

# City of Alameda, California

## Quarterly Investment Report





# City of Alameda

## Staff Report

File Number:2014-412

City Council

**Agenda Date:** 6/17/2014

**File Type:** Consent Calendar Item

**Agenda Number:** 5-C

Recommendation to Accept the Treasury Report for the Quarter Ended March 31, 2014. (Finance 2410)  
To: Honorable Mayor and Members of the City Council

From: John A. Russo, City Manager

Re: Accept the Treasury Report for the Quarter Ended March 31, 2014

### BACKGROUND

Each fiscal quarter, an Investment Summary Report is provided to the City Council for review, per City policy. Attached is the Treasury Report for the fiscal quarter ending March 31, 2014, which includes detailed information on the City's investments.

### DISCUSSION

The investment report includes all cash and investments available as summarized in the six categories listed below as of March 31, 2014. The investment portfolio's effective yield of .80% (before adjustments for changes in market value) compares favorably with the two-year rate for U.S. Treasury bills, which was .45% as of March 31, 2014.

Investment Type	Market Value	Amount Over (Under) Cost	Average Length of Duration	Effective Yield
Cash on Hand	\$ 9,575	\$ -	1	0.00%
Cash on Deposit	15,032,733	-	1	0.01%
Investments with Bond Trustees	22,683,039	-	17	0.02%
<b>Cash on Hand and with Trustees</b>	<b>37,725,347</b>	<b>-</b>	<b>3</b>	<b>0.02%</b>
Certificates of Deposit	6,660,469	3,802	277	0.00%
Federal/Agency Issues	50,404,154	(211,741)	1,005	0.95%
Medium Term Notes - Commercial Paper	28,843,882	(106,852)	731	1.20%
Local Agency Investment Fund	27,010,281	171	239	0.27%
<b>Total Investment Portfolio</b>	<b>\$ 112,918,786</b>	<b>\$ (314,620)</b>	<b>526</b>	<b>0.80%</b>
<b>Total Portfolio</b>	<b>\$ 150,644,133</b>	<b>\$ (314,620)</b>		

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The investments in Government Treasuries/Agencies and Corporate Bonds are managed by PFM Asset Management and Chandler Asset Management, the City's two registered investment advisors. PFM is responsible for managing investments ranging from one to three years, and Chandler manages investments ranging from one to five years, all of which have been made in accordance with the City's investment policy. These advisors invested approximately 70% of their investments in U.S. treasuries and agency notes and 30% in Corporate Notes and Commercial Paper. Most of their investments were rated either AA or AAA by independent rating firms, with none having a rating below an A-.

As of March 31, 2014, approximately 60% of the State's Local Agency Investment Fund (LAIF) investments were in U.S. treasuries and agency notes, 18% in CDs, and 22% in other types of investments. Additional economic summary and specific information related to each of the investment advisors and LAIF is included in the Quarterly Investment Report, attached to this report.

Governmental Accounting Standards Board Statement 40 requires the City to recognize the fair market value of its investments at the end of each fiscal year. The market values of investments included in this report are obtained from the State Controller's office for LAIF and from the City's registered investment advisors and bond trustees for longer term investments and for funds held with fiscal agents. These market valuations are subject to daily changes in market value. The change in market values is considered to be temporary in nature, as it is the City's general intention to hold its investments until maturity, when they would be redeemed at cost.

Of the total cash and investments reported above, only the portions held in the City's General Fund (approximately \$20 million, or 13%) and Internal Service Funds (approximately \$17 million, or 11%) are unrestricted, although a portion of these amounts may be committed for existing obligations or designated for specific purposes. The remaining \$114 million (76%) of the City's cash and investments are restricted for specific uses, in accordance with federal, State or local agency rules and regulations.

#### FINANCIAL IMPACT

The City's expenditure requirements for the next three months are covered by anticipated revenues from City operations and liquidity from maturing investments. The difference between market value and cost as of June 30, 2014 will be reflected in the City's financial statements for Fiscal Year 2013-14 as an adjustment to interest income for each of the City's funds on a pro rata basis.

#### MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

All investments were made in accordance with the provisions of the City's approved Investment Policy. The policy emphasizes safety, liquidity and diversification.

#### ENVIRONMENTAL REVIEW

This activity is not a project and is exempt from the California Environmental Quality Act (CEQA) pursuant to section 15378 (b)(4) of the CEQA Guidelines, because it involves governmental fiscal activities (acceptance of the Treasury report), which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

#### RECOMMENDATION

Accept the Treasury Report for the quarter ending March 31, 2014.

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City Council

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Respectfully submitted,  
Fred Marsh, Finance Director

By,  
Brad Farmer, Finance Supervisor

Exhibit:

1. Investment Portfolio

cc: Kevin Kennedy, City Treasurer



**City of Alameda  
Administrative Services - Finance Division  
2263 Santa Clara Avenue, Room 220  
Alameda, California 94501  
(510) 747-4881**

June 3, 2014

Honorable Mayor and City Council:

I have reviewed the City of Alameda's Treasury Report for the quarter ending March 31, 2014, and find that it complies with the Investment Policy established by my office.

Sincerely,



Kevin Kennedy  
City Treasurer



**City of Alameda - Details on Investment Portfolio Summary Report  
For the Quarter Ended March 31, 2014**

DESCRIPTION	BOOK VALUE	RATE	YIELD	PURCHASE DATE	MATURITY DATE	LIFE TO MATURITY DAYS	REMAINING LIFE DAYS	Call Date	S&P RATING	PAR VALUE	MARKET VALUE
<b>CASH ON HAND</b>											
PETTY CASH	\$ 4,830									\$ 4,830	\$ 4,830
CHANGE BOXES	4,745									4,745	4,745
TOTAL	\$ 9,575									\$ 9,575	\$ 9,575
<b>1. CASH IN BANK</b>											
WELLS FARGO GENERAL CHECKING	\$ 13,275,386	0.000%	0.000%							\$ 13,275,385	\$ 13,275,385
BANK OF ALAMEDA TIDELANDS PM REALTY(OPERATING)	806,728	0.000%	0.000%							806,728	806,728
BANK OF ALAMEDA GARAGE LOAN REPAYMENT ACCOUNT	11,457	0.000%	0.000%							11,457	11,457
BANK OF ALAMEDA FISC PM REALTY(BUSINESS)	248,102	0.100%	0.100%							248,102	248,102
BANK OF ALAMEDA FISC PM REALTY(OPERATING)	134,988	0.000%	0.000%							134,988	134,988
BANK OF ALAMEDA ALAMEDA POINT RENTAL G & L CHECKING	10,735	0.040%	0.040%							10,735	10,735
BANK OF ALAMEDA ALAMEDA POINT PM REALITY (BUSINESS)	23,115	0.120%	0.180%							23,115	23,115
BANK OF ALAMEDA ALAMEDA POINT PM REALITY (OPERATING)	285,391	0.250%	0.250%							285,391	285,391
OSHKOSH 701-10507 LEASE ESCROW	51,887	0.000%	0.000%							51,887	51,887
OSHKOSH 701-10509 LEASE ESCROW	140,014	0.000%	0.000%							140,014	140,014
ABAG - DEPOSIT 001-10058	44,931	0.000%	0.000%							44,931	44,931
TOTAL	\$ 15,032,734	0.069%	0.075%							\$ 15,032,733	\$ 15,032,733
<b>2. CERTIFICATES OF DEPOSITS</b>											
AUSTRALIAN & N ZEALAND BK GRP NY FLT CD	\$ 1,250,000	0.500%	0.600%	01/29/13	01/29/15	730	304		AA-	\$ 1,250,000	\$ 1,252,730
BANK OF ALAMEDA	95,764	0.450%	0.450%	01/30/14	01/30/15	365	305			95,764	95,764
BANK OF MARIN - ALAMEDA WEST LAGOON	50,000	0.350%	0.350%	03/30/14	03/30/15	365	364			50,000	50,000
BANK OF MARIN - Harbor Bay CD	25,000	0.500%	0.500%	08/19/13	08/19/15	730	506			25,000	25,000
BANK OF MARIN - MASTIC CD	463,939	0.350%	0.350%	02/05/14	02/04/15	364	310			463,939	463,939
BANK OF NOVA SCOTIA NY COMM PAPER	998,881	0.200%	0.250%	01/10/14	07/08/14	179	99		A-1	1,000,000	999,544
BANK OF TOKYO MITSUBISHI COMM PAPER	998,750	0.200%	0.250%	11/13/13	05/12/14	180	42		A-1	1,000,000	999,792
BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	879,333	0.200%	0.230%	02/13/14	06/17/14	124	78		A-1	880,000	879,615
RABOBANK NEDERLAND NV NY CD	1,100,000	0.600%	0.606%	04/29/13	04/29/15	730	394		AA-	1,100,000	1,099,228
TORONTO DOMINION BANK NY	700,000	0.600%	0.600%	08/23/13	03/03/15	557	337		A-1+	700,000	699,857
TRANS PACIFIC BANK	95,000	0.304%	0.304%	02/05/14	02/05/15	365	311			95,000	95,000
TOTAL AND AVERAGES	\$ 6,656,667	0.003%	0.004%			426	277			\$ 6,659,703	\$ 6,660,469
<b>3. GOVERNMENT TREASURIES &amp; AGENCIES</b>											
CA ST DEPT OF WATER TXBL REV BONDS	\$ 400,000	0.650%	0.650%	09/27/12	12/01/15	1,160	610		AAA	\$ 400,000	\$ 400,992
FANNIE MAE BENCHMARK NOTE	250,513	1.831%	1.831%	03/21/14	02/19/19	1,796	1,786		AA+	250,000	250,791
FANNIE MAE BENCHMARK NOTE	636,672	1.652%	1.652%	03/03/14	02/19/19	1,814	1,786		AA+	630,000	631,993
FANNIE MAE GLOBAL NOTES	434,987	0.876%	0.876%	01/09/13	08/28/17	1,692	1,246		AA+	435,000	430,264
FANNIE MAE GLOBAL NOTES	581,316	1.571%	1.571%	09/24/13	05/21/18	1,700	1,512		AA+	600,000	583,766
FANNIE MAE GLOBAL NOTES	796,816	1.709%	1.709%	12/18/13	11/27/18	1,805	1,702		AA+	800,000	796,738
FANNIE MAE GLOBAL NOTES	872,760	0.929%	0.929%	02/25/13	12/20/17	1,759	1,360		AA+	875,000	860,343
FEDERAL FARM CREDIT BANK BONDS	874,501	0.450%	0.450%	12/27/12	11/16/15	1,054	595		AA+	875,000	876,025

