Investment Advisory Committee Regular Meeting

Agenda

- **Call to Order**
  - Approval of meeting minutes of February 16, 2015 and for December, 2015 Investment Report
  - Review, accept and file January 2016 Investment Report presented by the City Treasurer
- **Oral Communication**
- **Adjournment**

Meeting: TBD

City Manager's Conference Room

City of Torrance, California
Investment Report Summary Notes
For the Month of: January 2016

Investment Activity during the Period

The investment activity for January included 0 purchases and 1 redemption.

Purchaser-Issuer	Rating	Par Value	Term	Coupon	Yield	Structure

Redemptions-Issuer	Rating	Par Value	Term	Coupon	Yield	Status
JP Morgan	FDIC	245,000	3YR	0.750%	0.750%	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 $37.5 million with an average monthly yield of 0.446%. Activity detailed on page 3 of the Investment Report. The aggregate investment portfolio balance on December 31, 2015 was $172,239,329. As of January 31, 2016 the ending balance is $181,742,336 resulting in an increase of $9.5 million from the previous month. The increase is mainly due to Property Tax Triple Flip Payment in the amount of $11.4 million.

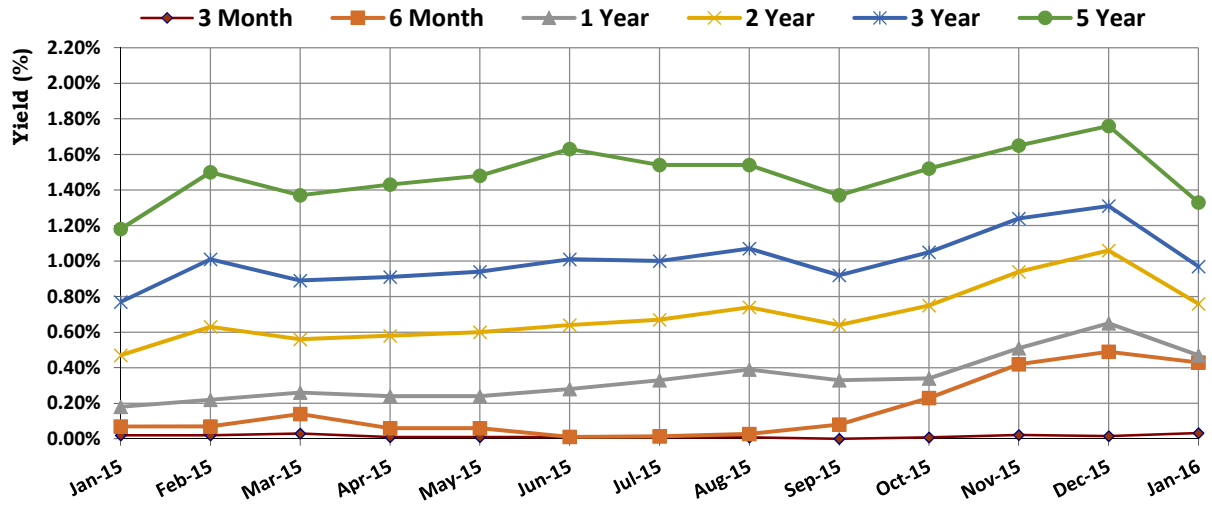
Liquidity of the Portfolio

- 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 616 days or 1.69 years. This is a 61 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 $58.2 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 TRAN Payment set aside. 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 January, the City's yield to maturity on pooled investments was 1.076%. The yield decreased by 3 basis points or 0.03% 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 0.760% which reflects a decrease of 30 basis points or 0.30% compared to the prior month. This decrease 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 32 basis points or 0.32%. 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 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
January 31, 2016

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Additional Reference Worksheet

a) Yield Spread Worksheet

Investment Report
January 2016

Portfolio Highlights

RETURN	Current Month	Prior Month
Effective Rate of Return	1.060%	1.080%
City Portfolio YTM	1.076%	1.104%
U.S. Treasury Constant Maturity (2 year)	0.760%	1.060%
LAIF Monthly Return	0.446%	0.400%
City Portfolio YTM (Prior Year)	0.901%	1.012%
EFFECTIVE RATE of RETURN	**Year To Date**	**Prior Year To Date**
Effective Rate of Return	0.990%	0.960%
INTEREST INCOME	**Current Period**	**Prior Month**
Fiscal Year to Date	$979,177	$838,394
Current Month	$153,939	$150,822
MATURITY	**Current Month**	**Prior Month**
Days to Maturity	616	677
Days to Maturity (Prior Year)	670	789
Average Maturity (Years)	1.69	1.85
VOLUMES	**Total Volume ($)**	**# of Transactions**
Purchases/Deposits	$ 39,138,110	0
Maturities/Redemptions	$ 29,583,412	1

Portfolio Activity Summary

Month End	Year	# of Securities	Average Balance	Yield to Maturity 360 (%)	Yield to Maturity 365 (%)	Managed Pool Rate	# of Investments Purchased	# of Investments Redeemed	Average Term	Average Days to Maturity
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
January	**2016**	121	171,090,787.24	1.062	1.076	0.446	0	1	1,198	616
	Average:	**113**	**170,150,055.46**	**0.994**	**1.008**	**0.326**	**4**	**2**	**1,208**	**675**

