

Date: July 18, 2019

Who: Kent Grealish Diane Papan Richard Lee
Jeff Adams Karley Hamilton
Margaret Taylor Lisa Wesley
Michael Carney
Chris deLong

What: INVESTMENT ADVISORY COMMITTEE

When: July 18, 2019 (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 Policy revisions for 2020
2. PFM - Portfolio Review
 - Yield Trend
 - Strategy
 - Market Value
3. 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
October 17, 2019	3:30 p.m.	Room C	July/Aug/Sept
January 16, 2020	3:30 p.m.	Room C	Oct/Nov/Dec
April 16, 2020	3:30 p.m.	Room C	Jan/Feb/Mar
July 16, 2020	3:30 p.m.	Room C	Apr/May/June

2019 INVESTMENT POLICY

THE CITY OF SAN MATEO
AND CITY OF SAN MATEO, ACTING AS SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF SAN MATEO

I. SCOPE AND AUTHORITY

In accordance with the Charter of the City of San Mateo, (the “City”), the Finance Director/City Treasurer is responsible for investing the unexpended cash of the City and the Successor Agency to the Redevelopment Agency of the City of San Mateo (the “Successor Agency”) in the City Treasury. The authority governing investments for local agencies is set forth in the California Government Code Sections 53600 et. seq.

This Investment Policy (the “Policy”) applies to all the investment activities of the City and the Successor Agency. The Policy will also apply to all other funds under the Finance Director/City Treasurer’s span of control unless specifically exempted by statute or ordinance. All the invested financial assets are accounted for in the City’s fund accounting system which includes: General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Debt Service Funds, Internal Service Funds, and Trust and Agency Funds.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance. Investment income shall be distributed to the individual funds not less than annually.

II. OBJECTIVES

City and Successor Agency funds shall be invested in accordance with all applicable City policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

A. Safety of principal

The City shall seek to preserve principal by mitigating credit risk and market risk, as defined below:

1. “Credit Risk” - the risk of loss due to failure of the issuer of a security or the diminished quality of its rating.

Credit risk shall be mitigated by diversifying the investment portfolio.

2. “Market Risk” - the risk of market value fluctuations due to overall changes in the general level of interest rates.

Market risk shall be mitigated by limiting the average maturity of the City’s portfolio to three years and the maximum maturity of any one security in the portfolio to five years. The portfolio shall be structured with an adequate mix of highly liquid securities and those with maturities scheduled to meet major cash outflow requirements.

B. Liquidity Standard

To ensure sufficient liquidity in order to meet anticipated cash flow needs, a minimum of 25% of the market value of the investment portfolio shall be invested in securities or deposits that have a remaining maturity of less than six (6) months.

C. Return on investment

The City’s investment portfolio shall be structured to attain a market-average rate of return through economic cycles.

III. DELEGATION OF AUTHORITY

In accordance with the City Charter, the City Manager delegates his/her authority over investment activities to the Finance Director/City Treasurer or his/her designee. Staff members of the Finance Department’s Treasury Division may be assigned to perform the day-to-day treasury activities related to the investment of City funds. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The City may delegate its investment authority to an investment adviser registered under the Investment Advisers Act of 1940, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the City’s financial resources. The adviser shall follow this Policy and such other written instructions as provided. Such delegation is subject to City review and overriding discretion which will be exercised as needed.

IV. INTERNAL CONTROLS

The Finance Director/City Treasurer has established a system of internal controls to ensure compliance with the investment policies and procedures of the City, the Successor Agency, and the California Government Code. Such controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees of the City. Investment decisions are made by the Finance Director/City Treasurer or his/her designee, and executed by staff of the Finance Department’s Treasury Division. All wire transfers initiated by Finance Department staff members must be approved and transmitted by the Finance Director/City Treasurer or his/her designee. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by senior finance staff on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the City’s cash and investments. The Finance Director/City Treasurer shall review and assure compliance with investment processes and procedures.

V. ETHICS AND CONFLICT OF INTEREST

In accordance with California Government Code Sections 1090 et seq. and 87100 et seq., officers and employees of the City will refrain from any activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions, and all investment personnel shall subordinate their personal investment transactions to those of the City. In addition, City Council members, the City Manager, and Finance Director/City Treasurer, shall comply with the reporting requirements of California Government Code Section 87203 and regulations of the Fair Political Practices Commission and file a Statement of Economic Interest annually.

VI. PRUDENT INVESTOR STANDARD

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard, which states that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City recognizes that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized, that in a well-diversified investment portfolio, occasional measured losses may occur due to economic, bond market, or individual security credit events. These occasional declines in value must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Finance Director/City Treasurer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of this Policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VII. AUTHORIZED INVESTMENTS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609, and 53630-53686. Any amendments to these code sections will be assumed to be part of this Policy immediately upon being enacted. However, in the event that such amendments conflict with this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City's attorney, the Finance Director/ City Treasurer will present a recommended course of action to the City Council for approval. The authorized investments are described below.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation on the percentage of the portfolio that can be invested in this category.
- B. Agency Mortgage-backed securities, backed by residential, multi-family or commercial mortgages, with a final maturity not exceeding five years from the date of trade settlement,

that are issued of fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMO's) and REMICs. The aggregate investment in these securities shall not exceed 20% of the City's total portfolio and shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five year or less.

- C. Federal agency or United States government-sponsored enterprise ("GSE") obligations, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. The aggregate investment in federal agency securities/GSEs shall not exceed 70% of the City's total portfolio, and the securities of any one federal agency/GSE shall not exceed 40% of the City's total portfolio.
- D. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and rated at least "A" or the equivalent by an NRSRO. The aggregate investment in medium-term notes shall not exceed 30% of the City's total portfolio, and no more than 5% of the City's total portfolio shall be invested in the medium-term notes of any one issuer.
- E. Non-negotiable Certificates of Deposit with a maturity not exceeding three years from the date of trade settlement, in state- or nationally-chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Amounts in excess of FDIC insurance coverage shall be secured in accordance with California Government Code Section 53652. No more than 5% of the City's total portfolio shall be invested in the deposits of any one bank. The aggregate investment in non-negotiable certificates of deposit shall not exceed 30% of the City's total portfolio.
- F. "Prime" commercial paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by an NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - 1) The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated at least "A" or the equivalent by an NRSRO.
 - 2) The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, overcollateralization, letters of credit or surety bond; and (3) have commercial paper that is rated at least "A-1" or the equivalent by an NRSRO.

The City may purchase no more than 10% of the outstanding commercial paper of any one issuer, and the aggregate investment in commercial paper shall not exceed 15% of the City's total portfolio. Further, no more than 5% of the City's total portfolio shall be invested in the commercial paper of any one issuer.

- G. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, rated at least "A-1" or the equivalent by an NRSRO, drawn on or accepted by a commercial bank, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least "A" or the equivalent by an NRSRO at the time of purchase. No more than

5% of the City's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 10% of the City's total portfolio.

- H. Repurchase Agreements with a final termination date not exceeding 90 days collateralized by obligations of the U.S. Treasury, federal agencies and/or government-sponsored enterprises (described in sections VII.A and VII.C above). For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. All collateral must be delivered to the City's custodian bank by book entry, physical delivery, or by a third party custodial agreement. The market value of the collateral securities shall be marked-to-the-market at least quarterly, and the value of the underlying collateral must be brought back up to 102 percent no later than the next business day. Market value must be calculated each time there is a substitution of collateral. No more than 10% of the City's total portfolio shall be invested in repurchase agreements with any one counterparty, and the aggregate investment in repurchase agreements shall not exceed 10% of the City's total portfolio.

The City or its custodian shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The City may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York. Approved Repurchase Agreement counterparties shall have a short-term credit rating of at least "A-1", or the equivalent, and a long-term credit rating of at least "A", or the equivalent, by a NRSRO. Repurchase agreement counterparties shall execute a City-approved Master Repurchase Agreement with the City. The Finance Director/City Treasurer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of broker/dealers who have executed this agreement.

Reverse repurchase agreements will not be permitted.

- I. **LOCAL AGENCY INVESTMENT FUND.** The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer (per Government Code Section 16429.1) for the benefit of local agencies up to the maximum amount permitted by LAIF or 65% of the market value of the City's total portfolio, whichever is less.
- J. **SAN MATEO COUNTY POOL.** The City may invest in the San Mateo County Pool established by the San Mateo County Treasurer for the benefit of local agencies (as established in California Code Section 53684). No more than 30% of the market value of the City's total portfolio may be invested in this category.
- K. **CALIFORNIA ASSET MANAGEMENT PROGRAM.** The City may invest in the California Asset Management Program (CAMP) a California Joint Powers Authority established to provide California public agencies with professional investment services (California Code Section 53601 (p)). No more than 20% of the market value of the City's total portfolio may be invested in this category.
- M. Shares of beneficial interest issued by a diversified management company that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). Provided that the money market funds (1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) have a rating of "AAA" or the equivalent by at least two NRSROs or have retained an investment adviser registered or

exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). No more than 10% of the City's total portfolio shall be invested in any one issuer and the aggregate investment in money market funds shall not exceed 20% of the City's total portfolio.

- N. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency, or authority of the state or any local agency.

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

Securities in this section must have a short-term rating of "A-1" or the equivalent by an NRSRO or a long-term rating of "A" or the equivalent by an NRSRO. No more than 5% of the City's total portfolio shall be invested in any one municipal issuer, and the aggregate investment in municipal bonds shall not exceed 20% of the City's total portfolio.

- O. Negotiable certificates of deposit or deposit notes issued by a nationally- or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally-licensed or by a state-licensed branch of a foreign bank. Eligible negotiable certificates of deposit shall be rated "A" for long-term, "A-1" for short-term, their equivalent, or higher by an NRSRO. No more than 5% of the City's total portfolio shall be invested in the negotiable certificates of deposit of any one issuer, and the aggregate investment in negotiable certificates of deposit shall not exceed 30% of the City's total portfolio.
- P. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 10 percent of the agency's moneys that may be invested pursuant to this section.

The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from this list must be approved in advance by resolution of the City Council.

NOTE 1: References throughout this document to "the City's total portfolio" will be the market value of the portfolio at the time the specific security is purchased.

NOTE 2: Should the rating of any authorized investment subsequent to purchase fall below the requirement, the Finance Director/City Treasurer, or his/her designee, shall evaluate the downgrade on a case-by-case basis and determine whether the security should be held or sold. The Finance Director/City Treasurer shall apply the general objectives of safety, liquidity, and return on investment in making such determination. That determination shall be documented in the quarterly report.

VIII. INVESTMENT DIVERSIFICATION

The City shall diversify its investments within the parameters of this Policy to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs. To meet its diversification objectives, no more than 5% of the City's total portfolio may be invested in any one single issuer across the following sectors identified in Section VII: medium-term notes, non-negotiable certificates of deposit, prime commercial paper, eligible banker's acceptances, state or municipal bonds, and negotiable certificates of deposit. This means the aggregate investment, for example, in prime commercial paper and medium-term notes from a single issuer may not exceed a total of 5% of the City's investment portfolio.

IX. SELECTION OF BROKER/DEALERS

The Finance Director/City Treasurer shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to conduct transactions only with those authorized firms. To be eligible, a firm must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code, and:

1. Be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or
2. Report voluntarily to the Federal Reserve Bank of New York, or
3. Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information form. The Finance Director/City Treasurer shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent Broker/Dealer Information Request form.

If the City has not engaged the support services of an outside investment advisor while in the process of executing a particular transaction, the authorized broker/dealer(s) shall provide certification of having received and reviewed this Policy. For transactions initiated through an investment advisor, the investment advisor may use their own list of approved broker/dealers and financial institutions, which it will maintain and review periodically.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item F of the Authorized Investments section of this Policy.

X. COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction, and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the Finance Director/City Treasurer will document quotations for comparable or alternative securities.

XI. SELECTION OF BANKS

The Finance Director/City Treasurer shall maintain a list of banks approved to provide depository and other banking services for the City. To be eligible for authorization, a bank shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5, shall be a member of the FDIC, and shall secure all deposits exceeding FDIC insurance coverage in accordance with California Government Code Section 53652.

XII. SAFEKEEPING AND CUSTODY

The Finance Director/City Treasurer shall select a bank to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. A City-approved Safekeeping Agreement shall be executed with the custodian bank prior to utilizing that bank's safekeeping services. The custodian bank will be selected on the basis of its ability to provide satisfactory safekeeping services and the competitive pricing of them.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery-versus-payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.

All investment securities will be delivered by either book entry or physical delivery and will be held by the City's custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

XIII. PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. An appropriate benchmark or benchmarks will be established against which portfolio performance shall be compared on a regular basis. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

XIV. MONTHLY REPORTING

Monthly, the Finance Director/City Treasurer shall submit to the City Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

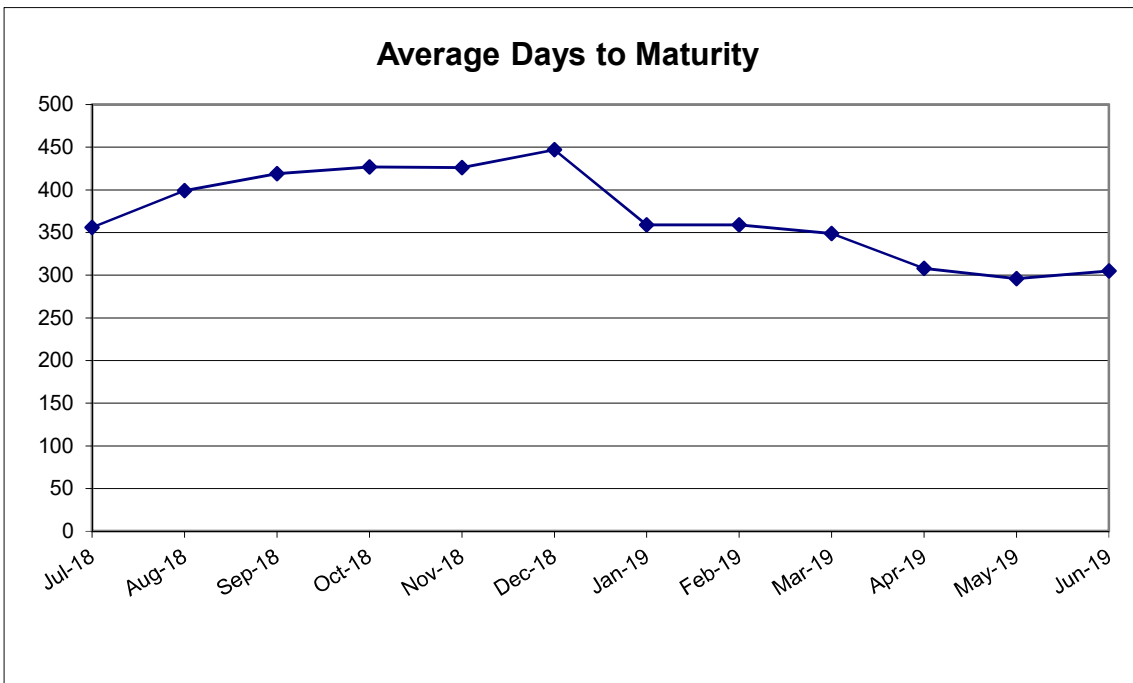
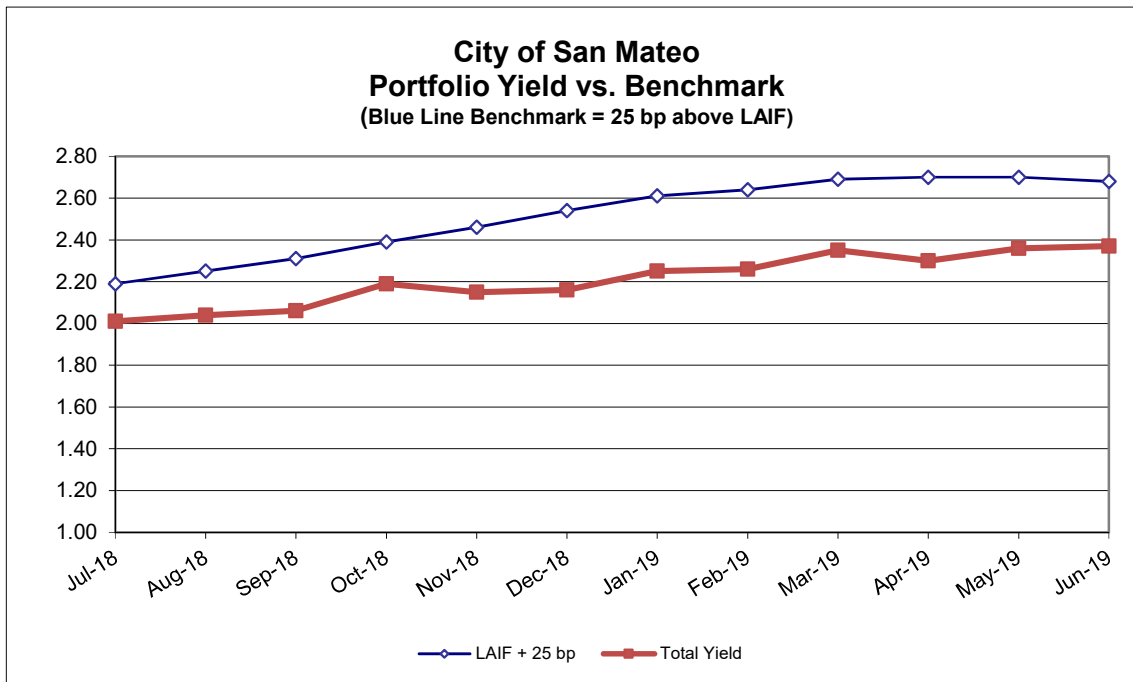
1. Investment type, issuer, date of purchase and maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Policy or an explanation for non-compliance; and
5. A statement of the City's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

XV. INVESTMENT POLICY ADOPTION

This Investment Policy shall be adopted by resolution of the City Council. The Policy shall be reviewed annually by the Investment Advisory Committee and any modifications made thereto must be approved by the City Council.

