

**Date:** November 14, 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:** November 14, 2019 (Thursday)  
3:30 to 5:00 p.m.

**Where:** City of San Mateo - Room A  
330 West 20<sup>th</sup> Avenue  
San Mateo, CA 94403

### AGENDA

1. Asset Back Securities webinar (PFM)
2. Investment Policy revisions for 2020
3. PFM - Portfolio Review
  - Yield Trend
  - Strategy
  - Market Value
4. Committee member recruitment
5. Confirm next meeting date(s)

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

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

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

<i>Investment Advisory Committee Meetings</i>			<b>Quarterly Investment Report</b>
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
October 15, 2020	3:30 p.m.	Room C	Apr/May/June



# **Investment Advisory Committee Meeting**

## **July 18, 2019**

### **Attendees:**

Kent Grealish  
Jeff Adams  
Margaret Taylor  
Michael Carney  
Chris deLong

Richard Lee  
Karley Hamilton  
Lisa Wesley

*PFM attendees:*  
Monique Spyke

### **Investment Policy Revisions for 2020**

Review of the Investment policy annual procedures and adoption. Opened the policy for review and suggested revisions, in preparation for annual adoption in January.

### **PFM review of portfolio:**

- Continued divestment of Federal agency instruments as yields have declined.
- Commercial paper yields starting to narrow, becoming less attractive.

### **Confirmed next meeting date:**

October 17, 2019

### **Adjournment**





# How Asset-Backed Securities Can Benefit Your Portfolio

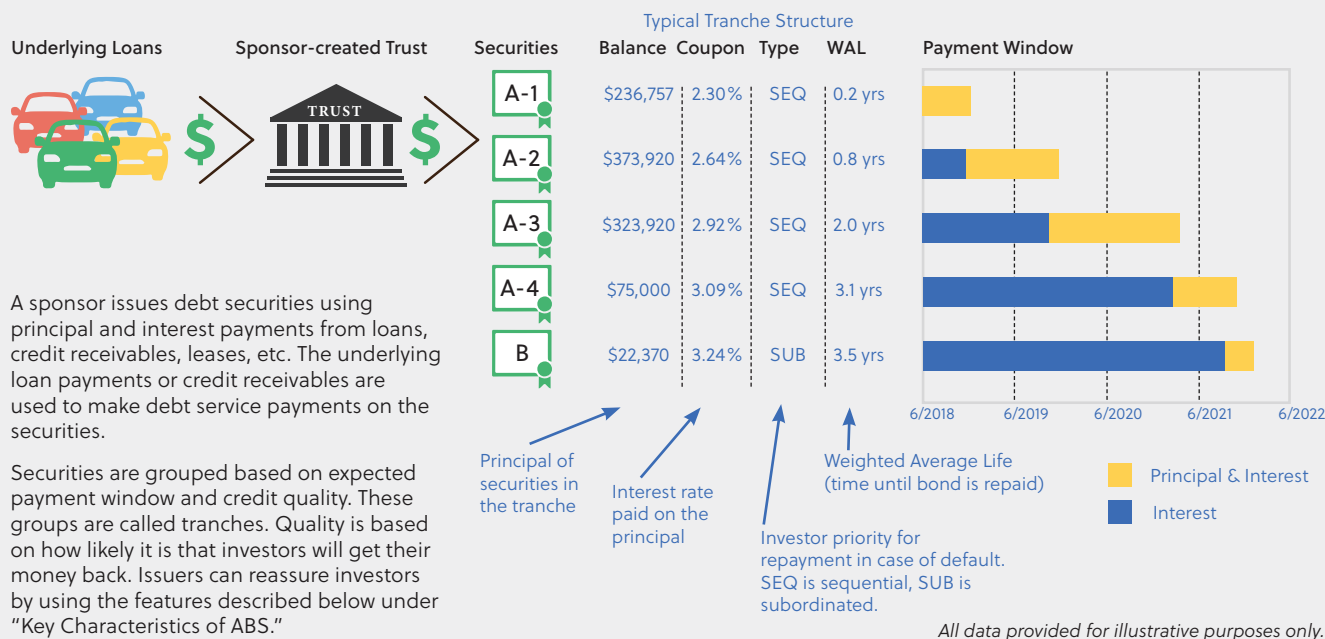
InvestEd August 2018

## What Are Asset-Backed Securities (ABS)?

ABS are notes backed by underlying pools of assets, commonly consisting of automobile loans and leases, credit card receivables, equipment leases, student loans and others. Most ABS deals comprise multiple classes of securities, or "tranches," each with its own coupon, expected cash flows and risk characteristics. They can serve as a component of fixed-income portfolios, offering investment diversification and the opportunity for higher yields relative to comparable-duration U.S. Treasuries and federal agencies.

ABS structure includes three key parties: the sponsor, the trust and the investor. In most cases, the sponsor — a bank, credit card issuer or retail finance company — transfers the loans or receivables to a separate trust, which is established to legally own and securitize the assets. The trust then issues the ABS notes and is responsible for paying investors principal and interest in a timely manner.

## HOW DO ABS WORK?



## Key Characteristics of ABS

**1. Credit enhancements.** Unlike most corporate securities, ABS are typically credit-enhanced, which means they contain features that raise their credit quality above that of the underlying assets. These characteristics increase the likelihood that investors will receive the promised cash flows. The following are examples of credit enhancements:

- **Excess spread** — the difference between the interest rate on the underlying collateral and the bond coupon and deal costs.



- **Cash reserve account** — additional funds set aside by the issuer to provide extra internal liquidity for ABS investors.
- **Overcollateralization** — the amount of collateral in excess of ABS issued.
- **Senior/subordinate structure** — subordinated tranches absorb losses due to defaulted loans up to their value before senior tranches are affected. As a result, subordinate tranches typically offer investors higher yield due to their increased credit risk. This feature provides investors with the option to invest in a tranche that best suits their preferences and risk tolerance.

**2. Added value over time.** ABS is an asset class that can offer a high degree of safety with returns in excess of those of government bonds and higher risk-adjusted returns compared to other sectors.

**3. Large and liquid market.** ABS issuance totaled \$559.1 billion in 2017, a 73% increase over 2016, and \$194.3 billion in the first two quarters of 2018.<sup>1</sup> The market overall has more than \$1.5 billion outstanding and has been slowly but steadily increasing over the past few years.

## PFM's Approach to ABS

PFM has a rigorous credit review and monitoring process specifically for ABS, going beyond simply accepting assigned ratings and instead focusing on the structure, collateral quality, credit enhancements, and history of the parties to the deal. This includes a review of the sponsor, historical performance of similar deals (especially the default and recovery rates), an analysis of the collateral, underwriting criteria and geographic diversification of the pools. We also conduct or review stress tests that assess the effectiveness of credit enhancements in protecting the tranches we are interested in purchasing. After a purchase is made, we monitor the issue to ensure its performance meets expectations, and we conduct monthly surveillance on all ABS owned in our client's portfolios. We focus on deals that offer the combination of features desired by our clients: high-quality credit profile, safety characteristics, and relative value to other sectors.

Example	Example Issuers/Sponsors
Prime auto loans and leases	Ford, Toyota, Honda, Nissan
Credit card receivables	American Express, CapitalOne, Chase, Citibank
Equipment loans and leases	John Deere, Volvo, Dell

## Why Is PFM Recommending ABS Now?

For decades, investors have considered ABS a secure and profitable addition to fixed-income portfolios. With the significant reduction in the supply of federal agency securities (including Fannie Mae and Freddie Mac), which have long been a mainstay of public sector portfolios, high-quality alternative investments like ABS are rising in popularity. At the same time, yield spreads on federal agencies, corporates and most other asset classes are below historical averages. Adding ABS provides another investment option for high-quality portfolios, allowing PFM another opportunity to enhance returns for our clients.

<sup>1</sup> "US ABS Issuance and Outstanding," Securities Industry and Financial Markets Association (August 1, 2018). <https://www.sifma.org/resources/research/us-abs-issuance-and-outstanding/>

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# San Mateo

## Investment Update

**Monique Spyke, Managing Director**

October 17, 2019

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

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213 Market Street  
Harrisburg, PA 17101  
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[www.pfm.com](http://www.pfm.com)

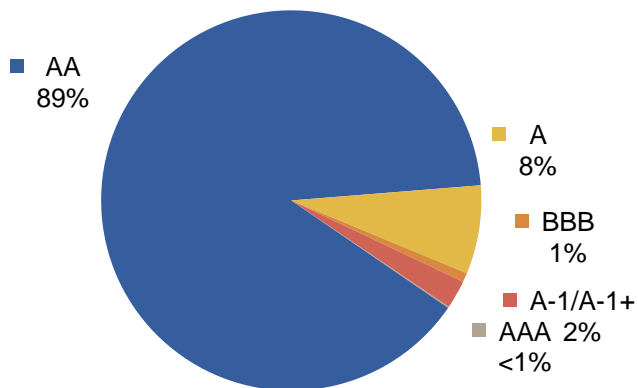


# Current Holdings Snapshot as of September 30, 2019

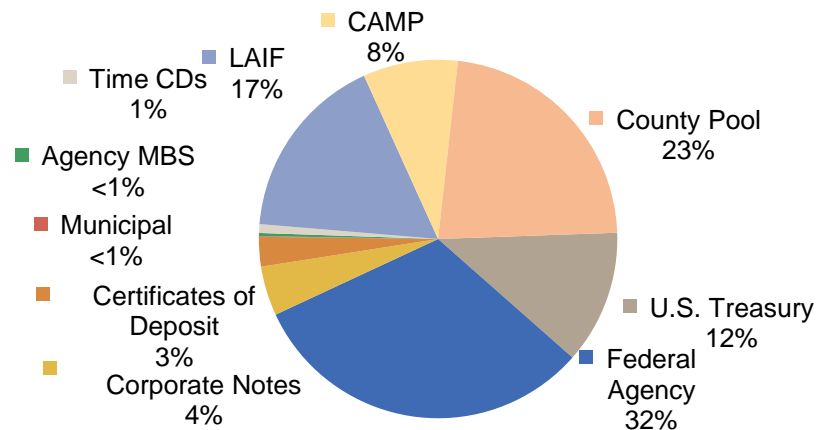
## Portfolio Statistics

All Holdings	
Market Value	\$253,016,461
PFM Managed Holdings	
Market Value	\$52,505,616
Average Duration	2.58 years
Average Yield at Cost	2.27%
Average Yield at Market	1.73%

