



Date: May 26, 2017
To: Mayor and City Council
From: City Manager
By: Director of Finance
Subject: 2017 First Quarter Investment Report

In accordance with California Government Code and the City's Statement of Investment Policy, I am transmitting for review the quarterly investment report for the period of January 1 – March 31, 2017 (1Q2017). The City's Investment Advisory Committee (IAC) reviewed this report (but took no formal action) during their quarterly meeting on April 24, 2017. 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 the City's investments managed by PFM along with the quarterly reports are posted on the City of Hayward website at: <http://www.hayward-ca.gov/your-government/documents/investment-reports>.

The City's investment portfolio (pooled cash) totaled a market value of \$244.4 million as of March 31, 2017. The investments held at the end of 1Q2017 included \$115.9 million invested through the City's investment advisor, The PFM Group; \$100.0 million on deposit in the Local Agency Investment Fund (LAIF); and \$28.5 million in the City's general checking account.

Interest earned during 1Q2017 on the City's portfolio managed by the PFM Group (excluding LAIF and cash accounts) totaled \$372,172. It is important to note that these earnings are distributed proportionately to funds based on their asset balance in the City's investment pool. In 1Q2017 the City's managed investment portfolio outperformed the established benchmark used for comparison (1-3 Year U.S. Treasury Index) – by 8 basis points for the quarter and 22 basis points for the one year period from March 31, 2016 to March 31, 2017. Funds on deposit with LAIF earned 0.78% during 1Q2017. The balance held in the City's general checking account does not earn interest.

Attachments:

First Quarter 2017 Performance Investment Report by The PFM Group
First Quarter 2017 LAIF Performance Report



CITY OF HAYWARD

Investment Performance Review For the Quarter Ended March 31, 2017

Client Management Team

Monique Spyke, Managing Director
Izac Chyou, Senior Managing Consultant
Robert Cheddar, CFA, Managing Director/Senior Portfolio Manager

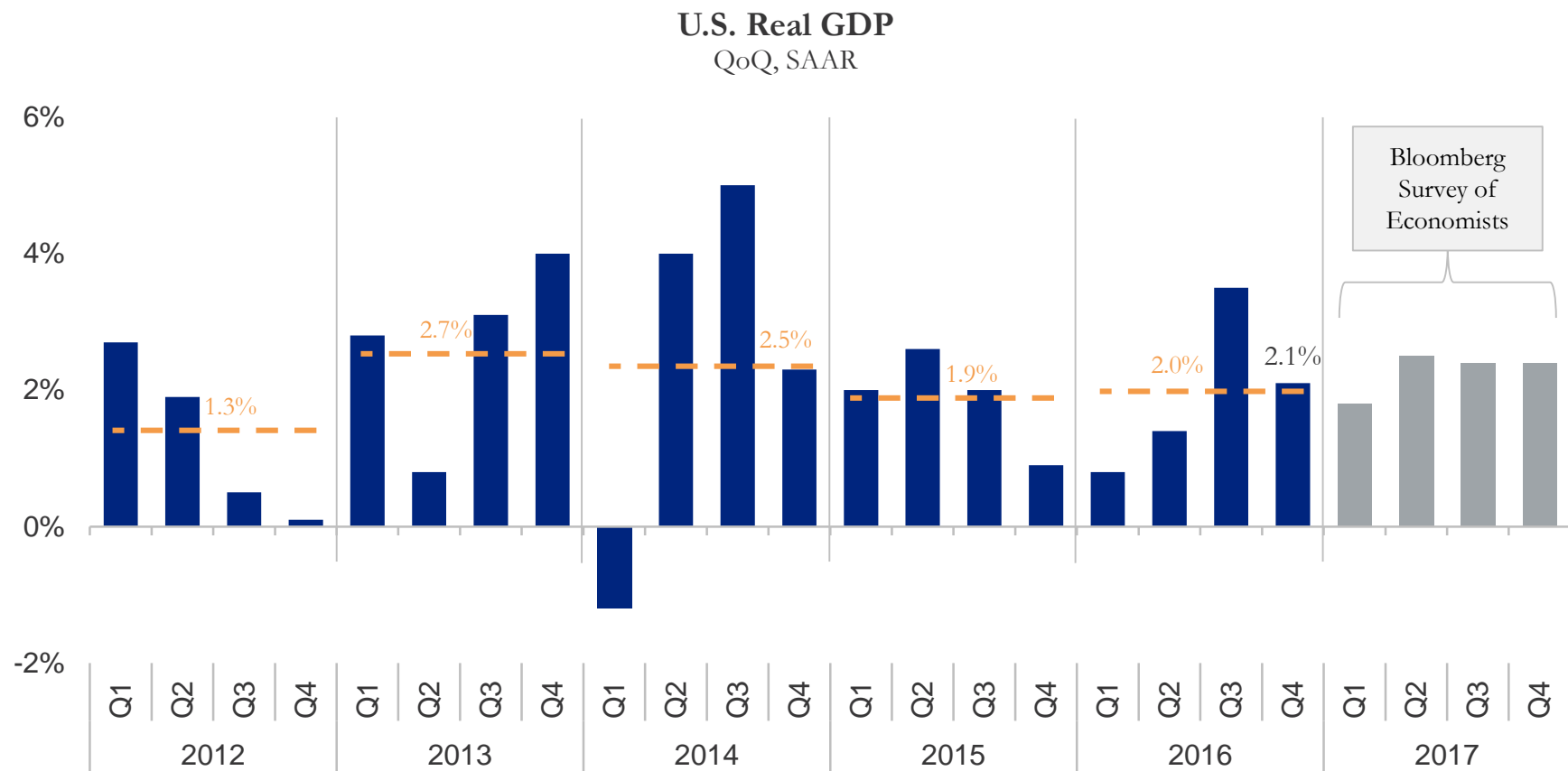
PFM Asset Management LLC

50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544
One Keystone Plaza, Suite 300
Harrisburg, PA 17101-2044
717-232-2723

Market Update

Moderate but Stable Growth

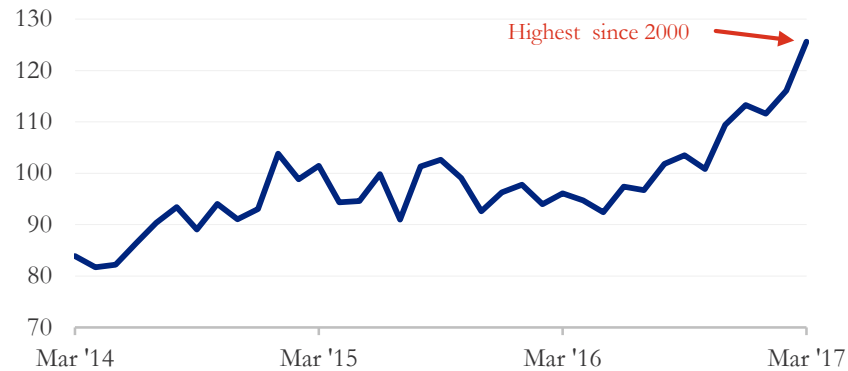
- Gross domestic product (GDP) grew 2.1% in the fourth quarter of 2016 (final estimate), ending the year with an average 2.0% rate of growth.
- A Bloomberg survey of economists project that GDP will increase at a rate of 2.3% for 2017.