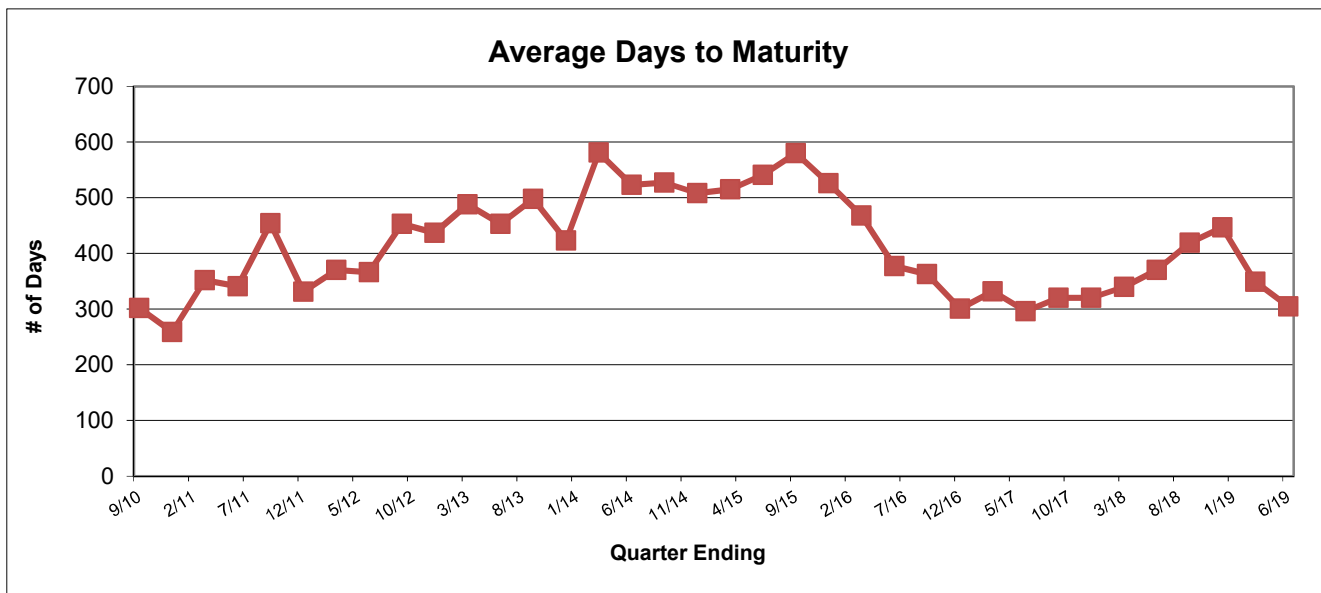
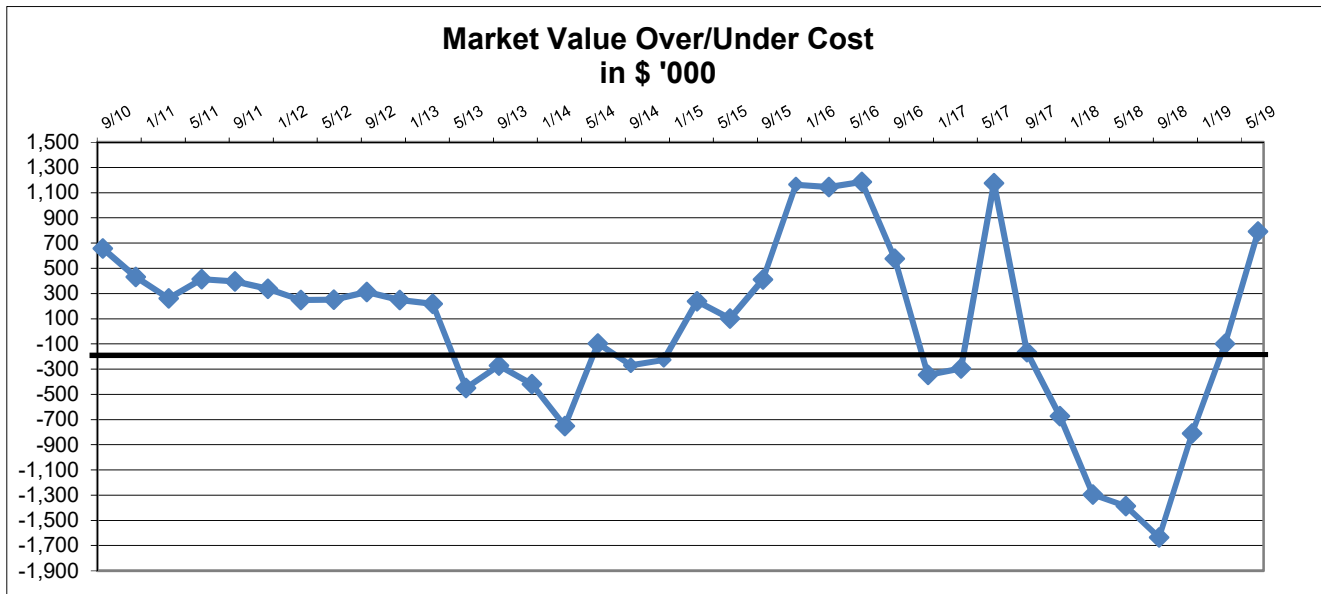
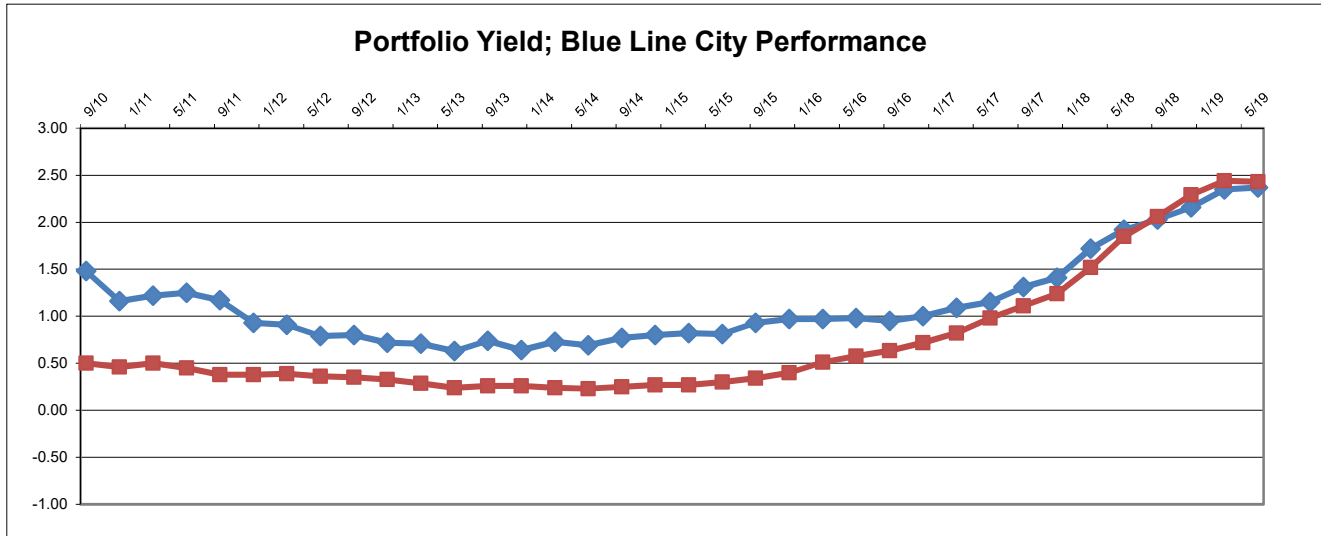
City of San Mateo

Current Year - 12 Month Trend



City of San Mateo Historical Trend by Quarter

7/18/2019





Portfolio Compliance Report April 30, 2019

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
Money Market Funds	\$15,855	\$15,855	\$15,855	<1%	20%	✓	1	2.33%
Investment Pools	\$137,696,952	\$137,696,952	\$137,696,952	52%	30-65% ⁴	✓	1	2.35%
Total Liquidity	\$137,712,807	\$137,712,807	\$137,712,807	52%			1	2.35%
Certificates of Deposit	\$11,339,662	\$11,350,176	\$11,339,811	4%	30%	✓	342	2.50%
U.S. Treasury Notes	\$29,381,548	\$29,547,948	\$29,540,734	11%	100%	✓	996	2.10%
Federal Agency Securities	\$77,390,759	\$77,437,094	\$77,486,010	29%	70%	✓	525	2.27%
Medium-Term Corporate Notes	\$10,433,127	\$10,285,618	\$10,341,535	4%	30%	✓	773	2.27%
Total Securities	\$128,545,096	\$128,620,837	\$128,708,090	48%			636	2.26%
Total Portfolio	\$266,257,904	\$266,333,644	\$266,420,897	100%			308	2.30%
<i>Internal</i>	<i>\$214,611,939</i>	<i>\$214,681,185</i>	<i>\$214,768,147</i>	<i>81%</i>			<i>149</i>	<i>2.30%</i>
<i>External</i>	<i>\$51,645,965</i>	<i>\$51,652,459</i>	<i>\$51,652,750</i>	<i>19%</i>			<i>966</i>	<i>2.31%</i>

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

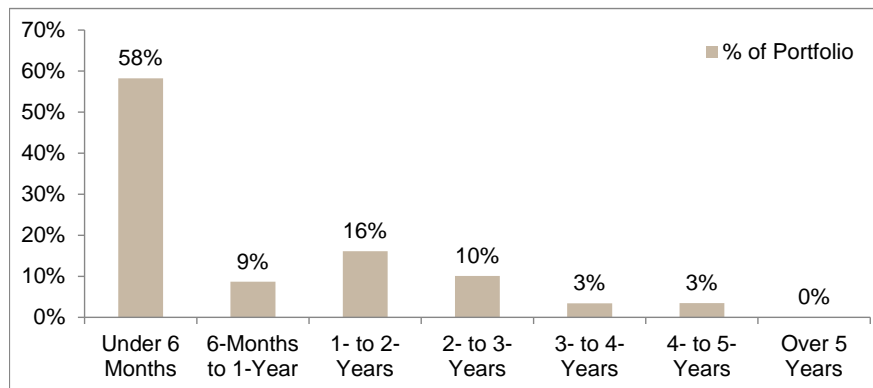
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

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

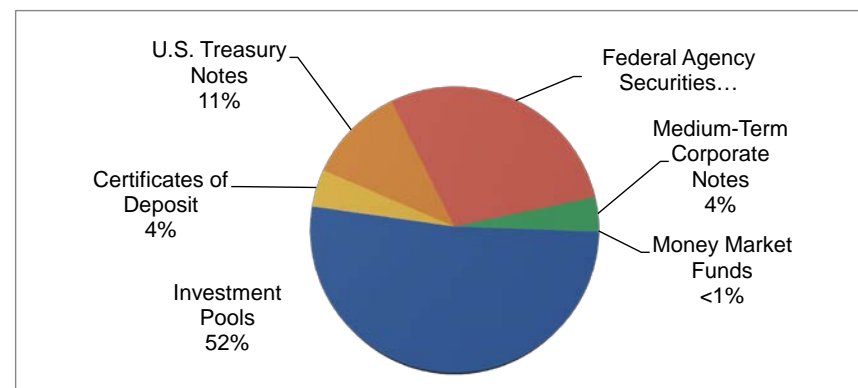
4. The City is currently allowed to invest in two investments pools-the San Mateo County Pool and the Local Agency Investment Fund. The City may invest up to \$65 million or 65% of its portfolio in LAIF and 30% of its portfolio in the San Mateo County Pool.

5. The San Mateo County pool yield is an estimated April 2019 net earnings rate as of April 30, 2019

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.



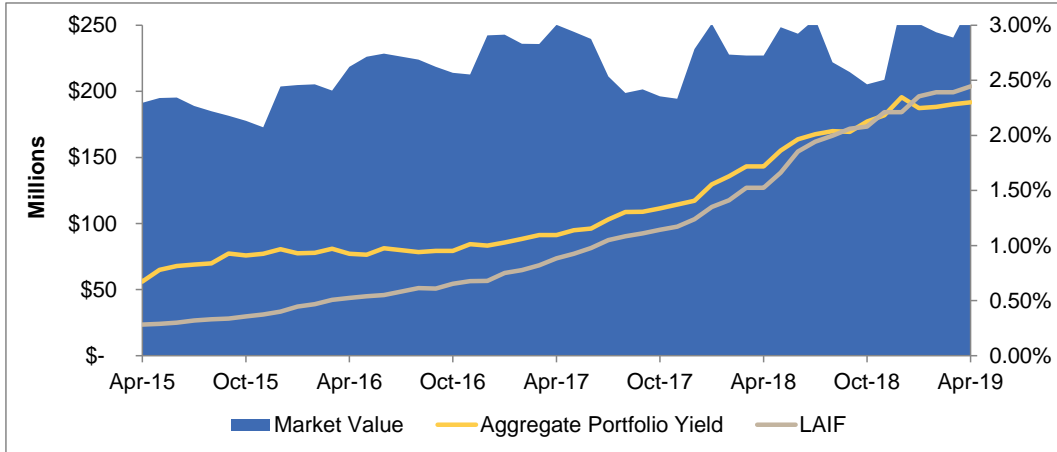
Portfolio Compliance Report
April 30, 2019

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



[Handwritten Signature]

Richard Lee
Finance Director

20-May-19

Date



Portfolio Compliance Report
April 30, 2019

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
Money Market Funds	15,855	15,855	15,855	<1%			1	2.33%
Dreyfus	15,855	15,855	15,855	<1%	10%	✓	1	2.33%
Investment Pools	137,696,952	137,696,952	137,696,952	52%			1	2.35%
San Mateo County Pool	77,852,770	77,852,770	77,852,770	29%	30%	✓	1	2.45%
Local Agency Investment Fund	59,844,182	59,844,182	59,844,182	22%	65%	✓	1	2.21%
Certificates of Deposit	11,339,662	11,350,176	11,339,811	4%			342	2.50%
Bank of Montreal	900,000	905,508	900,000	<1%	5%	✓	461	3.23%
Bank of Nova Scotia	889,662	893,775	889,811	<1%	5%	✓	402	3.10%
Bank of Tokyo Mitsubishi	515,000	519,603	515,000	<1%	5%	✓	668	2.99%
Canadian Imperial Bank of Commerce	520,000	521,115	520,000	<1%	5%	✓	346	2.78%
Credit Agricole	515,000	519,056	515,000	<1%	5%	✓	703	2.85%
Credit Suisse NY	515,000	514,896	515,000	<1%	5%	✓	283	2.67%
East West Bank	3,000,000	3,000,000	3,000,000	1.1%	5%	✓	117	2.53%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	259	0.70%
Nordea Bank	775,000	775,657	775,000	<1%	5%	✓	296	2.72%
Swedbank	1,035,000	1,030,549	1,035,000	<1%	5%	✓	566	2.30%
UBS AG of Stamford	775,000	776,617	775,000	<1%	5%	✓	307	2.93%
Westpac Banking NY	900,000	893,401	900,000	<1%	5%	✓	461	2.05%
U.S. Treasury Notes	29,381,548	29,547,948	29,540,734	11%			996	2.10%
U.S. Treasury	29,381,548	29,547,948	29,540,734	11%	100%	✓	996	2.10%
Federal Agency Securities	77,390,759	77,437,094	77,486,010	29%			525	2.27%
FFCB	23,946,410	24,016,890	23,989,288	9%	40%	✓	374	2.36%
FHLB	29,865,635	29,854,867	29,870,337	11%	40%	✓	500	2.38%
FHLMC	14,061,350	14,062,618	14,103,748	5%	40%	✓	549	2.05%
FNMA	9,517,364	9,502,720	9,522,636	4%	40%	✓	947	2.06%



Portfolio Compliance Report
April 30, 2019

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
Medium-Term Corporate Notes	10,433,127	10,285,618	10,341,535	4%			773	2.27%
Amazon	415,955	415,955	416,001	<1%	5%	✓	1394	2.66%
American Express Company	584,392	582,531	584,826	<1%	5%	✓	308	2.24%
American Honda Finance	764,741	755,070	767,456	<1%	5%	✓	863	1.84%
Bank of America	513,820	508,904	512,211	<1%	5%	✓	720	2.40%
Branch Banking & Trust	412,093	412,885	412,861	<1%	5%	✓	794	2.55%
Citigroup	513,483	510,321	512,263	<1%	5%	✓	953	2.72%
General Electric	984,798	922,572	933,334	<1%	5%	✓	370	1.83%
Goldman Sachs	504,109	483,662	487,027	<1%	5%	✓	819	2.53%
IBM Corp	751,575	744,915	750,890	<1%	5%	✓	1003	2.45%
John Deere	134,918	134,004	134,968	<1%	5%	✓	419	1.97%
JP Morgan Chase & Co	498,470	506,090	498,820	<1%	5%	✓	1242	3.32%
Paccar Financial	144,987	143,962	144,993	<1%	5%	✓	563	2.05%
PepsiCo	324,935	322,030	324,963	<1%	5%	✓	716	2.01%
Procter & Gamble	219,663	218,132	219,831	<1%	5%	✓	542	1.95%
State Street Corporation	1,017,129	994,353	1,004,880	<1%	5%	✓	476	1.77%
Toyota	680,225	692,516	679,982	<1%	5%	✓	1714	3.18%
Wal-Mart	998,550	990,470	999,238	<1%	5%	✓	595	1.95%
Wells Fargo	969,285	947,245	956,990	<1%	5%	✓	587	2.08%
Grand Total	266,257,904	266,333,644	266,420,897	100%			308	2.30%

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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 April 2019 gross earnings rate as of April 30, 2019

April Transaction Detail

Transaction Type/Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
04/02/19	04/04/19	US TREASURY NOTES, DTD 8/01/16 1.25%, 7/31/2023	912828S92	1,150,000.00	1,101,304.69	2,501.73	1,103,806.42
04/03/19	04/04/19	CREDIT AGRICOLE CIB NY CERT DEPO, DTD 4/04/2019, 2.830%, 04/02/2021	22535CDU2	515,000.00	515,000.00	-	515,000.00
04/11/19	04/15/19	AMAZON.COM INC BONDS, DTD 06/06/2018, 2.400%, 02/22/2023	023135AW6	420,000.00	415,955.40	1,484.00	417,439.40
				2,085,000.00	2,032,260.09	3,985.73	2,036,245.82

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
04/02/19	04/04/19	SKANDINAVISKA ENSKILDA BANKEN NY CD, DTD 08/04/2017, 13840%, 08/02/2019	83050FXT3	1,000,000.00	997,410.97	3,117.78	1,000,528.75
04/03/19	04/04/19	CREDIT AGRICOLE CIB NY FLT CERT DEPOS, DTD 4/10/2018, 3.054%, 04/10/2020	22532XHT8	515,000.00	516,726.13	3,908.42	520,634.55
04/04/19	04/04/19	US TREASURY NOTES, DTD 02/29/2016, 1.125%, 02/28/2021	912828P87	41,000.00	40,072.70	43.87	40,116.57
04/11/19	04/15/19	US TREASURY NOTES, DTD 02/29/2016, 1.500%, 02/28/2023	912828P79	435,000.00	422,034.96	815.63	422,850.59
				1,991,000.00	1,976,244.76	7,885.70	1,984,130.46
Total Security Transactions				94,000.00	56,015.33	(3,899.97)	52,115.36

* City of San Mateo



City of San Mateo

Bond Proceeds/Bond Reserve Portfolio

April-19

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	83,327	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	1,928,097	0.00%
Subtotal Construction & Other					\$ 2,011,425	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,123,264	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	577,915	0.00%
Subtotal Debt Reserve					\$ 1,701,180	0.61%
Total and Average					\$ 3,712,604	0.28%

* C=Construction, R=Debt Reserve



Portfolio Compliance Report May 31, 2019

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
Money Market Funds	\$14,839	\$14,839	\$14,839	<1%	20%	✓	1	2.24%
Investment Pools	\$140,059,699	\$140,059,699	\$140,059,699	52%		✓	1	2.48%
San Mateo County Pool	\$77,459,853	\$77,459,853	\$77,459,853	29%	30%	✓	1	2.49%
Local Agency Investment Fund	\$57,094,182	\$57,094,182	\$57,094,182	21%	65%	✓	1	2.45%
California Asset Management Program	\$5,505,663	\$5,505,663	\$5,505,663	2%	20%	✓	1	2.52%
Total Liquidity	\$140,074,538	\$140,074,538	\$140,074,538	52%			1	2.48%
Certificates of Deposit	\$11,339,662	\$11,367,899	\$11,339,825	4%	30%	✓	311	2.53%
U.S. Treasury Notes	\$28,895,624	\$29,337,352	\$29,057,700	11%	100%	✓	999	2.13%
Federal Agency Securities	\$77,389,259	\$77,642,967	\$77,488,653	29%	70%	✓	501	2.24%
Agency Mortgage Backed Securities	\$472,938	\$475,824	\$472,938	<1%	25%	✓	970	2.20%
Medium-Term Corporate Notes	\$10,433,127	\$10,324,886	\$10,336,892	4%	20%	✓	742	2.27%
Total Securities	\$128,530,610	\$129,148,928	\$128,696,008	48%			617	2.24%
Total Portfolio	\$268,605,148	\$269,223,466	\$268,770,546	100%			296	2.36%
<i>Internal</i>	\$216,973,185	\$217,171,454	\$217,134,592	81%			139	2.37%
<i>External</i>	\$51,631,963	\$52,052,012	\$51,635,954	19%			954	2.32%

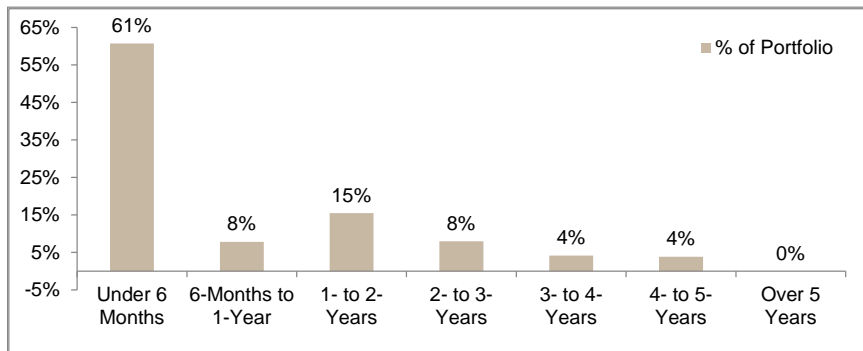
1. Market values provided by The Bank of New York Mellon Trust Company.