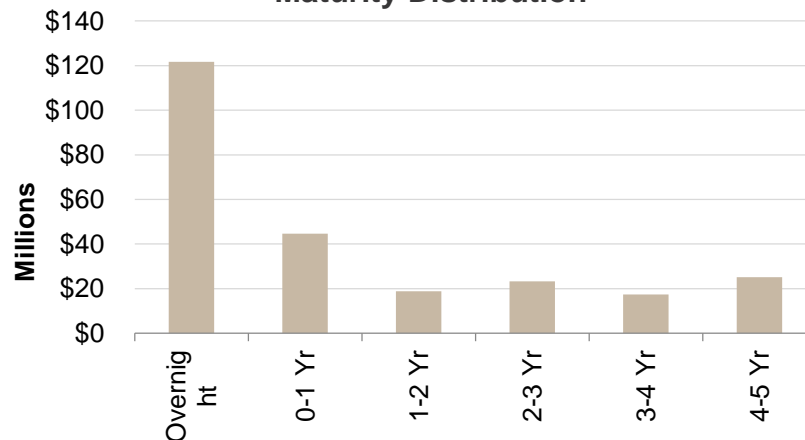
## Credit Quality



## Sector Allocation



## Maturity Distribution

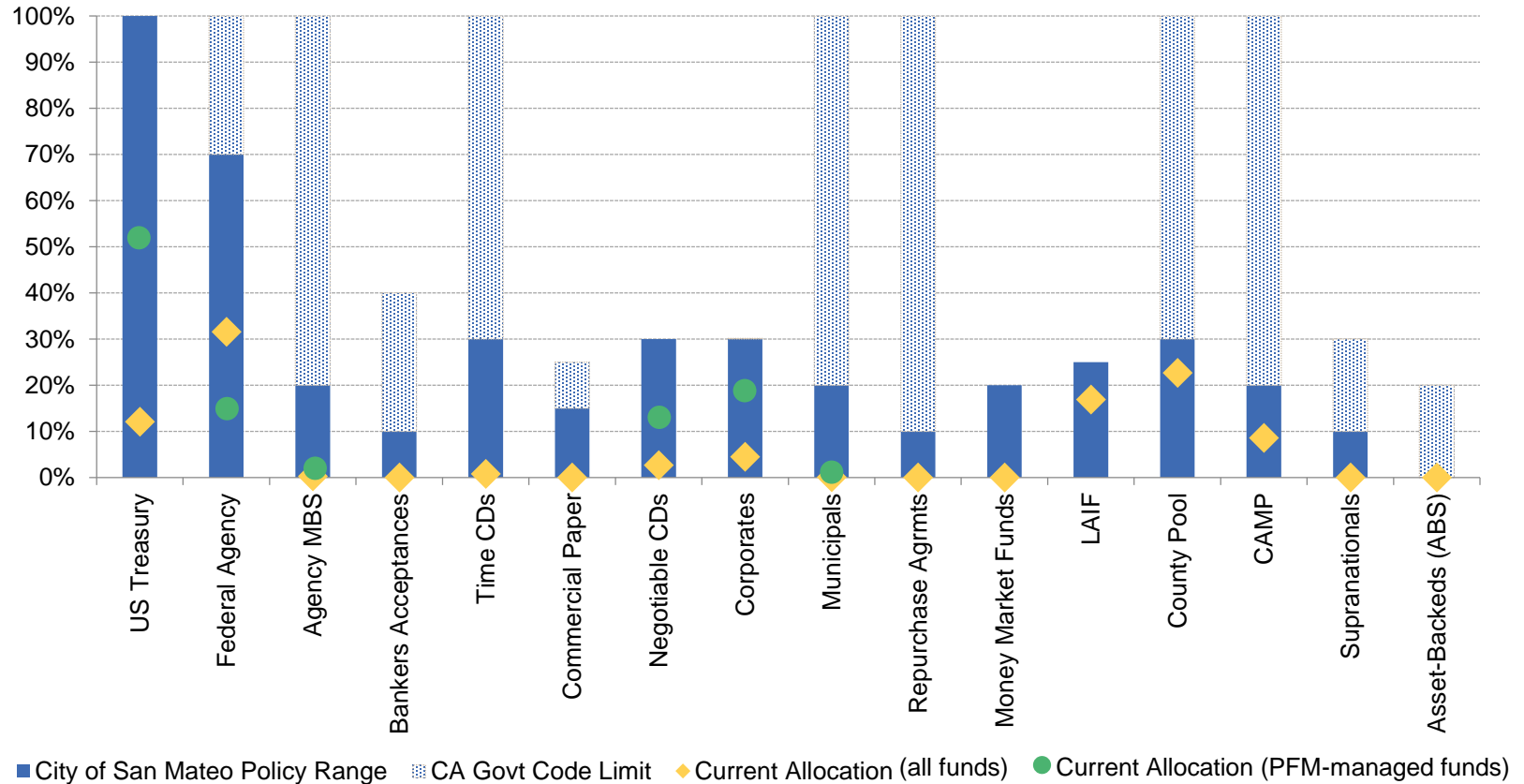


Credit quality uses S&P rating and excludes overnight funds and Time CDs. Maturity distribution is to final maturity and excludes Time CDs. Please see important disclosures.





## San Mateo Portfolio and CA Government Code



City of San Mateo portfolio as of 9/30/19. City of San Mateo Investment Policy dated 2/4/19.



## San Mateo Investment Policy Considerations

- Add asset-backed securities as an authorized investment
- Edit monthly reporting requirements to encompass all Code requirements



# Asset- Backed Securities





## Sector Focus: Asset-Backed Securities



### Government

Treasuries  
Federal Agencies  
Supranationals  
Municipals



### Securitized

Agency Mortgage-Backed Securities  
**Asset-Backed Securities**



### Credit

Corporate Notes  
Commercial Paper  
Certificates of Deposit

## What are Asset-Backed Securities?

Securitized investments backed by assets such as automobile loans, credit card receivables, student loans, or corporate loans

Securities represent ownership rights to the cash flows from these assets

### Benefits:

- attractive risk-adjusted returns
- diversification
- incremental spread over government securities
- high credit quality





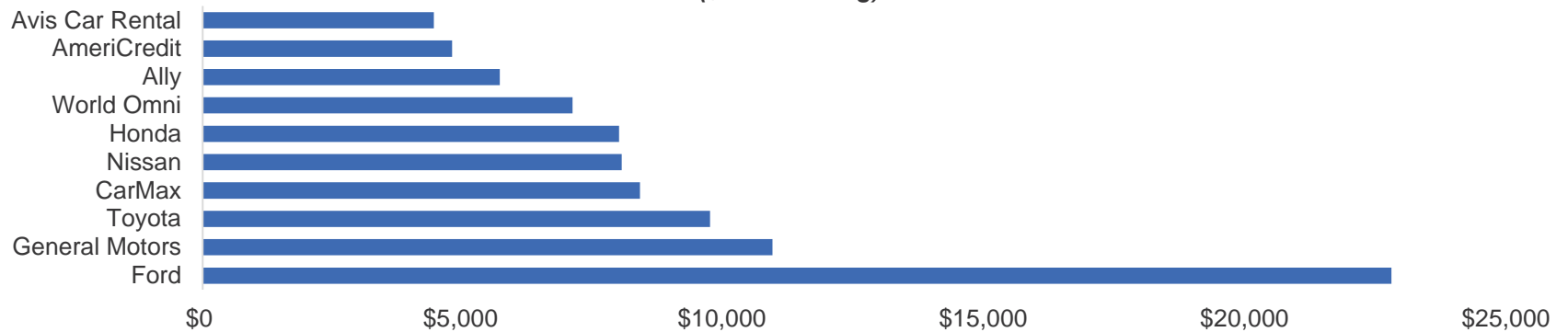
## Additional Considerations

- ◆ Credit Risk
- ◆ Liquidity Risk
- ◆ Prepayment
- ◆ Geographic concentration
- ◆ FICO
- ◆ Average Loan Terms
- ◆ Loan to Value

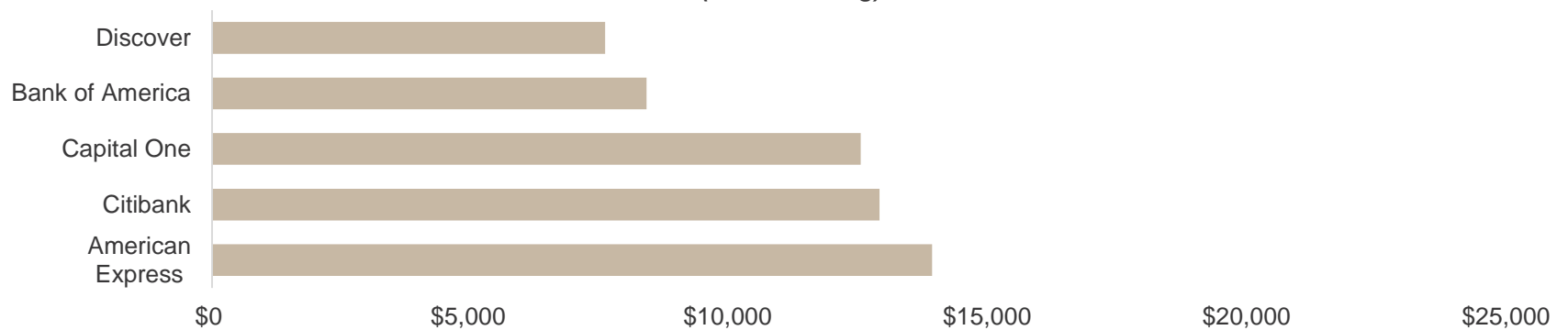


## Top ABS Sponsors

**Top 10 Auto Sponsors  
(\$ Outstanding)**



**Top 5 Credit Card Sponsors  
(\$ Outstanding)**



Source: Bloomberg, AAA ABS Indices.



## How Do ABS Work?

1



### Underlying Loans

Auto or equipment loans, credit card receivables, or leases are bundled together by the sponsor

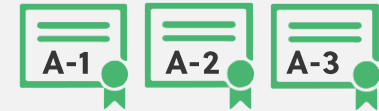
2



### Sponsor-Created Trust

The trust holds the assets and issues debt securities backed by payments from these loans

3





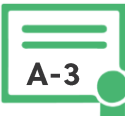
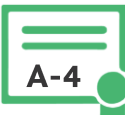

### Securities

Principal and interest payments on the underlying loans are used to make debt service payments on the securities



## Typical ABS Tranche Structure

*principal of securities  
in the tranche*

	Balance	Coupon	Type	WAL
 A-1	\$236,757	2.30%	SEQ	0.2 years
 A-2	\$373,920	2.64%	SEQ	0.8 years
 A-3	\$323,920	2.92%	SEQ	2.0 years
 A-4	\$75,000	3.09%	SEQ	3.1 years
 B	\$22,370	3.24%	SUB	3.5 years

*investor priority for  
repayment in case of default*

SEQ = sequential  
SUB = subordinate

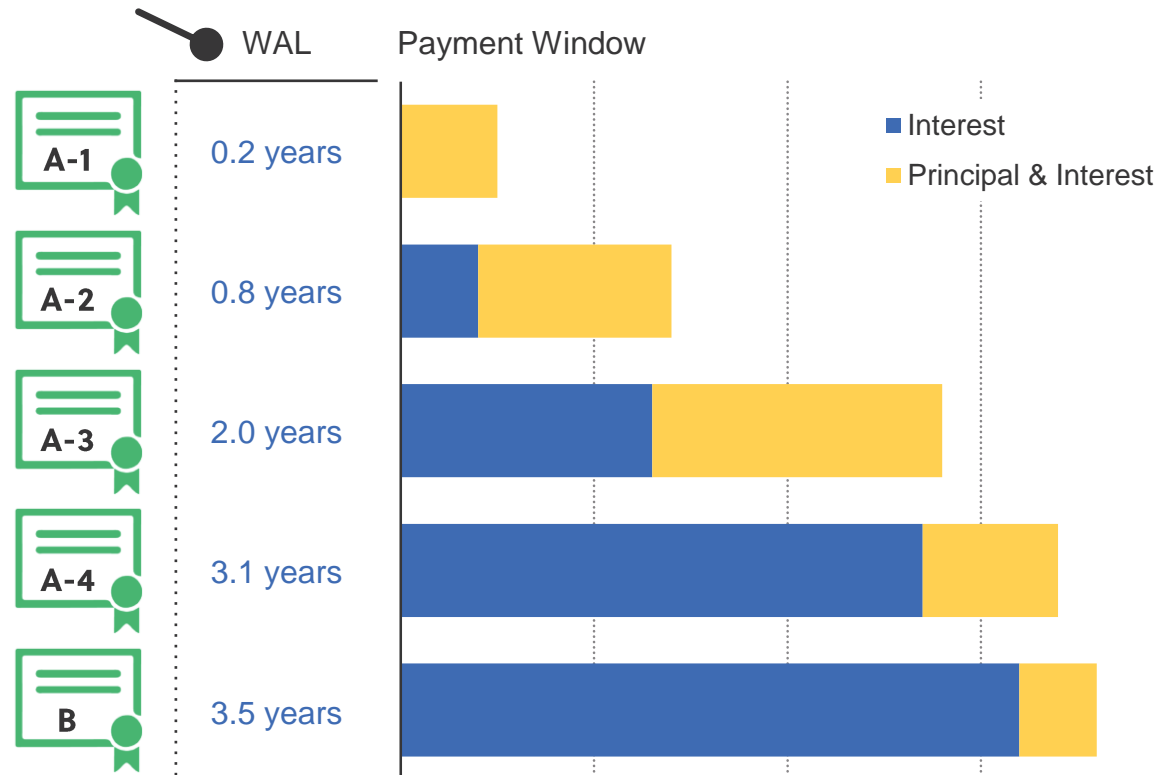
For illustrative purposes only.





