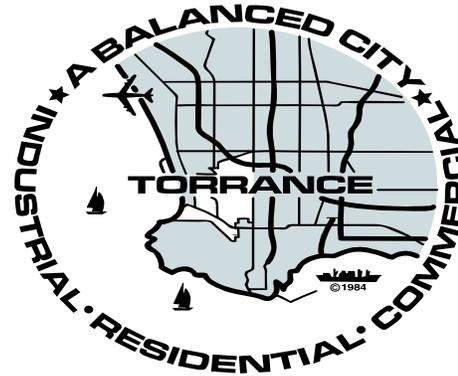


Investment Advisory Committee Regular Meeting



Agenda

❖ Call to Order

- Approval of meeting minutes for December 22, 2015
- Review, accept, and file December 2015 Investment Report presented by the City Treasurer

❖ Oral Communication

❖ Adjournment

To follow:

Date

Time

Location

INVESTMENT ADVISORY COMMITTEE
Minutes for Meeting of December 22, 2015

1. CALL TO ORDER

The meeting was called to order on December 22, 2015, 2015 at 11:04 a.m. in the City Manager’s large conference room.

2. ROLL CALL

Committee Members:

Present: Committee Members
City Manager: LeRoy Jackson
City Attorney: John Fellows III
City Treasurer: Dana Cortez
Finance Director: Eric E. Tsao
Deputy City Treasurer: Emilio Campos

Staff:

Assistant to the City Manager: Aram Chaparyan
Public: None

3. APPROVAL OF MINUTES

- Motion: Dana Cortez, approval of minutes for November 30, 2015 for October 2015 and the City of Torrance Statement of Investment Policy for 2016
- Moved: Eric E. Tsao
- 2nd: LeRoy Jackson
- Motion passed unanimously

4. TREASURER’S REPORT

City Treasurer, Dana Cortez, presented the November 2015 Investment Report:

Investment Activity during the Period

The investment activity for November included 1 purchase and 2 redemptions.

| Purchases- Issuer | Rating | Par Value | Term | Coupon | Yield | Structure |
|-------------------|--------|-----------|------|--------|--------|-----------|
| MicroSoft Corp. | AAA | 2,000,000 | 5YR | 2.00% | 1.944% | Bullet |

| Redemptions- Issuer | Rating | Par Value | Term | Coupon | Yield | Status |
|---------------------|--------|-----------|------|--------|--------|--------|
| General Electric | AA+ | 1,000,000 | 5YR | 2.25% | 2.676% | Mat |

Structure Definition:

Step-Up Bond – A bond that pays an initial coupon rate for the first period, and then a higher coupon rate for the following periods. A step-up bond is one in which subsequent future coupon payments are received at a higher, predetermined amount than previous or current periods. These bonds usually have a callable component.

Bullet Bond – Bullet bonds are non-callable. Bullet bonds cannot be redeemed early by an issuer.

1X Callable Bond – Is a callable bond where the issuer only has one option to call the bond. If the option is not exercised it becomes a Bullet Bond.

6M Callable Bond – Is a bond with an ongoing 6 month call option.

The Local Agency Investment Fund (LAIF) balance was \$17.2 million with an average monthly yield of 0.374%. Activity detailed on page 3 of the Investment Report. The aggregate investment portfolio balance on October 31, 2015 was \$166,414,370. As of November 30, 2015 the ending balance is \$162,545,717 resulting in a decrease of \$3.9 million from the previous month which is normal for this period of the Fiscal Year as expenditures exceed revenues.

Liquidity of the Portfolio

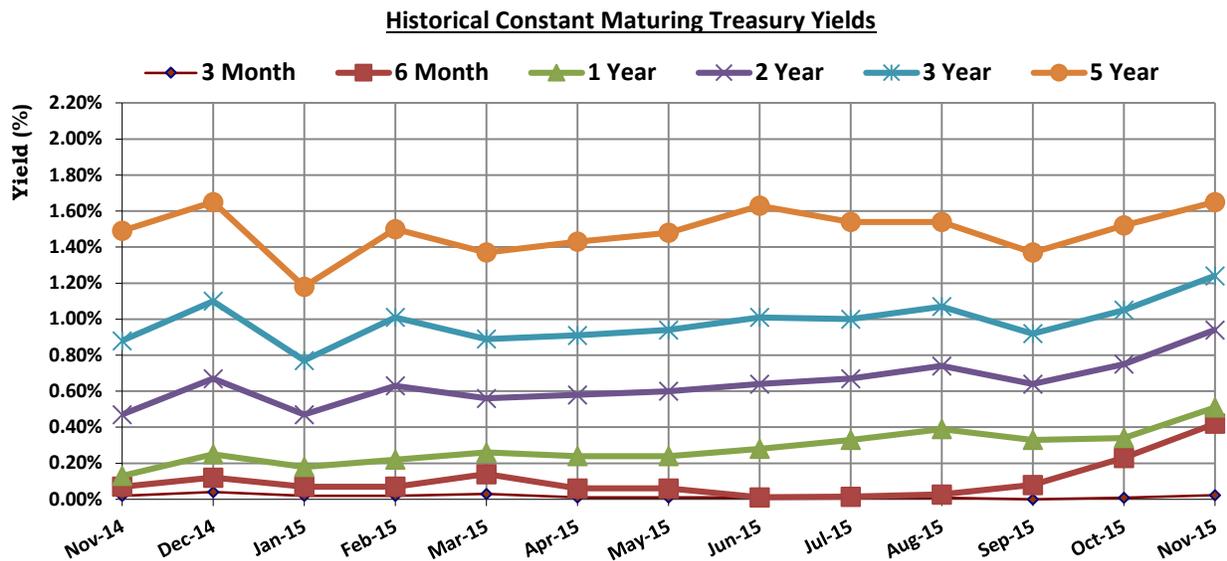
- ❖ The current goal is to keep the investment portfolio at an average maturity between 2 to 3 years based on current economic conditions. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current state or conditions of the economy. The portfolio’s current average maturity is 743 days or 2.06 years. This is a 8 day increase from the previous month. The goal is to keep an average of \$10-\$20 million in liquid assets in order to meet operational needs and for any unexpected expenditures that

INVESTMENT ADVISORY COMMITTEE
Minutes for Meeting of December 22, 2015

may arise. The short term liquidity balance is \$24.7 million. The City is in compliance with California Government Code Section 53646 which requires local agency to report its ability to meet pooled expenditure requirements for the next six (6) months.

Investment Comparison to Benchmark

For the month of November the City’s yield to maturity on pooled investments was 1.139%. The yield increased by 2 basis points or 0.02% from the previous month. The average effective rate of return for fiscal year-to-date is 1.00%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was 0.940% which reflects an increase of 19 basis points or 0.19% compared to the prior month. The portfolio performed above the CMT benchmark by 20 basis points or 0.20%. As the economy improves and interest rates continue to slowly move upward the spread between the portfolio performance and the benchmark will tighten. When the short end of the yield curve begins to rise LAIF rates are also expect to trail. Rates are reflecting an upward trend as the market anticipates the Fed rate hike of December to materialize. The graph below tracks the CMT yields for the past twelve month period for a variety of terms. The City’s portfolio will stay the course based on the current economic trends. Covering cash flow needs rank as the top priority.



5. Investment Report

- Motion: Treasurer Cortez motioned to accept and file the Investment Reports for November 2015 with changes as noted to page 4:
- Moved: Eric E. Tsao
- 2nd: John Fellows
- Motion passed unanimously

6. ADJOURNMENT

- Motion: Dana Cortez, requested a motion to adjourn
- Moved: Eric E. Tsao
- 2nd: John Fellows
- Motion passed unanimously.
Meeting was adjourned at 11:16 a.m.



City of Torrance, California Investment Report Summary Notes For the Month of: December 2015

Investment Activity during the Period

The investment activity for December included 2 purchases and 1 redemption.

| Purchaser-Issuer | Rating | Par Value | Term | Coupon | Yield | Structure |
|-----------------------|--------|-----------|------|--------|--------|-----------|
| Sallie Mae Bank | FDIC | 245,000 | 5YR | 2.00% | 2.202% | Bullet |
| Toronto Dominion Bank | AA- | 1,000,000 | 5YR | 2.50% | 2.473% | Bullet |

| Redemptions-Issuer | Rating | Par Value | Term | Coupon | Yield | Status |
|----------------------------|--------|-----------|------|--------|--------|--------|
| Federal Home Loan Mortgage | AA+ | 2,000,000 | 1YR | 2.25% | 2.676% | Call |

Structure Definition:

Step-Up Bond – A bond that pays an initial coupon rate for the first period, and then a higher coupon rate for the following periods. A step-up bond is one in which subsequent future coupon payments are received at a higher, predetermined amount than previous or current periods. These bonds usually have a callable component.

Bullet Bond – Bullet bonds are non-callable. Bullet bonds cannot be redeemed early by an issuer.

1X Callable Bond – Is a callable bond where the issuer only has one option to call the bond. If the option is not exercised it becomes a Bullet Bond.

6M Callable Bond – Is a bond with an ongoing 6 month call option.

The Local Agency Investment Fund (LAIF) balance was \$27.2 million with an average monthly yield of 0.400%. Activity detailed on page 3 of the Investment Report. The aggregate investment portfolio balance on November 30, 2015 was \$162,545,717. As of December 31, 2015 the ending balance is \$172,239,329 resulting in an increase of \$9.7 million from the previous month. The increase is mainly due to Property Tax receipt in the amount of \$12.3 million and Sales Tax receipt in the amount of \$3.2 million.

Liquidity of the Portfolio

- ❖ The current goal is to keep the investment portfolio at an average maturity between 2 to 3 years based on current economic conditions. The goal was set between 2 to 3 years as a gauge to meet liquidity needs and in order to take advantage of rising interest rates. Average maturity is a moving target which is contingent upon the current cash flow needs of the organization and economic conditions. The portfolio's current average maturity is 677 days or 1.88 years. This is a 66 day decrease from the previous month. The decrease is due to excess liquidity targets.
- ❖ The goal is to keep an average of \$10-\$20 million in liquid assets in order to meet operational needs and for unexpected expenditures that may arise. The current short term liquidity balance is \$39.5 million. The higher balance of liquidity is in preparation for upcoming approved expenditures of about \$12 million for Compressed Natural Gas Transit Buses and the OPEB funding of \$7 million. The City is in compliance with California Government Code Section 53646 which requires local agency to report its ability to meet pooled expenditure requirements for the next six (6) months.