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.

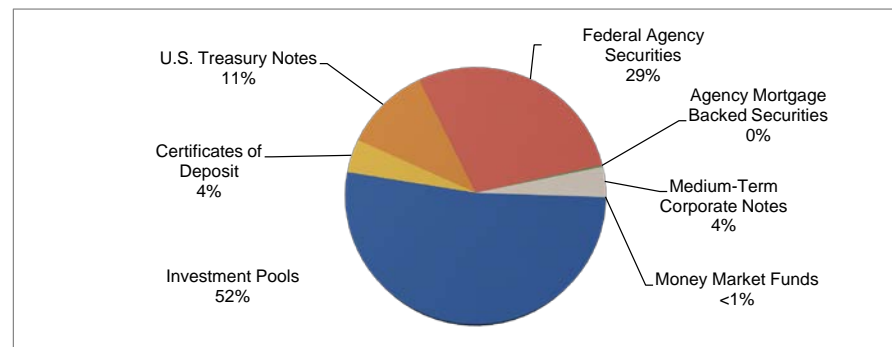
3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

5. The San Mateo County pool yield is an estimated May 2019 gross earnings rate as of May 31, 2019

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.



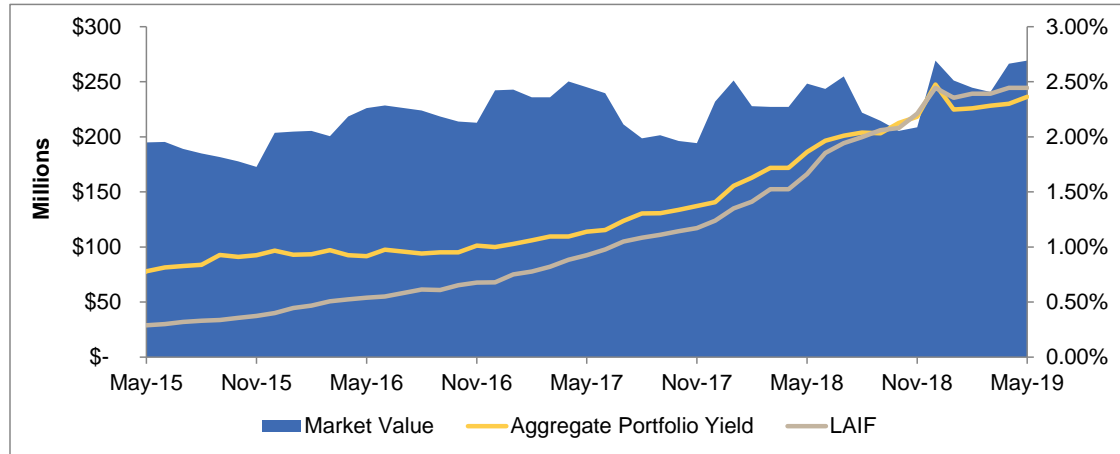
Portfolio Compliance Report
May 31, 2019

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



[Handwritten Signature]

Richard Lee
Finance Director

20-Jun-19

Date



Portfolio Compliance Report
May 31, 2019

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
Money Market Funds	14,839	14,839	14,839	<1%			1	2.24%
Dreyfus	14,839	14,839	14,839	<1%	10%	✓	1	2.24%
Investment Pools	140,059,699	140,059,699	140,059,699	52%			1	2.48%
San Mateo County Pool	77,459,853	77,459,853	77,459,853	29%	30%	✓	1	2.49%
Local Agency Investment Fund	57,094,182	57,094,182	57,094,182	21%	65%	✓	1	2.45%
California Asset Management Program	5,505,663	5,505,663	5,505,663	2%	20%	✓	1	2.52%
Certificates of Deposit	11,339,662	11,367,899	11,339,825	4%			311	2.53%
Bank of Nova Scotia	889,662	895,124	889,825	<1%	5%	✓	371	3.10%
Bank of Tokyo Mitsubishi	515,000	522,075	515,000	<1%	5%	✓	637	2.99%
Canadian Imperial Bank of Commerce	520,000	521,841	520,000	<1%	5%	✓	315	2.78%
Credit Agricole	515,000	521,984	515,000	<1%	5%	✓	672	2.85%
Credit Suisse NY	515,000	515,300	515,000	<1%	5%	✓	252	2.67%
Bank of Montreal	900,000	907,327	900,000	<1%	5%	✓	430	3.23%
East West Bank	3,000,000	3,000,000	3,000,000	1.1%	5%	✓	86	2.53%
Tri Counties Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	228	1.00%
Nordea Bank	775,000	776,221	775,000	<1%	5%	✓	265	2.72%
Swedbank	1,035,000	1,034,629	1,035,000	<1%	5%	✓	535	2.30%
UBS AG of Stamford	775,000	777,364	775,000	<1%	5%	✓	276	2.93%
Westpac Banking NY	900,000	896,033	900,000	<1%	5%	✓	430	2.05%
U.S. Treasury Notes	28,895,624	29,337,352	29,057,700	11%			999	2.13%
U.S. Treasury	28,895,624	29,337,352	29,057,700	11%	100%	✓	999	2.13%
Federal Agency Securities	77,389,259	77,642,967	77,488,653	29%			501	2.24%
FFCB	24,969,070	25,068,190	24,994,203	9%	40%	✓	444	2.38%
FHLB	28,841,475	28,891,971	28,866,275	11%	40%	✓	406	2.27%
FHLMC	14,061,350	14,103,331	14,105,362	5%	40%	✓	550	2.05%
FNMA	9,517,364	9,579,476	9,522,813	4%	40%	✓	916	2.06%
Agency Mortgage Backed Securities	472,938	475,824	472,938	<1%			970	2.20%
FHLMC	472,938	475,824	472,938	<1%	40%	✓	970	2.20%



Portfolio Compliance Report
May 31, 2019

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
Medium-Term Corporate Notes	10,433,127	10,324,886	10,336,892	4%			742	2.27%
Amazon	415,955	419,177	416,086	<1%	5%	✓	1363	2.66%
American Express Company	584,392	583,941	584,843	<1%	5%	✓	277	2.24%
American Honda Finance	764,741	759,628	767,545	<1%	5%	✓	832	1.84%
Bank of America	513,820	511,316	512,119	<1%	5%	✓	689	2.40%
Branch Banking & Trust	412,093	414,335	412,921	<1%	5%	✓	763	2.55%
Citigroup	513,483	511,714	512,191	<1%	5%	✓	922	2.72%
General Electric	984,798	921,762	930,594	<1%	5%	✓	339	1.83%
Goldman Sachs	504,109	484,155	486,049	<1%	5%	✓	788	2.53%
IBM Corp	751,575	748,643	750,864	<1%	5%	✓	972	2.45%
John Deere	134,918	134,286	134,970	<1%	5%	✓	388	1.97%
JP Morgan Chase & Co	498,470	509,130	498,848	<1%	5%	✓	1211	3.32%
Paccar Financial	144,987	144,507	144,994	<1%	5%	✓	532	2.05%
PepsiCo	324,935	323,671	324,965	<1%	5%	✓	685	2.01%
Procter & Gamble	219,663	219,100	219,841	<1%	5%	✓	511	1.95%
State Street Corporation	1,017,129	996,652	1,004,252	<1%	5%	✓	445	1.77%
Toyota	680,225	697,660	679,903	<1%	5%	✓	1683	3.18%
Wal-Mart	998,550	994,850	999,276	<1%	5%	✓	564	1.95%
Wells Fargo	969,285	950,361	956,633	<1%	5%	✓	556	2.08%
Grand Total	268,605,148	269,223,466	268,770,546	100%			296	2.36%

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4. The San Mateo County pool yield is an estimated May 2019 gross earnings rate as of May 31, 2019

Holdings Detail - Aggregate Portfolio

CUSIP	Issuer	Coupon	Maturity Date	Call Date	Rating	Par	Yield	Original Cost	Market Value ¹	Amortized Cost ²	# of Days to Maturity	
Cash Equivalents						14,839	2.24%	14,839	14,839	14,839	1	Under 6 Months
	Dreyfus	0.00%	6/1/2019		AAAm	14,839	2.24%	14,839	14,839	14,839	1	Under 6 Months
Investment Pools						140,059,699	2.48%	140,059,699	140,059,699	140,059,699	1	Under 6 Months
	Local Agency Investment Fund	0.00%	6/1/2019		NR	57,094,182	2.45%	57,094,182	57,094,182	57,094,182	1	Under 6 Months
	San Mateo County Pool	0.00%	6/1/2019		NR	77,459,853	2.49%	77,459,853	77,459,853	77,459,853	1	Under 6 Months
	California Asset Management Prograr	0.00%	6/1/2019		NR	5,505,663	2.52%	5,505,663	5,505,663	5,505,663	1	Under 6 Months
Certificates of Deposit						10,440,000	2.53%	11,339,662	11,367,899	11,339,825	311	6-Months to 1-Year
BANKCD4	Tri Counties Bank	1.00%	1/14/2020		NR	1,000,000	1.00%	1,000,000	1,000,000	1,000,000	228	6-Months to 1-Year
BANKCD1	East West Bank	2.50%	7/27/2019		NR	2,000,000	2.50%	2,000,000	2,000,000	2,000,000	57	Under 6 Months
BANKCD5	East West Bank	2.60%	10/23/2019		NR	1,000,000	2.60%	1,000,000	1,000,000	1,000,000	145	Under 6 Months
06370REU9	Bank of Montreal	3.19%	8/3/2020		A+	900,000	3.23%	900,000	907,327	900,000	430	1- to 2-Years
06417GU22	Bank of Nova Scotia	3.08%	6/5/2020		A+	890,000	3.10%	889,662	895,124	889,825	371	1- to 2-Years
13606BVF0	Canadian Imperial Bank of Commerce	2.98%	4/10/2020		A-1	520,000	2.78%	520,000	521,841	520,000	315	6-Months to 1-Year
22535CDU2	Credit Agricole	2.83%	4/2/2021		A+	515,000	2.85%	515,000	521,984	515,000	672	1- to 2-Years
22549LFR1	Credit Suisse NY	2.67%	2/7/2020		A-1	515,000	2.67%	515,000	515,300	515,000	252	6-Months to 1-Year
55379WZT6	Bank of Tokyo Mitsubishi	2.97%	2/26/2021		A	515,000	2.99%	515,000	522,075	515,000	637	1- to 2-Years
65590ASN7	Nordea Bank	2.72%	2/20/2020		A-1+	775,000	2.72%	775,000	776,221	775,000	265	6-Months to 1-Year
87019U6D6	Swedbank	2.27%	11/16/2020		AA-	1,035,000	2.30%	1,035,000	1,034,629	1,035,000	535	1- to 2-Years
90275DHG8	UBS AG of Stamford	2.90%	3/2/2020		A-1	775,000	2.93%	775,000	777,364	775,000	276	6-Months to 1-Year
96121T4A3	Westpac Banking NY	2.05%	8/3/2020		AA-	900,000	2.05%	900,000	896,033	900,000	430	1- to 2-Years
U.S. Treasury Notes						29,399,000	2.13%	28,895,624	29,337,352	29,057,700	999	2- to 3-Years
912828TR1	U.S. Treasury	1.00%	9/30/2019		AA+	1,000,000	1.26%	982,344	995,390	999,157	122	Under 6 Months
912828TV2	U.S. Treasury	1.25%	10/31/2019		AA+	1,000,000	1.37%	992,188	995,430	999,532	153	Under 6 Months
912828UB4	U.S. Treasury	1.00%	11/30/2019		AA+	2,000,000	1.30%	1,960,000	1,986,400	1,997,136	183	Under 6 Months
9128282P4	U.S. Treasury	1.88%	7/31/2022		AA+	1,000,000	2.51%	974,063	999,020	980,749	1,157	3- to 4-Years
9128283C2	U.S. Treasury	2.00%	10/31/2022		AA+	1,635,000	2.80%	1,580,457	1,639,660	1,592,927	1,249	3- to 4-Years
9128285D8	U.S. Treasury	2.88%	9/30/2023		AA+	955,000	2.25%	980,106	992,083	979,677	1,583	4- to 5-Years
9128285U0	U.S. Treasury	2.63%	12/31/2023		AA+	125,000	2.56%	125,371	128,726	125,348	1,675	4- to 5-Years
912828F96	U.S. Treasury	2.00%	10/31/2021		AA+	2,190,000	2.10%	2,183,837	2,193,854	2,184,968	884	2- to 3-Years
912828J43	U.S. Treasury	1.75%	2/28/2022		AA+	500,000	2.14%	490,781	497,715	494,770	1,004	2- to 3-Years
912828L57	U.S. Treasury	1.75%	9/30/2022		AA+	2,110,000	2.46%	2,048,098	2,099,281	2,062,286	1,218	3- to 4-Years
912828P38	U.S. Treasury	1.75%	1/31/2023		AA+	420,000	2.93%	399,952	417,505	402,850	1,341	3- to 4-Years
912828P79	U.S. Treasury	1.50%	2/28/2023		AA+	610,000	2.74%	577,117	600,777	583,217	1,369	3- to 4-Years
912828P87	U.S. Treasury	1.13%	2/28/2021		AA+	694,000	1.57%	683,563	683,534	688,732	639	1- to 2-Years
912828Q29	U.S. Treasury	1.50%	3/31/2023		AA+	510,000	2.44%	491,214	502,172	492,517	1,400	3- to 4-Years
912828Q78	U.S. Treasury	1.38%	4/30/2021		AA+	2,545,000	1.66%	2,515,283	2,516,471	2,531,367	700	1- to 2-Years
912828R77	U.S. Treasury	1.38%	5/31/2021		AA+	615,000	1.81%	605,078	607,940	609,832	731	2- to 3-Years
912828S92	U.S. Treasury	1.25%	7/31/2023		AA+	1,675,000	2.33%	1,600,034	1,629,725	1,603,448	1,522	4- to 5-Years
912828U57	U.S. Treasury	2.13%	11/30/2023		AA+	1,315,000	2.52%	1,291,474	1,325,481	1,293,273	1,644	4- to 5-Years
912828V72	U.S. Treasury	1.88%	1/31/2022		AA+	1,600,000	1.90%	1,598,313	1,598,000	1,598,999	976	2- to 3-Years
912828W89	U.S. Treasury	1.88%	3/31/2022		AA+	5,080,000	2.45%	4,975,401	5,077,206	5,000,721	1,035	2- to 3-Years
912828WE6	U.S. Treasury	2.75%	11/15/2023		AA+	820,000	2.52%	828,296	848,093	827,920	1,629	4- to 5-Years
912828XQ8	U.S. Treasury	2.00%	7/31/2022		AA+	1,000,000	1.73%	1,012,656	1,002,890	1,008,276	1,157	3- to 4-Years

