Date: April 13, 2018

Who:

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

What: **INVESTMENT ADVISORY COMMITTEE**

When: April 19, 2018 (Thursday)
3:30 to 5:00 p.m.

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

AGENDA

1. Investment Committee transition
2. Investment Committee Member recruitment
3. PFM - Portfolio Review
   - Yield Trend
   - Strategy
   - Market Value
4. Review Quarterly Report – January 2018 thru March 2018
5. 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

Investment Advisory Committee Meetings			**Quarterly Investment Report**
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
January 17, 2019	3:30 p.m.	TBD	Oct/Nov/Dec

Investment Advisory Committee Meeting
January 18, 2018

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

Committee composition:
Welcome new member – Jeff Adams.

Investment Committee Member Terms:
Brief discussion of possible options for terms for new member and transition of veteran members. Kent and Drew to discuss further prior to next IAC meeting in April.

Investment Policy
Review of Investment Policy for any additional changes scheduled for council approval, on consent calendar for meeting of February 5, 2018. Investment Policy approved – Resolution #17(2018)

PFM Quarterly presentation:
Economic conditions continue to remain consistent with previous quarter activity.

- Consumer spending still high as compared to 2016.
- Unemployment rate remains unchanged through the fourth calendar quarter. Labor market continues to be strong.
- Commercial paper and negotiable CD's continue to offer significant yield over short term government securities.
- Focus of the PFM managed portfolio will continue to focus on the corporate sector.

Adjournment:
Next meeting – Thursday, April 19th, 2018

City - Managed Portfolio
Summary of Investment Transactions
January - March 2018

Purchases

Date	Par Value	Issuer	Coupon	Maturity Range	Price
1/25/2018	$2,000,000	FHLB	1.675%	10/2/2018	$ 1,976,736
1/25/2018	$2,000,000	FHLB	1.500%	10/21/2019	$ 1,992,800
1/25/2018	$2,000,000	FHLMC	1.375%	8/15/2019	$ 1,996,708
1/24/2018	$2,000,000	FHLB	1.660%	11/9/2018	$ 1,973,348
1/24/2018	$2,000,000	FHLB	1.620%	9/21/2018	$ 1,978,400
1/25/2018	$2,000,000	FHLB	1.590%	7/31/2018	$ 1,983,482
1/25/2018	$2,000,000	FHLB	1.590%	8/30/2018	$ 1,980,743
1/25/2018	$2,000,000	FFCB	2.020%	1/29/2020	$ 2,000,000
1/25/2018	$2,000,000	FHLB	1.950%	1/10/2020	$ 2,000,058
3/27/2018	$2,000,000	FHLB	2.300%	12/31/2019	$ 2,000,000
3/29/2018	$2,000,000	FHLB	1.720%	1/6/2020	$ 1,983,771
	$ 22,000,000				

Maturities

Date	Face Value	Issuer	Coupon	CUSIP
1/2/2018	$ 1,000,000	US Treasury	0.750%	912828UE89
1/12/2018	$ 500,000	FHLMC	0.750%	3137EADN6
1/16/2018	$ 1,000,000	FFCB	0.900%	3133ECCZ5
1/22/2018	$ 1,000,000	FFCB	0.950%	3134G33Y
2/8/2018	$ 2,000,000	FNMA	0.880%	3135G0TG8
2/28/2018	$ 1,000,000	US Treasury	0.750%	912828UR9
3/9/2018	$ 1,400,000	FHLB	1.380%	313378A43
	$ 7,900,000			

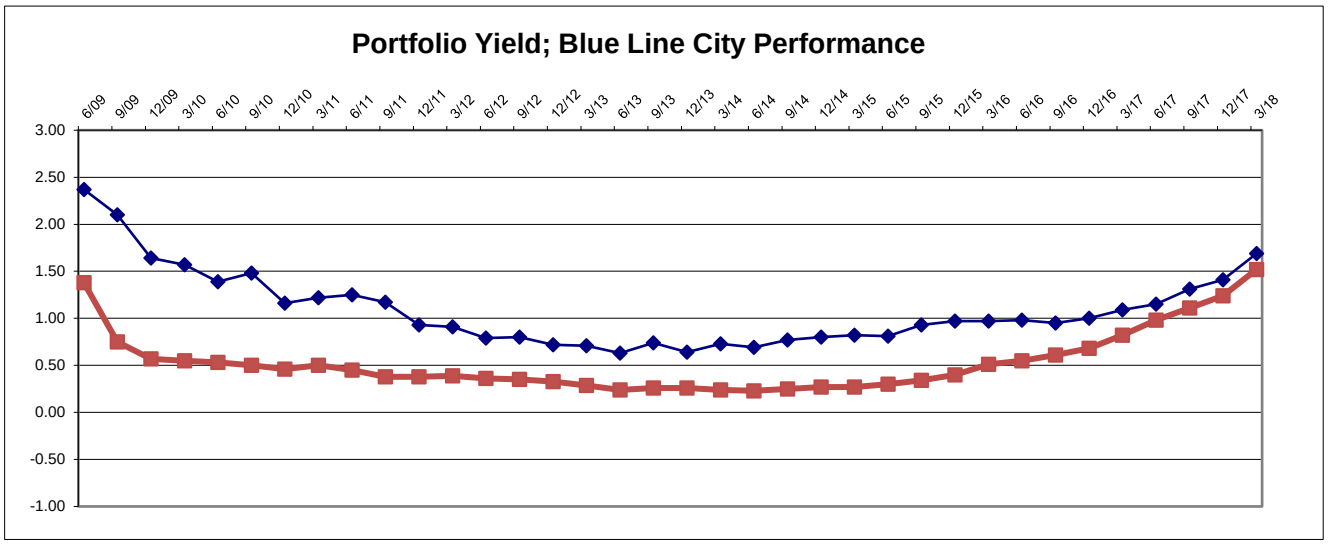
Calls

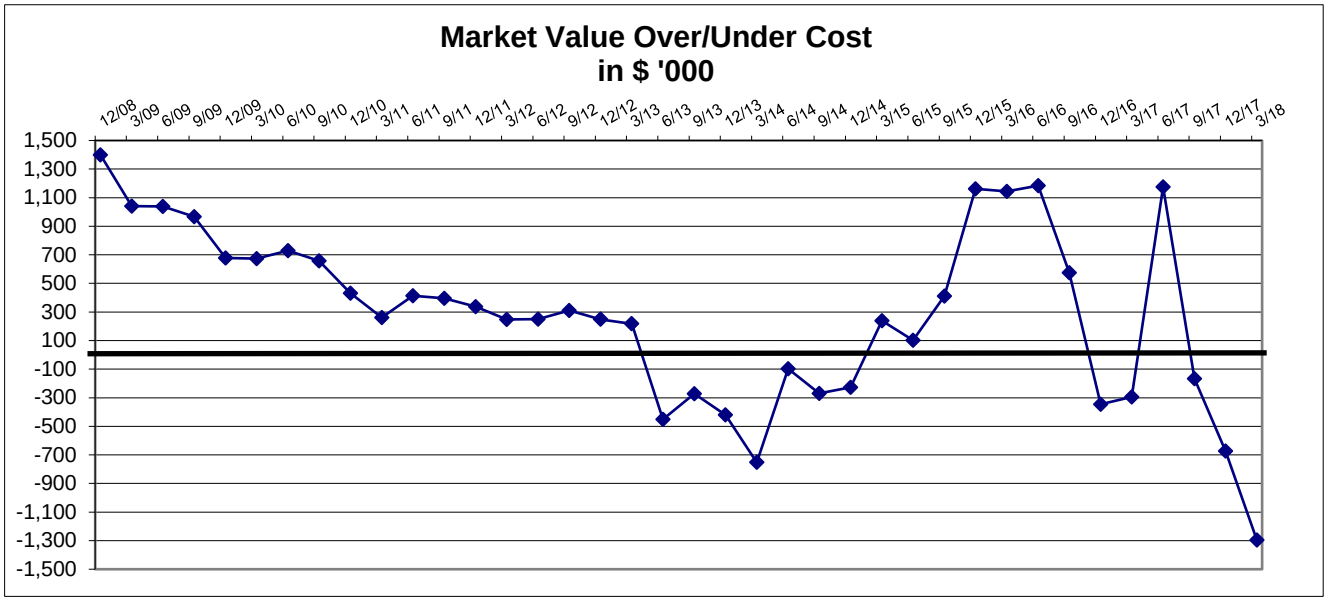
Date	Face Value	Issuer	Coupon	CUSIP
	$ -			

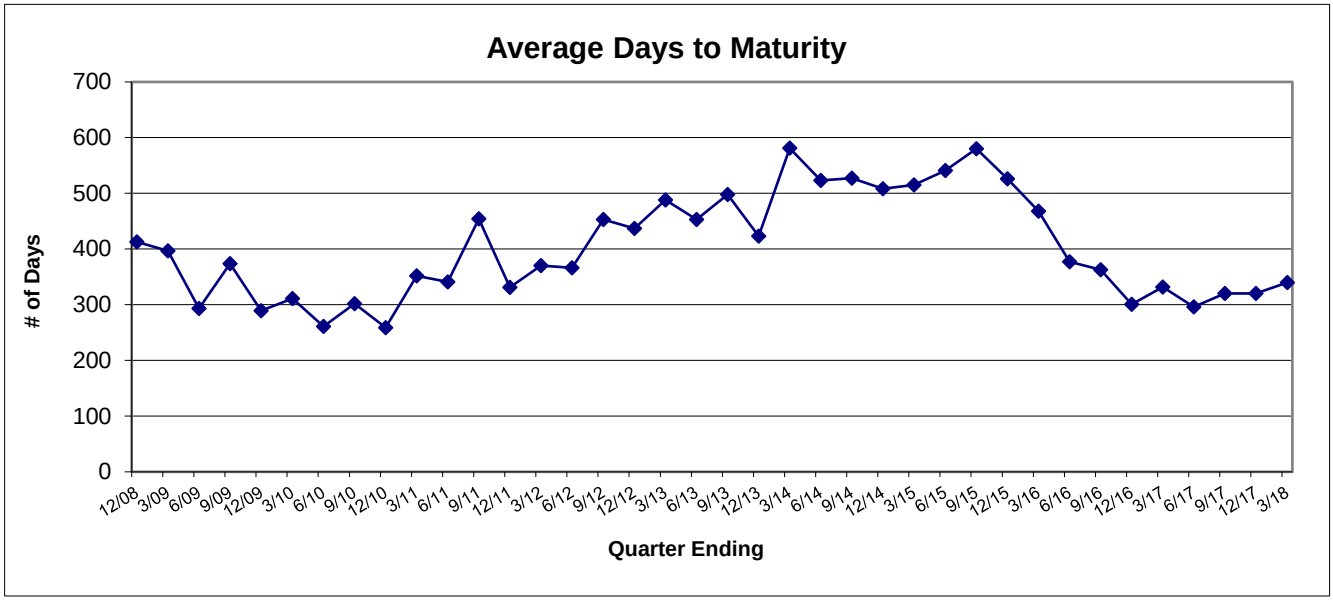
Renewals

Date	Face Value	Issuer	Coupon	Term
	$ -			

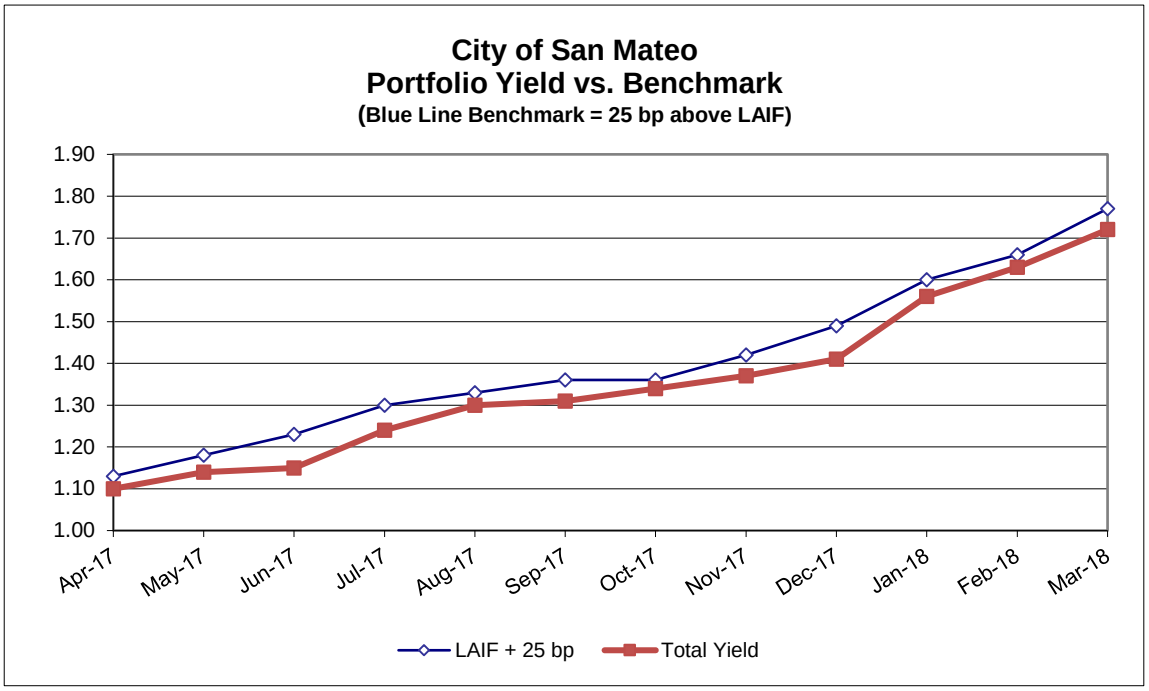
City of San Mateo
Historical Trend
by Quarter

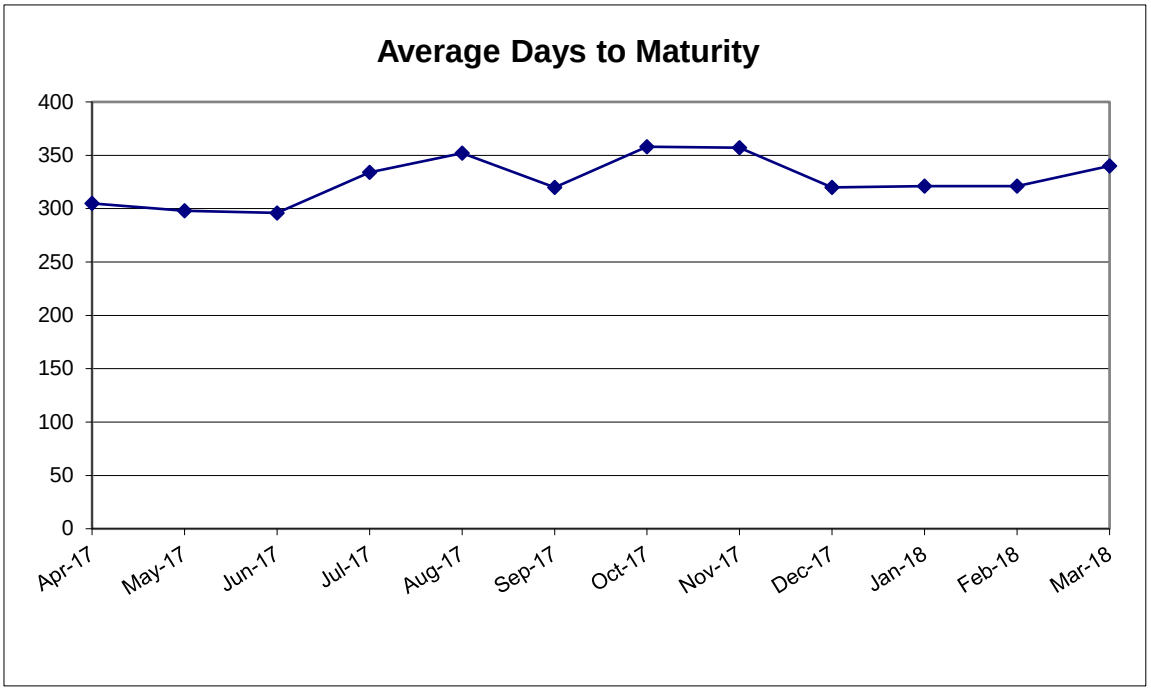






City of San Mateo
Current Year - 12 Month Trend





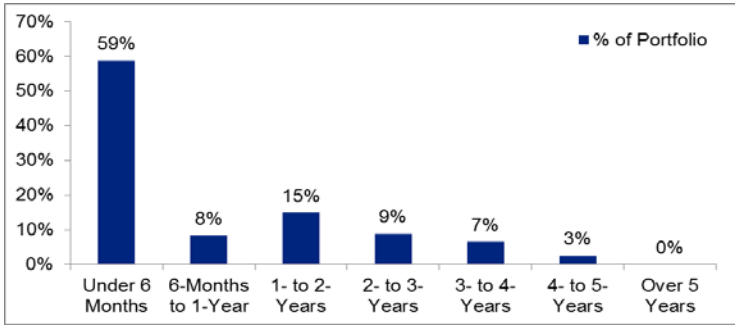
Portfolio Compliance Report
January 31, 2018

Investment Summary - Aggregate Portfolio

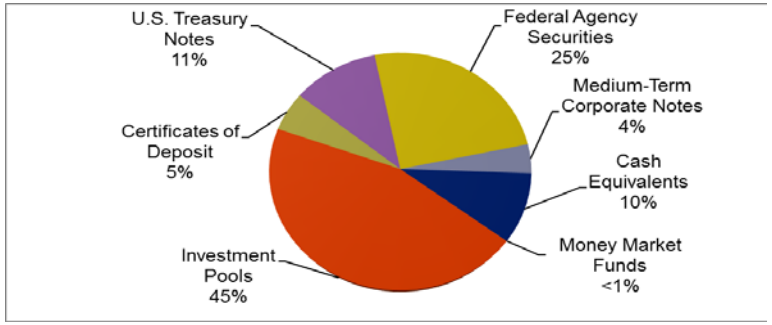
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity[3]	Average Yield[5]
Cash Equivalents	$50,000	$50,000	$50,000	10%	100%	✓	1	1.35%
Money Market Funds	$31,665	$31,665	$31,665	<1%	20%	✓	1	0.00%
Investment Pools	$113,813,732	$113,813,732	$113,813,732	45%	30-65%[4]	✓	1	1.38%
Total Liquidity	**$113,895,397**	**$113,895,397**	**$113,895,397**	**55%**			**1**	**1.37%**
Certificates of Deposit	$13,303,803	$13,266,388	$13,304,371	5%	30%	✓	465	1.58%
U.S. Treasury Notes	$27,918,295	$27,573,054	$27,997,278	11%	100%	✓	931	1.57%
Federal Agency Securities	$62,942,809	$62,439,103	$62,968,541	25%	70%	✓	608	1.87%
Medium-Term Corporate Notes	$10,027,876	$9,854,219	$10,000,897	4%	20%	✓	1,029	2.06%
Total Securities	**$114,192,782**	**$113,132,763**	**$114,271,086**	**45%**			**707**	**1.78%**
Total Portfolio	**$228,088,180**	**$227,028,161**	**$228,166,483**	**100%**			**321**	**1.56%**
Internal	*$176,303,822*	*$176,055,251*	*$176,398,997*	*80%*			*156*	*1.51%*
External	*$51,784,358*	*$50,972,910*	*$51,767,486*	*20%*			*958*	*1.75%*

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 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.
5. The San Mateo County pool yield is an estimated January 2018 gross earnings rate as of January 31, 2018

Maturity Distribution[6]



Sector Distribution



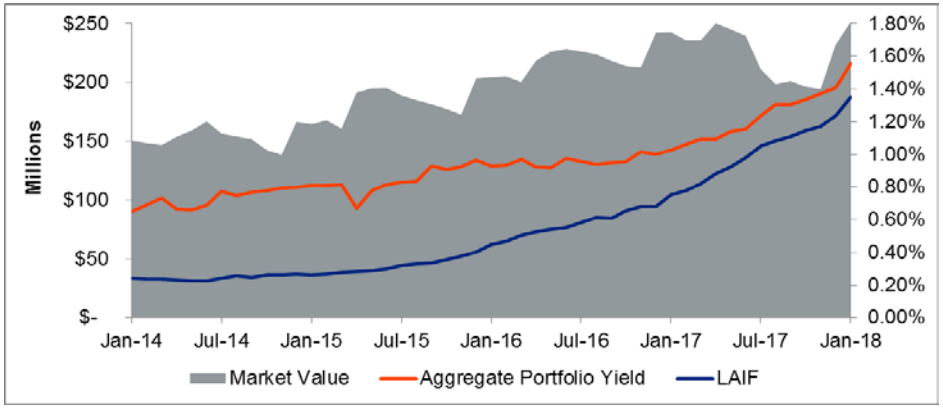
6. The portfolio is compliant with its liquidity standard. To ensure sufficient liquidity at least 25% of the market value of the portfolio is invested in liquid securities or deposits with a remaining maturity of six months or less. Percentages may not add up to 100% due to rounding.

