

Date: May 4, 2016
To: Mayor and City Council
From: City Manager
By: Director of Finance
Subject: 2016 First Quarter Investment Report

In accordance with California Government Code and the City's Statement of Investment Policy, I am transmitting for your review the quarterly investment report for the period of January 1 – March 31, 2016 (1Q2016). The City's Investment Advisory Committee (IAC) reviewed this report (but took no formal action) during their quarterly meeting held "electronically" via email during the period of April 27, 2016 – May 3, 2016. The regularly scheduled meeting for April 25, 2016 was cancelled due to scheduling conflicts. The attached report provides a summary of market and economic conditions, the composition of the City's portfolio, investment performance and investment strategy. Monthly summaries of all of the City's account holdings along with the quarterly reports are posted on the Finance Department's web page: <http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/FINANCE/> under the "Documents" tab.

The City's investment portfolio (pooled cash) totaled \$217.8 million as of March 31, 2016; \$121.9 million was invested through the City's investment advisor, The PFM Group; \$74.5 million was on deposit in the Local Agency Investment Fund (LAIF); and the remaining portfolio balance of \$21.4 million resided in the City's general checking account. Cash flow needs cause the balances of the LAIF and general checking accounts to fluctuate monthly.

The interest earned on the City's portfolio managed by the PFM Group (excluding LAIF and cash accounts) demonstrated strong returns due to falling interest rates and the portfolio's sector diversification. The portfolio outperformed the benchmark used for comparison (1-3 Year U.S. Treasury Index) – earning 1.05%, while the benchmark earned .92% over the same period. For 1Q2016, the funds on deposit with LAIF earned 0.46%, a big improvement over recent years. The balance held in the City's general checking account does not earn interest.

The City's investments are generally within a 1-3 year range, however, as of March 31, 2016, approximately 6% of the portfolio managed by The PFM Group fell into a maturity range of 3-5 years consistent with the City's Investment Policy.

Pursuant to provision (3) of California Government Code section 53646, the City establishes that it is able to meet its pooled expenditure requirements for the next six months.

Attachments:

First Quarter 2016 Performance Investment Report by The PFM Group
First Quarter 2016 LAIF Performance Report



City of Hayward Performance Review First Quarter 2016

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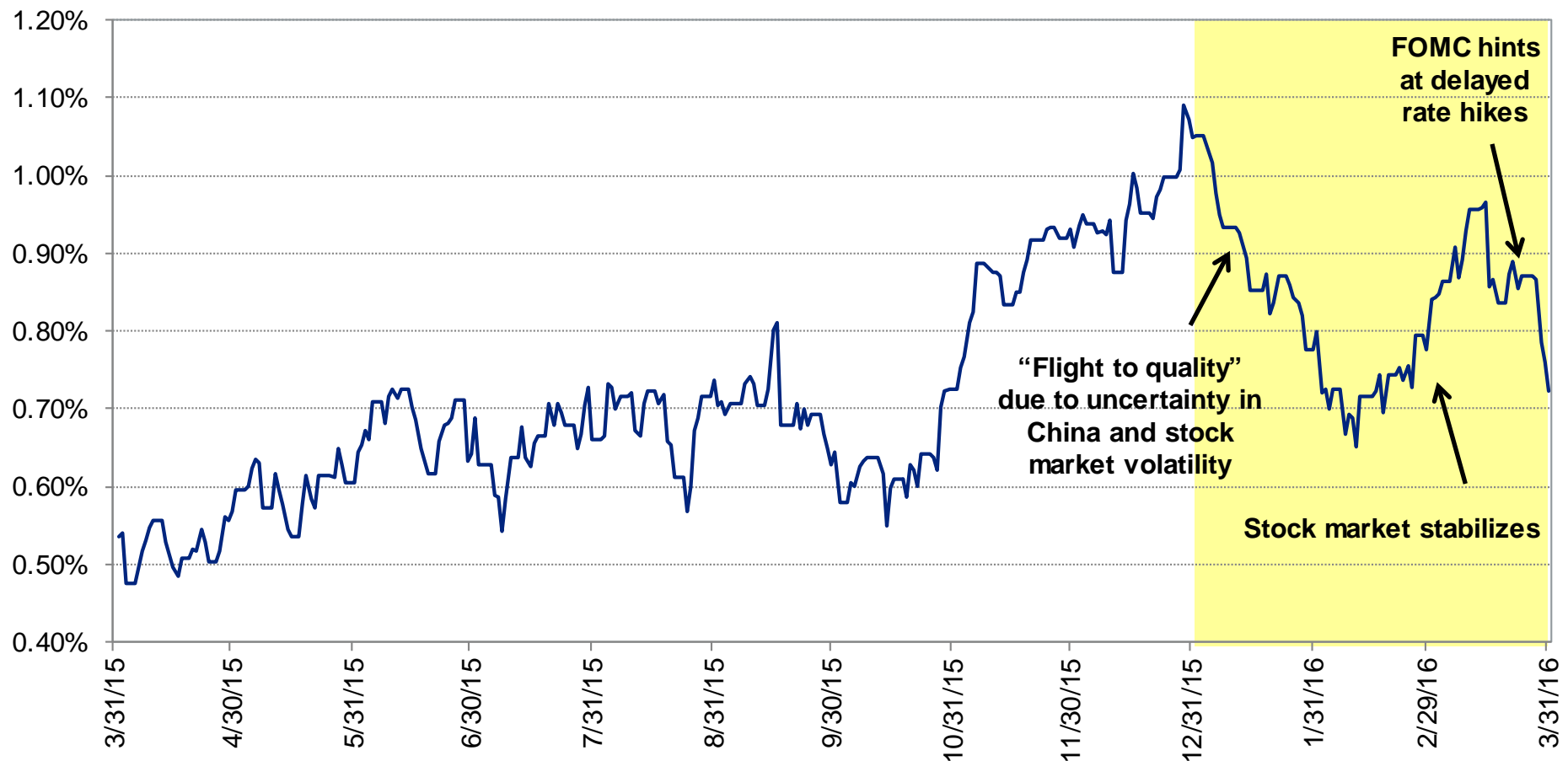


The PFM Group
Financial & Investment Advisors

U.S. Treasury Yields Experienced Volatility

- Interest rates fell at the beginning of 2016 due to concerns over slowing global economic growth.
- Rates recovered modestly at the end of February and beginning of March, but ended the quarter significantly lower than December 2015.