**City of Alameda - Details on Investment Portfolio Summary Report  
For the Quarter Ended March 31, 2014**

<u>DESCRIPTION</u>	<u>BOOK VALUE</u>	<u>RATE</u>	<u>YIELD</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>LIFE TO MATURITY DAYS</u>	<u>REMAINING LIFE DAYS</u>	<u>Call Date</u>	<u>S&amp;P RATING</u>	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
FEDERAL HOME LOAN BANK GLOBAL NOTES	758,123	0.740%	0.740%	03/26/13	06/21/17	1,548	1,178		AA+	750,000	748,199
FFCB BONDS	237,093	2.317%	2.317%	12/04/09	09/22/14	1,753	175		AA+	230,000	233,170
FFCB BONDS	577,450	2.310%	2.310%	12/04/09	09/22/14	1,753	175		AA+	560,000	567,719
FFCB BONDS	702,014	1.016%	1.016%	10/06/10	04/17/14	1,289	17		AA+	665,000	665,754
FFCB BONDS	803,044	1.964%	1.964%	06/14/10	06/02/14	1,449	63		AA+	805,000	807,475
FFCB NOTES	110,189	0.488%	0.488%	10/25/12	08/17/15	1,026	504		AA+	110,000	110,438
FFCB NOTES	440,000	0.830%	0.830%	09/21/12	09/21/17	1,826	1,270		AA+	440,000	434,082
FFCB NOTES	476,720	2.268%	2.268%	03/29/11	12/22/15	1,729	631		AA+	475,000	490,695
FFCB NOTES	712,016	0.448%	0.448%	10/25/12	08/17/15	1,026	504		AA+	710,000	712,827
FHLB (CALLABLE) GLOBAL NOTES	999,700	0.390%	0.390%	12/30/13	12/30/15	730	639		AA+	1,000,000	997,964
FHLB NOTES	117,015	1.749%	1.749%	07/20/11	06/10/16	1,787	802		AA+	115,000	118,825
FHLB NOTES	171,554	0.819%	0.819%	07/27/12	06/19/17	1,788	1,176		AA+	170,000	170,216
FHLB NOTES	430,396	1.031%	1.031%	02/28/12	02/27/17	1,826	1,064		AA+	430,000	431,784
FHLB NOTES	434,386	0.779%	0.779%	09/26/12	06/09/17	1,717	1,166		AA+	430,000	428,674
FHLB NOTES	513,170	1.865%	1.865%	07/08/11	03/30/16	1,727	730		AA+	500,000	518,091
FHLB NOTES	714,821	0.702%	0.702%	03/15/13	03/10/17	1,456	1,075		AA+	710,000	709,197
FHLB NOTES	747,697	1.099%	1.099%	11/10/11	06/10/16	1,674	802		AA+	715,000	738,783
FHLB NOTES	802,848	1.050%	1.050%	04/25/12	03/10/17	1,780	1,075		AA+	800,000	803,797
FHLB NOTES	868,534	1.543%	1.543%	08/14/13	03/09/18	1,668	1,439		AA+	875,000	873,091
FHLMC NOTES	334,748	1.862%	1.862%	06/17/11	05/27/16	1,806	788		AA+	325,000	338,769
FHLMC NOTES	435,087	1.508%	1.508%	06/27/13	01/12/18	1,660	1,383		AA+	450,000	439,704
FHLMC NOTES	444,015	1.026%	1.026%	01/29/13	01/12/18	1,809	1,383		AA+	450,000	439,704
FHLMC NOTES	857,882	1.057%	1.057%	05/30/12	05/12/17	1,808	1,138		AA+	850,000	856,579
FNMA (CALLABLE) NOTES	439,133	0.749%	0.749%	04/24/13	02/27/17	1,405	1,064		AA+	435,000	435,241
FNMA NOTES	507,503	0.741%	0.741%	10/03/13	09/28/16	1,091	912		AA+	500,000	507,034
FNMA NOTES	855,289	1.365%	1.365%	10/18/11	09/28/16	1,807	912		AA+	860,000	872,099
FNMA NOTES (EX-CALLABLE)	439,603	1.219%	1.219%	08/25/11	03/08/16	1,657	708		AA+	425,000	437,718
FNMA NOTES (EX-CALLABLE)	487,944	0.648%	0.648%	09/28/11	09/24/14	1,092	177		AA+	475,000	478,369
FREDDIE MAC GLOBAL NOTES	101,086	0.758%	0.758%	12/28/12	07/28/17	1,673	1,215		AA+	100,000	99,550
FREDDIE MAC GLOBAL NOTES	363,122	1.193%	1.193%	11/09/11	08/25/16	1,751	878		AA+	350,000	361,364
FREDDIE MAC GLOBAL NOTES	438,154	0.849%	0.849%	07/30/12	06/29/17	1,795	1,186		AA+	435,000	433,420
FREDDIE MAC GLOBAL NOTES	438,337	0.842%	0.842%	08/09/12	07/28/17	1,814	1,215		AA+	435,000	433,044
FREDDIE MAC GLOBAL NOTES	493,497	1.187%	1.187%	09/15/11	08/25/16	1,806	878		AA+	475,000	490,422
FREDDIE MAC GLOBAL NOTES	859,294	1.267%	1.267%	06/12/13	03/07/18	1,729	1,437		AA+	875,000	857,047
TENN VALLEY AUTHORITY	266,950	1.595%	1.595%	10/29/13	10/15/18	1,812	1,659		AA+	265,000	264,408
TENN VALLEY AUTHORITY	358,092	1.566%	1.566%	10/31/13	10/15/18	1,810	1,659		AA+	355,000	354,206
US TREASURY NOTES	97,938	1.693%	1.693%	03/21/14	01/31/19	1,777	1,767		AA+	100,000	97,969
US TREASURY NOTES	171,521	0.573%	0.573%	12/03/13	11/30/16	1,093	975		AA+	170,000	170,585
US TREASURY NOTES	222,470	1.488%	1.488%	03/03/14	01/31/19	1,795	1,767		AA+	225,000	220,430
US TREASURY NOTES	224,403	0.718%	0.718%	12/27/13	11/15/16	1,054	960		AA+	225,000	224,367
US TREASURY NOTES	399,330	0.540%	0.540%	04/30/13	07/31/17	1,553	1,218		AA+	400,000	392,344
US TREASURY NOTES	674,759	0.405%	0.405%	05/15/13	06/30/16	1,142	822		AA+	620,000	657,491
US TREASURY NOTES	734,461	0.596%	0.596%	07/31/12	04/30/17	1,734	1,126		AA+	725,000	723,357
US TREASURY NOTES	831,770	0.694%	0.694%	06/15/12	01/31/17	1,691	1,037		AA+	825,000	826,031
US TREASURY NOTES	836,520	1.993%	1.993%	04/07/11	07/31/15	1,576	487		AA+	845,000	862,593