Holdings Detail - Aggregate Portfolio

Federal Agency Securities						77,505,000	2.24%	77,389,259	77,642,967	77,488,653	501	1- to 2-Years
3130ACBD5	FHLB	1.65%	6/29/2020	12/29/2018	AA+	2,000,000	1.67%	1,999,000	1,990,720	1,999,607	395	1- to 2-Years
3130ACK78	FHLB	1.52%	10/4/2019		AA+	2,000,000	1.53%	1,999,800	1,994,020	1,999,965	126	Under 6 Months
3130ACM92	FHLB	1.50%	10/21/2019		AA+	2,000,000	1.90%	1,984,300	1,993,000	1,996,958	143	Under 6 Months
3130ACRR7	FHLB	1.72%	11/27/2019	2/27/2019	AA+	2,000,000	1.72%	2,000,000	1,993,720	2,000,000	180	Under 6 Months
3130ADFP2	FHLB	2.02%	1/29/2020		AA+	2,000,000	2.02%	2,000,000	1,995,840	2,000,000	243	6-Months to 1-Year
3130ADTV9	FHLB	0.00%	1/29/2021	1/29/2020	AA+	1,000,000	2.64%	988,750	1,000,170	993,749	609	1- to 2-Years
3130ADSV5	FHLB	2.30%	12/27/2019	12/27/2018	AA+	2,000,000	2.30%	2,000,000	1,999,120	2,000,000	210	6-Months to 1-Year
3130ADYY2	FHLB	2.40%	7/15/2020		AA+	2,000,000	2.40%	2,000,000	2,004,660	2,000,000	411	1- to 2-Years
3130AEVW7	FHLB	2.80%	3/26/2021	9/26/2019	AA+	2,000,000	2.80%	2,000,000	2,005,060	2,000,000	665	1- to 2-Years
3130AEWN6	FHLB	3.10%	9/28/2023	9/28/2020	AA+	1,000,000	3.10%	1,000,000	1,011,500	1,000,000	1,581	4- to 5-Years
3130AFD38	FHLB	3.00%	11/27/2020	11/27/2019	AA+	3,000,000	3.00%	3,000,000	3,011,370	3,000,000	546	1- to 2-Years
313370E38	FHLB	3.38%	6/12/2020	5/23/2019	AA+	2,000,000	3.20%	2,029,400	2,022,940	2,003,075	378	1- to 2-Years
313383HU8	FHLB	1.75%	6/12/2020		AA+	3,500,000	1.82%	3,483,480	3,483,375	3,497,566	378	1- to 2-Years
3133EG3E3	FHLB	1.72%	1/6/2020		AA+	2,000,000	2.14%	1,975,840	1,994,280	1,995,146	220	6-Months to 1-Year
3133EGLD5	FFCB	1.18%	10/18/2019	12/18/2018	AA+	1,000,000	1.60%	986,740	996,180	998,436	140	Under 6 Months
3133EGPD1	FFCB	1.18%	8/1/2019	12/18/2018	AA+	1,000,000	1.57%	988,590	998,230	999,354	62	Under 6 Months
3133EH6L2	FFCB	1.95%	1/10/2020	12/18/2018	AA+	2,000,000	2.00%	1,998,000	1,996,860	1,999,386	224	6-Months to 1-Year
3133EHS87	FFCB	1.65%	11/15/2019		AA+	1,000,000	1.65%	1,000,000	997,280	1,000,000	168	Under 6 Months
3133EJMB2	FFCB	2.75%	4/25/2022		AA+	2,000,000	2.75%	2,000,000	2,043,700	2,000,000	1,060	2- to 3-Years
3133EJNW5	FFCB	2.55%	5/15/2020		AA+	3,000,000	2.55%	3,000,000	3,007,710	3,000,000	350	6-Months to 1-Year
3133EJPT0	FFCB	2.35%	7/22/2019	12/18/2018	AA+	3,000,000	2.35%	3,000,000	3,000,150	3,000,000	52	Under 6 Months
3133EJPV5	FFCB	2.54%	3/23/2020		AA+	3,000,000	2.54%	3,000,000	3,007,950	3,000,000	297	6-Months to 1-Year
3133EJRL5	FFCB	2.55%	6/11/2020		AA+	2,000,000	2.59%	1,998,280	2,006,340	1,999,113	377	1- to 2-Years
3133EJRW1	FFCB	2.60%	9/14/2020		AA+	2,000,000	2.62%	1,998,960	2,013,040	1,999,404	472	1- to 2-Years
3133EKMHE	FFCB	2.44%	11/23/2020		AA+	3,000,000	2.44%	3,000,000	3,000,870	3,000,000	542	1- to 2-Years
3133EKMK9	FFCB	2.59%	2/22/2023		AA+	2,000,000	2.59%	1,998,500	1,999,880	1,998,510	1,363	3- to 4-Years
3134G9Q75	FHLMC	1.25%	7/26/2019	1/26/2019	AA+	2,000,000	1.63%	1,977,600	1,996,400	1,998,854	56	Under 6 Months
3134GB6B3	FHLMC	1.88%	12/27/2019	12/27/2018	AA+	2,000,000	1.88%	2,000,000	1,991,700	2,000,000	210	6-Months to 1-Year
3134GBG48	FHLMC	1.75%	3/29/2021	12/29/2018	AA+	2,110,000	1.96%	2,095,230	2,098,501	2,102,274	668	1- to 2-Years
3134GSNJ0	FHLMC	2.65%	6/28/2021	6/28/2019	AA+	2,000,000	2.65%	2,000,000	2,000,940	2,000,000	759	2- to 3-Years
3134GSWS0	FHLMC	3.00%	9/27/2022	12/28/2018	AA+	1,000,000	3.00%	1,000,000	1,002,360	1,000,000	1,215	3- to 4-Years
3136G3TD7	FNMA	1.20%	6/28/2019	9/27/2019	AA+	500,000	1.54%	494,985	499,570	499,872	28	Under 6 Months
3136G4PW7	FNMA	1.85%	10/27/2020	12/28/2018	AA+	2,000,000	1.85%	2,000,000	1,992,860	2,000,000	515	1- to 2-Years
3137EAEH8	FHLMC	1.38%	8/15/2019	1/27/2019	AA+	2,000,000	1.81%	1,982,500	1,995,700	1,998,243	76	Under 6 Months
3137EAEJ4	FHLMC	1.63%	9/29/2020		AA+	2,000,000	1.64%	1,999,000	1,988,540	1,999,556	487	1- to 2-Years
3130A0F70	FHLB	3.38%	12/8/2023		AA+	370,000	2.72%	380,905	392,196	380,208	1,652	4- to 5-Years
3135G0N82	FNMA	1.25%	8/17/2021		AA+	1,790,000	1.36%	1,780,913	1,762,112	1,785,883	809	2- to 3-Years
3135G0S38	FNMA	2.00%	1/5/2022		AA+	1,965,000	1.85%	1,977,556	1,967,004	1,972,341	950	2- to 3-Years
3135G0U27	FNMA	2.50%	4/13/2021		AA+	515,000	2.55%	514,233	519,542	514,516	683	1- to 2-Years
3135G0U43	FNMA	2.88%	9/12/2023		AA+	1,900,000	2.92%	1,896,162	1,967,773	1,896,573	1,565	4- to 5-Years
3135G0U92	FNMA	2.63%	1/11/2022		AA+	565,000	2.65%	564,593	574,153	564,644	956	2- to 3-Years
3135G0V34	FNMA	2.50%	2/5/2024		AA+	290,000	2.58%	288,921	296,461	288,985	1,711	4- to 5-Years
3137EAE55	FHLMC	2.75%	6/19/2023		AA+	1,000,000	2.58%	1,007,020	1,029,190	1,006,435	1,480	4- to 5-Years
Agency Mortgage Backed Securities						470,000	2.20%	472,938	475,824	472,938	970	2- to 3-Years
3137BHYX8	FHLMC	2.79%	1/25/2022		AA+	470,000	2.20%	472,938	475,824	472,938	970	2- to 3-Years

Holdings Detail - Aggregate Portfolio

Medium-Term Corporate Notes						10,265,000	2.27%	10,433,127	10,324,886	10,336,892	742	2- to 3-Years
023135AW6	Amazon	2.40%	2/22/2023		AA-	420,000	2.66%	415,955	419,177	416,086	1,363	3- to 4-Years
0258M0EE5	American Express Company	2.20%	3/3/2020	2/1/2020	A-	585,000	2.24%	584,392	583,941	584,843	277	6-Months to 1-Year
02665WBG5	American Honda Finance	1.70%	9/9/2021		A	770,000	1.84%	764,741	759,628	767,545	832	2- to 3-Years
05531FAX1	Branch Banking & Trust	2.75%	4/1/2022	3/1/2022	A-	150,000	3.25%	147,215	150,947	147,986	1,036	2- to 3-Years
05531FAZ6	Branch Banking & Trust	2.15%	2/1/2021	1/1/2021	A-	265,000	2.17%	264,878	263,389	264,935	612	1- to 2-Years
06051GFW4	Bank of America	2.63%	4/19/2021		A-	510,000	2.40%	513,820	511,316	512,119	689	1- to 2-Years
172967LC3	Citigroup	2.90%	12/8/2021	11/8/2021	BBB+ ⁵	510,000	2.72%	513,483	511,714	512,191	922	2- to 3-Years
24422ETS8	John Deere	1.95%	6/22/2020		A	135,000	1.97%	134,918	134,286	134,970	388	1- to 2-Years
36962G2T0	General Electric	5.55%	5/4/2020		BBB+ ⁵	900,000	1.83%	984,798	921,762	930,594	339	6-Months to 1-Year
38141GGQ1	Goldman Sachs	5.25%	7/27/2021		BBB+ ⁵	460,000	2.53%	504,109	484,155	486,049	788	2- to 3-Years
459200JQ5	IBM Corp	2.50%	1/27/2022		A	750,000	2.45%	751,575	748,643	750,864	972	2- to 3-Years
46625HJE1	JP Morgan Chase & Co	3.25%	9/23/2022	3/15/2021	A-	500,000	3.32%	498,470	509,130	498,848	1,211	3- to 4-Years
69371RN85	Paccar Financial	2.05%	11/13/2020		A+	145,000	2.05%	144,987	144,507	144,994	532	1- to 2-Years
713448DX3	PepsiCo	2.00%	4/15/2021		A+	325,000	2.01%	324,935	323,671	324,965	685	1- to 2-Years
742718FA2	Procter & Gamble	1.90%	10/23/2020		AA-	220,000	1.95%	219,663	219,100	219,841	511	1- to 2-Years
857477AS2	State Street Corporation	2.55%	8/18/2020		A	995,000	1.77%	1,017,129	996,652	1,004,252	445	1- to 2-Years
89236TFS9	Toyota	3.35%	1/8/2024		AA-	675,000	3.18%	680,225	697,660	679,903	1,683	4- to 5-Years
931142EA7	Wal-Mart	1.90%	12/15/2020		AA	1,000,000	1.95%	998,550	994,850	999,276	564	1- to 2-Years
94974BGR5	Wells Fargo	2.55%	12/7/2020		A-	950,000	2.08%	969,285	950,361	956,633	556	1- to 2-Years
Grand Total						268,153,538	2.36%	268,605,148	269,223,466	268,770,546	296	6-Months to 1-Year

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. The San Mateo County pool yield is an estimated May 2019 gross earnings rate as of May 31, 2019

4. Securities held in the City's portfolio are in compliance with California Government Code and the City's Investment Policy dated February 4, 2019.

5. Triple B rated investments represents Standard & Poor's rating, while other rating agencies have graded these investments as A.

May Transaction Detail

Transaction Type/Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
05/01/19	05/03/19	US TREASURY NOTES, DTD 10/01/18 2.875%, 9/30/2023	9128285D8	955,000.00	980,106.05	2,475.56	982,581.61
05/16/19	05/21/19	FHLMC MULTIFAMILY STRUCTURED, DTD 05/01/2015, 2.791%, 01/25/2022	3137BHXY8	470,000.00	472,937.50	728.76	473,666.26
				1,425,000.00	1,453,043.55	3,204.32	1,456,247.87

MATURITIES

05/21/19	Federal Farm Credit Bank	3133EJMX4	2,000,000.00	2,000,000.00	2,828.89	2,002,828.89	*
05/23/19	Federal Home Loan Bank	3130AFDH7	3,000,000.00	3,000,000.00	48,750.00	3,048,750.00	*

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
05/01/19	05/03/19	US TREASURY NOTES, DTD 2/29/2016, 1.125%, 2/28/2021	912828P87	1,000,000.00	979,609.38	1,956.52	981,565.90
05/16/19	05/21/19	US TREASURY NOTES, DTD 10/31/2014, 2.000%, 10/31/2021	912828F96	480,000.00	478,125.00	547.83	478,672.83
				1,480,000.00	1,457,734.38	2,504.35	1,460,238.73
Total Security Transactions				(55,000.00)	(4,690.83)	699.97	(3,990.86)

* City of San Mateo



City of San Mateo **Bond Proceeds/Bond Reserve Portfolio** **May-19**

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	83,846	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	3,587	0.00%
Subtotal Construction & Other					\$ 87,433	0.00%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,125,360	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	578,891	0.00%
Subtotal Debt Reserve					\$ 1,704,251	0.61%
Total and Average					\$ 1,791,684	0.58%

* C=Construction, R=Debt Reserve



Portfolio Compliance Report

June 30, 2019

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
Money Market Funds	\$14,839	\$14,839	\$14,839	<1%	20%	✓	1	2.21%
Investment Pools	\$156,598,331	\$156,598,331	\$156,598,331	54%	20-65% ⁴	✓	1	2.47%
Total Liquidity	\$156,613,171	\$156,613,171	\$156,613,171	54%			1	2.47%
Certificates of Deposit	\$11,339,662	\$11,387,682	\$11,339,840	4%	30%	✓	281	2.53%
U.S. Treasury Notes	\$29,568,874	\$30,144,368	\$29,713,812	10%	100%	✓	1,013	2.13%
Federal Agency Securities	\$82,380,594	\$82,748,591	\$82,478,125	28%	70%	✓	577	2.26%
Agency Mortgage Backed Securities	\$472,938	\$476,735	\$472,861	<1%	25%	✓	940	2.20%
Medium-Term Corporate Notes	\$10,298,210	\$10,235,855	\$10,197,270	4%	20%	✓	716	2.27%
Total Securities	\$134,060,277	\$134,993,231	\$134,201,907	46%			660	2.25%
Total Portfolio	\$290,673,448	\$291,606,401	\$290,815,078	100%			305	2.37%
<i>Internal</i>	\$239,016,833	\$239,303,491	\$239,178,269	82%			165	2.38%
<i>External</i>	\$51,656,615	\$52,302,911	\$51,636,809	18%			954	2.32%
Bonded Debt Portfolio	\$246,345,613	\$246,345,613	\$246,345,613					2.28%

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

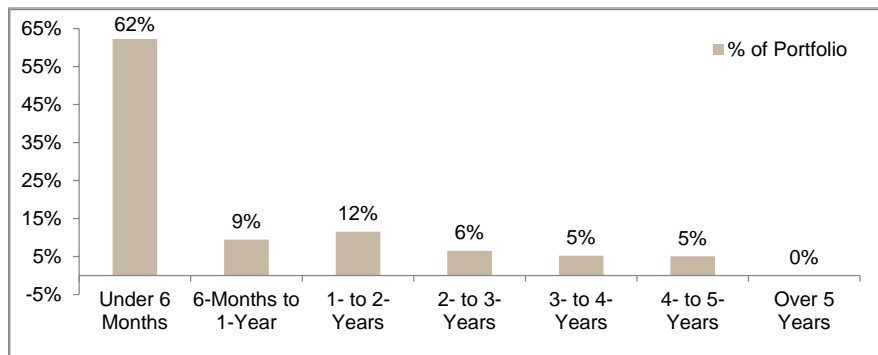
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

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

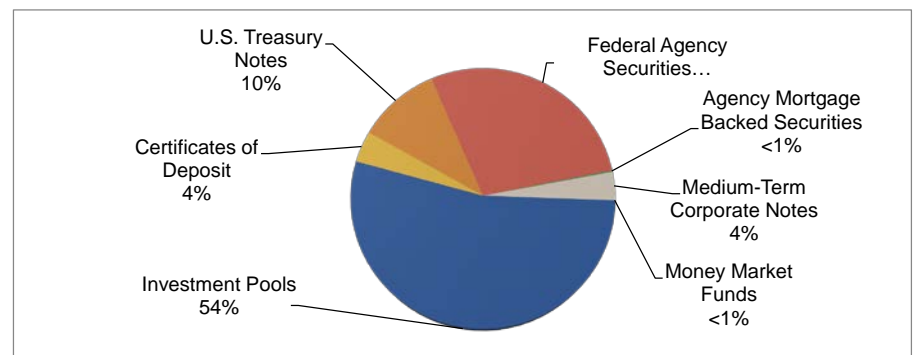
4. The City is currently allowed to invest in three investents pools-the San Mateo County Pool, the Local Agency Investment Fund, and the California Asset Management Program. The City may invest up to \$65 million or 65% of its portfolio in LAIF, 20% in of its portfolio in CAMP, and 30% of its portfolio in the San Mateo County Pool.

5. The San Mateo County pool yield is an estimated May 2019 gross earnings rate as of May 31, 2019.

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.

7. Ratings by Standard & Poor's (S&P).



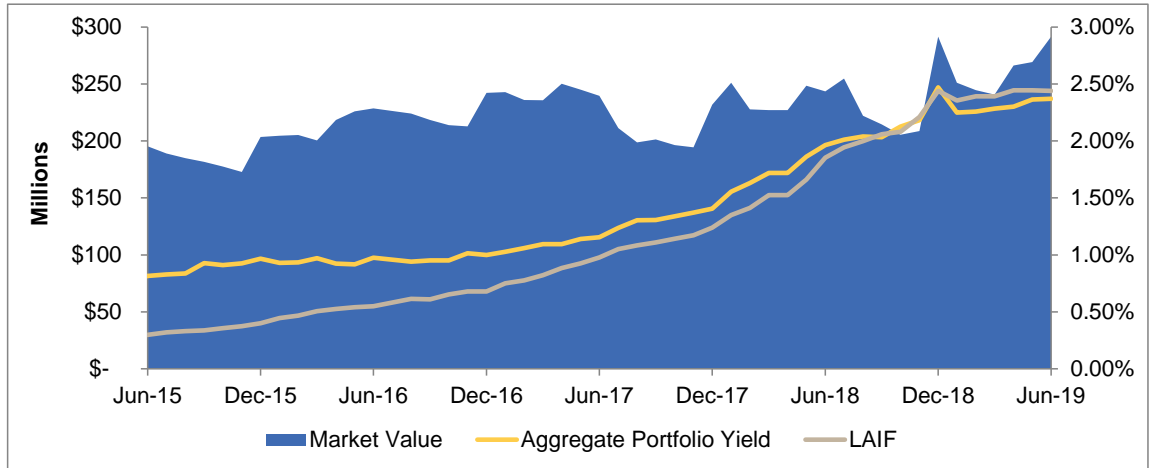
Portfolio Compliance Report June 30, 2019

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



Richard Lee

Richard Lee
Finance Director

18-Jul-19

Date



Portfolio Compliance Report
June 30, 2019

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
Money Market Funds	14,839	14,839	14,839	<1%			1	2.21%
Dreyfus	14,839	14,839	14,839	<1%	10%	✓	1	2.21%
Investment Pools	156,598,331	156,598,331	156,598,331	54%			1	2.47%
San Mateo County Pool	80,478,461	80,478,461	80,478,461	28%	30%	✓	1	2.49%
Local Agency Investment Fund	64,094,182	64,094,182	64,094,182	22%	65%	✓	1	2.44%
California Asset Management Program	12,025,688	12,025,688	12,025,688	4%	20%	✓	1	2.48%
Certificates of Deposit	11,339,662	11,387,682	11,339,840	4%			281	2.53%
Bank of Montreal	900,000	909,617	900,000	<1%	5%	✓	400	3.23%
Bank of Nova Scotia	889,662	897,638	889,840	<1%	5%	✓	341	3.10%
Bank of Tokyo Mitsubishi	515,000	523,660	515,000	<1%	5%	✓	607	2.99%
Canadian Imperial Bank of Commerce	520,000	523,201	520,000	<1%	5%	✓	285	2.78%
Credit Agricole	515,000	523,526	515,000	<1%	5%	✓	642	2.85%
Credit Suisse NY	515,000	516,287	515,000	<1%	5%	✓	222	2.67%
East West Bank	3,000,000	3,000,000	3,000,000	1.0%	5%	✓	56	2.53%
Nordea Bank	775,000	777,695	775,000	<1%	5%	✓	235	2.72%
Swedbank	1,035,000	1,038,159	1,035,000	<1%	5%	✓	505	2.30%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	198	1.00%
UBS AG of Stamford	775,000	778,906	775,000	<1%	5%	✓	246	2.93%
Westpac Banking NY	900,000	898,993	900,000	<1%	5%	✓	400	2.05%
U.S. Treasury Notes	29,568,874	30,144,368	29,713,812	10%			1013	2.13%
U.S. Treasury	29,568,874	30,144,368	29,713,812	10%	100%	✓	1013	2.13%
Federal Agency Securities	82,380,594	82,748,591	82,478,125	28%			577	2.26%
FFCB	29,969,070	30,109,430	29,995,074	10%	40%	✓	610	2.39%
FHLB	26,841,475	26,925,842	26,867,693	9%	40%	✓	391	2.27%
FHLMC	17,061,350	17,116,239	17,106,919	6%	40%	✓	652	2.09%
FNMA	8,508,699	8,597,080	8,508,439	3%	40%	✓	952	2.06%
Agency Mortgage Backed Securities	472,938	476,735	472,861	<1%			940	2.20%
FHLMC	472,938	476,735	472,861	<1%	40%	✓	940	2.20%