## Typical ABS Tranche Structure

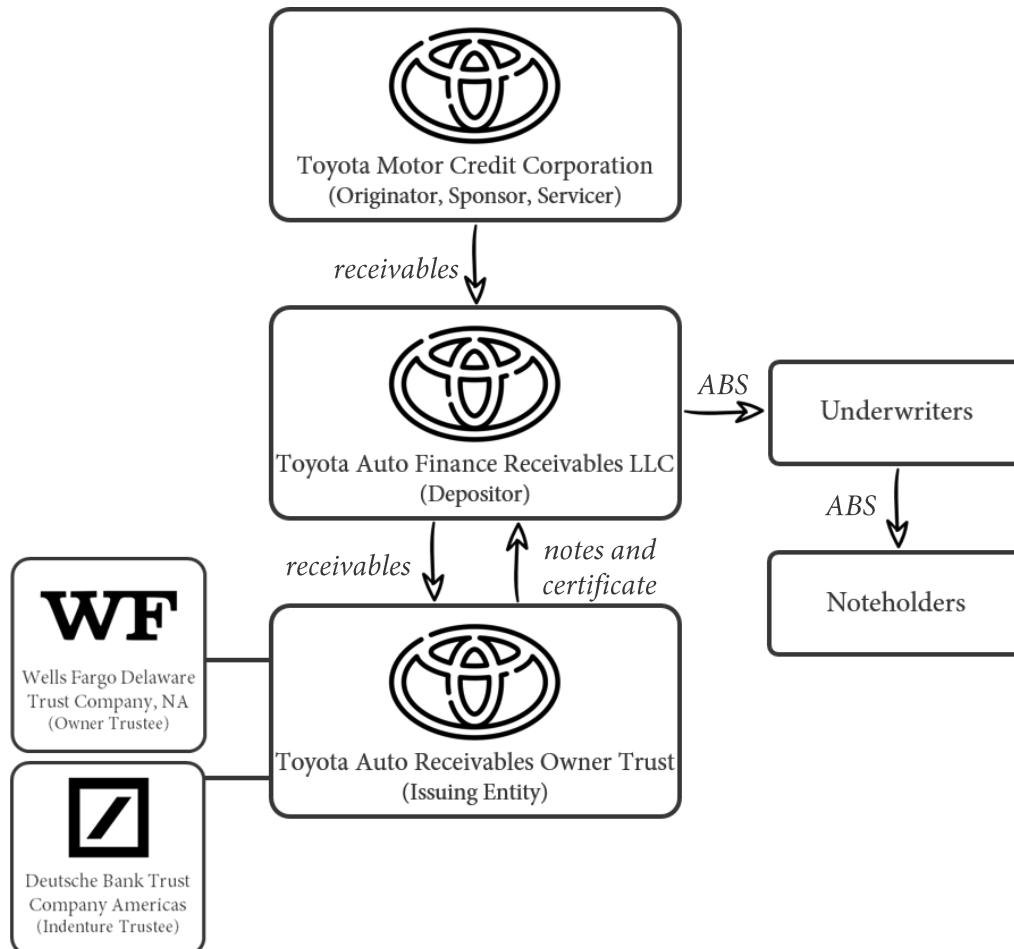
*Weighted Average Life:  
average time until principal is repaid*



For illustrative purposes only.



## Example Asset-Backed Security Structure



For illustrative purposes only.

- **Toyota Motor Credit Corporation**, the sponsor, originates loans to borrowers
- **Toyota Auto Finance Receivables**, the depositor, helps structure the securities and works with financial markets to find investors
- **Toyota Auto Receivables Owner Trust**, the issuing entity, purchases these loans and creates asset-backed securities to sell to investors; individual trusts are created for each separate ABS deal
- Borrowers make regular loan payments, which flow through to investors



## ABS Credit Enhancements

### Subordination & Credit Tranching

Deal may include subordinated tranches (usually lower rated)

Pool cash flows are prioritized first to senior tranches

Any losses are distributed from the bottom up

### Over-Collateralization

Trust owns more assets than the outstanding asset-backed securities

### Reserve Accounts

Additional cash set aside at issuance to pay ABS holders, if needed

### Excess Spread

The difference between the interest rate received on the loans/leases and the interest rates paid on the ABS, which accumulates over time

### Letter of Credit

Bank Letter of Credit covers cash shortfalls up to a specified amount (less common today)

### Insurance

Private 3<sup>rd</sup> party insurer guarantees payment of scheduled principal and interest (less common today)



## Credit Enhancement: Subordination & Credit Tranching

- Securities are divided into **tranches** which dictate the timing and seniority of receipt of cash flows
- Each tranche has varying levels of **credit protection** or **risk exposure**
- Senior tranches have **shorter WALs** (weighted average lives) and therefore **pay down faster** than subordinated tranches
- In a stressed situation, a subordinated tranche will absorb losses before they affect senior tranches

For illustrative purposes only.

### Structure

**TAOT 19-A A3 Mtge**

**Issuer:** TOYOTA AUTO RECEIVABLES OWNER TRUST

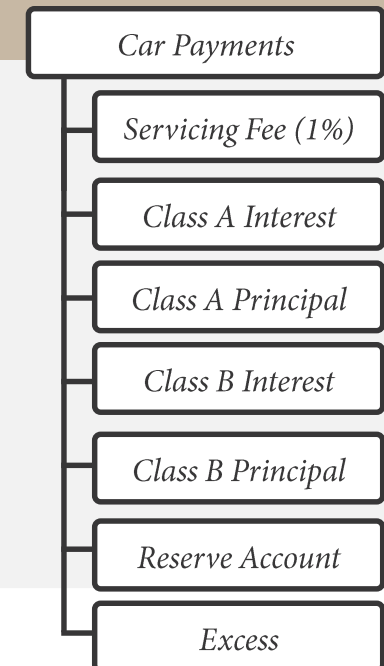
**Issuance year:** 2019

**Issue:** A (first of year)

**Tranche:** A3

### Payment Waterfall

- The order in which payments are made to investors is determined by class
- Senior tranches have first claim to cash flows
- Subordinated tranches begin receiving principal payment after the more senior classes have been paid





## Credit Enhancement: Over-Collateralization

- Refers to the **difference between** the value of underlying **assets** and the principal amount of **securities** issued
- When the payments from the underlying assets are lower than expected, **losses are absorbed** by this extra collateral
- As principal is paid down over time, the protection provided by over-collateralization increases relative to the remaining amount of outstanding debt

For illustrative purposes only.

### Example Structure



**\$100** principal car loans

**-\$90** issued securities

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**+\$10** overcollateralization

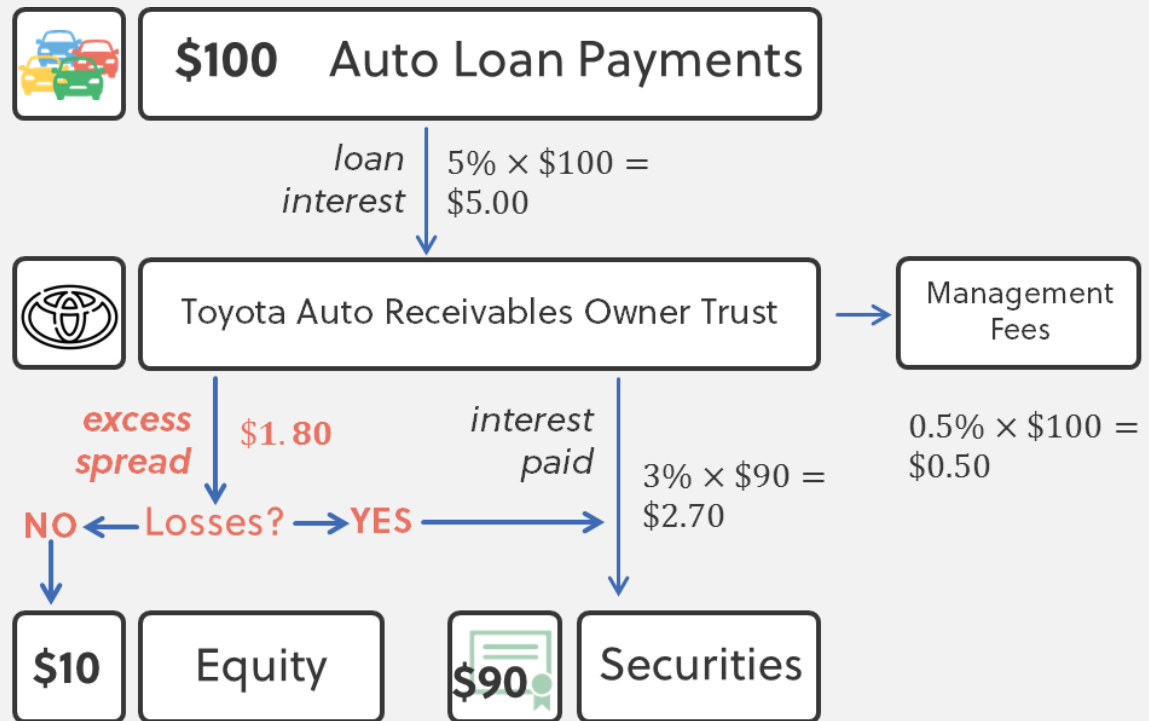


## Credit Enhancement: Excess Spread

- The difference between the interest payments received on the assets and the interest payments made on the ABS is the **excess spread**
- If any loss occurs, excess spread will **typically be used first** to absorb losses before any other type of credit enhancement
- If no losses occur, the excess spread may go to the reserve account or the equity investor

For illustrative purposes only.

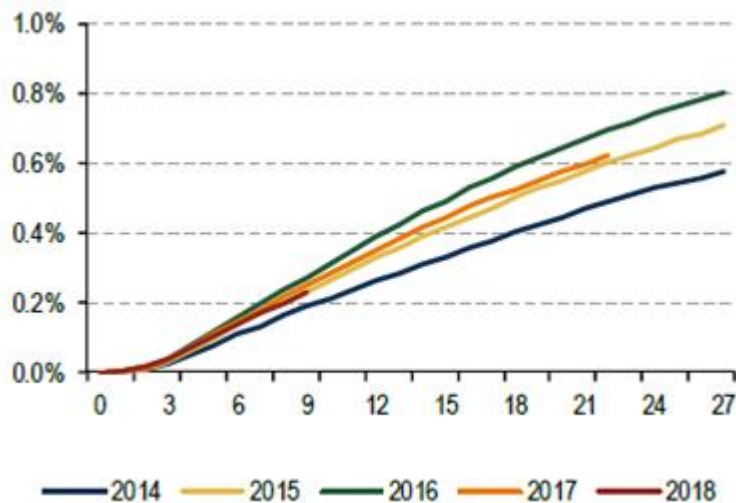
### Structure





## Historical Auto ABS Performance

Prime Cumulative Net Losses (CNL) by Vintage



- CNL for the 2016 vintage are well below great recession levels, but are higher than post-recession lows
- The 2017 vintage is performing slightly better than the 2016 vintage
- Early indicators point to continued improvement with the 2018 vintage

Prime Auto Loan Performance





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~~2019~~2020  
**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.

- Q. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision 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 years or less. No more than 5% of the agency's total portfolio shall be invested in any one issuer. Purchase of securities authorized by this subdivision shall not exceed 10 percent of the agency's total portfolio.

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,~~ and asset-backed and non-agency mortgage securities. 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.
- 5-6. A statement of transactions made during the month.



