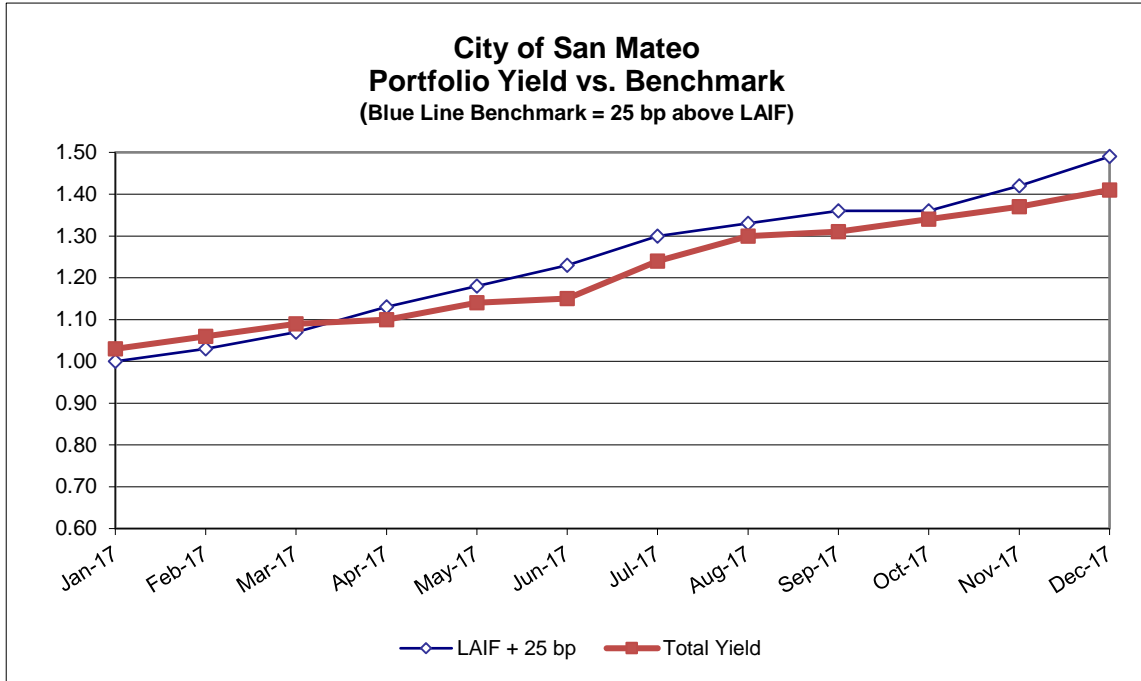
City - Managed Portfolio Summary of Investment Transactions October - December 2017

Purchases	Date	Par Value	Issuer	Coupon	Maturity Range	Price
	10/16/2017	\$2,000,000	FHLB	1.520%	10/4/2019	\$ 2,000,813
	10/16/2017	\$2,000,000	FHLMC	1.625%	9/29/2020	\$ 2,000,535
	10/16/2017	\$2,000,000	FHLB	1.650%	6/29/2020	\$ 2,000,558
	10/27/2017	\$2,000,000	FNMA	1.850%	10/27/2020	\$ 2,000,000
	11/15/2017	\$1,000,000	FFCB	1.650%	11/15/2019	\$ 1,000,000
	12/4/2017	\$2,000,000	FHLB	1.720%	11/27/2019	\$ 2,000,669
	12/4/2017	\$2,110,000	FHLMC	1.750%	3/29/2021	\$ 2,101,897
	12/27/2017	\$2,000,000	FHLMC	1.875%	12/27/2019	\$ 2,000,000
	12/19/2017	\$500,000	FNMA	1.200%	6/28/2019	\$ 497,835
	12/19/2017	\$1,000,000	FFCB	1.180%	10/19/2019	\$ 988,739
12/19/2017	\$1,000,000	FFCB	1.180%	8/1/2019	\$ 993,113	
		\$ 17,610,000				
Maturities	Date	Face Value	Issuer	Coupon	CUSIP	
	10/31/2017	\$ 1,000,000	U.S. Treasury	0.750%	912828TW07	
	11/20/2017	\$ 1,000,000	FFCB	0.850%	3133EC2Y99	
	11/29/2017	\$ 1,000,000	U.S. Treasury	0.625%	912828UA67	
	12/20/2017	\$ 1,000,000	FNMA	0.880%	3135G0RT2	
	12/26/2017	\$ 1,000,000	FNMA	0.870%	3136G14R73	
	12/26/2017	\$ 1,000,000	FFCB	0.900%	3133ECB452	
	12/26/2017	\$ 1,000,000	FHLB	1.100%	3130A3MJ0	
		\$ 7,000,000				
Calls	Date	Face Value	Issuer	Coupon	CUSIP	
		\$ -				
Renewals	Date	Face Value	Issuer	Coupon	Term	
		\$ -				

City of San Mateo Historical Trend by Quarter



City of San Mateo Current Year - 12 Month Trend





Portfolio Compliance Report
October 31, 2017

Investment Summary - Aggregate Portfolio

Security Type	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁵
Cash Equivalents	\$250,000	\$250,000	\$250,000	<1%	100%	✓	1	1.08%
Money Market Funds	\$35,657	\$35,657	\$35,657	<1%	20%	✓	1	0.00%
Investment Pools	\$99,918,006	\$99,918,006	\$99,918,006	51%	30-65% ⁴	✓	1	1.22%
Total Liquidity	\$100,203,663	\$100,203,663	\$100,203,663	51%			1	1.22%
Certificates of Deposit	\$12,268,803	\$12,277,694	\$12,269,219	6%	30%	✓	510	1.52%
U.S. Treasury Notes	\$28,449,162	\$28,431,675	\$28,546,791	14%	100%	✓	898	1.48%
Federal Agency Securities	\$47,219,701	\$47,065,702	\$47,222,401	24%	70%	✓	623	1.35%
Medium-Term Corporate Notes	\$8,351,476	\$8,320,807	\$8,338,588	4%	20%	✓	1,074	1.97%
Total Securities	\$96,289,142	\$96,095,878	\$96,376,999	49%			729	1.46%
Total Portfolio	\$196,492,805	\$196,299,541	\$196,580,662	100%			358	1.34%
<i>Internal</i>	\$144,634,109	\$144,702,650	\$144,762,632	74%			140	1.23%
<i>External</i>	\$51,858,696	\$51,596,891	\$51,818,031	26%			964	1.64%
Bonded Debt Portfolio	\$5,334,484	\$5,334,484	\$5,334,484					0.19%