Investment Report
January 2016

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)	**$37,500,000**	**20.63%**	**$37,500,000**	20.59%		**$65Mil**	**0.000**	**1**	**N/A**	**0.446%**
Union Bank Custodial - Money Market Account	**$0**	**0.00%**	**$0**	0.00%		**100.00%**	**0.000**	**1**	**N/A**	**0.001%**
U.S. Treasury Securities	**$4,986,952**	**2.74%**	**$5,052,310**	2.77%	**AA+**	**100%**	**2.494**	**929**	**5 Year**	**1.419%**
Federal Agency Issues	**$101,252,342**	**55.71%**	**$101,512,750**	**55.73%**	**AA+**	**75%**	**1.867**	**696**	**5 Year**	**1.049%**
Farmer Mac	10,999,978	6.050%	11,029,520	6.06%		30%	1.921	71	5 Year	0.934%
Federal Farm Credit Bank	16,012,702	8.810%	16,085,700	8.83%		30%	1.625	60	5 Year	1.280%
Federal Home Loan Bank	20,024,372	11.020%	20,094,060	11.03%		30%	2.199	82	5 Year	1.125%
Federal Home Loan Mortgage Corporation	39,267,182	21.610%	39,279,970	21.57%		30%	1.783	66	5 Year	0.944%
Federal National Mortgage Association	14,948,108	8.220%	15,023,500	8.25%		30%	1.862	68	5 Year	1.062%
Negotiable Certificates of Deposit	**$10,901,757**	**6.00%**	**$10,927,241**	6.00%	**FDIC**	**20%**	**2.712**	**1025**	**5 Years**	**1.362%**
Medium-Term Notes	**$27,101,285**	**14.92%**	**27,145,727**	**14.904%**		**20%**	**2.487**	**947**	**5 Year**	**1.873%**
3M Company	2,083,121	1.15%	2,084,202	1.14%	AA-	5%	1.389	51	5 Year	0.891%
Apple Inc	4,488,018	2.47%	4,473,590	2.46%	AA+	5%	2.940	1,10	5 Year	1.351%
Barclays Bank	3,000,000	1.65%	3,003,750	1.65%	A	5%	0.733	27	5 Year	3.287%
Bank of Montreal	1,000,419	0.55%	1,002,050	0.55%	A+	5%	1.580	58	5 Year	1.373%
Chevron Corp.	3,048,208	1.68%	3,004,350	1.65%	AA	5%	3.958	1,53	5 Year	1.935%
Colgate Palmolive Corp.	1,997,393	1.10%	2,018,820	1.11%	AA-	5%	2.680	1,00	5 Year	1.549%
General Electric Capital Corporation	2,000,563	1.10%	2,034,220	1.12%	AA+	5%	0.926	34	5 Year	2.868%
IBM	2,972,145	1.64%	2,973,210	1.63%	AA	5%	2.874	1,09	5 Year	1.535%
MicroSoft Corp	2,003,925	1.10%	2,019,460	1.11%	AAA	5%	4.499	1,73	5 Year	1.944%
Royal Bank of Canada	1,000,825	0.55%	999,420	0.55%	AA	5%	1.356	50	5 Year	1.189%
Toronto Dominion Bank	1,000,000	0.55%	1,007,770	0.55%	AA-	5%	4.548	1,77	5 Year	2.473%
Toyota Motor Credit Corporation	2,506,668	1.38%	2,524,885	1.39%	AA-	5%	1.957	73	5 Year	1.894%
Total Investments:	**$181,742,336**	**100.00%**	**$182,138,028**	**100.00%**			**1.644**	**616**		**1.076%**
Cash In Bank (General):	**751770**									
Cash In Bank (Housing):	**2277591**									
Total Funds:	**$184,771,697**									

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.

Effective Rate of Return	
Month Ending	Fiscal YTD
1.060%	0.990%

Dana Cortez
City Treasurer

3/10/16
Date

Investment Report
January 2016

Portfolio Monthly Activity Detail

Purchases	Broker	Purchase Date	Description	Quality Rating	Maturity Date	Term	Coupon (%)	Yield (%)	Par Value ($)	Book Value ($)	Market Value ($)
Investment Number											
PM Act by Type sheet first.						CHECK YIELD (%)CALC, ONLY SET FOR 5 PURCHASES		0.000%	0	0	0

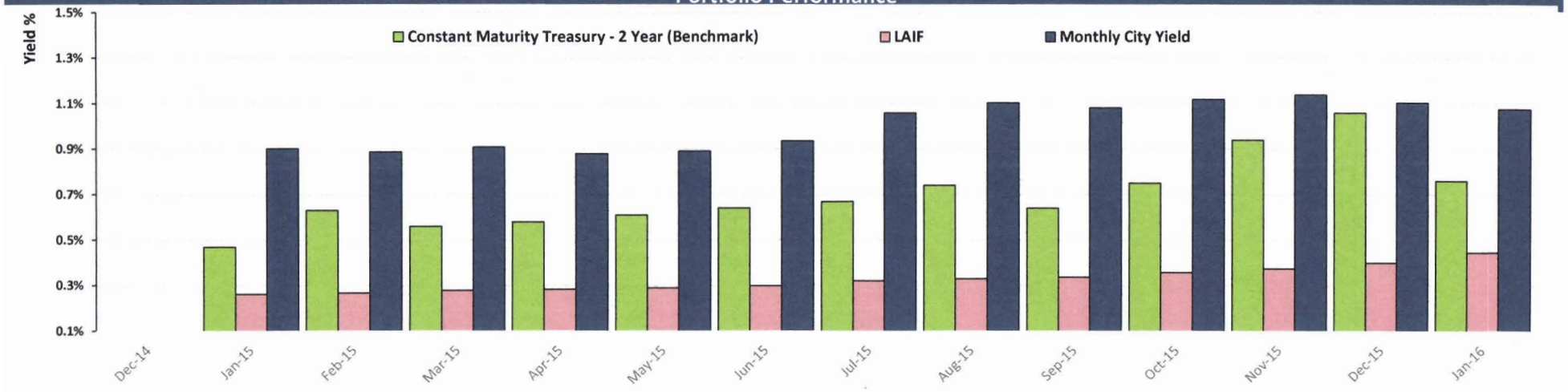
Maturities/Calls/Sales	Broker	Purchase Date	Description	Quality Rating	Maturity Date	Days Held/Days to Maturity	Coupon (%)	Yield (%)	Par Value ($)	Book Value ($)	Market Value ($)
Investment Number											
11085	VS	01/28/13	JP Morgan	FDIC	01/28/16	1095/1826	0.750%	0.625%	245,000	245,000	245,000
								0.625%	**$245,000**	**$245,000**	**$245,000**

UBOC	Beginning Balance	Coupon (%)	Yield (%)	Deposits ($)	Withdrawals ($)	Earned ($)	Ending Balance ($)
Money Market	302	0.446%	0.446%	620,702	621,004	-	0

LAIF	Beginning Balance	Coupon (%)	Yield (%)	Deposits ($)	Withdrawals ($)	Interest Earned ($)	Ending Balance ($)
City	27,700,000	0.446%	0.446%	22,517,408	28,717,408	17,407	21,500,000
TRAN Repayment	0	0.446%	0.446%	16,000,000	-	-	16,000,000
	$27,700,000			**$38,517,408**	**$28,717,408**	**$17,407**	**$37,500,000**