Portfolio Compliance Report
June 30, 2019

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
Medium-Term Corporate Notes	10,298,210	10,235,855	10,197,270	4%			716	2.27%
Amazon	415,955	424,074	416,171	<1%	5%	✓	1333	2.66%
American Express Company	584,392	584,386	584,860	<1%	5%	✓	247	2.24%
American Honda Finance	764,741	761,153	767,633	<1%	5%	✓	802	1.84%
Bank of America	513,820	513,177	512,027	<1%	5%	✓	659	2.40%
Branch Banking & Trust	412,093	416,350	412,980	<1%	5%	✓	733	2.55%
Citigroup	513,483	515,289	512,119	<1%	5%	✓	892	2.72%
General Electric	984,798	920,754	927,851	<1%	5%	✓	309	1.83%
Goldman Sachs	504,109	486,197	485,071	<1%	5%	✓	758	2.53%
IBM Corp	751,575	754,928	750,838	<1%	5%	✓	942	2.45%
JP Morgan Chase & Co	498,470	513,665	498,875	<1%	5%	✓	1181	3.32%
Paccar Financial	144,987	144,890	144,994	<1%	5%	✓	502	2.05%
PepsiCo	324,935	324,912	324,966	<1%	5%	✓	655	2.01%
Procter & Gamble	219,663	219,894	219,850	<1%	5%	✓	481	1.95%
State Street Corporation	1,017,129	999,418	1,003,624	<1%	5%	✓	415	1.77%
Toyota	680,225	705,908	679,823	<1%	5%	✓	1653	3.18%
Wal-Mart	998,550	998,200	999,315	<1%	5%	✓	534	1.95%
Wells Fargo	969,285	952,660	956,273	<1%	5%	✓	526	2.08%
Grand Total	290,673,448	291,606,401	290,815,078	100%			305	2.37%

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 May 2019 gross earnings rate as of May 31, 2019

June Transaction Detail

Transaction Type/Date

BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
06/03/19	06/05/19	US TREASURY N/B NOTES, DTD 05/01/2017, 2.000%, 04/30/2024	912828X70	1,330,000.00	1,336,026.56	2,602.17	1,338,628.73
05/29/19	06/05/19	FFCB, DTD 06/05/2019, 2.520%, 06/05/2024	3133EKPP5	2,000,000.00	2,000,000.00		2,000,000.00
06/19/19	06/20/19	FFCB, DTD 06/20/2019, 2.400%, 06/19/2023	3133EKRJ7	3,000,000.00	3,000,750.00	200.00	3,000,950.00
06/19/19	06/24/19	FHLMC, DTD 06/24/2019, 2.300%, 12/24/2020	3134GTVJ9	3,000,000.00	3,000,000.00		3,000,000.00
06/11/19	06/27/19	FHLMC, DTD, 06/27/2019, 2.625%, 06/27/2024	3134GTUH4	2,000,000.00	2,000,000.00		2,000,000.00
				11,330,000.00	11,336,776.56	2,802.17	11,339,578.73

MATURITIES

06/27/19	Federal Home Loan Banks	3130ADSV5	2,000,000.00	2,000,000.00	23,000.00	2,023,000.00
06/28/19	Federal Home Loan Mortgage Corp	3134GSNJ0	2,000,000.00	2,000,000.00	26,500.00	2,026,500.00
06/28/19	Federal National Mortgage Association	3136G3TD7	500,000.00	494,985.00	3,000.00	497,985.00

SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
06/03/19	06/05/19	FANNIE MAE NOTES, DTD 04/13/2018, 2.500% 04/13/2021	3135G0U27	515,000.00	520,247.85	1,859.72	522,107.57
06/03/19	06/05/19	JOHN DEERE CAPITAL CORP NOTES, DTD 6/22/2017, 1.950%, 06/22/2020	24422ETS8	135,000.00	134,119.80	1,191.94	135,311.74
06/03/19	06/05/19	US TREASURY NOTES, DTD 02/29/2016, 1.125%, 02/28/2021	912828P87	694,000.00	684,267.73	2057.96	686,325.69
				1,344,000.00	1,338,635.38	5,109.62	1,343,745.00
Total Security Transactions				9,986,000.00	9,998,141.18	(2,307.45)	9,995,833.73

* City of San Mateo



City of San Mateo **Bond Proceeds/Bond Reserve Portfolio** **June-19**

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	83,848	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	3,833	0.00%
JPFA Clean Water Collection System 2019	C	BNY Cash Reserve	06/04/19	open	166,404,645	2.29%
JPFA Clean Water Waste Water 2019	C	BNY Cash Reserve	06/04/19	open	78,145,885	2.29%
Subtotal Construction & Other					\$ 244,638,210	2.29%
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,127,518	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	579,885	0.00%
Subtotal Debt Reserve					\$ 1,707,403	0.61%
Total and Average					\$ 246,345,613	2.28%

* C=Construction, R=Debt Reserve



CITY OF SAN MATEO

Investment Performance Review For the Quarter Ended June 30, 2019

Client Management Team

Monique Spyke, Managing Director
Joseph Creason, Portfolio Manager

PFM Asset Management LLC

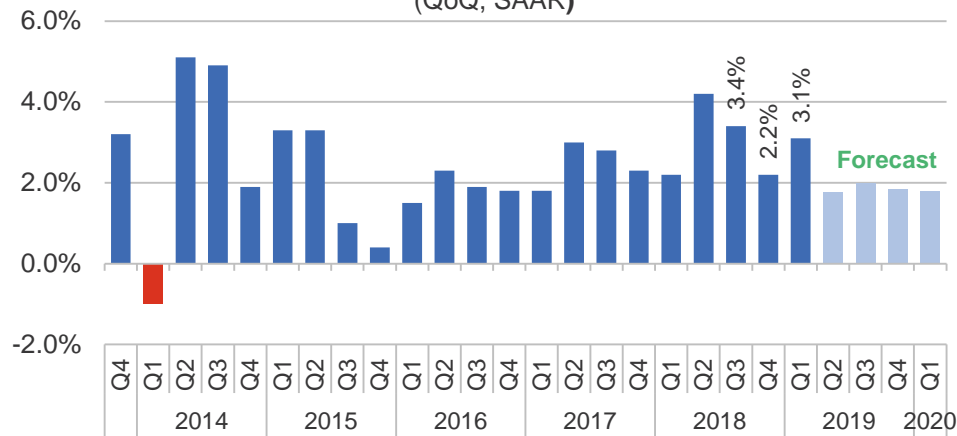
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

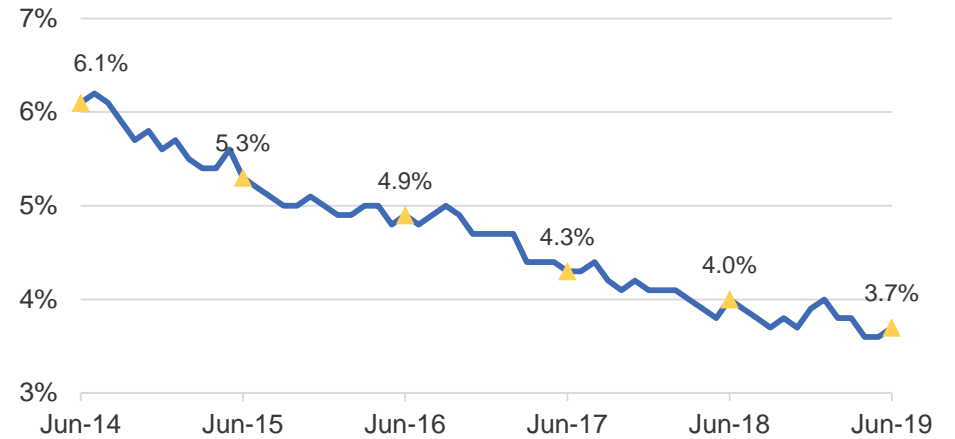
Market Update

Current U.S. Economic Conditions

U.S. Real GDP
(QoQ, SAAR)



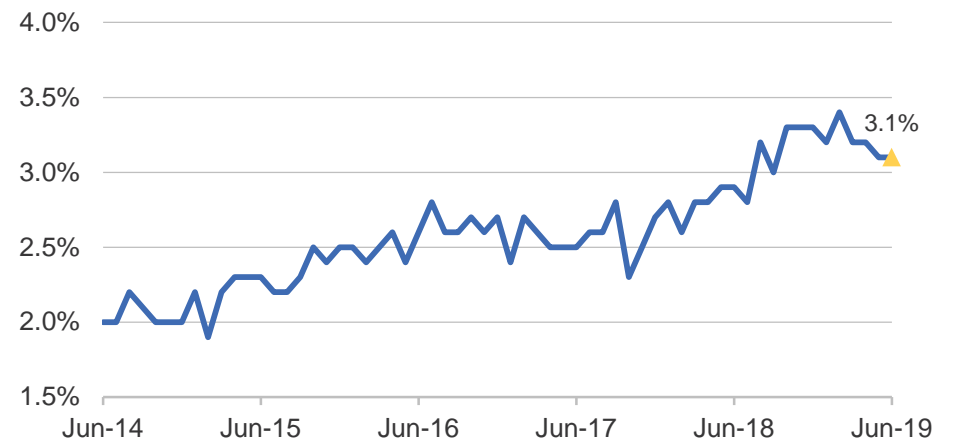
Unemployment Rate



Consumer Confidence



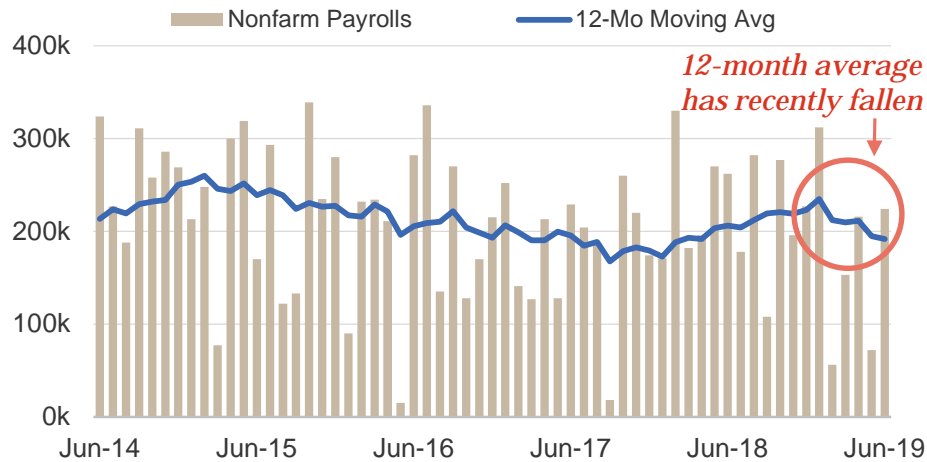
Average Hourly Earnings (YoY)



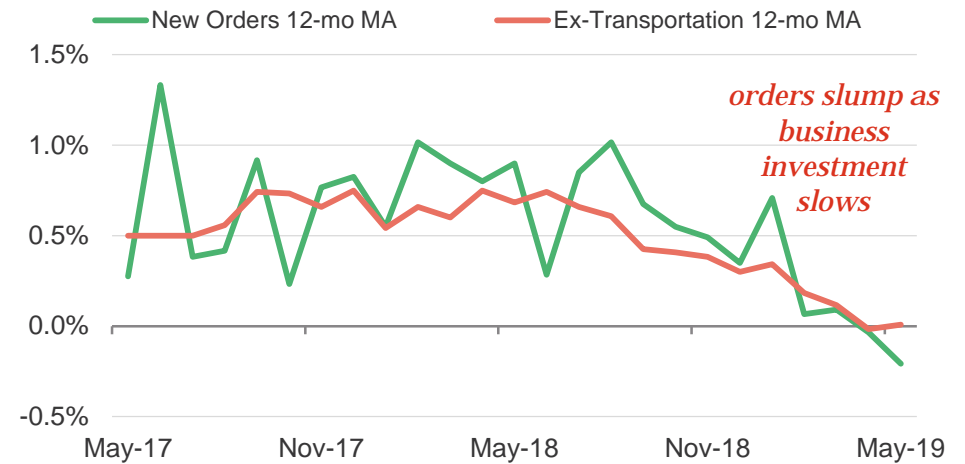
Source: Bloomberg, latest data available as of 6/28/19. SAAR is seasonally adjusted annualized rate.

Economic Data Showing Cracks

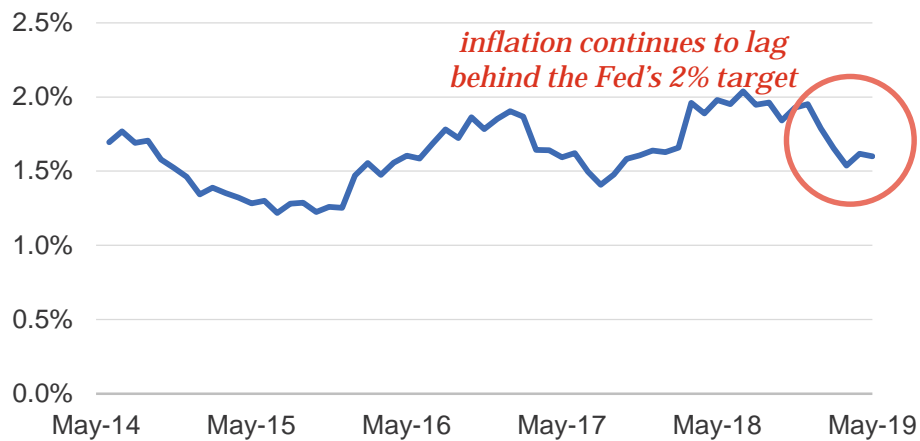
Monthly Change in Nonfarm Payrolls



Durable Goods Orders



Inflation (Core PCE YoY)



ISM Manufacturing

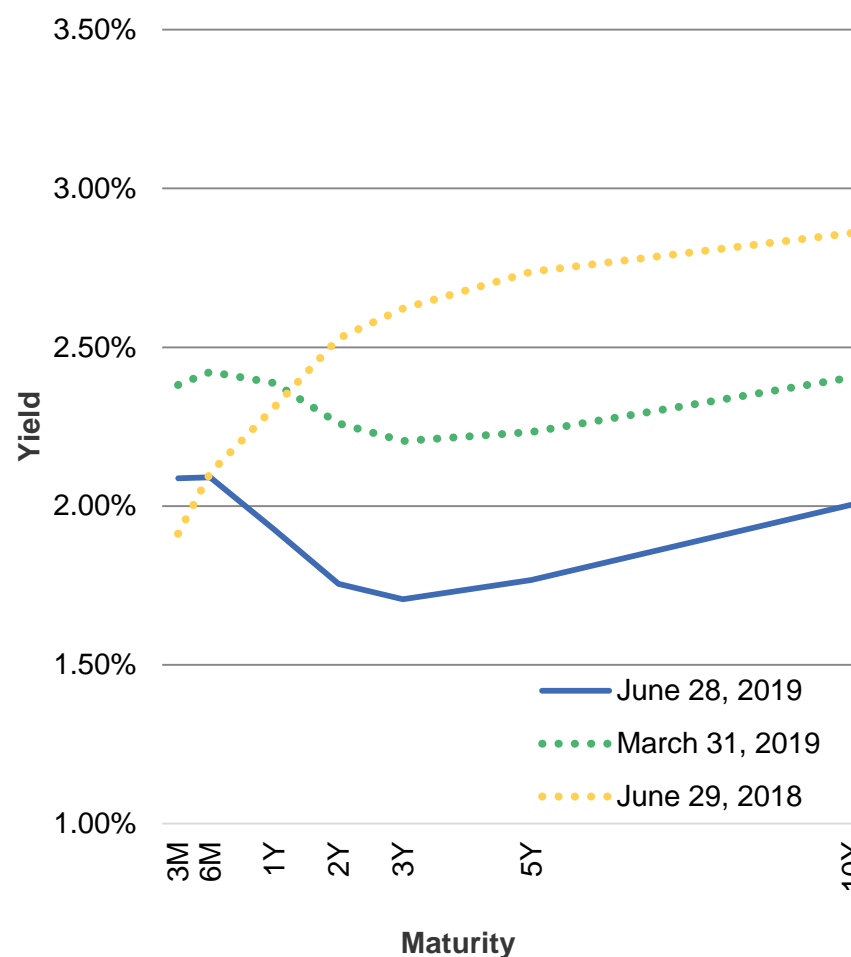


Source: Bloomberg as of 6/28/19.

U.S. Treasury Yields Have Fallen; Inversion Deepens

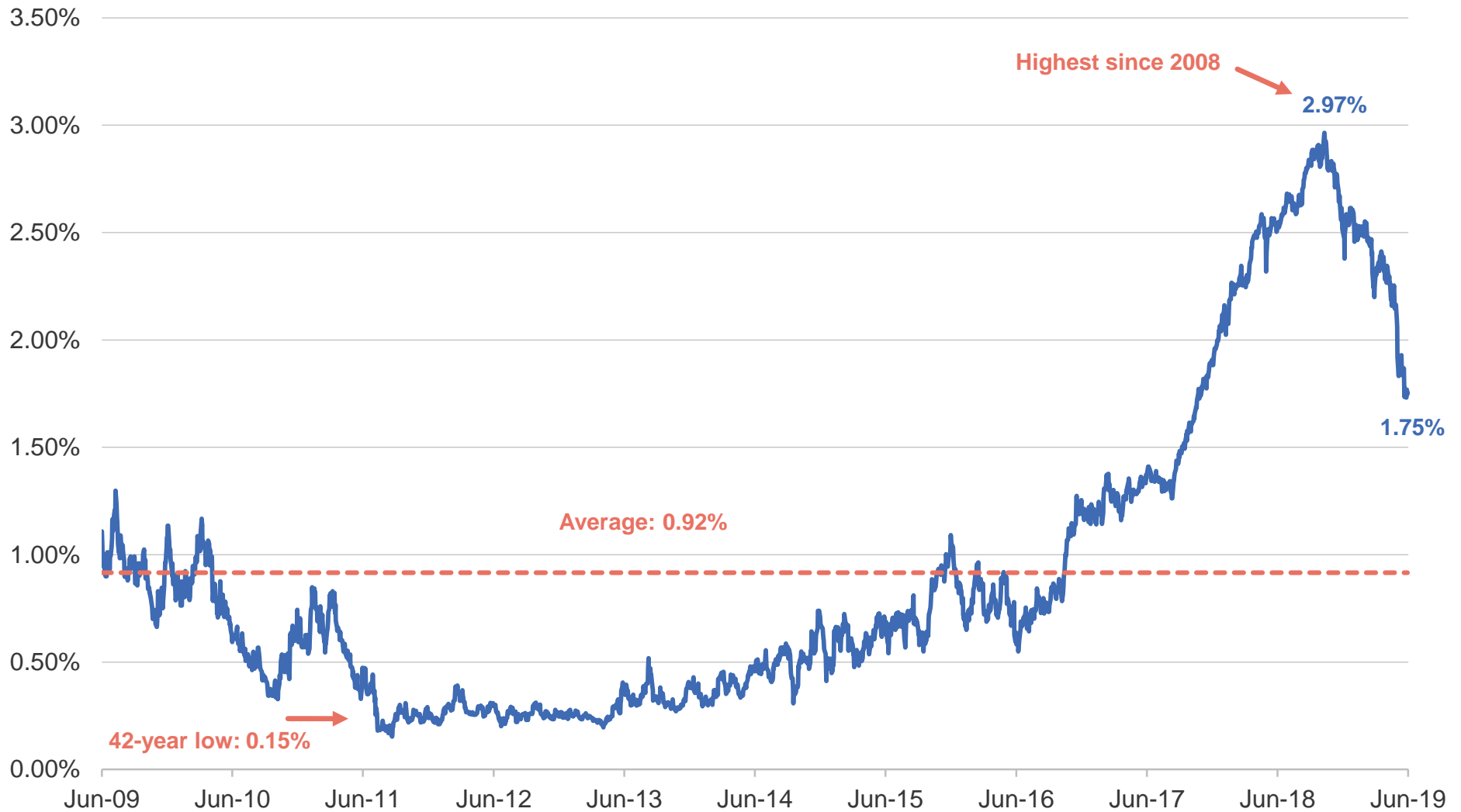
- Interest rates plummeted in the second quarter, with yields on 2- to 5-year Treasury securities falling around 50 basis points (0.50%) to the lowest levels since 2017. Rates fell in response to slowing global growth expectations, weakness in manufacturing due to renewed trade disputes, low inflation, and expectations for multiple Fed rate cuts in the second half of the year. Much of the yield curve remains inverted, where longer-term yields are lower than short-term yields.