1. Market values provided by The Bank of New York Mellon Trust Company.

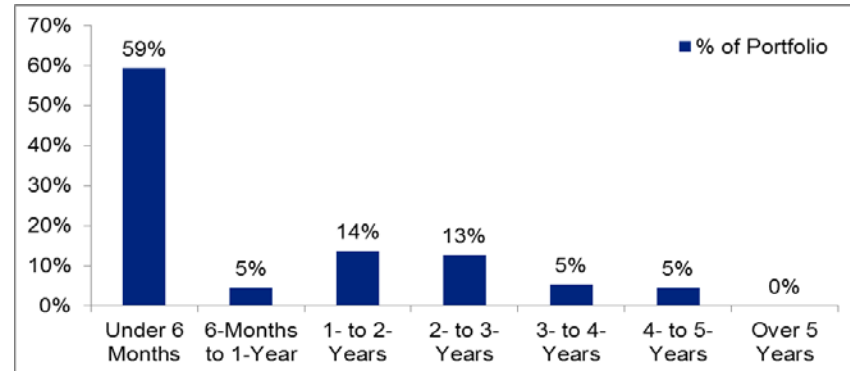
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

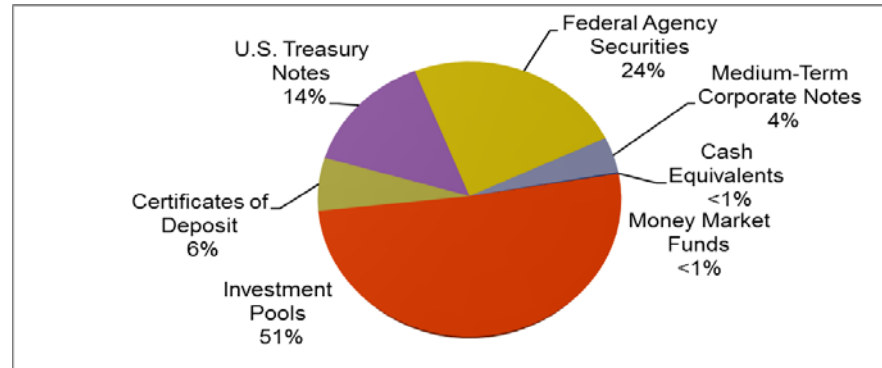
4. The City is currently allowed to invest in two investment pools—the San Mateo County Pool and the Local Agency Investment Fund. The City may invest up to \$65 million or 65% of its portfolio in LAIF and 30% of its portfolio in the San Mateo County Pool.

5. The San Mateo County pool yield is an estimated October 2017 gross earnings rate as of October 31, 2017.

Maturity Distribution⁶



Sector Distribution



6. The portfolio is compliant with its liquidity standard. To ensure sufficient liquidity at least 25% of the market value of the portfolio is invested in liquid securities or deposits with a remaining maturity of six months or less. Percentages may not add up to 100% due to rounding.



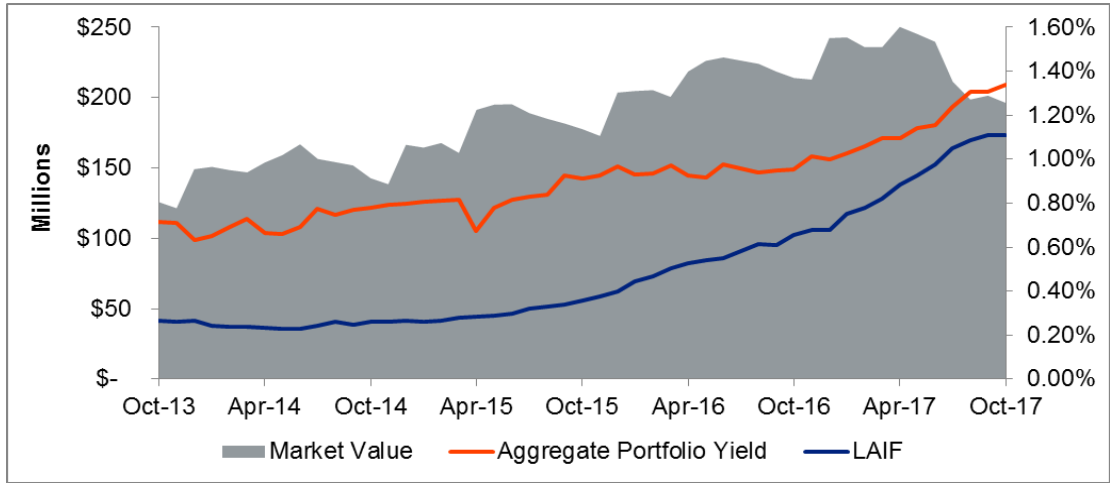
**City of San Mateo
Portfolio Compliance Report
October 31, 2017**

Compliance

	Yes	No
Liquidity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Permitted types of investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits within investment categories	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits within single agency/institution	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits relating to maturity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months</p>		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Portfolio Yield vs. LAIF