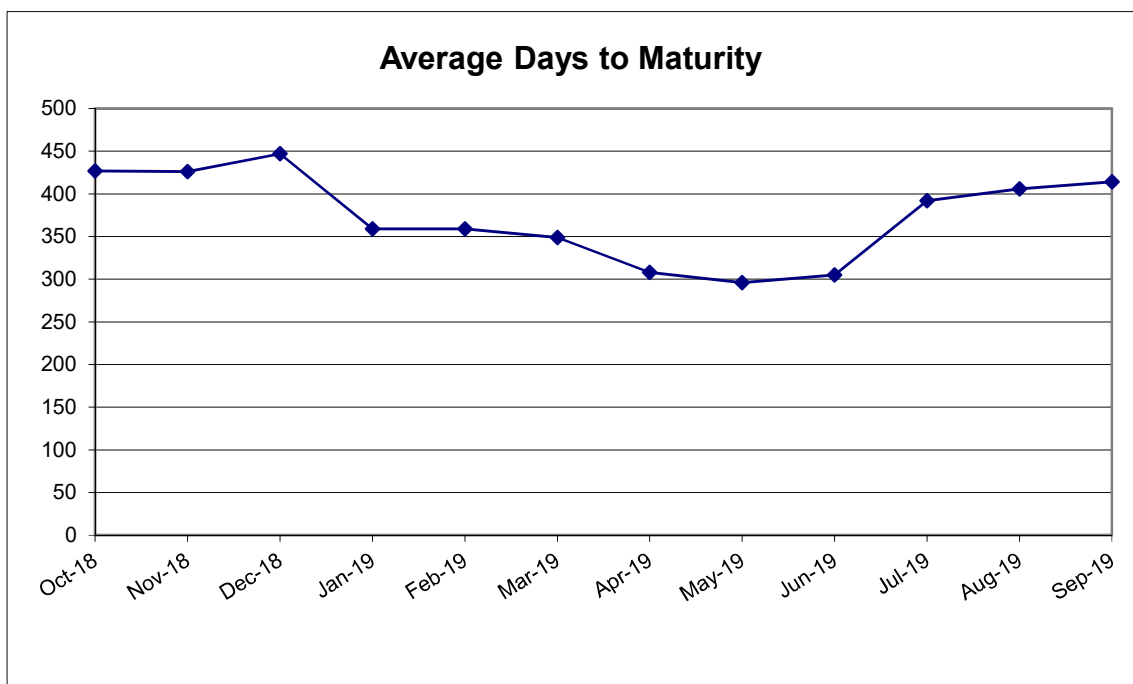
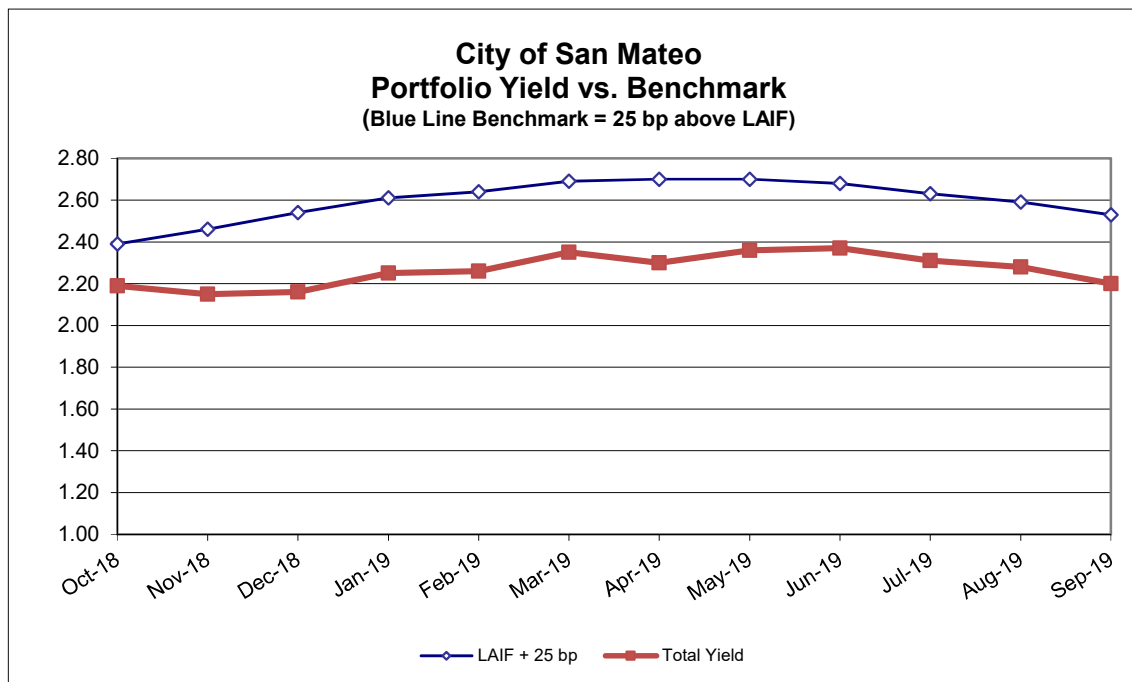
## **XV. INVESTMENT POLICY ADOPTION**

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.



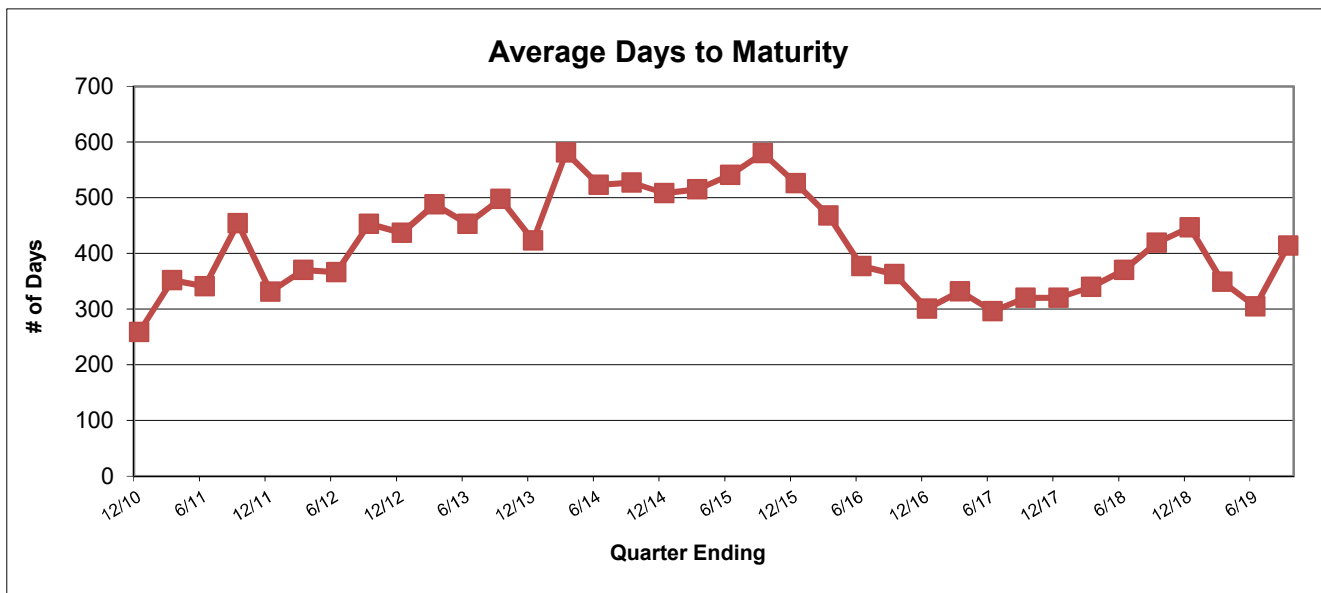
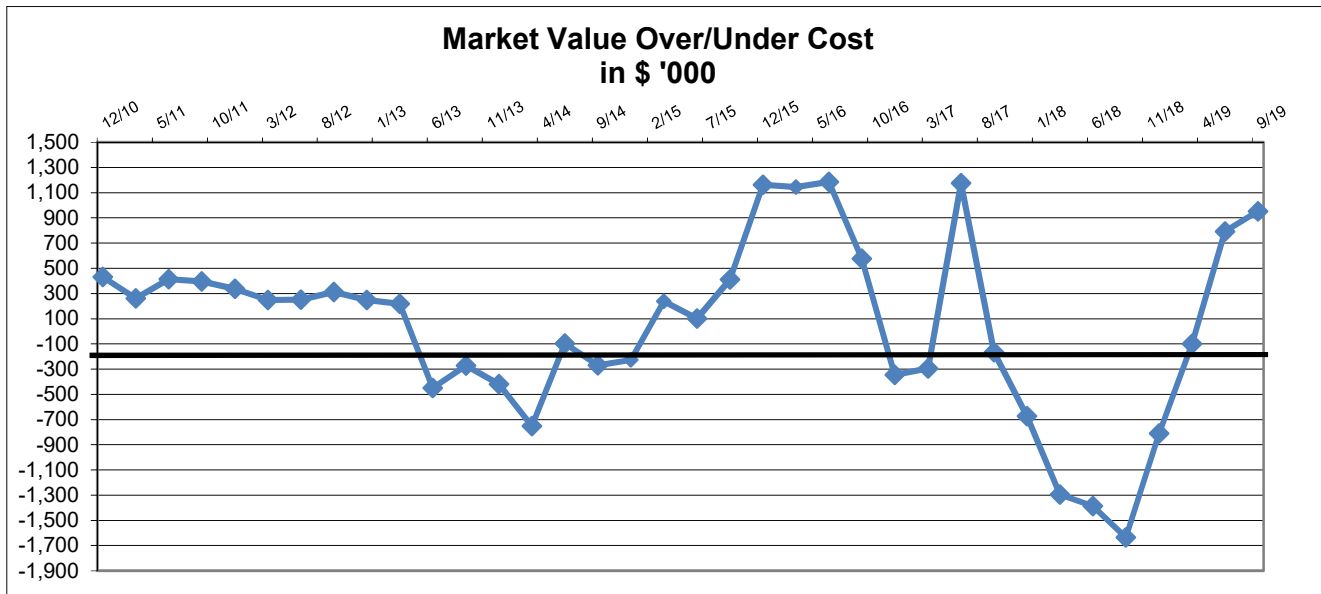
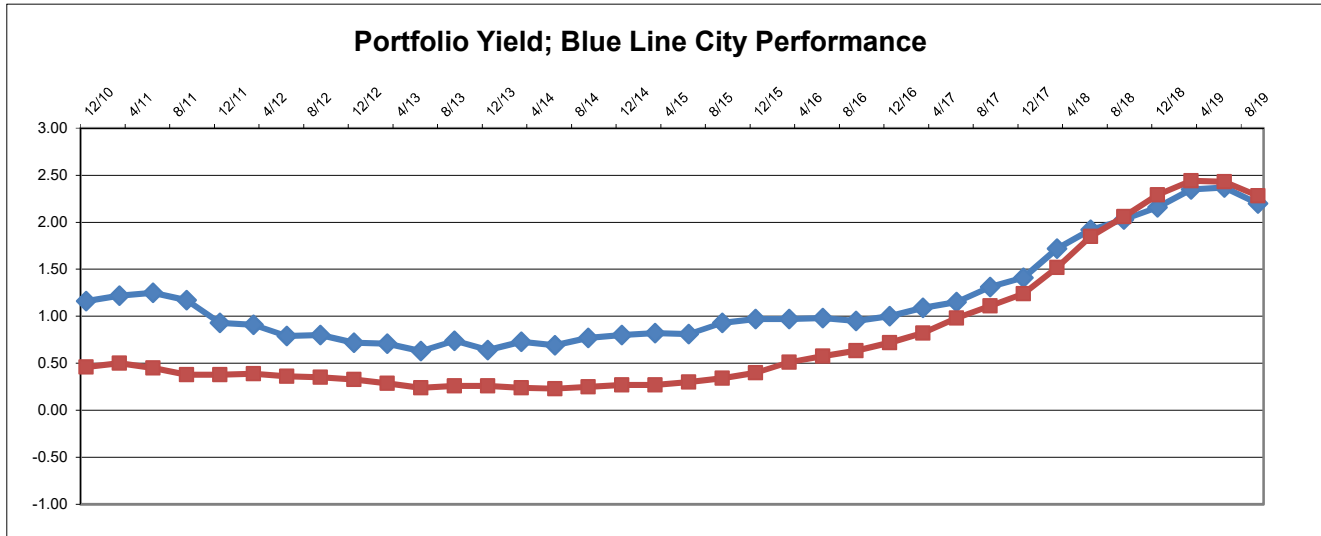
# City of San Mateo