	2Q2019 6/28/19	1Q2019 3/29/19	2Q2018 6/29/18
3-month	2.09%	2.38%	1.91%
6-month	2.09%	2.42%	2.10%
1-year	1.93%	2.39%	2.31%
2-year	1.75%	2.26%	2.53%
3-year	1.71%	2.20%	2.62%
5-year	1.77%	2.23%	2.74%
10-year	2.01%	2.41%	2.86%



Source: Bloomberg as of 6/28/19.

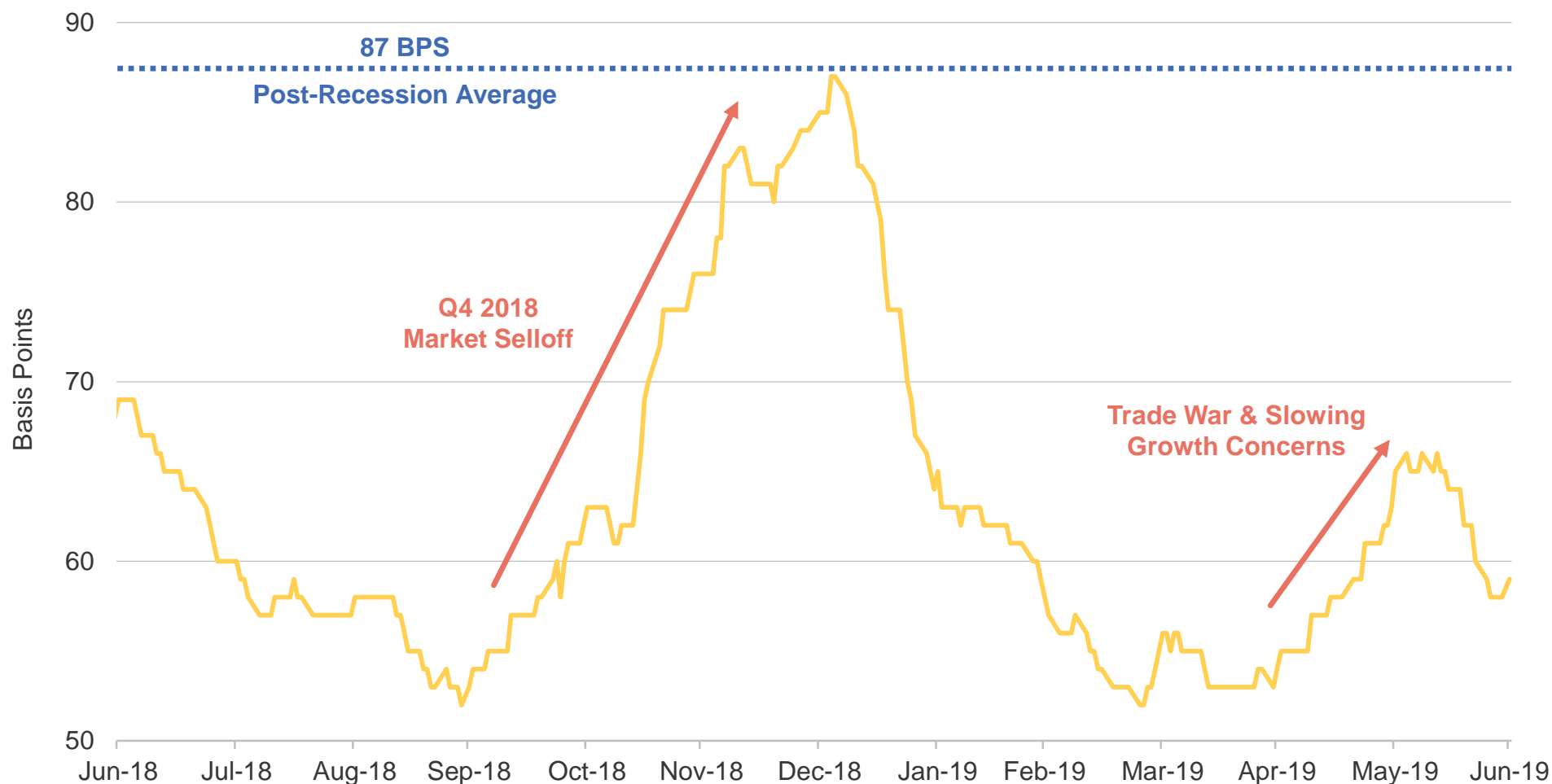
2-Year Treasury Yield History



Source: Bloomberg as of 6/28/19.

Yield Spreads (OAS) of 1-5 Year A-AAA Corporate Index

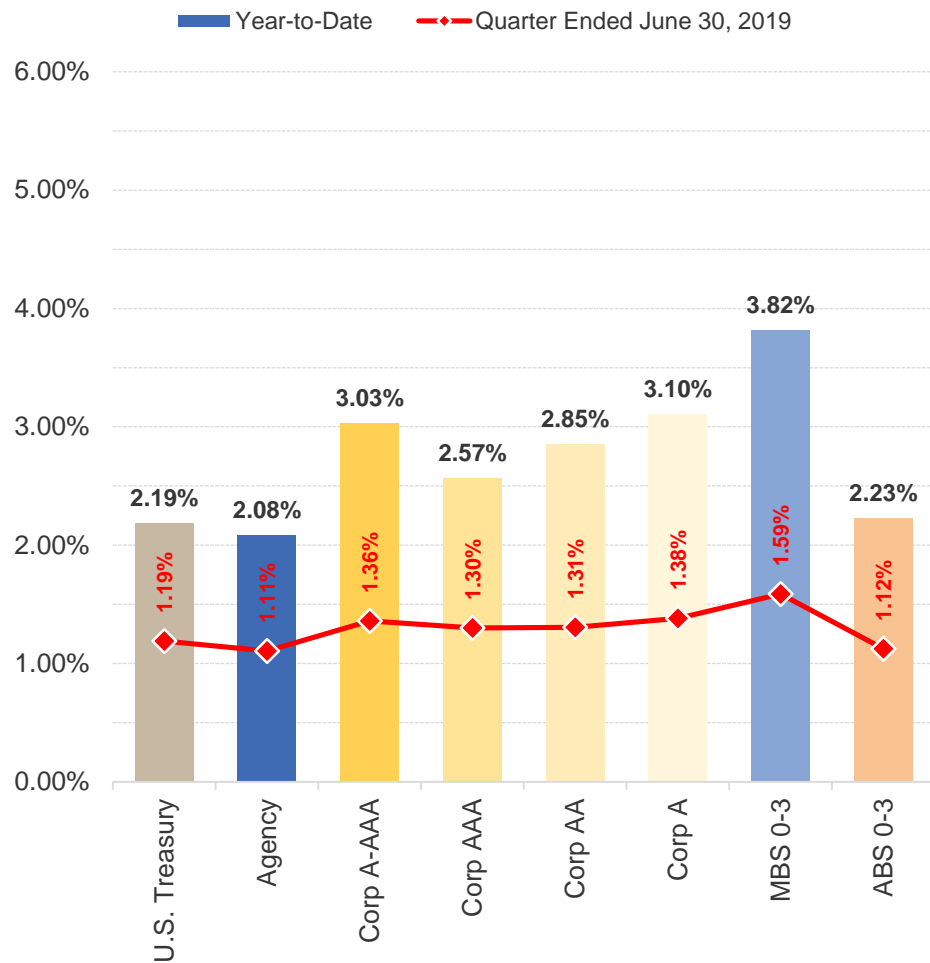
- U.S. equity markets reached new all-time highs in the quarter and credit-sensitive fixed income assets performed well despite elevated geopolitical risks and yield spreads on corporate bonds widening modestly over the quarter.



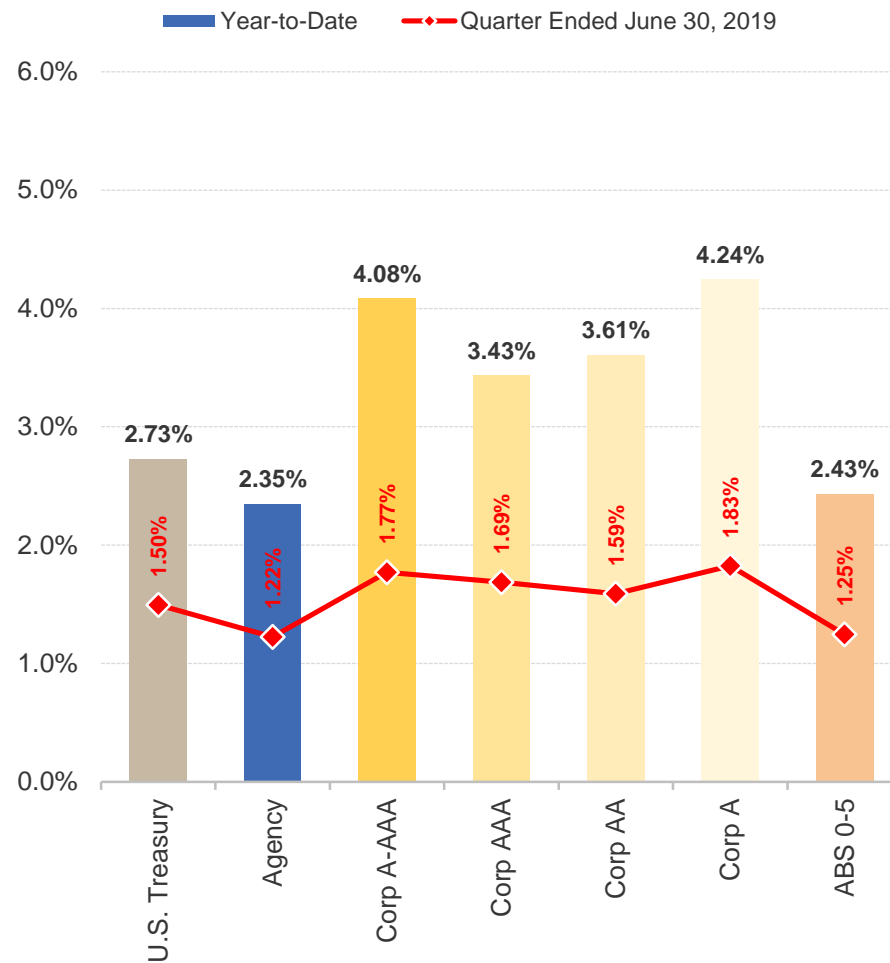
Source: Bloomberg as of 6/28/19.

Fixed Income Index Returns Year-To-Date

1-3 Year Indices

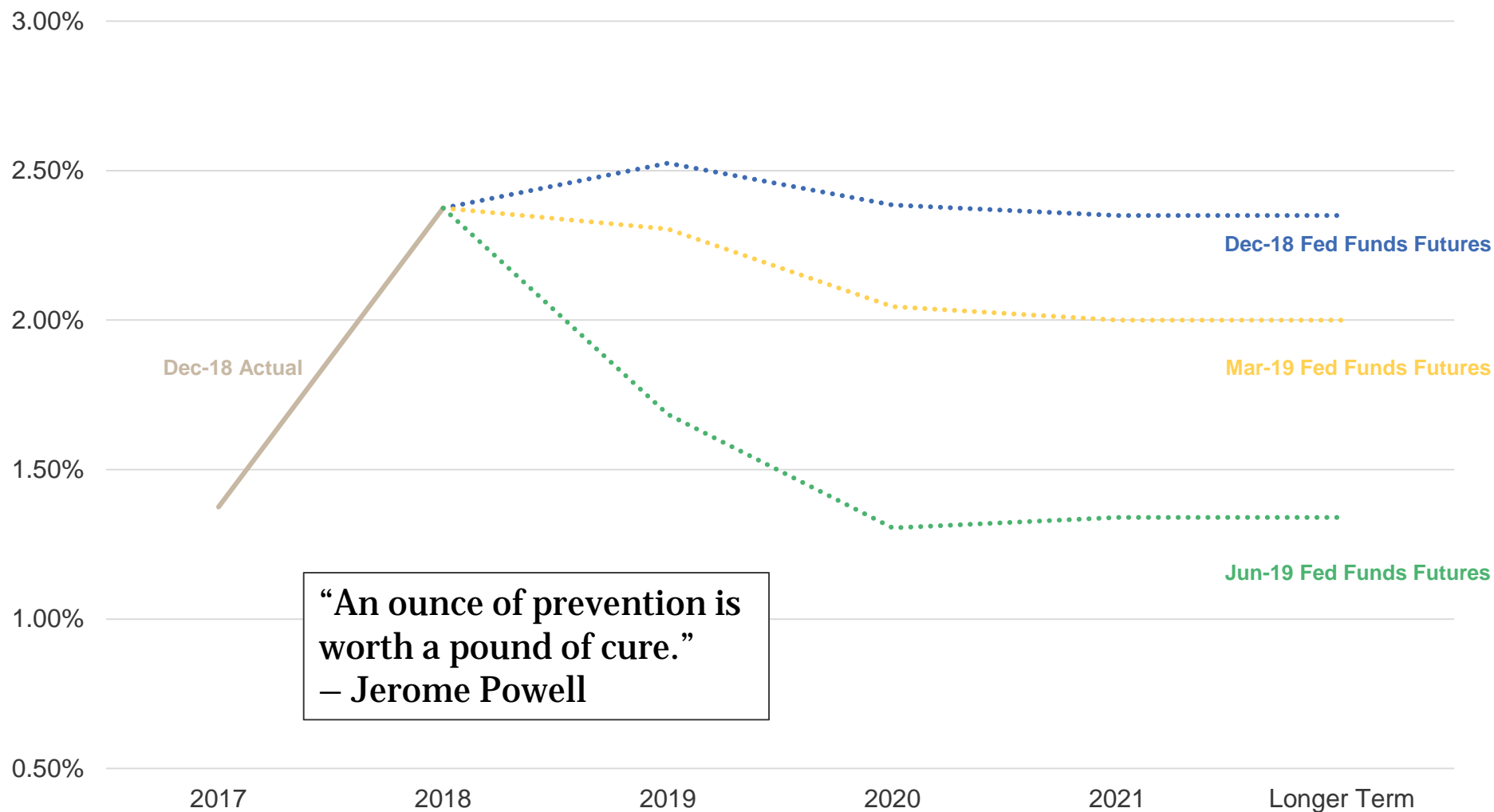


1-5 Year Indices



Source: Bloomberg, ICE BofAML Indices as of 6/30/19.

Market Participants Have Predicted Wide Range of Policy Outcomes



Source: Federal Reserve and Bloomberg. Fed funds futures, as of each respective meeting date: 12/19/19, 3/20/19, and 6/19/19.

Portfolio Review

Portfolio Recap

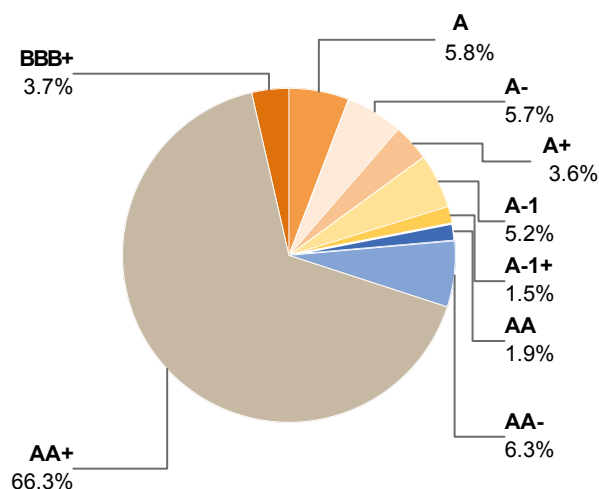
- Our strategy throughout the quarter included the following elements:
 - Broad diversification, generally including the widest range of permitted investments, which reduces the overall risk in the portfolio and provides the opportunity for better returns over the long term.
 - We maintained a portfolio duration in line with the benchmark. Maintaining a neutral duration—despite the inverted yield curve—drove strong market-value returns across most fixed-income sectors as market prices on fixed-income securities tend to rise as yields fall.
 - We continued to reduce federal agency allocations as their yields did not offer much value compared to treasury alternatives. This has been driven mainly by a lack of new supply. Non-callable agencies generated small out-performance due to their modestly higher yields, but callable agencies underperformed as lower rates increased the likelihood of a call before maturity.
 - Corporate yield spreads remain tight by historical standards but widened briefly amid trade tensions. Corporates generated excess returns for the second consecutive quarter. We focused allocations on high quality issuers with relatively less exposure to international trade risks. We also had a slight preference for industrials over financials in the quarter.
 - We continued to modestly increase agency MBS allocations, specifically agency commercial MBS (CMBS). Performance in the agency MBS sector was mixed for the second quarter, with agency CMBS outperforming pass-through securities.
 - Short-term commercial paper and negotiable bank CD yield spreads narrowed in the second quarter, reducing their overall attractiveness. By quarter-end, the money market yield curve was also inverted.