2-Year U.S. Treasury Yield
March 31, 2015 – March 31, 2016

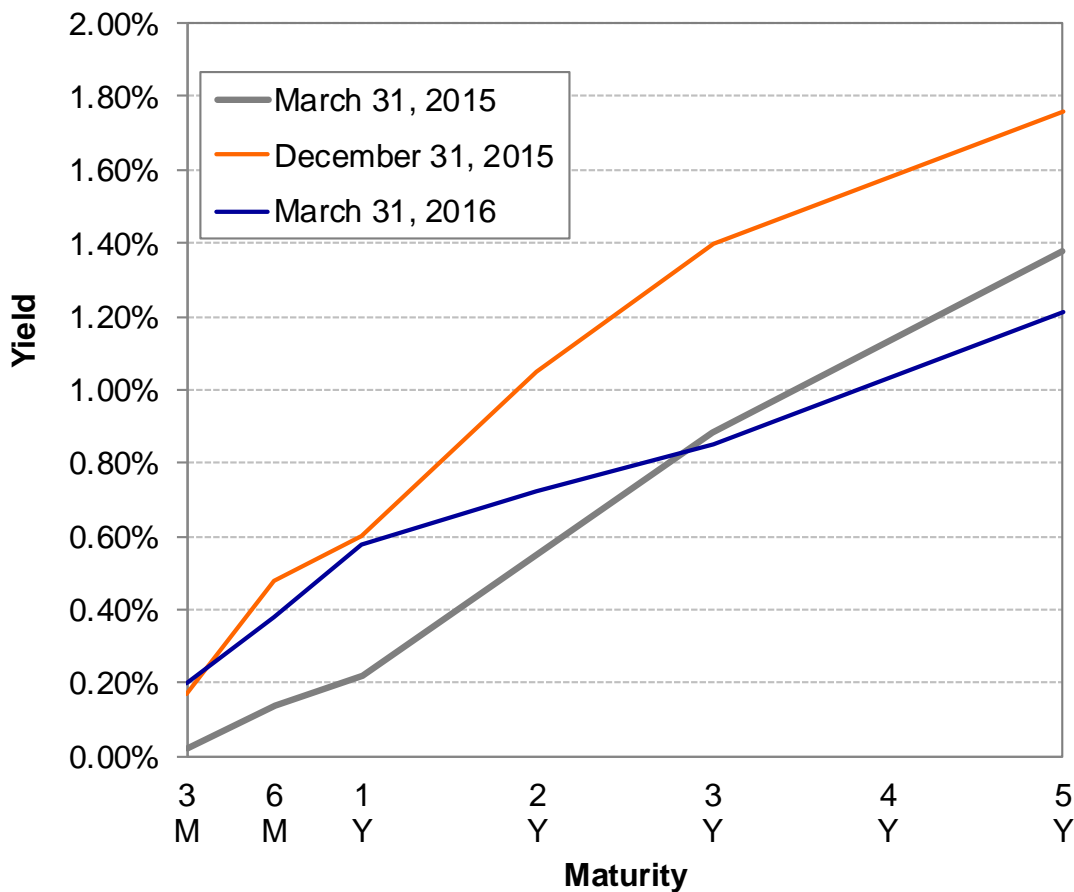


Source: Bloomberg

U.S. Treasury Yields Decreased Across the Curve

- During the quarter, longer-term yields reversed the increases picked up at the end of 2015.

U.S. Treasury Yield Curve



	3/31/15	12/31/15	3/31/16	1 st Quarter Change
3 Month	0.02%	0.17%	0.20%	+0.03%
6 Month	0.14%	0.48%	0.38%	-0.10%
1 Year	0.22%	0.60%	0.58%	-0.02%
2 Year	0.55%	1.05%	0.72%	-0.33%
3 Year	0.88%	1.40%	0.85%	-0.55%
5 Year	1.38%	1.76%	1.21%	-0.55%
10 Year	1.93%	2.27%	1.77%	-0.50%
30 Year	2.54%	3.02%	2.61%	-0.41%

Source: Bloomberg

FOMC Statement Highlights

March

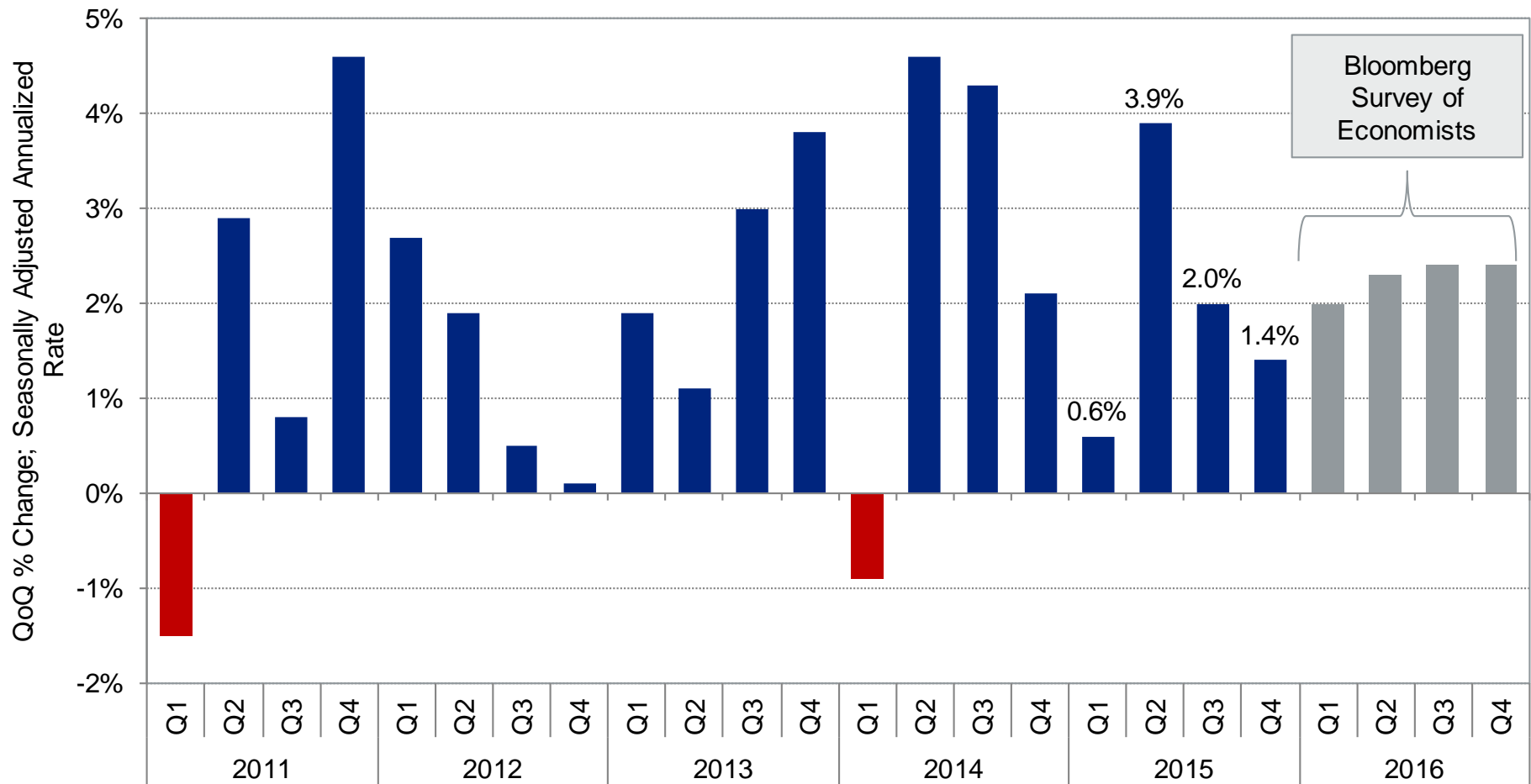
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- Economic activity has been expanding at a moderate pace **despite the global economic and financial developments of recent months**...a range of recent indicators, including strong job gains, points to **additional strengthening of the labor market**.
- **Inflation picked up in recent months**; however, it continued to run below the Committee's 2% longer-run objective, partly reflecting declines in energy prices and in prices of non-energy imports. Market-based measures of inflation compensation remain low... **inflation is expected to remain low in the near term**...The Committee continues to monitor inflation developments closely.