City of San Mateo
Portfolio Compliance Report
January 31, 2018

Compliance

	Yes	No
Liquidity	☑	☐
Permitted types of investments	☑	☐
Limits within investment categories	☑	☐
Limits within single agency/institution	☑	☐
Limits relating to maturity	☑	☐
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months	☑	☐

Portfolio Yield vs. LAIF



Historical Portfolio Data

Drew Corbett
Finance Director

28-Feb-18
Date

City of San Mateo
Portfolio Compliance Report
January 31, 2018

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	**50,000**	**50,000**	**50,000**	**10%**			**1**	**1.35%**
East West Bank	50,000	50,000	50,000	10%	100%	✓	1	1.35%
Money Market Funds	**31,665**	**31,665**	**31,665**	**<1%**			**1**	**0.00%**
Dreyfus	31,665	31,665	31,665	<1%	10%	✓	1	0.00%
Investment Pools	**113,813,732**	**113,813,732**	**113,813,732**	**45%**			**1**	**1.38%**
Local Agency Investment Fund	56,809,085	56,809,085	56,809,085	23%	65%	✓	1	1.35%
San Mateo County Pool	57,004,648	57,004,648	57,004,648	23%	30%	✓	1	1.40%
Certificates of Deposit	**13,303,803**	**13,266,388**	**13,304,371**	**5%**			**465**	**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	1,245,119	1,250,000	<1%	5%	✓	372	0.00%
Svenska Handelsbanken	1,250,000	1,246,579	1,250,000	<1%	5%	✓	344	0.00%
Bank of Nova Scotia	1,035,000	1,030,581	1,035,000	<1%	5%	✓	429	0.00%
Nordea Bank	1,035,000	1,032,098	1,035,000	<1%	5%	✓	303	0.00%
Swedbank	1,035,000	1,030,875	1,035,000	<1%	5%	✓	1020	0.00%
Canadian Imperial Bank	1,034,193	1,032,098	1,034,664	<1%	5%	✓	303	0.00%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	379	0.00%
Skandinaviska Enskilda NY	999,610	993,307	999,707	<1%	5%	✓	548	0.00%
Westpac Banking NY	900,000	892,663	900,000	<1%	5%	✓	915	0.00%
Bank of Tokyo Mitsubishi	515,000	513,067	515,000	<1%	5%	✓	602	0.00%
Boston Bank	250,000	250,000	250,000	<1%	5%	✓	522	0.00%
U.S. Treasury Notes	**27,918,295**	**27,573,054**	**27,997,278**	**11%**			**931**	**1.57%**
U.S. Treasury	27,918,295	27,573,054	27,997,278	11%	100%	✓	931	1.57%
Federal Agency Securities	**62,942,809**	**62,439,103**	**62,968,541**	**25%**			**608**	**1.87%**
FNMA	14,150,692	13,912,744	14,146,501	6%	40%	✓	819	1.45%
FHLB	29,180,790	29,046,332	29,186,550	12%	40%	✓	476	2.19%
FHLMC	13,638,048	13,530,527	13,660,460	5%	40%	✓	693	1.67%
FFCB	5,973,280	5,949,500	5,975,030	2%	40%	✓	554	1.74%
Medium-Term Corporate Notes	**10,027,876**	**9,854,219**	**10,000,897**	**4%**			**1029**	**2.06%**
State Street Corporation	1,017,129	995,706	1,014,195	<1%	5%	✓	930	1.77%
Wal-Mart	998,550	987,680	998,682	<1%	5%	✓	1049	1.95%
General Electric	984,798	954,387	973,803	<1%	5%	✓	824	1.83%
Wells Fargo	969,285	945,716	962,293	<1%	5%	✓	1041	2.08%

City of San Mateo
Portfolio Compliance Report
January 31, 2018

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	742,557	766,150	<1%	5%	✓	1317	1.84%
IBM Corp	751,575	743,138	751,277	<1%	5%	✓	1457	2.45%
Toyota	679,687	673,044	679,768	<1%	5%	✓	807	1.97%
American Express Company	584,392	580,636	584,572	<1%	5%	✓	762	2.24%
Bank of America	513,820	507,266	513,561	<1%	5%	✓	1174	2.40%
Citigroup	513,483	508,241	513,327	<1%	5%	✓	1407	2.72%
Goldman Sachs	504,109	494,155	501,481	<1%	5%	✓	1273	2.53%
Bank of New York	497,081	490,230	492,429	<1%	5%	✓	397	1.71%
PepsiCo	324,935	319,261	324,941	<1%	5%	✓	1170	2.01%
Branch Banking & Trust	264,878	260,423	264,884	<1%	5%	✓	1097	2.17%
Procter & Gamble	219,663	217,424	219,693	<1%	5%	✓	996	1.95%
Berkshire Hathaway	159,845	157,754	159,920	<1%	5%	✓	561	1.33%
Paccar Financial	144,987	143,222	144,988	<1%	5%	✓	1017	2.05%
John Deere	134,918	133,380	134,934	<1%	5%	✓	873	1.97%
Grand Total	**228,088,180**	**227,028,161**	**228,166,483**	**100%**			**321**	**1.56%**

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 January 2018 gross earnings rate as of January 31, 2018

January Transaction Detail

Transaction Type / Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	
01/03/18	01/04/18	US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,780,000.00	(1,758,236.72)	(8,802.20)	(1,767,038.92)	
01/25/18	01/25/18	FEDERAL HOME LOAN BANK DTD 10/2/2017 1.675% 10/02/2018	313385H90	2,000,000.00	(1,976,736.11)		(1,976,736.11)	*
01/25/18	01/25/18	FEDERAL HOME LOAN BANK DTD 10/13/2017 1.500% 10/21/2019	3130ACM925	2,000,000.00	(1,984,300.00)	(8,500.00)	(1,992,800.00)	*
01/25/18	01/25/18	FEDERAL HOME LOAN MORTGAGE CORP DTD 7/19/2017 1.375% 8/15/2019	3137EAEH82	2,000,000.00	(1,982,500.00)	(14,208.33)	(1,996,708.33)	*
01/24/18	01/24/18	FEDERAL HOME LOAN BANK DTD 11/9/2017 1.660% 11/09/2018	313385N77	2,000,000.00	(1,973,347.78)		(1,973,347.78)	*
01/24/18	01/24/18	FEDERAL HOME LOAN BANK DTD 09/21/2017 1.620% 09/21/2018	313385G67	2,000,000.00	(1,978,400.00)		(1,978,400.00)	*
01/25/18	01/25/18	FEDERAL HOME LOAN BANK DTD 07/31/2017 1.590% 07/31/2018	313385A22	2,000,000.00	(1,983,481.67)		(1,983,481.67)	*
01/25/18	01/25/18	FEDERAL HOME LOAN BANK DTD 08/31/2017 1.590% 08/31/2018	313385D94	2,000,000.00	(1,980,743.33)		(1,980,743.33)	*
01/25/18	01/25/18	FEDERAL FARM CREDIT BANK DTD 01/29/2018 2.020% 01/29/2020	3130ADFP2	2,000,000.00	(2,000,000.00)		(2,000,000.00)	*
01/25/18	01/25/18	FEDERAL HOME LOAN BANK DTD 01/10/2018 1.950% 01/20/2020	3133EH6L2	2,000,000.00	(1,998,000.00)	(2,058.33)	(2,000,058.33)	
							-	
				19,780,000.00	**(19,615,745.61)**	**(33,568.86)**	**(19,649,314.47)**	

MATURITIES

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	
01/02/18	01/02/18	US TREASURY .75% 1/2/17	912828UE89	1,000,000.00	1,000,000.00	3,750.00	1,003,750.00	*
01/12/18	01/12/18	FEDERAL HOME LOAN MORTGAGE CORP .75% 1/12/18	3137EADN6	500,000.00	500,000.00	1,875.00	501,875.00	*
01/16/18	01/16/18	FEDERAL FARM CREDIT BANK .90% 1/16/18	3133ECCZ5	1,000,000.00	1,000,000.00	4,500.00	1,004,500.00	*
01/23/18	01/23/18	FEDERAL FARM CREDIT BANK .95% 1/23/18	3134G33Y4	1,000,000.00	1,000,000.00	9,463.00	1,009,463.00	*
				3,500,000.00	**3,500,000.00**	**19,588.00**	**3,519,588.00**	

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
01/03/18	01/04/18	FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EAD29	1,130,000.00	1,119,084.20	2,789.69	1,121,873.89	(10,542.90)	(10,757.68)	FIFO
01/03/18	01/04/18	US TREASURY NOTES DTD 06/02/2014 1.500% 05/31/2019	912828WL0	650,000.00	646,648.44	937.50	647,585.94	(10,460.94)	(7,298.83)	FIFO
				1,780,000.00	**1,765,732.64**	**3,727.19**	**1,769,459.83**	**(21,003.84)**	**(18,056.51)**	
		Total Security Transactions			**(14,350,012.97)**	**(10,253.67)**	**(14,360,266.64)**	**(21,003.84)**	**(18,056.51)**	

* City of San Mateo

City of San Mateo
Bond Proceeds/Bond Reserve Portfolio
January 31, 2018

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		1,885,253	0.00%
Subtotal Construction & Other					**$**	**1,966,694**	**0.00%**
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34		508,856	0.00%
Merged Area Tax Allocation Bonds Res 2007A	R	Morgan Stanley	12/04/12	open		-	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open		1,098,505	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open		566,687	0.00%
Subtotal Debt Reserve					**$**	**2,174,047**	**0.46%**
Total and Average					**$**	**4,140,741**	**0.24%**

** C=Construction, R=Debt Reserve*

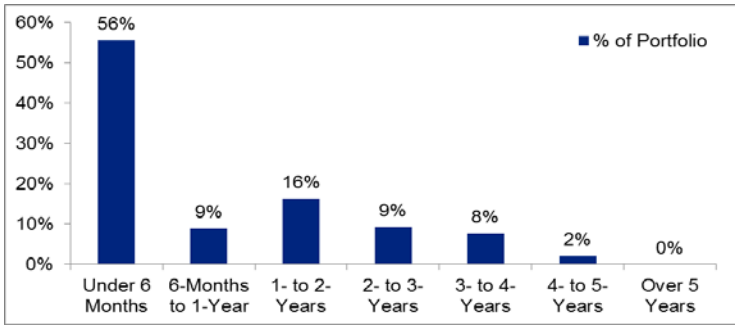
Portfolio Compliance Report
February 28, 2018

Investment Summary - Aggregate Portfolio

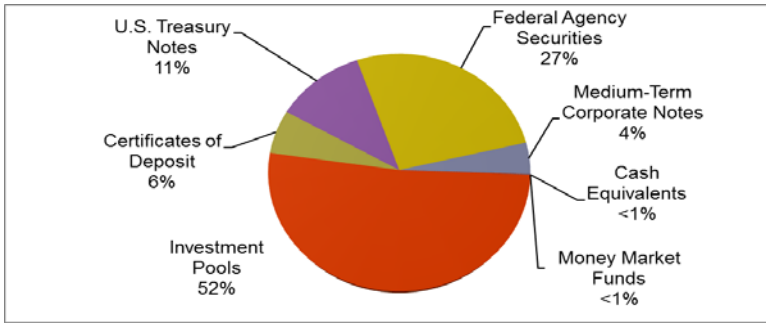
Security Type	Original Cost	Market Value[1]	Amortized Cost[2]	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity[3]	Average Yield[5]
Cash Equivalents	$50,000	$50,000	$50,000	<1%	100%	✓	1	1.35%
Money Market Funds	$12,907	$12,907	$12,907	<1%	20%	✓	1	0.00%
Investment Pools	$117,438,066	$117,438,066	$117,438,066	52%	30-65%[4]	✓	1	1.46%
Total Liquidity	**$117,500,973**	**$117,500,973**	**$117,500,973**	**52%**			**1**	**1.46%**
Certificates of Deposit	$13,558,803	$13,511,949	$13,559,417	6%	30%	✓	470	1.67%
U.S. Treasury Notes	$26,441,889	$26,020,856	$26,503,629	11%	100%	✓	940	1.58%
Federal Agency Securities	$61,211,212	$60,621,371	$61,243,913	27%	70%	✓	597	1.90%
Medium-Term Corporate Notes	$10,027,876	$9,786,571	$9,996,099	4%	20%	✓	1,001	2.06%
Total Securities	**$111,239,778**	**$109,940,747**	**$111,303,057**	**48%**			**700**	**1.81%**
Total Portfolio	**$228,740,751**	**$227,441,719**	**$228,804,030**	**100%**			**340**	**1.63%**
Internal	*$176,956,019*	*$176,625,775*	*$177,042,172*	*78%*			*166*	*1.59%*
External	*$51,784,732*	*$50,815,944*	*$51,761,858*	*22%*			*936*	*1.77%*

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 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.
5. The San Mateo County pool yield is an estimated February 2018 gross earnings rate as of February 28, 2018

Maturity Distribution[6]



Sector Distribution



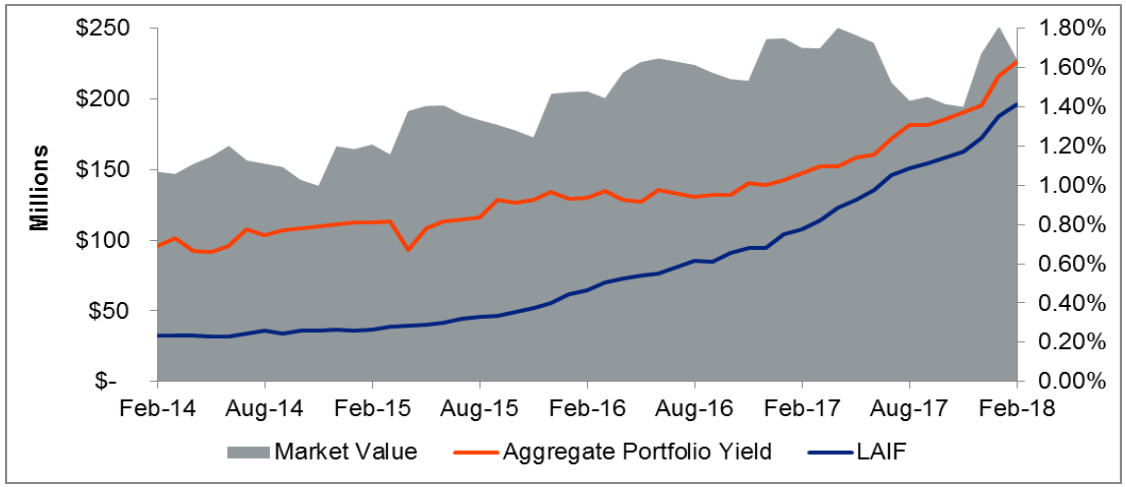
6. The portfolio is compliant with its liquidity standard. To ensure sufficient liquidity at least 25% of the market value of the portfolio is invested in liquid securities or deposits with a remaining maturity of six months or less. Percentages may not add up to 100% due to rounding.