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US TREASURY NOTES	859,499	0.887%	0.887%	12/27/11	11/30/16	1,800	975		AA+	860,000	862,957
US TREASURY NOTES	860,259	1.319%	1.319%	06/29/11	03/31/16	1,737	731		AA+	825,000	854,713
US TREASURY NOTES	878,417	1.281%	1.281%	07/30/13	03/31/18	1,705	1,461		AA+	900,000	877,711
US TREASURY NOTES	889,316	1.504%	1.504%	12/18/13	10/31/18	1,778	1,675		AA+	900,000	885,656
US TREASURY NOTES	889,948	1.632%	1.632%	05/19/11	11/30/15	1,656	609		AA+	900,000	915,961
US TREASURY NOTES	912,062	1.702%	1.702%	05/19/11	01/31/16	1,718	671		AA+	900,000	926,860
US TREASURY NOTES	1,002,180	0.518%	0.518%	05/31/13	06/30/16	1,126	822		AA+	925,000	980,934
US TREASURY NOTES	1,007,695	0.622%	0.622%	11/01/13	11/30/16	1,125	975		AA+	1,000,000	1,003,438
US TREASURY NOTES	1,558,657	0.440%	0.440%	05/28/13	06/30/16	1,129	822		AA+	1,435,000	1,521,773
US TREASURY NOTES	1,743,738	0.928%	0.928%	03/21/14	03/31/17	1,106	1,096		AA+	1,740,000	1,744,350
US TREASURY NOTES	1,994,258	0.378%	0.378%	04/01/13	04/30/16	1,125	761		AA+	1,900,000	1,959,968
US TREASURY NOTES	10,242,623	0.492%	0.492%	02/28/14	08/31/16	915	884		AA+	10,115,000	10,204,295
<b>TOTAL AND AVERAGES</b>	<b>\$ 50,615,895</b>	<b>0.948%</b>	<b>0.948%</b>			<b>1,554</b>	<b>1,005</b>			<b>\$ 49,950,000</b>	<b>\$ 50,404,154</b>
<b>4. MEDIUM-TERM NOTES (CORP. BONDS)</b>											
AMERICAN HONDA FINANCE CORPORATE NOTES	\$ 297,242	2.125%	1.959%	12/11/13	10/10/18	1,764	1,654		A+	\$ 295,000	\$ 296,185
AMERICAN HONDA FINANCE GLOBAL NOTES	343,799	1.125%	1.244%	10/10/13	10/07/16	1,093	921		A+	345,000	347,180
APPLE INC GLOBAL NOTES	429,222	0.450%	0.511%	05/03/13	05/03/16	1,096	764		AA+	430,000	428,577
APPLE INC GLOBAL NOTES	544,863	1.000%	1.195%	05/23/13	05/03/18	1,806	1,494		AA+	550,000	533,143
BANK OF NEW YORK INC CORPORATE NOTES	295,507	4.950%	2.288%	08/16/10	03/15/15	1,672	349		A	265,000	276,406
BANK OF NEW YORK INC CORPORATE NOTES	332,341	4.950%	1.960%	10/06/10	03/15/15	1,621	349		A	295,000	307,697
BANK OF NEW YORK MELLON (CALLABLE)	449,735	0.700%	0.720%	03/06/13	03/04/16	1,094	704		A+	450,000	449,229
BANK OF NOVA SCOTIA NY COMM PAPER	698,702	0.000%	0.250%	08/29/13	05/23/14	267	53		A-1	700,000	699,917
BERKSHIRE HATHAWAY FIN CORP NOTES	97,294	3.200%	2.645%	06/14/10	02/11/15	1,703	317		AA	95,000	97,338
BERKSHIRE HATHAWAY FIN CORP NOTES	504,581	3.200%	3.218%	02/11/10	02/11/15	1,826	317		AA	505,000	517,431
BERKSHIRE HATHAWAY FIN GLOBAL NOTES	339,354	0.950%	1.018%	10/15/13	08/15/16	1,035	868		AA	340,000	341,751
BLACKROCK INC CORPORATE NOTES	61,349	3.500%	2.963%	06/08/10	12/10/14	1,646	254		A+	60,000	61,291
BLACKROCK INC CORPORATE NOTES	66,448	3.500%	2.968%	06/08/10	12/10/14	1,646	254		A+	65,000	66,399
BLACKROCK INC CORPORATE NOTES	123,760	3.500%	2.755%	06/10/10	12/10/14	1,644	254		A+	120,000	122,582
BLACKROCK INC CORPORATE NOTES	154,343	3.500%	2.809%	06/14/10	12/10/14	1,640	254		A+	150,000	153,228
CATERPILLAR FINANCIAL SE	1,214,892	1.350%	0.910%	10/25/13	09/06/16	1,047	890		A	1,200,000	1,212,631
CATERPILLAR FINANCIAL SE NOTES	279,653	0.700%	0.742%	02/28/13	02/26/16	1,093	697		A	280,000	279,999
CHEVRON CORP (CALLABLE) GLOBAL NOTES	24,714	1.104%	1.399%	12/05/13	12/05/17	1,461	1,345		AA	25,000	24,781
CHEVRON CORP (CALLABLE) GLOBAL NOTES	33,174	1.104%	1.697%	08/30/13	12/05/17	1,558	1,345		AA	34,000	33,703
CHEVRON CORP (CALLABLE) GLOBAL NOTES	100,346	1.104%	1.031%	01/15/13	12/05/17	1,785	1,345		AA	100,000	99,125
CHEVRON CORP (CALLABLE) GLOBAL NOTES	155,000	1.104%	1.104%	12/05/12	12/05/17	1,826	1,345		AA	155,000	153,644
CHEVRON CORP (CALLABLE) GLOBAL NOTES	157,120	1.104%	1.692%	08/30/13	12/05/17	1,558	1,345		AA	161,000	159,592
CISCO SYSTEMS INC GLOBAL NOTES	64,890	2.125%	2.161%	03/12/14	03/01/19	1,815	1,796		AA-	65,000	64,709
CISCO SYSTEMS INC GLOBAL NOTES	170,264	2.125%	2.092%	03/11/14	03/01/19	1,816	1,796		AA-	170,000	169,239
CISCO SYSTEMS INC GLOBAL NOTES	170,891	2.125%	2.014%	03/07/14	03/01/19	1,820	1,796		AA-	170,000	169,239
CISCO SYSTEMS INC GLOBAL NOTES	171,272	2.125%	1.967%	03/04/14	03/01/19	1,823	1,796		AA-	170,000	169,239
COCA-COLA CO CORPORATE NOTES	264,446	0.750%	0.821%	03/16/12	03/13/15	1,092	347		AA-	265,000	266,199
COCA-COLA CO CORPORATE NOTES	264,703	0.750%	0.788%	03/14/12	03/13/15	1,094	347		AA-	265,000	266,199