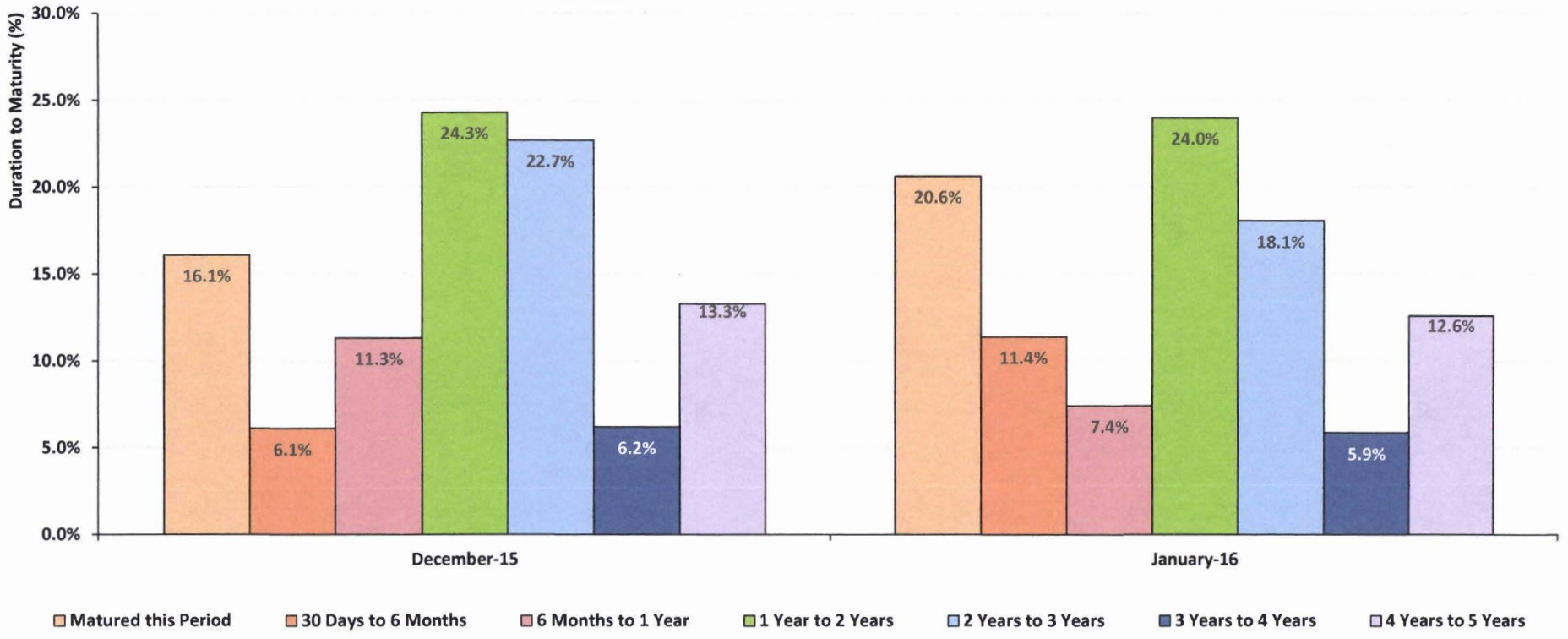
Investment Report
January 2016

Portfolio Performance



Portfolio Earnings Summary	January 31, 2016	Fiscal YTD
CD/Coupon/Discount Investments:		
Interest Collected	375,680.86	1,420,257.61
Plus Interest at End of Period	345,987.95	345,987.95
Less Accrued Interest at Beginning of Period	(525,079.14)	(477,021.86)
Interest Earned during this Period	**$196,589.67**	**$1,289,223.70**
Adjusted By Premiums and Discounts	(51,690.53)	(358,988.34)
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	**$144,899.14**	**$930,235.36**
Cash/Checking Accounts:		
Interest Collected	17,428.67	73,736.55
Plus Accrued Interest at End of Period	56,586.67	56,586.67
Less Interest at Beginning of Period	(64,975.20)	(81,381.15)
Interest Earned this Period	**$9,040.14**	**$48,942.07**
Total Interest Earned	**$205,629.81**	**$1,338,165.77**
Total Adjustments from Premiums and Discounts	(51,690.53)	(358,988.34)
Total Capital Gains or Loss	0.00	0.00
Total Earnings this Period	**$153,939.28**	**$979,177.43**

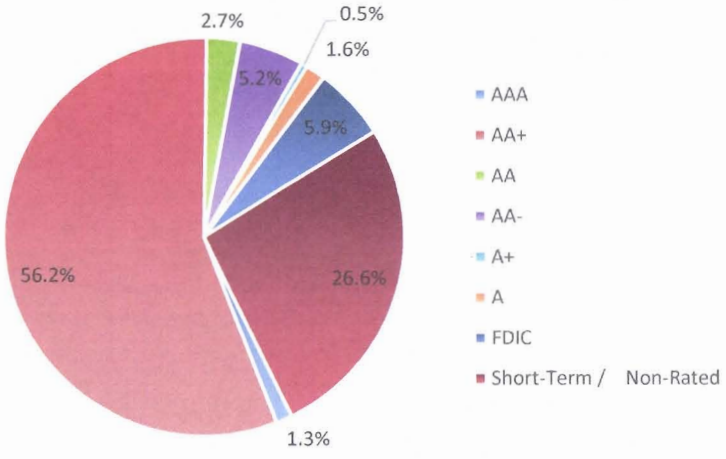
Maturity Distribution (Book Value)



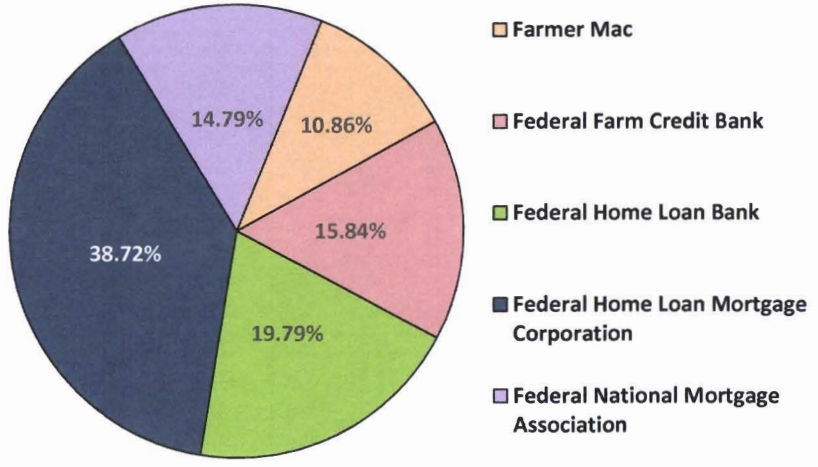
NOTE:*SB 564 passed in 1995, effective February 1, 1996, requires that local agencies submit a quarterly report to the legislative body containing detailed information on all securities, investments, and monies of the local agency. It also requires a statement of compliance of the portfolio with the 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.