- **Global economic and financial developments continue to pose risks.**
- Against this backdrop, **the Committee decided to maintain the target range for the federal funds rate at 0.25 – 0.50%**. The stance of monetary policy remains accommodative...
- In light of the current shortfall of inflation from 2%, the Committee will carefully monitor actual and expected progress toward its inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant **only gradual increases in the federal funds rate**.

U.S. Economy on Moderate Growth Track

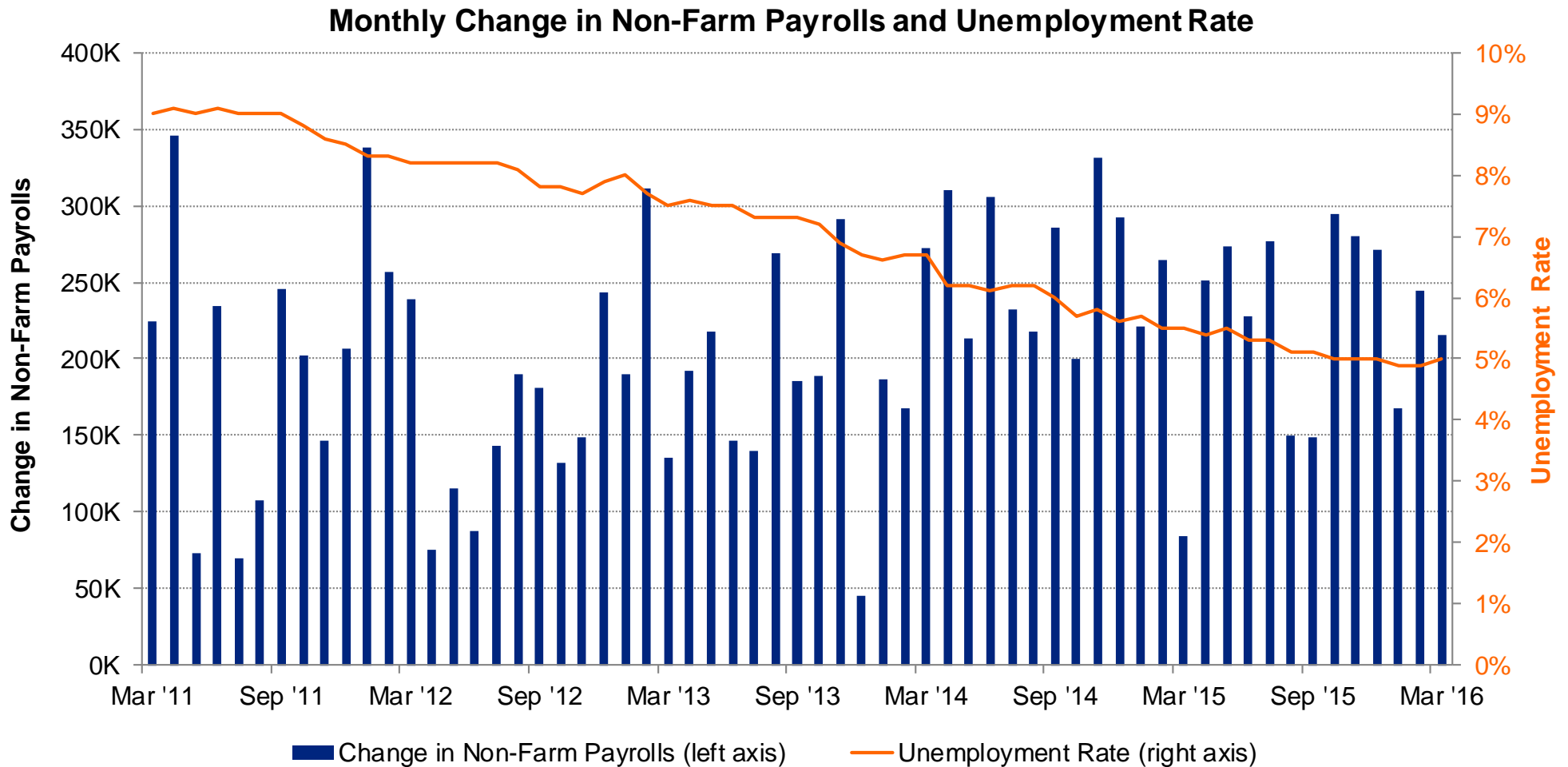
- U.S. GDP grew at a slower pace in the fourth quarter than earlier in the year, growing at 1.4% according to revised estimates. Fourth quarter growth was led by gains in consumer spending, but a drop in private inventory investment and net exports were the detractors.



Source: Bureau of Economic Analysis; Bloomberg survey results as of 3/31/2016.