**City of Alameda - Details on Investment Portfolio Summary Report  
For the Quarter Ended March 31, 2014**

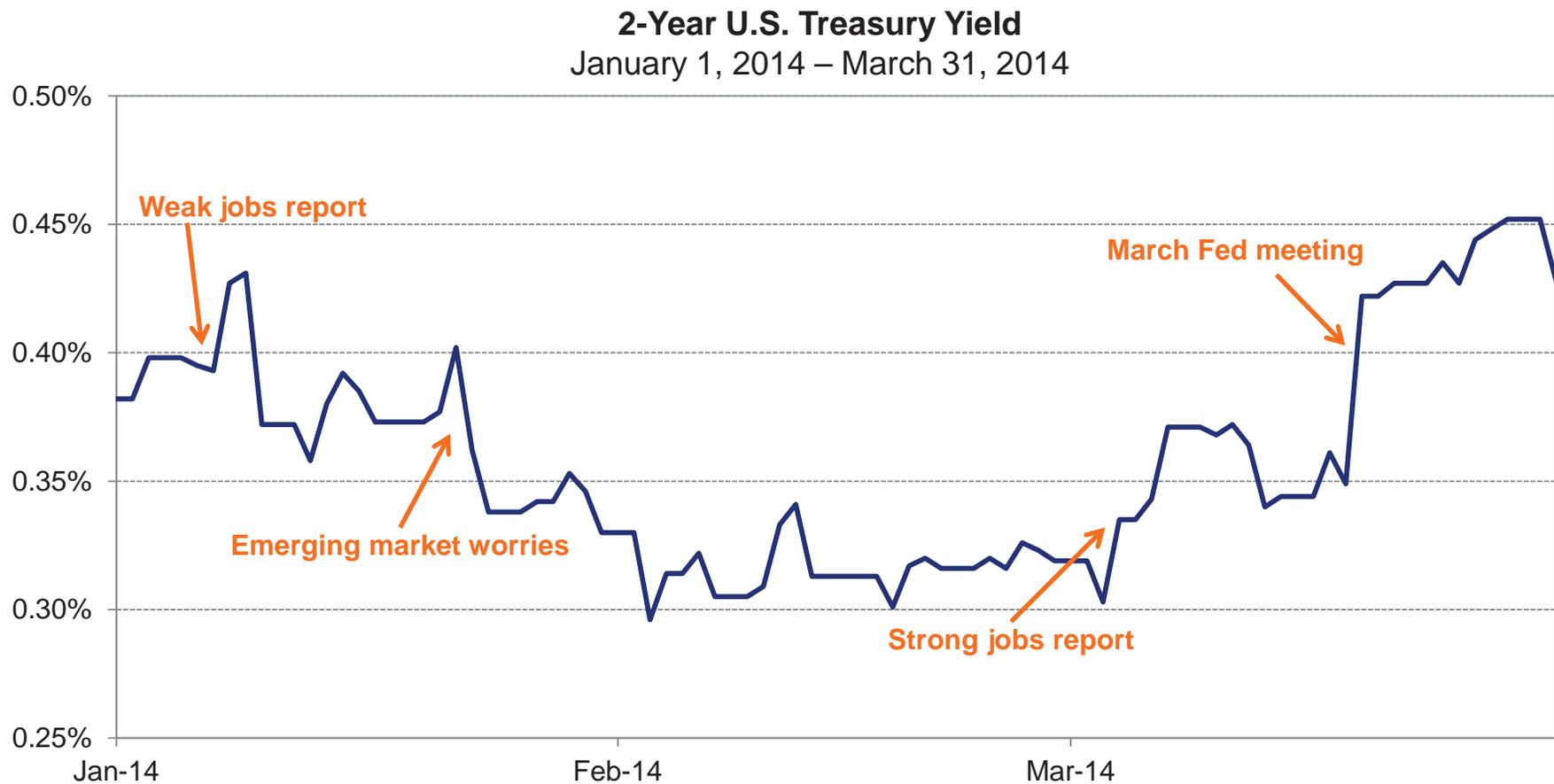
<b>DESCRIPTION</b>	<b>BOOK VALUE</b>	<b>RATE</b>	<b>YIELD</b>	<b>PURCHASE DATE</b>	<b>MATURITY DATE</b>	<b>LIFE TO MATURITY DAYS</b>	<b>REMAINING LIFE DAYS</b>	<b>Call Date</b>	<b>S&amp;P RATING</b>	<b>PAR VALUE</b>	<b>MARKET VALUE</b>
COCA-COLA CO/THE GLOBAL NOTES	224,741	0.750%	0.789%	11/01/13	11/01/16	1,096	946		AA-	225,000	224,427
EBAY INC CORP NOTES	648,863	1.625%	1.662%	10/28/10	10/15/15	1,813	563		A	650,000	661,356
GENERAL ELEC CAP CORP	1,767,445	1.500%	1.350%	08/20/13	07/12/16	1,057	834		AA+	1,760,000	1,783,318
GENERAL ELEC CAP CORP (FLOATING)	800,000	0.892%	0.933%	07/12/13	07/12/16	1,096	834		AA+	800,000	807,425
GENERAL ELECTRIC CAPITAL CORP NOTES	21,235	5.900%	4.442%	08/12/09	05/13/14	1,735	43		AA+	20,000	20,125
GENERAL ELECTRIC CAPITAL CORP NOTES	44,727	5.900%	1.668%	06/29/11	05/13/14	1,049	43		AA+	40,000	40,250
GENERAL ELECTRIC CAPITAL CORP NOTES	203,843	5.900%	2.081%	09/30/10	05/13/14	1,321	43		AA+	180,000	181,125
GENERAL ELECTRIC CAPITAL CORP NOTES	230,064	2.300%	2.294%	01/14/14	01/14/19	1,826	1,750		AA+	230,000	232,063
GENERAL ELECTRIC CAPITAL CORP NOTES	324,389	2.300%	2.340%	01/14/14	01/14/19	1,826	1,750		AA+	325,000	327,915
GOOGLE INC GLOBAL NOTES	125,672	2.125%	0.753%	11/20/12	05/19/16	1,276	780		AA	120,000	123,915
GOOGLE INC GLOBAL NOTES	267,062	2.125%	0.752%	11/20/12	05/19/16	1,276	780		AA	255,000	263,318
HSBC USA INC COMM PAPER	998,895	0.000%	0.230%	02/21/14	08/13/14	173	135		A-1	1,000,000	999,344
IBM CORP (FLOATING) GLOBAL NOTES	1,000,000	0.304%	0.298%	02/12/14	02/05/16	723	676		AA-	1,000,000	1,000,547
IBM CORP GLOBAL NOTES	174,144	0.550%	0.715%	02/06/12	02/06/15	1,096	312		AA-	175,000	175,441
INTEL CORP CORPORATE NOTES	215,559	1.350%	1.296%	12/17/12	12/15/17	1,824	1,355		A+	215,000	213,544
INTEL CORP CORPORATE NOTES	336,082	1.350%	1.283%	12/17/12	12/15/17	1,824	1,355		A+	335,000	332,731
JOHN DEERE CAPITAL CORP	499,365	1.050%	1.093%	10/11/13	10/11/16	1,096	925		A	500,000	501,741
JOHN DEERE CAPITAL CORP GLOBAL NOTES	99,938	0.875%	0.896%	04/17/12	04/17/15	1,095	382		A	100,000	100,563
JOHN DEERE CAPITAL CORP NOTES	169,638	1.950%	1.995%	12/13/13	12/13/18	1,826	1,718		A	170,000	169,229
JOHN DEERE CAPITAL CORP NOTES	338,036	2.000%	1.050%	09/14/12	01/13/17	1,582	1,019		A	325,000	332,539
JP MORGAN CHASE NOTES	131,053	3.700%	3.515%	03/25/10	01/20/15	1,762	295		A	130,000	133,272
JP MORGAN CHASE NOTES	231,613	3.700%	2.898%	02/24/11	01/20/15	1,426	295		A	225,000	230,664
JP MORGAN CHASE NOTES	273,424	3.700%	3.412%	03/23/10	01/20/15	1,764	295		A	270,000	276,796
JPMORGAN CHASE & CO	999,500	1.350%	1.367%	02/18/14	02/15/17	1,093	1,052		A	1,000,000	999,188
JPMORGAN CHASE & CO GLOBAL NOTES	999,590	1.100%	1.114%	10/18/12	10/15/15	1,092	563		A	1,000,000	1,004,104
NORTHERN TRUST CORPORATE NOTES	72,323	4.625%	1.335%	10/25/10	05/01/14	1,284	31		A+	65,000	65,254
NORTHERN TRUST CORPORATE NOTES	405,296	4.625%	2.600%	02/04/10	05/01/14	1,547	31		A+	375,000	376,463
OCCIDENTAL PETROLEUM CORPORATE NOTES	445,366	1.750%	1.127%	03/13/13	02/15/17	1,435	1,052		A	435,000	440,749
ORACLE CORP NOTES	598,557	1.200%	1.479%	11/06/13	10/15/17	1,439	1,294		A+	605,000	600,245
PEPSICO CORP NOTES	749,145	0.950%	0.989%	02/28/14	02/22/17	1,090	1,059		A-	750,000	746,200
PEPSICO INC CORPORATE NOTES	107,438	3.100%	1.283%	10/26/10	01/15/15	1,542	290		A-	100,000	102,117
PEPSICO INC CORPORATE NOTES	112,665	3.100%	1.324%	10/18/10	01/15/15	1,550	290		A-	105,000	107,223
PEPSICO INC CORPORATE NOTES	133,072	3.100%	2.552%	06/08/10	01/15/15	1,682	290		A-	130,000	132,752
PEPSICO INC CORPORATE NOTES	273,268	3.100%	2.379%	06/11/10	01/15/15	1,679	290		A-	265,000	270,610
PEPSICO INC GLOBAL NOTES	299,895	0.700%	0.712%	02/28/13	02/26/16	1,093	697		A-	300,000	299,548
PRAXAIR INC CORPORATE NOTES	16,727	4.625%	1.993%	08/24/10	03/30/15	1,679	364		A	15,000	15,607
PRAXAIR INC CORPORATE NOTES	174,293	4.625%	2.633%	06/10/10	03/30/15	1,754	364		A	160,000	166,472
RABOBANK USA FIN CORP COMM PAPER	998,850	0.000%	0.230%	11/06/13	05/05/14	180	35		A-1+	1,000,000	999,896
TOYOTA MOTOR CREDIT CORP	419,828	0.800%	0.814%	05/17/13	05/17/16	1,096	778		AA-	420,000	421,583
TOYOTA MOTOR CREDIT CORP COMM PAPER	848,483	0.000%	0.250%	08/28/13	05/12/14	257	42		A-1+	850,000	849,951
UNITED TECHNOLOGIES CORP NOTES	39,966	1.800%	1.818%	06/01/12	06/01/17	1,826	1,158		A	40,000	40,669
US BANCORP NOTES (CALLABLE)	70,148	1.950%	1.903%	02/18/14	11/15/18	1,731	1,690		A+	70,000	69,749
US Bank Money Market Account - Chander	68,746	0.002%	0.002%	03/31/14	04/01/14	1	1		A+	68,746	68,746
US Bank Money Market Account - PFM	783,716	0.002%	0.002%	03/31/14	04/01/14	1	1		A+	783,716	783,716
WAL-MART STORES INC GLOBAL NOTES	319,706	1.125%	1.144%	04/11/13	04/11/18	1,826	1,472		AA	320,000	313,715

**City of Alameda - Details on Investment Portfolio Summary Report  
For the Quarter Ended March 31, 2014**

<b>DESCRIPTION</b>	<b>BOOK VALUE</b>	<b>RATE</b>	<b>YIELD</b>	<b>PURCHASE DATE</b>	<b>MATURITY DATE</b>	<b>LIFE TO MATURITY DAYS</b>	<b>REMAINING LIFE DAYS</b>	<b>Call Date</b>	<b>S&amp;P RATING</b>	<b>PAR VALUE</b>	<b>MARKET VALUE</b>
WELLS FARGO & CO CORPORATE NOTES	249,274	4.750%	3.107%	02/24/11	02/09/15	1,446	315		A+	235,000	243,536
WELLS FARGO & CO CORPORATE NOTES	405,787	4.750%	3.830%	03/25/10	02/09/15	1,782	315		A+	390,000	404,167
WELLS FARGO & COMPANY	599,440	1.500%	0.819%	02/15/13	07/01/15	866	457		A+	590,000	596,866
WELLS FARGO & COMPANY (FLOATING)	825,000	0.767%	0.798%	07/29/13	07/20/16	1,087	842		A+	825,000	827,466
WELLS FARGO & COMPANY COMM PAPER	998,962	0.000%	0.210%	02/21/14	08/18/14	178	140		A-1	1,000,000	998,989
<b>TOTAL AND AVERAGES</b>	<b>\$ 28,950,734</b>	<b>1.440%</b>	<b>1.200%</b>			<b>1,348</b>	<b>731</b>			<b>\$ 28,672,462</b>	<b>\$ 28,843,882</b>
<b>5. INVESTMENTS WITH TRUSTEES</b>											
BANK OF MARIN 0020-700283	\$ 586,933	0.500%	0.500%	02/08/14	02/08/15	365	314			\$ 586,933	\$ 586,933
BNY - Goldman Sachs Financial Federal A/C 852792	779,595	0.010%	0.010%	03/31/14	04/01/14	1	1			779,595	779,595
BNY - Goldman Sachs Financial Federal A/C 852795	8,058,532	0.010%	0.010%	03/31/14	04/01/14	1	1			8,058,532	8,058,532
BNY - MBIA FINANCIAL GUARANTY INSURANCE A/C 139010	1	0.000%	0.000%	03/31/14	04/01/14	1	1			1	1
BNY - WELLS FARGO TREASURY PLUS	88,003	0.010%	0.010%	03/31/14	04/01/14	1	1			88,003	88,003
BNY -GOLDMAN SACHS FINICIAL FEDERAL	3,016,525	0.000%	0.000%	03/31/14	04/01/14	1	1			3,016,525	3,016,525
C.A.M.P. - MONEY MARKET (IMPROVEMENT FUND)	381,943	0.060%	0.060%	03/31/14	04/01/14	1	1			381,943	381,943
DEUTSCHE BANK ESCROW ACCOUNT S71974.1	1,006	0.010%	0.010%	03/31/14	04/01/14	1	1			1,006	1,006
UNION BANK - BLACKROCK INST. FUND A/C 6711716401-411	1,262,098	0.010%	0.010%	03/31/14	04/01/14	1	1			1,262,098	1,262,098
UNION BANK - BLACKROCK INST. FUND A/C 6711721201-210	1,035	0.010%	0.010%	03/31/14	04/01/14	1	1			1,035	1,035
UNION BANK - BLACKROCK INST. FUND A/C 6711721301-06	663,155	0.010%	0.010%	03/31/14	04/01/14	1	1			663,155	663,155
UNION BANK - BLACKROCK INST. FUND A/C 6711721307	2,567,857	0.010%	0.010%	03/31/14	04/01/14	1	1			2,567,857	2,567,857
UNION BANK - BLACKROCK INST. FUND A/C 6711721308	48,372	0.010%	0.010%	03/31/14	04/01/14	1	1			48,372	48,372
UNION BANK - BLACKROCK INST. FUND A/C 6711721309	238,601	0.010%	0.010%	03/31/14	04/01/14	1	1			238,601	238,601
UNION BANK - BLACKROCK INST. FUND A/C 6711721310	1,261,443	0.010%	0.010%	03/31/14	04/01/14	1	1			1,261,443	1,261,443
UNION BANK - BLACKROCK INST. FUND A/C 6711721401-407	1,013,338	0.010%	0.010%	03/31/14	04/01/14	1	1			1,013,338	1,013,338
UNION BANK - BLACKROCK INST. FUND A/C 6711909101-07	543,329	0.010%	0.010%	03/31/14	04/01/14	1	1			543,329	543,329
UNION BANK - BLACKROCK INST. FUND A/C 6711909201-02	1,067,724	0.010%	0.010%	03/31/14	04/01/14	1	1			1,067,724	1,067,724
UNION BANK - BLACKROCK INST. FUND A/C 6711939800-07	1,103,547	0.010%	0.010%	03/31/14	04/01/14	1	1			1,103,547	1,103,547
UNION BANK - BLACKROCK LIQUIDITY FUND 6711851901-03	2	0.000%	0.000%	03/31/14	04/01/14	1	1			2	2
<b>TOTAL AND AVERAGES</b>	<b>\$ 22,683,039</b>	<b>0.022%</b>	<b>0.022%</b>			<b>0</b>	<b>17</b>			<b>\$ 22,683,039</b>	<b>\$ 22,683,039</b>
<b>6. LOCAL AGENCY INVESTMENT</b>											
	\$ 27,010,110	0.270%	0.270%	03/31/14	11/25/14	239	239			\$ 27,010,110	\$ 27,010,281
<b>TOTAL AND AVERAGES</b>	<b>\$ 27,010,110</b>	<b>0.270%</b>	<b>0.270%</b>			<b>239</b>	<b>239</b>			<b>\$ 27,010,110</b>	<b>\$ 27,010,281</b>
<b>Total</b>	<b>\$ 150,958,753</b>									<b>\$ 150,958,753</b>	<b>\$ 150,644,133</b>