City of San Mateo
Portfolio Compliance Report
February 28, 2018

Compliance

	Yes	No
Liquidity	☑	☐
Permitted types of investments	☑	☐
Limits within investment categories	☑	☐
Limits within single agency/institution	☑	☐
Limits relating to maturity	☑	☐
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months	☑	☐

Portfolio Yield vs. LAIF



Historical Portfolio Data

Drew Corbett
Finance Director

21-Mar-18
Date

City of San Mateo
Portfolio Compliance Report
February 28, 2018

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	**50,000**	**50,000**	**50,000**	**<1%**			**1**	**1.35%**
East West Bank	50,000	50,000	50,000	<1%	100%	✓	1	1.35%
Money Market Funds	**12,907**	**12,907**	**12,907**	**<1%**			**1**	**0.00%**
Dreyfus	12,907	12,907	12,907	<1%	10%	✓	1	0.00%
Investment Pools	**117,438,066**	**117,438,066**	**117,438,066**	**52%**			**1**	**1.46%**
Local Agency Investment Fund	57,609,085	57,609,085	57,609,085	25%	65%	✓	1	1.41%
San Mateo County Pool	59,828,981	59,828,981	59,828,981	26%	30%	✓	1	1.50%
Certificates of Deposit	**13,558,803**	**13,511,949**	**13,559,417**	**6%**			**470**	**1.67%**
East West Bank	3,000,000	3,000,000	3,000,000	1%	5%	✓	284	0.00%
Bank of Montreal	1,250,000	1,243,775	1,250,000	<1%	5%	✓	344	0.00%
Svenska Handelsbanken	1,250,000	1,245,049	1,250,000	<1%	5%	✓	316	0.00%
Bank of Nova Scotia	1,035,000	1,028,605	1,035,000	<1%	5%	✓	401	0.00%
Nordea Bank	775,000	778,503	775,000	<1%	5%	✓	722	0.00%
Swedbank	1,035,000	1,026,764	1,035,000	<1%	5%	✓	992	0.00%
Canadian Imperial Bank	1,034,193	1,030,394	1,034,695	<1%	5%	✓	275	0.00%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	320	0.00%
Skandinaviska Enskilda NY	999,610	990,953	999,722	<1%	5%	✓	520	0.00%
Westpac Banking NY	900,000	889,516	900,000	<1%	5%	✓	887	0.00%
Bank of Tokyo Mitsubishi	515,000	511,657	515,000	<1%	5%	✓	574	0.00%
Boston Bank	250,000	250,000	250,000	<1%	5%	✓	463	0.00%
U.S. Treasury Notes	**26,441,889**	**26,020,856**	**26,503,629**	**11%**			**940**	**1.58%**
U.S. Treasury	26,441,889	26,020,856	26,503,629	11%	100%	✓	940	1.58%
Federal Agency Securities	**61,211,212**	**60,621,371**	**61,243,913**	**27%**			**597**	**1.90%**
FNMA	12,161,212	11,885,861	12,146,358	5%	40%	✓	924	1.53%
FHLB	29,438,673	29,276,944	29,458,487	13%	40%	✓	446	2.19%
FHLMC	13,638,048	13,514,576	13,662,863	6%	40%	✓	665	1.67%
FFCB	5,973,280	5,943,990	5,976,206	3%	40%	✓	526	1.74%
Medium-Term Corporate Notes	**10,027,876**	**9,786,571**	**9,996,099**	**4%**			**1001**	**2.06%**
State Street Corporation	1,017,129	988,652	1,013,582	<1%	5%	✓	902	1.77%
Wal-Mart	998,550	980,210	998,721	<1%	5%	✓	1021	1.95%
General Electric	984,798	947,619	971,134	<1%	5%	✓	796	1.83%
Wells Fargo	969,285	938,382	961,943	<1%	5%	✓	1013	2.08%

City of San Mateo
Portfolio Compliance Report
February 28, 2018

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	737,645	766,236	<1%	5%	✓	1289	1.84%
IBM Corp	751,575	735,923	751,252	<1%	5%	✓	1429	2.45%
Toyota	679,687	669,950	679,776	<1%	5%	✓	779	1.97%
American Express Company	584,392	577,922	584,589	<1%	5%	✓	734	2.24%
Bank of America	513,820	502,549	513,473	<1%	5%	✓	1146	2.40%
Citigroup	513,483	503,411	513,257	<1%	5%	✓	1379	2.72%
Goldman Sachs	504,109	490,167	500,527	<1%	5%	✓	1245	2.53%
Bank of New York	497,081	488,025	492,229	<1%	5%	✓	369	1.71%
PepsiCo	324,935	317,395	324,942	<1%	5%	✓	1142	2.01%
Branch Banking & Trust	264,878	259,475	264,887	<1%	5%	✓	1069	2.17%
Procter & Gamble	219,663	216,502	219,702	<1%	5%	✓	968	1.95%
Berkshire Hathaway	159,845	157,611	159,924	<1%	5%	✓	533	1.33%
Paccar Financial	144,987	142,365	144,988	<1%	5%	✓	989	2.05%
John Deere	134,918	132,770	134,936	<1%	5%	✓	845	1.97%
Grand Total	**228,740,751**	**227,441,719**	**228,804,030**	**100%**			**340**	**1.63%**

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.

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4. The San Mateo County pool yield is an estimated February 2018 gross earnings rate as of February 28, 2018

February Transaction Detail

Transaction Type / Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
02/07/18	02/08/18	CREDIT SUISSE NEW YORK CD DTD 02/8/18 2.67% 2/7/2020	22549LFR1	515,000.00	(515,000.00)	-	(515,000.00)
02/20/18	02/22/18	NORDEA BANK AB NY CD DTD 02/22/2018 2.72% 2/20/2020	65590ASN7	775,000.00	(775,000.00)	-	(775,000.00)
02/22/18	02/22/18	FEDERAL HOME LOAN BANK DTD 8/3/2017 0.000% 8/03/2018	313385A55	260,000.00	(257,882.30)	-	(257,882.30)
							-
				1,550,000.00	**(1,547,882.30)**	**-**	**(1,547,882.30)**

MATURITIES

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
02/08/18	02/08/18	FEDERAL NATIONAL MORTGAGE ASSN .88%	3135G0TG8	2,000,000.00	2,000,000.00	8,750.00	2,008,750.00
02/28/18	02/28/18	US TREASURY .75% 2/28/13	912828UR9	1,000,000.00	1,000,000.00	3,750.00	1,003,750.00
				3,000,000.00	**3,000,000.00**	**12,500.00**	**3,012,500.00**

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
02/07/18	02/07/18	US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	460,000.00	451,464.84	2,557.32	454,022.16
02/08/18	02/08/18	US TREASURY NOTES DTD 02/28/2013 1.200% 02/29/2020	912828UQ1	40,000.00	39,275.00	222.38	39,497.38
02/20/18	02/22/18	NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	1,035,000.00	1,031,615.55	4,250.40	1,035,865.95
				1,535,000.00	**1,522,355.39**	**7,030.10**	**1,529,385.49**
		Total Security Transactions			**2,974,473.09**	**19,530.10**	**2,994,003.19**

* City of San Mateo

City of San Mateo
Bond Proceeds/Bond Reserve Portfolio
February 28, 2018

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		81,687	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		1,887,151	0.00%
Subtotal Construction & Other					**$**	**1,968,839**	**0.00%**
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34		12,123	0.00%
Merged Area Tax Allocation Bonds Res 2007A	R	Morgan Stanley	12/04/12	open		-	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open		1,099,575	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open		567,130	0.00%
Subtotal Debt Reserve					**$**	**1,678,828**	**0.60%**
Total and Average					**$**	**3,647,667**	**0.28%**

** C=Construction, R=Debt Reserve*

Portfolio Compliance Report
March 31, 2018

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	$50,000	$50,000	$50,000	<1%	100%	✓	1	1.35%
Money Market Funds	$18,086	$18,086	$18,086	<1%	20%	✓	1	0.00%
Investment Pools	$114,476,923	$114,476,923	$114,476,923	50%	30-65%[4]	✓	1	1.59%
Total Liquidity	**$114,545,009**	**$114,545,009**	**$114,545,009**	**50%**			**1**	**1.59%**
Certificates of Deposit	$14,333,803	$14,276,962	$14,334,468	6%	30%	✓	456	1.74%
U.S. Treasury Notes	$27,202,051	$26,838,955	$27,274,268	12%	100%	✓	920	1.61%
Federal Agency Securities	$62,216,070	$61,696,425	$62,274,712	27%	70%	✓	588	1.96%
Medium-Term Corporate Notes	$10,027,876	$9,765,915	$9,991,296	4%	20%	✓	970	2.06%
Total Securities	**$113,779,799**	**$112,578,257**	**$113,874,744**	**50%**			**684**	**1.85%**
Total Portfolio	**$228,324,808**	**$227,123,266**	**$228,419,752**	**100%**			**342**	**1.72%**
Internal	*$176,558,148*	*$176,285,134*	*$176,677,563*	*78%*			*171*	*1.69%*
External	*$51,766,660*	*$50,838,132*	*$51,742,189*	*22%*			*922*	*1.81%*
Bonded Debt Portfolio	**$3,638,840**	**$3,638,840**	**$3,638,840**					**0.28%**

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

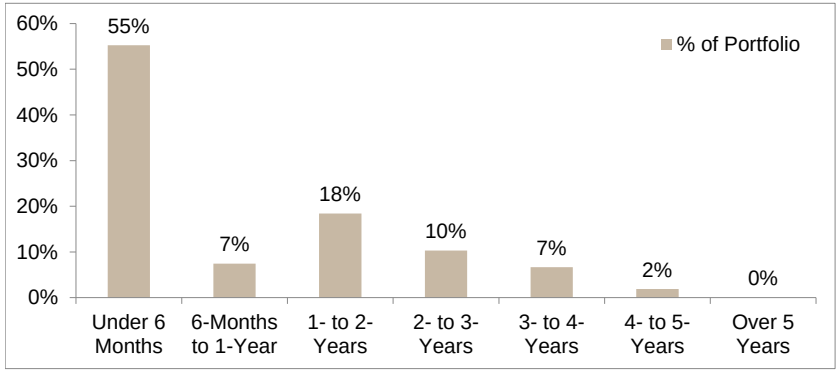
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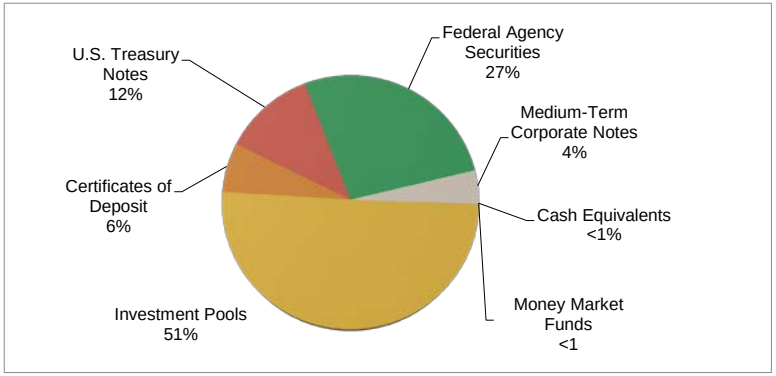
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5. The San Mateo County pool yield is an estimated March 2018 gross earnings rate as of March 31, 2018

Maturity Distribution[6]



Sector Distribution



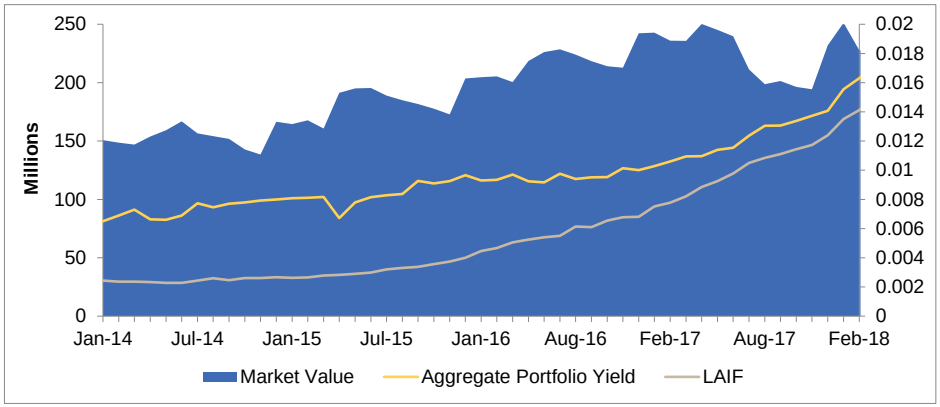
6. The portfolio is compliant with its liquidity standard. To ensure sufficient liquidity at least 25% of the market value of the portfolio is invested in liquid securities or deposits with a remaining maturity of six months or less. Percentages may not add up to 100% due to rounding.

City of San Mateo
Portfolio Compliance Report
March 31, 2018

Compliance

	Yes	No
Liquidity	☑	☐
Permitted types of investments	☑	☐
Limits within investment categories	☑	☐
Limits within single agency/institution	☑	☐
Limits relating to maturity	☑	☐
The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months	☑	☐

Portfolio Yield vs. LAIF



Historical Portfolio Data

Drew Corbett
Finance Director

13-Apr-18
Date

City of San Mateo
Portfolio Compliance Report
March 31, 2018

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	**50,000**	**50,000**	**50,000**	**<1%**			**1**	**1.35%**
East West Bank	50,000	50,000	50,000	<1%	100%	✓	1	1.35%
Money Market Funds	**18,086**	**18,086**	**18,086**	**<1%**			**1**	**0.00%**
Dreyfus	18,086	18,086	18,086	<1%	10%	✓	1	0.00%
Investment Pools	**114,476,923**	**114,476,923**	**114,476,923**	**50%**			**1**	**1.59%**
Local Agency Investment Fund	49,109,085	49,109,085	49,109,085	22%	65%	✓	1	1.52%
San Mateo County Pool	65,367,838	65,367,838	65,367,838	29%	30%	✓	1	1.63%
Certificates of Deposit	**14,333,803**	**14,276,962**	**14,334,468**	**6%**			**456**	**1.74%**
Boston Bank	250,000	250,000	250,000	<1%	5%	✓	432	1.00%
Bank of Tokyo Mitsubishi	515,000	510,665	515,000	<1%	5%	✓	543	2.07%
Credit Suisse NY	515,000	515,474	515,000	<1%	5%	✓	678	2.67%
Nordea Bank	775,000	776,571	775,000	<1%	5%	✓	691	2.72%
UBS AG of Stamford	775,000	779,341	775,000	<1%	5%	✓	702	2.93%
Westpac Banking NY	900,000	887,848	900,000	<1%	5%	✓	856	2.05%
Skandinaviska Enskilda NY	999,610	989,142	999,739	<1%	5%	✓	489	1.85%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	289	0.70%
Swedbank	1,035,000	1,024,627	1,035,000	<1%	5%	✓	961	2.30%
Bank of Nova Scotia	1,035,000	1,026,941	1,035,000	<1%	5%	✓	370	1.91%
Canadian Imperial Bank	1,034,193	1,029,757	1,034,729	<1%	5%	✓	244	1.78%
Bank of Montreal	1,250,000	1,242,642	1,250,000	<1%	5%	✓	313	1.90%
Svenska Handelsbanken	1,250,000	1,243,954	1,250,000	<1%	5%	✓	285	1.91%
East West Bank	3,000,000	3,000,000	3,000,000	1%	5%	✓	263	0.85%
U.S. Treasury Notes	**27,202,051**	**26,838,955**	**27,274,268**	**12%**			**920**	**1.61%**
U.S. Treasury	27,202,051	26,838,955	27,274,268	12%	100%	✓	920	1.61%
Federal Agency Securities	**62,216,070**	**61,696,425**	**62,274,712**	**27%**			**588**	**1.96%**
FFCB	7,949,120	7,923,170	7,953,423	3%	40%	✓	533	1.91%
FNMA	12,160,659	11,899,759	12,146,194	5%	40%	✓	893	1.53%
FHLMC	12,338,069	12,231,709	12,358,949	5%	40%	✓	650	1.70%
FHLB	29,768,222	29,641,788	29,816,146	13%	40%	✓	453	2.25%
Medium-Term Corporate Notes	**10,027,876**	**9,765,915**	**9,991,296**	**4%**			**970**	**2.06%**
John Deere	134,918	132,426	134,938	<1%	5%	✓	814	1.97%
Paccar Financial	144,987	142,099	144,989	<1%	5%	✓	958	2.05%
Berkshire Hathaway	159,845	157,101	159,928	<1%	5%	✓	502	1.33%
Procter & Gamble	219,663	216,049	219,711	<1%	5%	✓	937	1.95%

City of San Mateo
Portfolio Compliance Report
March 31, 2018

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]
Branch Banking & Trust	264,878	258,301	264,890	<1%	5%	✓	1038	2.17%
PepsiCo	324,935	316,927	324,944	<1%	5%	✓	1111	2.01%
Goldman Sachs	504,109	487,200	499,574	<1%	5%	✓	1214	2.53%
Bank of New York	497,081	488,226	492,028	<1%	5%	✓	338	1.71%
Citigroup	513,483	502,233	513,187	<1%	5%	✓	1348	2.72%
Bank of America	513,820	502,376	513,384	<1%	5%	✓	1115	2.40%
American Express Company	584,392	576,810	584,606	<1%	5%	✓	703	2.24%
Toyota	679,687	668,807	679,785	<1%	5%	✓	748	1.97%
IBM Corp	751,575	735,128	751,226	<1%	5%	✓	1398	2.45%
American Honda Finance	764,741	736,998	766,322	<1%	5%	✓	1258	1.84%
Wells Fargo	969,285	933,660	961,593	<1%	5%	✓	982	2.08%
General Electric	984,798	941,868	968,465	<1%	5%	✓	765	1.83%
Wal-Mart	998,550	980,510	998,761	<1%	5%	✓	990	1.95%
State Street Corporation	1,017,129	989,199	1,012,964	<1%	5%	✓	871	1.77%
Grand Total	**228,324,808**	**227,123,266**	**228,419,752**	**100%**			**342**	**1.72%**

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 March 2018 gross earnings rate as of March 31, 2018

March Transaction Detail

Transaction Type / Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	
03/01/18	03/05/18	US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	780,000.00	767,111.72	5,386.74	772,498.46	
03/02/18	03/06/18	UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	65590ASN7	775,000.00	775,000.00	-	775,000.00	
03/27/18	03/27/18	FEDERAL HOME LOAN BANK DTD 3/27/18 2.300% 12/31/19	3130ADSV5	2,000,000.00	2,000,000.00	-	2,000,000.00	*
03/29/18	01/06/20	FEDERAL FARM CREDIT BANK DTD 1/6/17 1.720% 1/6/20	3133EG3E3	2,000,000.00	1,975,840.00	7,931.11	1,983,771.11	*
							-	
				5,555,000.00	**5,517,951.72**	**13,317.85**	**5,531,269.57**	

MATURITIES

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	
03/09/18	03/09/18	FEDERAL HOME LOAN BANK 1.38% 2/12/14	313378A43	1,000,000.00	1,400,000.00	9,625.00	1,409,625.00	*
				1,000,000.00	**1,400,000.00**	**9,625.00**	**1,409,625.00**	

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
03/01/18	03/05/18	FREDDIE MAC GLOBAL NOTES DTD 7/30/12 1.25% 08/01/19	3137EADK2	520,000.00	513,328.40	613.89	513,942.29
03/02/18	03/05/18	FEDERAL HOME LOAN BANKS DISC NOTE DTD 08/03/17 0.00% 08/03/18	313385A55	260,000.00	258,037.00		258,037.00
03/02/18	03/06/18	FREDDIE MAC GLOBAL NOTES DTD 07/30/2012 1.250% 08/01/19	3137EADK2	790,000.00	779,737.90	960.07	780,697.97
				1,570,000.00	**1,551,103.30**	**1,573.96**	**1,552,677.26**
		Total Security Transactions			**8,469,055.02**	**24,516.81**	**8,493,571.83**

* City of San Mateo

City of San Mateo
Bond Proceeds/Bond Reserve Portfolio
March 31, 2018

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		81,688	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		1,888,964	0.00%
Subtotal Construction & Other					**$**	**1,970,652**	**0.00%**
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34		-	0.00%
Merged Area Tax Allocation Bonds Res 2007A	R	Morgan Stanley	12/04/12	open		-	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open		1,100,629	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open		567,559	0.00%
Subtotal Debt Reserve					**$**	**1,668,188**	**0.61%**
Total and Average					**$**	**3,638,840**	**0.28%**

** C=Construction, R=Debt Reserve*

CITY OF SAN MATEO

Investment Performance Review
For the Quarter Ended March 31, 2018

Client Management Team

Monique Spyke, Managing Director
Izac Chyou, Senior Managing Consultant
Joseph Creason, Portfolio Manager