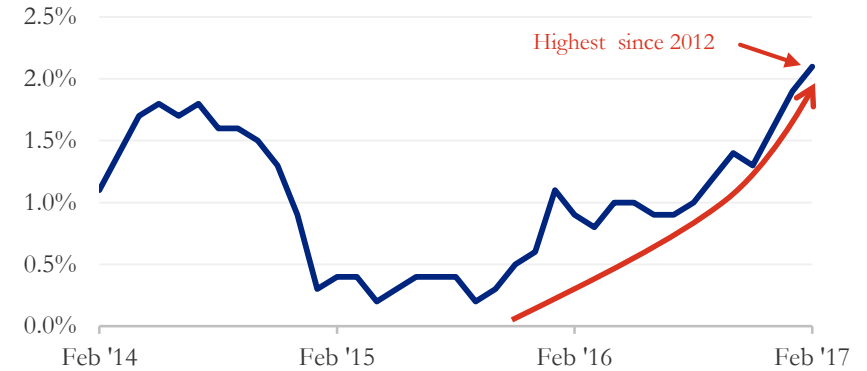
Source: Bloomberg, as of March 2017. SAAR is seasonally adjusted annualized rate.

The Sweet Spots of the U.S. Economy

Consumer Confidence



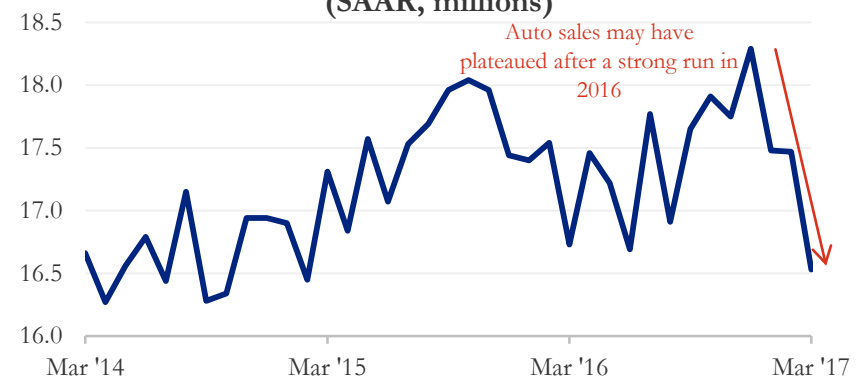
Personal Consumption Expenditure Price Index (YoY)



ISM Manufacturing Purchasing Manager Index



U.S. Auto Sales (SAAR, millions)



Source: Bloomberg, as of 3/31/17.

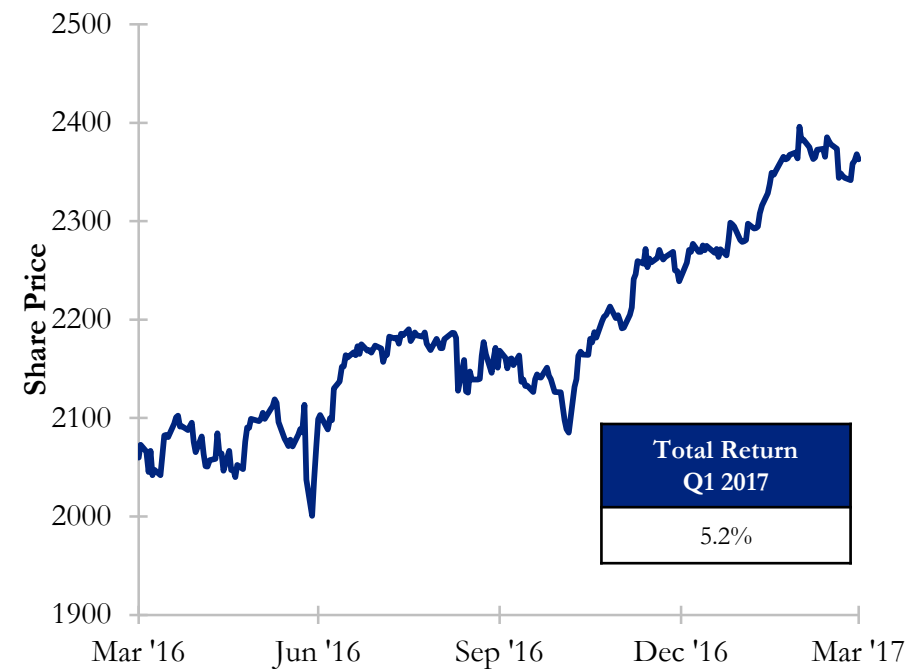
Corporate Sector Optimism

- Corporate markets reflected improving credit fundamentals and optimism related to anticipated pro-business policies such as corporate tax reform and deregulation.
- After tightening to their narrowest levels since 2014, corporate yield spreads began to drift wider toward the end of the quarter.

**Yield Spread between 1-3 U.S. Treasury Index
and 1-3 A-AAA Corporate Index***



S&P 500 Index

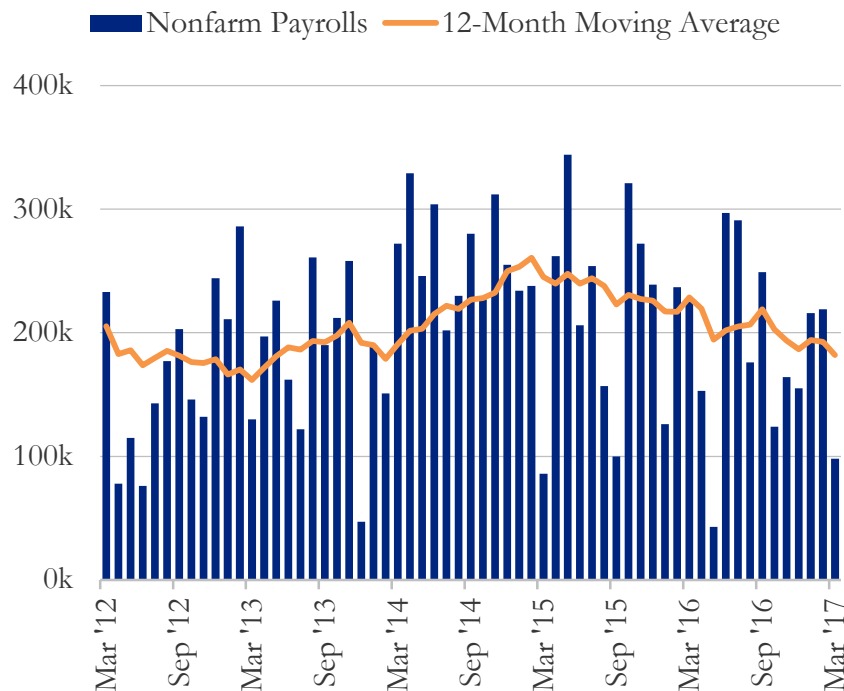


*Bank of America Merrill Lynch Indexes.
Source: Bloomberg, as of 03/31/17.