# Rates Rose on FOMC Statement

- In March, interest rates on Treasuries with maturities of two years and over rose after remarks from Fed Chair Janet Yellen led investors to believe the FOMC would raise rates earlier than previously thought.



Source: Bloomberg

# A Longer View of Treasury Yields

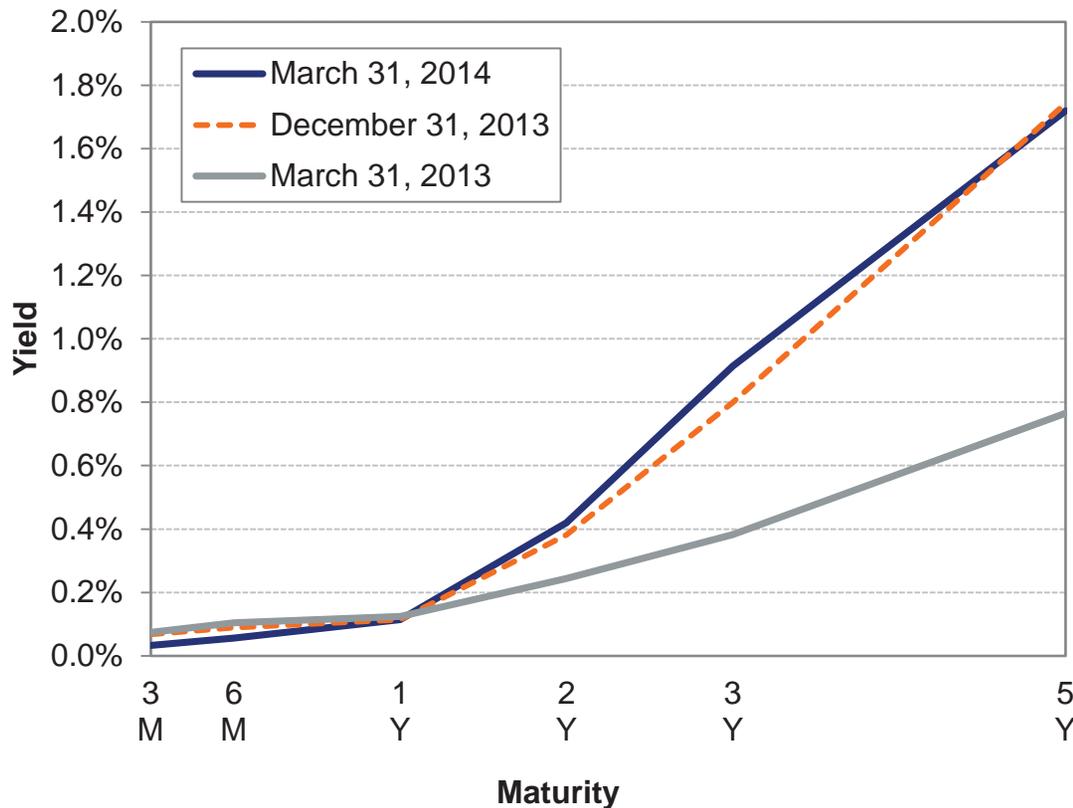
- Despite the increase in rates over the past year, Treasury yields still remain low relative to historical averages.



# Yield Curve Remained Steep

- Long-term yields continued to provide a significant pick-up over short-term yields.

U.S. Treasury Yield Curve



	3/31/13	12/31/13	3/31/14
<b>3 Month</b>	0.07%	0.07%	0.03%
<b>6 Month</b>	0.10%	0.09%	0.06%
<b>1 Year</b>	0.12%	0.11%	0.11%
<b>2 Year</b>	0.24%	0.38%	0.42%
<b>3 Year</b>	0.38%	0.80%	0.91%
<b>5 Year</b>	0.77%	1.74%	1.72%

# Highlights from FOMC March 2014 Meeting

- **Economic Observations:**

- Economic activity has been hampered by bad weather.
- Labor market improvement has slowed.
- Inflation has been running low.

- **QE3:**

- Fed reduced asset purchases by another \$10 billion per month.
- Fed is still buying \$55 billion per month, which should still support low rates.
- Fed is now considering further exit strategies.

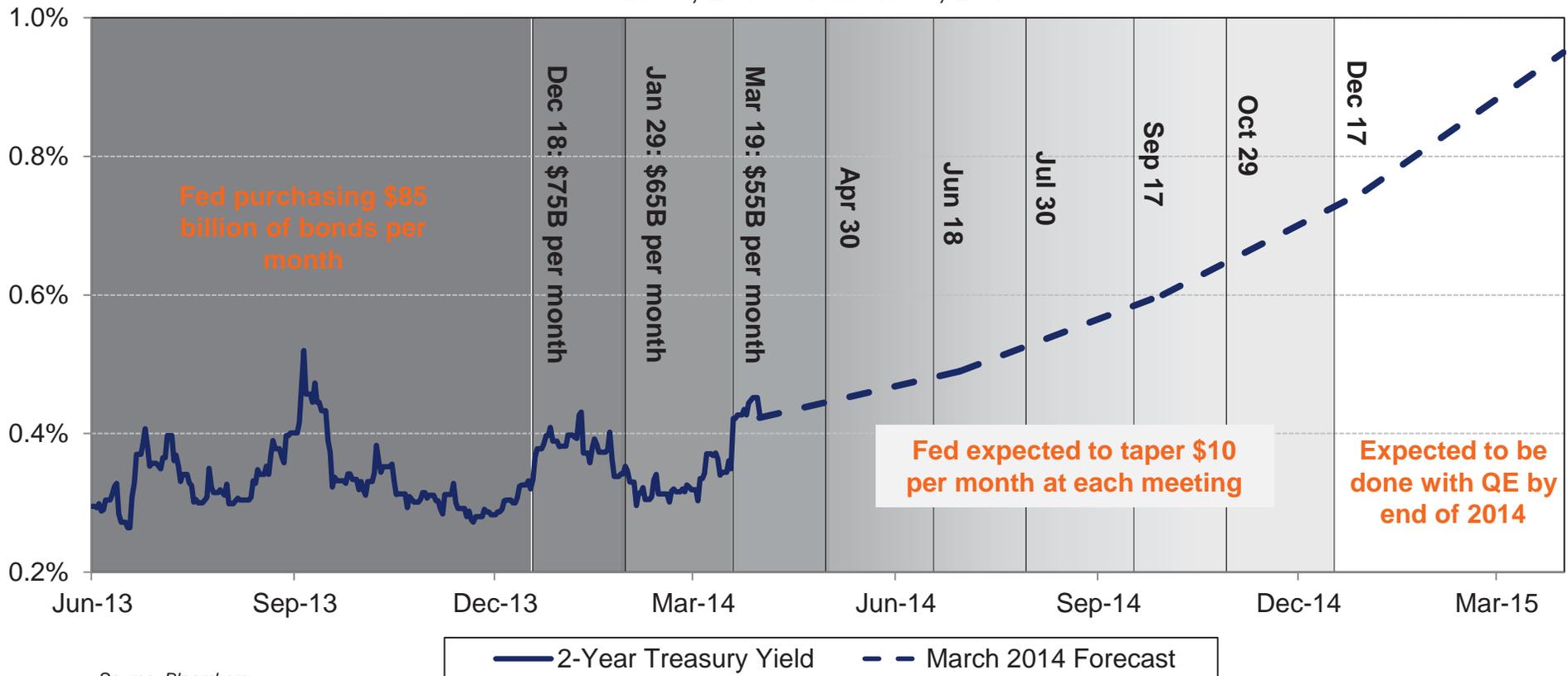
- **Fed Funds Target Rate**

- Numeric unemployment and inflation thresholds have been removed.
- The current target rate will likely remain “for a considerable time after the asset purchase program ends.”
- “Considerable time” may mean as little as six months, depending on economic data.