Historical Portfolio Data



Drew Corbett

Drew Corbett
Finance Director

29-Nov-17

Date



City of San Mateo
Portfolio Compliance Report
 October 31, 2017

Issuer Detail - Aggregate Portfolio

Issuer	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁴
Cash Equivalents	250,000	250,000	250,000	<1%			1	1.08%
East West Bank	250,000	250,000	250,000	<1%	100%	✓	1	1.08%
Money Market Funds	35,657	35,657	35,657	<1%			1	0.00%
Dreyfus	35,657	35,657	35,657	<1%	10%	✓	1	0.00%
Investment Pools	99,918,006	99,918,006	99,918,006	51%			1	1.22%
Local Agency Investment Fund	55,653,966	55,653,966	55,653,966	28%	65%	✓	1	1.11%
San Mateo County Pool	44,264,040	44,264,040	44,264,040	23%	30%	✓	1	1.35%
Certificates of Deposit	12,268,803	12,277,694	12,269,219	6%			510	1.52%
East West Bank	3,000,000	3,000,000	3,000,000	2%	5%	✓	404	0.00%
Bank of Montreal	1,250,000	1,250,719	1,250,000	<1%	5%	✓	464	0.00%
Svenska Handelsbanken	1,250,000	1,250,780	1,250,000	<1%	5%	✓	436	0.00%
Bank of Nova Scotia	1,035,000	1,036,228	1,035,000	<1%	5%	✓	521	0.00%
Nordea	1,035,000	1,034,101	1,035,000	<1%	5%	✓	395	0.00%
Canadian Imperial Bank	1,034,193	1,034,101	1,034,561	<1%	5%	✓	395	0.00%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	501	0.00%
Skandinaviska Enskilda NY	999,610	1,000,432	999,658	<1%	5%	✓	640	0.00%
Westpac Banking NY	900,000	903,839	900,000	<1%	5%	✓	1007	0.00%
Bank of Tokyo Mitsubishi	515,000	517,493	515,000	<1%	5%	✓	694	0.00%
Boston Bank	250,000	250,000	250,000	<1%	5%	✓	644	0.00%
U.S. Treasury Notes	28,449,162	28,431,675	28,546,791	14%			898	1.48%
U.S. Treasury	28,449,162	28,431,675	28,546,791	14%	100%	✓	898	1.48%
Federal Agency Securities	47,219,701	47,065,702	47,222,401	24%			623	1.35%
FNMA	17,758,488	17,636,505	17,735,911	9%	40%	✓	772	1.35%
FHLB	14,303,781	14,282,861	14,304,479	7%	40%	✓	620	1.47%
FHLMC	10,159,981	10,150,337	10,182,091	5%	40%	✓	633	1.41%
FFCB	4,997,450	4,996,000	4,999,919	3%	40%	✓	82	0.93%
Medium-Term Corporate Notes	8,351,476	8,320,807	8,338,588	4%			1074	1.97%
State Street Corporation	1,017,129	1,012,910	1,016,029	<1%	5%	✓	1022	1.77%
Wal-Mart	998,550	997,890	998,564	<1%	5%	✓	1141	1.95%
General Electric	984,798	978,651	981,807	<1%	5%	✓	916	1.83%
Wells Fargo	969,285	958,170	963,337	<1%	5%	✓	1133	2.08%
American Honda Finance	764,741	756,071	765,893	<1%	5%	✓	1409	1.84%



City of San Mateo
Portfolio Compliance Report
 October 31, 2017

Issuer Detail - Aggregate Portfolio

Issuer	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁴
IBM Corp	751,575	755,805	751,353	<1%	5%	✓	1549	2.45%
Toyota	679,687	680,272	679,742	<1%	5%	✓	899	1.97%
American Express Company	584,392	586,720	584,522	<1%	5%	✓	854	2.24%
Bank of New York	497,081	492,136	493,027	<1%	5%	✓	489	1.71%
PepsiCo	324,935	324,123	324,936	<1%	5%	✓	1262	2.01%
Branch Banking & Trust	264,878	264,534	264,878	<1%	5%	✓	1189	2.17%
Procter & Gamble	219,663	219,899	219,665	<1%	5%	✓	1088	1.95%
Berkshire Hathaway	159,845	158,909	159,907	<1%	5%	✓	653	1.33%
John Deere	134,918	134,718	134,927	<1%	5%	✓	965	1.97%
Grand Total	196,492,805	196,299,541	196,580,662	100%			358	1.34%

1. Market values provided by The Bank of New York Mellon Trust Company.

2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

4. The San Mateo County pool yield is an estimated October 2017 gross earnings rate as of October 31, 2017

October Transaction Detail

Transaction Type/Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
10/03/17	10/06/17	US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	750,000.00	(6,386.72)	216.35	743,829.63
10/05/17	10/10/17	PEPSICO INC CORP NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	325,000.00	(65.00)	-	324,935.00
10/11/17	10/20/17	WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	1,000,000.00	(1,450.00)	-	998,550.00
10/23/17	10/25/17	THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.900% 10/23/2020	742718FA2	220,000.00	(336.60)	-	219,663.40
10/23/17	10/26/17	BRANCH BANKING & TRUST CORP NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	265,000.00	(121.90)	-	264,878.10
10/27/17	10/27/17	FNMA DTD 10/27/2017 1.85% 10/27/2020	3136G4PW7	2,000,000.00	-	-	2,000,000.00
				4,560,000.00	(8,360.22)	216.35	4,551,856.13

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
10/03/17	10/06/17	FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	400,000.00	402,304.00	979.17	403,283.17	(8,000.00)	(1,452.06)	FIFO
10/03/17	10/06/17	FNMA BENCHMARK NOTE DTD 01/08/2016 1.375% 01/28/2019	3135G0H63	350,000.00	349,692.00	909.03	350,601.03	(91.00)	(213.43)	FIFO
10/05/17	10/10/17	US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	325,000.00	320,670.90	1,979.36	322,650.26	(10,321.29)	(8,764.02)	FIFO
10/11/17	10/16/17	US TREASURY NOTES DTD 02/28/2014 2.000% 02/28/2021	912828B90	1,000,000.00	1,008,828.13	2,541.44	1,011,369.57	(27,578.12)	(19,224.14)	FIFO
10/23/17	10/25/17	US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	220,000.00	219,664.84	835.46	220,500.30	(3,987.50)	(2,688.58)	FIFO
10/23/17	10/26/17	US TREASURY N/B DTD 02/29/2016 1.125% 02/28/2021	912828P87	270,000.00	264,220.31	469.89	264,690.20	(1,719.14)	(1,903.32)	FIFO
				2,565,000.00	2,565,380.18	7,714.35	2,573,094.53	(51,697.05)	(34,245.55)	
Total Security Transactions					2,557,019.96	7,930.70	7,124,950.66	(51,697.05)	(34,245.55)	