## Current Year - 12 Month Trend



# City of San Mateo Historical Trend by Quarter

10/17/2019





## Portfolio Compliance Report July 31, 2019

### Investment Summary - Aggregate Portfolio

Security Type	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>5</sup>
Money Market Funds	\$31,866	\$31,866	\$31,866	<1%	20%	✓	1	2.17%
Investment Pools	\$116,870,831	\$116,870,831	\$116,870,831	46%	20-65% <sup>4</sup>	✓	1	2.38%
<b>Total Liquidity</b>	<b>\$116,902,696</b>	<b>\$116,902,696</b>	<b>\$116,902,696</b>	<b>46%</b>			<b>1</b>	<b>2.38%</b>
Certificates of Deposit	\$8,824,662	\$8,863,614	\$8,824,854	4%	30%	✓	312	2.48%
U.S. Treasury Notes	\$30,985,927	\$31,480,061	\$31,160,373	13%	100%	✓	979	2.12%
Federal Agency Securities	\$84,403,191	\$84,655,423	\$84,482,745	34%	70%	✓	671	2.26%
Agency Mortgage Backed Securities	\$472,938	\$475,418	\$472,747	<1%	25%	✓	909	2.20%
Medium-Term Corporate Notes	\$9,320,292	\$9,307,814	\$9,273,274	4%	20%	✓	868	2.34%
<b>Total Securities</b>	<b>\$134,007,009</b>	<b>\$134,782,329</b>	<b>\$134,213,993</b>	<b>54%</b>			<b>733</b>	<b>2.25%</b>
<b>Total Portfolio</b>	<b>\$250,909,706</b>	<b>\$251,685,025</b>	<b>\$251,116,689</b>	<b>100%</b>			<b>392</b>	<b>2.31%</b>
<i>Internal</i>	\$199,312,482	\$199,513,674	\$199,456,475	79%			243	2.30%
<i>External</i>	\$51,597,224	\$52,171,351	\$51,660,214	21%			967	2.32%
<b>Bonded Debt Portfolio</b>	<b>\$246,265,261</b>	<b>\$246,265,261</b>	<b>\$246,265,261</b>					<b>2.37%</b>

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

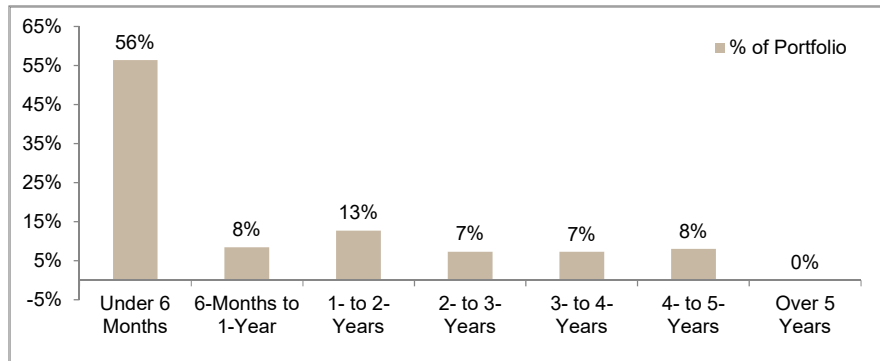
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

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 July 2019 gross earnings rate as of July 31, 2019

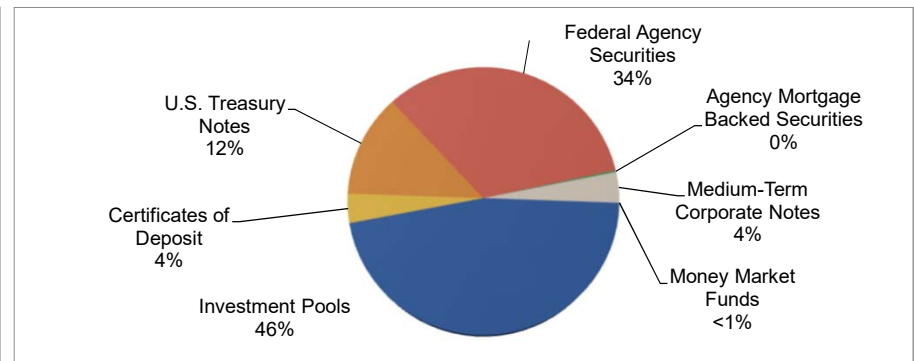
### Maturity Distribution<sup>6</sup>



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).

### Sector Distribution





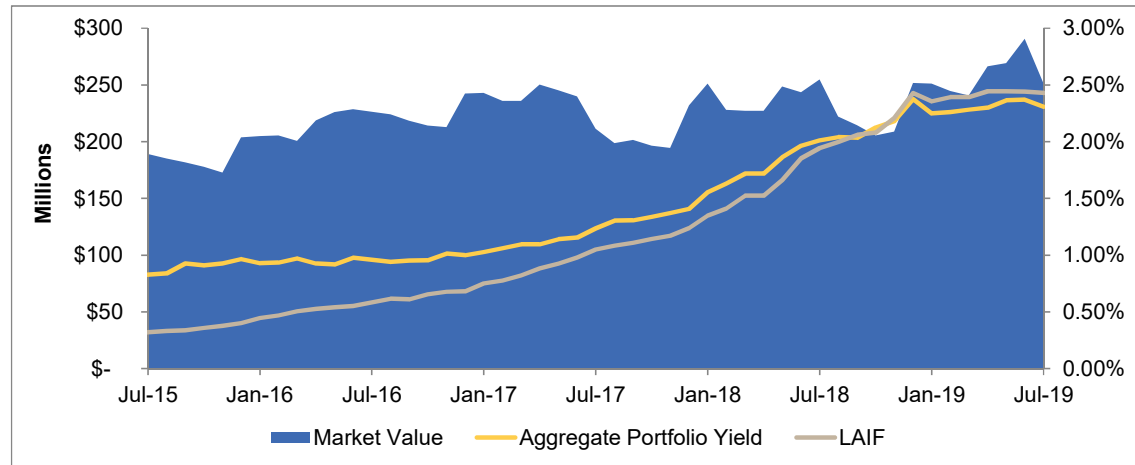
**Portfolio Compliance Report**  
July 31, 2019

**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**



  
\_\_\_\_\_  
Richard Lee  
Finance Director

23-Sep-19  
\_\_\_\_\_  
Date



**Portfolio Compliance Report**  
July 31, 2019

**Issuer Detail - Aggregate Portfolio**

Issuer	Original Cost	Market Value1	Amortized Cost2	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity3	Average Yield4
<b>Money Market Funds</b>	<b>31,866</b>	<b>31,866</b>	<b>31,866</b>	<b>&lt;1%</b>			<b>1</b>	<b>2.17%</b>
Dreyfus	31,866	31,866	31,866	<1%	10%	✓	1	2.17%
<b>Investment Pools</b>	<b>116,870,831</b>	<b>116,870,831</b>	<b>116,870,831</b>	<b>46%</b>			<b>1</b>	<b>2.38%</b>
San Mateo County Pool	69,582,905	69,582,905	69,582,905	28%	30%	✓	1	2.34%
Local Agency Investment Fund	35,237,568	35,237,568	35,237,568	14%	65%	✓	1	2.43%
California Asset Management Program	12,050,358	12,050,358	12,050,358	5%	20%	✓	1	2.42%
<b>Certificates of Deposit</b>	<b>8,824,662</b>	<b>8,863,614</b>	<b>8,824,854</b>	<b>4%</b>			<b>312</b>	<b>2.48%</b>
Bank of Nova Scotia	889,662	897,073	889,854	<1%	5%	✓	310	3.10%
Bank of Tokyo Mitsubishi	515,000	522,453	515,000	<1%	5%	✓	576	2.99%
Canadian Imperial Bank of Commerce	520,000	522,028	520,000	<1%	5%	✓	254	2.78%
Credit Agricole	515,000	522,166	515,000	<1%	5%	✓	611	2.85%
Bank of Montreal	900,000	908,422	900,000	<1%	5%	✓	369	3.23%
East West Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	84	2.60%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	167	0.60%
Nordea Bank	775,000	777,301	775,000	<1%	5%	✓	204	2.72%
Swedbank	1,035,000	1,037,087	1,035,000	<1%	5%	✓	474	2.30%
UBS AG of Stamford	775,000	778,351	775,000	<1%	5%	✓	215	2.93%
Westpac Banking NY	900,000	898,733	900,000	<1%	5%	✓	369	2.05%
<b>U.S. Treasury Notes</b>	<b>30,985,927</b>	<b>31,480,061</b>	<b>31,160,373</b>	<b>13%</b>			<b>979</b>	<b>2.12%</b>
U.S. Treasury	30,985,927	31,480,061	31,160,373	13%	100%	✓	979	2.12%
<b>Federal Agency Securities</b>	<b>84,403,191</b>	<b>84,655,423</b>	<b>84,482,745</b>	<b>34%</b>			<b>671</b>	<b>2.26%</b>
FFCB	33,969,820	34,070,110	33,996,703	14%	40%	✓	853	2.35%
FHLB	26,841,475	26,915,073	26,869,163	11%	40%	✓	360	2.27%
FHLMC	15,083,750	15,099,063	15,108,428	6%	40%	✓	702	2.15%
FNMA	8,508,146	8,571,177	8,508,451	3%	40%	✓	921	2.06%
<b>Agency Mortgage Backed Securities</b>	<b>472,938</b>	<b>475,418</b>	<b>472,747</b>	<b>&lt;1%</b>			<b>909</b>	<b>2.20%</b>
FHLMC	472,938	475,418	472,747	<1%	40%	✓	909	2.20%



**Portfolio Compliance Report**  
July 31, 2019

**Issuer Detail - Aggregate Portfolio**

Issuer	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>4</sup>
<b>Medium-Term Corporate Notes</b>	<b>9,320,292</b>	<b>9,307,814</b>	<b>9,273,274</b>	<b>4%</b>			<b>868</b>	<b>2.34%</b>
Amazon	415,955	423,990	416,256	<1%	5%	✓	1302	2.66%
American Express Company	584,392	584,397	584,877	<1%	5%	✓	216	2.24%
American Honda Finance	764,741	759,805	767,721	<1%	5%	✓	771	1.84%
Bank of America	513,820	512,397	511,935	<1%	5%	✓	628	2.40%
Branch Banking & Trust	412,093	415,596	413,040	<1%	5%	✓	702	2.55%
Citigroup	513,483	515,753	512,046	<1%	5%	✓	861	2.72%
Goldman Sachs	504,109	484,265	484,092	<1%	5%	✓	727	2.53%
IBM Corp	751,575	752,333	750,811	<1%	5%	✓	911	2.45%
JP Morgan Chase & Co	498,470	513,535	498,903	<1%	5%	✓	1150	3.32%
Paccar Financial	144,987	144,640	144,994	<1%	5%	✓	471	2.05%
PepsiCo	324,935	324,194	324,968	<1%	5%	✓	624	2.01%
Procter & Gamble	219,663	219,399	219,860	<1%	5%	✓	450	1.95%
State Street Corporation	1,017,129	997,527	1,002,996	<1%	5%	✓	384	1.77%
Toyota	680,225	703,904	679,740	<1%	5%	✓	1622	3.18%
Wal-Mart	1,005,430	1,002,554	1,005,124	<1%	0%	✓	1804	2.19%
Wells Fargo	969,285	953,525	955,912	<1%	0%	✓	495	2.08%
<b>Grand Total</b>	<b>250,909,706</b>	<b>251,685,025</b>	<b>251,116,689</b>	<b>100%</b>			<b>392</b>	<b>2.31%</b>

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 July 2019 gross earnings rate as of July 31, 2019