# Fed Tapers Bond Purchase Program

- The Federal Reserve began tapering its \$85 billion bond purchase program in December 2013. The Fed has now tapered its bond purchase program by \$10 billion at each of its past three meetings.
- Economists expect this tapering to continue at the upcoming Fed meetings. At this pace, Quantitative Easing (QE) will be concluded by the end of 2014.

**2-Year U.S. Treasury Yield and Forecasted Yield**  
June 1, 2013 – March 31, 2015

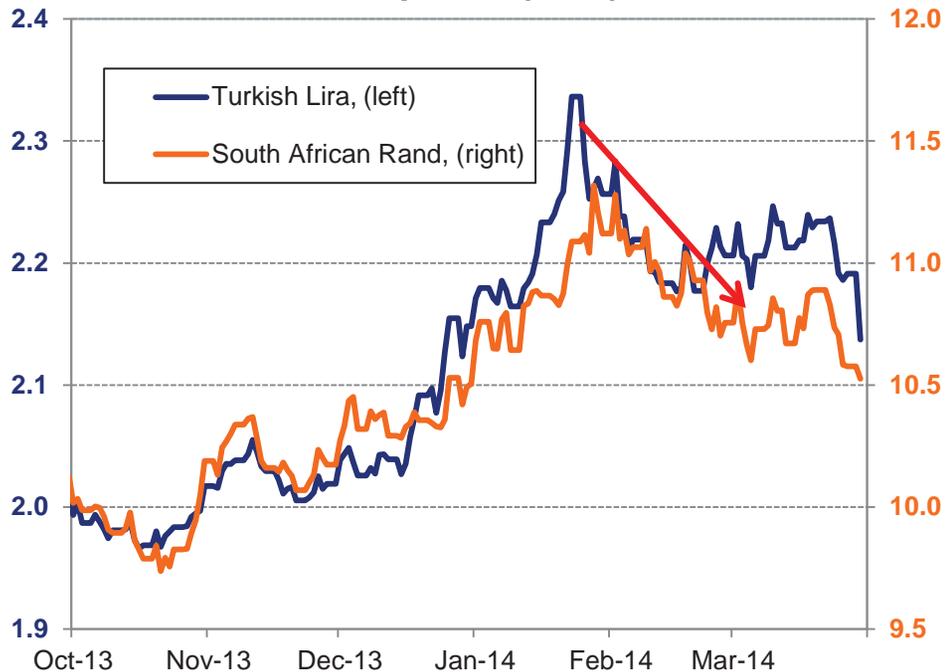


Source: Bloomberg

# Emerging Market Weakness Drove Flight-to-Quality

- With the Federal Reserve tapering its bond purchase program, the U.S. dollar has been appreciating in value against currencies in emerging markets that have been weakening in value.
- Some of the countries impacted by weakening currencies include Turkey, South Africa, Argentina, and Russia. Weaker currencies threatened economic growth in emerging markets, which sparked a flight-to-quality into U.S. Treasuries.

**Key Emerging Market Currencies:  
Units per \$1 (USD)**



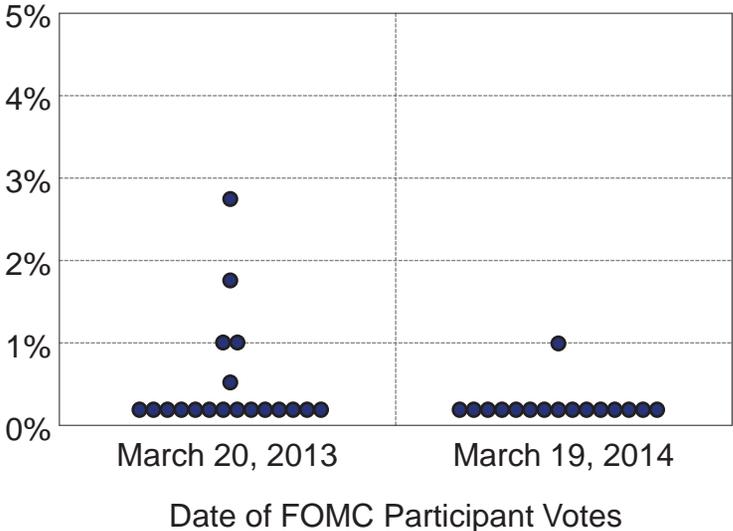
**5-Year U.S. Treasury Yield**



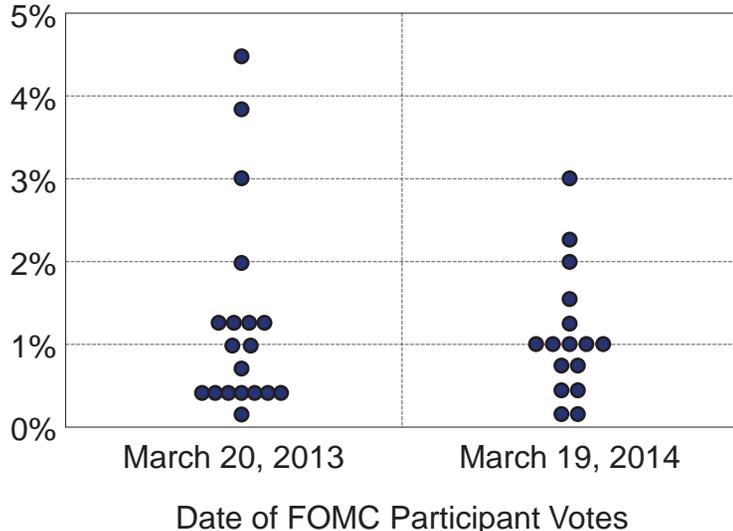
Source: Bloomberg

# FOMC Expectations for Federal Funds Rate Then vs. Now

**Targeted Federal Funds Rate  
End of 2014**



**Targeted Federal Funds Rate  
End of 2015**



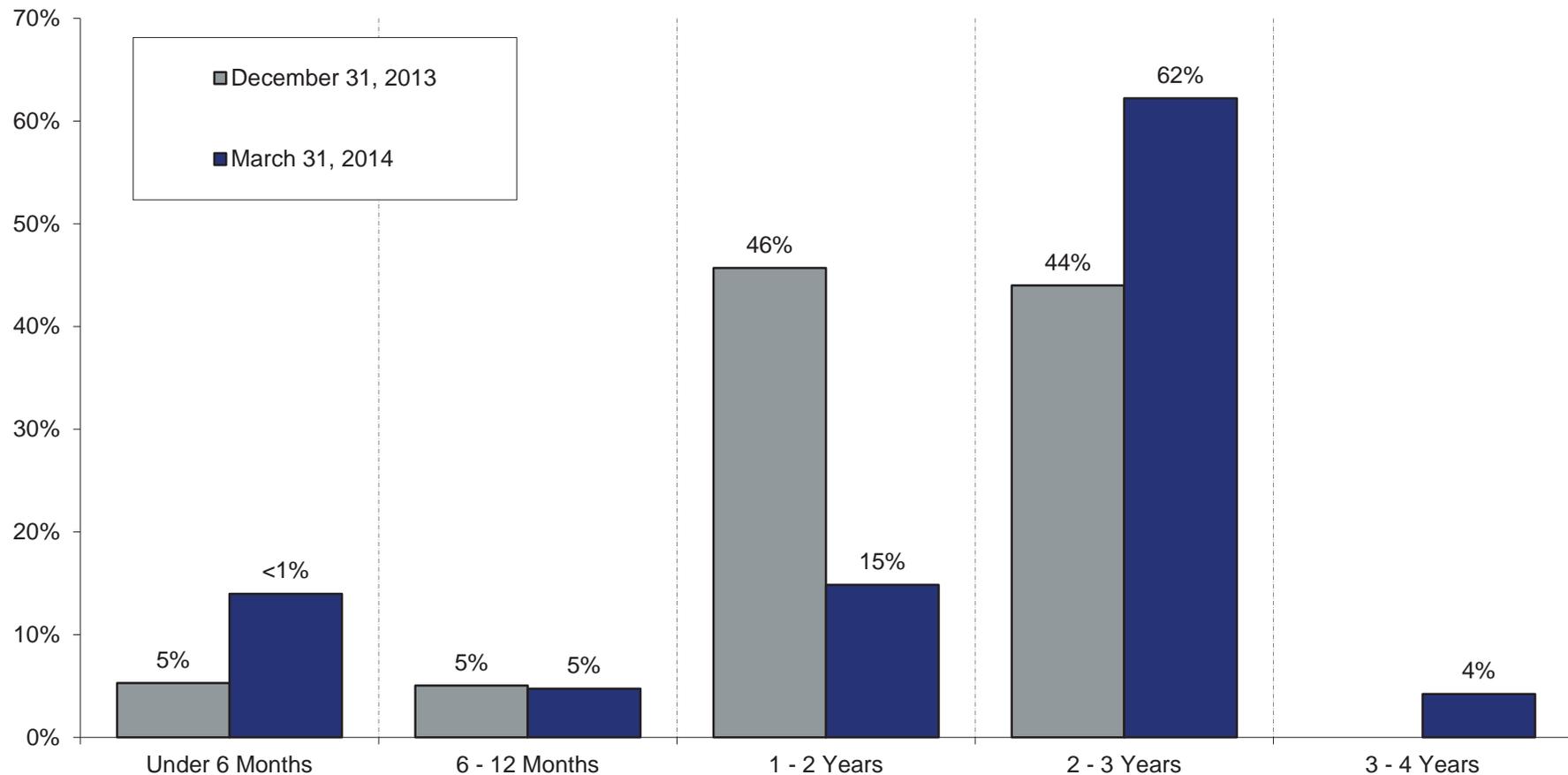
● Individual FOMC participant's judgment of the appropriate level of the target federal funds rate at the end of the specified calendar year.  
Source: Federal Reserve Open Market Committee.