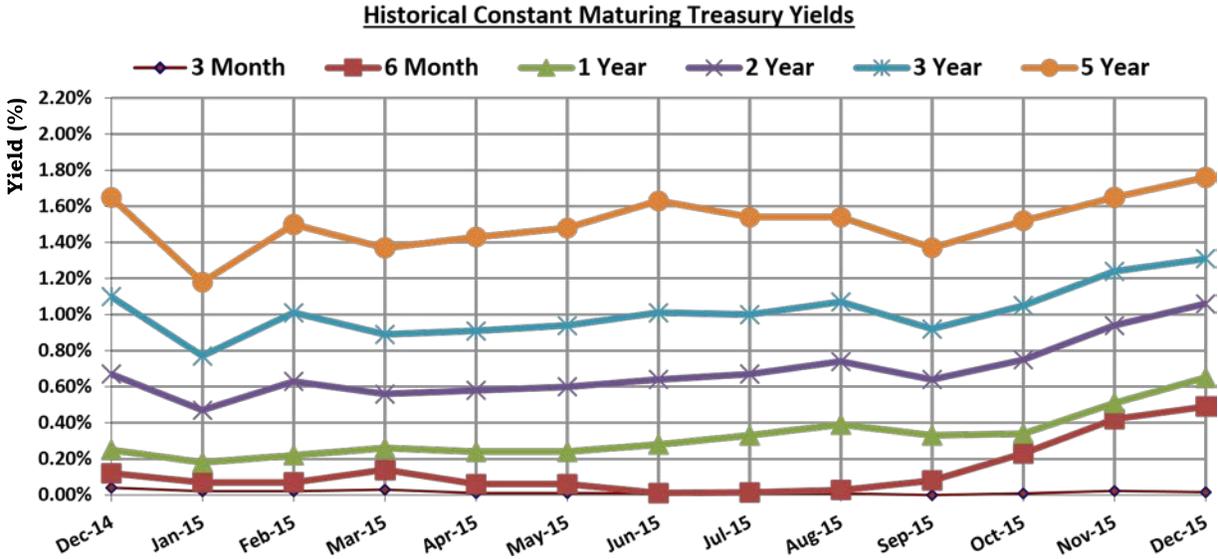
Investment Comparison to Benchmark

For the month of December the City's yield to maturity on pooled investments was 1.104%. The yield decreased by 3.5 basis points or 0.035% from the previous month. The average effective rate of return for fiscal year-to-date is 0.99%. The average yield on the 2 year U.S. Constant Maturing Treasury (CMT) was 1.060% which reflects an increase of 12 basis points or 0.12% compared to the prior month. This increase in rates was directly related to the Federal Reserve increasing rates by .25 or 25 basis points on December 16, 2015. The portfolio performed above the CMT benchmark by 4 basis points or 0.04%. As interest rates continue to slowly move upward the spread between the portfolio performance and the benchmark will continue to tighten. Because the portfolio is generally buy and hold it can be expected that that the benchmark will eventually outperform the portfolio until the portfolio has an



City of Torrance, California Investment Report Summary Notes For the Month of: December 2015

opportunity to catch up with the market interest momentum. As the short end of the yield curve continues to rise LAIF rates are also expect to trail but will reflect a similar yield curve. The graph below tracks the CMT yields for the past twelve month period for a variety of terms. The City's portfolio will stay the course based on the current economic trends. Covering cash flow needs rank as the top priority.





City of Torrance, California
Monthly Investment Portfolio Report
December 31, 2015

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Additional Reference Worksheet

- a) Yield Spread Worksheet

**Investment Report
December 2015**

Portfolio Highlights

| RETURN | Current Month | Prior Month |
|--|--------------------------|---------------------------|
| Effective Rate of Return | 1.070% | 1.120% |
| City Portfolio YTM | 1.104% | 1.139% |
| U.S. Treasury Constant Maturity (2 year) | 1.060% | 0.940% |
| LAIF Monthly Return | 0.400% | 0.374% |
| City Portfolio YTM (Prior Year) | 1.012% | 1.046% |
| EFFECTIVE RATE of RETURN | Year To Date | Prior Year To Date |
| Effective Rate of Return | 0.990% | 0.980% |
| INTEREST INCOME | Current Period | Prior Month |
| Fiscal Year to Date | \$838,879 | \$700,031 |
| Current Month | \$150,683 | \$150,096 |
| MATURITY | Current Month | Prior Month |
| Days to Maturity | 677 | 743 |
| Days to Maturity (Prior Year) | 789 | 853 |
| Average Maturity (Years) | 1.85 | 2.04 |
| VOLUMES | Total Volume (\$) | # of Transactions |
| Purchases/Deposits | \$ 18,577,350 | 2 |
| Maturities/Redemptions | \$ 8,830,788 | 1 |

Portfolio Activity Summary

| Month End | Year | # of Securities | Average Balance | Yield to Maturity | | Managed Pool Rate | # of Investments Purchased | # of Investments Redeemed | Average Term | Average Days to Maturity |
|-----------------|------|-----------------|-----------------------|-------------------|--------------|-------------------|----------------------------|---------------------------|--------------|--------------------------|
| | | | | 360 (%) | 365 (%) | | | | | |
| December | 2014 | 103 | 150,471,885.60 | 1.003 | 1.017 | 0.267 | 0 | 1 | 1,313 | 789 |
| January | 2015 | 101 | 159,817,780.44 | 0.889 | 0.901 | 0.262 | 0 | 2 | 1,137 | 670 |
| February | 2015 | 100 | 171,931,521.26 | 0.875 | 0.888 | 0.266 | 1 | 2 | 1,124 | 654 |
| March | 2015 | 100 | 169,938,884.08 | 0.895 | 0.907 | 0.278 | 0 | 0 | 1,154 | 648 |
| April | 2015 | 102 | 172,571,119.93 | 0.866 | 0.878 | 0.283 | 5 | 3 | 1,086 | 600 |
| May | 2015 | 107 | 179,612,929.93 | 0.878 | 0.890 | 0.290 | 8 | 3 | 1,094 | 596 |
| June | 2015 | 115 | 183,442,413.43 | 0.943 | 0.956 | 0.299 | 9 | 1 | 1,115 | 636 |
| July | 2015 | 119 | 178,091,994.16 | 1.045 | 1.059 | 0.320 | 7 | 3 | 1,262 | 720 |
| August | 2015 | 116 | 165,279,461.31 | 1.088 | 1.103 | 0.330 | 2 | 5 | 1,326 | 752 |
| September | 2015 | 122 | 165,906,018.35 | 1.068 | 1.082 | 0.337 | 10 | 4 | 1,287 | 723 |
| October | 2015 | 121 | 165,878,218.18 | 1.103 | 1.119 | 0.357 | 4 | 5 | 1,311 | 735 |
| November | 2015 | 121 | 163,637,277.63 | 1.124 | 1.139 | 0.374 | 1 | 2 | 1,342 | 743 |
| December | 2015 | 122 | 165,084,605.49 | 1.089 | 1.104 | 0.400 | 2 | 1 | 1,267 | 677 |
| Average: | | 111 | 168,535,949.52 | 0.990 | 1.003 | 0.313 | 4 | 2 | 1,217 | 688 |

**Investment Report
December 2015**

Portfolio Summary

| | Book Value (\$) | BV % of Portfolio | Market Value (\$) | MV % of Portfolio | S&P Rating | % per Policy | Modified Duration | Days to Maturity | Maximum Term | YTM |
|--|----------------------|-------------------|----------------------|-------------------|-------------|----------------|-------------------|------------------|----------------|---------------|
| Local Agency Investment Fund (LAIF) | \$27,700,000 | 16.08% | \$27,700,000 | 16.11% | | \$50Mil | 0.000 | 1 | N/A | 0.400% |
| Union Bank Custodial - Money Market Account | \$302 | 0.00% | \$302 | 0.00% | | 100.00% | 0.000 | 1 | N/A | 0.001% |
| U.S. Treasury Securities | \$4,986,567 | 2.90% | \$5,009,000 | 2.91% | AA+ | 100% | 2.574 | 960 | 5 Year | 1.419% |
| Federal Agency Issues | \$101,302,356 | 58.82% | \$101,062,210 | 58.79% | AA+ | 75% | 1.941 | 727 | 5 Year | 1.049% |
| Farmer Mac | 10,999,965 | 6.390% | 10,969,940 | 6.38% | | 30% | 1.992 | 744 | 5 Year | 0.934% |
| Federal Farm Credit Bank | 16,017,197 | 9.300% | 16,025,250 | 9.32% | | 30% | 1.703 | 632 | 5 Year | 1.280% |
| Federal Home Loan Bank | 20,029,304 | 11.630% | 19,961,130 | 11.61% | | 30% | 2.272 | 854 | 5 Year | 1.125% |
| Federal Home Loan Mortgage Corporation | 39,309,032 | 22.820% | 39,173,060 | 22.79% | | 30% | 1.857 | 698 | 5 Year | 0.943% |
| Federal National Mortgage Association | 14,946,858 | 8.680% | 14,932,830 | 8.69% | | 30% | 1.941 | 718 | 5 Year | 1.062% |
| Negotiable Certificates of Deposit | \$11,146,751 | 6.47% | \$11,100,470 | 6.46% | FDIC | 20% | 2.742 | 1050 | 5 Years | 1.349% |
| Medium-Term Notes | \$27,103,353 | 15.74% | 27,042,067 | 15.730% | | 20% | 2.562 | 977 | 5 Year | 1.873% |
| 3M Company | 2,083,306 | 1.21% | 2,077,067 | 1.21% | AA- | 5% | 1.470 | 542 | 5 Year | 0.891% |
| Apple Inc | 4,487,626 | 2.61% | 4,446,300 | 2.59% | AA+ | 5% | 3.016 | 1,140 | 5 Year | 1.351% |
| Barclays Bank | 3,000,000 | 1.74% | 3,004,830 | 1.75% | A | 5% | 0.810 | 301 | 5 Year | 3.287% |
| Bank of Montreal | 1,000,441 | 0.58% | 999,600 | 0.58% | A+ | 5% | 1.661 | 619 | 5 Year | 1.373% |
| Chevron Corp. | 3,049,200 | 1.77% | 3,001,580 | 1.75% | AA | 5% | 4.040 | 1,561 | 5 Year | 1.935% |
| Colgate Palmolive Corp. | 1,997,314 | 1.16% | 2,006,860 | 1.17% | AA- | 5% | 2.759 | 1,035 | 5 Year | 1.549% |
| General Electric Capital Corporation | 2,000,614 | 1.16% | 2,033,320 | 1.18% | AA+ | 5% | 0.995 | 374 | 5 Year | 2.868% |
| IBM | 2,972,648 | 1.73% | 2,956,280 | 1.72% | AA | 5% | 2.945 | 1,123 | 5 Year | 1.534% |
| Microsoft Corp | 2,004,412 | 1.16% | 2,000,560 | 1.16% | AAA | 5% | 4.575 | 1,768 | 5 Year | 1.944% |
| Royal Bank of Canada | 1,000,875 | 0.58% | 999,000 | 0.58% | AA | 5% | 1.440 | 532 | 5 Year | 1.189% |
| Toronto Dominion Bank | 1,000,000 | 0.58% | 999,590 | 0.58% | AA- | 5% | 4.625 | 1,809 | 5 Year | 2.473% |
| Toyota Motor Credit Corporation | 2,506,917 | 1.46% | 2,517,080 | 1.46% | AA- | 5% | 2.032 | 767 | 5 Year | 1.894% |
| Earnings Allowance Rate: | | | | | | | | | | |
| 0.250% | | | | | | | | | | |
| Total Investments: | \$172,239,329 | 100.00% | \$171,914,049 | 100.00% | | | 1.797 | 677 | | 1.104% |
| Cash In Bank (General): | \$1,502,305 | | | | | | | | | |
| Cash In Bank (Housing): | \$2,411,883 | | | | | | | | | |
| Total Funds: | \$176,153,517 | | | | | | | | | |

| | |
|--------------------------|--------|
| Effective Rate of Return | |
| Month Ending | 1.070% |
| Fiscal YTD | 0.990% |

I certify that this report accurately reflects all pooled investments and is in conformity with the City of Torrance Investment Policy Statement adopted by Resolution 2014-132 on December 9, 2014, per California Government Code §53601. A copy of this policy is available at the office of the City Clerk.