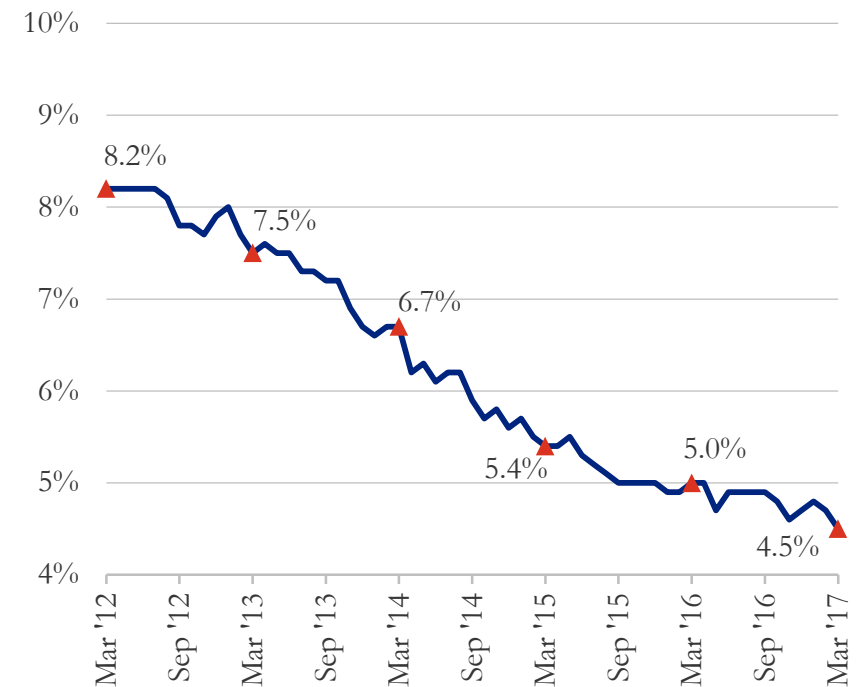
Labor Market

- The U.S. labor market created 98,000 jobs in March, below expectations of 180,000. Total jobs added during the first quarter were 533,000.
- The headline unemployment rate fell to 4.5% while the U-6 rate, which includes under-employed and discouraged workers, dropped to 8.9%, the lowest since 2007.
- The growth rate of average hourly earnings—an important gauge of wage growth—averaged 2.7% over the past 12 months.

Monthly Change in Nonfarm Payrolls



Unemployment Rate



Source: Bloomberg, as of 03/31/17.

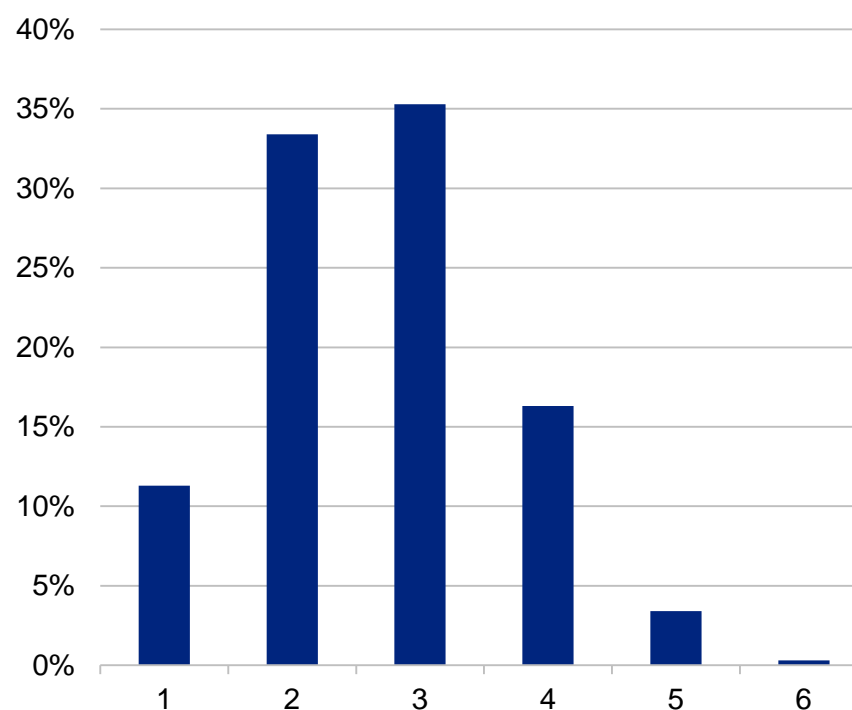
On the Horizon: Higher Rates

- The Federal Open Market Committee (the "FOMC") indicated on March 15th that it expects economic conditions to evolve in a manner that will warrant gradual increases in the federal funds rate.
- According to the "dot plot", Fed officials are expecting to see three rate hikes in 2017, which is aligned with current market expectations.

When Will the Next Rate Hike Occur?