PFM Asset Management LLC

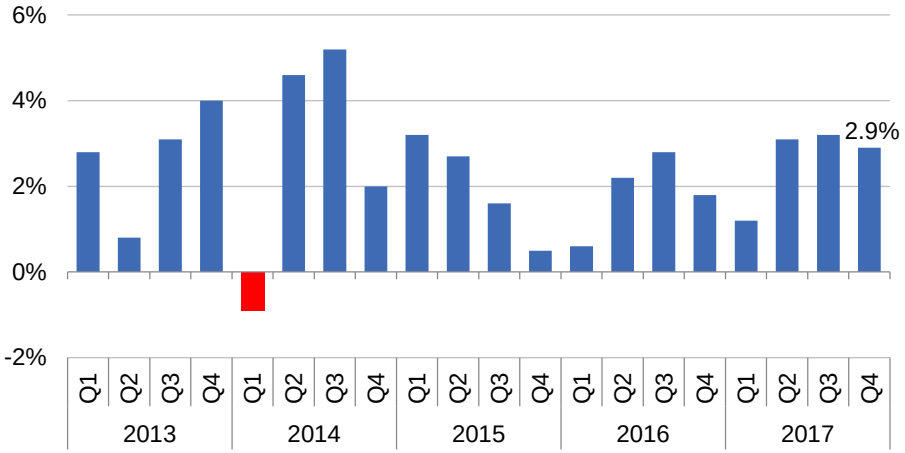
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

One Keystone Plaza, Suite 300
Harrisburg, PA 17101-2044
717-232-2723

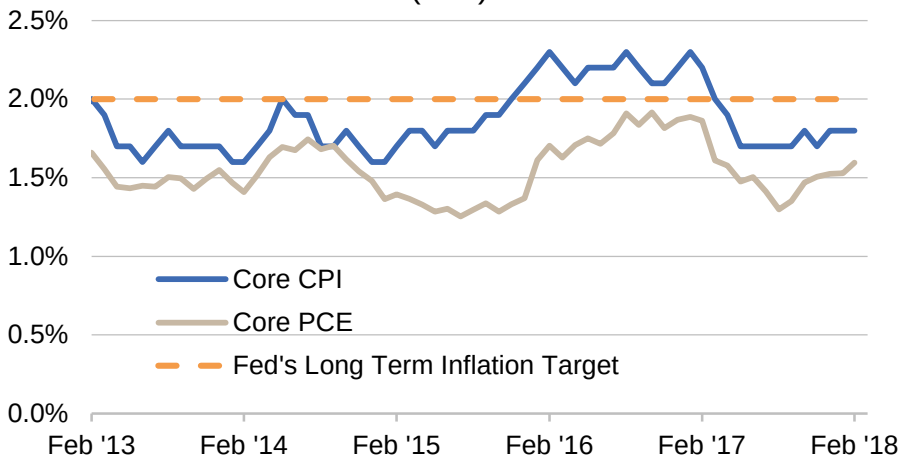
Market Update

Economic Summary

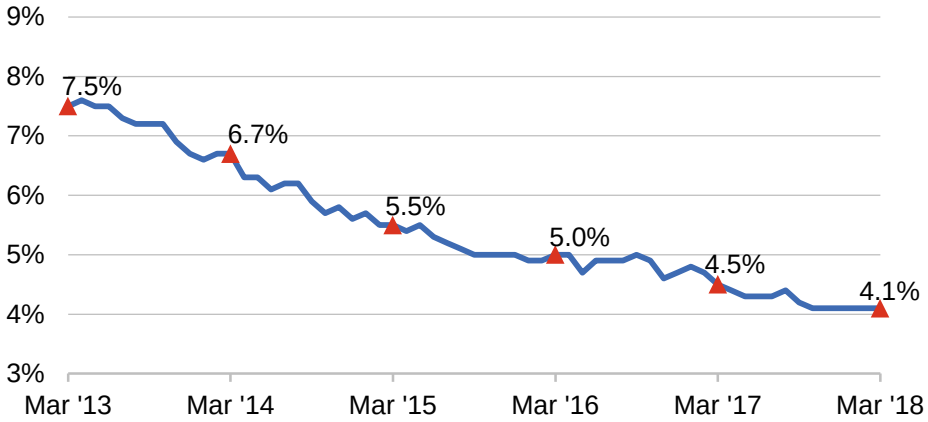
U.S. Real GDP
(QoQ, SAAR)



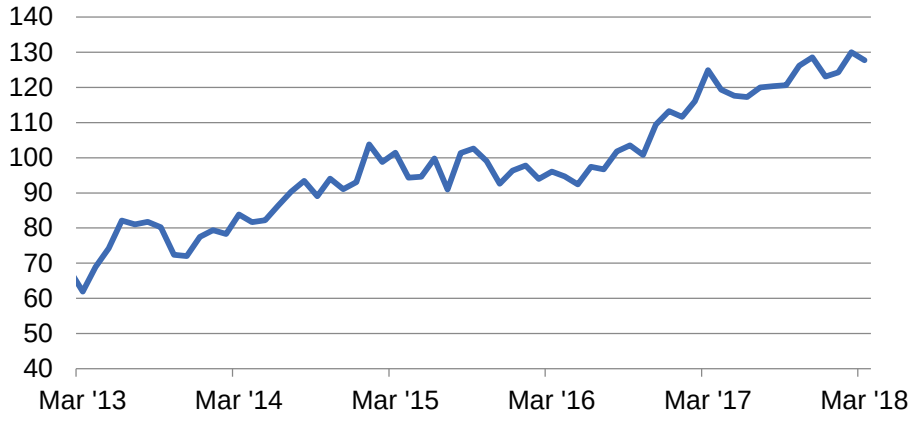
Inflation Measures
(YoY)



Unemployment Rate



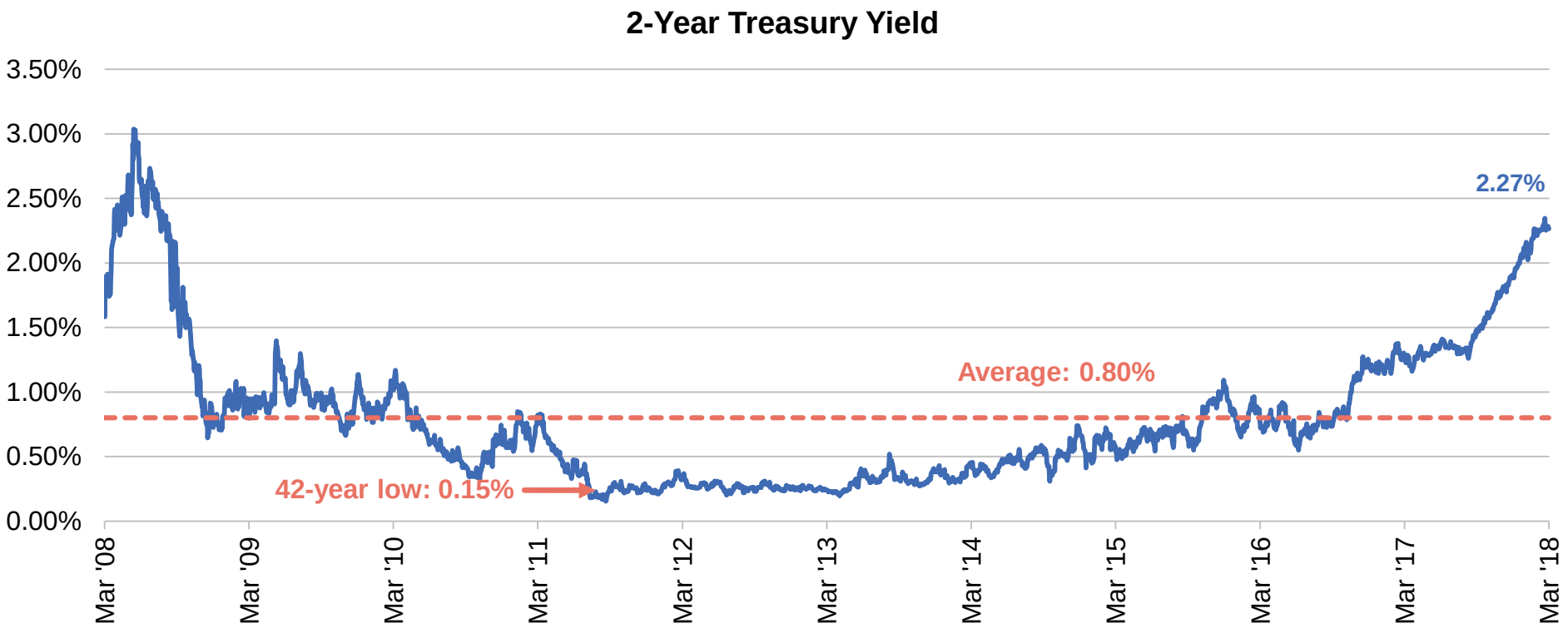
Consumer Confidence



Source: Bloomberg, data available as of 3/31/18. SAAR is seasonally adjusted annualized rate.

Short-Term Treasury Yields Continue to Rise

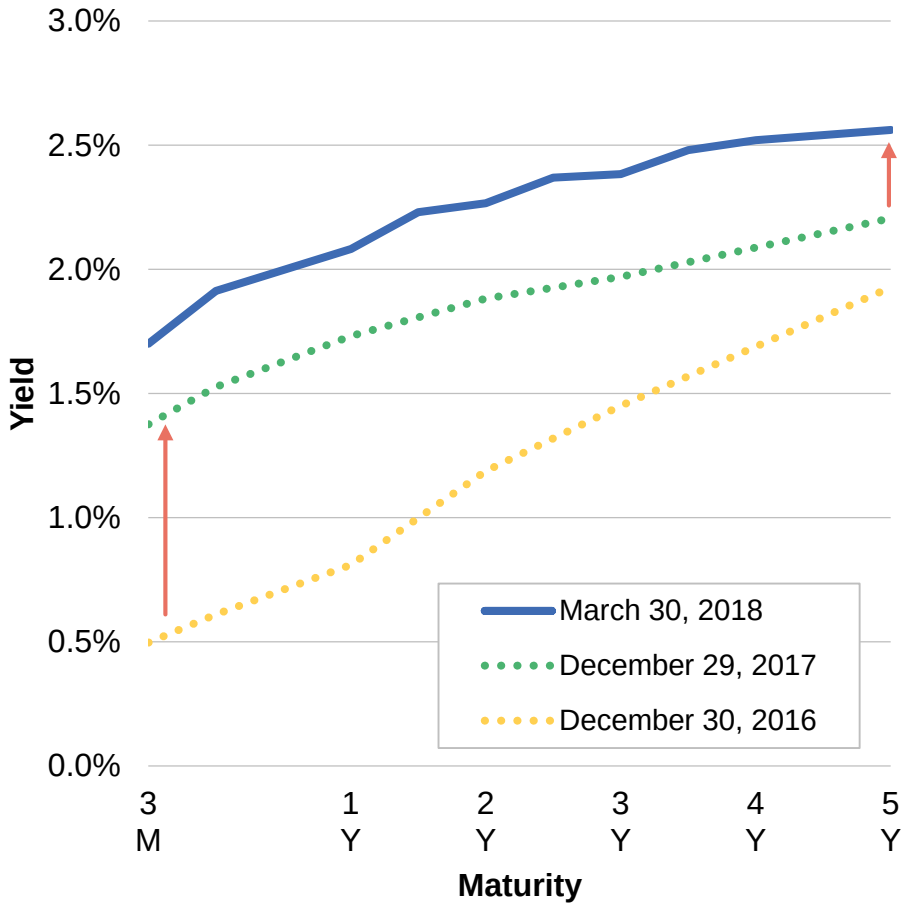
- The 2-year Treasury yield continued to move higher throughout the first quarter of 2018, increasing 38 basis points (0.38%) to 2.27%, levels not seen since 2008.



Source: Bloomberg, as of 3/31/2018.

U.S. Treasury Curve

	Current 3/31/18	Year-End 12/29/17	Year-End 12/30/16
3-month	**1.70%**	1.38%	0.50%
6-month	**1.91%**	1.53%	0.61%
1-year	**2.08%**	1.73%	0.81%
2-year	**2.27%**	1.88%	1.19%
3-year	**2.38%**	1.97%	1.45%
5-year	**2.56%**	2.21%	1.93%



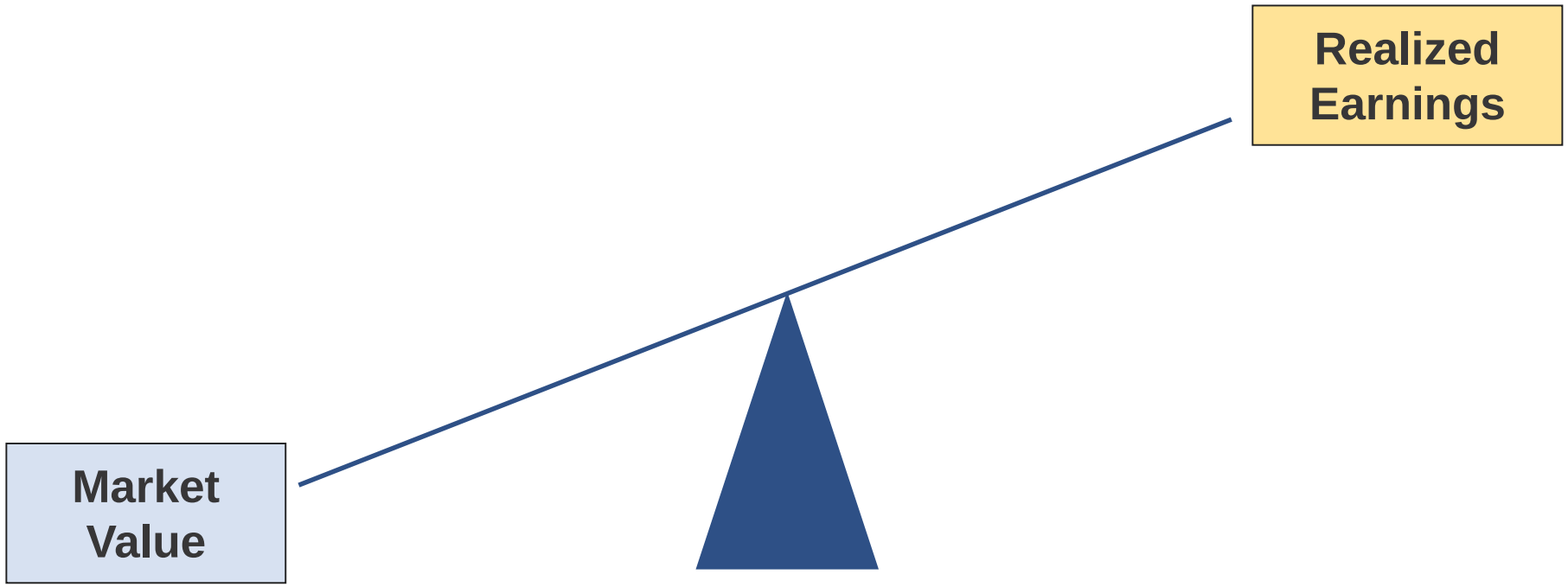
Source: Bloomberg, as of 3/31/2018.

The Impact of Rising Rates

- For fixed-income holdings, when interest rates rise. . .
- Market values of existing holdings decline, resulting in *unrealized* market value losses and possibly negative total return;

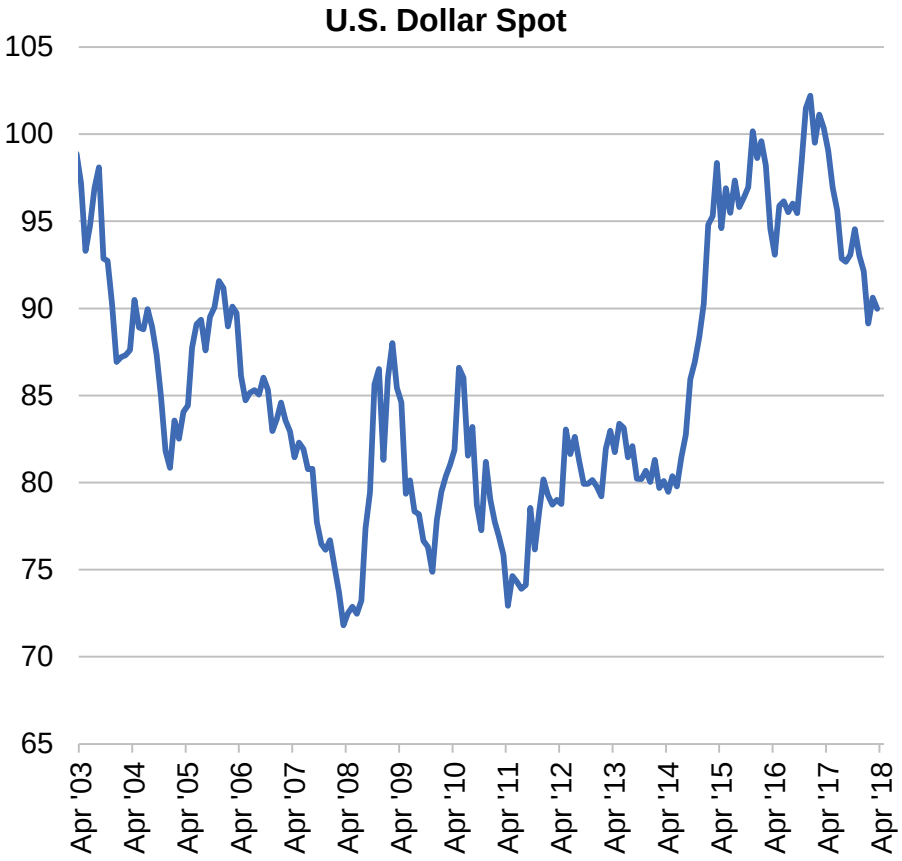
HOWEVER

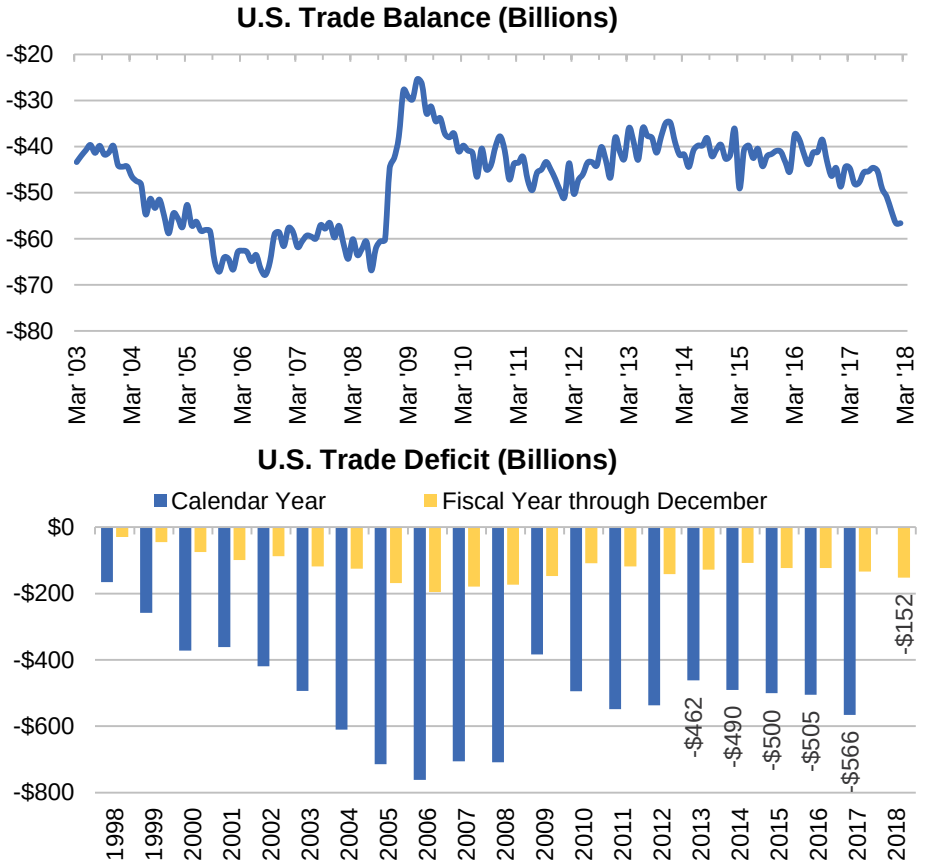
- Realized earnings will increase over time as new securities are added at higher interest rates.