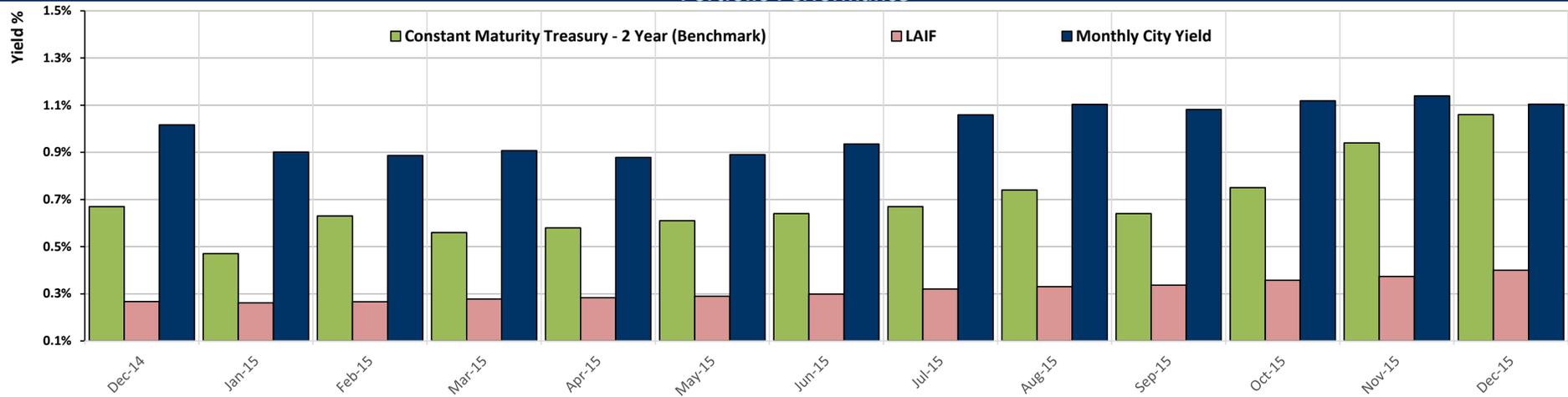
[Signature]
Date: 2-4-16

[Signature]
Emilio Campos
Deputy City Treasurer

[Signature]
Dana Cortez
City Treasurer

**Investment Report
December 2015**

Portfolio Performance



Portfolio Earnings Summary

CD/Coupon/Discount Investments:

| | December 31, 2015 | Fiscal YTD |
|--|---------------------|-----------------------|
| Interest Collected | 314,308.18 | 1,057,576.75 |
| Plus Interest at End of Period | 525,864.49 | 525,864.49 |
| Less Accrued Interest at Beginning of Period | (642,462.62) | (477,166.30) |
| Interest Earned during this Period | \$197,710.05 | \$1,106,274.94 |
| Adjusted By Premiums and Discounts | (52,950.42) | (307,297.81) |
| Adjusted by Capital Gains or Losses | 0.00 | 0.00 |
| Earnings during Periods | \$144,759.63 | \$798,977.13 |

Cash/Checking Accounts:

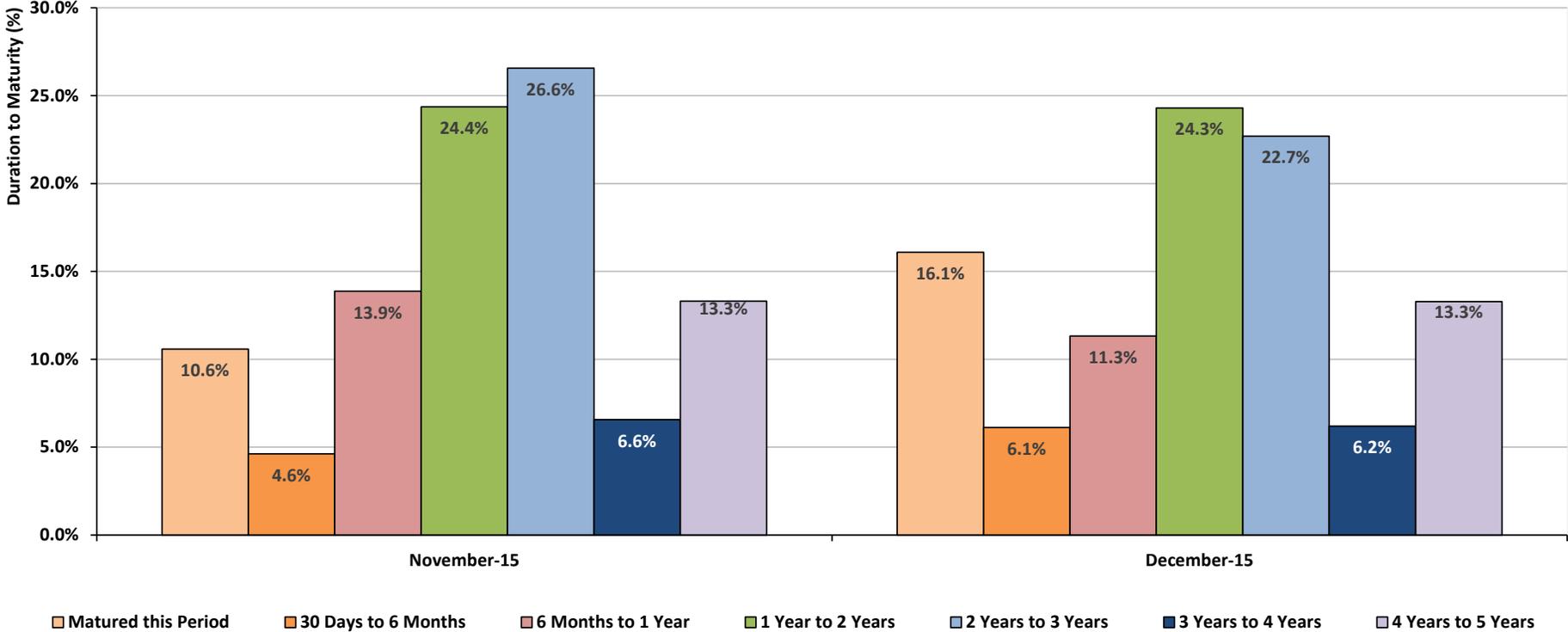
| | | |
|--|-------------------|--------------------|
| Interest Collected | 1.40 | 56,307.88 |
| Plus Accrued Interest at End of Period | 64,975.20 | 64,975.20 |
| Less Interest at Beginning of Period | (59,053.34) | (81,381.15) |
| Interest Earned this Period | \$5,923.26 | \$39,901.93 |

Total Interest Earned

| | | |
|---|---------------------|-----------------------|
| Total Interest Earned | \$203,633.31 | \$1,146,176.87 |
| Total Adjustments from Premiums and Discounts | (52,950.42) | (307,297.81) |
| Total Capital Gains or Loss | 0.00 | 0.00 |
| Total Earnings this Period | \$150,682.89 | \$838,879.06 |

**Investment Report
December 2015**

Maturity Distribution (Book Value)

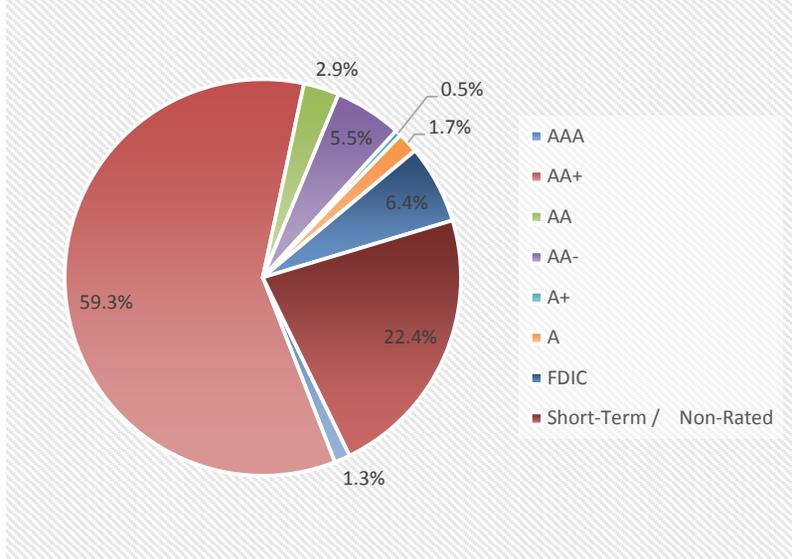


NOTE: *SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and monies of the local agency. It also requires a statement of compliance of the portfolio with the statement of investment policy and a statement of the local agency’s ability to meet the expenditure requirements of the pool for the next six months.