City of San Mateo
Bond Proceeds/Bond Reserve Portfolio
 October 31, 2017

Account Name	Type*	Issuer	Origination Date	Expiration or Maturity Date	Book Value	Stated Rate/Yield
South Bayfront Levee Flood Control Bond 2011A	C	LAIF	02/15/11	open	81,440	0.00%
Sewer Revenue Bond 2011	C	LAIF	05/12/11	open	-	0.00%
Sewer Revenue Bond 2014	C	Goldman Sachs Cash	06/11/14	open	2,999,217	0.00%
Subtotal Construction & Other					\$ 3,080,658	0.00%
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34	592,329	0.00%
Merged Area Tax Allocation Bonds Res 2007A	R	Morgan Stanley	12/04/12	open	26	0.000%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,095,823	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	565,648	0.00%
Subtotal Debt Reserve					\$ 2,253,826	0.45%
Total and Average					\$ 5,334,484	0.19%

* C=Construction, R=Debt Reserve



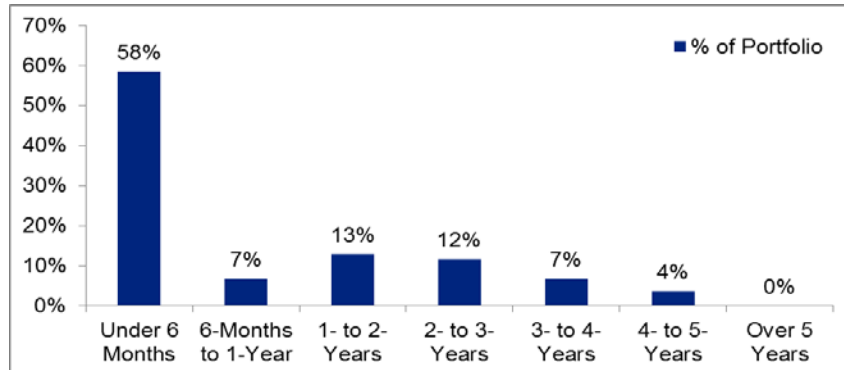
Portfolio Compliance Report
November 30, 2017

Investment Summary - Aggregate Portfolio

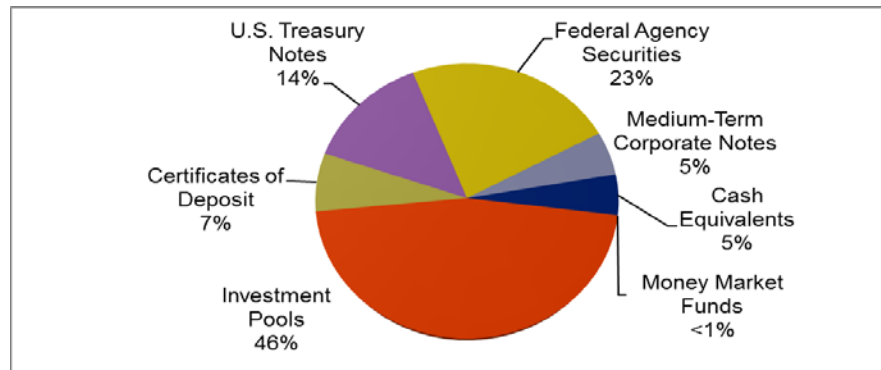
Security Type	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁵
Cash Equivalents	\$9,250,000	\$9,250,000	\$9,250,000	5%	100%	✓	1	1.35%
Money Market Funds	\$33,166	\$33,166	\$33,166	<1%	20%	✓	1	0.00%
Investment Pools	\$90,309,864	\$90,309,864	\$90,309,864	46%	30-65% ⁴	✓	1	1.23%
Total Liquidity	\$99,593,030	\$99,593,030	\$99,593,030	51%			1	1.24%
Certificates of Deposit	\$13,303,803	\$13,306,615	\$13,304,268	7%	30%	✓	514	1.58%
U.S. Treasury Notes	\$26,907,160	\$26,779,467	\$26,994,173	14%	100%	✓	889	1.49%
Federal Agency Securities	\$45,044,315	\$44,794,222	\$45,069,252	23%	70%	✓	614	1.37%
Medium-Term Corporate Notes	\$10,027,876	\$9,934,890	\$10,010,458	5%	20%	✓	1,091	2.06%
Total Securities	\$95,283,153	\$94,815,194	\$95,378,152	49%			728	1.51%
Total Portfolio	\$194,876,183	\$194,408,224	\$194,971,182	100%			357	1.37%
<i>Internal</i>	<i>\$143,042,280</i>	<i>\$143,020,285</i>	<i>\$143,158,737</i>	<i>74%</i>			<i>137</i>	<i>1.26%</i>
<i>External</i>	<i>\$51,833,903</i>	<i>\$51,387,938</i>	<i>\$51,812,445</i>	<i>26%</i>			<i>964</i>	<i>1.69%</i>
Bonded Debt Portfolio	\$4,217,960	\$4,217,960	\$4,217,960					0.24%

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- The City is currently allowed to invest in two investents pools-the San Mateo County Pool and the Local Agency Investment Fund. The City may invest up to \$65 million or 65% of its portfolio in LAIF and 30% of its portfolio in the San Mateo County Pool.
- The San Mateo County pool yield is an estimated November 2017 gross earnings rate as of November 30, 2017

Maturity Distribution⁶



Sector Distribution



6. The portfolio is compliant with its liquidity standard. To ensure sufficient liquidity at least 25% of the market value of the portfolio is invested in liquid securities or deposits with a remaining maturity of six months or less. Percentages may not add up to 100% due to rounding.



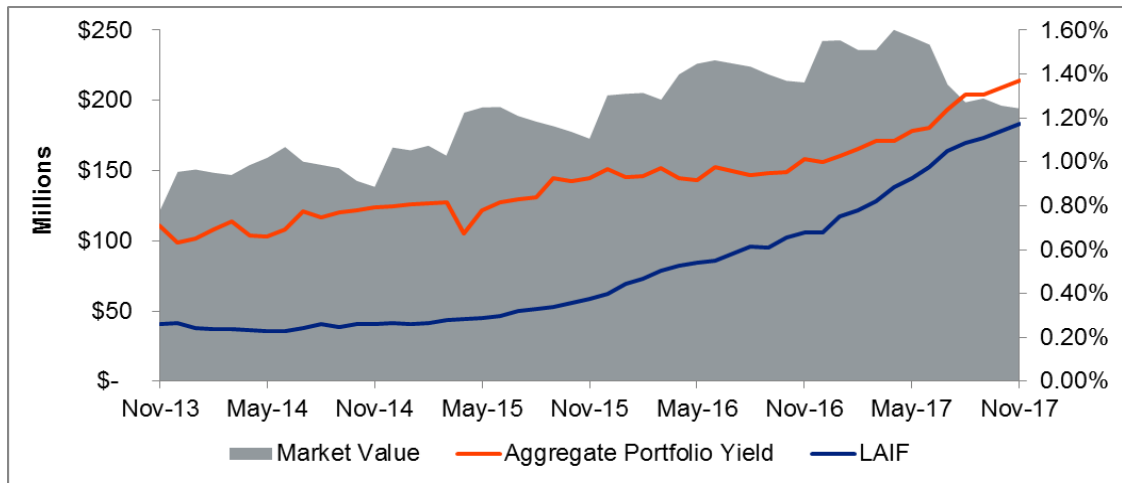
**City of San Mateo
Portfolio Compliance Report
November 30, 2017**

