



DATE: Monday, September 18, 2017

AGENDA ITEM #4

TO: Financial Commission
FROM: Sharif Etman, Staff Liaison
SUBJECT: Receive the Investment Portfolio Report Quarter Ended March 31 and June 30, 2017

BACKGROUND

This report presents the status of the City's investment portfolio for June 30, 2017. The reporting model has been developed in coordination with PFM Asset Management LLC (PFM).

DISCUSSION

The City's portfolio book value, excluding operating cash and bond holding as of June 30, 2017, was \$72,577,755.

As of June 30, 2017, 27% of the City's portfolio was placed in Federal Agency Securities (Fannie Mae, Federal Home Loan Bank, Federal Home Loan Mortgage and Federal Farm Credit), 25% in U. S. Treasuries, and 11% in medium-term Corporate Notes and Commercial Paper, with the balance of 29% in LAIF. This portfolio mix is illustrated as part of Attachment 1.

Full compliance with the City's Investment Policy is monitored closely and on a per trade basis as illustrated in Attachment 3.

As part of these quarterly updates, a status report is prepared by PFM which is included as Attachment 4: Investment Performance Review for the Quarter Ended June 30, 2017. It is important to note that this report highlights the performance of City investments that fall outside its liquid holdings with LAIF. This has been intentionally crafted to isolate the performance of the City's independently managed investments. The total return of the portfolio since inception is 0.79%, which is highlighted on page 9 of the PFM Investment Review Report of Attachment 3.

Attachments:

1. Portfolio Mix Charts
2. Investment Performance Review Quarter Ended March 31, 2017
3. Investment Performance Review Quarter Ended June 30, 2017