Portfolio Distribution

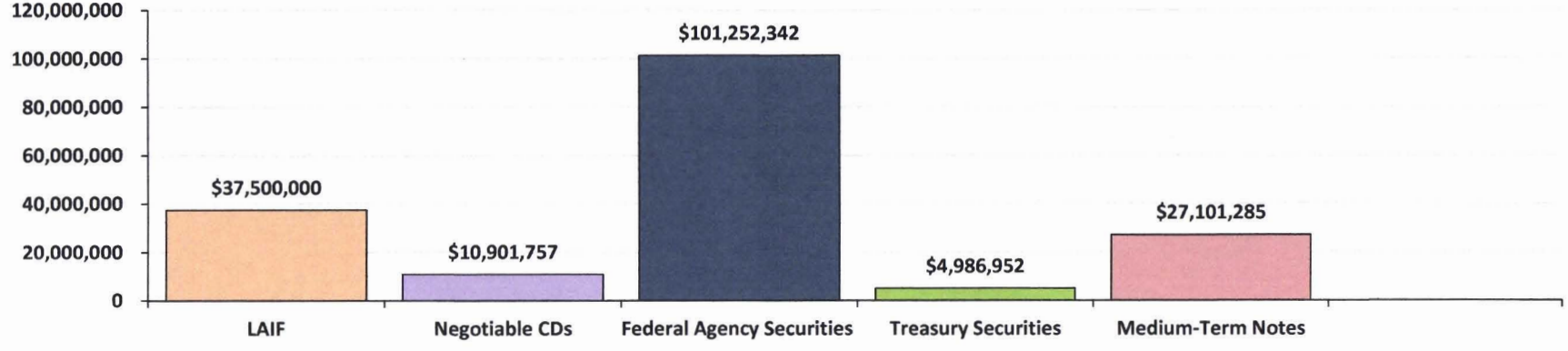
Assigned Credit Ratings of Investments *(Total Portfolio - MV)*



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



Portfolio Sectors *(Book Value)*



Investment Report
January 2016

Value of Portfolio per GASB 31

	Beginning Investment Value As of July 1, 2015	Purchase / Redemption of Principal	Change in Market Value	Ending Investment Value As of January 31, 2016
U.S. Treasury Securities	5,039,460	-	12,850	5,052,310
Federal Agency (Coupon)	106,168,850	(4,471,420)	(184,680)	101,512,750
Negotiable Certificate of Deposits	9,066,537	1,836,731	23,973	10,927,241
Medium-Term Notes	19,723,207	7,483,292	(60,772)	27,145,727
Municipal Bonds	-	-	-	-
Sub-total per GASB 31:	**$139,998,054**	**4,848,603**	**($208,629)**	**$144,638,028**
Non GASB				
Local Agency Investment Funds	50,000,000	(12,500,000)	-	37,500,000
Money Market	-	(0)	-	(0)
Federal Agency – Disc.	-	-	-	-
Treasury Security – Disc.	-	-	-	-
Certificate of Deposits -Disc.	-	-	-	-
Commercial paper	-	-	-	-
Sub-total Non-GASB:	**$50,000,000**	**($12,500,000)**	**$0**	**$37,500,000**
Total Portfolio:	**$189,998,054**	**($7,651,397)**	**($208,629)**	**$182,138,028**

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.

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.