Compliance

	Yes	No
Liquidity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Permitted types of investments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits within investment categories	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits within single agency/institution	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Limits relating to maturity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p><i>The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months</i></p>		
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Portfolio Yield vs. LAIF

Historical Portfolio Data



Drew Corbett

**Drew Corbett
Finance Director**

29-Dec-17

Date



City of San Mateo
Portfolio Compliance Report
 November 30, 2017

Issuer Detail - Aggregate Portfolio

Issuer	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁴
Cash Equivalents	9,250,000	9,250,000	9,250,000	5%			1	1.35%
East West Bank	9,250,000	9,250,000	9,250,000	5%	100%	✓	1	1.35%
Money Market Funds	33,166	33,166	33,166	<1%			1	0.00%
Dreyfus	24,058	24,058	24,058	<1%	10%	✓	1	0.00%
Bank of New York	9,108	9,108	9,108					
Investment Pools	90,309,864	90,309,864	90,309,864	46%			1	1.23%
Local Agency Investment Fund	47,153,966	47,153,966	47,153,966	24%	65%	✓	1	1.17%
San Mateo County Pool	43,155,898	43,155,898	43,155,898	22%	30%	✓	1	1.30%
Certificates of Deposit	13,303,803	13,306,615	13,304,268	7%			514	1.58%
East West Bank	3,000,000	3,000,000	3,000,000	2%	5%	✓	347	0.00%
Bank of Montreal	1,250,000	1,249,021	1,250,000	<1%	5%	✓	434	0.00%
Svenska Handelsbanken	1,250,000	1,249,227	1,250,000	<1%	5%	✓	406	0.00%
Bank of Nova Scotia	1,035,000	1,034,521	1,035,000	<1%	5%	✓	491	0.00%
Nordea Bank	1,035,000	1,033,092	1,035,000	<1%	5%	✓	365	0.00%
Swedbank	1,035,000	1,042,176	1,035,000	<1%	5%	✓	1082	0.00%
Canadian Imperial Bank	1,034,193	1,033,092	1,034,595	<1%	5%	✓	365	0.00%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	410	0.00%
Skandinaviska Enskilda NY	999,610	998,300	999,674	<1%	5%	✓	610	0.00%
Westpac Banking NY	900,000	901,021	900,000	<1%	5%	✓	977	0.00%
Bank of Tokyo Mitsubishi	515,000	516,165	515,000	<1%	5%	✓	664	0.00%
Boston Bank	250,000	250,000	250,000	<1%	5%	✓	553	0.00%
U.S. Treasury Notes	26,907,160	26,779,467	26,994,173	14%			889	1.49%
U.S. Treasury	26,907,160	26,779,467	26,994,173	14%	100%	✓	889	1.49%
Federal Agency Securities	45,044,315	44,794,222	45,069,252	23%			614	1.37%
FNMA	16,558,349	16,404,271	16,555,150	8%	40%	✓	763	1.36%
FHLB	14,303,781	14,245,536	14,305,138	7%	40%	✓	590	1.47%
FHLMC	9,183,735	9,151,615	9,209,009	5%	40%	✓	609	1.40%
FFCB	4,998,450	4,992,800	4,999,956	3%	40%	✓	197	1.08%
Medium-Term Corporate Notes	10,027,876	9,934,890	10,010,458	5%			1091	2.06%
State Street Corporation	1,017,129	1,004,920	1,015,418	<1%	5%	✓	992	1.77%
Wal-Mart	998,550	993,440	998,604	<1%	5%	✓	1111	1.95%
General Electric	984,798	966,069	979,141	<1%	5%	✓	886	1.83%



City of San Mateo
Portfolio Compliance Report
 November 30, 2017

Issuer Detail - Aggregate Portfolio

Issuer	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁴
Wells Fargo	969,285	952,765	962,991	<1%	5%	✓	1103	2.08%
American Honda Finance	764,741	750,250	765,978	<1%	5%	✓	1379	1.84%
IBM Corp	751,575	751,283	751,328	<1%	5%	✓	1519	2.45%
Toyota	679,687	676,219	679,751	<1%	5%	✓	869	1.97%
American Express Company	584,392	584,064	584,539	<1%	5%	✓	824	2.24%
Bank of America	513,820	511,301	513,738	<1%	5%	✓	1236	2.40%
Citigroup	513,483	512,902	513,465	<1%	5%	✓	1469	2.72%
Goldman Sachs	504,109	500,443	503,359	<1%	5%	✓	1335	2.53%
Bank of New York	497,081	490,916	492,828	<1%	5%	✓	459	1.71%
PepsiCo	324,935	322,039	324,938	<1%	5%	✓	1232	2.01%
Branch Banking & Trust	264,878	262,761	264,880	<1%	5%	✓	1159	2.17%
Procter & Gamble	219,663	218,788	219,674	<1%	5%	✓	1058	1.95%
Berkshire Hathaway	159,845	158,195	159,911	<1%	5%	✓	623	1.33%
Paccar Financial	144,987	144,464	144,987	<1%	5%	✓	1079	2.05%
John Deere	134,918	134,073	134,929	<1%	5%	✓	935	1.97%
Grand Total	194,876,183	194,408,223	194,971,182	100%			357	1.37%