Portfolio Statistics

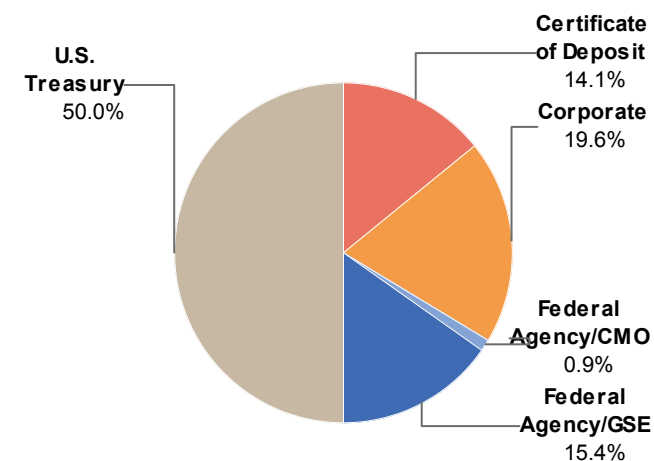
As of June 30, 2019

Par Value:	\$51,855,000
Total Market Value:	\$52,620,479
Security Market Value:	\$52,269,133
Accrued Interest:	\$334,865
Cash:	\$16,480
Amortized Cost:	\$51,621,969
Yield at Market:	1.94%
Yield at Cost:	2.33%
Effective Duration:	2.51 Years
Duration to Worst:	2.51 Years
Average Maturity:	2.63 Years
Average Credit: *	AA

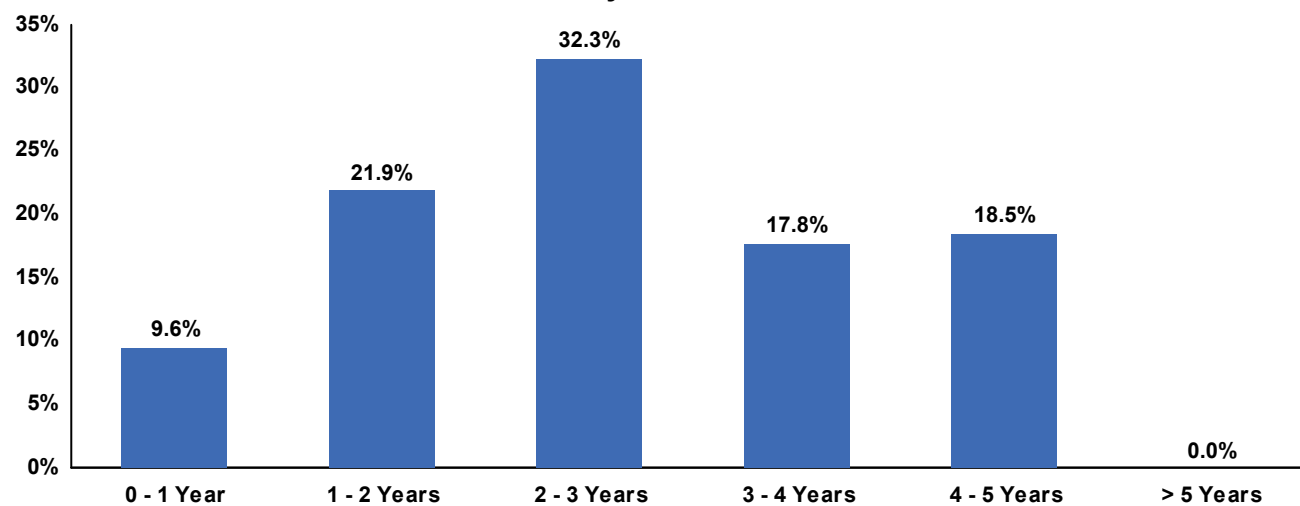
Credit Quality (S&P Ratings)**



Sector Allocation



Maturity Distribution



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

** Securities held in the City's portfolio are in compliance with California Government Code and the City's investment policy dated February 18, 2019.

Sector Allocation & Compliance

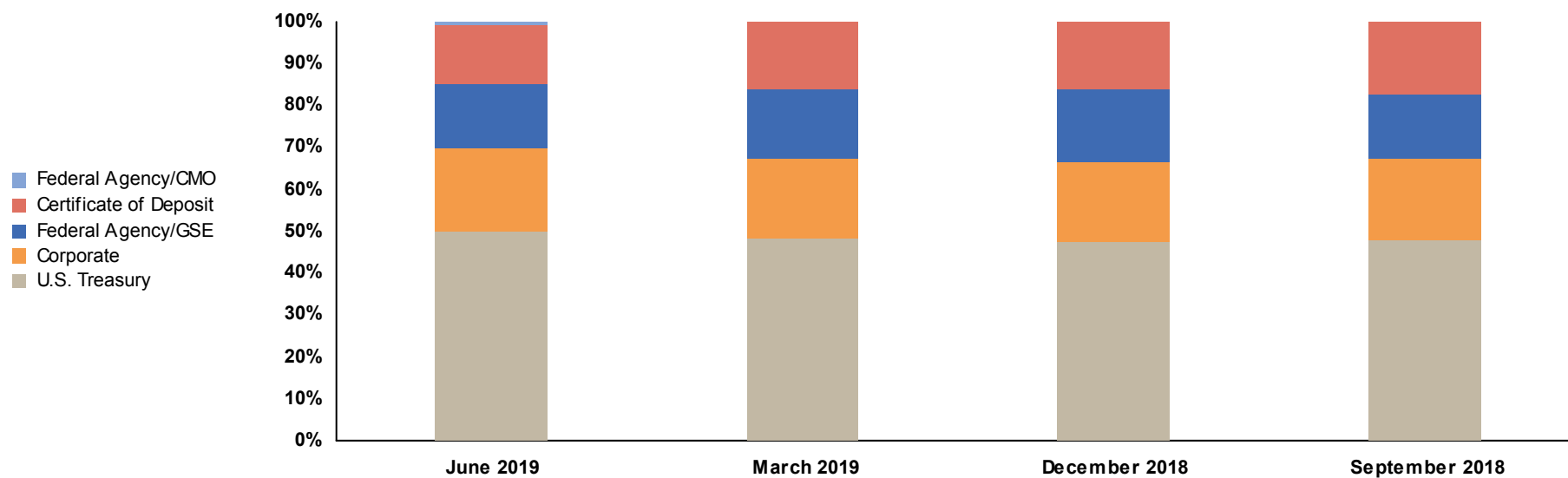
- The portfolio is in compliance with the City's Investment Policy and California Government Code.

Security Type	Market Value	% of Portfolio	% Change vs. 3/31/19	Permitted by Policy	In Compliance
U.S. Treasury	\$26,159,491	50.0%	+1.8%	100%	✓
Federal Agency	\$8,028,300	15.4%	-0.9%	70%	✓
Federal Agency CMOs	\$476,735	0.9%	+0.9%	-	✓
Negotiable CDs	\$7,368,744	14.1%	-2.0%	30%	✓
Corporate Notes	\$10,235,864	19.6%	+0.5%	20%	✓
Securities Sub-Total	\$52,269,133	100.0%			
Accrued Interest	\$334,865				
Securities Total	\$52,603,999				
Money Market Fund	\$16,480	0.0%	-0.2%	15%	✓
Total Investments	\$52,620,479	100.0%			

Market values, excluding accrued interest. Detail may not add to total due to rounding. Current investment policy as of February 18, 2019

Sector Allocation

Sector	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	26.2	50.0%	24.9	48.4%	24.3	47.5%	24.3	48.0%
Corporate	10.2	19.6%	9.9	19.1%	9.7	19.1%	9.7	19.2%
Federal Agency/GSE	8.0	15.4%	8.4	16.3%	8.8	17.2%	7.8	15.4%
Certificate of Deposit	7.4	14.1%	8.3	16.2%	8.3	16.2%	8.8	17.4%
Federal Agency/CMO	0.5	0.9%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	\$52.3	100.0%	\$51.6	100.0%	\$51.1	100.0%	\$50.6	100.0%



Detail may not add to total due to rounding.

Sector/Issuer Distribution

As of June 30, 2019

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Certificate of Deposit			
BANK OF MONTREAL	906,259	12.3%	1.7%
BANK OF NOVA SCOTIA	897,465	12.2%	1.7%
CANADIAN IMPERIAL BANK OF COMMERCE	521,110	7.1%	1.0%
CREDIT AGRICOLE SA	517,665	7.0%	1.0%
CREDIT SUISSE GROUP	516,405	7.0%	1.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	522,935	7.1%	1.0%
NORDEA BANK AB	777,785	10.6%	1.5%
SWEDBANK AB	1,031,949	14.0%	2.0%
UBS AG	778,429	10.6%	1.5%
WESTPAC BANKING CORP	898,743	12.2%	1.7%
Sector Total	7,368,744	100.0%	14.1%
Corporate			
AMAZON.COM INC	424,075	4.1%	0.8%
AMERICAN EXPRESS CO	584,387	5.7%	1.1%
AMERICAN HONDA FINANCE	761,150	7.4%	1.5%
BANK OF AMERICA CO	513,179	5.0%	1.0%
BB&T CORPORATION	416,348	4.1%	0.8%
CITIGROUP INC	515,289	5.0%	1.0%
GENERAL ELECTRIC CO	920,754	9.0%	1.8%

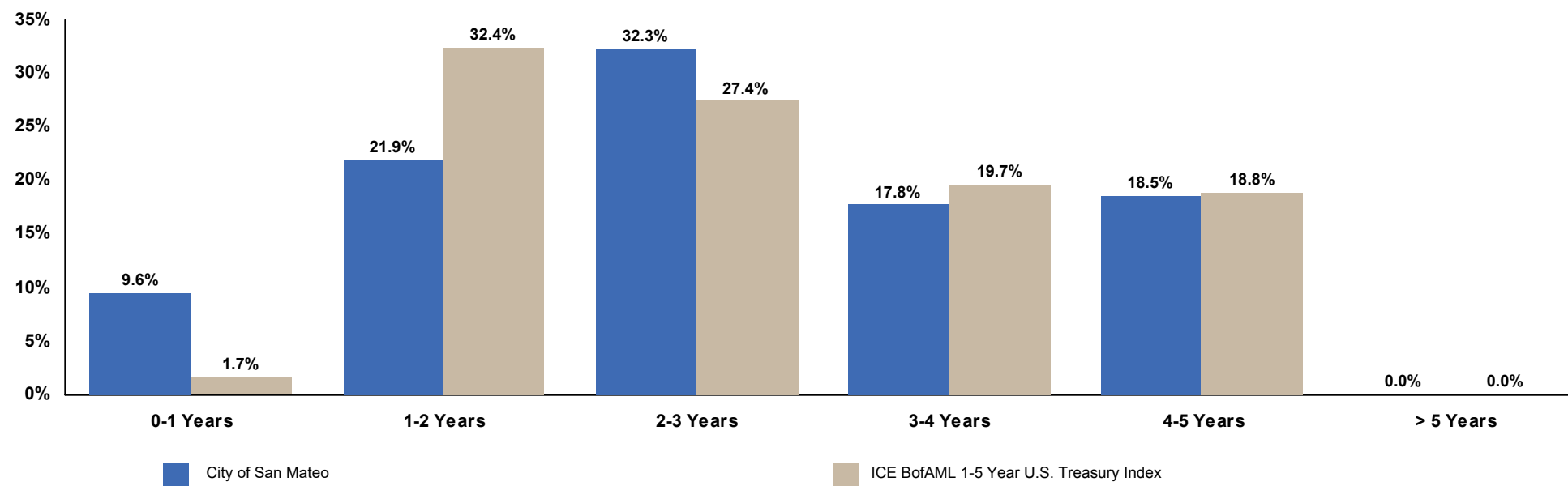
Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
GOLDMAN SACHS GROUP INC	486,198	4.7%	0.9%
IBM CORP	754,931	7.4%	1.4%
JP MORGAN CHASE & CO	513,665	5.0%	1.0%
PACCAR FINANCIAL CORP	144,889	1.4%	0.3%
PEPSICO INC	324,911	3.2%	0.6%
PROCTER & GAMBLE CO	219,894	2.1%	0.4%
STATE STREET CORPORATION	999,422	9.8%	1.9%
TOYOTA MOTOR CORP	705,906	6.9%	1.4%
WAL-MART STORES INC	998,204	9.8%	1.9%
WELLS FARGO & COMPANY	952,663	9.3%	1.8%
Sector Total	10,235,864	100.0%	19.6%
Federal Agency/CMO			
FREDDIE MAC	476,735	100.0%	0.9%
Sector Total	476,735	100.0%	0.9%
Federal Agency/GSE			
FANNIE MAE	6,599,273	82.2%	12.6%
FEDERAL HOME LOAN BANKS	393,632	4.9%	0.8%
FREDDIE MAC	1,035,395	12.9%	2.0%
Sector Total	8,028,300	100.0%	15.4%
U.S. Treasury			
UNITED STATES TREASURY	26,159,491	100.0%	50.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	26,159,491	100.0%	50.0%
Portfolio Total	52,269,133	100.0%	100.0%

Maturity Distribution

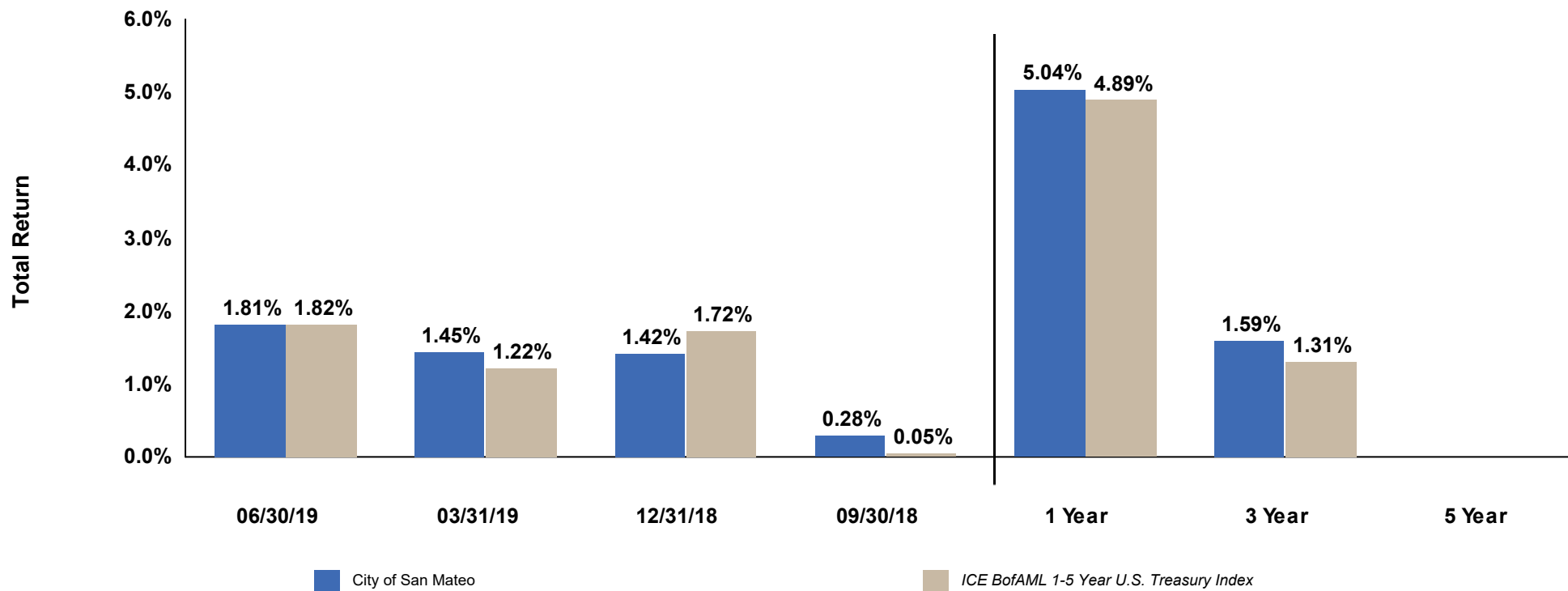
As of June 30, 2019

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	1.94%	2.63 yrs	9.6%	21.9%	32.3%	17.8%	18.5%	0.0%
ICE BofAML 1-5 Year U.S. Treasury Index	1.77%	2.75 yrs	1.7%	32.4%	27.4%	19.7%	18.8%	0.0%



Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		06/30/19	03/31/19	12/31/18	09/30/18		3 Year	5 Year
City of San Mateo	2.51	1.81%	1.45%	1.42%	0.28%	5.04%	1.59%	-
ICE BofAML 1-5 Year U.S. Treasury Index	2.56	1.82%	1.22%	1.72%	0.05%	4.89%	1.31%	-
Difference		-0.01%	0.23%	-0.30%	0.23%	0.15%	0.28%	-



Portfolio performance is gross of fees unless otherwise indicated.

Investment Strategy Outlook

- While we expect U.S. and global economic growth to moderate in the second half of the year amid elevated risks to the economy, we do not believe a recession is imminent.
- The Fed has officially shifted its stance on monetary policy from “patient” to “appropriate,” and rates have continued to move lower. As such, our view is to continue to maintain a portfolio duration in line with the benchmark in order to minimize risk and optimize performance relative to the benchmark in the event yields continue to decline. While market-implied probabilities and economist surveys strongly suggest that the Fed will cut rates as early as July, the key questions of “when” and “how much” will drive our strategy over the rest of the year.
- Our outlook for each of the major investment-grade fixed-income sectors are as follows:
 - Federal agency spreads are very tight and we expect them to remain so. Although callable agency spreads are wider than they have been in a while, the sharp downward move in rates has reduced the likelihood of outperformance.
 - As a result of the Fed’s more accommodative stance and our positive view of the corporate sector, we will maintain corporate allocations and seek to modestly extend the duration of our allocations, while remaining diligent in our issuer and security selection process.
 - The decline in mortgage rates, increase in paydowns, and the Fed’s ongoing reduction in the holdings of agency MBS on their balance sheet are expected to continue. Our focus will be on specific structures, like agency commercial MBS, that offer incremental income and prepayment stability.
 - Historically tight spreads have also reduced the range of high-quality, short-term credit issues that offer adequate incremental income to warrant purchase. Careful maturity selection around Fed meeting expectations will be an important consideration going forward, particularly with both the Treasury and credit yield curves inverted.