Dana Cortez
City Treasuer

Investment Report for January 2016 reviewed by the Investment Advisory Committee

Dana Cortez
City Treasuer

LeRoy Jackson
City Manager

John Fellows, III
City Attorney

for **Eric E. Tsao**
Finance Director

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2016

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			21,500,000.00	21,500,000.00	21,500,000.00	0.446	LAIF	0.446	1	
SYS1000a	1000A	LAIF - TRANS FUNDS			16,000,000.00	16,000,000.00	16,000,000.00	0.446	LAIF	0.446	1	
		Subtotal and Average	**26,470,967.74**		**37,500,000.00**	**37,500,000.00**	**37,500,000.00**			**0.446**	**1**	
Money Market Sweep Account												
316175108S	1000	Union Bank of California			0.00	0.00	0.00		A-1	0.000	1	
		Subtotal and Average	**139,924.45**		**0.00**	**0.00**	**0.00**			**0.000**	**0**	
Federal Agency Issues - Coupon												
31315PWE5	11083	FARMER MAC		01/08/2013	3,000,000.00	3,008,730.00	3,000,000.00	0.930	IMP	0.935	707	01/08/2018
31315PNZ8	11086	FARMER MAC		01/30/2013	2,000,000.00	2,010,180.00	2,000,479.33	1.050	IMP	1.038	729	01/30/2018
31315PXM6	11097	FARMER MAC		05/02/2013	2,000,000.00	1,996,840.00	1,999,549.44	0.850	IMP	0.860	821	05/02/2018
31315PXF1	11099	FARMER MAC		05/02/2013	2,000,000.00	2,000,280.00	1,999,949.44	0.400	IMP	0.410	91	05/02/2016
3132X0AL5	11170	FARMER MAC		06/01/2015	1,000,000.00	1,002,010.00	1,000,000.00	1.100	IMP	1.100	851	06/01/2018
3132X0BG5	11181	FARMER MAC		07/15/2015	1,000,000.00	1,011,480.00	1,000,000.00	1.750	IMP	1.750	1,596	06/15/2020
31331VPV2	10954	FEDERAL FARM CREDIT BANK		04/01/2011	2,000,000.00	2,015,440.00	2,008,366.67	4.950	AA+	2.280	60	04/01/2016
3133EC5A8	11075	FEDERAL FARM CREDIT BANK		11/28/2012	2,000,000.00	1,996,300.00	2,000,000.00	0.870	AA+	0.870	665	11/27/2017
3133ECE26	11087	FEDERAL FARM CREDIT BANK		01/30/2013	1,000,000.00	1,000,050.00	1,000,000.00	0.940	AA+	1.022	729	01/30/2018
3133ED3Z3	11109	FEDERAL FARM CREDIT BANK		10/04/2013	3,000,000.00	3,018,840.00	3,000,000.00	1.230	AA+	1.230	611	10/04/2017
3133ED4Q2	11114	FEDERAL FARM CREDIT BANK		10/11/2013	1,000,000.00	1,010,570.00	1,000,000.00	1.480	AA+	1.480	861	06/11/2018
3133EDDV1	11119	FEDERAL FARM CREDIT BANK		01/23/2014	1,000,000.00	1,005,890.00	999,354.96	1.160	AA+	1.198	630	10/23/2017
3133EDEB4	11121	FEDERAL FARM CREDIT BANK		02/07/2014	3,000,000.00	3,011,460.00	3,007,013.29	1.100	AA+	0.931	513	06/28/2017
3133EDGW6	11128	FEDERAL FARM CREDIT BANK		03/11/2014	3,000,000.00	3,027,150.00	2,997,966.67	1.300	AA+	1.330	861	06/11/2018
313370TW8	11040	FEDERAL HOME LOAN BANK		07/25/2012	1,000,000.00	1,008,120.00	1,008,236.70	2.000	AA+	0.620	221	09/09/2016
313383AA9	11105	FEDERAL HOME LOAN BANK		06/12/2013	4,000,000.00	3,982,880.00	4,000,000.00	1.000	AA+	1.000	862	06/12/2018
3133834R9	11108	FEDERAL HOME LOAN BANK		05/24/2013	1,000,000.00	999,680.00	999,645.72	0.375	AA+	0.465	144	06/24/2016
313379VE6	11118	FEDERAL HOME LOAN BANK		01/14/2014	1,000,000.00	1,004,590.00	999,185.46	1.010	AA+	1.070	504	06/19/2017
313381GD1	11122	FEDERAL HOME LOAN BANK		02/20/2014	2,000,000.00	2,014,540.00	1,995,099.29	1.250	AA+	1.356	870	06/20/2018
313373SZ6	11123	FEDERAL HOME LOAN BANK		02/26/2014	2,000,000.00	2,012,000.00	2,012,085.92	2.125	AA+	0.428	130	06/10/2016
313375RN9	11124	FEDERAL HOME LOAN BANK		02/27/2014	2,000,000.00	2,001,420.00	2,001,408.17	1.000	AA+	0.363	39	03/11/2016
313380CP0	11161	FEDERAL HOME LOAN BANK		05/22/2015	1,000,000.00	999,690.00	994,164.78	1.240	AA+	1.420	1,222	06/07/2019
313383HU8	11172	FEDERAL HOME LOAN BANK		06/12/2015	2,000,000.00	2,035,160.00	1,997,905.33	1.750	AA+	1.775	1,593	06/12/2020
3130A5JY6	11174	FEDERAL HOME LOAN BANK		06/30/2015	2,000,000.00	2,007,480.00	2,000,000.00	1.000	AA+	2.174	1,611	06/30/2020
313379EE5	11189	FEDERAL HOME LOAN BANK		09/14/2015	2,000,000.00	2,028,500.00	2,016,640.56	1.625	AA+	1.371	1,229	06/14/2019
3137EADC0	11017	FEDERAL HOME LOAN MORTGAGE CO		01/30/2012	1,000,000.00	1,002,740.00	999,244.02	1.000	AA+	1.071	401	03/08/2017
3137EACT4	11034	FEDERAL HOME LOAN MORTGAGE CO		04/26/2012	1,000,000.00	1,006,310.00	1,005,344.99	2.500	AA+	0.810	116	05/27/2016