U.S. Jobs Market Close to Full Employment

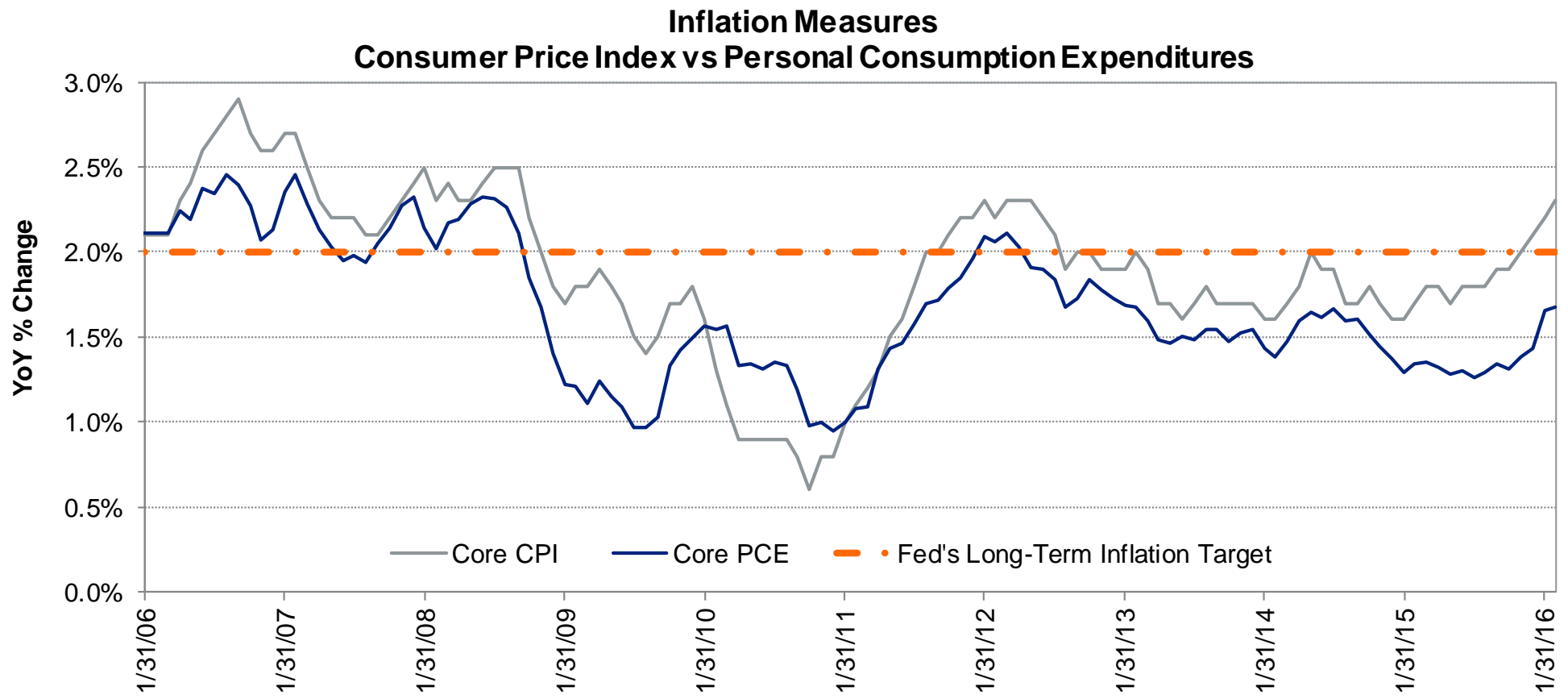
- The U.S. labor market added 628,000 jobs in first quarter of 2016, exceeding the expectation for 590,000 new jobs.
- In March, the unemployment rate was 5.0%, the same level as it was in December, and the participation rate edged slightly higher to 63% from 62.6% in December.



Source: Bureau of Labor Statistics

Inflation Picked Up

- The core personal consumption expenditures (PCE) price index, the Fed's preferred gauge of core inflation, advanced to 1.7% year-over-year through February 2016. Core PCE continues to be under the Fed's 2% inflation target.
- Although the Fed has reached its mandate of full employment and inflation is trending in the right direction, we believe the Fed will remain patient in raising rates this year given the economic slowdown in China and other developments that pose risks to global growth.



Source: Bloomberg as of 01/31/2016.

First Quarter 2016 Recap

- During the past quarter's volatile and uncertain environment, PFMAM maintained a near-neutral duration position, relative to the benchmark, through January and February. As yields appeared to have bottomed in February, we allowed the portfolio to shorten slightly in March.
- The yield relationship between U.S. Treasury and federal agency securities fluctuated throughout the quarter and at times agency yield spreads increased to multi-year highs. We evaluated the relative value between the two sectors before making purchases, purchasing Treasuries when the spreads were narrow and Agencies when spreads were wide.
- PFMAM maintained the portfolio's allocation to the corporate sector during the quarter. The corporate sector experienced spread widening early in the quarter, caused by general market turmoil. However, corporate yield spreads tightened through March as markets rebounded, ultimately driving the sector's outperformance for the quarter.

First Quarter Trade Activity

Trade Type	Settle Date	Sector	Issuer	Maturity Date	Par Value (000)	Yield to Maturity (Market)	Realized Gain/Loss
BUY	1/8/2016	FEDERAL AGENCY	FNMA BENCHMARK NOTE	1/28/2019	5,195	1.40%	-
SELL	1/8/2016	US TREASURY	US TREASURY NOTES	11/30/2018	5,250	1.26%	(\$11,956)
BUY	2/3/2016	US TREASURY	US TREASURY NOTES	2/28/2019	1,980	1.02%	-
SELL	2/3/2016	FEDERAL AGENCY	FNMA NOTES	9/28/2016	2,000	0.59%	(\$1,097)
BUY	2/18/2016	FEDERAL AGENCY	FHLB NOTES	3/19/2018	6,000	0.89%	-
SELL	2/18/2016	US TREASURY	US TREASURY NOTES	3/31/2018	3,500	0.77%	\$20,031
SELL	2/18/2016	US TREASURY	US TREASURY NOTES	3/31/2018	2,475	0.77%	\$11,814
BUY	2/23/2016	FEDERAL AGENCY	FNMA BENCHMARK NOTE	2/26/2019	6,100	1.08%	-
SELL	2/23/2016	US TREASURY	US TREASURY NOTES	12/31/2018	3,925	0.91%	\$34,549
SELL	2/23/2016	US TREASURY	US TREASURY NOTES	2/28/2019	1,980	0.94%	\$4,701
BUY	3/4/2016	FEDERAL AGENCY	FNMA NOTE	3/28/2018	4,050	0.97%	-
BUY	3/4/2016	US TREASURY	US TREASURY NOTES	3/31/2019	5,850	1.05%	-
SELL	3/4/2016	FEDERAL AGENCY	FHLB NOTES	11/23/2016	5,000	0.69%	(\$4,672)
SELL	3/4/2016	US TREASURY	US TREASURY NOTES	12/31/2016	1,000	0.69%	(\$22)
SELL	3/4/2016	US TREASURY	US TREASURY NOTES	3/31/2018	2,125	0.88%	\$5,037
SELL	3/4/2016	US TREASURY	US TREASURY NOTES	3/31/2018	825	0.88%	\$1,933
SELL	3/4/2016	US TREASURY	US TREASURY NOTES	4/30/2018	1,100	0.89%	\$113
BUY	3/24/2016	US TREASURY	US TREASURY BILL	4/7/2016	1,657	0.23%	-
CALLED	3/24/2016	FEDERAL AGENCY	FHLB GLOBAL NOTES	3/24/2016	1,650	-	-
BUY	3/31/2016	FEDERAL AGENCY	FREDDIE MAC NOTES	4/15/2019	3,550	1.05%	-
SELL	3/31/2016	FEDERAL AGENCY	FHLB NOTES	11/23/2016	1,750	0.60%	(\$483)
SELL	3/30/2016	US TREASURY	US TREASURY BILL	4/7/2016	1,657	0.05%	\$56

Total Return

- Both the portfolio and the benchmark generated strong returns for the quarter as a result of falling interest rates.
- The portfolio outperformed the benchmark during the quarter as a result of the portfolio's sector diversification.
- The City's portfolio has consistently delivered strong performance relative to its benchmark.