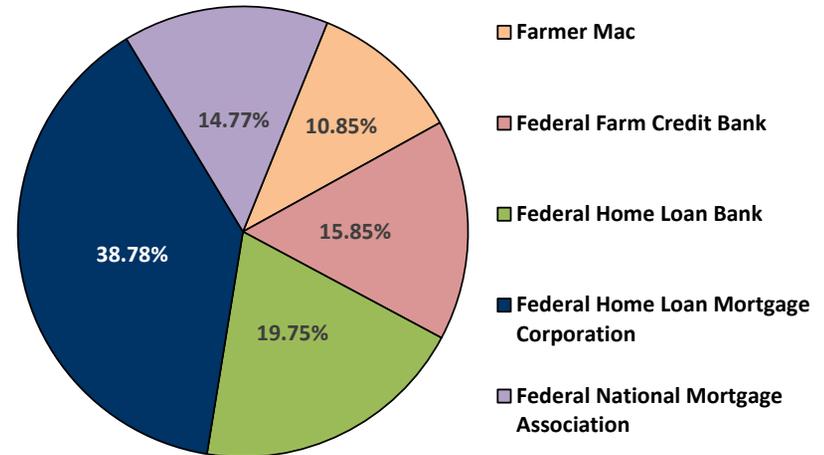
Investment Report
December 2015

Portfolio Distribution

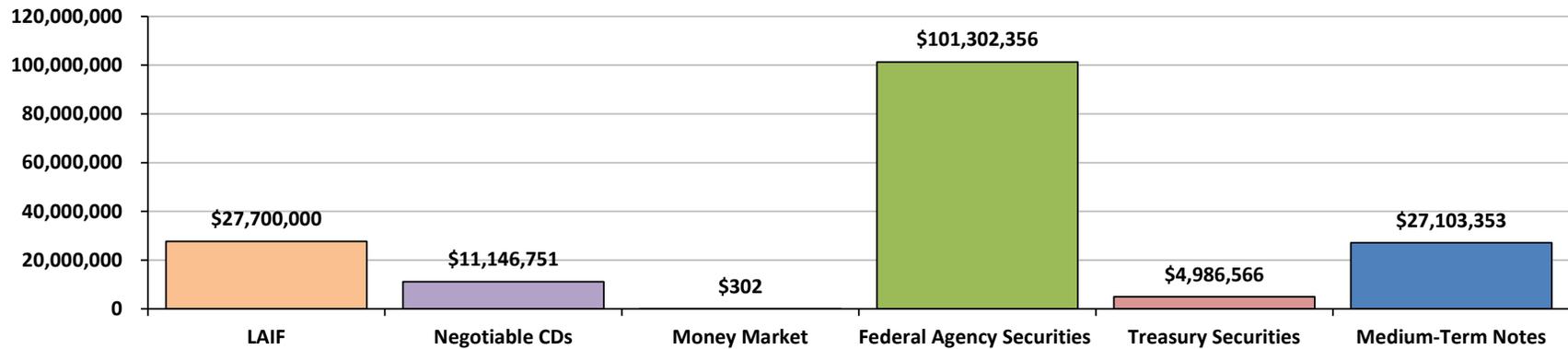
Assigned Credit Ratings of Investments (Total Portfolio - MV)



Federal Agencies Distribution (57.96% of Total Portfolio - Market Value)



Portfolio Sectors (Book Value)



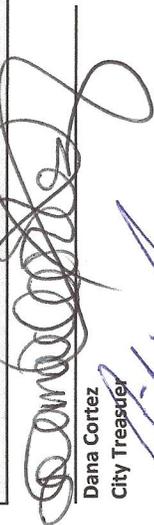
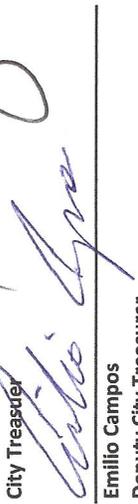
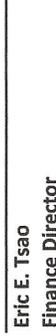
**Investment Report
December 2015**

Value of Portfolio per GASB 31 YTD July 1 to Current month, Sort 1 Security, 2 Invest No.

| | Beginning Investment Value As of July 1, 2015 | Purchase / Redemption of Principal | Change in Market Value | Ending Investment Value As of November 30, 2015 |
|------------------------------------|--|------------------------------------|------------------------|--|
| U.S. Treasury Securities | 5,039,460 | - | (30,460) | 5,009,000 |
| Federal Agency (Coupon) | 106,168,850 | (4,471,420) | (635,220) | 101,062,210 |
| Negotiable Certificate of Deposits | 9,066,537 | 2,081,731 | (47,798) | 11,100,470 |
| Medium-Term Notes | 19,723,207 | 7,483,292 | (164,432) | 27,042,067 |
| Municipal Bonds | - | - | - | - |
| Sub-total per GASB 31: | \$139,998,054 | 5,093,603 | (\$877,910) | \$144,213,747 |
| Non-GASB | | | | |
| Local Agency Investment Funds | 50,000,000 | (22,300,000) | - | 27,700,000 |
| Money Market | - | 302 | - | 302 |
| Federal Agency - Disc. | - | - | - | - |
| Treasury Security - Disc. | - | - | - | - |
| Certificate of Deposits -Disc. | - | - | - | - |
| Commercial paper | - | - | - | - |
| Sub-total Non-GASB: | \$50,000,000 | (\$22,299,698) | \$0 | \$27,700,302 |
| Total Portfolio: | \$189,998,054 | (\$17,206,095) | (\$877,910) | \$171,914,049 |

The Governmental Accounting Standards Board (GASB) has established Statement No. 31 for setting investment valuation standards. We report the unrealized gain/(loss) monthly and book realized gain/(loss) at year end as a GASB 31 requirement.

GASB 31 is a reporting requirement that reports the "Fair Value" of investments held in our portfolio. Fair value is the amount at which a financial instrument (investment) could be exchanged in a current transaction between willing parties at current market prices. It is important to understand the relationship between prevailing interest rates and fixed coupon investments. As market interest rates fall, the "Fair Value" of held securities will rise (unrealized Gains). The opposite occurs as market interest rates rise (market prices of held investments will fall). It should be noted that investments held in the city pool are to be held until maturity so both gains and losses (unrealized) will not be taken.

| Investment Report for December 2015 reviewed by the Investment Advisory Committee | |
|---|---|
|  Dana Cortez City Treasurer |  LeRoy Jackson City Manager |
|  Emilio Campos Deputy City Treasurer |  John Fellows, III City Attorney |
| |  Eric E. Tsao Finance Director |

Finance Monthly Reports
Portfolio Management
Portfolio Details - Investments
December 31, 2015

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | S&P | YTM | Days to Maturity | Maturity Date |
|---------------------------------------|--------------|--------------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|------|--------------|------------------|---------------|
| Local Agency Investment Funds | | | | | | | | | | | | |
| SYS10000 | 10000 | Local Agency Invest Fund GEN'L | | | 27,700,000.00 | 27,700,000.00 | 27,700,000.00 | 0.400 | LAIF | 0.400 | 1 | |
| SYS1000a | 1000A | LAIF - TRANS FUNDS | | | 0.00 | 0.00 | 0.00 | 0.400 | LAIF | 0.400 | 1 | |
| Subtotal and Average | | | 18,958,064.52 | | 27,700,000.00 | 27,700,000.00 | 27,700,000.00 | | | 0.400 | 1 | |
| Money Market Sweep Account | | | | | | | | | | | | |
| 316175108S | 1000 | Union Bank of California | | | 302.05 | 302.05 | 302.05 | | A-1 | 0.000 | 1 | |
| Subtotal and Average | | | 239,146.42 | | 302.05 | 302.05 | 302.05 | | | 0.000 | 1 | |
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 31315PWE5 | 11083 | FARMER MAC | | 01/08/2013 | 3,000,000.00 | 3,000,120.00 | 3,000,000.00 | 0.930 | IMP | 0.935 | 738 | 01/08/2018 |
| 31315PNZ8 | 11086 | FARMER MAC | | 01/30/2013 | 2,000,000.00 | 1,998,580.00 | 2,000,499.33 | 1.050 | IMP | 1.038 | 760 | 01/30/2018 |
| 31315PXM6 | 11097 | FARMER MAC | | 05/02/2013 | 2,000,000.00 | 1,983,380.00 | 1,999,532.78 | 0.850 | IMP | 0.860 | 852 | 05/02/2018 |
| 31315PXF1 | 11099 | FARMER MAC | | 05/02/2013 | 2,000,000.00 | 2,000,740.00 | 1,999,932.78 | 0.400 | IMP | 0.410 | 122 | 05/02/2016 |
| 3132X0AL5 | 11170 | FARMER MAC | | 06/01/2015 | 1,000,000.00 | 995,160.00 | 1,000,000.00 | 1.100 | IMP | 1.100 | 882 | 06/01/2018 |
| 3132X0BG5 | 11181 | FARMER MAC | | 07/15/2015 | 1,000,000.00 | 991,960.00 | 1,000,000.00 | 1.750 | IMP | 1.750 | 1,627 | 06/15/2020 |
| 31331VPV2 | 10954 | FEDERAL FARM CREDIT BANK | | 04/01/2011 | 2,000,000.00 | 2,023,040.00 | 2,012,550.00 | 4.950 | AA+ | 2.280 | 91 | 04/01/2016 |
| 3133EC5A8 | 11075 | FEDERAL FARM CREDIT BANK | | 11/28/2012 | 2,000,000.00 | 1,986,020.00 | 2,000,000.00 | 0.870 | AA+ | 0.870 | 696 | 11/27/2017 |
| 3133ECE26 | 11087 | FEDERAL FARM CREDIT BANK | | 01/30/2013 | 1,000,000.00 | 1,000,020.00 | 1,000,000.00 | 0.940 | AA+ | 1.022 | 760 | 01/30/2018 |
| 3133ED3Z3 | 11109 | FEDERAL FARM CREDIT BANK | | 10/04/2013 | 3,000,000.00 | 3,004,830.00 | 3,000,000.00 | 1.230 | AA+ | 1.230 | 642 | 10/04/2017 |
| 3133ED4Q2 | 11114 | FEDERAL FARM CREDIT BANK | | 10/11/2013 | 1,000,000.00 | 1,004,160.00 | 1,000,000.00 | 1.480 | AA+ | 1.480 | 892 | 06/11/2018 |
| 3133EDDV1 | 11119 | FEDERAL FARM CREDIT BANK | | 01/23/2014 | 1,000,000.00 | 1,002,110.00 | 999,323.85 | 1.160 | AA+ | 1.198 | 661 | 10/23/2017 |
| 3133EDEB4 | 11121 | FEDERAL FARM CREDIT BANK | | 02/07/2014 | 3,000,000.00 | 3,005,490.00 | 3,007,428.28 | 1.100 | AA+ | 0.931 | 544 | 06/28/2017 |
| 3133EDGW6 | 11128 | FEDERAL FARM CREDIT BANK | | 03/11/2014 | 3,000,000.00 | 2,999,580.00 | 2,997,894.90 | 1.300 | AA+ | 1.330 | 892 | 06/11/2018 |
| 313370TW8 | 11040 | FEDERAL HOME LOAN BANK | | 07/25/2012 | 1,000,000.00 | 1,008,400.00 | 1,009,370.19 | 2.000 | AA+ | 0.620 | 252 | 09/09/2016 |
| 313383AA9 | 11105 | FEDERAL HOME LOAN BANK | | 06/12/2013 | 4,000,000.00 | 3,954,320.00 | 4,000,000.00 | 1.000 | AA+ | 1.000 | 893 | 06/12/2018 |
| 3133834R9 | 11108 | FEDERAL HOME LOAN BANK | | 05/24/2013 | 1,000,000.00 | 998,750.00 | 999,571.40 | 0.375 | AA+ | 0.465 | 175 | 06/24/2016 |
| 313379VE6 | 11118 | FEDERAL HOME LOAN BANK | | 01/14/2014 | 1,000,000.00 | 1,000,570.00 | 999,136.39 | 1.010 | AA+ | 1.070 | 535 | 06/19/2017 |
| 313381GD1 | 11122 | FEDERAL HOME LOAN BANK | | 02/20/2014 | 2,000,000.00 | 2,000,260.00 | 1,994,928.14 | 1.250 | AA+ | 1.356 | 901 | 06/20/2018 |
| 313373SZ6 | 11123 | FEDERAL HOME LOAN BANK | | 02/26/2014 | 2,000,000.00 | 2,012,900.00 | 2,014,896.60 | 2.125 | AA+ | 0.428 | 161 | 06/10/2016 |
| 313375RN9 | 11124 | FEDERAL HOME LOAN BANK | | 02/27/2014 | 2,000,000.00 | 2,002,520.00 | 2,002,464.31 | 1.000 | AA+ | 0.363 | 70 | 03/11/2016 |
| 313380CP0 | 11161 | FEDERAL HOME LOAN BANK | | 05/22/2015 | 1,000,000.00 | 986,450.00 | 994,019.63 | 1.240 | AA+ | 1.420 | 1,253 | 06/07/2019 |
| 313383HU8 | 11172 | FEDERAL HOME LOAN BANK | | 06/12/2015 | 2,000,000.00 | 1,996,400.00 | 1,997,865.33 | 1.750 | AA+ | 1.775 | 1,624 | 06/12/2020 |
| 3130A5JY6 | 11174 | FEDERAL HOME LOAN BANK | | 06/30/2015 | 2,000,000.00 | 1,994,160.00 | 2,000,000.00 | 1.000 | AA+ | 2.174 | 1,642 | 06/30/2020 |
| 313379EE5 | 11189 | FEDERAL HOME LOAN BANK | | 09/14/2015 | 2,000,000.00 | 2,006,400.00 | 2,017,052.12 | 1.625 | AA+ | 1.371 | 1,260 | 06/14/2019 |
| 3137EADC0 | 11017 | FEDERAL HOME LOAN MORTGAGE CO | | 01/30/2012 | 1,000,000.00 | 1,000,830.00 | 999,186.89 | 1.000 | AA+ | 1.071 | 432 | 03/08/2017 |
| 3137EACT4 | 11034 | FEDERAL HOME LOAN MORTGAGE CO | | 04/26/2012 | 1,000,000.00 | 1,007,690.00 | 1,006,727.31 | 2.500 | AA+ | 0.810 | 147 | 05/27/2016 |