1. Market values provided by The Bank of New York Mellon Trust Company.

2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

4. The San Mateo County pool yield is an estimated November 2017 gross earnings rate as of November 30, 2017

November Transaction Detail

Transaction Type/Date

BUY							
Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
11/01/17	11/03/17	BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	510,000.00	3,819.90	520.63	514,340.53
11/03/17	11/07/17	GOLDMAN SACHS GROUP CORP NOTES DTD 07/27/2011 5.250% 07/27/2021	38141GGQ1	460,000.00	44,109.40	6,708.33	510,817.73
11/06/17	11/13/17	PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	145,000.00	(13.50)	-	144,986.50
11/13/17	11/15/17	FEDERAL FARM CREDIT BANK DTD 11/15/17 1.65% 11/15/19	3133EHD87	1,000,000.00	-	-	1,000,000.00 *
17/11/16	11/17/17	SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	1,035,000.00	-	-	1,035,000.00
11/20/17	11/22/17	CITIGROUP INC CORP (CALLABLE) NOTE DTD 12/08/2016 2.900% 12/08/2021	172967LC3	510,000.00	3,483.30	6,737.67	520,220.97
3,660,000.00					51,399.10	13,966.63	3,725,365.73

MATURITIES

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
11/20/17	11/20/17	FEDERAL FARM CREDIT BANK .85% 11/20/17	3133EC2Y99	1,000,000.00	1,000,000.00	4,250.00	1,004,250.00 *
11/29/17	11/29/17	US TREASURY NOTES .625% 11/29/17	912828UA67	1,000,000.00	1,000,000.00	3,125.00	1,003,125.00 *
2,000,000.00					2,000,000.00	7,375.00	2,007,375.00

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
11/01/17	11/03/17	FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	510,000.00	512,045.10	1,965.63	514,010.73	(11,092.50)	(2,483.30)	FIFO
11/03/17	11/07/17	FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	515,000.00	516,915.80	2,092.19	519,007.99	(11,350.60)	(2,618.01)	FIFO
11/06/17	11/13/17	FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	145,000.00	145,546.65	634.38	146,181.03	(3,188.55)	(713.39)	FIFO
11/16/17	11/17/17	FREDDIE MAC NOTES DTD 04/16/2012 1.750% 05/30/2019	3137EADG1	970,000.00	970,863.30	7,874.51	978,737.81	(5,383.50)	(3,444.18)	FIFO
11/17/17	11/17/17	US TREASURY NOTES DTD 06/02/2014 1.500% 05/31/2019	912828WL0	35,000.00	34,912.50	243.85	35,156.35	(470.31)	(319.84)	FIFO
11/21/17	11/22/17	US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	520,000.00	520,040.63	632.04	520,672.67	(1,117.18)	(918.82)	FIFO
2,695,000.00					2,700,323.98	13,442.60	2,713,766.58	(32,602.64)	(10,497.54)	
Total Security Transactions					4,751,723.08	34,784.23	8,446,507.31	(32,602.64)	(10,497.54)	

* City of San Mateo purchase



City of San Mateo
Bond Proceeds/Bond Reserve Portfolio
 November 30, 2017

Account Name	Type*	Issuer	Origination Date	Expiration or Maturity Date	Book Value	Stated Rate/Yield
South Bayfront Levee Flood Control Bond 2011A	C	LAIF	02/15/11	open	81,441	0.00%
Sewer Revenue Bond 2011	C	LAIF	05/12/11	open	-	0.00%
Sewer Revenue Bond 2014	C	Goldman Sachs Cash	06/11/14	open	1,881,500	0.00%
Subtotal Construction & Other					\$ 1,962,941	0.00%
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34	592,379	0.00%
Merged Area Tax Allocation Bonds Res 2007A	R	Morgan Stanley	12/04/12	open	-	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,096,671	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	565,968	0.00%
Subtotal Debt Reserve					\$ 2,255,018	0.45%
Total and Average					\$ 4,217,960	0.24%

* C=Construction, R=Debt Reserve



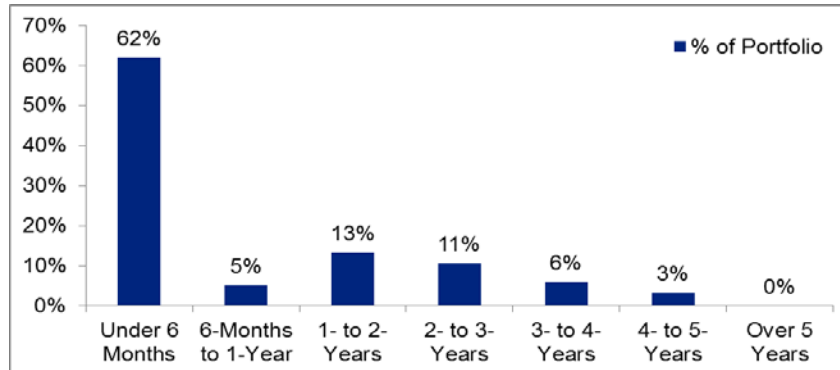
Portfolio Compliance Report
December 31, 2017