Total Return Period Ended March 31, 2016

	Duration	Periodic	Annualized			
		Past Quarter	Past Year	Past 2 Years	Past 3 Years	Since Inception ⁵
City of Hayward^{1,2,3,4}	1.80	0.95%	1.05%	1.03%	0.79%	0.74%
<i>Merrill Lynch 1-3 Year U.S. Treasury Index</i>	1.82	0.90%	0.92%	0.96%	0.77%	0.71%
<i>LAIF⁶</i>	0.00	0.12%	0.37%	0.31%	0.29%	0.30%

1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).

2. Merrill Lynch Indices provided by Bloomberg Financial Markets.

3. Quarterly returns are presented on an unannualized basis.

4. Excludes LAIF and cash balance in performance, duration, and yield computations.

5. Inception date is September 30, 2012.

6. California State Treasurer LAIF website.

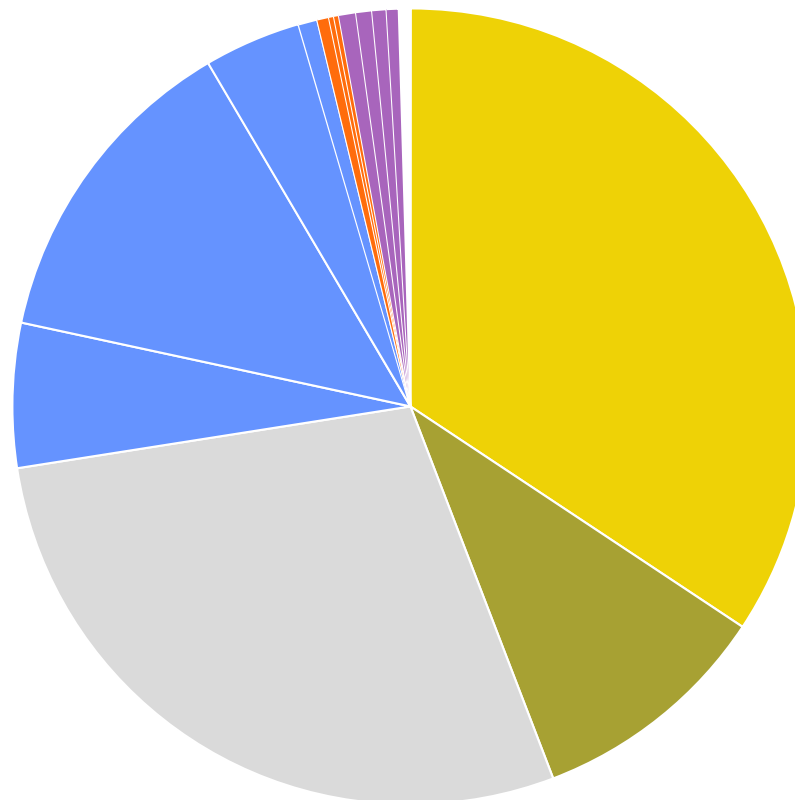
Portfolio Complies with Government Code and the City's Investment Policy

Security Type	Market Value 03/31/16	% of Portfolio	Change Since 12/31/15	% Permitted by Policy	In Compliance
U.S. Treasuries	\$61,553,619	28%	-7%	100%	✓
Federal Agencies	\$43,693,657	20%	7%	100%	✓
<i>Non-Callable</i>	\$43,693,657	20%	7%		
<i>Callable</i>	\$0	0%	-0.8%		
Supranationals	\$1,013,021	0%	0%	30%	✓
Municipal Bonds	\$1,914,436	1%	0%	20%	✓
Asset-Backed Securities	\$8,528,775	4%	0%	20%	✓
Corporate Notes	\$5,243,875	2%	0%	30%	✓
Total Securities	\$121,947,384	56%			
LAIF	\$74,532,708	34%	-2%	\$50 Million per Account ¹	✓
Cash Deposits	\$21,364,587	10%	3%	100%	✓
Total Liquidity	\$95,897,295	44%			
Total Investments	\$217,844,679	100%			

- Numbers may not add to 100% due to rounding.
- 1. City maintains three separate LAIF accounts.