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|---------------------------------------|--------------|-------------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|-----|--------------|------------------|---------------|
| Federal Agency Issues - Coupon | | | | | | | | | | | | |
| 3134G32L3 | 11079 | FEDERAL HOME LOAN MORTGAGE CO | | 12/26/2012 | 2,000,000.00 | 1,986,200.00 | 2,000,000.00 | 0.850 | AA+ | 0.850 | 725 | 12/26/2017 |
| 3137EADJ5 | 11095 | FEDERAL HOME LOAN MORTGAGE CO | | 04/23/2013 | 3,000,000.00 | 2,995,020.00 | 3,015,813.21 | 1.000 | AA+ | 0.660 | 574 | 07/28/2017 |
| 3137EAG4 | 11096 | FEDERAL HOME LOAN MORTGAGE CO | | 04/26/2013 | 5,000,000.00 | 5,128,850.00 | 5,137,908.48 | 5.500 | AA+ | 0.420 | 199 | 07/18/2016 |
| 3137EADH9 | 11101 | FEDERAL HOME LOAN MORTGAGE CO | | 05/13/2013 | 5,000,000.00 | 4,999,500.00 | 5,020,419.38 | 1.000 | AA+ | 0.722 | 545 | 06/29/2017 |
| 3134G44N5 | 11102 | FEDERAL HOME LOAN MORTGAGE CO | | 05/28/2013 | 2,000,000.00 | 1,981,600.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 697 | 11/28/2017 |
| 3137EAAG4 | 11107 | FEDERAL HOME LOAN MORTGAGE CO | | 05/22/2013 | 4,000,000.00 | 4,103,080.00 | 4,109,584.72 | 5.500 | AA+ | 0.452 | 199 | 07/18/2016 |
| 3137EADL0 | 11132 | FEDERAL HOME LOAN MORTGAGE CO | | 04/23/2014 | 1,000,000.00 | 997,250.00 | 997,525.60 | 1.000 | AA+ | 1.145 | 637 | 09/29/2017 |
| 3137EADS5 | 11135 | FEDERAL HOME LOAN MORTGAGE CO | | 04/29/2014 | 2,000,000.00 | 2,001,480.00 | 2,003,798.92 | 0.875 | AA+ | 0.631 | 287 | 10/14/2016 |
| 3137EADJ5 | 11139 | FEDERAL HOME LOAN MORTGAGE CO | | 04/30/2014 | 2,000,000.00 | 1,996,680.00 | 1,999,728.15 | 1.000 | AA+ | 1.009 | 574 | 07/28/2017 |
| 3137EADS5 | 11142 | FEDERAL HOME LOAN MORTGAGE CO | | 04/30/2014 | 1,000,000.00 | 1,000,740.00 | 1,001,856.79 | 0.875 | AA+ | 0.637 | 287 | 10/14/2016 |
| 3134G3XJ4 | 11155 | FEDERAL HOME LOAN MORTGAGE CO | | 04/29/2015 | 1,000,000.00 | 999,090.00 | 1,007,101.68 | 1.500 | AA+ | 1.290 | 1,273 | 06/27/2019 |
| 3134G6Z89 | 11166 | FEDERAL HOME LOAN MORTGAGE CO | | 06/10/2015 | 1,000,000.00 | 1,000,270.00 | 1,000,000.00 | 1.000 | AA+ | 2.124 | 1,622 | 06/10/2020 |
| 3134G6V42 | 11167 | FEDERAL HOME LOAN MORTGAGE CO | | 06/29/2015 | 3,000,000.00 | 2,985,930.00 | 3,000,000.00 | 2.000 | AA+ | 2.000 | 1,641 | 06/29/2020 |
| 3134G6N41 | 11169 | FEDERAL HOME LOAN MORTGAGE CO | | 05/28/2015 | 1,000,000.00 | 999,830.00 | 1,000,000.00 | 1.250 | AA+ | 2.032 | 1,608 | 05/27/2020 |
| 3134G3XJ4 | 11190 | FEDERAL HOME LOAN MORTGAGE CO | | 09/25/2015 | 1,000,000.00 | 999,090.00 | 1,008,045.37 | 1.500 | AA+ | 1.263 | 1,273 | 06/27/2019 |
| 3134G7J44 | 11195 | FEDERAL HOME LOAN MORTGAGE CO | | 09/30/2015 | 1,000,000.00 | 1,001,250.00 | 1,000,000.00 | 1.800 | AA+ | 1.800 | 1,734 | 09/30/2020 |
| 3134G7X89 | 11197 | FEDERAL HOME LOAN MORTGAGE CO | | 10/29/2015 | 2,000,000.00 | 1,988,680.00 | 2,001,335.70 | 1.400 | AA+ | 1.381 | 1,305 | 07/29/2019 |
| 3135G0PQ0 | 11100 | FEDERAL NATIONAL MORT ASSOC | | 04/26/2013 | 3,000,000.00 | 2,987,610.00 | 3,008,308.80 | 0.875 | AA+ | 0.720 | 664 | 10/26/2017 |
| 3136G1LZ0 | 11103 | FEDERAL NATIONAL MORT ASSOC | | 05/28/2013 | 2,000,000.00 | 1,985,680.00 | 2,000,000.00 | 0.750 | AA+ | 0.750 | 697 | 11/28/2017 |
| 3135G0WJ8 | 11117 | FEDERAL NATIONAL MORT ASSOC | | 01/14/2014 | 1,000,000.00 | 990,630.00 | 983,754.95 | 0.875 | AA+ | 1.581 | 871 | 05/21/2018 |
| 3135G0WJ8 | 11120 | FEDERAL NATIONAL MORT ASSOC | | 01/31/2014 | 2,000,000.00 | 1,981,260.00 | 1,974,799.23 | 0.875 | AA+ | 1.421 | 871 | 05/21/2018 |
| 3135G0WJ8 | 11125 | FEDERAL NATIONAL MORT ASSOC | | 03/03/2014 | 2,000,000.00 | 1,981,260.00 | 1,979,378.13 | 0.875 | AA+ | 1.320 | 871 | 05/21/2018 |
| 3135G0YT4 | 11133 | FEDERAL NATIONAL MORT ASSOC | | 04/23/2014 | 1,000,000.00 | 1,007,280.00 | 998,045.86 | 1.625 | AA+ | 1.695 | 1,061 | 11/27/2018 |
| 3135G0CM3 | 11136 | FEDERAL NATIONAL MORT ASSOC | | 04/29/2014 | 1,000,000.00 | 1,003,620.00 | 1,004,700.92 | 1.250 | AA+ | 0.610 | 271 | 09/28/2016 |
| 3135G0PQ0 | 11140 | FEDERAL NATIONAL MORT ASSOC | | 04/30/2014 | 1,000,000.00 | 995,870.00 | 995,702.87 | 0.875 | AA+ | 1.116 | 664 | 10/26/2017 |
| 3135G0GY3 | 11141 | FEDERAL NATIONAL MORT ASSOC | | 04/30/2014 | 1,000,000.00 | 1,003,750.00 | 1,005,112.01 | 1.250 | AA+ | 0.771 | 395 | 01/30/2017 |
| 3135G0PQ0 | 11150 | FEDERAL NATIONAL MORT ASSOC | | 06/30/2014 | 1,000,000.00 | 995,870.00 | 997,055.28 | 0.875 | AA+ | 1.040 | 664 | 10/26/2017 |
| Subtotal and Average | | | 103,132,201.98 | | 101,000,000.00 | 101,062,210.00 | 101,302,356.28 | | | 1.049 | 727 | |
| Treasury Securities - Coupon | | | | | | | | | | | | |
| 912828WD8 | 11137 | U.S.TREASURY NOTE | | 04/29/2014 | 2,000,000.00 | 1,997,180.00 | 1,982,332.17 | 1.250 | AA+ | 1.575 | 1,034 | 10/31/2018 |
| 912828VK3 | 11143 | U.S.TREASURY NOTE | | 05/09/2014 | 3,000,000.00 | 3,011,820.00 | 3,004,233.62 | 1.375 | AA+ | 1.317 | 911 | 06/30/2018 |
| Subtotal and Average | | | 4,986,379.20 | | 5,000,000.00 | 5,009,000.00 | 4,986,565.79 | | | 1.419 | 960 | |
| Medium Term Notes | | | | | | | | | | | | |
| 88579YAE1 | 11104 | 3M Company | | 05/23/2013 | 1,080,000.00 | 1,078,477.20 | 1,082,137.82 | 1.000 | AA- | 0.864 | 542 | 06/26/2017 |