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3134G32L3	11079	FEDERAL HOME LOAN MORTGAGE CO		12/26/2012	2,000,000.00	1,997,820.00	2,000,000.00	0.850	AA+	0.850	694	12/26/2017
3137EADJ5	11095	FEDERAL HOME LOAN MORTGAGE CO		04/23/2013	3,000,000.00	3,010,410.00	3,014,976.53	1.000	AA+	0.660	543	07/28/2017
3137EAAG4	11096	FEDERAL HOME LOAN MORTGAGE CO		04/26/2013	5,000,000.00	5,113,800.00	5,116,907.19	5.500	AA+	0.420	168	07/18/2016
3137EADH9	11101	FEDERAL HOME LOAN MORTGAGE CO		05/13/2013	5,000,000.00	5,015,800.00	5,019,280.75	1.000	AA+	0.722	514	06/29/2017
3134G44N5	11102	FEDERAL HOME LOAN MORTGAGE CO		05/28/2013	2,000,000.00	1,996,200.00	2,000,000.00	0.750	AA+	0.750	666	11/28/2017
3137EAAG4	11107	FEDERAL HOME LOAN MORTGAGE CO		05/22/2013	4,000,000.00	4,091,040.00	4,092,896.69	5.500	AA+	0.452	168	07/18/2016
3137EADL0	11132	FEDERAL HOME LOAN MORTGAGE CO		04/23/2014	1,000,000.00	1,003,150.00	997,643.80	1.000	AA+	1.145	606	09/29/2017
3137EADS5	11135	FEDERAL HOME LOAN MORTGAGE CO		04/29/2014	2,000,000.00	2,003,340.00	2,003,396.20	0.875	AA+	0.631	256	10/14/2016
3137EADJ5	11139	FEDERAL HOME LOAN MORTGAGE CO		04/30/2014	2,000,000.00	2,006,940.00	1,999,742.53	1.000	AA+	1.009	543	07/28/2017
3137EADS5	11142	FEDERAL HOME LOAN MORTGAGE CO		04/30/2014	1,000,000.00	1,001,670.00	1,001,659.95	0.875	AA+	0.637	256	10/14/2016
3134G3XJ4	11155	FEDERAL HOME LOAN MORTGAGE CO		04/29/2015	1,000,000.00	1,012,400.00	1,006,932.06	1.500	AA+	1.290	1,242	06/27/2019
3134G6Z89	11166	FEDERAL HOME LOAN MORTGAGE CO		06/10/2015	1,000,000.00	1,001,910.00	1,000,000.00	1.000	AA+	2.124	1,591	06/10/2020
3134G6V42	11167	FEDERAL HOME LOAN MORTGAGE CO		06/29/2015	3,000,000.00	3,001,740.00	3,000,000.00	2.000	AA+	2.000	1,610	06/29/2020
3134G6N41	11169	FEDERAL HOME LOAN MORTGAGE CO		05/28/2015	1,000,000.00	1,000,570.00	1,000,000.00	1.250	AA+	2.032	1,577	05/27/2020
3134G3XJ4	11190	FEDERAL HOME LOAN MORTGAGE CO		09/25/2015	1,000,000.00	1,012,400.00	1,007,853.20	1.500	AA+	1.263	1,242	06/27/2019
3134G7J44	11195	FEDERAL HOME LOAN MORTGAGE CO		09/30/2015	1,000,000.00	1,000,130.00	1,000,000.00	1.800	AA+	1.800	1,703	09/30/2020
3134G7X89	11197	FEDERAL HOME LOAN MORTGAGE CO		10/29/2015	2,000,000.00	2,001,600.00	2,001,304.59	1.400	AA+	1.381	1,274	07/29/2019
3135G0PQ0	11100	FEDERAL NATIONAL MORT ASSOC		04/26/2013	3,000,000.00	3,003,720.00	3,007,928.24	0.875	AA+	0.720	633	10/26/2017
3136G1LZ0	11103	FEDERAL NATIONAL MORT ASSOC		05/28/2013	2,000,000.00	1,996,760.00	2,000,000.00	0.750	AA+	0.750	666	11/28/2017
3135G0WJ8	11117	FEDERAL NATIONAL MORT ASSOC		01/14/2014	1,000,000.00	998,670.00	984,321.63	0.875	AA+	1.581	840	05/21/2018
3135G0WJ8	11120	FEDERAL NATIONAL MORT ASSOC		01/31/2014	2,000,000.00	1,997,340.00	1,975,678.32	0.875	AA+	1.421	840	05/21/2018
3135G0WJ8	11125	FEDERAL NATIONAL MORT ASSOC		03/03/2014	2,000,000.00	1,997,340.00	1,980,097.50	0.875	AA+	1.320	840	05/21/2018
3135G0YT4	11133	FEDERAL NATIONAL MORT ASSOC		04/23/2014	1,000,000.00	1,017,360.00	998,101.91	1.625	AA+	1.695	1,030	11/27/2018
3135G0CM3	11136	FEDERAL NATIONAL MORT ASSOC		04/29/2014	1,000,000.00	1,004,240.00	1,004,172.73	1.250	AA+	0.610	240	09/28/2016
3135G0PQ0	11140	FEDERAL NATIONAL MORT ASSOC		04/30/2014	1,000,000.00	1,001,240.00	995,899.68	0.875	AA+	1.116	633	10/26/2017
3135G0GY3	11141	FEDERAL NATIONAL MORT ASSOC		04/30/2014	1,000,000.00	1,005,590.00	1,004,717.77	1.250	AA+	0.771	364	01/30/2017
3135G0PQ0	11150	FEDERAL NATIONAL MORT ASSOC		06/30/2014	1,000,000.00	1,001,240.00	997,190.15	0.875	AA+	1.040	633	10/26/2017
		Subtotal and Average	**101,275,736.31**		**101,000,000.00**	**101,512,750.00**	**101,252,342.16**			**1.049**	**696**	
Treasury Securities - Coupon												
912828WD8	11137	U.S.TREASURY NOTE		04/29/2014	2,000,000.00	2,016,100.00	1,982,861.86	1.250	AA+	1.575	1,003	10/31/2018
912828VK3	11143	U.S.TREASURY NOTE		05/09/2014	3,000,000.00	3,036,210.00	3,004,089.56	1.375	AA+	1.317	880	06/30/2018
		Subtotal and Average	**4,986,764.82**		**5,000,000.00**	**5,052,310.00**	**4,986,951.42**			**1.419**	**929**	