Investment Summary - Aggregate Portfolio

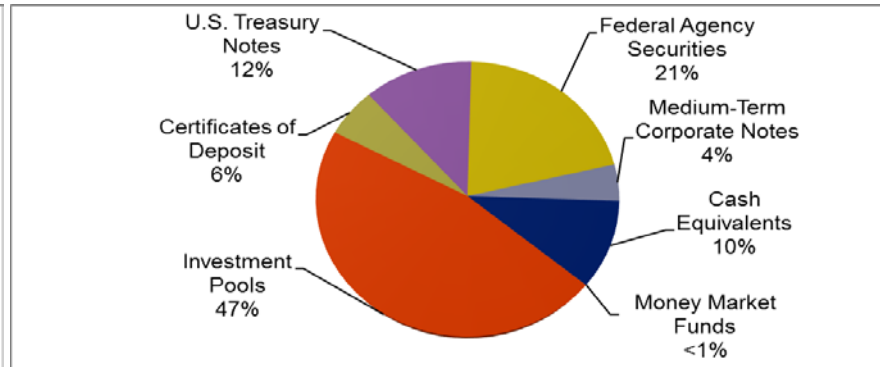
Security Type	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁵
Cash Equivalents	\$24,250,000	\$24,250,000	\$24,250,000	10%	100%	✓	1	1.35%
Money Market Funds	\$29,244	\$29,244	\$29,244	<1%	20%	✓	1	0.00%
Investment Pools	\$108,382,371	\$108,382,371	\$108,382,371	47%	30-65% ⁴	✓	1	1.27%
Total Liquidity	\$132,661,614	\$132,661,614	\$132,661,614	57%			1	1.29%
Certificates of Deposit	\$13,303,803	\$13,286,399	\$13,304,320	6%	30%	✓	486	1.58%
U.S. Treasury Notes	\$27,798,758	\$27,641,643	\$27,889,278	12%	100%	✓	881	1.51%
Federal Agency Securities	\$48,707,218	\$48,402,873	\$48,734,026	21%	70%	✓	672	1.50%
Medium-Term Corporate Notes	\$10,027,876	\$9,929,607	\$10,005,680	4%	20%	✓	1,060	2.06%
Total Securities	\$99,837,653	\$99,260,522	\$99,933,303	43%			744	1.57%
Total Portfolio	\$232,499,268	\$231,922,136	\$232,594,917	100%			320	1.41%
<i>Internal</i>	\$180,688,831	\$180,607,444	\$180,801,659	78%			139	1.32%
<i>External</i>	\$51,810,437	\$51,314,692	\$51,793,258	22%			952	1.71%
Bonded Debt Portfolio	\$4,247,375	\$4,247,375	\$4,247,375					0.24%

- Market values provided by The Bank of New York Mellon Trust Company.
- Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.
- Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.
- The City is currently allowed to invest in two investents pools-the San Mateo County Pool and the Local Agency Investment Fund. The City may invest up to \$65 million or 65% of its portfolio in LAIF and 30% of its portfolio in the San Mateo County Pool.
- The San Mateo County pool yield is an estimated December 2017 gross earnings rate as of December 31, 2017

Maturity Distribution⁶



Sector Distribution



6. The portfolio is compliant with its liquidity standard. To ensure sufficient liquidity at least 25% of the market value of the portfolio is invested in liquid securities or deposits with a remaining maturity of six months or less. Percentages may not add up to 100% due to rounding.



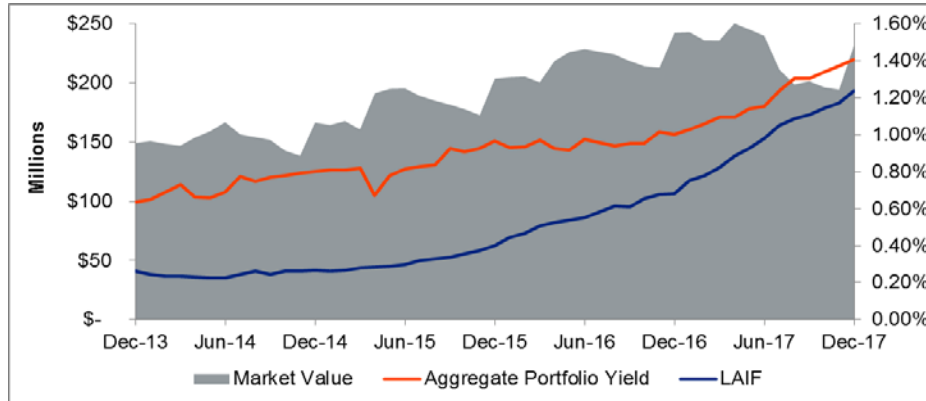
City of San Mateo
 Portfolio Compliance Report
 December 31, 2017

Compliance

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| Liquidity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Permitted types of investments | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within investment categories | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within single agency/institution | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits relating to maturity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Portfolio Yield vs. LAIF

Historical Portfolio Data



Drew Corbett

Drew Corbett
 Finance Director

16-Jan-18

Date



City of San Mateo
Portfolio Compliance Report
 December 31, 2017

Issuer Detail - Aggregate Portfolio

Issuer	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁴
Cash Equivalents	24,250,000	24,250,000	24,250,000	10%			1	1.35%
East West Bank	24,250,000	24,250,000	24,250,000	10%	100%	✓	1	1.35%
Money Market Funds	29,244	29,244	29,244	<1%			1	0.00%
Dreyfus	29,244	29,244	29,244	<1%	10%	✓	1	0.00%
Investment Pools	108,382,371	108,382,371	108,382,371	47%			1	1.27%
Local Agency Investment Fund	64,653,966	64,653,966	64,653,966	28%	65%	✓	1	1.24%
San Mateo County Pool	43,728,405	43,728,405	43,728,405	19%	30%	✓	1	1.32%
Certificates of Deposit	13,303,803	13,286,399	13,304,320	6%			486	1.58%
East West Bank	3,000,000	3,000,000	3,000,000	1%	5%	✓	331	0.00%
Bank of Montreal	1,250,000	1,246,858	1,250,000	<1%	5%	✓	403	0.00%
Svenska Handelsbanken	1,250,000	1,247,202	1,250,000	<1%	5%	✓	375	0.00%
Bank of Nova Scotia	1,035,000	1,032,464	1,035,000	<1%	5%	✓	460	0.00%
Nordea Bank	1,035,000	1,031,684	1,035,000	<1%	5%	✓	334	0.00%
Swedbank	1,035,000	1,037,986	1,035,000	<1%	5%	✓	1051	0.00%
Canadian Imperial Bank	1,034,193	1,031,684	1,034,629	<1%	5%	✓	334	0.00%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	379	0.00%
Skandinaviska Enskilda NY	999,610	995,935	999,690	<1%	5%	✓	579	0.00%
Westpac Banking NY	900,000	897,850	900,000	<1%	5%	✓	946	0.00%
Bank of Tokyo Mitsubishi	515,000	514,736	515,000	<1%	5%	✓	633	0.00%
Boston Bank	250,000	250,000	250,000	<1%	5%	✓	522	0.00%
U.S. Treasury Notes	27,798,758	27,641,643	27,889,278	12%			881	1.51%
U.S. Treasury	27,798,758	27,641,643	27,889,278	12%	100%	✓	881	1.51%
Federal Agency Securities	48,707,218	48,402,873	48,734,026	21%			672	1.50%
FNMA	14,150,692	13,989,331	14,146,484	6%	40%	✓	850	1.45%
FHLB	15,303,781	15,218,310	15,305,818	7%	40%	✓	613	1.52%
FHLMC	13,278,965	13,228,782	13,305,941	6%	40%	✓	696	1.56%
FFCB	5,973,780	5,966,450	5,975,782	3%	40%	✓	344	1.39%
Medium-Term Corporate Notes	10,027,876	9,929,607	10,005,680	4%			1060	2.06%
State Street Corporation	1,017,129	1,001,597	1,014,806	<1%	5%	✓	961	1.77%
Wal-Mart	998,550	993,560	998,643	<1%	5%	✓	1080	1.95%
General Electric	984,798	963,243	976,472	<1%	5%	✓	855	1.83%
Wells Fargo	969,285	953,848	962,642	<1%	5%	✓	1072	2.08%