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|-----------------------------|--------------|--------------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|--------------|------------|------------------|---------------|
| Medium Term Notes | | | | | | | | | | | | |
| 88579YAE1 | 11145 | 3M Company | | 05/14/2014 | 1,000,000.00 | 998,590.00 | 1,001,168.38 | 1.000 | AA- | 0.920 | 542 | 06/26/2017 |
| 037833AJ9 | 11193 | Apple Inc | | 09/30/2015 | 2,500,000.00 | 2,479,700.00 | 2,490,794.86 | 1.000 | AA+ | 1.160 | 853 | 05/03/2018 |
| 037833AX8 | 11198 | Apple Inc | | 10/30/2015 | 2,000,000.00 | 1,966,600.00 | 1,996,830.97 | 1.550 | AA+ | 1.590 | 1,498 | 02/07/2020 |
| 06738KXV8 | 10989 | Barclays Bank | | 10/28/2011 | 3,000,000.00 | 3,004,830.00 | 3,000,000.00 | 2.500 | A | 3.287 | 301 | 10/28/2016 |
| 06366RHA6 | 11056 | Bank of Montreal | | 09/11/2012 | 1,000,000.00 | 999,600.00 | 1,000,440.56 | 1.400 | A+ | 1.373 | 619 | 09/11/2017 |
| 166764AN0 | 11156 | Chevron Corp | | 04/28/2015 | 1,000,000.00 | 999,560.00 | 1,023,247.53 | 2.193 | AA | 1.569 | 1,414 | 11/15/2019 |
| 166764AG5 | 11182 | Chevron Corp | | 07/31/2015 | 2,000,000.00 | 2,002,020.00 | 2,025,952.80 | 2.427 | AA | 2.120 | 1,636 | 06/24/2020 |
| 19416QED8 | 11116 | Colgate Palmolive Co | | 11/01/2013 | 2,000,000.00 | 2,006,860.00 | 1,997,314.00 | 1.500 | AA- | 1.549 | 1,035 | 11/01/2018 |
| 36962G5N0 | 11011 | General Electric Capital Corp | | 01/10/2012 | 2,000,000.00 | 2,033,320.00 | 2,000,613.67 | 2.900 | AA+ | 2.868 | 374 | 01/09/2017 |
| 459200GX3 | 11144 | IBM | | 05/13/2014 | 1,000,000.00 | 1,005,980.00 | 1,007,871.86 | 1.950 | AA | 0.530 | 203 | 07/22/2016 |
| 459200HM6 | 11183 | IBM | | 08/18/2015 | 2,000,000.00 | 1,950,300.00 | 1,964,776.33 | 1.625 | AA- | 2.050 | 1,596 | 05/15/2020 |
| 594918BG8 | 11199 | MicroSoft Corp | | 11/05/2015 | 2,000,000.00 | 2,000,560.00 | 2,004,411.71 | 2.000 | AAA | 1.944 | 1,768 | 11/03/2020 |
| 78010UD20 | 11147 | Royal Bank of Canada | | 06/16/2014 | 1,000,000.00 | 999,000.00 | 1,000,875.00 | 1.250 | AA | 1.189 | 532 | 06/16/2017 |
| 89114QBC1 | 11201 | Toronto Dominion Bank | | 12/14/2015 | 1,000,000.00 | 999,590.00 | 1,000,000.00 | 2.500 | AA- | 2.473 | 1,809 | 12/14/2020 |
| 89233P5S1 | 11015 | Toyota Motor Credit Corp | | 01/13/2012 | 1,000,000.00 | 1,008,590.00 | 1,000,878.52 | 2.050 | AA- | 1.960 | 377 | 01/12/2017 |
| 89236TAY1 | 11131 | Toyota Motor Credit Corp | | 04/11/2014 | 1,500,000.00 | 1,508,490.00 | 1,506,038.92 | 2.000 | AA- | 1.850 | 1,027 | 10/24/2018 |
| Subtotal and Average | | | 26,685,290.47 | | 27,080,000.00 | 27,042,067.20 | 27,103,352.93 | | 1.873 | 978 | | |
| Negotiable CD | | | | | | | | | | | | |
| 31938QP24 | 11186 | First Business Bank | | 09/16/2015 | 161,000.00 | 160,581.40 | 161,000.00 | 1.700 | FDIC | 1.701 | 1,354 | 09/16/2019 |
| 33764JHM0 | 11052 | First Bank of P R #30387 | | 08/01/2012 | 245,000.00 | 246,055.95 | 245,000.00 | 1.250 | FDIC | 1.251 | 213 | 08/01/2016 |
| 330459AE8 | 11110 | 1st Nat'l Bank Kentucky #2759 | | 10/03/2013 | 245,000.00 | 245,176.40 | 245,000.00 | 0.900 | FDIC | 0.901 | 276 | 10/03/2016 |
| 32110YFW0 | 11163 | First National Bank of America | | 05/29/2015 | 245,000.00 | 241,677.80 | 245,000.00 | 1.600 | FDIC | 0.000 | 1,610 | 05/29/2020 |
| 32112UBX8 | 11192 | First National Bank of Texas | | 09/30/2015 | 247,000.00 | 246,338.04 | 247,000.00 | 1.400 | FDIC | 1.401 | 1,186 | 04/01/2019 |
| 33648FJN6 | 11127 | First State Bank West Virginia | | 03/11/2014 | 245,000.00 | 244,965.70 | 245,000.00 | 0.450 | FDIC | 0.451 | 70 | 03/11/2016 |
| 88413QBG2 | 11168 | Third Federal Savings and Loan | | 05/28/2015 | 245,000.00 | 242,150.65 | 245,000.00 | 1.300 | FDIC | 1.303 | 1,062 | 11/28/2018 |
| 02587CAW0 | 11152 | American Express | | 08/21/2014 | 245,000.00 | 245,323.40 | 245,000.00 | 2.100 | FDIC | 2.101 | 1,328 | 08/21/2019 |
| 02006LUH4 | 11194 | Ally Bank | | 09/30/2015 | 245,000.00 | 244,279.70 | 245,000.00 | 1.700 | FDIC | 1.465 | 1,004 | 10/01/2018 |
| 02587DXP8 | 11158 | American Express Cent #27471 | | 04/30/2015 | 245,000.00 | 242,327.05 | 245,000.00 | 1.950 | FDIC | 1.952 | 1,581 | 04/30/2020 |
| 06740AYC7 | 11090 | Barclays Bank | | 03/12/2013 | 245,000.00 | 245,389.31 | 245,000.00 | 1.250 | FDIC | 1.200 | 801 | 03/12/2018 |
| 06251AK58 | 11196 | Bank Hapoalim BM NY | | 10/29/2015 | 245,000.00 | 243,488.35 | 245,000.00 | 1.650 | FDIC | 1.651 | 1,397 | 10/29/2019 |
| 05580ACP7 | 11184 | BMW Bank of No America #35141 | | 08/14/2015 | 245,000.00 | 244,737.85 | 245,000.00 | 2.250 | FDIC | 2.253 | 1,687 | 08/14/2020 |
| 060624XH1 | 11091 | Bank of Baroda #33681 | | 03/08/2013 | 245,000.00 | 244,093.50 | 245,000.00 | 1.250 | FDIC | 1.251 | 797 | 03/08/2018 |
| 14042E4P2 | 11178 | Capital One#4297 | | 07/15/2015 | 245,000.00 | 243,873.00 | 245,000.00 | 2.300 | FDIC | 2.303 | 1,657 | 07/15/2020 |
| 140420TE0 | 11176 | Capital One Bank USA #33954 | | 07/08/2015 | 247,000.00 | 247,484.12 | 247,000.00 | 2.350 | FDIC | 2.353 | 1,650 | 07/08/2020 |
| 149159HR9 | 11094 | Cathay Bank #18503 | | 04/12/2013 | 245,000.00 | 241,668.00 | 245,000.00 | 1.000 | FDIC | 1.001 | 832 | 04/12/2018 |