A Weakening U.S. Dollar

- The U.S. Dollar Index has continued to weaken from the highs seen after the presidential election in November 2016 and continued to do so at the start of 2018, touching a 3-year low. Weakness continues to result from other central banks around the world beginning to join the Federal Reserve on a path of quantitative tightening as the global economy enters a period of synchronized growth and amid increased trade tensions.

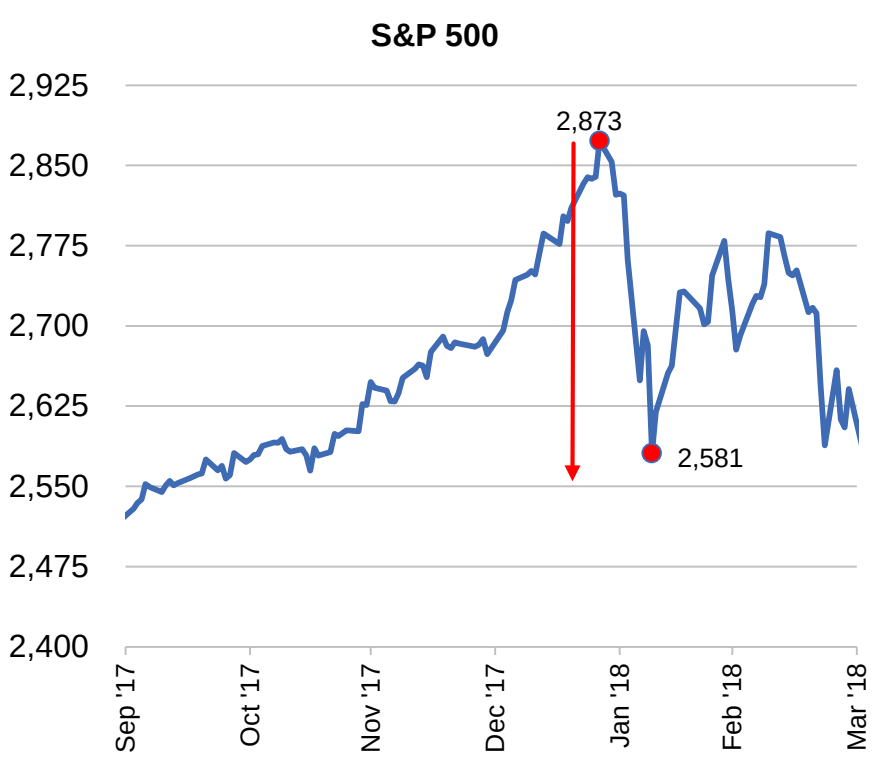


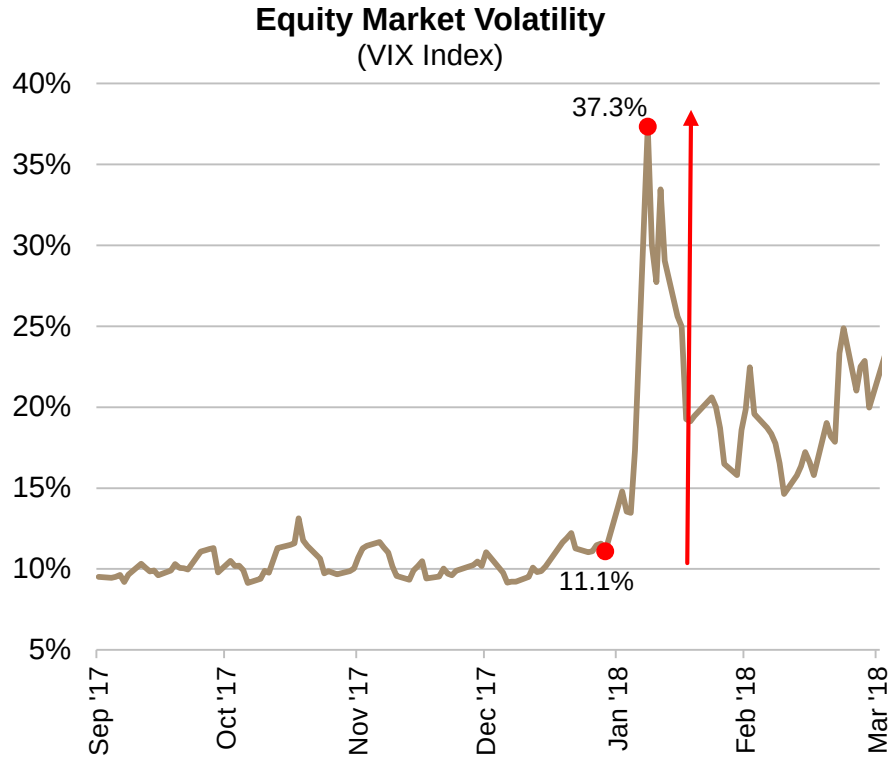


Source: Bloomberg, as of 4/2/2018.

The Return of Market Volatility

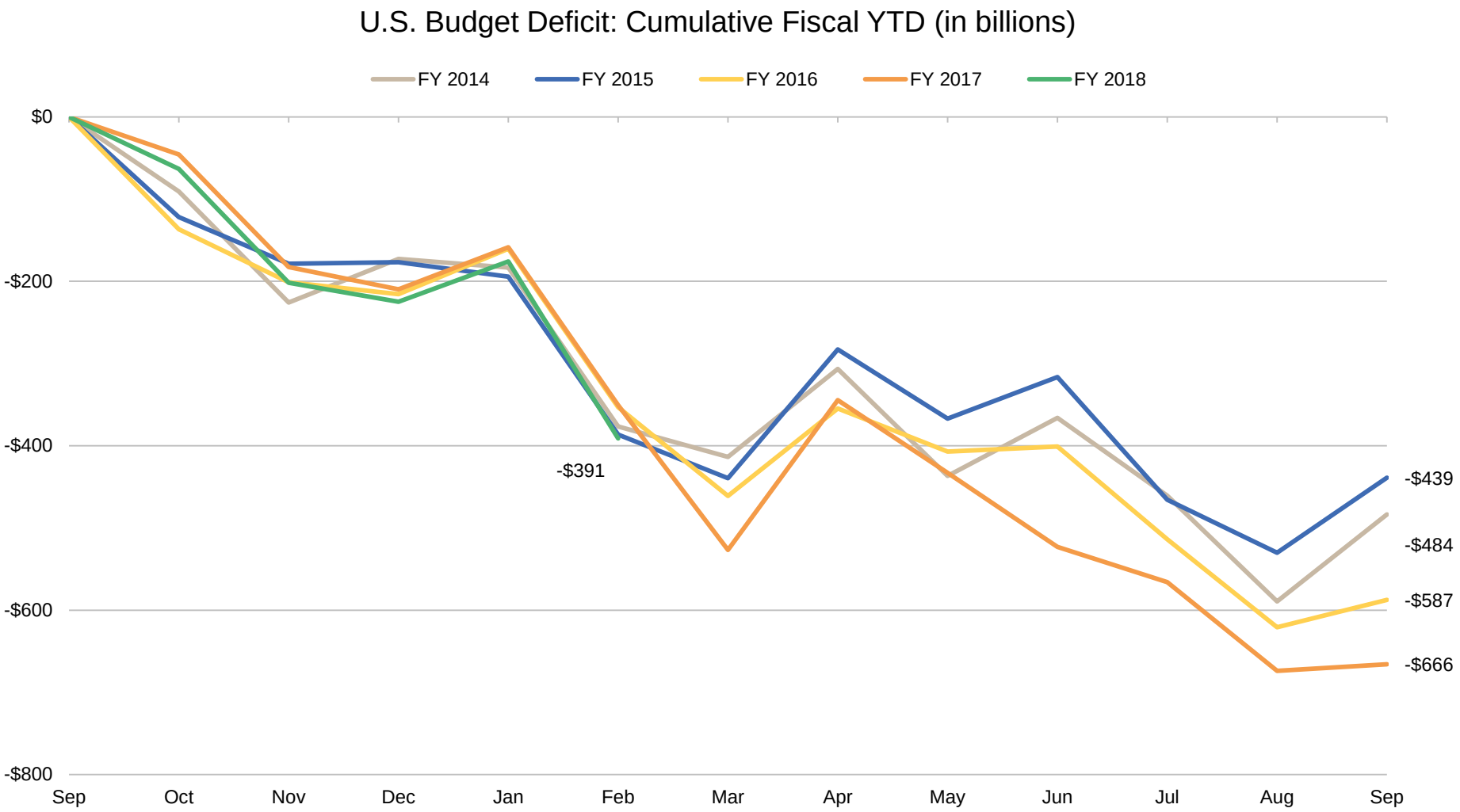
- After beginning 2018 as 2017 ended, calm and complacent with the S&P 500 logging 14 new record highs in January, volatility roared back into financial markets in early February. After months near all-time record lows, the Chicago Board Options Exchange (CBOE) Volatility Index surged to a near five-year high as concerns surrounding possible trade wars, overheating of the economy given tax cuts and expansionary fiscal budget, and stretched valuations took investors' focus.





Source: Bloomberg, as of 3/31/2018.

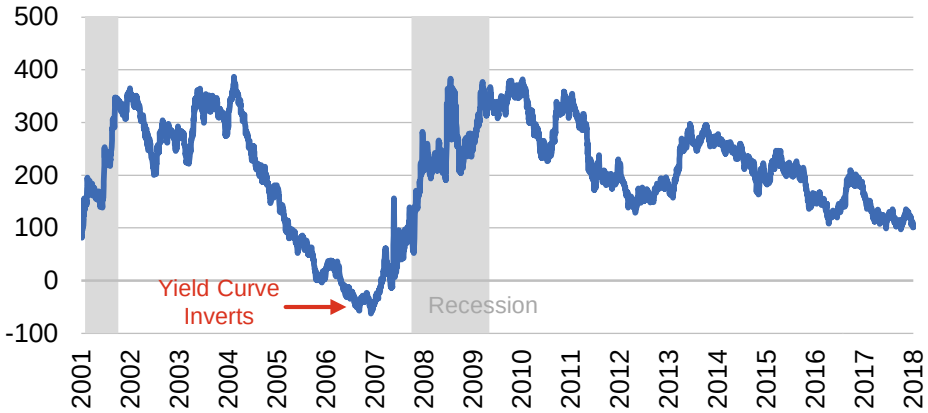
U.S. Federal Budget Deficit on Track to Increase in 2018



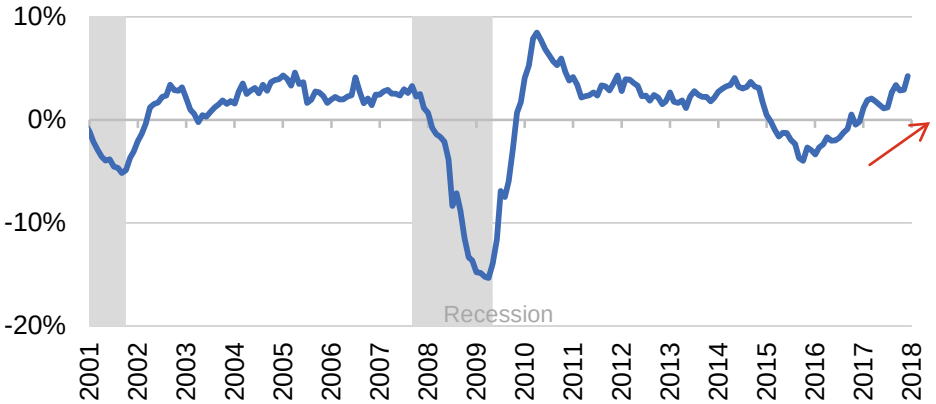
Source: Bloomberg, U.S. Office of Budget and Management. U.S. fiscal year ends September 30 of each year. YTD FY 2018 is as of February 2018.

Recession Indicators

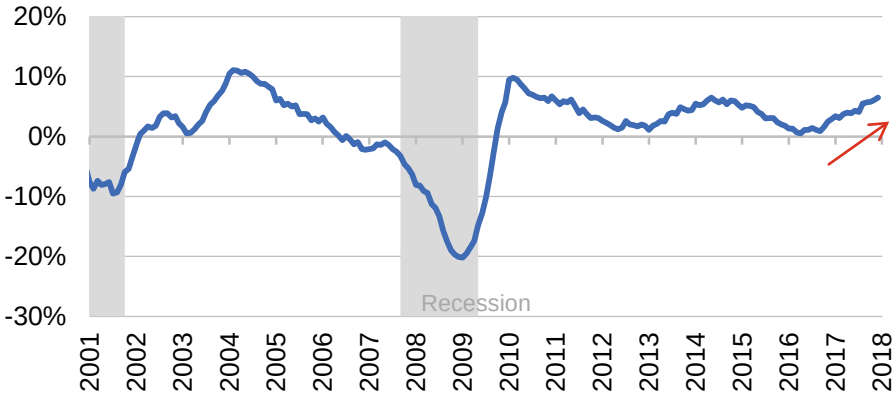
10 Year – 3 Month Treasury Yield Spread
(in bps)



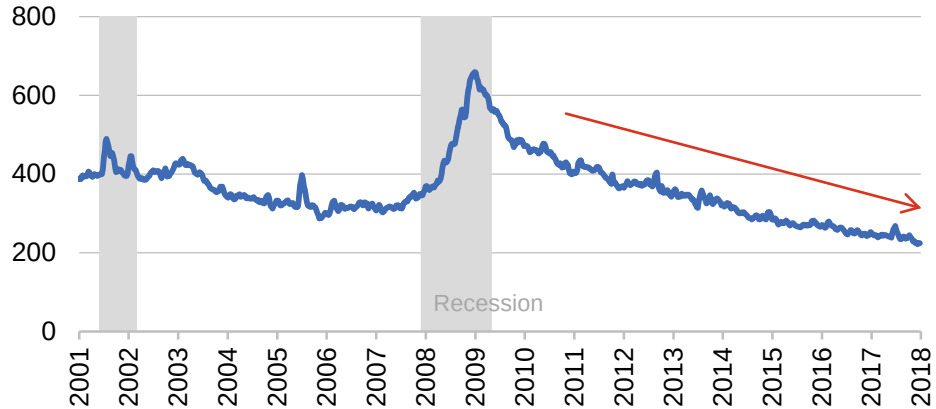
Industrial Production
(YoY)



Conference Board Leading Indicators
(SA, YoY)

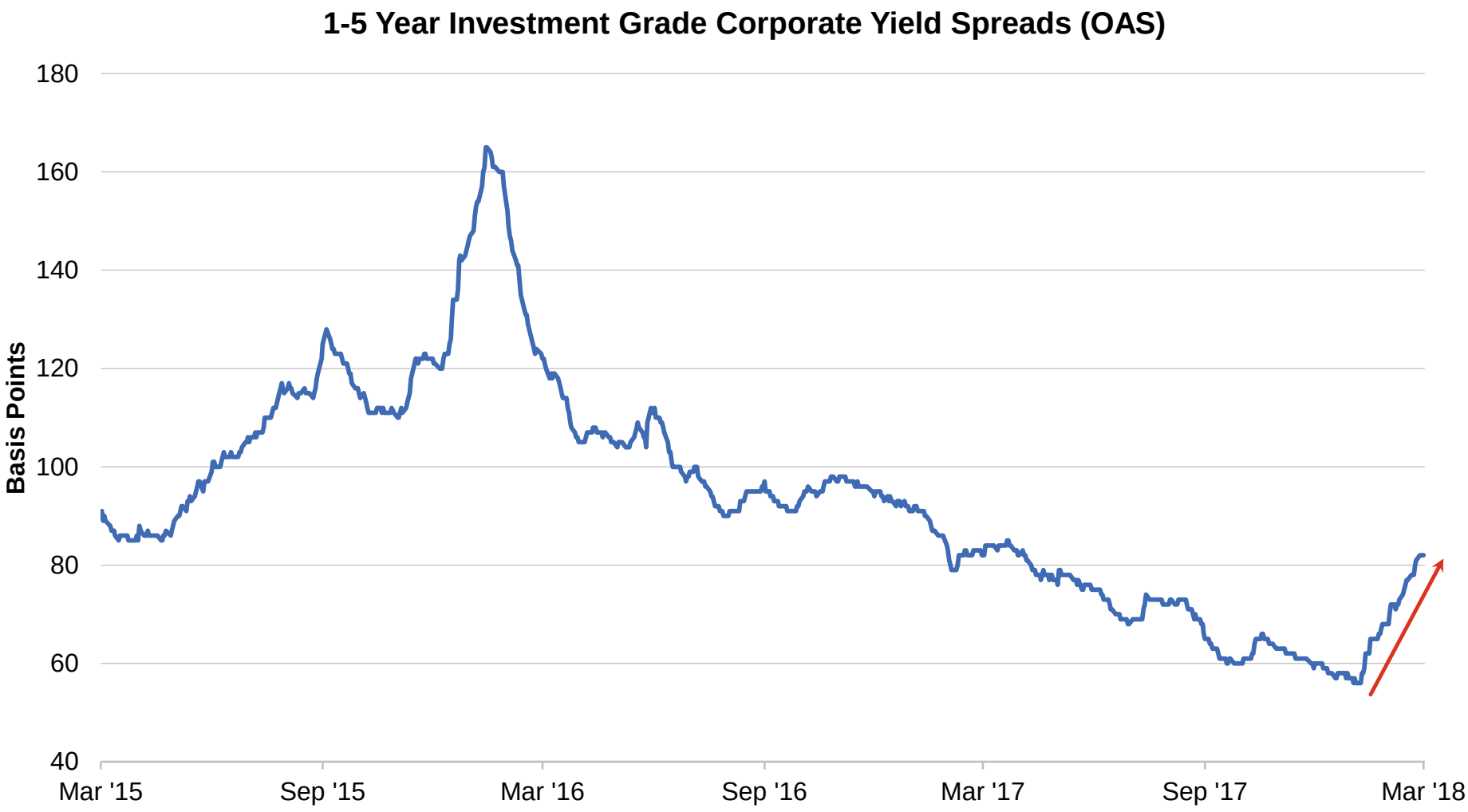


Initial Jobless Claims
(4-week average, in thousand)



