

TO: Financial Commission
FROM: Russell J. Morreale, Staff Liaison
SUBJECT: Investment Portfolio Update

RECOMMENDATION:

Accept the presentation of Investment Portfolio through September 30, 2013

BACKGROUND

The Financial Commission periodically reviews quarterly updates of the City's investment portfolio performance as a precursor to its delivery to City Council.

DISCUSSION

The attached internal report presents an update through September 30, 2013 bringing the Commission up to date on the latest quarter of reporting. This report will be augmented by a portfolio presentation to be provided by the City's investment consultant, Carlos Oblites of PFM as a basis for discussion and questions. In this presentation PFM will provide a market update and illustrate the investments in place and made to date as well as a discussion of a forward looking posture.

Attachments:

- A. City Wide Holdings and Investment Ladder September 30, 2013

Attachment A

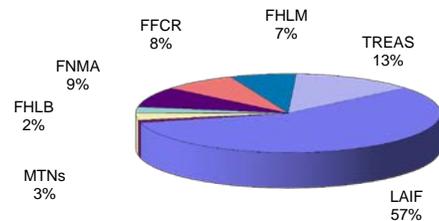
City Wide Holdings and Investment Ladder
September 30, 2013

Attachments A
Citywide Holdings and Investment Ladder
September 30, 2013

30-Sep-13

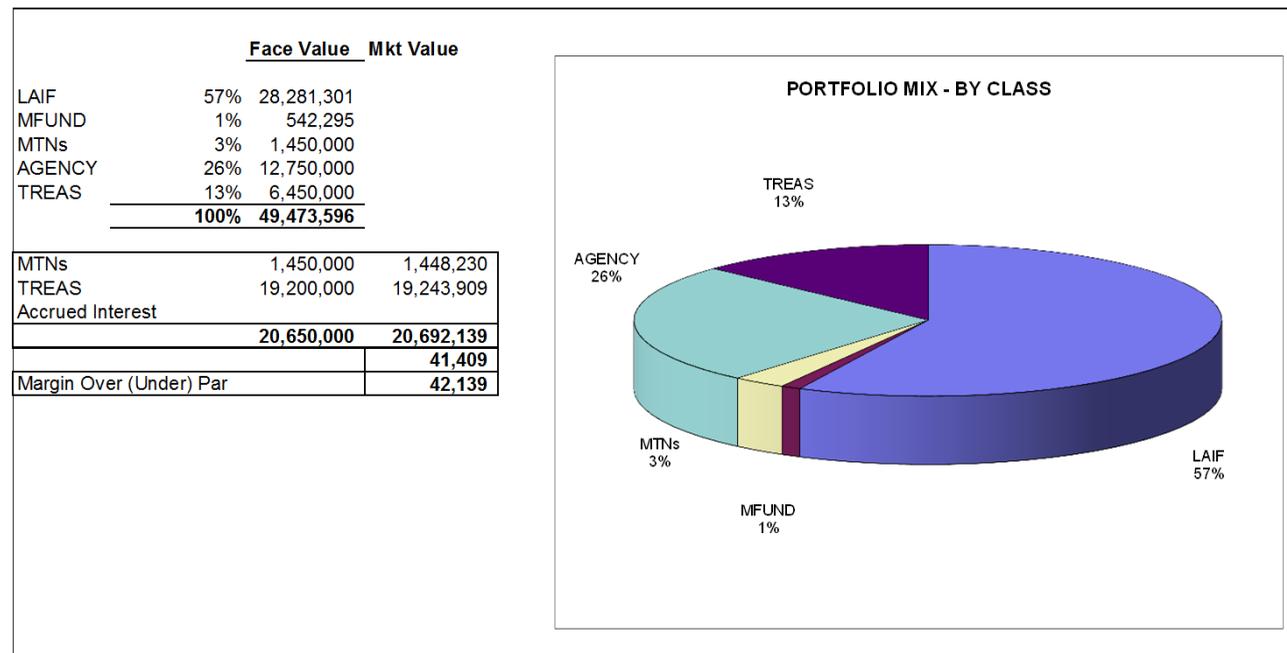
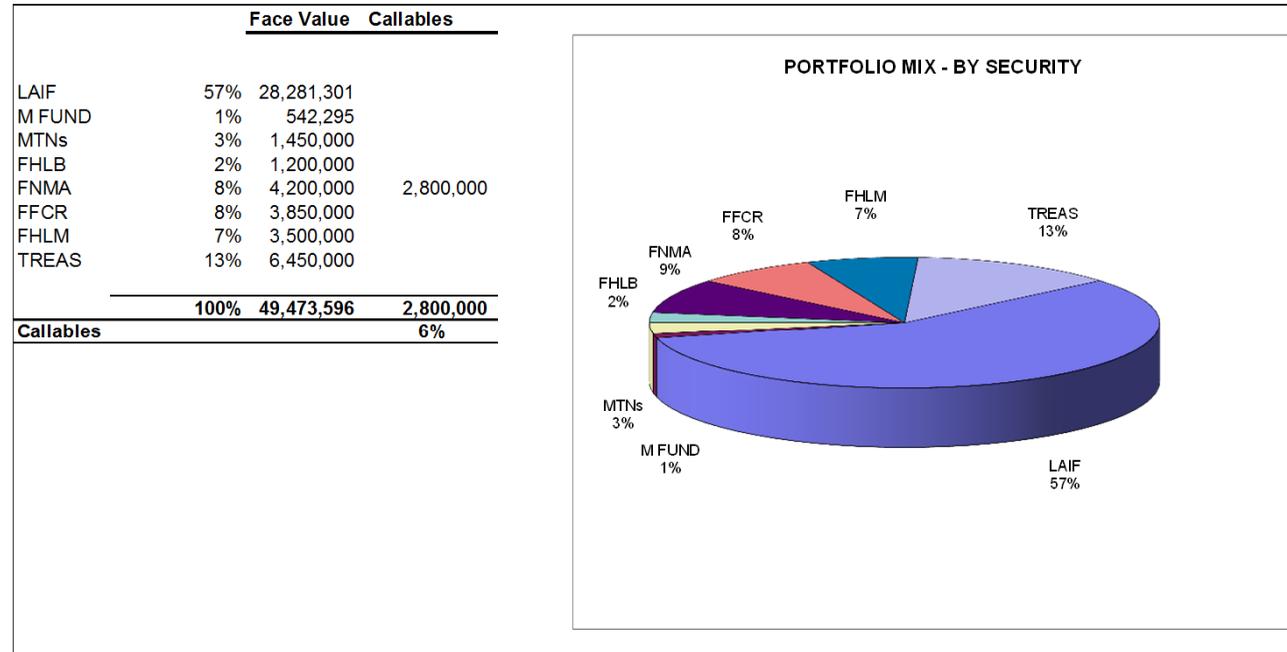
Month	2013				2014				2015				2016				
	YTM	Sec	Call Date	Amount	YTM	Sec	Call Date	Amount	YTM	Sec	Call Date	Amount	YTM	Sec	Call Date	Amount	
LAIF	0.26%			28,281,301													
MMKT	0.01%			542,295													
Jan													1/15/2016	0.36%	UT	300,000	
Feb													3/30/2016	0.52%	FNMA	750,000	
Mar								7/2/2015	0.61%	FNMA	900,000	4/25/2016	0.55%	FNMA	10/25/13	650,000	
Apr													4/11/2016	0.52%	Wmart	800,000	
May													5/13/2016	0.41%	FHLMC	500,000	
Jun													5/13/2016	0.72%	FHLMC	2,000,000	
Jul								7/15/2015	0.38%	UT	750,000	6/24/2016	0.77%	FHLB	1,200,000		
Aug								7/15/2015	0.40%	UT	1,000,000	7/15/2016	0.59%	UT	350,000		
Sep								8/7/2015	0.51%	FNMA	08/07/13	1,150,000					
Oct								9/8/2015	0.59%	FHLMC	11/07/13	1,000,000					
Nov					10/15/2014	0.49%	UT	1,700,000	10/9/2015	0.78%	CP GE	650,000					
Dec	12/15/2013	1.19%	UT	750,000	11/10/2014	0.67%	FFCB	1,000,000	11/16/2015	0.45%	FFCB	1,600,000					
					12/31/2014	0.53%	UT	1,600,000	12/21/2015	0.40%	FNMA	750,000					
								12/28/2015	0.41%	FFCB	1,250,000						
Total				\$750,000				\$4,300,000				\$9,050,000				\$6,550,000	
Count/Percent	1		0	5.32%	3		0	30.50%	9		2	64.18%	8		1	46.45%	
Avg YTM/Days		1.19%		76		0.56%		414		0.50%		720		0.56%		943	
Total Face Value				\$ 750,000				\$ 5,050,000				\$ 14,100,000				\$ 20,650,000	