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|-----------------------------|--------------|--------------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|------|--------------|------------------|---------------|
| Negotiable CD | | | | | | | | | | | | |
| 17284CBZ6 | 11093 | CIT Bank | | 04/17/2013 | 245,000.00 | 243,806.85 | 245,000.00 | 1.150 | FDIC | 1.151 | 837 | 04/17/2018 |
| 20033AAU0 | 11084 | Comenity Capital Bank | | 01/18/2013 | 245,000.00 | 244,546.75 | 245,000.00 | 0.750 | FDIC | 0.750 | 383 | 01/18/2017 |
| 20451PLA2 | 11164 | COMPASS BANK | | 05/29/2015 | 245,000.00 | 242,576.95 | 245,000.00 | 1.300 | FDIC | 1.301 | 879 | 05/29/2018 |
| 20786ABD6 | 11165 | CONNECTONE BANK | | 06/05/2015 | 245,000.00 | 241,859.10 | 245,000.00 | 1.500 | FDIC | 1.501 | 1,251 | 06/05/2019 |
| 225645CZ1 | 11126 | Crescent Bank & Trust | | 03/05/2014 | 245,000.00 | 245,041.65 | 245,000.00 | 1.500 | FDIC | 1.500 | 970 | 08/28/2018 |
| 23204HBD9 | 11146 | Customer Bank #34444 | | 05/28/2014 | 245,000.00 | 245,178.85 | 245,000.00 | 0.800 | FDIC | 0.802 | 332 | 11/28/2016 |
| 254672NC8 | 11160 | Discover Bank #5649 | | 05/06/2015 | 245,000.00 | 242,282.95 | 245,000.00 | 1.900 | FDIC | 1.902 | 1,587 | 05/06/2020 |
| 29976DZD5 | 11177 | EverBank #34775 | | 07/14/2015 | 245,000.00 | 243,873.00 | 245,000.00 | 2.000 | FDIC | 2.002 | 1,656 | 07/14/2020 |
| 307660HE3 | 11113 | Farm Bureau Bank #35157 | | 10/15/2013 | 245,000.00 | 245,761.95 | 245,000.00 | 0.900 | FDIC | 0.000 | 287 | 10/14/2016 |
| 308862DD0 | 11134 | Farmers & Merchants Bk #16810 | | 04/25/2014 | 245,000.00 | 242,765.60 | 245,000.00 | 1.450 | FDIC | 1.452 | 998 | 09/25/2018 |
| 38148JSU6 | 11159 | Goldman Sachs Bank #33124 | | 05/06/2015 | 245,000.00 | 241,283.35 | 245,000.00 | 1.900 | FDIC | 1.902 | 1,587 | 05/06/2020 |
| 383052DH7 | 11191 | Gorham Bank | | 10/14/2015 | 247,000.00 | 246,239.24 | 247,000.00 | 1.350 | FDIC | 1.350 | 1,200 | 04/15/2019 |
| 45083AEJ7 | 11154 | Iberia Bank | | 04/16/2015 | 245,000.00 | 242,184.95 | 245,000.00 | 1.100 | FDIC | 1.101 | 836 | 04/16/2018 |
| 48124JRY6 | 11085 | JPMORGAN | | 01/28/2013 | 245,000.00 | 245,225.65 | 245,000.00 | 0.750 | FDIC | 0.750 | 758 | 01/28/2018 |
| 485836FB1 | 11129 | Katahdin Trust Co CD | | 03/28/2014 | 245,000.00 | 245,000.00 | 245,000.00 | 1.250 | FDIC | 1.054 | 1,182 | 03/28/2019 |
| 564759QS0 | 11162 | Manufacturers & Traders Trust | | 05/27/2015 | 245,000.00 | 242,569.60 | 245,000.00 | 1.050 | FDIC | 1.051 | 879 | 05/29/2018 |
| 58403BY42 | 11179 | Medallion Bank Salt Lake City | | 07/21/2015 | 245,000.00 | 243,520.20 | 245,000.00 | 1.900 | FDIC | 1.901 | 1,298 | 07/22/2019 |
| 59013JJE0 | 11187 | Merrick Bank | | 09/21/2015 | 245,000.00 | 244,242.95 | 245,000.00 | 1.600 | FDIC | 1.601 | 1,358 | 09/20/2019 |
| 55406JAK8 | 11185 | M Y SAFRA Bank | | 09/11/2015 | 245,000.00 | 244,933.85 | 244,751.53 | 1.600 | FDIC | 1.630 | 1,323 | 08/16/2019 |
| 628825JK8 | 11151 | NCB FSB #32612 | | 07/16/2014 | 245,000.00 | 244,421.80 | 245,000.00 | 1.000 | FDIC | 0.861 | 563 | 07/17/2017 |
| 63970QFD3 | 11188 | Nebraskaland National Bank | | 09/25/2015 | 245,000.00 | 244,289.50 | 245,000.00 | 1.500 | FDIC | 1.501 | 1,363 | 09/25/2019 |
| 70153RHF8 | 11130 | Parkway Bank #19008 | | 04/10/2014 | 245,000.00 | 245,044.10 | 245,000.00 | 0.500 | FDIC | 0.502 | 101 | 04/11/2016 |
| 71270QLZ7 | 11153 | Peoples United Bank | | 02/04/2015 | 245,000.00 | 244,622.70 | 245,000.00 | 1.750 | FDIC | 1.751 | 1,495 | 02/04/2020 |
| 74267GTZ0 | 11112 | Private Bank & Trust Co #33306 | | 10/04/2013 | 245,000.00 | 245,698.25 | 245,000.00 | 1.000 | FDIC | 1.001 | 277 | 10/04/2016 |
| 795450XG5 | 11200 | Sallie Mae Bank | | 12/09/2015 | 245,000.00 | 242,866.05 | 245,000.00 | 2.200 | FDIC | 2.202 | 1,804 | 12/09/2020 |
| 856283UK0 | 11098 | STATE BANK of INDIA | | 05/14/2013 | 245,000.00 | 243,659.85 | 245,000.00 | 1.150 | FDIC | 0.000 | 864 | 05/14/2018 |
| 87164YGD0 | 11157 | Synchrony Bank Retail | | 04/28/2015 | 245,000.00 | 242,444.65 | 245,000.00 | 1.900 | FDIC | 1.902 | 1,564 | 04/13/2020 |
| 94768NJD7 | 11081 | Webster Bank #18221 | | 12/12/2012 | 245,000.00 | 245,845.25 | 245,000.00 | 1.000 | FDIC | 1.001 | 711 | 12/12/2017 |
| 981571BP6 | 11180 | WORLD FOREMOST BANK | | 07/16/2015 | 200,000.00 | 199,074.00 | 200,000.00 | 2.400 | FDIC | 2.403 | 1,658 | 07/16/2020 |
| Subtotal and Average | | | 11,083,522.91 | | 11,147,000.00 | 11,100,469.81 | 11,146,751.53 | | | 1.349 | 1,050 | |
| Total and Average | | | 165,084,605.49 | | 171,927,302.05 | 171,914,049.06 | 172,239,328.58 | | | 1.104 | 677 | |

**Finance Monthly Reports
Portfolio Management
Portfolio Details - Cash
December 31, 2015**

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | S&P | YTM | Days to Maturity |
|-------|--------------|-----------------------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------|-------------|-----|--------------|------------------|
| | | Average Balance | 0.00 | Accrued Interest at Purchase | | 7,465.71 | 7,465.71 | | | | 0 |
| | | | | Subtotal | | 7,465.71 | 7,465.71 | | | | |
| | | Total Cash and Investments | 165,084,605.49 | | 171,927,302.05 | 171,921,514.77 | 172,246,794.29 | | | 1.104 | 677 |

**Cash Investments held by Fiscal Agent
Quarter Ending December 31, 2015**

| Torrance Improvements | | | | | | | Over/Under Funded Reserve(1)-(2) (Market Value) | Investment Description | Credit Rating |
|---|---------------------|----------------------------|---|---------------------|------------------------|--|---|------------------------|------------------|
| | Book Value | Reserve Requirement (1) | Over/Under Funded Reserve(1)-(2) (Market Value) | Market Value (2) | Yield | | | | |
| Bank of New York Mellon | | | | | | | | | |
| <i>City of Torrance COP Series 2009</i> | | | | | | | | | |
| Reserve Fund Acct #360695 | 1,258,018.76 | 1,258,018.76 | 0.00 | 1,258,018.76 | 0.00 | | Dreyfus Instl Res Treasury #6541 CUSIP: X9USDEFRU | AAA | |
| COP 2009 Total: | 1,258,018.76 | 1,258,018.76 | 0.00 | 1,258,018.76 | | | | | |
| Bank of New York Mellon | | | | | | | | | |
| <i>City of Torrance COP Series 2014</i> | | | | | | | | | |
| Lease Payment Fund Acct #528184 | 1,295.29 | 0.00 | 1,295.29 | 1,295.29 | 0.00% | | Blackrock Liquidity TEMP Fund# 24 CUSIP: X9USDBLAK | AAA | |
| Reserve Fund Acct #528185 | 2,478,323.57 | 2,478,043.76 | 279.81 | 2,478,323.57 | 0.00% | | Blackrock Liquidity TEMP Fund# 24 CUSIP: X9USDBLAK | AAA | |
| COP 2014 Total: | 2,479,618.86 | 2,478,043.76 | 1,575.10 | 2,479,618.86 | | | | | |
| Redevelopment Successor Agency | | | | | | | | | |
| | Book Value | Reserve Requirement (1) | Over/Under Funded Reserve(1)-(2) (Market Value) | Market Value (2) | Yield | | Investment Description | Credit Rating | |
| Bank of New York Mellon | | | | | | | | | |
| <i>Torrance RDA (Downtown) 98A (matures Sept. 1, 2028)</i> | | | | | | | | | |
| Reserve Acct # 428469 | 586,928.64 | 586,890.00 | 38.64 | 586,928.64 | 0.00% | | INVESCO Prime Private 1921 CUSIP: X9USDINPE | AAA | |
| RDA (Downtown) 98A Total: | 586,928.64 | 586,890.00 | 38.64 | 586,928.64 | | | | | |
| <i>Torrance RDA (Ind Dev) 98B</i> | | | | | | | | | |
| Interest Acct # 428529 | 970.27 | 0.00 | 970.27 | 970.27 | 0.00% | | Fidelity Treasury M MKT #696 CUSIP: X9USD0002 | | |
| Reserve Acct # 428517 (GIC Agreement) | 1,038,053.09 | 1,037,984.75 | 68.34 | 1,038,053.09 | 0.00% | | INVESCO Prime Private 1921 CUSIP: X9USDINPE | AAA | |
| RDA (Ind Rev) 98B Total: | 1,039,023.36 | 1,037,984.75 | 1,038.61 | 1,039,023.36 | | | | | |
| <i>Torrance RDA (Industrial) 99C (matures Sept. 1, 2028)</i> | | | | | | | | | |
| Reserve acct # 428882 | 1,300,491.55 | 1,300,480.00 | 11.55 | 1,300,491.55 | 0.00% | | Fidelity Treasury M MKT #696 CUSIP: X9USD0002 | A | |
| RDA (Industrial) 99C Total: | 1,300,491.55 | 1,300,480.00 | 11.55 | 1,300,491.55 | | | | | |
| TOTAL ALL CASH & INVESTMENTS HELD BY FISCAL AGENT: | | \$ 6,664,081.17 | \$ 6,661,417.27 | \$ 2,663.90 | \$ 6,664,081.17 | | | | |

(1) Reserve requirements may be overfunded due to an accumulation of funds which are adjusted at every scheduled payout. These funds will be transferred to the lease payment/principal/interest account when interest/principal payouts are made by the City.

(2) Over/under funded reserve requirements is for memorandum purposes only. Reserve requirements as outlined in the bond indenture require that at time (day of) of semi-annual payments to bondholders that the market value of the investments held in reserve is equal to the reserve requirement. Due to market fluctuations throughout the year it is normal to see both over and under funded situations.