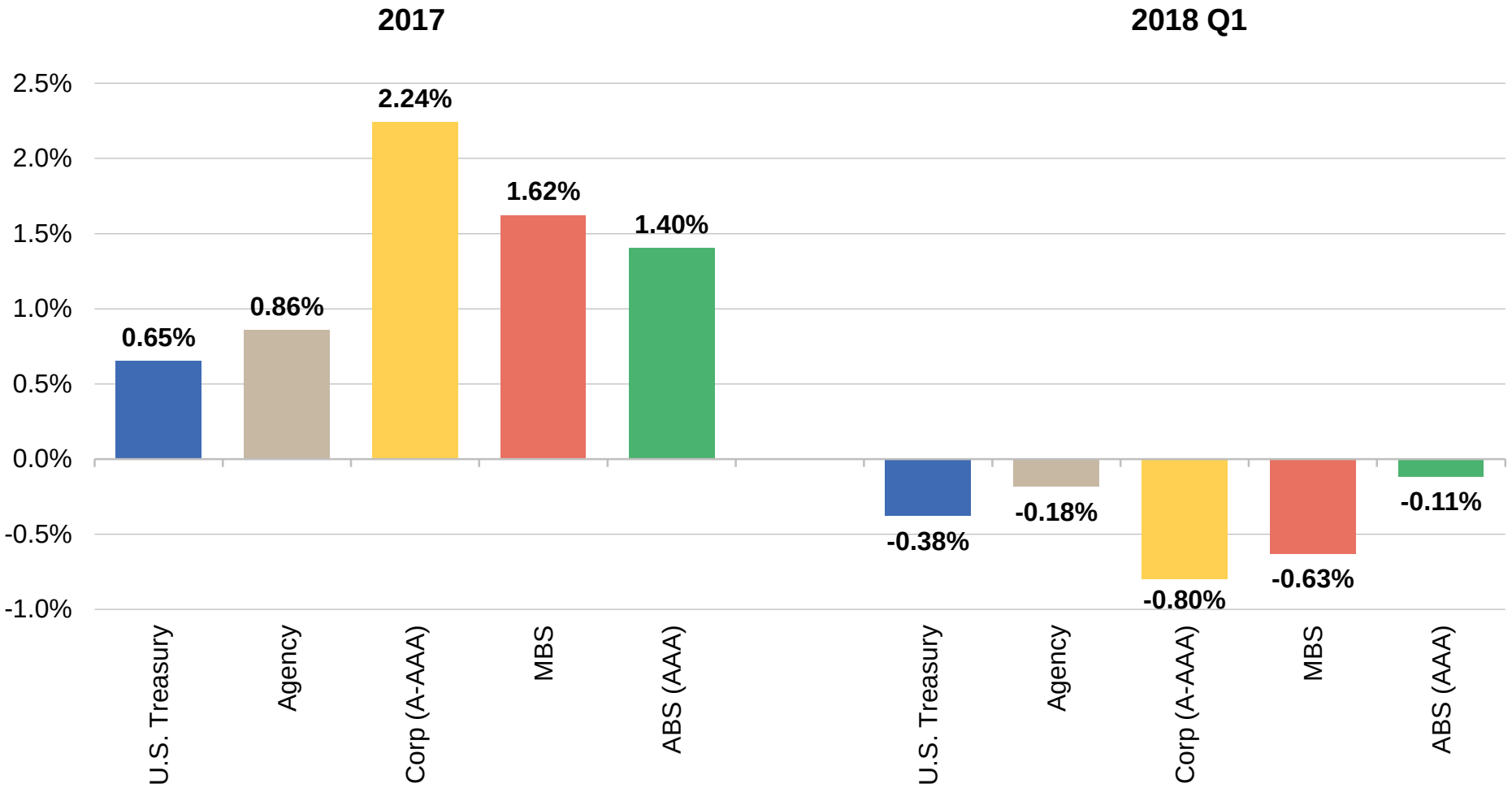
Source: Bloomberg, latest data available as of March 2018. SA is seasonally adjusted.

Credit Spreads Widen to Start 2018



Source: Bloomberg, Bank of America Merrill Lynch Indices, as of March 2018. OAS is Option Adjusted Spread.

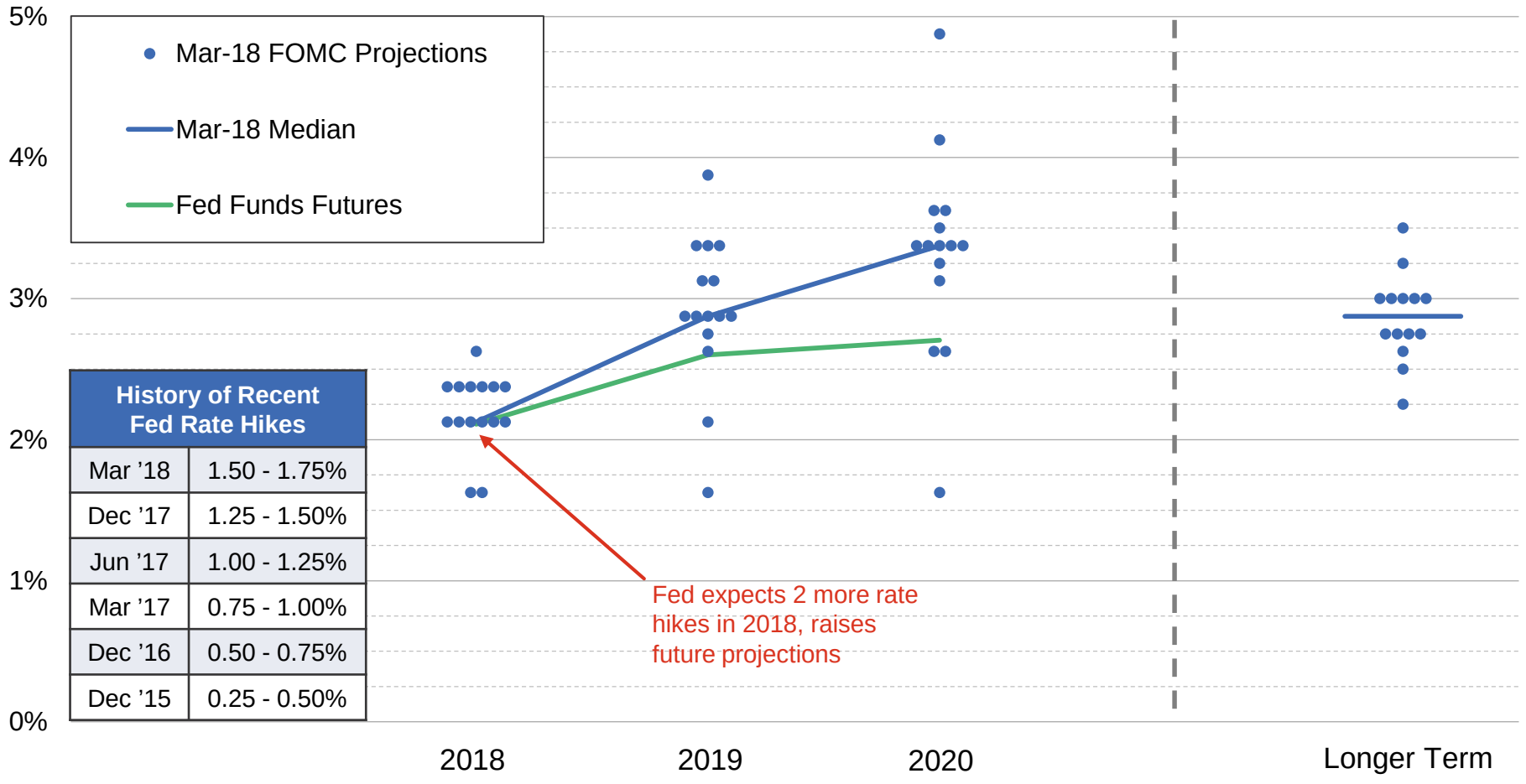
Sector Returns
1-5 Year Indices



Source: ICE BofAML Indices. MBS and ABS indices are 0-5 year, based on weighted average life. As of 3/31/2018.

FOMC "Dot Plot" – March 2018

Fed Participants' Assessments of "Appropriate" Monetary Policy



History of Recent Fed Rate Hikes	
Mar '18	1.50 - 1.75%
Dec '17	1.25 - 1.50%
Jun '17	1.00 - 1.25%
Mar '17	0.75 - 1.00%
Dec '16	0.50 - 0.75%
Dec '15	0.25 - 0.50%

Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 3/21/18.

Portfolio Review

Portfolio Recap

- The Fed remained true to its stated course, raising short-term rates by ¼ percent in March, and interest rates continued their ascent over the quarter. As a result, we strategically positioned the portfolio with a defensive duration bias relative to the benchmark to help insulate market values in the well-choreographed interest rate environment. But, with rates at or near multi-year highs, there were also opportunities to capture higher yields selectively in some parts of the yield curve.
- The combined effects of less predictable U.S. politics and policy (e.g., tariffs, trade wars, Facebook, global relations, budget deficits, etc.) created an environment of heightened volatility. The "risk off" sentiment triggered wider credit spreads.
  - Wider spreads caused corporate-related investments to underperform for the quarter. While the portfolio typically benefits from increased credit allocations, returns in the first quarter were negatively affected.
  - Federal agency yield spreads remained very narrow throughout the quarter. New issue agencies continued to be our preferred – in some cases only – outlet to add agencies at relatively attractive yields. Generally, the agency sector added modest positive excess returns in the first quarter (returns in excess of similar duration Treasuries) across much of the yield curve, benefitting portfolio performance.
  - After yield spreads in the corporate sector reached another new post-recession low in January, we shifted our generally constructive view of the corporate sector to a slightly more defensive posture by holding current positions (and letting them drift shorter over time) rather than adding to allocations. In the latter half of the quarter, the story shifted abruptly as market volatility pushed credit spreads markedly wider through quarter-end. As a result, we began to add corporate exposure (including negotiable CDs) again.

Sector Allocation and Compliance

- The portfolio is in compliance with the City's Investment Policy and the California Government Code.

Security Type	Market Value[1] as of March 31, 2018	% of Portfolio	% Change vs. 12/31/17	Permitted by Policy	In Compliance
U.S. Treasury Notes	$26,838,955	11.8%	-0.1%	100%	✓
Federal Agency Securities	$61,696,425	27.2%	+6.3%	70%	✓
Certificates of Deposit	$14,276,962	6.3%	+0.6%	30%	✓
Medium-Term Corporate Notes	$9,765,915	4.3%	+0.0%	20%	✓
Investment Pools	$114,476,923	50.4%	+3.7%	30-65%[2]	✓
Cash Equivalents	$50,000	<0.1%	-10.4%	100%	✓
Money Market Funds	$18,086	<0.1%	-	20%	✓
Totals	**$227,123,266**	**100.0%**			
Internal	$176,285,134	77.6%			
PFMAM-Managed	$50,838,132	22.4%			

As of 12/31/2017. Detail may not add to total due to rounding.

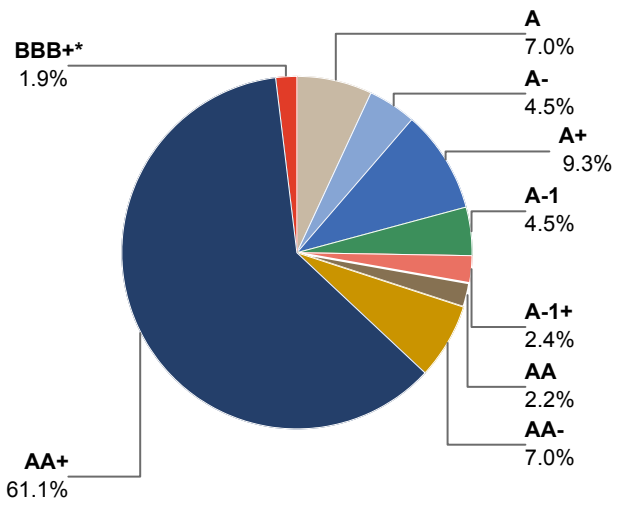
1. *Market values provided by the City of San Mateo and The Bank of New York Mellon Trust Company.*
2. *The City is currently allowed to invest in two investment pools – the San Mateo County Pool and the Local Agency Investment Fund. The City may invest up to $65 million or 65% of its portfolio in LAIF and 30% of its portfolio in the San Mateo County Pool.*

Portfolio Statistics

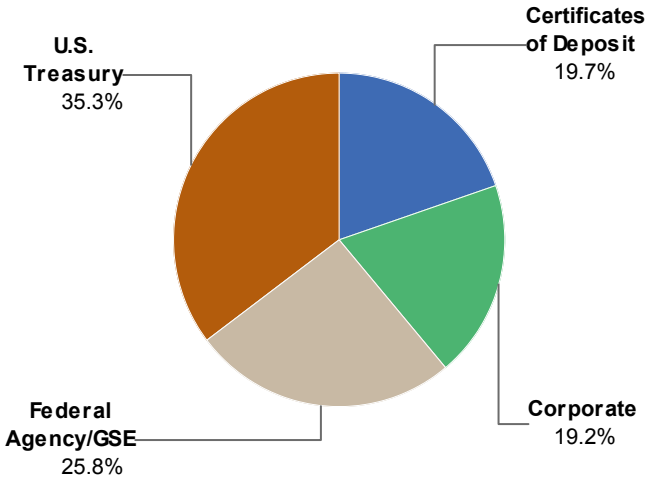
As of March 31, 2018

Par Value:	$51,665,000
Total Market Value:	$51,082,510
Security Market Value:	$50,804,294
Accrued Interest:	$228,443
Cash:	$49,773
Amortized Cost:	$51,724,104
Yield at Market:	2.50%
Yield at Cost:	1.81%
Effective Duration:	2.42 Years
Duration to Worst:	2.42 Years
Average Maturity:	2.52 Years
Average Credit: **	AA

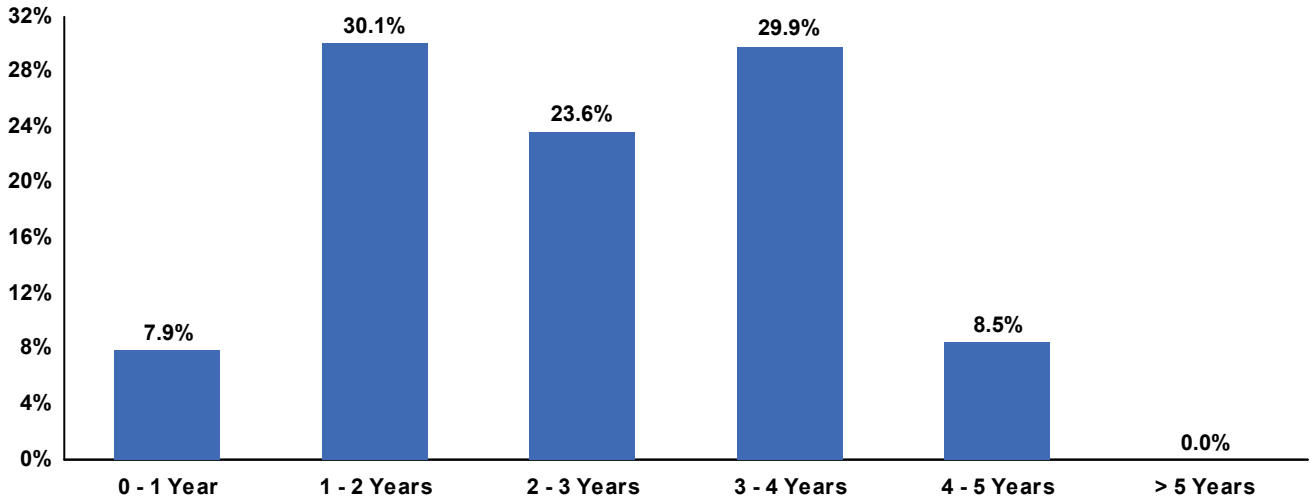
Credit Quality (S&P Ratings)



Sector Allocation



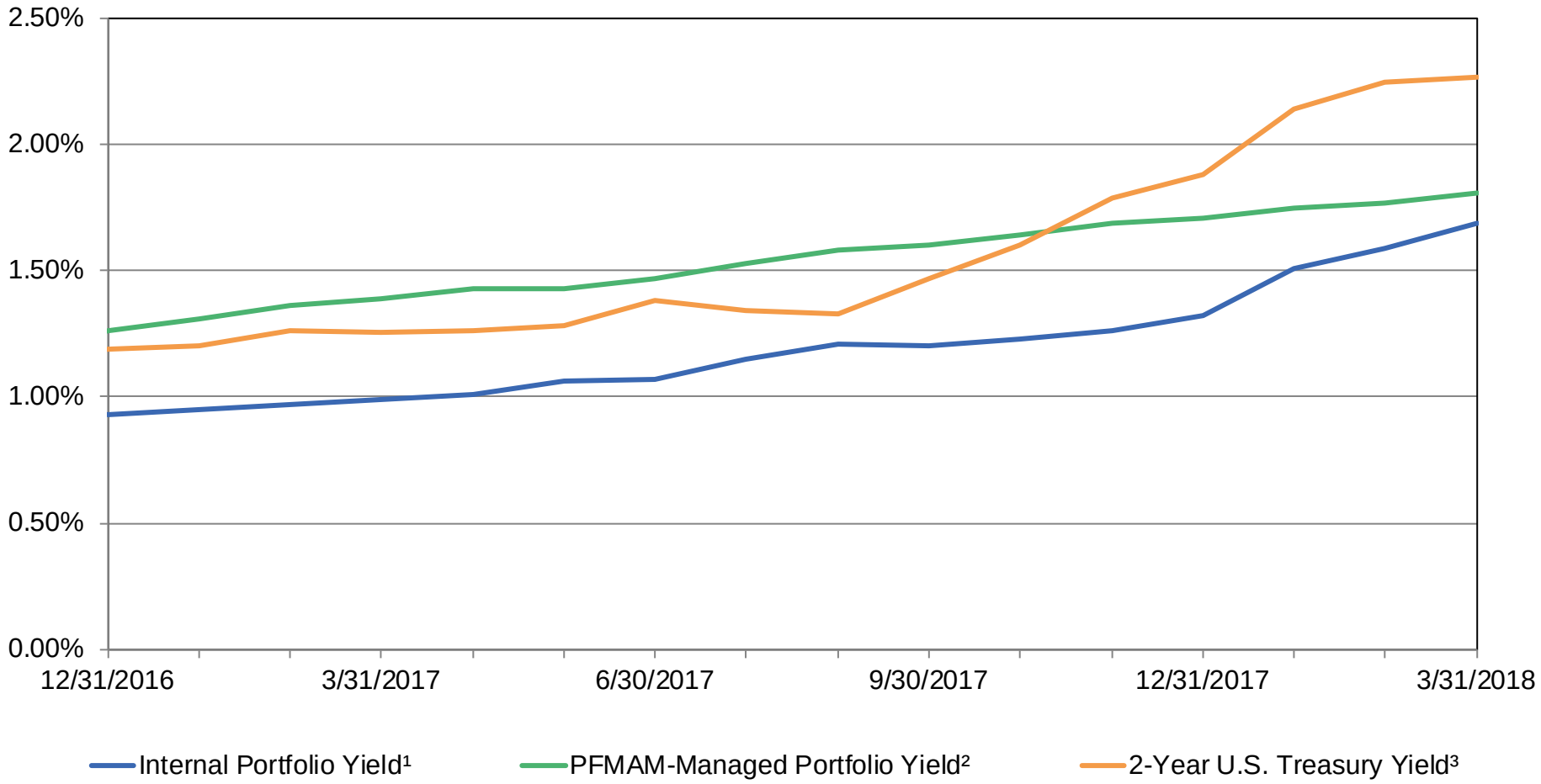
Maturity Distribution



**Securities Not Rated or rated BBB+ by S&P are rated in a rating category of "A" or its equivalent or better by Moody's and/or Fitch.*