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Medium Term Notes												
88579YAE1	11104	3M Company		05/23/2013	1,080,000.00	1,082,181.60	1,082,017.94	1.000	AA-	0.864	511	06/26/2017
88579YAE1	11145	3M Company		05/14/2014	1,000,000.00	1,002,020.00	1,001,102.86	1.000	AA-	0.920	511	06/26/2017
037833AJ9	11193	Apple Inc		09/30/2015	2,500,000.00	2,487,550.00	2,491,122.83	1.000	AA+	1.160	822	05/03/2018
037833AX8	11198	Apple Inc		10/30/2015	2,000,000.00	1,986,040.00	1,996,895.38	1.550	AA+	1.590	1,467	02/07/2020
06738KXV8	10989	Barclays Bank		10/28/2011	3,000,000.00	3,003,750.00	3,000,000.00	2.500	A	3.287	270	10/28/2016
06366RHA6	11056	Bank of Montreal		09/11/2012	1,000,000.00	1,002,050.00	1,000,418.89	1.400	A+	1.373	588	09/11/2017
166764AN0	11156	Chevron Corp		04/28/2015	1,000,000.00	1,003,270.00	1,022,747.22	2.193	AA	1.569	1,383	11/15/2019
166764AG5	11182	Chevron Corp		07/31/2015	2,000,000.00	2,001,080.00	2,025,460.96	2.427	AA	2.120	1,605	06/24/2020
19416QED8	11116	Colgate Palmolive Co		11/01/2013	2,000,000.00	2,018,820.00	1,997,393.00	1.500	AA-	1.549	1,004	11/01/2018
36962G5N0	11011	General Electric Capital Corp		01/10/2012	2,000,000.00	2,034,220.00	2,000,563.65	2.900	AA+	2.868	343	01/09/2017
459200GX3	11144	IBM		05/13/2014	1,000,000.00	1,005,690.00	1,006,696.96	1.950	AA	0.530	172	07/22/2016
459200HM6	11183	IBM		08/18/2015	2,000,000.00	1,967,520.00	1,965,447.69	1.625	AA-	2.050	1,565	05/15/2020
594918BG8	11199	MicroSoft Corp		11/05/2015	2,000,000.00	2,019,460.00	2,003,925.12	2.000	AAA	1.944	1,737	11/03/2020
78010UD20	11147	Royal Bank of CAnada		06/16/2014	1,000,000.00	999,420.00	1,000,825.00	1.250	AA	1.189	501	06/16/2017
89114QBC1	11201	Toronto Dominion Bank		12/14/2015	1,000,000.00	1,007,770.00	1,000,000.00	2.500	AA-	2.473	1,778	12/14/2020
89233P5S1	11015	Toyota Motor Credit Corp		01/13/2012	1,000,000.00	1,008,790.00	1,000,807.48	2.050	AA-	1.960	346	01/12/2017
89236TAY1	11131	Toyota Motor Credit Corp		04/11/2014	1,500,000.00	1,516,095.00	1,505,860.08	2.000	AA-	1.850	996	10/24/2018
		Subtotal and Average	**27,102,252.28**		**27,080,000.00**	**27,145,726.60**	**27,101,285.06**			**1.873**	**947**	
Negotiable CD												
31938QP24	11186	First Business Bank		09/16/2015	161,000.00	162,131.83	161,000.00	1.700	FDIC	1.701	1,323	09/16/2019
33764JHM0	11052	First Bank of P R #30387		08/01/2012	245,000.00	245,987.35	245,000.00	1.250	FDIC	1.251	182	08/01/2016
330459AE8	11110	1st Nat'l Bank Kentucky #2759		10/03/2013	245,000.00	245,267.05	245,000.00	0.900	FDIC	0.901	245	10/03/2016
32110YFW0	11163	First National Bank of America		05/29/2015	245,000.00	244,426.70	245,000.00	1.600	FDIC	0.000	1,579	05/29/2020
32112UBX8	11192	First National Bank of Texas		09/30/2015	247,000.00	248,444.95	247,000.00	1.400	FDIC	1.400	1,155	04/01/2019
33648FJN6	11127	First State Bank West Virginia		03/11/2014	245,000.00	244,987.75	245,000.00	0.450	FDIC	0.451	39	03/11/2016
88413QBG2	11168	Third Federal Savings and Loan		05/28/2015	245,000.00	243,995.50	245,000.00	1.300	FDIC	1.303	1,031	11/28/2018
02587CAW0	11152	American Express		08/21/2014	245,000.00	247,616.60	245,000.00	2.100	FDIC	2.101	1,297	08/21/2019
02006LUH4	11194	Ally Bank		09/30/2015	245,000.00	245,877.10	245,000.00	1.700	FDIC	1.465	973	10/01/2018
02587DXP8	11158	American Express Cent #27471		04/30/2015	245,000.00	244,992.65	245,000.00	1.950	FDIC	1.952	1,550	04/30/2020
06740AYC7	11090	Barclays Bank		03/12/2013	245,000.00	245,389.31	245,000.00	1.250	FDIC	1.200	770	03/12/2018
06251AK58	11196	Bank Hapoalim BM NY		10/29/2015	245,000.00	245,933.45	245,000.00	1.650	FDIC	1.651	1,366	10/29/2019
05580ACP7	11184	BMW Bank of No America #35141		08/14/2015	245,000.00	247,548.00	245,000.00	2.250	FDIC	2.253	1,656	08/14/2020
060624XH1	11091	Bank of Baroda #33681		03/08/2013	245,000.00	245,291.55	245,000.00	1.250	FDIC	1.251	766	03/08/2018
14042E4P2	11178	Capital One#4297		07/15/2015	245,000.00	246,631.70	245,000.00	2.300	FDIC	2.303	1,626	07/15/2020
140420TE0	11176	Capital One Bank USA #33954		07/08/2015	247,000.00	250,240.64	247,000.00	2.350	FDIC	2.353	1,619	07/08/2020

City of Torrance
Portfolio Management
Portfolio Details - Investments
January 31, 2016