# First Quarter 2014 Recap

- In anticipation of rising rates due to the FOMC's policy to taper its bond purchases, we maintained a conservative bias regarding portfolio duration. The duration position mitigated the market value decline the portfolio experienced when rates rose at the end of the month.
- Corporate bonds continued to enhance portfolio returns due to their higher yield and narrowing yield spreads. The best means to build corporate exposure has been to purchase new bonds at issuance when they are typically priced with a concession. Corporate issuance, while strong during the quarter, was met with even stronger demand, which pushed yield spreads tighter.
- Agency yield spreads fell to near record lows, generally favoring U.S. Treasuries for short-term maturities. Investment opportunities in the agency sector have become issue specific.

# Portfolio Maturity Distribution

- On March 19, after interest rates rose due to the FOMC's statement, we extended the duration of the portfolio, putting a portion of the portfolio in a 3-year security.



• Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

# Performance Results

- Our conservative stance on duration continued to benefit the portfolio as rates rose at the end of the first quarter.
- The portfolio had a higher return than the benchmark, as it has since inception.

	Total Return <sup>1,2,3,4,5</sup>					
	Quarter Ended March 31, 2014		Annualized			
	Duration	Periodic Return	Past Year	Past 5 Years	Past 10 Years	Since Inception
<b>City of Alameda</b>	1.77	0.19%	0.53%	1.46%	2.82%	3.01%
<b>Merrill Lynch 1-3 Year Govt. Index</b>	1.83	0.14%	0.39%	1.19%	2.56%	2.71%

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
3. Merrill Lynch Indices provided by Bloomberg Financial Markets.
4. Performance and duration computations include money market fund.
5. Inception Date is Third Quarter 2002.

# First Quarter Trades

TRADE DATE	TRADE TYPE	SECURITY DESCRIPTION	MATURITY DATE	PAR VALUE	YIELD	G/L ON SALE
1/9/2014	BUY	BANK OF NOVA SCOTIA NY COMM PAPER	7/8/2014	1,000,000	0.23%	-
1/9/2014	SELL	US TREASURY NOTES	12/15/2014	875,000	0.15%	1,935
2/4/2014	BUY	US TREASURY NOTES	1/31/2016	4,640,000	0.31%	-
2/4/2014	SELL	FANNIE MAE GLOBAL NOTES	5/27/2015	360,000	0.21%	1,827
2/4/2014	SELL	US TREASURY NOTES	2/15/2015	790,000	0.16%	2,206
2/4/2014	SELL	US TREASURY NOTES	3/15/2015	3,480,000	0.17%	9,159
2/7/2014	BUY	IBM CORP (FLOATING) GLOBAL NOTES	2/5/2016	1,000,000	0.30%	-
2/7/2014	SELL	FREDDIE MAC GLOBAL NOTES	8/28/2015	950,000	0.25%	3,111
2/12/2014	BUY	JPMORGAN CHASE & CO	2/15/2017	1,000,000	1.37%	-
2/12/2014	SELL	US TREASURY NOTES	11/30/2016	1,000,000	0.67%	(2,614)
2/19/2014	BUY	HSBC USA INC COMM PAPER	8/13/2014	1,000,000	0.23%	-
2/19/2014	BUY	WELLS FARGO & COMPANY COMM PAPER	8/18/2014	1,000,000	0.21%	-
2/19/2014	SELL	FEDERAL HOME LOAN BANK GLOBAL NOTES	8/28/2015	275,000	0.23%	619
2/19/2014	SELL	US TREASURY NOTES	9/30/2015	1,000,000	0.24%	2,258
2/19/2014	SELL	US TREASURY NOTES	9/30/2015	690,000	0.24%	1,141
2/25/2014	BUY	PEPSICO CORP NOTES	2/22/2017	750,000	0.99%	-
2/27/2014	BUY	US TREASURY NOTES	8/31/2016	10,115,000	0.49%	-
2/27/2014	SELL	FEDERAL HOME LOAN BANK GLOBAL NOTES	8/28/2015	910,000	0.19%	2,484
2/27/2014	SELL	FREDDIE MAC GLOBAL NOTES	8/28/2015	250,000	0.22%	881
2/27/2014	SELL	FANNIE MAE GLOBAL NOTES	12/21/2015	685,000	0.26%	2,307
2/27/2014	SELL	FANNIE MAE GLOBAL NOTES	3/30/2016	250,000	0.38%	1,708
2/27/2014	SELL	FANNIE MAE GLOBAL NOTES	3/30/2016	350,000	0.38%	965
2/27/2014	SELL	FANNIE MAE GLOBAL NOTES	3/30/2016	1,030,000	0.38%	3,321
2/27/2014	SELL	US TREASURY NOTES	1/31/2016	4,640,000	0.30%	1,270
2/27/2014	SELL	US TREASURY NOTES	11/30/2015	2,100,000	0.26%	5,275
2/26/2014	SELL	US TREASURY NOTES	11/30/2016	750,000	0.62%	(933)
3/19/2014	BUY	US TREASURY NOTES	3/31/2017	1,740,000	0.93%	-
3/20/2014	SELL	BANK OF NOVA SCOTIA HOUS CERT DEPOS (FLT)	3/6/2015	1,200,000	0.27%	2,686
3/20/2014	SELL	SVENSKA HANDELSBANKEN NY FLOATING LT CD	10/6/2014	1,200,000	0.22%	1,473
				45,030,000		41,079

# Second Quarter 2014 Investment Strategy Themes

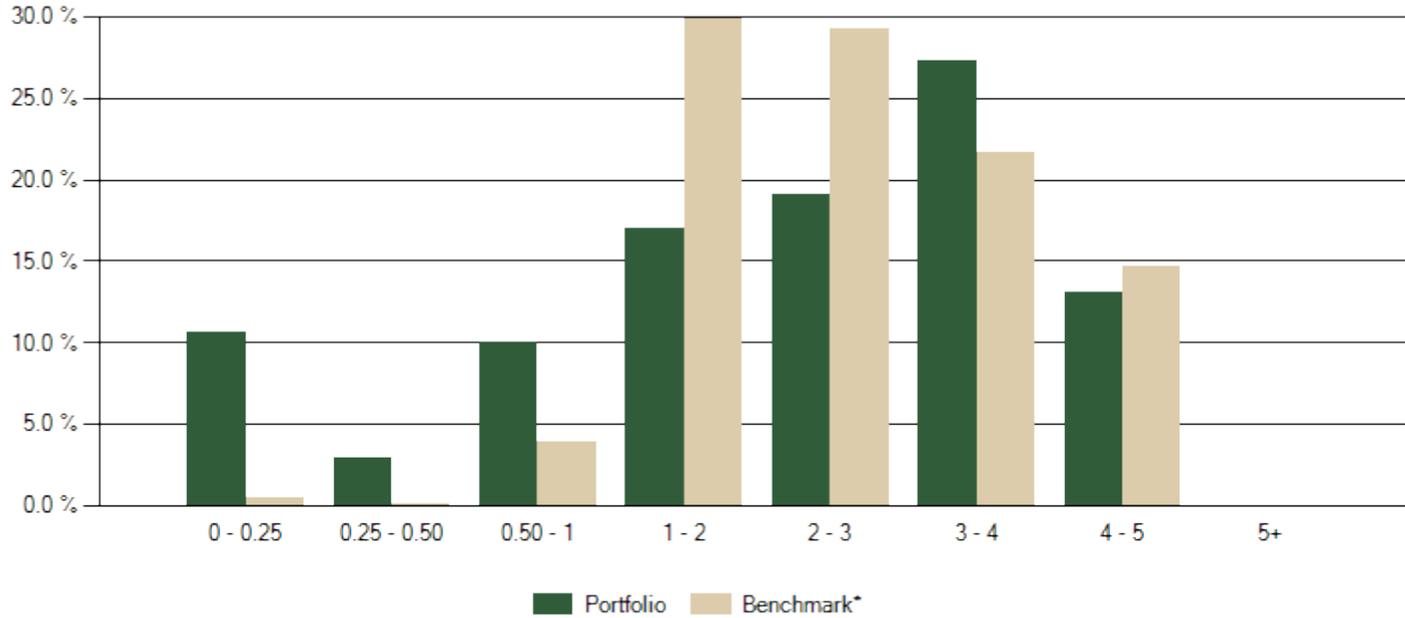
- The past 5 years may not be a good roadmap for the next 5 years.
  - Economic conditions are improving.
  - Extraordinarily easy Fed policy is winding down.
  - Yields are expected to rise.
  - Some caution with regard to duration, but the yield curve is steep and offers value.
- Yield spreads are narrow.
  - Most Agencies are near record tight levels.
  - Corporate yield spreads have mostly recovered from the credit crisis.
  - Longer maturities have wider spreads.
- Corporate sector still offers best value.
  - Extra yield provides favorable income return.
  - Extra yield provides partial cushion from rising rates.
  - Continue to prefer banks and financials.