Meeting	3/31/17
5/3/17	13%
6/14/17	57%
7/26/17	63%
9/20/17	80%
11/1/17	82%
12/31/17	89%
1/31/18	89%

Market-Implied Total Number of Rate Hikes Expected in 2017

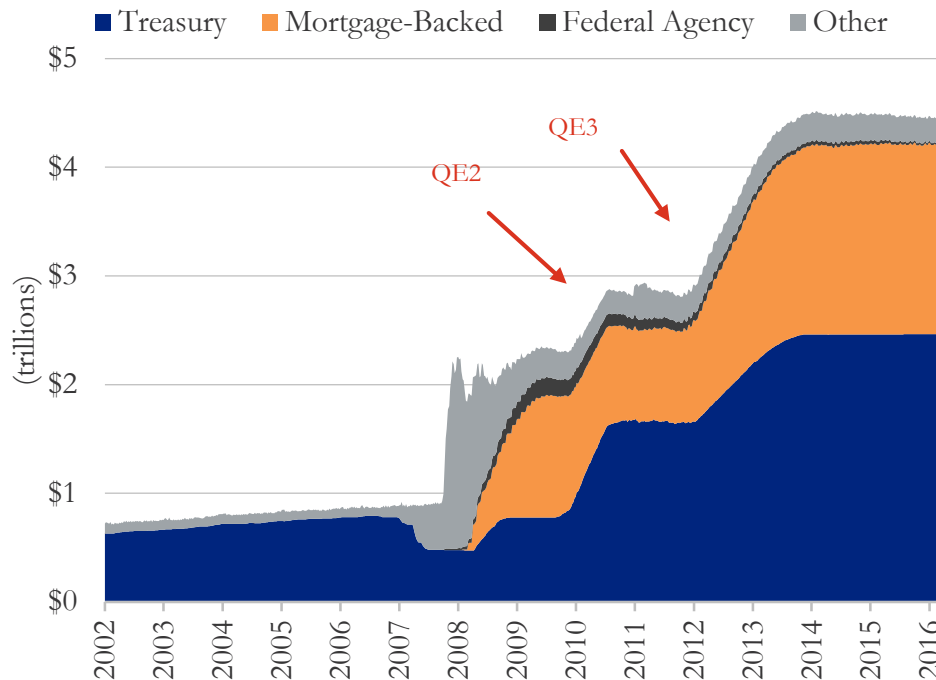


Source: Bloomberg and Federal Reserve, as of 03/31/17.

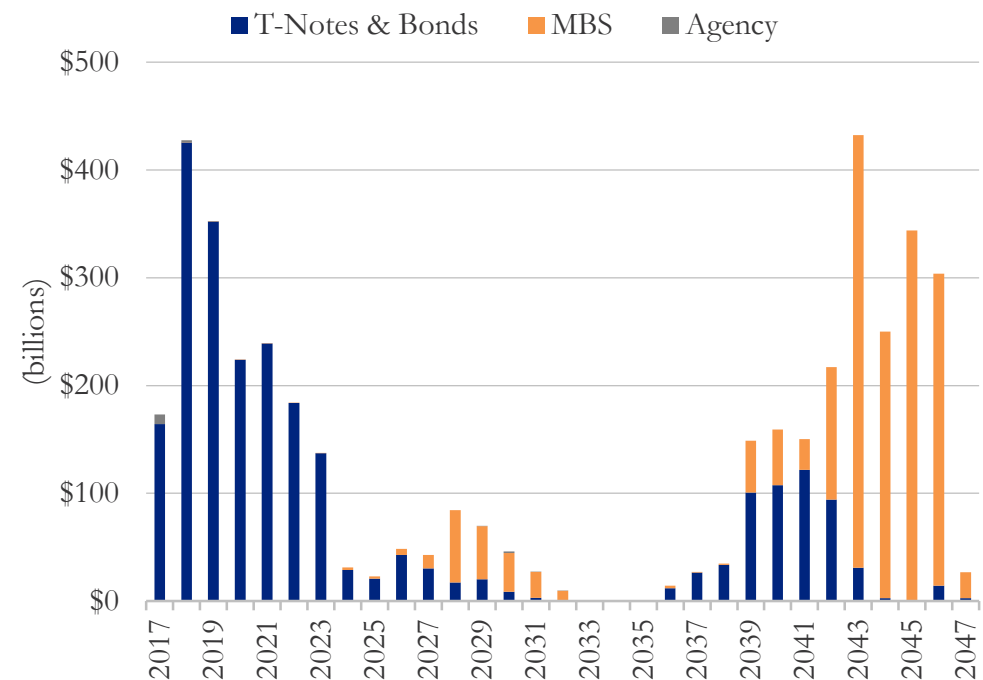
FOMC Meeting Focus: Fed's Balance Sheet

- After multiple rounds of quantitative easing, the Federal Reserve's balance sheet has swelled from under \$1 trillion to approximately \$4.5 trillion.
- March meeting highlights: "participants agreed that reductions in the Federal Reserve's securities holdings should be gradual and predictable and accomplished primarily by phasing out reinvestments... Most participants anticipated that gradual increases in the federal funds rate would continue and judged that a change to the Committee's reinvestment policy would likely be appropriate later this year."

**Total Balance Sheet Assets
of the Federal Reserve**



**Maturity Distribution of
Balance Sheet Assets**

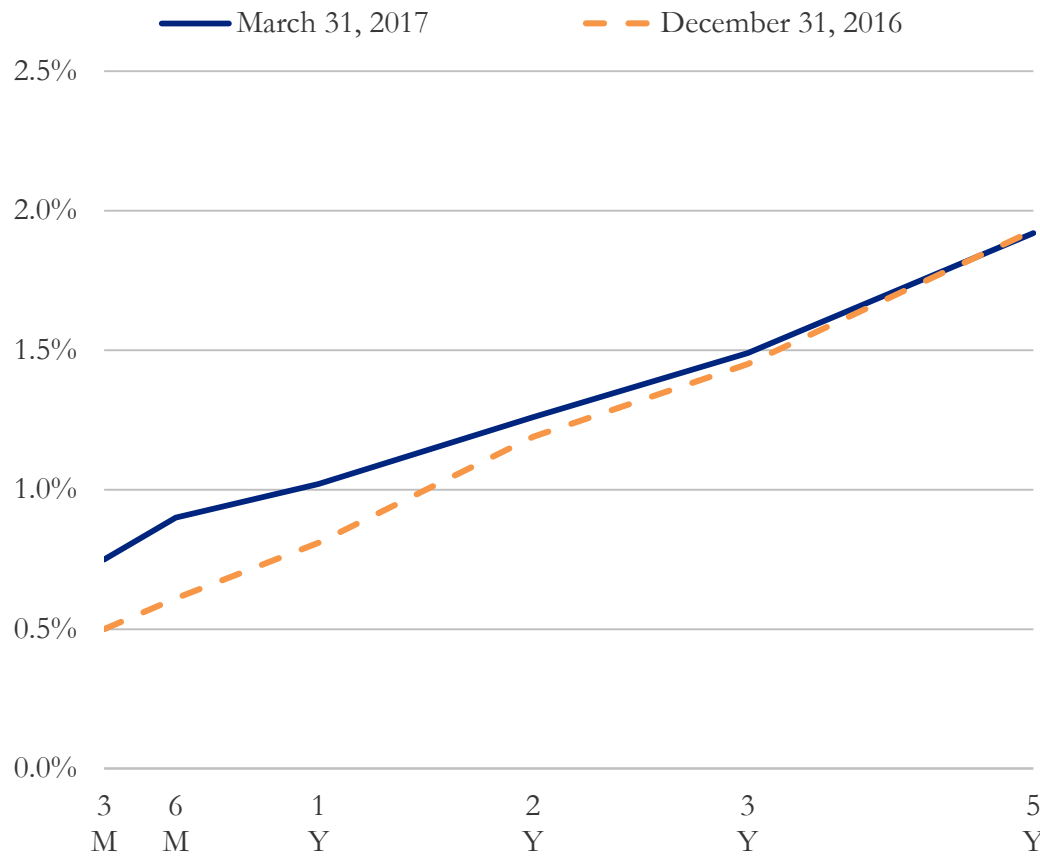


Source: The Federal Reserve, FRB of St. Louis, as of 03/29/17.