Portfolio Holdings & 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									
4/2/19	4/4/19	1,150,000	912828S92	US TREASURY NOTES	1.25%	7/31/23	1,103,806.42	2.28%	
4/3/19	4/4/19	515,000	22535CDU2	CREDIT AGRICOLE CIB NY CERT DEPOS	2.83%	4/2/21	515,000.00	2.85%	
4/11/19	4/15/19	420,000	023135AW6	AMAZON.COM INC BONDS	2.40%	2/22/23	417,439.40	2.66%	
5/1/19	5/3/19	955,000	9128285D8	UNITED STATES TREASURY NOTES	2.87%	9/30/23	982,581.61	2.25%	
5/16/19	5/21/19	470,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	473,666.26	2.20%	
6/3/19	6/5/19	1,330,000	912828X70	US TREASURY N/B NOTES	2.00%	4/30/24	1,338,628.73	1.90%	
Total BUY		4,840,000					4,831,122.42		

INTEREST

4/1/19	4/1/19	150,000	05531FAX1	BB&T CORP (CALLABLE) NOTES	2.75%	4/1/22	2,062.50		
4/2/19	4/2/19	0	MONEY0002	MONEY MARKET FUND			112.93		
4/10/19	4/10/19	520,000	13606BVF0	CANADIAN IMP BK COMM NY FLT CERT DEPOS	2.98%	4/10/20	4,137.25		
4/13/19	4/13/19	515,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	6,437.50		
4/15/19	4/15/19	325,000	713448DX3	PEPSICO INC CORP (CALLABLE) NOTE	2.00%	4/15/21	3,250.00		
4/19/19	4/19/19	510,000	06051GFW4	BANK OF AMERICA CORP NOTE	2.62%	4/19/21	6,693.75		
4/23/19	4/23/19	220,000	742718FA2	THE PROCTER & GAMBLE CO CORP NOTES	1.90%	10/23/20	2,090.00		
4/30/19	4/30/19	990,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	9,900.00		
4/30/19	4/30/19	900,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	9,000.00		
4/30/19	4/30/19	780,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	7,800.00		
4/30/19	4/30/19	545,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	3,746.88		
4/30/19	4/30/19	2,000,000	912828Q78	US TREASURY NOTES	1.37%	4/30/21	13,750.00		
4/30/19	4/30/19	1,635,000	9128283C2	US TREASURY N/B NOTES	2.00%	10/31/22	16,350.00		
5/2/19	5/2/19	0	MONEY0002	MONEY MARKET FUND			27.16		
5/4/19	5/4/19	900,000	36962G2T0	GENERAL ELECTRIC CO CORPORATE NOTE	5.55%	5/4/20	24,975.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/13/19	5/13/19	145,000	69371RN85	PACCAR FINANCIAL CORP NOTES	2.05%	11/13/20	1,486.25		
5/15/19	5/15/19	820,000	912828WE6	US TREASURY NOTES	2.75%	11/15/23	11,275.00		
5/16/19	5/16/19	1,035,000	87019U6D6	SWEDBANK (NEW YORK) CERT DEPOS	2.27%	11/16/20	11,812.51		
5/31/19	5/31/19	615,000	912828R77	US TREASURY NOTES	1.37%	5/31/21	4,228.13		
5/31/19	5/31/19	1,315,000	912828U57	US TREASURY NOTES	2.12%	11/30/23	13,971.88		
6/1/19	6/25/19	470,000	3137BHXY8	FHLMC MULTIFAMILY STRUCTURED P	2.79%	1/25/22	1,093.14		
6/4/19	6/4/19	0	MONEY0002	MONEY MARKET FUND			28.56		
6/5/19	6/5/19	890,000	06417GU22	BANK OF NOVA SCOTIA HOUSTON CD	3.08%	6/5/20	13,706.00		
6/7/19	6/7/19	950,000	94974BGR5	WELLS FARGO & COMPANY NOTES	2.55%	12/7/20	12,112.50		
6/8/19	6/8/19	370,000	3130A0F70	FEDERAL HOME LOAN BANKS NOTES	3.37%	12/8/23	6,243.75		
6/8/19	6/8/19	510,000	172967LC3	CITIGROUP INC CORP (CALLABLE) NOTE	2.90%	12/8/21	7,395.00		
6/15/19	6/15/19	1,000,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	9,500.00		
6/19/19	6/19/19	1,000,000	3137EAEN5	FREDDIE MAC NOTES	2.75%	6/19/23	13,750.00		
6/30/19	6/30/19	125,000	912828U0	US TREASURY N/B	2.62%	12/31/23	1,640.63		
Total INTEREST		19,235,000					218,576.32		

SELL

4/2/19	4/4/19	1,000,000	83050FXT3	SKANDINAVISKA ENSKILDA BANKEN NY CD	1.84%	8/2/19	1,000,528.75	2.60%	(2,524.74)
4/3/19	4/4/19	515,000	22532XHT8	CREDIT AGRICOLE CIB NY FLT CERT DEPOS	3.05%	4/10/20	520,634.55	2.97%	1,726.13
4/4/19	4/4/19	41,000	912828P87	US TREASURY NOTES	1.12%	2/28/21	40,116.57	2.35%	(588.37)
4/11/19	4/15/19	435,000	912828P79	US TREASURY NOTES	1.50%	2/28/23	422,850.59	2.31%	6,752.65
5/1/19	5/3/19	1,000,000	912828P87	US TREASURY NOTES	1.12%	2/28/21	981,565.90	2.27%	(12,461.74)
5/16/19	5/21/19	480,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	478,672.83	2.16%	(2,432.17)
6/3/19	6/5/19	515,000	3135G0U27	FANNIE MAE NOTES	2.50%	4/13/21	522,107.57	1.94%	5,729.17
6/3/19	6/5/19	135,000	24422ETS8	JOHN DEERE CAPITAL CORP NOTES	1.95%	6/22/20	135,311.74	2.58%	(850.91)
6/3/19	6/5/19	694,000	912828P87	US TREASURY NOTES	1.12%	2/28/21	686,325.69	1.95%	(4,496.39)

City of San Mateo

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total SELL		4,815,000					4,788,114.19		-9,146.37

Managed Account Detail of Securities Held

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 05/02/2016 1.375% 04/30/2021	912828Q78	545,000.00	AA+	Aaa	6/27/2016	6/29/2016	555,048.44	0.98	1,262.53	548,861.27	540,976.27
US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828Q78	2,000,000.00	AA+	Aaa	12/1/2016	12/5/2016	1,960,234.38	1.85	4,633.15	1,983,076.80	1,985,234.00
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	615,000.00	AA+	Aaa	7/6/2017	7/7/2017	605,078.32	1.81	716.24	610,041.53	610,387.50
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	510,000.00	AA+	Aaa	1/3/2017	1/5/2017	511,135.55	1.95	1,718.48	510,565.53	513,088.05
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	900,000.00	AA+	Aaa	4/3/2017	4/5/2017	905,589.84	1.86	3,032.61	902,913.34	905,449.50
US TREASURY NOTES DTD 10/31/2014 2.000% 10/31/2021	912828F96	780,000.00	AA+	Aaa	3/1/2018	3/5/2018	767,111.72	2.48	2,628.26	771,653.69	784,722.90
US TREASURY NOTES DTD 01/31/2017 1.875% 01/31/2022	912828V72	1,600,000.00	AA+	Aaa	7/6/2017	7/11/2017	1,598,312.50	1.90	12,513.81	1,599,029.52	1,605,625.60
US TREASURY NOTES DTD 03/02/2015 1.750% 02/28/2022	912828J43	500,000.00	AA+	Aaa	3/15/2017	3/17/2017	490,781.25	2.14	2,924.59	494,920.49	500,312.50
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	900,000.00	AA+	Aaa	12/1/2017	12/5/2017	891,597.66	2.10	4,241.80	894,572.75	903,972.60
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,300,000.00	AA+	Aaa	9/4/2018	9/6/2018	1,261,660.16	2.75	6,127.05	1,270,134.22	1,305,738.20
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,100,000.00	AA+	Aaa	8/1/2018	8/3/2018	1,063,906.25	2.82	5,184.43	1,072,559.84	1,104,855.40
US TREASURY NOTES DTD 03/31/2017 1.875% 03/31/2022	912828W89	1,780,000.00	AA+	Aaa	1/3/2018	1/4/2018	1,758,236.72	2.18	8,389.34	1,765,671.02	1,787,856.92
US TREASURY NOTES DTD 07/31/2015 2.000% 07/31/2022	912828XQ8	1,000,000.00	AA+	Aaa	8/30/2017	8/31/2017	1,012,656.25	1.73	8,342.54	1,008,065.18	1,008,281.00
US TREASURY NOTES DTD 07/31/2017 1.875% 07/31/2022	912828P4	1,000,000.00	AA+	Aaa	4/2/2018	4/5/2018	974,062.50	2.51	7,821.13	981,232.14	1,004,492.00
US TREASURY NOTES DTD 09/30/2015 1.750% 09/30/2022	912828L57	750,000.00	AA+	Aaa	10/3/2017	10/6/2017	743,613.28	1.93	3,299.18	745,769.06	750,527.25

Managed Account Detail of Securities Held

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 09/30/2015 1.750% 09/30/2022	912828L57	1,360,000.00	AA+	Aaa	6/4/2018	6/6/2018	1,304,484.38	2.76	5,982.51	1,317,642.56	1,360,956.08
US TREASURY N/B NOTES DTD 10/31/2017 2.000% 10/31/2022	9128283C2	1,635,000.00	AA+	Aaa	5/2/2018	5/4/2018	1,580,457.42	2.80	5,509.24	1,593,889.45	1,649,306.25
US TREASURY NOTES DTD 02/01/2016 1.750% 01/31/2023	912828P38	420,000.00	AA+	Aaa	10/2/2018	10/4/2018	399,951.56	2.93	3,065.88	403,216.13	420,295.26
US TREASURY NOTES DTD 02/29/2016 1.500% 02/28/2023	912828P79	610,000.00	AA+	Aaa	7/2/2018	7/5/2018	577,117.19	2.74	3,058.29	583,770.62	605,115.12
US TREASURY NOTES DTD 03/31/2016 1.500% 03/31/2023	912828Q29	510,000.00	AA+	Aaa	2/8/2019	2/12/2019	491,213.67	2.44	1,922.95	492,874.44	505,756.80
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	1,150,000.00	AA+	Aaa	4/2/2019	4/4/2019	1,101,304.69	2.28	5,996.20	1,103,924.96	1,127,898.15
US TREASURY NOTES DTD 08/01/2016 1.250% 07/31/2023	912828S92	525,000.00	AA+	Aaa	2/8/2019	2/12/2019	498,729.49	2.44	2,737.40	500,880.73	514,910.03
UNITED STATES TREASURY NOTES DTD 10/01/2018 2.875% 09/30/2023	9128285D8	955,000.00	AA+	Aaa	5/1/2019	5/3/2019	980,106.05	2.25	6,901.57	979,232.78	999,057.02
US TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	912828WE6	820,000.00	AA+	Aaa	3/6/2019	3/8/2019	828,296.09	2.52	2,880.03	827,782.19	854,465.42
US TREASURY NOTES DTD 11/30/2016 2.125% 11/30/2023	912828U57	1,315,000.00	AA+	Aaa	1/7/2019	1/9/2019	1,291,473.83	2.52	2,366.82	1,293,649.73	1,336,009.76
US TREASURY N/B DTD 12/31/2018 2.625% 12/31/2023	9128285U0	125,000.00	AA+	Aaa	1/30/2019	1/31/2019	125,371.09	2.56	8.92	125,342.73	129,707.00
US TREASURY N/B NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	1,330,000.00	AA+	Aaa	6/3/2019	6/5/2019	1,336,026.56	1.90	4,481.52	1,335,944.95	1,344,494.34
Security Type Sub-Total		26,035,000.00					25,613,556.84	2.26	117,746.47	25,717,217.65	26,159,490.92
Federal Agency Collateralized Mortgage Obligation											
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2015 2.791% 01/25/2022	3137BHXY8	470,000.00	AA+	Aaa	5/16/2019	5/21/2019	472,937.50	2.20	1,093.14	472,860.82	476,734.63

Managed Account Detail of Securities Held

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
Security Type Sub-Total		470,000.00					472,937.50	2.20	1,093.14	472,860.82	476,734.63
Federal Agency Bond / Note											
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	370,000.00	AA+	Aaa	8/17/2016	8/19/2016	368,734.23	1.32	1,721.53	369,450.60	365,799.76
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	1,000,000.00	AA+	Aaa	9/1/2016	9/2/2016	993,880.00	1.38	4,652.78	997,323.52	988,648.00
FNMA NOTES DTD 08/19/2016 1.250% 08/17/2021	3135G0N82	420,000.00	AA+	Aaa	8/17/2016	8/19/2016	418,299.00	1.33	1,954.17	419,261.56	415,232.16
FANNIE MAE NOTES DTD 01/09/2017 2.000% 01/05/2022	3135G0S38	1,965,000.00	AA+	Aaa	6/27/2017	6/29/2017	1,977,556.35	1.85	19,213.33	1,972,111.16	1,975,308.39
FANNIE MAE NOTES DTD 01/11/2019 2.625% 01/11/2022	3135G0U92	565,000.00	AA+	Aaa	1/9/2019	1/11/2019	564,593.20	2.65	7,003.65	564,655.15	576,733.36
FREDDIE MAC NOTES DTD 06/11/2018 2.750% 06/19/2023	3137EAEN5	1,000,000.00	AA+	Aaa	1/7/2019	1/9/2019	1,007,020.00	2.58	916.67	1,006,310.67	1,035,395.00
FANNIE MAE NOTES DTD 09/14/2018 2.875% 09/12/2023	3135G0U43	1,900,000.00	AA+	Aaa	12/3/2018	12/6/2018	1,896,162.00	2.92	16,539.24	1,896,635.40	1,978,836.70
FEDERAL HOME LOAN BANKS NOTES DTD 12/09/2013 3.375% 12/08/2023	3130A0F70	370,000.00	AA+	Aaa	1/30/2019	1/31/2019	380,905.34	2.72	797.81	380,031.37	393,632.27
FANNIE MAE NOTES DTD 02/08/2019 2.500% 02/05/2024	3135G0V34	290,000.00	AA+	Aaa	2/7/2019	2/8/2019	288,921.20	2.58	2,879.86	289,001.91	298,714.21
Security Type Sub-Total		7,880,000.00					7,896,071.32	2.23	55,679.04	7,894,781.34	8,028,299.85
Corporate Note											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	585,000.00	A-	A2	2/28/2017	3/3/2017	584,391.60	2.24	4,218.50	584,860.26	584,386.92
GENERAL ELECTRIC CO CORPORATE NOTE DTD 04/27/2007 5.550% 05/04/2020	36962G2T0	900,000.00	BBB+	Baa1	9/25/2017	9/27/2017	984,798.00	1.83	7,908.75	927,851.37	920,754.00

Managed Account Detail of Securities Held

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	9/5/2017	9/7/2017	1,017,128.80	1.77	9,373.73	1,003,623.75	999,421.78
THE PROCTER & GAMBLE CO CORP NOTES DTD 10/25/2017 1.900% 10/23/2020	742718FA2	220,000.00	AA-	Aa3	10/23/2017	10/25/2017	219,663.40	1.95	789.56	219,850.22	219,893.74
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	145,000.00	A+	A1	11/6/2017	11/13/2017	144,986.95	2.05	396.33	144,993.96	144,889.37
WELLS FARGO & COMPANY NOTES DTD 12/07/2015 2.550% 12/07/2020	94974BGR5	950,000.00	A-	A2	5/16/2016	5/19/2016	969,285.00	2.08	1,615.00	956,272.67	952,662.85
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	1,000,000.00	AA	Aa2	10/11/2017	10/20/2017	998,550.00	1.95	844.44	999,315.08	998,204.00
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	265,000.00	A-	A2	10/23/2017	10/26/2017	264,878.10	2.17	2,373.96	264,937.93	264,532.54
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	325,000.00	A+	A1	10/5/2017	10/10/2017	324,935.00	2.01	1,372.22	324,966.13	324,910.95
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	510,000.00	A-	A2	11/1/2017	11/3/2017	513,819.90	2.40	2,677.50	512,026.62	513,178.83
GOLDMAN SACHS GROUP CORP NOTES DTD 07/27/2011 5.250% 07/27/2021	38141GGQ1	460,000.00	BBB+	A3	11/3/2017	11/7/2017	504,109.40	2.53	10,330.83	485,071.48	486,198.38
AMERICAN HONDA FINANCE CORP NOTES DTD 09/09/2016 1.700% 09/09/2021	02665WBG5	770,000.00	A	A2	9/9/2016	9/14/2016	764,740.90	1.84	4,072.44	767,632.84	761,149.62
CITIGROUP INC CORP (CALLABLE) NOTE DTD 12/08/2016 2.900% 12/08/2021	172967LC3	510,000.00	BBB+	A3	11/20/2017	11/22/2017	513,483.30	2.72	944.92	512,118.57	515,289.21
IBM CORP BONDS DTD 01/27/2017 2.500% 01/27/2022	459200JQ5	750,000.00	A	A1	2/1/2017	2/3/2017	751,575.00	2.45	8,020.83	750,837.71	754,930.50

Managed Account Detail of Securities Held

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											
BB&T CORP (CALLABLE) NOTES DTD 03/21/2017 2.750% 04/01/2022	05531FAX1	150,000.00	A-	A2	4/3/2018	4/5/2018	147,214.50	3.25	1,031.25	148,042.55	151,815.75
JPMORGAN CHASE & CO CORP NOTES DTD 09/24/2012 3.250% 09/23/2022	46625HJE1	500,000.00	A-	A2	4/3/2018	4/5/2018	498,470.00	3.32	4,423.61	498,875.45	513,665.00
AMAZON.COM INC BONDS DTD 06/06/2018 2.400% 02/22/2023	023135AW6	420,000.00	AA-	A3	4/11/2019	4/15/2019	415,955.40	2.66	3,612.00	416,170.68	424,074.84
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 01/08/2019 3.350% 01/08/2024	89236TFS9	675,000.00	AA-	Aa3	1/30/2019	1/31/2019	680,224.50	3.18	10,866.56	679,822.69	705,905.55
Security Type Sub-Total		10,130,000.00					10,298,209.75	2.28	74,872.43	10,197,269.96	10,235,863.83
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	515,000.00	A-1	P-1	2/7/2018	2/8/2018	515,000.00	2.67	19,212.50	515,000.00	516,405.44
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	775,000.00	A-1+	P-1	2/20/2018	2/22/2018	775,000.00	2.72	7,670.78	775,000.00	777,784.58
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	775,000.00	A-1	P-1	3/2/2018	3/6/2018	775,000.00	2.93	7,429.24	775,000.00	778,429.38
CANADIAN IMP BK COMM NY FLT CERT DEPOS DTD 04/10/2018 2.984% 04/10/2020	13606BVF0	520,000.00	A-1	P-1	4/6/2018	4/10/2018	520,000.00	2.78	3,534.38	520,000.00	521,109.68
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	890,000.00	A-1	P-1	6/5/2018	6/7/2018	889,661.80	3.10	1,979.76	889,839.63	897,465.32
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	900,000.00	A+	Aa2	8/1/2018	8/3/2018	900,000.00	3.23	26,477.00	900,000.00	906,258.60
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	900,000.00	AA-	Aa3	8/3/2017	8/7/2017	900,000.00	2.05	7,380.00	900,000.00	898,742.70

Managed Account Detail of Securities Held

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											
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	1,035,000.00	AA-	Aa2	11/16/2017	11/17/2017	1,035,000.00	2.30	3,002.08	1,035,000.00	1,031,948.82
MUFG BANK LTD/NY CERT DEPOS DTD 02/28/2019 2.970% 02/26/2021	55379WZT6	515,000.00	A	A1	2/27/2019	2/28/2019	515,000.00	2.99	5,225.96	515,000.00	522,934.55
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 04/04/2019 2.830% 04/02/2021	22535CDU2	515,000.00	A+	A1	4/3/2019	4/4/2019	515,000.00	2.85	3,562.66	515,000.00	517,665.13
Security Type Sub-Total		7,340,000.00					7,339,661.80	2.74	85,474.36	7,339,839.63	7,368,744.20
Managed Account Sub Total		51,855,000.00					51,620,437.21	2.33	334,865.44	51,621,969.40	52,269,133.43
Securities Sub-Total		\$51,855,000.00					\$51,620,437.21	2.33%	\$334,865.44	\$51,621,969.40	\$52,269,133.43
Accrued Interest											\$334,865.44
Total Investments											\$52,603,998.87

Bolded items are forward settling trades.

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 nominal 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.