***An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Portfolio Yield vs. 2-Year Treasury Yield



1. *Based on yield to maturity at cost provided by the Bank of New York Mellon Trust Company.*
2. *Based on yield to maturity at cost provided by PFM Asset Management LLC.*
3. *Source: Bloomberg.*

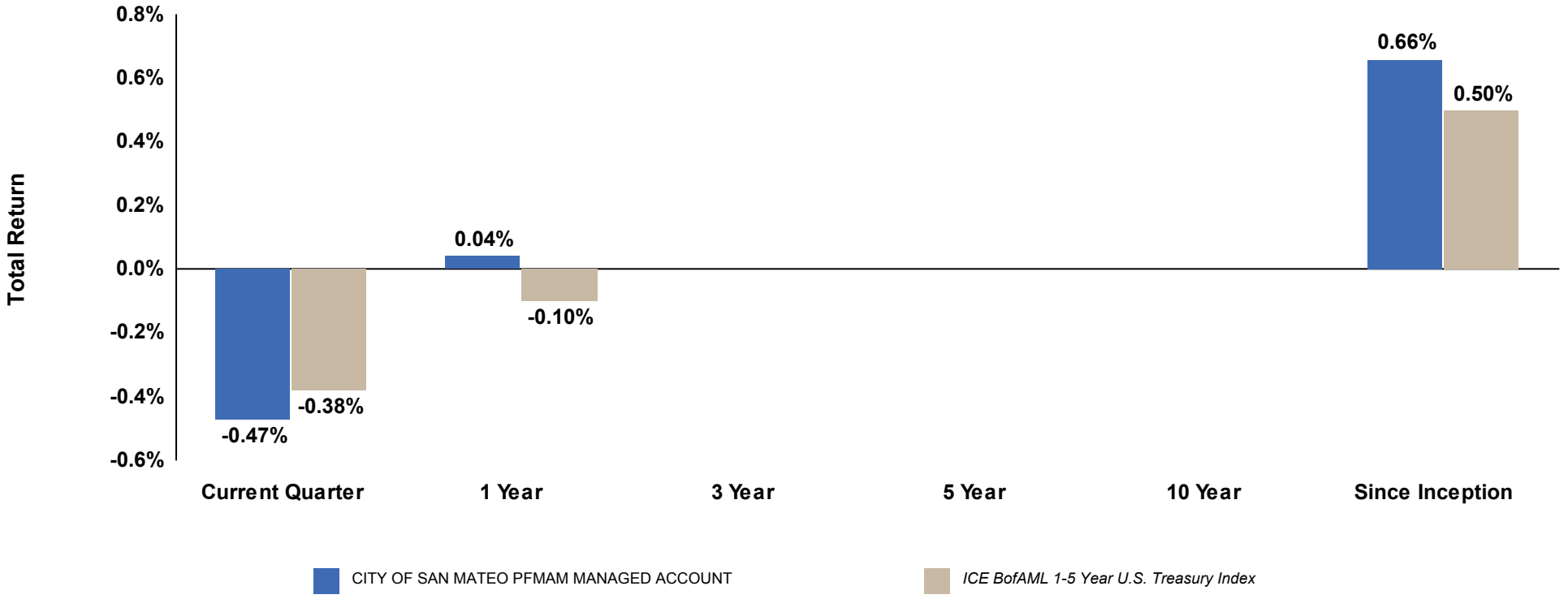
Portfolio Earnings

Quarter-Ended March 31, 2018

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2017)	$51,272,442.77	$51,764,014.68
Net Purchases/Sales	$9,039.41	$9,039.41
Change in Value	($477,187.96)	($48,950.27)
Ending Value (03/31/2018)	$50,804,294.22	$51,724,103.82
Interest Earned	$236,214.98	$236,214.98
Portfolio Earnings	($240,972.98)	$187,264.71

Portfolio Performance (Total Return)

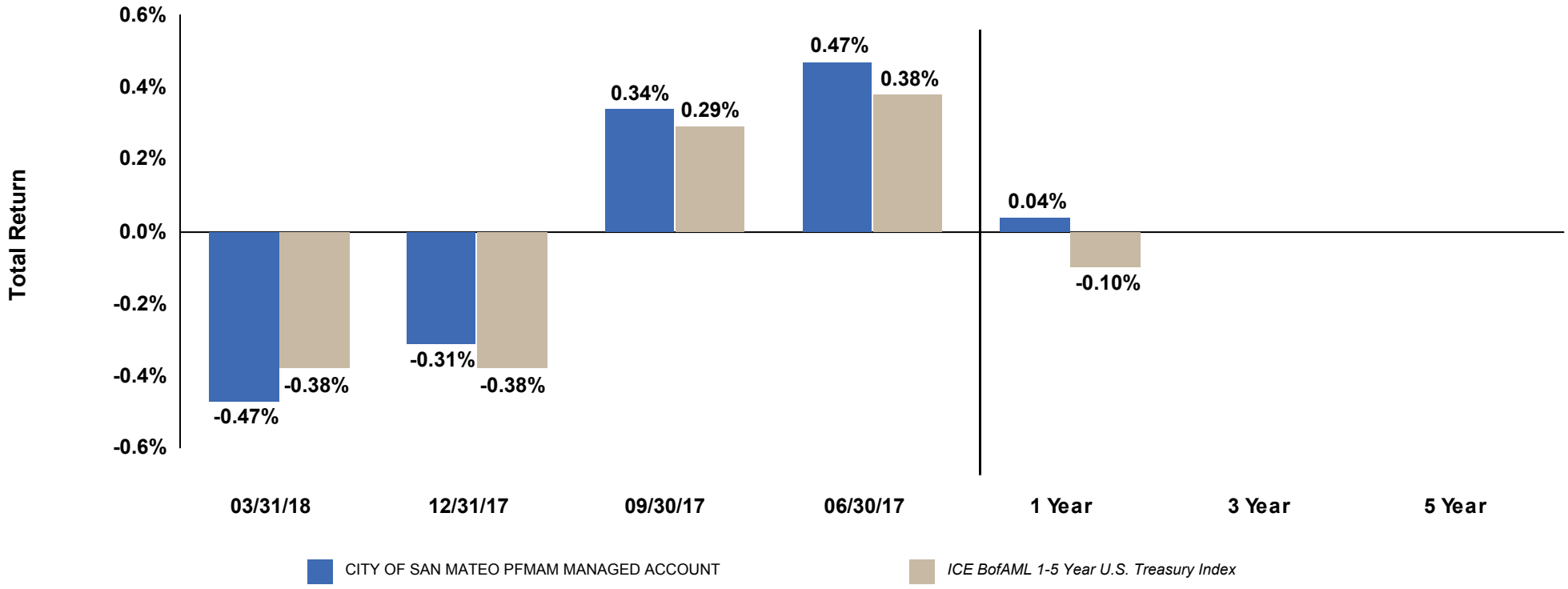
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return 3 Year	5 Year	10 Year	Since Inception (06/30/15) *
CITY OF SAN MATEO PFMAM MANAGED ACCOUNT	2.42	-0.47%	0.04%	-	-	-	0.66%
ICE BofAML 1-5 Year U.S. Treasury Index	*2.59*	*-0.38%*	*-0.10%*	-	-	-	*0.50%*
Difference		-0.09%	0.14%	-	-	-	0.16%



*Portfolio performance is gross of fees unless otherwise indicated. *Since Inception performance is not shown for periods less than one year.*

Portfolio Performance (Total Return)

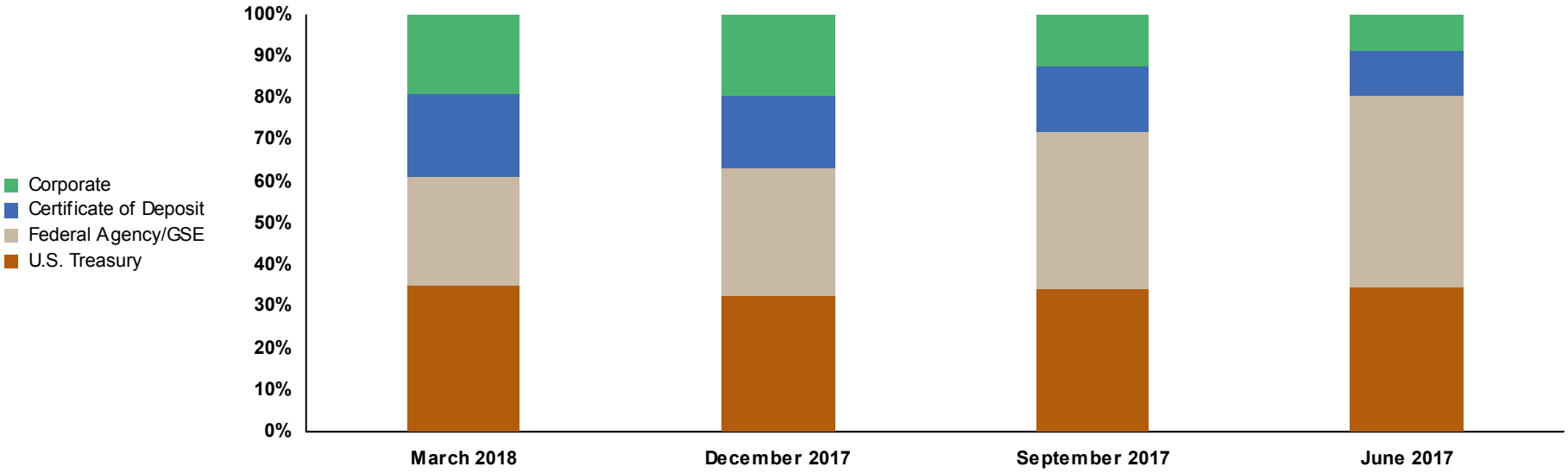
Portfolio/Benchmark	Effective Duration	Quarter Ended 03/31/18	12/31/17	09/30/17	06/30/17	1 Year	Annualized Return 3 Year	5 Year
CITY OF SAN MATEO PFMAM MANAGED ACCOUNT	2.42	-0.47%	-0.31%	0.34%	0.47%	0.04%	-	-
ICE BofAML 1-5 Year U.S. Treasury Index	*2.59*	*-0.38%*	*-0.38%*	*0.29%*	*0.38%*	*-0.10%*	-	-
Difference		-0.09%	0.07%	0.05%	0.09%	0.14%	-	-



Portfolio performance is gross of fees unless otherwise indicated.

Sector Allocation

Sector	March 31, 2018 MV ($MM)	March 31, 2018 % of Total	December 31, 2017 MV ($MM)	December 31, 2017 % of Total	September 30, 2017 MV ($MM)	September 30, 2017 % of Total	June 30, 2017 MV ($MM)	June 30, 2017 % of Total
U.S. Treasury	17.9	35.3%	16.7	32.6%	17.6	34.1%	17.8	34.5%
Federal Agency/GSE	13.1	25.8%	15.6	30.4%	19.5	37.8%	23.7	45.8%
Certificate of Deposit	10.0	19.7%	9.0	17.6%	8.0	15.5%	5.6	10.9%
Corporate	9.8	19.2%	9.9	19.4%	6.5	12.6%	4.5	8.8%
Total	$50.8	100.0%	$51.3	100.0%	$51.7	100.0%	$51.7	100.0%

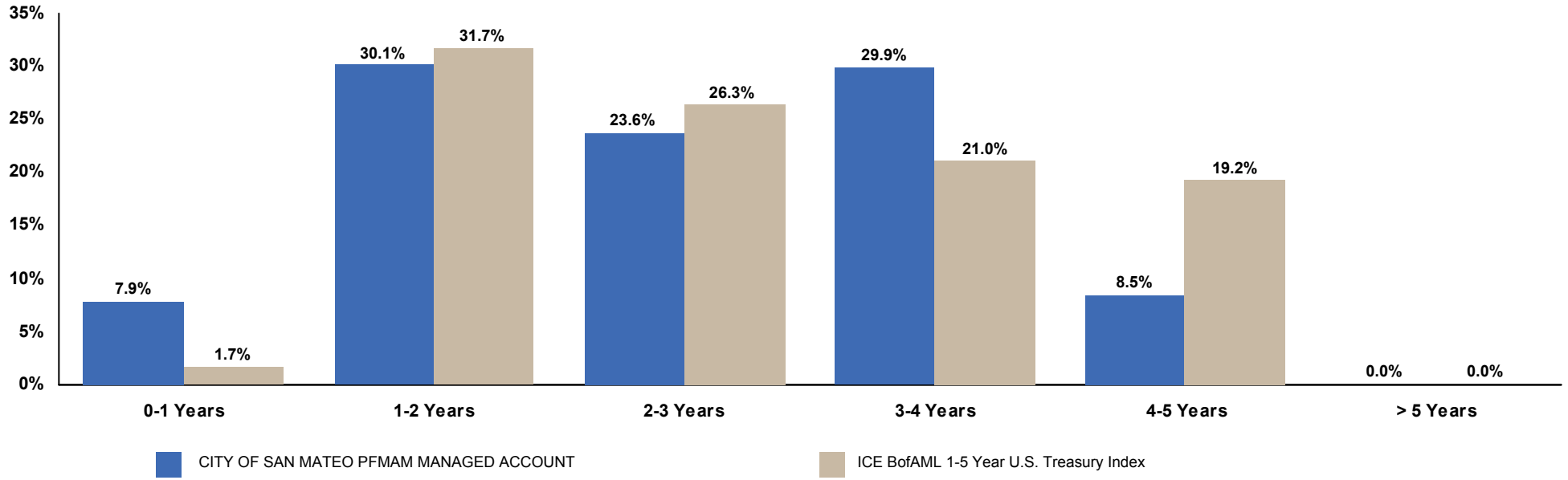


Detail may not add to total due to rounding.

Maturity Distribution

As of March 31, 2018

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF SAN MATEO PFMAM MANAGED ACCOUNT	2.50%	2.52 yrs	7.9%	30.1%	23.6%	29.9%	8.5%	0.0%
ICE BofAML 1-5 Year U.S. Treasury Index	*2.37%*	*2.78 yrs*	*1.7%*	*31.7%*	*26.3%*	*21.0%*	*19.2%*	*0.0%*



Sector/Issuer Distribution

As of March 31, 2018

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Certificate of Deposit			
BANK OF MONTREAL	1,248,828	12.5%	2.5%
BANK OF NOVA SCOTIA	1,029,208	10.3%	2.0%
CANADIAN IMPERIAL BANK OF COMMERCE	1,032,112	10.3%	2.0%
CREDIT SUISSE GROUP	516,707	5.2%	1.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	510,190	5.1%	1.0%
NORDEA BANK AB	772,653	7.7%	1.5%
SKANDINAVISKA ENSKILDA BANKEN AB	969,709	9.7%	1.9%
SVENSKA HANDELSBANKEN AB	1,243,855	12.4%	2.4%
SWEDBANK AB	1,018,264	10.2%	2.0%
UBS AG	780,596	7.8%	1.5%
WESTPAC BANKING CORP	889,139	8.9%	1.8%
Sector Total	**10,011,261**	**100.0%**	**19.7%**
Corporate			
AMERICAN EXPRESS CO	576,812	5.9%	1.1%
AMERICAN HONDA FINANCE	737,000	7.5%	1.5%
BANK OF AMERICA CO	502,373	5.1%	1.0%
BB&T CORPORATION	258,300	2.6%	0.5%
BERKSHIRE HATHAWAY INC	157,101	1.6%	0.3%
CITIGROUP INC	502,230	5.1%	1.0%

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
DEERE & COMPANY	132,425	1.4%	0.3%
GENERAL ELECTRIC CO	941,867	9.6%	1.9%
GOLDMAN SACHS GROUP INC	487,201	5.0%	1.0%
IBM CORP	735,129	7.5%	1.4%
PACCAR FINANCIAL CORP	142,099	1.5%	0.3%
PEPSICO INC	316,927	3.2%	0.6%
PROCTER & GAMBLE CO	216,048	2.2%	0.4%
STATE STREET CORPORATION	989,199	10.1%	1.9%
THE BANK OF NEW YORK MELLON CORPORATION	488,228	5.0%	1.0%
TOYOTA MOTOR CORP	668,804	6.8%	1.3%
WAL-MART STORES INC	980,509	10.0%	1.9%
WELLS FARGO & COMPANY	933,660	9.6%	1.8%
Sector Total	**9,765,913**	**100.0%**	**19.2%**
Federal Agency/GSE			
FANNIE MAE	9,437,914	72.1%	18.6%
FEDERAL HOME LOAN BANKS	1,399,802	10.7%	2.8%
FREDDIE MAC	2,257,816	17.2%	4.4%
Sector Total	**13,095,532**	**100.0%**	**25.8%**
U.S. Treasury			
UNITED STATES TREASURY	17,931,588	100.0%	35.3%
Sector Total	**17,931,588**	**100.0%**	**35.3%**

Portfolio Total	**50,804,294**	**100.0%**	**100.0%**

Investment Strategy Outlook

- The economic themes that carried over into 2018 remain: healthy job production, consistent GDP growth, positive corporate guidance, and heightened consumer confidence. However, where complacency had characterized the global markets quarter after quarter, volatility roared back in the first quarter. While rising volatility increases some market risks, it can also create investment opportunities.
- Our outlook for each of the major investment-grade fixed-income sectors are as follows:
  - In the corporate sector, our view is that recent yield spread widening represents a modest normalization of spreads off of post-recession lows, as opposed to a weakening in fundamentals. As such, wider spreads present an opportunity to selectively add to allocations. While corporate fundamentals remain healthy and the outlook for the sector is still positive, careful issuer due diligence will drive selection. In particular, we are closely watching the supply/demand impacts of corporate profit repatriation (prompted by the December 2017 tax cuts) and signs of excessive balance sheet leverage in companies in certain industries.
  - Negotiable CDs remain attractively-priced credit sectors and we will continue to source new exposure.
  - Federal agency securities remain expensive as spreads are in the low single digits across the much of the yield curve; however, by quarter-end, specific agency maturities (2- and 5-year) cheapened modestly, representing an opportunity to potentially increase allocations.
  - With municipal market issuance down significantly year-to-date, opportunities to add to the sector remain limited. However, municipals provide positive diversification prospects and we will continue to seek out attractive issues in both the secondary and new issue markets.
  - The increasing pace of Fed balance sheet run-off in the MBS sector, coupled with an anticipated increase in seasonal supply, warrants a cautious approach to the sector.
  - The short-term credit curve (under one year) steepened noticeably heading into the March Fed meeting and remained elevated through quarter-end. With 6-month prime commercial paper and negotiable certificates of deposit spreads at 50 to 60 basis points over comparable Treasury securities, the sector appears very attractive and compensates investors for at least two more fed rate hikes in 2018.