Flattening Yield Curve

- Yields remained range-bound at the beginning of the quarter before rising strongly in anticipation of the March FOMC rate hike. Yields on the short-end of the curve ended the quarter higher, reflecting the rate hike, while long-term yields generally held steady.

U.S. Treasury Yield Curve



Yield Curve History

Maturity	12/31/16	03/31/17	Change
1-Mo.	0.42	0.73	0.31
3-Mo.	0.50	0.75	0.25
6-Mo.	0.61	0.90	0.29
1-Yr.	0.81	1.02	0.21
2-Yr.	1.19	1.26	0.07
3-Yr.	1.45	1.49	0.04
5-Yr.	1.93	1.92	-0.01

Source: Bloomberg, as of 03/31/17.

Investment Strategy

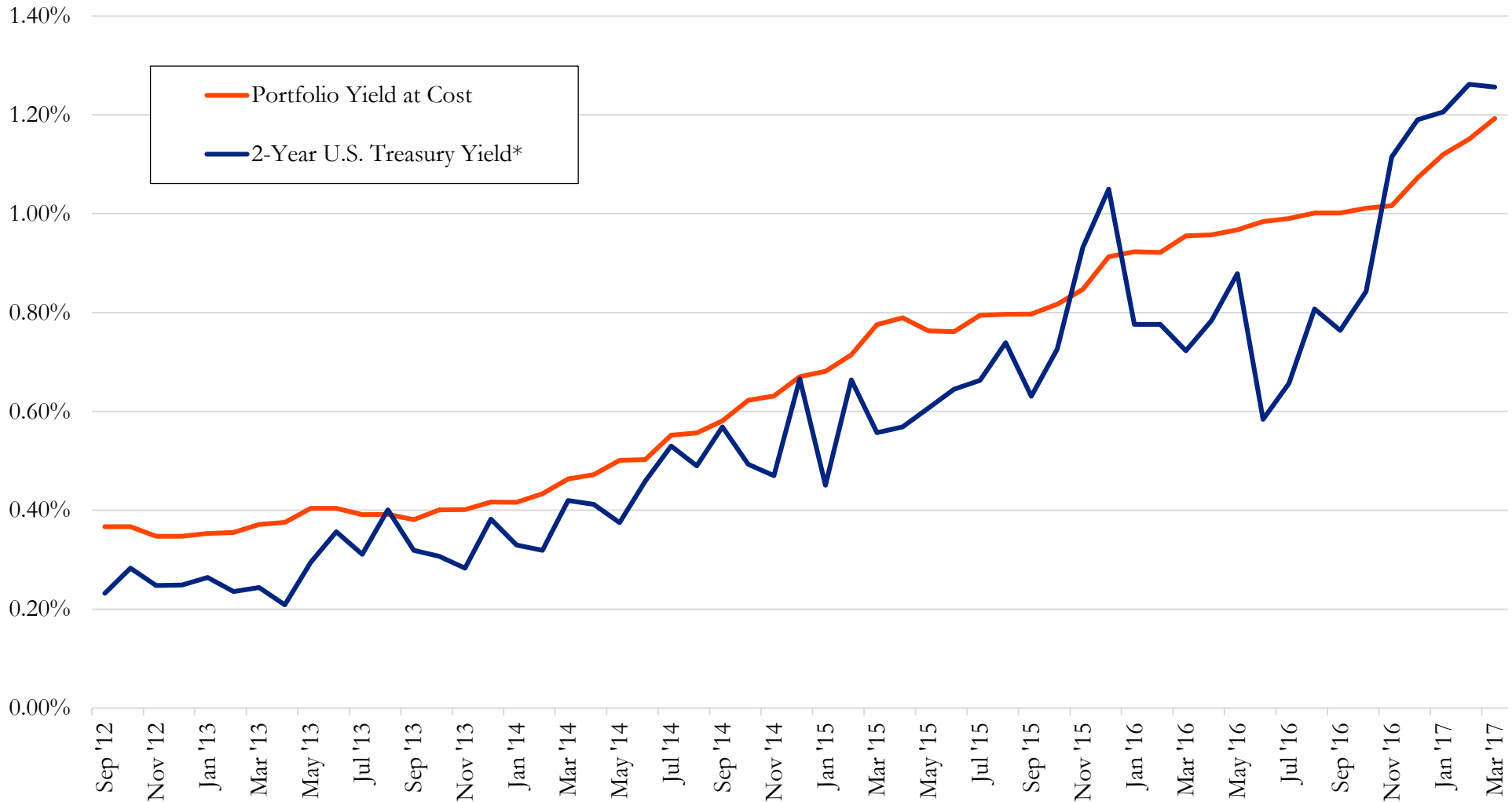
- Key drivers of market conditions in the first quarter included:
 - Federal Reserve policy;
 - the inauguration of President Trump and the early rollout of various policies;
 - continued improvement in consumer confidence; and
 - further stock market appreciation.
- Yields remained within a narrow range through the first few months before rising strongly in anticipation of the March FOMC rate hike.
- For much of the past year, we maintained a duration position generally neutral to the City's performance benchmark.
- Federal agency yield spreads remained historically tight throughout the quarter as demand continued to outpace supply.
- We increased corporate allocations as the sector continued to provide incremental income and benefit from "roll-down."
- We participated in a number of new asset-backed security (ABS) issues, as AAA-rated tranches of high quality structures continued to offer good value. The ABS sector performed well in the quarter, adding to returns and further diversifying portfolios.
- Leading up to the effective date of significant money market fund reforms last October, yields on bank certificate of deposits (CDs) rose sharply in the second half of 2016. Although spreads narrowed somewhat after the March Fed rate hike, short-term credit instruments, like CDs, continued to offer excellent incremental yield opportunities.

- Per the request of the Investment Committee, we increased corporate allocation (across all credit sectors).