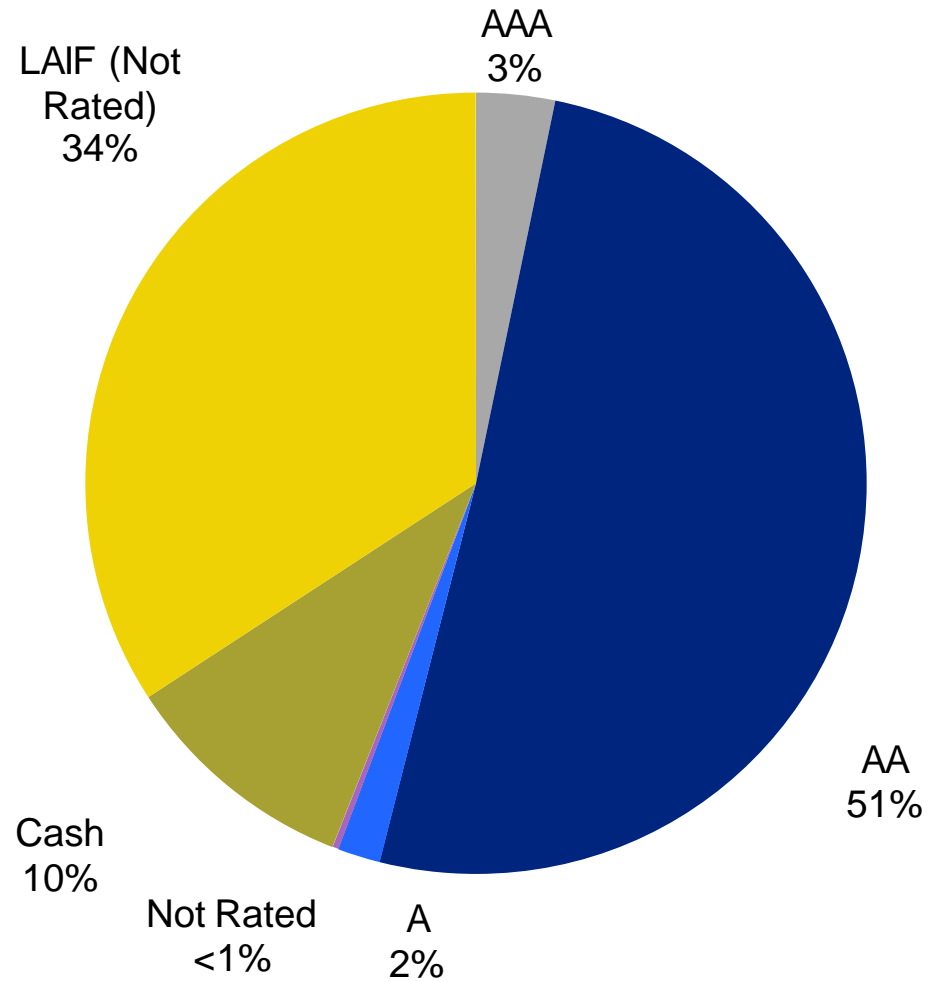
Portfolio Issuer Distribution

Issuer	Amount	%
LAIF	\$74,532,708	34%
Cash	\$21,364,587	10%
U.S. Treasury	\$61,553,619	28%
FHLB	\$12,719,263	6%
FNMA	\$28,555,902	13%
FHLMC	\$8,550,900	4%
Tennessee Valley Authority	\$1,662,165	1%
Orange County, CA	\$1,036,332	0.5%
CA Earthquake Authority	\$443,433	0.2%
State of Connecticut	\$434,671	0.2%
Walt Disney Co.	\$1,511,149	1%
Exxon Mobil	\$1,407,556	1%
Wells Fargo	\$1,261,246	1%
Bank of New York Mellon	\$1,063,923	0.5%
IBRD	\$1,013,021	0.5%
Ford Credit Auto Owner Trust	\$734,202	0.3%
	\$217,844,679	100%



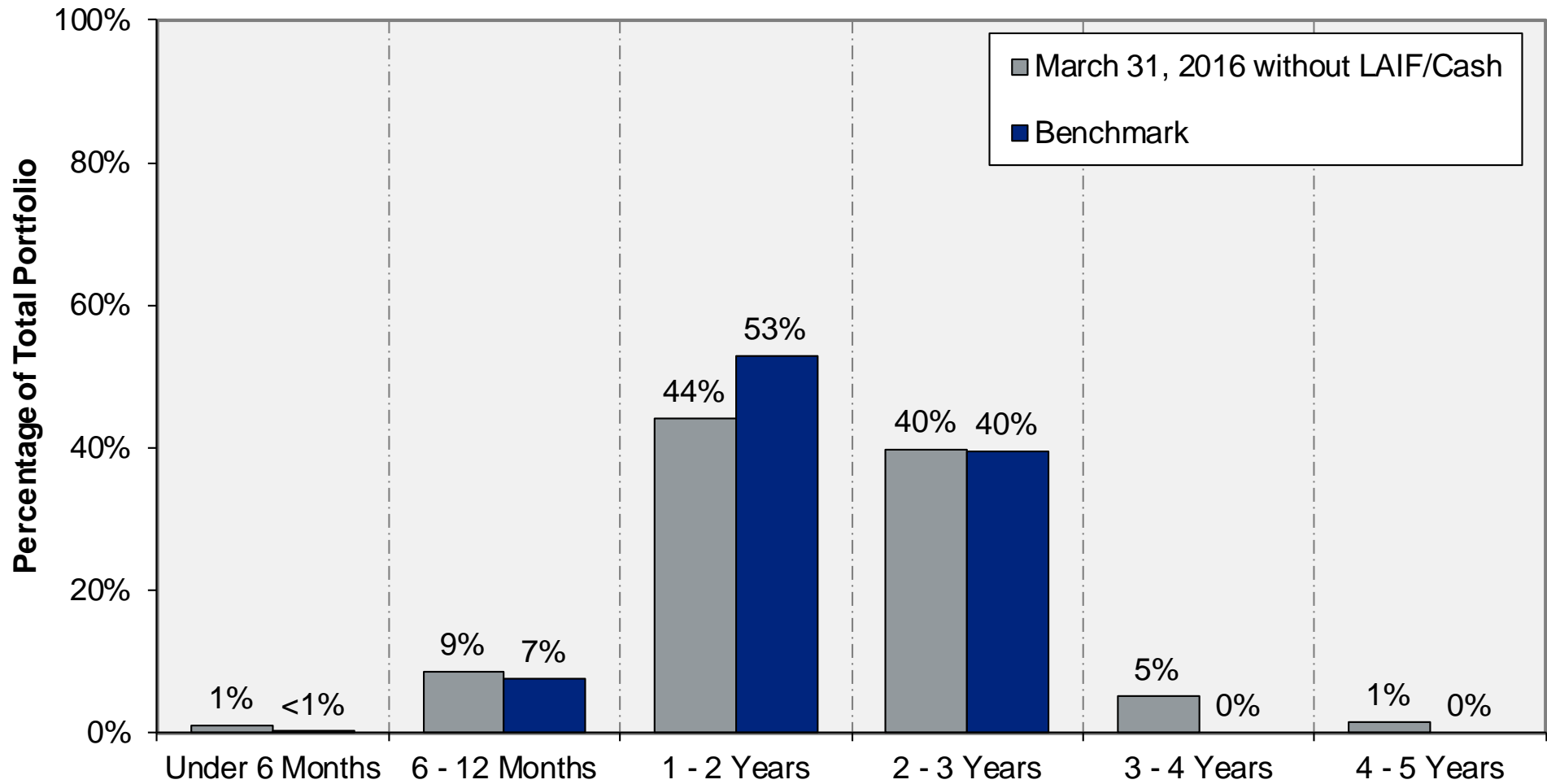
- As of March 31, 2016
- Numbers may not add to 100% due to rounding.

Portfolio Credit Distribution



- As of March 31, 2016
- Ratings by Standard & Poor's.
- Numbers may not add to 100% due to rounding.

Maturity Distribution vs. Benchmark Distribution



- Excludes cash and LAIF balances.
- Benchmark represents Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index.
- 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.
- Numbers may not add to 100% due to rounding.

2nd Quarter Investment Outlook and Strategy

- We expect the U.S. economy to expand at a moderate pace in 2016 as consumer spending continues to drive positive growth.
 - Outside the U.S., economic prospects are more challenged due to weak commodity prices, slowing growth in China, and various geopolitical risks.
 - The market's concerns about the strength of the global economy will likely keep interest rates lower than previously expected.
- The economic projections released following the FOMC's March meeting indicated that FOMC participants believe that appropriate monetary policy warrants only two fed fund hikes in 2016, not four hikes as was projected in December.
- Given the likelihood that rates will not move significantly higher in the near-term, we will position the maturity distribution of the City's portfolio to generally match the distribution of the benchmark, except where shifting to short-term credit securities offer better value.
- Because of narrowed yield spreads, federal agencies currently have less appeal relative to comparable-maturity U.S. Treasuries. We will monitor the yield relationship and take advantage of any opportunities that arise—opportunities that are most likely to occur with newly-issued federal agency securities.
- Our strategy continues to favor credit sectors. We believe the best opportunities are currently with issuers in the financial industry, where capital is strong and spreads are wide. We are also watching the industrial sector but are being more selective when making investments in industrial companies, especially those with exposure to energy or to slowing overseas economies.