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	Days to Maturity	Maturity Date
Negotiable CD												
149159HR9	11094	Cathay Bank #18503		04/12/2013	245,000.00	242,991.00	245,000.00	1.000	FDIC	1.001	801	04/12/2018
17284CBZ6	11093	CIT Bank		04/17/2013	245,000.00	245,073.50	245,000.00	1.150	FDIC	1.151	806	04/17/2018
20033AAU0	11084	Comenity Capital Bank		01/18/2013	245,000.00	244,781.95	245,000.00	0.750	FDIC	0.750	352	01/18/2017
20451PLA2	11164	COMPASS BANK		05/29/2015	245,000.00	243,931.80	245,000.00	1.300	FDIC	1.301	848	05/29/2018
20786ABD6	11165	CONNECTONE BANK		06/05/2015	245,000.00	244,088.60	245,000.00	1.500	FDIC	1.501	1,220	06/05/2019
225645CZ1	11126	Crescent Bank & Trust		03/05/2014	245,000.00	246,523.90	245,000.00	1.500	FDIC	1.500	939	08/28/2018
23204HBD9	11146	Customer Bank #34444		05/28/2014	245,000.00	245,298.90	245,000.00	0.800	FDIC	0.802	301	11/28/2016
254672NC8	11160	Discover Bank #5649		05/06/2015	245,000.00	244,960.80	245,000.00	1.900	FDIC	1.902	1,556	05/06/2020
29976DZD5	11177	EverBank #34775		07/14/2015	245,000.00	246,648.85	245,000.00	2.000	FDIC	2.002	1,625	07/14/2020
307660HE3	11113	Farm Bureau Bank #35157		10/15/2013	245,000.00	245,803.60	245,000.00	0.900	FDIC	0.000	256	10/14/2016
308862DD0	11134	Farmers & Merchants Bk #16810		04/25/2014	245,000.00	244,367.90	245,000.00	1.450	FDIC	1.452	967	09/25/2018
38148JSU6	11159	Goldman Sachs Bank #33124		05/06/2015	245,000.00	243,966.10	245,000.00	1.900	FDIC	1.902	1,556	05/06/2020
383052DH7	11191	Gorham Bank		10/14/2015	247,000.00	248,373.32	247,000.00	1.350	FDIC	1.350	1,169	04/15/2019
45083AEJ7	11154	Iberia Bank		04/16/2015	245,000.00	243,493.25	245,000.00	1.100	FDIC	1.101	805	04/16/2018
485836FB1	11129	Katahdin Trust Co CD		03/28/2014	245,000.00	245,000.00	245,000.00	1.250	FDIC	1.054	1,151	03/28/2019
564759QS0	11162	Manufacturers & Traders Trust		05/27/2015	245,000.00	243,929.35	245,000.00	1.050	FDIC	1.051	848	05/29/2018
58403BY42	11179	Medallion Bank Salt Lake City		07/21/2015	245,000.00	245,796.25	245,000.00	1.900	FDIC	1.901	1,267	07/22/2019
59013JJE0	11187	Merrick Bank		09/21/2015	245,000.00	246,624.35	245,000.00	1.600	FDIC	1.601	1,327	09/20/2019
55406JAK8	11185	M Y SAFRA Bank		09/11/2015	245,000.00	247,241.75	244,757.36	1.600	FDIC	1.630	1,292	08/16/2019
628825JK8	11151	NCB FSB #32612		07/16/2014	245,000.00	244,955.90	245,000.00	1.000	FDIC	0.861	532	07/17/2017
63970QFD3	11188	Nebraskaland National Bank		09/25/2015	245,000.00	246,685.60	245,000.00	1.500	FDIC	1.501	1,332	09/25/2019
70153RHF8	11130	Parkway Bank #19008		04/10/2014	245,000.00	244,992.65	245,000.00	0.500	FDIC	0.502	70	04/11/2016
71270QLZ7	11153	Peoples United Bank		02/04/2015	245,000.00	247,146.20	245,000.00	1.750	FDIC	1.751	1,464	02/04/2020
74267GTZ0	11112	Private Bank & Trust Co #33306		10/04/2013	245,000.00	245,737.45	245,000.00	1.000	FDIC	1.001	246	10/04/2016
795450XG5	11200	Sallie Mae Bank		12/09/2015	245,000.00	245,867.30	245,000.00	2.200	FDIC	2.202	1,773	12/09/2020
856283UK0	11098	STATE BANK of INDIA		05/14/2013	245,000.00	244,968.15	245,000.00	1.150	FDIC	0.000	833	05/14/2018
87164YGD0	11157	Synchrony Bank Retail		04/28/2015	245,000.00	245,085.75	245,000.00	1.900	FDIC	1.902	1,533	04/13/2020
94768NJD7	11081	Webster Bank #18221		12/12/2012	245,000.00	246,813.00	245,000.00	1.000	FDIC	1.001	680	12/12/2017
981571BP6	11180	WORLD FOREMOST BANK		07/16/2015	200,000.00	201,332.00	200,000.00	2.400	FDIC	2.403	1,627	07/16/2020
		Subtotal and Average	**11,123,044.86**		**10,902,000.00**	**10,927,241.30**	**10,901,757.36**			**1.362**	**1,025**	
		Total and Average	**171,098,690.47**		**181,482,000.00**	**182,138,027.90**	**181,742,336.00**			**1.076**	**616**	

City of Torrance
Portfolio Management
Portfolio Details - Cash
January 31, 2016

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	171,098,690.47		181,482,000.00	182,145,493.61	181,749,801.71			1.076	616

CITY OF TORRANCE
FISCAL AGENT FOR SUCCESSOR RDA
RESTRICTED
CASH BALANCE REPORT
January 31, 2016

		Book Value
Bank of America City of Torrance Successor RDA Agency Account # xx-046		598.35
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		640,001.09
TOTAL	**$**	**640,599.44**

CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: 2/18/16

TO: Dana Cortez, City Treasurer

FROM: Eric E. Tsao, Finance Director ETsao

SUBJECT: Cash & Investments Report for January 2016

CASH AND INVESTMENTS RECONCILIATION
AS OF JANUARY 31, 2016 (PRE-CLOSE)

INVESTMENTS PER PORTFOLIO SUMMARY		$ 181,742,336.00
Cash in Bank of America General Account	$ 751,770.42	
Cash in Bank of America Housing Account	2,277,591.41	
		3,029,361.83
TOTAL FUNDS PER INVESTMENT REPORT		**$ 184,771,697.83**
OUTSTANDING WARRANTS:		
General Account	$ (1,552,452.94)	
Payroll Account	(122,435.23)	
Workers' Compensation Account	(172,695.10)	
Housing Account	(12,295.00)	
		(1,859,878.27)
DEPOSITS IN TRANSIT:		
January 2016 Deposits in transit	$ 12,841.25	
January 2016 Global Water cash collection	93,441.22	
		106,282.47
MISCELLANEOUS OUTSTANDING ADJUSTMENTS:		
IVR & Parking Web credit card receipts will be interfaced in February 2016	$ (38.76)	
10/08/15 Union Bank Money Market Investment No. 11073 - transaction interfaced on 02/10/16	245,000.00	
10/15/15 Union Bank MMA deposit interface error - correction interfaced on 02/10/16	18.27	
10/22/15 Union Bank interface error Investment No. 11189 - transaction interfaced on 02/10/16	(26,645.00)	
10/22/15 M Y SAFRA Investment No. 11185 interface error - transaction interfaced on 02/10/16	(244,730.50)	
10/22/15 Union Bank interface error Investment No. 11190 - transaction interfaced on 02/10/16	(8,660.30)	
01/11/16 California Employer's retiree benefit trust (CERBT)	7,000,000.00	
01/29/16 CA Vault deposit - transaction interfaced on 02/01/16	(6,120.53)	
01/29/16 LAIF wire to Bank of America - transaction interfaced on 02/10/16	(22,430.09)	
01/29/16 Union Bank interface error Investment No. 11053 - correction interfaced on 02/10/16	245,000.00	
01/15/16 LAIF - transaction interfaced on 02/10/16	(17,407.50)	
01/26/16 Union Bank Investment No. 11085 - pending interface from Treasurer's Office	(926.30)	
		7,163,059.29
TOTAL CASH AND INVESTMENTS PER BOOKS		**$ 190,181,161.32**