Deferred Compensation Plans

Quarter Ending

December 31, 2015

City Council as the governing body of the city establishes these plans on the behalf of its employees, as such these are Restricted City Assets held in trust for the Cities employees. The Council delegates their authority over these plans to the City Treasurer to monitor and report on these plans quarterly.

| 457 PLAN A <i>Permanent Employees</i> | | Plan A 01 | | | | | | | | | |
|---------------------------------------|---------------|---|--------------|--------------|------------|-------------------|----------|----------------|----------------|-------------------|----------------|
| Beginning Balance | Contributions | Transfers In | Interest | Gain/Loss | Fees | * Revenue Sharing | | Withdrawals | Transfers Out | Outstanding Loans | Ending Balance |
| 157,138,796.08 | 2,094,162.40 | 4,285,362.20 | 2,895,589.19 | 1,261,154.07 | (9,460.90) | Net Change | 3,671.95 | (1,997,471.44) | (4,285,362.20) | 4,215,906.87 | 165,602,348.22 |
| Investment Type | | Market Value | | | | | | | | | |
| Variable Funds | | 83,556,048.99 | | | | | | | | | |
| Stable Value Fund | | 72,602,436.70 | | | | | | | | | |
| Self-Direct | | 5,227,955.66 | | | | | | | | | |
| Outstanding Loans | | 4,215,906.87 <i>Outstanding Loan Balance included in Total Assets</i> | | | | | | | | | |
| Total: | | 165,602,348.22 | | | | | | | | | |

| * 457 Plan Revenue Sharing | | | | | | | | | | | |
|----------------------------|--------|---|---|----------|---|---|---|---|---|---|------------|
| 193,392.73 | 891.14 | - | - | 2,780.81 | - | - | - | - | - | - | 197,064.68 |

| 457 PLAN B <i>Recurrent/ Part-Time/ Temporary Employees</i> | | Plan B 02 | | | | | | | | | |
|---|---------------|---------------------|-----------|-----------|------------|------------|-------------|---------------|-------------------|----------------|--|
| Beginning Balance | Contributions | Transfers In | Interest | Gain/Loss | Fees | Forfeiture | Withdrawals | Transfers Out | Outstanding Loans | Ending Balance | |
| 2,958,358.44 | 75,136.76 | 428.34 | 20,138.74 | 1,153.23 | (5,752.50) | - | (50,139.67) | (428.34) | - | 2,998,895.00 | |
| Investment Type | | Market Value | | | | | | | | | |
| Variable Funds | | 173,518.91 | | | | | | | | | |
| Stable Value Fund | | 2,825,376.09 | | | | | | | | | |
| Forfeiture/Asset | | 0.00 | | | | | | | | | |
| Total: | | 2,998,895.00 | | | | | | | | | |

| 401 (A) <i>Management/ Police /Fire /Engineers</i> | | | | | | | | | | | |
|--|---------------|---|------------|-----------|------------|------------|-------------|---------------|-------------------|----------------|--|
| Beginning Balance | Contributions | Transfers In | Interest | Gain/Loss | Fees | Forfeiture | Withdrawals | Transfers Out | Outstanding Loans | Ending Balance | |
| 10,685,427.80 | 343,265.62 | 173,489.32 | 210,834.06 | 67,011.31 | (1,044.59) | 0.02 | (45,407.53) | (173,489.32) | 159,598.03 | 11,419,684.72 | |
| Investment Type | | Market Value | | | | | | | | | |
| Variable Funds | | 6,614,462.81 | | | | | | | | | |
| Stable Value Fund | | 4,497,645.72 | | | | | | | | | |
| Self-direct fund | | 147,978.16 | | | | | | | | | |
| Outstanding Loans | | 159,598.03 <i>Outstanding Loan Balance included in Total Assets</i> | | | | | | | | | |
| Total: | | 11,419,684.72 | | | | | | | | | |

| RETIREMENT HEALTH SAVINGS PLAN <i>Management/ Police/ Fire/ Misc.</i> | | | | | | | | | | | |
|---|---------------|---------------------|---------------|-----------|------------|------------|-------------|---------------|-------------------|----------------|--|
| Beginning Balance | Contributions | Transfer In | Distributions | Gain/Loss | Fees | Forfeiture | Withdrawals | Transfers Out | Outstanding Loans | Ending Balance | |
| 3,473,017.15 | 114,991.96 | - | (171,080.71) | 89,155.17 | (4,073.02) | - | - | - | - | 3,502,010.55 | |
| Investment Type | | Market Value | | | | | | | | | |
| Stable Value/Cash Mgmt Fund | | 408,280.82 | | | | | | | | | |
| Bond Funds | | 118,619.61 | | | | | | | | | |
| Balanced/Assest Alloc Funds | | 2,014,549.11 | | | | | | | | | |
| U.S. Stock Funds | | 920,156.31 | | | | | | | | | |
| Intern'l/Global Stock Funds | | 40,404.70 | | | | | | | | | |
| Total: | | 3,502,010.55 | | | | | | | | | |

| *Public Agency Retirement Services (PARS) <i>Retirement Enhancement Plan</i> | | | | | | | | | | | |
|--|---------------|-------------|---------------|------------|------------|------------|-------------|--------------|-------------------|----------------|--|
| Beginning Balance | Contributions | Transfer In | Distributions | Gain/Loss | Fees | Forfeiture | Withdrawals | Transfer Out | Outstanding Loans | Ending Balance | |
| 10,732,823.85 | 304,965.00 | 417,493.20 | (205,127.47) | 226,165.88 | (9,981.10) | - | - | (417,493.20) | - | 11,048,846.16 | |

| *Public Agency Retirement Services (PARS) <i>Excess Benefit Plan</i> | | | | | | | | | | | |
|--|---------------|-------------|---------------|-----------|--------|------------|-------------|--------------|-------------------|----------------|--|
| Beginning Balance | Contributions | Transfer In | Distributions | Gain/Loss | Fees | Forfeiture | Withdrawals | Transfer Out | Outstanding Loans | Ending Balance | |
| 3,842.20 | 500.00 | - | (566.31) | - | (2.28) | - | - | - | - | 3,773.61 | |



CITY OF TORRANCE
FISCAL AGENT FOR SUCCESSOR RDA
RESTRICTED
CASH BALANCE REPORT
December 31, 2015

| | Book Value |
|---|---------------------------|
| Bank of America City of Torrance Successor RDA Agency Account # xx-046 | 97.91 |
| Bank of America City of Torrance Successor RDA Agency - Low Mod Account # xx-140 | 0.00 |
| Local Agency Investment Fund (LAIF) City of Torrance Successor RDA Agency Account# -xx-072 | <u>1,302.44</u> |
| TOTAL | <u><u>\$ 1,400.35</u></u> |

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: 1/19/16

TO: Dana Cortez, City Treasurer
FROM: Eric E. Tsao, Finance Director *ETS*
SUBJECT: Cash & Investments Report for December 2015

CASH AND INVESTMENTS RECONCILIATION AS OF DECEMBER 31, 2015 (PRE-CLOSE)

| | | |
|--|-------------------|--------------------------|
| INVESTMENTS PER PORTFOLIO SUMMARY | | \$ 172,239,328.58 |
| Cash in Bank of America General Account | \$ 1,502,305.43 | |
| Cash in Bank of America Housing Account | 2,411,883.34 | |
| | | 3,914,188.77 |
| TOTAL FUNDS PER INVESTMENT REPORT | | \$ 176,153,517.35 |
| OUTSTANDING WARRANTS: | | |
| General Account | \$ (1,793,017.38) | |
| Payroll Account | (35,149.81) | |
| Workers' Compensation Account | (193,919.86) | |
| Housing Account | (7,884.00) | |
| | | (2,029,971.05) |
| DEPOSITS IN TRANSIT: | | |
| December 2015 Deposits in transit | 19,940.55 | |
| December 2015 Global Water cash collection | 178,876.34 | |
| | | 198,816.89 |
| MISCELLANEOUS OUTSTANDING ADJUSTMENTS: | | |
| IVR & Parking Web credit card receipts will be interfaced in January 2016 | (1,394.76) | |
| 08/27/15 Cash deposit on 8/27/15 - correction made by bank on 01/07/16 | (6,308.10) | |
| 09/22/15 Cash Deposit interface error - correction interfaced on 01/05/16 | 100.00 | |
| 09/30/15 Union Bank Investment No. 11193 interface error - correction interfaced on 01/04/16 | 10,200.00 | |
| 10/08/15 BMW Investment No. 11183 interface error - correction interfaced on 01/04/2016 | (8,395.83) | |
| 10/08/15 Union Bank Money Market Investment No. 11073 - pending interface from Treasurer's Office | 245,000.00 | |
| 10/15/15 Union Bank MMA deposit interface error - pending interface from Treasurer's Office | 18.27 | |
| 10/22/15 M Y SAFRA Investment No. 11185 interface error - pending interface from Treasurer's Office | (244,730.50) | |
| 10/22/15 Union Bank Investment No. 11190 interface error - pending interface from Treasurer's Office | (8,660.30) | |
| 10/22/15 Union Bank Investment No. 11189 interface error - pending interface from Treasurer's Office | (18,520.00) | |
| 10/30/15 LAIF Interest - pending interface from Treasurer's Office | (22,430.09) | |
| 11/06/15 Union Bank Investment No. 11192 - pending interface from Treasurer's Office | (284.22) | |
| 11/21/15 Union Bank Investment No. 11187 - pending interface from Treasurer's Office | (332.93) | |
| 11/25/15 Union Bank Investment No. 11188 - pending interface from Treasurer's Office | (312.12) | |
| 12/21/15 Misc. Pay (DEA) - transaction interfaced on 01/04/16 | (4,203.79) | |
| 12/30/15 CA VAULT DEPOSIT - transaction interfaced on 01/04/16 | (5,713.00) | |
| 12/30/15 LACMTA wire - transaction interfaced on 01/04/16 | (155,078.48) | |
| 12/31/15 CA VAULT DEPOSIT - transaction interfaced on 01/04/16 | (5,916.16) | |
| 12/31/15 Direct deposit dated 01/01/2016 but paid 12/31/2015 | 2,610,523.59 | |
| 12/31/15 Payroll checks dated 01/01/2016 but paid 12/31/2015 | 23,627.32 | |
| 12/31/15 TX Banking Center Deposit - transaction interfaced on 01/04/16 | (21.00) | |
| 12/31/15 TX Banking Center Deposit - transaction interfaced on 01/04/16 | (167.00) | |
| 12/31/15 TX Banking Center Deposit - transaction interfaced on 01/04/16 | (468.00) | |
| 12/31/15 Union Bank Investment No. 11143 - pending interface from Treasurer's Office | (20,625.00) | |
| | | 2,385,907.90 |
| TOTAL CASH AND INVESTMENTS PER BOOKS | | \$ 176,708,271.09 |