Disclaimer

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Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

CITY OF HAYWARD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/31/2012 1.000% 03/31/2017	912828SM3	2,705,000.00	AA+	Aaa	10/02/14	10/06/14	2,718,208.01	0.80	73.91	2,710,335.59	2,714,932.76
US TREASURY NOTES DTD 03/31/2012 1.000% 03/31/2017	912828SM3	3,450,000.00	AA+	Aaa	03/19/14	03/21/14	3,457,951.17	0.92	94.26	3,452,644.36	3,462,668.40
US TREASURY NOTES DTD 04/30/2012 0.875% 04/30/2017	912828SS0	7,500,000.00	AA+	Aaa	05/04/15	05/04/15	7,538,671.88	0.61	27,584.13	7,521,047.63	7,517,872.50
US TREASURY NOTES DTD 05/31/2012 0.625% 05/31/2017	912828SY7	4,450,000.00	AA+	Aaa	06/02/14	06/03/14	4,425,316.41	0.81	9,346.82	4,440,327.84	4,447,392.30
US TREASURY NOTES DTD 07/02/2012 0.750% 06/30/2017	912828TB6	2,800,000.00	AA+	Aaa	10/30/14	11/03/14	2,797,156.25	0.79	5,307.69	2,798,660.34	2,802,626.40
US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	820,000.00	AA+	Aaa	07/01/14	07/07/14	808,628.91	0.96	687.09	815,019.04	817,981.98
US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	1,115,000.00	AA+	Aaa	02/06/15	02/10/15	1,105,679.30	0.84	934.27	1,109,953.86	1,112,255.99
US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	2,750,000.00	AA+	Aaa	02/02/15	02/04/15	2,741,298.83	0.63	2,304.26	2,745,325.83	2,743,232.25
US TREASURY NOTES DTD 08/31/2012 0.625% 08/31/2017	912828TM2	7,500,000.00	AA+	Aaa	05/04/15	05/04/15	7,478,027.34	0.75	4,076.09	7,486,598.25	7,490,917.50
US TREASURY NOTES DTD 09/30/2010 1.875% 09/30/2017	912828PA2	1,190,000.00	AA+	Aaa	09/02/14	09/04/14	1,219,842.97	1.04	60.96	1,204,670.57	1,210,546.54
US TREASURY NOTES DTD 01/31/2013 0.875% 01/31/2018	912828UJ7	1,850,000.00	AA+	Aaa	12/29/14	12/31/14	1,831,210.94	1.21	2,712.74	1,838,756.79	1,854,769.30
US TREASURY NOTES DTD 05/31/2013 1.000% 05/31/2018	912828VE7	5,000,000.00	AA+	Aaa	05/04/15	05/04/15	4,999,804.69	1.00	16,803.28	4,999,867.50	5,023,440.00
US TREASURY NOTES DTD 05/31/2013 1.000% 05/31/2018	912828VE7	6,000,000.00	AA+	Aaa	12/28/15	12/30/15	5,970,234.38	1.21	20,163.93	5,973,330.96	6,028,128.00
US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018	912828VO0	400,000.00	AA+	Aaa	07/01/15	07/06/15	403,218.75	1.11	921.70	402,456.47	405,343.60



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

CITY OF HAYWARD

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U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 09/30/2011 1.375% 09/30/2018	912828RH5	5,225,000.00	AA+	Aaa	10/08/15	10/09/15	5,291,945.31	0.94	196.29	5,281,315.73	5,298,886.73
US TREASURY NOTES DTD 12/31/2013 1.500% 12/31/2018	912828A75	2,500,000.00	AA+	Aaa	12/01/15	12/04/15	2,521,191.40	1.22	9,478.02	2,518,983.90	2,545,020.00
US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	5,850,000.00	AA+	Aaa	03/02/16	03/04/16	5,951,460.94	1.05	259.73	5,948,990.19	5,976,599.85
Security Type Sub-Total		61,105,000.00					61,259,847.48	0.90	101,005.17	61,248,284.85	61,452,614.10
Supra-National Agency Bond / Note											
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 04/30/2015 1.000% 06/15/2018	459058EJ8	1,010,000.00	AAA	Aaa	04/22/15	04/30/15	1,008,272.90	1.06	2,973.89	1,008,773.58	1,010,047.47
Security Type Sub-Total		1,010,000.00					1,008,272.90	1.06	2,973.89	1,008,773.58	1,010,047.47
Municipal Bond / Note											
ORANGE CNTY, CA TXBL REV PO BONDS DTD 01/13/2015 0.780% 05/02/2016	68428LDJ0	1,035,000.00	AA	NR	01/09/15	01/13/15	1,035,000.00	0.78	1,300.65	1,035,000.00	1,035,031.05
CA EARTHQUAKE AUTH TXBL REV BONDS DTD 11/06/2014 1.194% 07/01/2016	13017HAC0	250,000.00	NR	A3	10/29/14	11/06/14	250,000.00	1.19	746.25	250,000.00	250,295.00
CA EARTHQUAKE AUTH TXBL REV BONDS DTD 11/06/2014 1.824% 07/01/2017	13017HAD8	190,000.00	NR	A3	10/29/14	11/06/14	190,000.00	1.82	866.40	190,000.00	191,525.70
CT ST TXBL GO BONDS DTD 03/25/2015 1.422% 03/15/2018	20772JZJ4	430,000.00	AA	Aa3	03/13/15	03/25/15	430,000.00	1.42	271.76	430,000.00	434,398.90
Security Type Sub-Total		1,905,000.00					1,905,000.00	1.08	3,185.06	1,905,000.00	1,911,250.65
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	445,000.00	AA+	Aaa	01/15/15	01/30/15	449,446.66	1.26	602.98	447,435.12	447,899.58



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

CITY OF HAYWARD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	385,000.00	AA+	Aaa	04/15/15	04/30/15	388,848.61	0.83	497.29	387,445.94	386,426.85
FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.624% 06/01/2018	3136AMMC0	281,073.89	AA+	Aaa	02/12/15	02/27/15	281,000.45	0.39	146.15	281,073.89	280,322.58
FNMA SERIES M4 FA DTD 03/01/2015 0.633% 09/01/2018	3136AMTM1	255,532.77	AA+	Aaa	03/12/15	03/31/15	255,467.30	0.38	134.69	255,532.77	254,410.73
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	515,000.00	AA+	Aaa	11/06/15	11/30/15	520,149.95	1.20	814.59	519,492.54	520,972.97
FNMA SERIES 2015-M10 FA DTD 06/01/2015 0.674% 03/01/2019	3136ANA98	2,143,477.41	AA+	Aaa	06/12/15	06/30/15	2,142,857.08	0.43	1,203.62	2,143,477.41	2,134,818.40
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	1,125,000.00	AA+	Aaa	10/07/15	10/30/15	1,136,265.64	1.08	1,543.13	1,134,872.10	1,132,575.19
FREDDIE MAC SERIES 4459 NB DTD 04/01/2015 4.500% 01/01/2020	3137BHU39	833,762.17	AA+	Aaa	06/08/15	06/11/15	874,147.52	0.77	3,126.61	865,355.99	860,738.88
FNMA SERIES 2015-M12 FA DTD 09/01/2015 0.767% 04/01/2020	3136AP3Z3	1,774,940.88	AA+	Aaa	09/10/15	09/30/15	1,774,301.89	0.54	1,134.23	1,774,940.88	1,767,204.80
Security Type Sub-Total		7,758,787.12					7,822,485.10	0.70	9,203.29	7,809,626.64	7,785,369.98