Portfolio Holdings and Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
BUY									
1/3/18	1/4/18	1,780,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	1,767,038.92	2.18%	
2/7/18	2/8/18	515,000	22549LFR1	CREDIT SUISSE NEW YORK CERT DEPOS	2.67%	2/7/20	515,000.00	2.67%	
2/20/18	2/22/18	775,000	65590ASN7	NORDEA BANK AB NY CD	2.72%	2/20/20	775,000.00	2.72%	
2/22/18	2/22/18	260,000	313385A55	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	8/3/18	257,882.30	1.82%	
3/1/18	3/5/18	780,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	772,498.46	2.48%	
3/2/18	3/6/18	775,000	90275DHG8	UBS AG STAMFORD CT LT CD	2.90%	3/2/20	775,000.00	2.93%	
Total BUY		**4,885,000**					**4,862,419.68**		
INTEREST									
1/3/18	1/3/18	0	MONEY0002	MONEY MARKET FUND			25.43		
1/5/18	1/5/18	1,965,000	3135G0S38	FANNIE MAE NOTES	2.00%	1/5/22	19,650.00		
1/10/18	1/10/18	1,250,000	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.89%	1/10/19	12,075.00		
1/21/18	1/21/18	580,000	3135G0A78	FNMA NOTES	1.62%	1/21/20	4,712.50		
1/27/18	1/27/18	460,000	38141GGQ1	GOLDMAN SACHS GROUP CORP NOTES	5.25%	7/27/21	12,075.00		
1/27/18	1/27/18	750,000	459200JQ5	IBM CORP BONDS	2.50%	1/27/22	9,375.00		
1/30/18	1/30/18	750,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	5,593.75		
1/30/18	1/30/18	980,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	7,309.17		
1/31/18	1/31/18	1,600,000	912828V72	US TREASURY NOTES	1.87%	1/31/22	15,000.00		
1/31/18	1/31/18	1,500,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	9,375.00		
1/31/18	1/31/18	1,000,000	912828XQ8	US TREASURY NOTES	2.00%	7/31/22	10,000.00		
1/31/18	1/31/18	115,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	934.38		
2/1/18	2/1/18	265,000	05531FAZ6	BRANCH BANKING & TRUST (CALLABLE) NOTES	2.15%	2/1/21	1,503.51		
2/1/18	2/1/18	1,560,000	3137EADK2	FREDDIE MAC GLOBAL NOTES	1.25%	8/1/19	9,750.00		
2/2/18	2/2/18	1,000,000	83050FXT3	SKANDINAV ENSKILDA BANKEN NY CD	1.84%	8/2/19	9,302.22		

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
2/2/18	2/2/18	0	MONEY0002	MONEY MARKET FUND			30.64		
2/2/18	2/2/18	1,500,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	6,562.50		
2/7/18	2/7/18	1,250,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	11,750.00		
2/7/18	2/7/18	900,000	96121T4A3	WESTPAC BANKING CORP NY CD	2.05%	8/3/20	9,225.00		
2/15/18	2/15/18	160,000	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	1,040.00		
2/15/18	2/15/18	785,000	3137EAEH8	FREDDIE MAC NOTES	1.37%	8/15/19	6,176.42		
2/17/18	2/17/18	370,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	2,312.50		
2/17/18	2/17/18	420,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	2,625.00		
2/17/18	2/17/18	1,000,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	6,250.00		
2/18/18	2/18/18	995,000	857477AS2	STATE STREET CORP NOTES	2.55%	8/18/20	12,686.25		
2/28/18	2/28/18	1,000,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	6,250.00		
2/28/18	2/28/18	1,735,000	912828P87	US TREASURY N/B	1.12%	2/28/21	9,759.38		
2/28/18	2/28/18	750,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	5,625.00		
2/28/18	2/28/18	500,000	912828J43	US TREASURY NOTES	1.75%	2/28/22	4,375.00		
3/2/18	3/2/18	0	MONEY0002	MONEY MARKET FUND			15.34		
3/3/18	3/3/18	585,000	0258M0EE5	AMERICAN EXPRESS CREDIT (CALLABLE) NOTE	2.20%	3/3/20	6,435.00		
3/4/18	3/4/18	490,000	06406HCR8	BONY INC CORP NOTES (CALLABLE)	2.20%	3/4/19	5,390.00		
3/9/18	3/9/18	770,000	02665WBG5	AMERICAN HONDA FINANCE CORP NOTES	1.70%	9/9/21	6,545.00		
3/12/18	3/12/18	1,325,000	3135G0ZG1	FNMA NOTES	1.75%	9/12/19	11,593.75		
3/31/18	3/31/18	900,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	8,437.50		
3/31/18	3/31/18	1,780,000	912828W89	US TREASURY NOTES	1.87%	3/31/22	16,687.50		
3/31/18	3/31/18	750,000	912828L57	US TREASURY NOTES	1.75%	9/30/22	6,562.50		
Total INTEREST		**31,740,000**					**273,015.24**		

SELL

1/3/18	1/4/18	1,130,000	3137EADZ9	FREDDIE MAC NOTES	1.12%	4/15/19	1,121,873.89	1.89%	(10,757.68)
1/3/18	1/4/18	650,000	912828WL0	US TREASURY NOTES	1.50%	5/31/19	647,585.94	1.87%	(7,298.83)
2/7/18	2/8/18	460,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	454,022.16	2.18%	(5,745.55)

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
2/8/18	2/8/18	40,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	39,497.38	2.16%	(482.42)
2/20/18	2/22/18	1,035,000	65558LWA6	NORDEA BANK FINLAND NY CD	1.76%	11/30/18	1,035,865.95	2.16%	(3,384.45)
3/1/18	3/5/18	520,000	3137EADK2	FREDDIE MAC GLOBAL NOTES	1.25%	8/1/19	513,942.29	2.18%	(5,209.96)
3/2/18	3/5/18	260,000	313385A55	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	8/3/18	258,037.00	1.81%	10.90
3/2/18	3/6/18	790,000	3137EADK2	FREDDIE MAC GLOBAL NOTES	1.25%	8/1/19	780,697.97	2.20%	(8,045.90)
Total SELL		**4,885,000**					**4,851,522.58**		**-40,913.89**

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

CITY OF SAN MATEO PFMAM MANAGED ACCOUNT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	1,500,000.00	AA+	Aaa	03/02/16	03/04/16	1,500,820.31	1.24	3,107.73	1,500,391.77	1,472,461.50
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UQ1	1,000,000.00	AA+	Aaa	11/05/15	11/09/15	987,500.00	1.55	1,086.96	994,349.34	980,703.00
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	570,000.00	AA+	Aaa	12/02/15	12/04/15	565,435.54	1.56	2,626.85	567,759.63	558,533.31
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	570,000.00	AA+	Aaa	11/01/16	11/02/16	579,440.63	1.16	2,328.42	575,847.79	561,182.67
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	115,000.00	AA+	Aaa	03/30/16	03/31/16	116,909.18	1.23	309.74	116,040.79	113,153.68
US TREASURY N/B DTD 02/29/2016 1.125% 02/28/2021	912828P87	1,735,000.00	AA+	Aaa	08/25/17	08/28/17	1,708,907.23	1.57	1,697.28	1,713,236.04	1,673,190.63
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	1,075,000.00	AA+	Aaa	06/27/16	06/29/16	1,094,820.31	0.98	6,206.49	1,087,731.75	1,042,036.20
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	2,000,000.00	AA+	Aaa	12/01/16	12/05/16	1,960,234.38	1.85	11,546.96	1,971,857.24	1,938,672.00
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	615,000.00	AA+	Aaa	07/06/17	07/07/17	605,078.32	1.81	2,834.24	606,897.34	595,252.97
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	780,000.00	AA+	Aaa	03/01/18	03/05/18	767,111.72	2.48	6,550.28	767,368.32	767,446.68
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	900,000.00	AA+	Aaa	04/03/17	04/05/17	905,589.84	1.86	7,558.01	904,423.22	885,515.40
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	990,000.00	AA+	Aaa	01/03/17	01/05/17	992,204.30	1.95	8,313.81	991,665.80	974,066.94
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	1,600,000.00	AA+	Aaa	07/06/17	07/11/17	1,598,312.50	1.90	4,972.38	1,598,576.11	1,563,750.40
US TREASURY NOTES DTD 03/02/2015 1.750% 02/28/2022	912828J43	500,000.00	AA+	Aaa	03/15/17	03/17/17	490,781.25	2.14	760.87	492,640.32	486,211.00

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

CITY OF SAN MATEO PFMAM MANAGED ACCOUNT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	900,000.00	AA+	Aaa	12/01/17	12/05/17	891,597.66	2.10	46.11	892,206.68	878,449.50
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,780,000.00	AA+	Aaa	01/03/18	01/04/18	1,758,236.72	2.18	91.19	1,759,433.47	1,737,377.90
US TREASURY NOTES DTD 07/31/2015 2.000% 07/31/2022	912828XQ8	1,000,000.00	AA+	Aaa	08/30/17	08/31/17	1,012,656.25	1.73	3,314.92	1,011,218.53	978,633.00
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	750,000.00	AA+	Aaa	10/03/17	10/06/17	743,613.28	1.93	35.86	744,210.80	724,951.50
Security Type Sub-Total		**18,380,000.00**					**18,279,249.42**	**1.76**	**63,388.10**	**18,295,854.94**	**17,931,588.28**
Federal Agency Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 07/30/2012 1.250% 08/01/2019	3137EADK2	250,000.00	AA+	Aaa	09/09/15	09/10/15	248,087.50	1.45	520.83	249,333.12	246,772.50
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	1,500,000.00	AA+	Aaa	07/29/16	08/02/16	1,497,480.00	0.93	2,151.04	1,498,869.20	1,473,024.00
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	785,000.00	AA+	Aaa	07/18/17	07/19/17	783,846.05	1.45	1,379.20	784,234.32	775,860.25
FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	1,325,000.00	AA+	Aaa	04/24/15	04/27/15	1,347,975.50	1.34	1,223.78	1,332,750.88	1,315,568.65
FREDDIE MAC GLOBAL NOTES DTD 10/02/2012 1.250% 10/02/2019	3137EADM8	1,010,000.00	AA+	Aaa	12/28/15	12/29/15	996,203.40	1.63	6,277.43	1,004,385.10	994,856.06
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	1,420,000.00	AA+	Aaa	11/16/16	11/17/16	1,419,673.40	1.38	7,376.11	1,419,821.22	1,399,801.92
FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	580,000.00	AA+	Aaa	04/24/15	04/27/15	585,243.20	1.43	1,832.64	582,042.93	573,258.66
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	750,000.00	AA+	Aaa	02/24/17	02/28/17	749,520.00	1.52	1,031.25	749,692.19	738,679.50
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	245,000.00	AA+	Aaa	04/19/17	04/20/17	244,162.10	1.49	1,506.58	244,422.68	240,327.61

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

CITY OF SAN MATEO PFMAM MANAGED ACCOUNT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	750,000.00	AA+	Aaa	08/30/17	08/31/17	749,955.00	1.50	1,906.25	749,966.12	734,964.75
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	980,000.00	AA+	Aaa	07/28/17	08/01/17	977,030.60	1.60	2,490.83	977,679.15	960,353.94
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	370,000.00	AA+	Aaa	08/17/16	08/19/16	368,734.23	1.32	565.28	369,134.90	354,917.69
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	420,000.00	AA+	Aaa	08/17/16	08/19/16	418,299.00	1.33	641.67	418,837.33	402,879.54
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,000,000.00	AA+	Aaa	09/01/16	09/02/16	993,880.00	1.38	1,527.78	995,787.01	959,237.00
FANNIE MAE NOTES DTD 01/09/2017 2.000% 01/05/2022	3135G0S38	1,965,000.00	AA+	Aaa	06/27/17	06/29/17	1,977,556.35	1.85	9,388.33	1,975,528.82	1,925,029.94
Security Type Sub-Total		**13,350,000.00**					**13,357,646.33**	**1.45**	**39,819.00**	**13,352,484.97**	**13,095,532.01**
Corporate Note											
BONY INC CORP NOTES (CALLABLE) DTD 02/04/2014 2.200% 03/04/2019	06406HCR8	490,000.00	A	A1	02/08/16	02/11/16	497,080.50	1.71	808.50	492,028.17	488,228.16
BERKSHIRE HATHAWAY INC CORPORATE NOTES DTD 08/15/2016 1.300% 08/15/2019	084664CK5	160,000.00	AA	Aa2	08/08/16	08/15/16	159,844.80	1.33	265.78	159,928.26	157,101.12
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	585,000.00	A-	A2	02/28/17	03/03/17	584,391.60	2.24	1,001.00	584,605.59	576,811.76
TOYOTA MOTOR CREDIT CORP (CALLABLE) DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	680,000.00	AA-	Aa3	04/11/17	04/17/17	679,687.20	1.97	6,040.67	679,784.87	668,803.80
GENERAL ELECTRIC CO CORPORATE NOTE DTD 04/27/2007 5.550% 05/04/2020	36962G2T0	900,000.00	A	A2	09/25/17	09/27/17	984,798.00	1.83	20,396.25	968,465.21	941,867.10
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	135,000.00	A	A2	06/19/17	06/22/17	134,917.65	1.97	723.94	134,938.48	132,425.28

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

CITY OF SAN MATEO PFMAM MANAGED ACCOUNT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
STATE STREET CORP NOTES DTD 08/18/2015 2.550% 08/18/2020	857477AS2	995,000.00	A	A1	09/05/17	09/07/17	1,017,128.80	1.77	3,030.60	1,012,964.25	989,199.15
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.900% 10/23/2020	742718FA2	220,000.00	AA-	Aa3	10/23/17	10/25/17	219,663.40	1.95	1,811.33	219,710.85	216,048.36
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	145,000.00	A+	A1	11/06/17	11/13/17	144,986.95	2.05	1,139.46	144,988.58	142,098.55
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	950,000.00	A-	A2	05/16/16	05/19/16	969,285.00	2.08	7,671.25	961,593.07	933,660.00
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	1,000,000.00	AA	Aa2	10/11/17	10/20/17	998,550.00	1.95	8,497.22	998,760.67	980,509.00
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	265,000.00	A-	A2	10/23/17	10/26/17	264,878.10	2.17	949.58	264,890.40	258,299.74
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	325,000.00	A+	A1	10/05/17	10/10/17	324,935.00	2.01	3,087.50	324,943.89	316,927.33
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	510,000.00	A-	A3	11/01/17	11/03/17	513,819.90	2.40	6,024.38	513,384.45	502,372.95
GOLDMAN SACHS GROUP CORP NOTES DTD 07/27/2011 5.250% 07/27/2021	38141GGQ1	460,000.00	BBB+	A3	11/03/17	11/07/17	504,109.40	2.53	4,293.33	499,573.63	487,201.18
AMERICAN HONDA FINANCE CORP NOTES DTD 09/09/2016 1.700% 09/09/2021	02665WBG5	770,000.00	A+	A2	09/09/16	09/14/16	764,740.90	1.84	799.94	766,322.46	737,000.11
CITIGROUP INC CORP (CALLABLE) NOTE DTD 12/08/2016 2.900% 12/08/2021	172967LC3	510,000.00	BBB+	Baa1	11/20/17	11/22/17	513,483.30	2.72	4,642.42	513,186.92	502,230.15
IBM CORP BONDS DTD 01/27/2017 2.500% 01/27/2022	459200JQ5	750,000.00	A+	A1	02/01/17	02/03/17	751,575.00	2.45	3,333.33	751,226.17	735,129.00
Security Type Sub-Total		**9,850,000.00**					**10,027,875.50**	**2.06**	**74,516.48**	**9,991,295.92**	**9,765,912.74**
Certificate of Deposit											

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

CITY OF SAN MATEO PFMAM MANAGED ACCOUNT

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	1,035,000.00	A-1	P-1	12/01/16	12/05/16	1,034,192.70	1.78	6,122.60	1,034,729.42	1,032,112.35
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	1,250,000.00	A-1+	P-1	01/10/17	01/12/17	1,250,000.00	1.91	5,315.63	1,250,000.00	1,243,855.00
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	1,250,000.00	A-1	P-1	02/08/17	02/09/17	1,250,000.00	1.90	3,525.00	1,250,000.00	1,248,827.50
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	1,035,000.00	A+	A1	04/05/17	04/06/17	1,035,000.00	1.91	9,774.43	1,035,000.00	1,029,208.14
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	1,000,000.00	A+	Aa3	08/03/17	08/04/17	999,610.00	1.85	2,964.44	999,738.57	969,709.41
BANK OF TOKYO-MITSUBISHI NY CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	515,000.00	A	A1	09/25/17	09/27/17	515,000.00	2.07	5,507.93	515,000.00	510,190.42
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	515,000.00	A	A1	02/07/18	02/08/18	515,000.00	2.67	2,024.38	515,000.00	516,706.71
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	775,000.00	AA-	Aa3	02/20/18	02/22/18	775,000.00	2.72	2,283.67	775,000.00	772,652.53
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	775,000.00	A+	Aa3	03/02/18	03/06/18	775,000.00	2.93	1,623.19	775,000.00	780,596.28
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	900,000.00	AA-	Aa3	08/03/17	08/07/17	900,000.00	2.05	2,767.50	900,000.00	889,138.80
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	1,035,000.00	AA-	Aa3	11/16/17	11/17/17	1,035,000.00	2.30	8,810.44	1,035,000.00	1,018,264.05
Security Type Sub-Total		**10,085,000.00**					**10,083,802.70**	**2.13**	**50,719.21**	**10,084,467.99**	**10,011,261.19**
Managed Account Sub-Total		**51,665,000.00**					**51,748,573.95**	**1.81**	**228,442.79**	**51,724,103.82**	**50,804,294.22**

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

CITY OF SAN MATEO PFMAM MANAGED ACCOUNT

Securities Sub-Total	**$51,665,000.00**	**$51,748,573.95**	**1.81%**	**$228,442.79**	**$51,724,103.82**	**$50,804,294.22**
Accrued Interest						**$228,442.79**
Total Investments						**$51,032,737.01**

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results.The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while ominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.