Trade Date	Transaction	Issuer	Maturity	Par Value	Yield
1/3/17	Buy	John Deere Corp Note	10/15/18	\$235,000	1.69%
1/10/17	Buy	Svenska Handelsbanken NY CD	1/10/19	\$1,200,000	1.91%
1/24/17	Buy	IBM Corp Note	1/27/20	\$600,000	1.93%
1/30/17	Buy	Microsoft Corp	2/6/20	\$285,000	1.87
1/31/17	Buy	American Express Credit Corp	10/30/19	\$600,000	1.99%
2/2/17	Buy	Apple Inc.	2/7/20	\$500,000	1.92%
2/8/17	Buy	Bank of Montreal Chicago	2/7/19	\$1,200,000	1.90%
2/13/17	Buy	American Honda Finance	2/14/20	\$280,000	2.05%
2/28/17	Buy	Chevron Corp Note	2/28/19	\$300,000	1.69%
3/1/17	Buy	Walt Disney Corp Note	3/4/20	\$115,000	1.96%
3/10/17	Buy	John Deere Corp Note	3/13/20	\$250,000	2.23%

- The City's portfolio yield at cost has increased by 0.82% from 0.37% (since inception) to 1.19% (quarter ended March 31, 2017).

September 30, 2012 - March 31, 2017

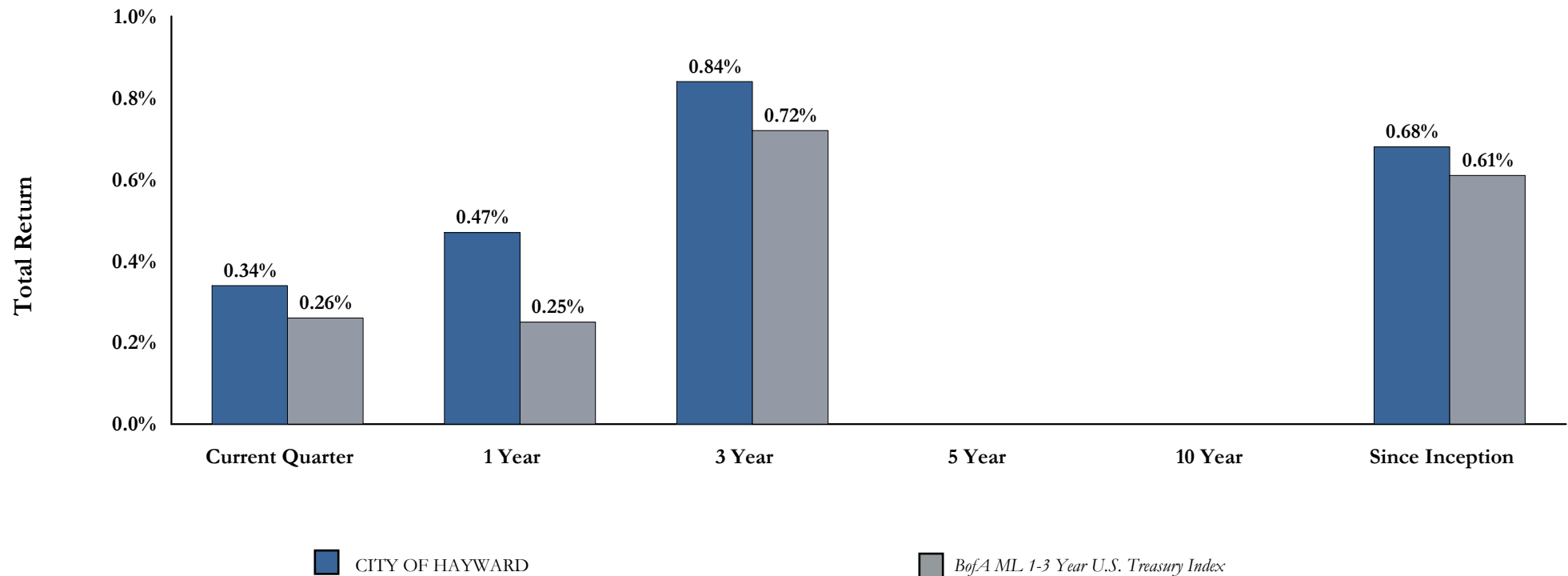


*Source: Bloomberg

Investment Performance Review

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (09/30/12) **
				3 Year	5 Year	10 Year	
CITY OF HAYWARD*	1.82	0.34%	0.47%	0.84%	-	-	0.68%
BofA ML 1-3 Year U.S. Treasury Index	1.82	0.26%	0.25%	0.72%	-	-	0.61%
Difference		0.08%	0.22%	0.12%	-	-	0.07%

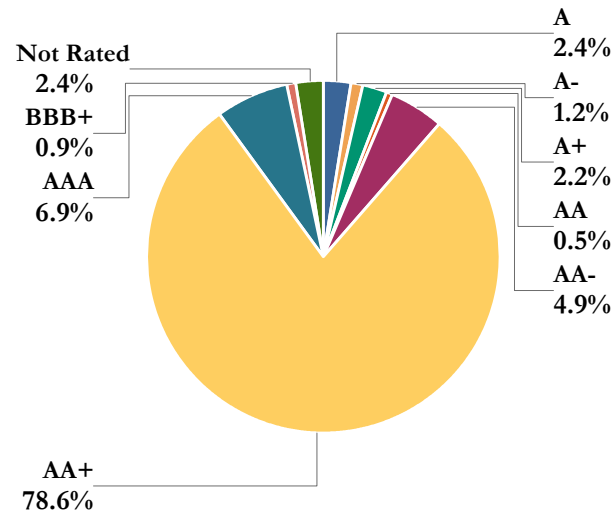
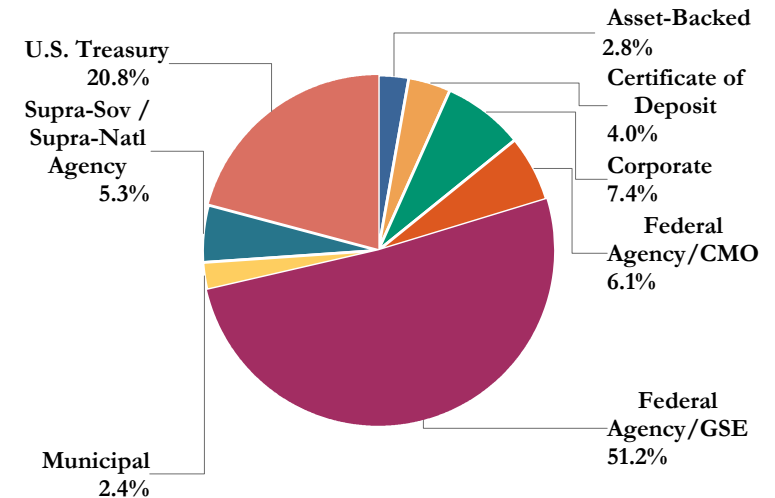
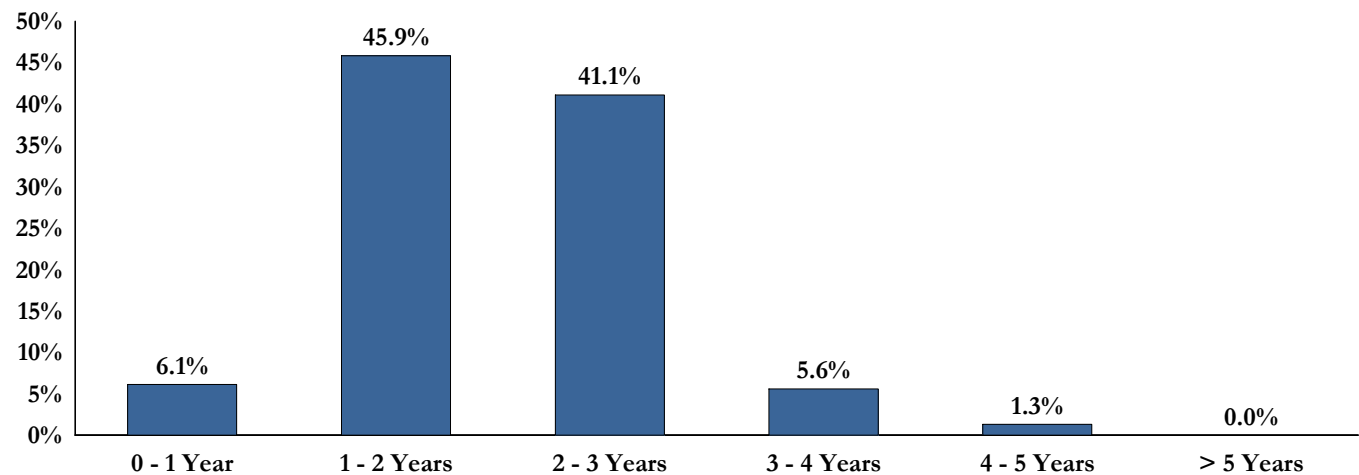


*Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Statistics

As of March 31, 2017

Par Value:	120,835,965
Total Market Value:	120,725,666
Security Market Value:	120,417,469
Accrued Interest:	308,197
Cash:	-
PFM	-
Amortized Cost:	120,797,184
Yield at Market:	1.38%
Yield at Cost:	1.19%
Effective Duration:	1.82 Years
Duration to Worst:	1.92 Years
Average Maturity:	2.01 Years
Average Credit: *	AA

Credit Quality (S&P Ratings)**Sector Allocation****Maturity Distribution**

* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

CITY OF HAYWARD

- The portfolio is in compliance with the City's Investment Policy and the California Government Code.

<u>Security Type</u>	<u>Market Value as of March 31, 2017¹</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>	<u>In Compliance</u>
U.S. Treasuries	\$25,086,559	10%	100%	✓
Federal Agencies (Non-Callable)	\$61,891,601	25%	100%	✓
Municipal Obligations	\$2,875,403	1%	20%	✓
Corporate Notes	\$8,954,529	4%	30%	✓
Asset-Backed Securities	\$10,715,399	4%	20%	✓
Supranationals	\$6,361,991	3%	30%	✓
LAIF	\$100,060,973	41%	\$195 million ²	✓
Cash Deposits	\$28,479,787	12%	100%	✓
Totals	\$244,426,242	100%		

1. End of quarter trade-date market values of portfolio holdings include accrued interest. Detail may not add to total due to rounding.

2. The maximum allowable LAIF balance of \$65 million per account.

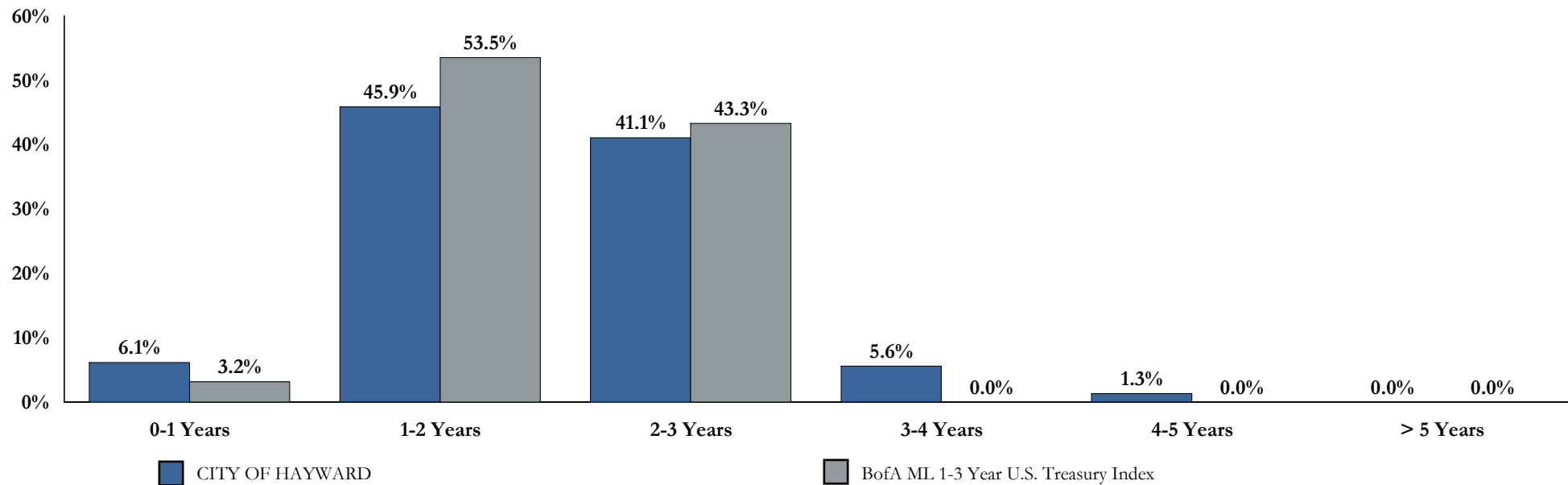
Portfolio Earnings
Quarter-Ended March 31, 2017

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2016)	\$120,252,586.63	\$120,700,123.54
Net Purchases/Sales	\$133,114.66	\$133,114.66
Change in Value	\$31,768.00	(\$36,053.84)
Ending Value (03/31/2017)	\$120,417,469.29	\$120,797,184.36
Interest Earned	\$372,172.04	\$372,172.04
Portfolio Earnings	\$403,940.04	\$336,118.20