Federal Agency Bond / Note											
FHLB NOTES DTD 11/17/2014 0.625% 11/23/2016	3130A3J70	750,000.00	AA+	Aaa	05/04/15	05/04/15	750,750.00	0.56	1,666.67	750,312.12	750,352.50
FHLB NOTES DTD 11/09/2010 1.625% 12/09/2016	313371PV2	3,500,000.00	AA+	Aaa	05/05/15	05/05/15	3,557,505.00	0.59	17,694.44	3,524,908.00	3,524,024.00
FHLB GLOBAL NOTES DTD 05/15/2015 0.625% 05/30/2017	3130A5EP0	2,410,000.00	AA+	Aaa	05/14/15	05/15/15	2,407,999.70	0.67	5,062.67	2,408,856.00	2,408,488.93
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	1,400,000.00	AA+	Aaa	03/19/15	03/20/15	1,404,760.00	0.85	2,450.00	1,402,690.49	1,405,058.20
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	2,700,000.00	AA+	Aaa	08/12/14	08/14/14	2,699,819.10	1.00	4,725.00	2,699,919.49	2,709,755.10



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

CITY OF HAYWARD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
TENNESSEE VALLEY AUTHORITY NOTES DTD 12/22/1997 6.250% 12/15/2017	880591CU4	1,500,000.00	AA+	Aaa	08/18/15	08/19/15	1,679,964.00	1.01	27,604.17	1,632,580.37	1,634,560.50
FHLB NOTES DTD 02/18/2016 0.875% 03/19/2018	3130A7CX1	6,000,000.00	AA+	Aaa	02/17/16	02/18/16	5,998,140.00	0.89	1,750.00	5,998,237.80	6,010,224.00
FNMA NOTE DTD 03/04/2016 0.875% 03/28/2018	3135G0J61	4,050,000.00	AA+	Aaa	03/02/16	03/04/16	4,041,900.00	0.97	295.31	4,042,186.42	4,056,885.00
FNMA BENCHMARK NOTE DTD 09/01/2015 1.125% 10/19/2018	3135G0E58	6,100,000.00	AA+	Aaa	08/27/15	09/01/15	6,090,118.00	1.18	30,881.25	6,091,914.63	6,142,523.10
FNMA BENCHMARK NOTE DTD 01/08/2016 1.375% 01/28/2019	3135G0H63	5,195,000.00	AA+	Aaa	01/06/16	01/08/16	5,191,779.10	1.40	12,500.47	5,192,006.43	5,262,685.66
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	6,100,000.00	AA+	Aaa	02/19/16	02/23/16	6,085,604.00	1.08	5,930.56	6,086,100.97	6,113,493.20
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	3,550,000.00	AA+	Aaa	03/30/16	03/31/16	3,558,449.00	1.05	1,109.38	3,558,441.47	3,563,937.30
Security Type Sub-Total		43,255,000.00					43,466,787.90	1.01	111,669.92	43,388,154.19	43,581,987.49
Corporate Note											
WALT DISNEY CORP NOTES DTD 11/30/2012 1.100% 12/01/2017	25468PCV6	1,500,000.00	A	A2	11/04/14	11/07/14	1,490,565.00	1.31	5,500.00	1,494,828.27	1,505,649.00
WELLS FARGO & COMPANY GLOBAL NOTES DTD 12/26/2012 1.500% 01/16/2018	94974BFG0	1,250,000.00	A	A2	05/05/15	05/08/15	1,252,550.00	1.42	3,906.25	1,251,714.73	1,257,340.00
EXXON MOBIL CORP NOTES DTD 03/06/2015 1.305% 03/06/2018	30231GAL6	1,400,000.00	AAA	Aaa	03/04/15	03/06/15	1,400,000.00	1.31	1,268.75	1,400,000.00	1,406,287.40
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 05/29/2015 1.600% 05/22/2018	06406HDB2	1,050,000.00	A	A1	05/22/15	05/29/15	1,049,905.50	1.60	6,020.00	1,049,930.76	1,057,903.35
Security Type Sub-Total		5,200,000.00					5,193,020.50	1.39	16,695.00	5,196,473.76	5,227,179.75



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2016**

CITY OF HAYWARD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Asset-Backed Security / Collateralized Mortgage Obligation											
FORD ABS 2015-A A2A DTD 03/24/2015 0.810% 01/15/2018	34530QAB6	111,375.12	NR	Aaa	03/17/15	03/24/15	111,374.39	0.81	40.10	111,374.69	111,321.18
FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	620,000.00	AAA	Aaa	09/15/15	09/22/15	619,879.35	1.42	388.53	619,895.25	622,452.10
Security Type Sub-Total		731,375.12					731,253.74	1.33	428.63	731,269.94	733,773.28
Managed Account Sub-Total		120,965,162.24					121,386,667.62	0.96	245,160.96	121,287,582.96	121,702,222.72
Securities Sub-Total		\$120,965,162.24					\$121,386,667.62	0.96%	\$245,160.96	\$121,287,582.96	\$121,702,222.72
Accrued Interest											\$245,160.96
Total Investments											\$121,947,383.68



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/14/16	0.52	0.52	149
04/15/16	0.52	0.52	149
04/16/16	0.52	0.52	149
04/17/16	0.52	0.52	149
04/18/16	0.52	0.52	148
04/19/16	0.52	0.52	149
04/20/16	0.52	0.52	153
04/21/16	0.53	0.52	160
04/22/16	0.53	0.52	160
04/23/16	0.53	0.52	160
04/24/16	0.53	0.52	160
04/25/16	0.53	0.52	159
04/26/16	0.53	0.52	157
04/27/16	0.53	0.52	160

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

Quarter Ending 03/31/16

Apportionment Rate: 0.46%
 Earnings Ratio: 0.00001268659292168
 Fair Value Factor: 1.00022106
 Daily: 0.51%
 Quarter to Date: 0.47%
 Average Life: 146

**PMIA Average Monthly
Effective Yields**

MAR 2016 0.506%
 FEB 2016 0.467%
 JAN 2016 0.446%

**Pooled Money Investment Account
Portfolio Composition
3/31/16
\$67.7 billion**