PORTFOLIO MIX - BY SECURITY



	No of Inv	Ladder Yield	Spread Over LAIF	%	Avg Mat	# of Callables	Face Value
LAIF	1	0.260%	0.000%	57%	0	0	28,281,301
\$ Mkt Fund	0	0.010%	-0.250%	1%	0	0	542,295
2010	0	0.000%		0%	0	0	0
2013	1	1.190%	0.930%	2%	1	0	750,000
2014	3	0.563%	0.303%	9%	36	0	4,300,000
2015	9	0.504%	0.244%	18%	132	2	9,050,000
2016	8	0.555%	0.295%	13%	125	1	6,550,000
	22	0.38%	0.44%	100%	294	3	\$49,473,596
						6%	

Portfolio Mix Charts -September 30, 2013



Investment Policy Compliance Chart - September 30, 2013

City Investment	% Mix	Par Value	Latest Term	City Policy \$ Limitation	City Policy % Limitation	CAPACITY	\$ Compliance Yes/No	% Compliance Yes/No	Term Compliance Yes/No
LAIF	57%	28,281,301	04/29/10	50,000,000	100%	21,718,699	Yes	Yes	Yes
M FUND	1%	542,295	08/03/12						
MTNs	3%	1,450,000	01/00/00		15%	5,971,039	Yes	Yes	Yes
FHLB	2%	1,200,000	10/29/12		20%	8,694,719	Yes	Yes	Yes
FNMA	8%	4,200,000	04/05/12		20%	5,694,719	Yes	Yes	Yes
FFCB	8%	3,850,000	01/00/00		20%	6,044,719	Yes	Yes	Yes
FHLM	7%	3,500,000	12/05/11		20%	6,394,719	Yes	Yes	Yes
All Agencies	26%				100%		Yes	Yes	
TREAS	13%	6,450,000	08/05/12		100%	43,023,596	Yes	Yes	Yes
	100%	49,473,596							
All Agencies		26%	12,750,000		100%	36,723,596		Yes	
Callables		6%	2,800,000		35%	14,515,759		Yes	