## July Transaction Detail

### Transaction Type/Date

#### BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
07/01/19	07/03/19	US TREASURY, DTD 6/30/17, 2.00%, 6/30/24	912828XX3	1,435,000.00	1,449,798.44	233.97	1,450,032.41
07/10/19	07/12/19	WALMART, DTD 4/23/19, 2.850%, 7/8/24	931142EL3	975,000.00	1,005,429.75	308.75	1,005,738.50
07/10/19	07/12/19	US TREASURY, DTD 12/31/18, 2.500%, 12/31/20	9128285S5	990,000.00	998,353.13	807.07	999,160.20
07/01/19	07/08/19	FEDERAL FARM CREDIT, DTD 7/8/19, 2.23%, 7/8/24	3133EKTT3	2,000,000.00	2,000,000.00		2,000,000.00 *
07/15/19	07/19/19	FEDERAL FARM CREDIT, DTD 7/19/19, 2.04%, 7/19/24	3133EKVQ6	2,000,000.00	2,000,000.00		2,000,000.00 *
07/19/19	07/24/19	FEDERAL FARM CREDIT, DTD 7/24/19, 2.20%, 7/24/19	3133EKWZ5	3,000,000.00	3,000,000.00		3,000,000.00 *
				<b>10,400,000.00</b>	<b>10,453,581.32</b>	<b>1,349.79</b>	<b>10,454,931.11</b>

#### MATURITIES

	07/22/19	Federal Farm Credit Bank	3133EJPT0	3,000,000.00	3,000,000.00	35,250.00	3,035,250.00 *
	07/26/19	Federal Home Loan Mortgage Corp	3134G9Q755	2,000,000.00	2,000,000.00	12,500.00	2,012,500.00 *
	07/29/19	East West Bank CD		2,000,000.00	2,000,000.00		2,000,000.00 *

#### SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
07/01/19	07/03/19	CREDIT SUISSE NEW YORK CD, DTD 2/8/18, 2.670%, 2/7/20	22549LFR1	515,000.00	516,009.92	19,288.90	535,298.82
07/01/19	07/03/19	GENERAL ELECTRIC CORP, DTD 4/27/07, 5.550%, 5/04/20	36962G2T0	900,000.00	921,609.00	8,186.25	929,795.25
07/10/19	07/12/19	WAL-MART CORP, DTD 10/20/17, 1.90%, 12/15/20	931142EA7	1,000,000.00	997,130.00	1,425.00	998,555.00
07/10/19	07/12/19	US TREASURY, DTD 6/30/17, 2.00%, 6/30/24	912828XX3	1,000,000.00	1,007,656.25	652.17	1,008,308.42
							0.00
							0.00
							0.00
							0.00
				<b>3,415,000.00</b>	<b>3,442,405.17</b>	<b>29,552.32</b>	<b>3,471,957.49</b>
<b>Total Security Transactions</b>				<b>6,985,000.00</b>	<b>7,011,176.15</b>	<b>(28,202.53)</b>	<b>6,982,973.62</b>

\* City of San Mateo



# **City of San Mateo** **Bond Proceeds/Bond Reserve Portfolio <sup>(1)</sup>** **July-19**

\* C=Construction, R=Debt Reserve

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	532	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	3,840	0.00%
JPFA Clean Water Collection System 2019	C	BNY Cash Reserve	06/04/19	open	166,404,645	2.38%
JPFA Clean Water Waste Water 2019	C	BNY Cash Reserve	06/04/19	open	78,145,885	2.38%
<b>Subtotal Construction &amp; Other</b>					<b>\$ 244,554,902</b>	<b>0.00%</b>
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,129,534	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	580,825	0.00%
<b>Subtotal Debt Reserve</b>					<b>\$ 1,710,359</b>	<b>0.61%</b>
<b>Total and Average</b>					<b>\$ 246,265,261</b>	<b>2.37%</b>

<sup>(1)</sup> Bond portfolio is presented for informational purposes only. Funds represented here are strictly used for purposes in which the debt was intended.



## Portfolio Compliance Report August 31, 2019

### Investment Summary - Aggregate Portfolio

Security Type	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>5</sup>
Money Market Funds	\$39,318	\$39,318	\$39,318	<1%	20%	✓	1	1.96%
Investment Pools	\$128,207,018	\$128,207,018	\$128,207,018	49%	20-65% <sup>4</sup>	✓	1	2.32%
<b>Total Liquidity</b>	<b>\$128,246,336</b>	<b>\$128,246,336</b>	<b>\$128,246,336</b>	<b>49%</b>			<b>1</b>	<b>2.32%</b>
Certificates of Deposit	\$8,824,662	\$8,881,294	\$8,824,854	3%	30%	✓	361	2.41%
U.S. Treasury Notes	\$31,595,685	\$32,407,829	\$31,757,756	12%	100%	✓	963	2.11%
Federal Agency Securities	\$82,434,154	\$82,926,499	\$82,486,796	31%	70%	✓	741	2.25%
Agency Mortgage Backed Securities	\$472,938	\$478,889	\$472,633	<1%	25%	✓	878	2.20%
Medium-Term Corporate Notes	\$10,735,900	\$10,791,360	\$10,685,928	4%	20%	✓	1,057	2.36%
<b>Total Securities</b>	<b>\$134,063,338</b>	<b>\$135,485,871</b>	<b>\$134,227,967</b>	<b>51%</b>			<b>794</b>	<b>2.24%</b>
<b>Total Portfolio</b>	<b>\$262,309,674</b>	<b>\$263,732,207</b>	<b>\$262,474,303</b>	<b>100%</b>			<b>406</b>	<b>2.28%</b>
Internal	\$210,679,080	\$211,029,009	\$210,797,800	80%			269	2.28%
External	\$51,630,595	\$52,703,198	\$51,676,503	20%			968	2.30%
<b>Bonded Debt Portfolio</b>	<b>\$236,037,725</b>	<b>\$236,037,725</b>	<b>\$236,037,725</b>					<b>2.42%</b>

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

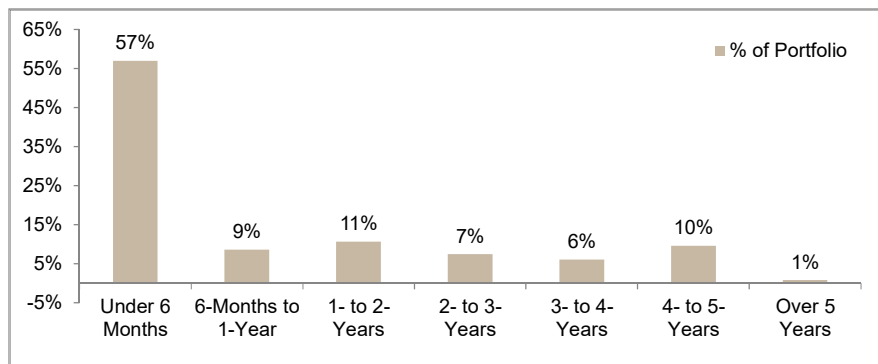
2. Amortized cost is the original cost of the principal of the security adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report.

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 investments 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.

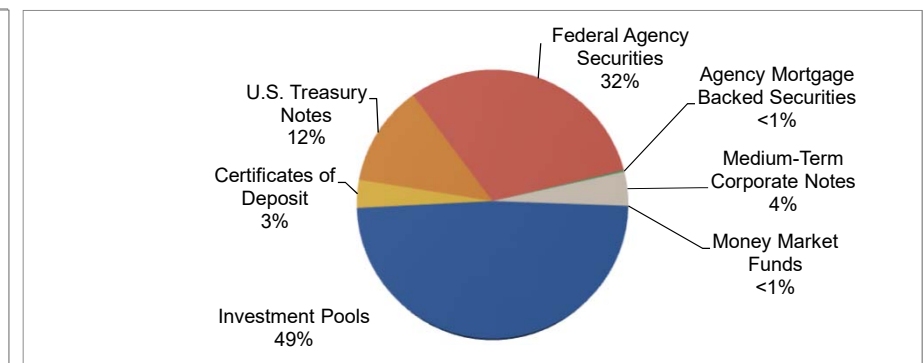
5. The San Mateo County pool yield is an estimated August 2019 gross earnings rate as of August 31, 2019

### Maturity Distribution<sup>6</sup>



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.

### Sector Distribution





**Portfolio Compliance Report**  
**August 31, 2019**

**Compliance**

Yes No

Liquidity ☒ ☐

Permitted types of investments ☒ ☐

Limits within investment categories ☒ ☐

Limits within single agency/institution ☒ ☐

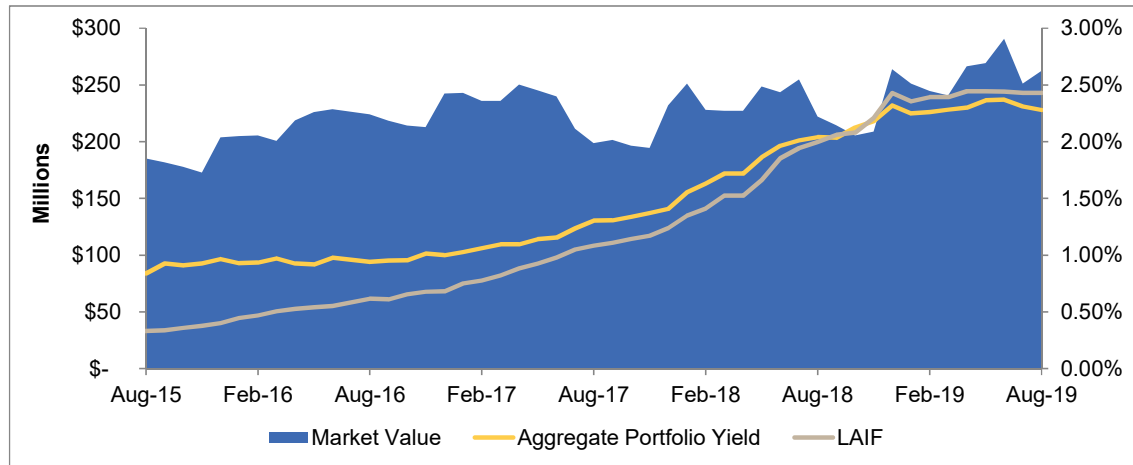
Limits relating to maturity ☒ ☐

The investment report herein shown along  
with ongoing income provides sufficient  
liquidity to meet estimated  
expenditures for next 12 months

☒ ☐

**Portfolio Yield vs. LAIF**

**Historical Portfolio Data**



**Richard Lee**  
**Finance Director**

23-Sep-19

Date



**Portfolio Compliance Report**  
August 31, 2019

**Issuer Detail - Aggregate Portfolio**

Issuer	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>4</sup>
<b>Money Market Funds</b>	<b>39,318</b>	<b>39,318</b>	<b>39,318</b>	<b>&lt;1%</b>			<b>1</b>	<b>1.96%</b>
Dreyfus	39,318	39,318	39,318	<1%	10%	✓	1	1.96%
<b>Investment Pools</b>	<b>128,207,018</b>	<b>128,207,018</b>	<b>128,207,018</b>	<b>49%</b>			<b>1</b>	<b>2.32%</b>
San Mateo County Pool	68,885,408	68,885,408	68,885,408	26%	30%	✓	1	2.28%
Local Agency Investment Fund	33,737,568	33,737,568	33,737,568	13%	65%	✓	1	2.43%
California Asset Management Program	25,584,042	25,584,042	25,584,042	10%	20%	✓	1	2.28%
<b>Certificates of Deposit</b>	<b>8,824,662</b>	<b>8,881,294</b>	<b>8,824,854</b>	<b>3%</b>			<b>361</b>	<b>2.41%</b>
Bank of Tokyo Mitsubishi	515,000	524,003	515,000	<1%	5%	✓	545	2.99%
Canadian Imperial Bank of Commerce	520,000	522,219	520,000	<1%	5%	✓	223	2.78%
Credit Agricole	515,000	524,071	515,000	<1%	5%	✓	580	2.85%
Bank of Montreal	900,000	909,591	900,000	<1%	5%	✓	338	3.23%
East West Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	53	2.60%
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	136	0.60%
Nordea Bank	775,000	785,044	775,000	<1%	5%	✓	1091	1.87%
Swedbank	1,035,000	1,039,645	1,035,000	<1%	5%	✓	443	2.30%
UBS AG of Stamford	775,000	778,428	775,000	<1%	5%	✓	184	2.93%
Westpac Banking NY	900,000	900,665	900,000	<1%	5%	✓	338	2.05%
Bank of Nova Scotia	889,662	897,628	889,854	<1%	5%	✓	279	3.10%
<b>U.S. Treasury Notes</b>	<b>31,595,685</b>	<b>32,407,829</b>	<b>31,757,756</b>	<b>12%</b>			<b>963</b>	<b>2.11%</b>
U.S. Treasury	31,595,685	32,407,829	31,757,756	12%	100%	✓	963	2.11%
<b>Federal Agency Securities</b>	<b>82,434,154</b>	<b>82,926,499</b>	<b>82,486,796</b>	<b>31%</b>			<b>741</b>	<b>2.25%</b>
FFCB	35,958,570	36,169,190	35,995,840	14%	40%	✓	979	2.30%
FHLB	24,865,635	24,949,627	24,873,457	9%	40%	✓	345	2.28%
FHLMC	13,101,250	13,155,126	13,109,035	5%	40%	✓	774	2.20%
FNMA	8,508,699	8,652,556	8,508,464	3%	40%	✓	890	2.06%
<b>Agency Mortgage Backed Securities</b>	<b>472,938</b>	<b>478,889</b>	<b>472,633</b>	<b>&lt;1%</b>			<b>878</b>	<b>2.20%</b>
FHLMC	472,938	478,889	472,633	<1%	40%	✓	878	2.20%