# Duration Distribution

## City of Alameda

Portfolio Compared to the Benchmark as of March 31, 2014



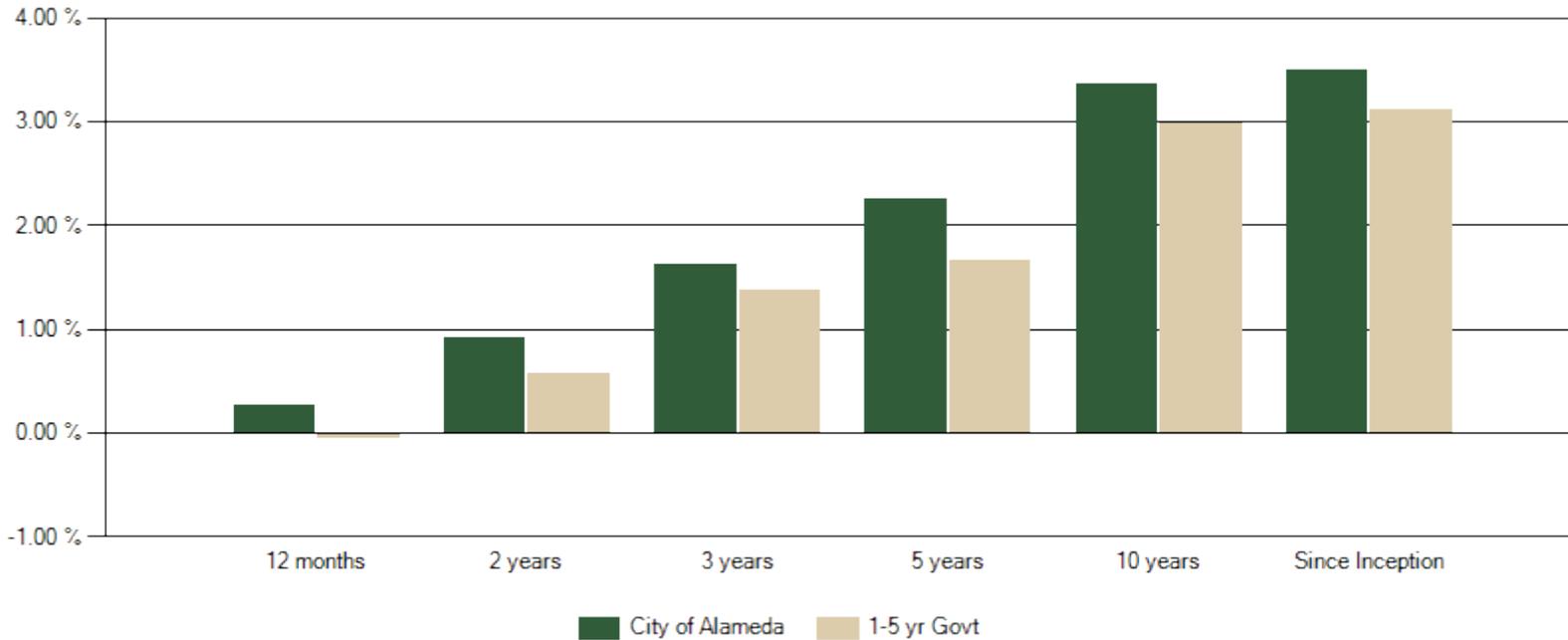
	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
<b>Portfolio</b>	10.6 %	2.9 %	10.0 %	17.0 %	19.0 %	27.3 %	13.1 %	0.0 %
<b>Benchmark*</b>	0.4 %	0.1 %	3.9 %	29.9 %	29.3 %	21.7 %	14.7 %	0.0 %

\* 1-5 yr Govt



# Investment Performance

**City of Alameda**  
**Period Ending**  
**March 31, 2014**  
 Total Rate of Return  
 Annualized Since Inception  
 July 31, 2002



	3 months	12 months	Annualized				
			2 years	3 years	5 years	10 years	Since Inception
City of Alameda	0.40 %	0.28 %	0.94 %	1.65 %	2.28 %	3.38 %	3.52 %
1-5 yr Govt	0.26 %	-0.06 %	0.59 %	1.40 %	1.69 %	2.99 %	3.12 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

### Transaction Ledger

12/31/13 Thru 3/31/14

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	01/14/2014	36962G7G3	230,000.00	General Electric Capital Corp Note 2.3% Due 1/14/2019	100.028	2.29 %	230,064.40	0.00	230,064.40	0.00
Purchase	01/14/2014	36962G7G3	325,000.00	General Electric Capital Corp Note 2.3% Due 1/14/2019	99.812	2.34 %	324,389.00	0.00	324,389.00	0.00
Purchase	02/13/2014	06538CFH9	880,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.22% Due 6/17/2014	99.924	0.22 %	879,333.15	0.00	879,333.15	0.00
Purchase	02/18/2014	91159HHE3	70,000.00	US Bancorp Callable Note Cont 10/15/2018 1.95% Due 11/15/2018	100.212	1.90 %	70,148.40	382.96	70,531.36	0.00
Purchase	03/03/2014	3135G0ZA4	630,000.00	FNMA Note 1.875% Due 2/19/2019	101.059	1.65 %	636,671.70	459.38	637,131.08	0.00
Purchase	03/03/2014	912828SD3	225,000.00	US Treasury Note 1.25% Due 1/31/2019	98.875	1.49 %	222,469.50	240.85	222,710.35	0.00
Purchase	03/04/2014	17275RAR3	170,000.00	Cisco Systems Note 2.125% Due 3/1/2019	100.748	1.97 %	171,271.60	10.04	171,281.64	0.00
Purchase	03/07/2014	17275RAR3	170,000.00	Cisco Systems Note 2.125% Due 3/1/2019	100.524	2.01 %	170,890.80	40.14	170,930.94	0.00
Purchase	03/11/2014	17275RAR3	170,000.00	Cisco Systems Note 2.125% Due 3/1/2019	100.155	2.09 %	170,263.50	80.28	170,343.78	0.00
Purchase	03/12/2014	17275RAR3	65,000.00	Cisco Systems Note 2.125% Due 3/1/2019	99.831	2.16 %	64,890.15	34.53	64,924.68	0.00
Purchase	03/21/2014	3135G0ZA4	250,000.00	FNMA Note 1.875% Due 2/19/2019	100.205	1.83 %	250,512.75	416.67	250,929.42	0.00
Purchase	03/21/2014	912828SD3	100,000.00	US Treasury Note 1.25% Due 1/31/2019	97.938	1.69 %	97,937.84	169.20	98,107.04	0.00
	<b>Subtotal</b>		<b>3,285,000.00</b>				<b>3,288,842.79</b>	<b>1,834.05</b>	<b>3,290,676.84</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>3,285,000.00</b>				<b>3,288,842.79</b>	<b>1,834.05</b>	<b>3,290,676.84</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	01/14/2014	36962G4C5	530,000.00	General Electric Capital Corp Note 5.9% Due 5/13/2014	101.876	0.22 %	539,942.80	5,298.52	545,241.32	6,518.72
Sale	03/03/2014	3135G0GY3	650,000.00	FNMA Note 1.25% Due 1/30/2017	101.650	0.68 %	660,725.65	744.79	661,470.44	8,010.01
Sale	03/06/2014	313379VE6	60,000.00	FHLB Note 1.01% Due 6/19/2017	100.219	0.94 %	60,131.40	129.62	60,261.02	-236.96
Sale	03/10/2014	313372YS7	25,000.00	FHLB Note 2.45% Due 3/30/2016	104.018	0.48 %	26,004.50	272.22	26,276.72	718.15



### Transaction Ledger

12/31/13 Thru 3/31/14

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Sale	03/10/2014	3135G0GY3	210,000.00	FNMA Note 1.25% Due 1/30/2017	101.332	0.78 %	212,797.83	291.67	213,089.50	1,926.24
Sale	03/21/2014	3133XP43	300,000.00	FHLB Note 3.125% Due 3/11/2016	105.123	0.51 %	315,369.00	260.42	315,629.42	4,000.24
	<b>Subtotal</b>		<b>1,775,000.00</b>				<b>1,814,971.18</b>	<b>6,997.24</b>	<b>1,821,968.42</b>	<b>20,936.40</b>
Maturity	02/13/2014	06538CBD2	875,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.21% Due 2/13/2014	99.930		874,387.50	612.50	875,000.00	0.00
Maturity	02/15/2014	717081AR4	330,000.00	Pfizer Inc. Note 4.5% Due 2/15/2014	100.000		330,000.00	0.00	330,000.00	0.00
Maturity	03/03/2014	24422ERA9	100,000.00	John Deere Capital Corp Note 1.6% Due 3/3/2014	100.000		100,000.00	0.00	100,000.00	0.00
	<b>Subtotal</b>		<b>1,305,000.00</b>				<b>1,304,387.50</b>	<b>612.50</b>	<b>1,305,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>3,080,000.00</b>				<b>3,119,358.68</b>	<b>7,609.74</b>	<b>3,126,968.42</b>	<b>20,936.40</b>



**BILL LOCKYER  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

**LAIF Performance Report**

**Quarter Ending 03/31/14**

Apportionment Rate: 0.23%  
 Earnings Ratio: .00000631639966506  
 Fair Value Factor: 1.000317118  
 Daily: 0.23%  
 Quarter To Date: 0.24%  
 Average Life: 185

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
05/01/14	0.23	0.23	209
05/02/14	0.23	0.23	212
05/03/14	0.23	0.23	212
05/04/14	0.23	0.23	212
05/05/14	0.23	0.23	208
05/06/14	0.23	0.23	207
05/07/14	0.23	0.23	209
05/08/14	0.23	0.23	208
05/09/14	0.23	0.23	207
05/10/14	0.23	0.23	207
05/11/14	0.23	0.23	207
05/12/14	0.23	0.23	205
05/13/14	0.23	0.23	204
05/14/14	0.23	0.23	202

**PMIA Average Monthly Effective Yields**

**APR 2014 0.233%**  
 MAR 2014 0.236%  
 FEB 2014 0.236%

\*Daily yield does not reflect capital gains or losses

Pooled Money Investment Account  
 Portfolio Composition  
 \$63.1 Billion  
 04/30/14