City of San Mateo
Portfolio Compliance Report
 December 31, 2017

Issuer Detail - Aggregate Portfolio

Issuer	Original Cost	Market Value ¹	Amortized Cost ²	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity ³	Average Yield ⁴
American Honda Finance	764,741	749,965	766,064	<1%	5%	✓	1348	1.84%
IBM Corp	751,575	752,490	751,303	<1%	5%	✓	1488	2.45%
Toyota	679,687	677,260	679,759	<1%	5%	✓	838	1.97%
American Express Company	584,392	583,227	584,556	<1%	5%	✓	793	2.24%
Bank of America	513,820	512,601	513,649	<1%	5%	✓	1205	2.40%
Citigroup	513,483	513,356	513,397	<1%	5%	✓	1438	2.72%
Goldman Sachs	504,109	498,543	502,421	<1%	5%	✓	1304	2.53%
Bank of New York	497,081	491,387	492,628	<1%	5%	✓	428	1.71%
PepsiCo	324,935	321,305	324,939	<1%	5%	✓	1201	2.01%
Branch Banking & Trust	264,878	262,493	264,882	<1%	5%	✓	1128	2.17%
Procter & Gamble	219,663	218,814	219,683	<1%	5%	✓	1027	1.95%
Berkshire Hathaway	159,845	157,979	159,915	<1%	5%	✓	592	1.33%
Paccar Financial	144,987	143,897	144,988	<1%	5%	✓	1048	2.05%
John Deere	134,918	134,043	134,932	<1%	5%	✓	904	1.97%
Grand Total	232,499,268	231,922,136	232,594,917	100%			320	1.41%

1. Market values provided by The Bank of New York Mellon Trust Company.

2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

4. The San Mateo County pool yield is an estimated December 2017 gross earnings rate as of December 31, 2017

December Transaction Detail

Transaction Type/Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
12/01/17	12/05/17	US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	900,000.00	(8,402.37)	3,059.75	894,657.38
12/01/17	12/04/17	FEDERAL HOME LOAN BANK DTD 11/27/2017 1.72% 11/27/19	3130ACRR76	2,000,000.00		668.89	2,000,668.89
12/01/17	12/04/17	FEDERAL HOME LOAN MORTGAGE CO. DTD 09/29/17 1.75% 03/29/21	3134GBG480	2,110,000.00	(14,770.00)	6,667.10	2,101,897.10
12/18/17	12/27/17	FEDERAL HOME LOAN MORTGAGE CORP DTD 12/27/2017 1.875% 12/27/2019	3134GB6B3	2,000,000.00	-	-	2,000,000.00
12/18/17	12/19/17	FEDERAL NATIONAL MORTGAGE ASSN. DTD 06/28/16 1.20% 06/28/19	3136G3TD7	500,000.00	(5,015.00)	2,850.00	497,835.00
12/18/17	12/19/17	FEDERAL FARM CREDIT DTD 07/18/2016 1.180% 10/19/2019	3133EGLD5	1,000,000.00	(13,260.00)	1,999.44	988,739.44
12/18/17	12/19/17	FEDERAL FARM CREDIT BANK DTD 08/01/2016 1.180% 08/01/2019	3133EGPD1	1,000,000.00	(11,410.00)	4,523.33	993,113.33
9,510,000.00					(52,857.37)	19,768.51	9,476,911.14

MATURITIES

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
12/20/17	12/20/17	FEDERAL NATIONAL MORTGAGE ASSN. .88% 12/20/17	3135GORT2	1,000,000.00	1,000,000.00		1,000,000.00
12/26/17	12/26/17	FEDERAL NATIONAL MORTGAGE ASSN. .87% 12/26/17	3136G14R73	1,000,000.00	1,000,000.00		1,000,000.00
12/26/17	12/26/17	FEDERAL FARM CREDIT BANK .90% 12/26/17	3133ECB452	1,000,000.00	1,000,000.00		1,000,000.00
12/26/17	12/26/17	FEDERAL HOME LOAN BANK 1.10% 12/29/17	3130A3MJ0	1,000,000.00	1,000,000.00		1,000,000.00
4,000,000.00					4,000,000.00	-	4,000,000.00

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost
12/01/17	12/05/17	FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	470,000.00	465,652.50	1,292.50	466,945.00	(4,413.30)	(4,377.41)
12/01/17	12/05/17	FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	430,000.00	430,524.60	2,373.96	432,898.56	(10,552.20)	(3,033.06)
900,000.00					896,177.10	3,666.46	899,843.56	(14,965.50)	(7,410.47)

* City of San Mateo



City of San Mateo
Bond Proceeds/Bond Reserve Portfolio
 December 31, 2017

Account Name	Type*	Issuer	Origination Date	Expiration or Maturity Date	Book Value	Stated Rate/Yield
South Bayfront Levee Flood Control Bond 2011A	C	LAIF	02/15/11	open	81,441	0.00%
Sewer Revenue Bond 2011	C	LAIF	05/12/11	open	-	0.00%
Sewer Revenue Bond 2014	C	Goldman Sachs Cash	06/11/14	open	1,883,544	0.00%
Subtotal Construction & Other					\$ 1,964,985	0.00%
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34	592,430	0.00%
Merged Area Tax Allocation Bonds Res 2007A	R	Morgan Stanley	12/04/12	open	-	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,097,529	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	592,430	0.00%
Subtotal Debt Reserve					\$ 2,282,390	0.44%
Total and Average					\$ 4,247,375	0.24%

* C=Construction, R=Debt Reserve