**Portfolio Compliance Report**  
August 31, 2019

**Issuer Detail - Aggregate Portfolio**

Issuer	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>4</sup>
<b>Medium-Term Corporate Notes</b>	<b>10,735,900</b>	<b>10,791,360</b>	<b>10,685,928</b>	<b>4%</b>			<b>1057</b>	<b>2.36%</b>
Amazon	415,955	427,602	416,340	<1%	5%	✓	1271	2.66%
American Honda Finance	764,741	766,720	767,809	<1%	5%	✓	740	1.84%
Bank of America	513,820	514,774	511,843	<1%	5%	✓	597	2.40%
Branch Banking & Trust	412,093	418,109	413,100	<1%	5%	✓	671	2.55%
Citigroup	513,483	518,843	511,973	<1%	5%	✓	830	2.72%
Goldman Sachs	504,109	486,022	483,102	<1%	5%	✓	696	2.53%
IBM Corp	751,575	759,795	750,785	<1%	5%	✓	880	2.45%
JP Morgan Chase & Co	498,470	518,205	498,930	<1%	5%	✓	1119	3.32%
Paccar Financial	144,987	145,142	144,995	<1%	5%	✓	440	2.05%
PepsiCo	324,935	325,959	324,969	<1%	5%	✓	593	2.01%
Procter & Gamble	219,663	220,156	219,869	<1%	5%	✓	419	1.95%
State Street Corporation	1,017,129	1,000,731	1,002,365	<1%	5%	✓	353	1.77%
Toyota	680,225	714,542	679,657	<1%	5%	✓	1591	3.18%
Wal-Mart	1,005,430	1,019,441	1,004,640	<1%	5%	✓	1773	2.19%
Wells Fargo	2,969,285	2,955,320	2,955,551	0.011205761	5%	✓	1381	2.30%
<b>Grand Total</b>	<b>262,309,674</b>	<b>263,732,207</b>	<b>262,474,303</b>	<b>100%</b>			<b>406</b>	<b>2.28%</b>

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 August 2019 gross earnings rate as of August 31, 2019

## August

### Transaction Type/Date

BUY							
Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
08/01/19	08/05/19	US TREASURY, DTD 7/31/17, 2.125%, 7/31/24	9128282N9	580,000.00	588,971.88	167.46	589,139.34
08/27/19	08/29/19	NORDEA BANK, CD, DTD 8/29/19, 1.85%, 8/26/22	65558TLL7	775,000.00	775,000.00		775,000.00
08/29/19	09/03/19	SKANDINAVISKA ENSKILDA BANKEN, CD, DTD 9/3/19, 1.86%, 8/26/22		790,000.00	790,000.00		790,000.00
08/02/19	08/12/19	FEDERAL FARM CREDIT, DTD 8/12/19, 2.12%, 8/12/24	3133EKYV2	3,000,000.00	3,000,000.00		3,000,000.00
08/13/19	08/20/19	FEDERAL FARM CREDIT, DTD 8/20/19, 2.10%, 8/20/24	3133EKC61	3,000,000.00	3,000,000.00		3,000,000.00
08/13/19	08/20/19	WELLS FARGO, CORP NOTE, DTD 8/20/19, 2.40%, 8/20/24	95001D4R8	2,000,000.00	2,000,000.00		2,000,000.00
				<b>10,145,000.00</b>	<b>10,153,971.88</b>	<b>167.46</b>	<b>10,154,139.34</b>
MATURITIES							
	08/01/19	Federal Farm Credit Bank	3133EGPD16	1,000,000.00	1,000,000.00	5,900.00	1,005,900.00
	08/15/19	Federal Home Loan Mortgage Corp	3137EAEH82	2,000,000.00	2,000,000.00	13,750.00	2,013,750.00
	08/22/19	Federal Farm Credit Bank	3133EKMK97	2,000,000.00	2,000,000.00	12,950.00	2,012,950.00
	08/23/19	Federal Farm Credit Bank	3133EKM68	3,000,000.00	3,000,000.00	18,300.00	3,018,300.00
SELL							
Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
08/01/19	08/05/19	AMERICAN EXPRESS, DTD 3/3/17, 2.20%, 3/3/20	0258M0EE5	585,000.00	584,426.70	5,434.00	589,860.70
08/27/19	08/29/19	NORDEA BANK, CD, DTD 2/22/18, 2.72%, 2/20/20	65590ASN7	775,000.00	777,638.91	527.00	778,165.91
08/29/19	09/03/19	BANK OF NOVA SCOTIA, CD, DTD 6/7/18, 3.08%, 6/5/20	06417GU22	890,000.00	897,196.68	6,700.71	903,897.39
				<b>2,250,000.00</b>	<b>2,259,262.29</b>	<b>12,661.71</b>	<b>2,271,924.00</b>
Total Security Transactions				<b>7,895,000.00</b>	<b>7,894,709.59</b>	<b>(12,494.25)</b>	<b>7,882,215.34</b>

\* City of San Mateo



# **City of San Mateo** **Bond Proceeds/Bond Reserve Portfolio<sup>(1)</sup>** **August-19**

\* C=Construction, R=Debt Reserve

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	532	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	3,840	0.00%
JPFA Clean Water Collection System 2019	C	BNY Cash Reserve	06/04/19	open	160,137,956	2.43%
JPFA Clean Water Waste Water 2019	C	BNY Cash Reserve	06/04/19	open	74,185,039	2.43%
<b>Subtotal Construction &amp; Other</b>					<b>\$ 234,327,367</b>	<b>0.00%</b>
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,129,534	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	580,825	0.00%
<b>Subtotal Debt Reserve</b>					<b>\$ 1,710,359</b>	<b>0.61%</b>
<b>Total and Average</b>					<b>\$ 236,037,725</b>	<b>2.42%</b>

<sup>(1)</sup> Bond portfolio is presented for informational purposes only. Funds represented here are strictly used for purposes in which the debt was intended.





## Portfolio Compliance Report September 30, 2019

### Investment Summary - Aggregate Portfolio

Security Type	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>5</sup>
Money Market Funds	\$186,225	\$186,225	\$186,225	<1%	20%	✓	1	1.84%
Investment Pools	\$122,153,805	\$122,153,805	\$122,153,805	48%	20-65% <sup>4</sup>	✓	1	2.22%
<b>Total Liquidity</b>	<b>\$122,340,030</b>	<b>\$122,340,030</b>	<b>\$122,340,030</b>	<b>48%</b>			<b>1</b>	<b>2.22%</b>
Certificates of Deposit	\$8,725,000	\$8,773,819	\$8,725,000	3%	30%	✓	406	2.29%
U.S. Treasury Notes	\$29,875,277	\$30,525,251	\$30,028,066	12%	100%	✓	995	2.13%
Federal Agency Securities	\$79,318,905	\$79,817,307	\$79,488,985	31%	70%	✓	735	2.20%
Agency Mortgage Backed Securities	\$716,481	\$719,053	\$716,013	<1%	25%	✓	920	1.88%
Medium-Term Corporate Notes	\$11,253,778	\$11,275,276	\$11,201,364	4%	20%	✓	1,062	2.34%
<b>Total Securities</b>	<b>\$129,889,442</b>	<b>\$131,110,706</b>	<b>\$130,159,428</b>	<b>52%</b>			<b>803</b>	<b>2.20%</b>
<b>Total Portfolio</b>	<b>\$252,229,472</b>	<b>\$253,450,736</b>	<b>\$252,499,458</b>	<b>100%</b>			<b>414</b>	<b>2.21%</b>
<i>Internal</i>	<i>\$200,643,522</i>	<i>\$200,900,331</i>	<i>\$200,747,835</i>	<i>79%</i>			<i>269</i>	<i>2.20%</i>
<i>External</i>	<i>\$51,585,950</i>	<i>\$52,550,405</i>	<i>\$51,751,622</i>	<i>21%</i>			<i>977</i>	<i>2.26%</i>

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

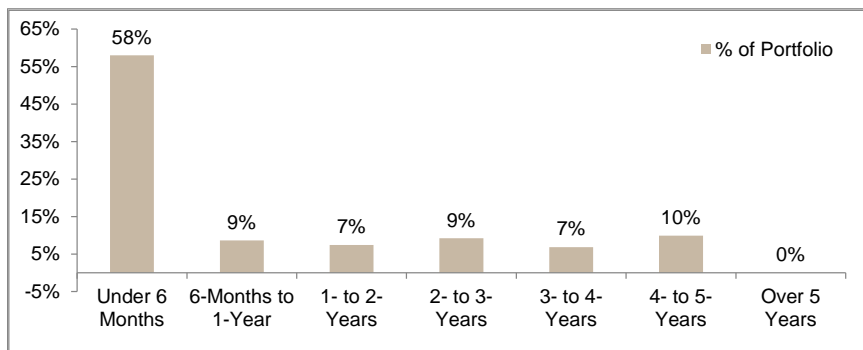
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3. Averages shown are weighted averages calculated based on original cost. Average maturity is shown as days.

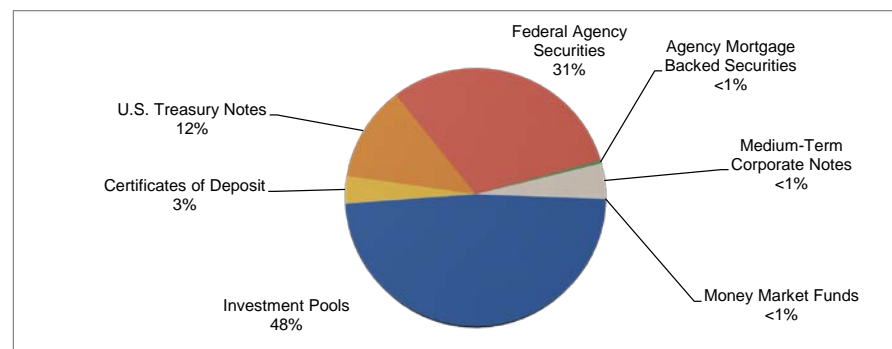
4. The City is currently allowed to invest in three investents pools—the San Mateo County Pool, the Local Agency Investment Fund, and the California Asset Management Program. The City may invest up to \$65 million or 65% of its portfolio in LAIF, 20% in of its portfolio in CAMP, and 30% of its portfolio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

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

### Maturity Distribution<sup>6</sup>



### 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  
September 30, 2019

Compliance

Yes No

Liquidity ☒ ☐

Permitted types of investments ☒ ☐

Limits within investment categories ☒ ☐

Limits within single agency/institution ☒ ☐

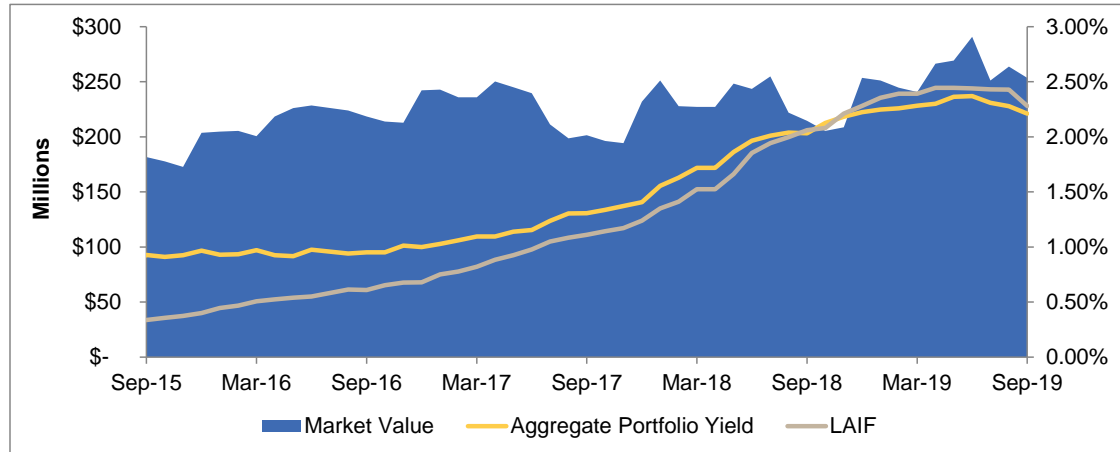
Limits relating to maturity ☒ ☐

The investment report herein shown along  
with ongoing income provides sufficient  
liquidity to meet estimated  
expenditures for next 12 months

☒ ☐

Portfolio Yield vs. LAIF

Historical Portfolio Data



*Richard Lee*

Richard Lee  
Finance Director

16-Oct-19

Date



**Portfolio Compliance Report**  
September 30, 2019

**Issuer Detail - Aggregate Portfolio**

Issuer	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>4</sup>
<b>Money Market Funds</b>	<b>186,225</b>	<b>186,225</b>	<b>186,225</b>	<b>&lt;1%</b>			<b>1</b>	<b>1.84%</b>
Dreyfus	186,225	186,225	186,225	<1%	10%	✓	1	1.84%
<b>Investment Pools</b>	<b>122,153,805</b>	<b>122,153,805</b>	<b>122,153,805</b>	<b>48%</b>			<b>1</b>	<b>2.22%</b>
San Mateo County Pool	57,787,424	57,787,424	57,787,424	23%	30%	✓	1	2.19%
Local Agency Investment Fund	42,737,586	42,737,586	42,737,586	17%	65%	✓	1	2.28%
California Asset Management Program	21,628,794	21,628,794	21,628,794	9%	20%	✓	1	2.22%
<b>Certificates of Deposit</b>	<b>8,725,000</b>	<b>8,773,819</b>	<b>8,725,000</b>	<b>3%</b>			<b>406</b>	<b>2.29%</b>
First National Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	106	0.60%
East West Bank	1,000,000	1,000,000	1,000,000	<1%	5%	✓	23	2.60%
Bank of Montreal	900,000	908,369	900,000	<1%	5%	✓	308	3.23%
Canadian Imperial Bank of Commerce	520,000	521,822	520,000	<1%	5%	✓	193	2.78%
Credit Agricole	515,000	522,874	515,000	<1%	5%	✓	550	2.85%
Bank of Tokyo Mitsubishi	515,000	523,402	515,000	<1%	5%	✓	515	2.99%
Nordea Bank	775,000	782,896	775,000	<1%	5%	✓	1061	1.87%
Skandinaviska Enskilda NY	790,000	798,278	790,000	<1%	5%	✓	1061	1.88%
Swedbank	1,035,000	1,038,258	1,035,000	<1%	5%	✓	413	2.30%
UBS AG of Stamford	775,000	777,820	775,000	<1%	5%	✓	154	2.93%
Westpac Banking NY	900,000	900,099	900,000	<1%	5%	✓	308	2.05%
<b>U.S. Treasury Notes</b>	<b>29,875,277</b>	<b>30,525,251</b>	<b>30,028,066</b>	<b>12%</b>			<b>995</b>	<b>2.13%</b>
U.S. Treasury	29,875,277	30,525,251	30,028,066	12%	100%	✓	995	2.13%
<b>Federal Agency Securities</b>	<b>79,318,905</b>	<b>79,817,307</b>	<b>79,488,985</b>	<b>31%</b>			<b>735</b>	<b>2.20%</b>
FFCB	40,958,570	41,112,070	40,997,012	16%	40%	✓	1001	2.26%
FHLB	22,865,635	22,937,855	22,874,212	9%	40%	✓	295	2.23%
FHLMC	7,101,250	7,142,687	7,109,283	3%	40%	✓	574	1.93%
FNMA	8,393,450	8,624,695	8,508,478	3%	40%	✓	852	2.05%
<b>Agency Mortgage Backed Securities</b>	<b>716,481</b>	<b>719,053</b>	<b>716,013</b>	<b>&lt;1%</b>			<b>920</b>	<b>1.88%</b>
FHLMC	716,481	719,053	716,013	<1%	40%	✓	920	1.88%

**Issuer Detail - Aggregate Portfolio**

Issuer	Original Cost	Market Value <sup>1</sup>	Amortized Cost <sup>2</sup>	% of Portfolio	% Permitted by Policy	In Compliance	Average Maturity <sup>3</sup>	Average Yield <sup>4</sup>
<b>Medium-Term Corporate Notes</b>	<b>11,253,778</b>	<b>11,275,276</b>	<b>11,201,364</b>	<b>4%</b>			<b>1062</b>	<b>2.34%</b>
Amazon	415,955	426,972	416,425	<1%	5%	✓	1241	2.66%
American Honda Finance	764,741	765,226	767,898	<1%	5%	✓	710	1.84%
Bank of America	513,820	514,284	511,751	<1%	5%	✓	567	2.40%
Branch Banking & Trust	412,093	417,410	413,160	<1%	5%	✓	641	2.55%
Citigroup	513,483	517,268	511,900	<1%	5%	✓	800	2.72%
Goldman Sachs	504,109	485,029	482,111	<1%	5%	✓	666	2.53%
IBM Corp	751,575	758,371	750,758	<1%	5%	✓	850	2.45%
JP Morgan Chase & Co	498,470	516,800	498,958	<1%	5%	✓	1089	3.32%
Paccar Financial	144,987	145,204	144,995	<1%	5%	✓	410	2.05%
PepsiCo	324,935	325,744	324,971	<1%	5%	✓	563	2.01%
Procter & Gamble	219,663	219,993	219,878	<1%	5%	✓	389	1.95%
State Street Corporation	1,017,129	999,700	1,001,731	<1%	5%	✓	323	1.77%
Toyota	680,225	711,450	679,573	<1%	5%	✓	1561	3.18%
Walt Disney Corporation	517,878	514,488	517,907	<1%	5%	✓	1796	1.84%
Wal-Mart	1,005,430	1,013,123	1,004,156	<1%	5%	✓	1743	2.19%
Wells Fargo	2,969,285	2,944,215	2,955,190	1.2%	5%	✓	1351	2.30%
<b>Grand Total</b>	<b>252,229,472</b>	<b>253,450,736</b>	<b>252,499,458</b>	<b>100%</b>			<b>414</b>	<b>2.21%</b>

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 September 2019 gross earnings rate as of September 30, 2019

## September

### Transaction Type/Date

#### BUY

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
08/29/19	09/03/19	SKANDINAV ENSKILDA BANK LT CD, DTD 9/3/19, 1.86%, 8/26/22	83050PDR7	790,000.00	790,000.00		790,000.00
09/03/19	09/05/19	US TREASURY N/B NOTES, DTD 8/31/17, 1.875%, 8/31/24	9128282U3	980,000.00	1,005,533.59	252.40	1,005,785.99
09/03/19	09/06/19	WALT DISNEY CO, DTD 9/6/19, 1.750%, 8/30/24	254687FK7	520,000.00	517,878.40		517,878.40
09/04/19	09/09/19	FHLMC MULTIFAMILY STRUCTURED, DTD 12/1/12, 2.307%, 8/25/22	3137AWOHI	240,000.00	243,543.75	123.04	243,666.79
08/28/19	09/03/19	FEDERAL FARM CREDIT BANK, DTD 9/3/19, 2.00%, 9/3/24	3133EKH41	2,000,000.00	2,000,000.00		2,000,000.00
09/12/19	09/23/19	FEDERAL FARM CREDIT BANK, DTD 9/23/19, 2.00%, 9/23/22	3133EKQ90	3,000,000.00	3,000,000.00		3,000,000.00
				<b>7,530,000.00</b>	<b>7,556,955.74</b>	<b>375.44</b>	<b>7,557,331.18</b>

#### ATURITES/CALLS

	09/24/19	FEDERAL HOME LOAN MORTGAGE CORP	3134GTVJ9	3,000,000.00	3,000,000.00	17,250.00	3,017,250.00	*
	09/26/19	FEDERAL HOME LOAN BANK	3130AEVW7	2,000,000.00	2,000,000.00	28,000.00	2,028,000.00	*
	09/27/19	FEDERAL HOME LOAN MORTGAGE CORP	3134GSW50	1,000,000.00	1,000,000.00	15,000.00	1,015,000.00	*
	09/27/19	FEDERAL HOME LOAN MORTGAGE CORP	3134GTU4	2,000,000.00	2,000,000.00	13,125.00	2,013,125.00	*
	09/30/19	US TREASURY NOTE	912828TR1	1,000,000.00	1,000,000.00	55,212.50	1,000,000.00	*

#### SELL

Trade Date	Settle Date	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total
08/29/19	09/03/19	BANK OF NOVA SCOTIA HOUSTON CD, DTD 6/7/18, 3.080%, 6/5/20	06417GU22	890,000.00	897,196.68	6,700.71	903,897.39
09/03/19	09/05/19	US TREASURY NOTES, DTD 12/31/18, 2.500%, 12/31/20	912828555	990,000.00	1,001,369.53	4,506.11	1,005,875.64
09/03/19	09/06/19	US TREASURY N/B NOTES, DTD 5/1/17, 2.00%, 4/30/24	912828X70	505,000.00	519,380.66	3,540.49	522,921.15
09/04/19	09/09/19	US TREASURY NOTES, DTD 9/30/15, 1.75%, 9/30/22	912828L57	240,000.00	242,765.63	1,859.02	244,624.65
				<b>2,625,000.00</b>	<b>2,660,712.50</b>	<b>16,606.33</b>	<b>2,677,318.83</b>
<b>Total Security Transactions</b>				<b>4,905,000.00</b>	<b>4,896,243.24</b>	<b>(16,230.89)</b>	<b>4,880,012.35</b>

\* City of San Mateo



# City of San Mateo

## Bond Proceeds/Bond Reserve Portfolio <sup>(1)</sup>

September-19

\* C=Construction, R=Debt Reserve

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	534	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	3,853	0.00%
JPFA Clean Water Collection System 2019	C	BNY Cash Reserve	06/04/19	open	157,436,793	2.28%
JPFA Clean Water Waste Water 2019	C	BNY Cash Reserve	06/04/19	open	74,217,946	2.28%
<b>Subtotal Construction &amp; Other</b>					<b>\$ 231,659,126</b>	<b>0.00%</b>
Sewer Revenue Bond 2011	R	Dreyfus	07/18/13	open	1,133,410	0.92%
South Bayfront Levee Flood Control Bond 2011A	R	Dreyfus	01/19/16	open	582,641	0.00%
<b>Subtotal Debt Reserve</b>					<b>\$ 1,716,051</b>	<b>0.61%</b>
<b>Total and Average</b>					<b>\$ 233,375,177</b>	<b>2.27%</b>

(1) Bond portfolio is presented for informational purposes only. Funds represented here are strictly used for purposes in which the debt was intended.