Maturity Distribution

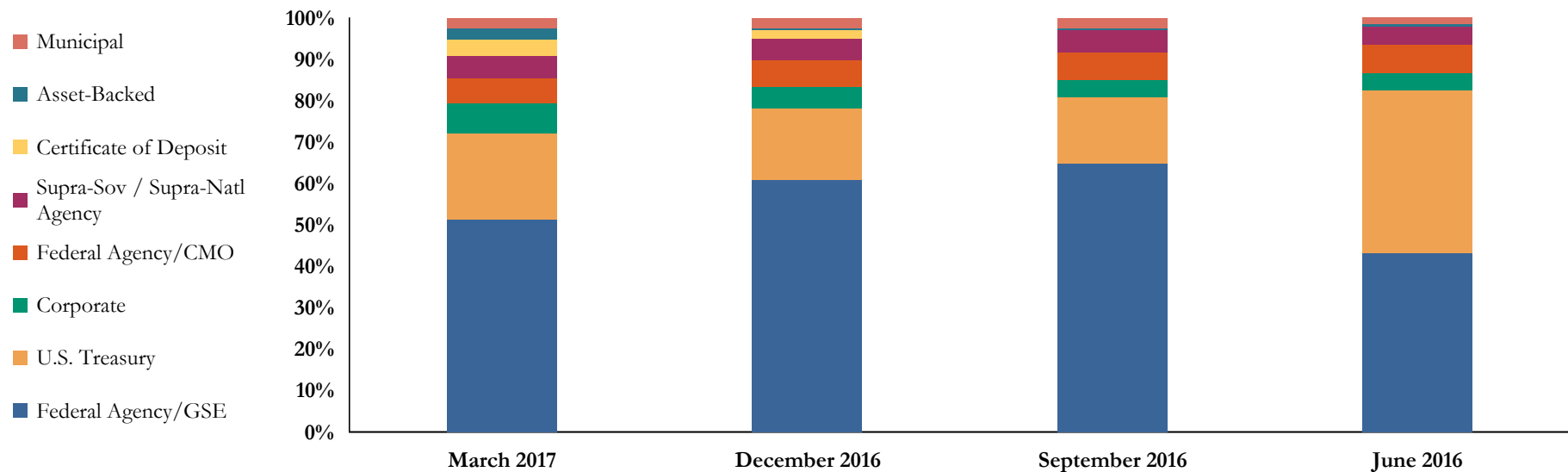
As of March 31, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
CITY OF HAYWARD	1.38%	2.01 yrs	6.1%	45.9%	41.1%	5.6%	1.3%	0.0%
BofA ML 1-3 Year U.S. Treasury Index	1.27%	1.94 yrs	3.2%	53.5%	43.3%	0.0%	0.0%	0.0%



Sector Allocation

Sector	March 31, 2017		December 31, 2016		September 30, 2016		June 30, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	61.7	51.2%	73.4	61.0%	78.7	64.9%	52.7	43.2%
U.S. Treasury	25.0	20.8%	20.6	17.1%	19.2	15.9%	47.8	39.2%
Corporate	8.9	7.4%	6.4	5.3%	5.2	4.3%	5.3	4.3%
Federal Agency/CMO	7.3	6.1%	7.7	6.4%	8.1	6.7%	8.4	6.9%
Supra-Sov / Supra-Natl Agency	6.3	5.3%	6.3	5.3%	6.4	5.3%	5.2	4.3%
Certificate of Deposit	4.8	4.0%	2.4	2.0%	0.0	0.0%	0.0	0.0%
Asset-Backed	3.4	2.8%	0.6	0.5%	0.6	0.5%	0.7	0.6%
Municipal	2.9	2.4%	2.9	2.4%	2.9	2.4%	1.8	1.5%
Total	\$120.4	100.0%	\$120.3	100.0%	\$121.2	100.0%	\$121.8	100.0%



Detail may not add to total due to rounding.

Sector/Issuer Distribution

As of March 31, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	614,806	18.3%	0.5%
CARMAX AUTO OWNER TRUST	565,056	16.8%	0.5%
CITIBANK CREDIT CARD ISSUANCE	450,716	13.4%	0.4%
FORD CREDIT AUTO OWNER TRUST	619,775	18.4%	0.5%
HONDA AUTO RECEIVABLES	275,120	8.2%	0.2%
HYUNDAI AUTO RECEIVABLES	259,979	7.7%	0.2%
JOHN DEERE OWNER TRUST	119,955	3.6%	0.1%
NISSAN AUTO RECEIVABLES	314,967	9.4%	0.3%
TOYOTA AUTO RECEIVABLES	144,983	4.3%	0.1%
Sector Total	3,365,357	100.0%	2.8%
Certificate of Deposit			
BANK OF MONTREAL	1,208,290	25.1%	1.0%
CANADIAN IMPERIAL BANK OF COMMERCE	1,206,641	25.0%	1.0%
NORDEA BANK AB	1,206,641	25.0%	1.0%
SVENSKA HANDELSBANKEN	1,196,711	24.8%	1.0%
Sector Total	4,818,282	100.0%	4.0%
Corporate			
AMERICAN EXPRESS CO	596,345	6.7%	0.5%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
AMERICAN HONDA FINANCE	280,688	3.1%	0.2%
APPLE INC	501,456	5.6%	0.4%
BANK OF NEW YORK CO INC	1,049,806	11.8%	0.9%
CHEVRON CORP	300,315	3.4%	0.2%
CITIGROUP INC	464,602	5.2%	0.4%
DEERE & COMPANY	485,883	5.4%	0.4%
GOLDMAN SACHS GROUP INC	600,366	6.7%	0.5%
INTERNATIONAL BUSINESS MACHINES	602,001	6.8%	0.5%
JP MORGAN CHASE & CO	900,243	10.1%	0.7%
MICROSOFT CORP	285,884	3.2%	0.2%
PFIZER INC	594,488	6.7%	0.5%
THE WALT DISNEY CORPORATION	115,257	1.3%	0.1%
TOYOTA MOTOR CORP	892,815	10.0%	0.7%
WELLS FARGO & COMPANY	1,247,750	14.0%	1.0%
Sector Total	8,917,899	100.0%	7.4%
Federal Agency/CMO			
FANNIE MAE	6,969,547	95.0%	5.8%
FREDDIE MAC	369,155	5.0%	0.3%
Sector Total	7,338,702	100.0%	6.1%
Federal Agency/GSE			
FANNIE MAE	30,878,575	50.0%	25.6%
FEDERAL HOME LOAN BANKS	27,833,139	45.1%	23.1%
FREDDIE MAC	3,035,241	4.9%	2.5%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	61,746,955	100.0%	51.3%
Municipal			
CA EARTHQUAKE AUTH TXBL REV BOND	1,112,642	38.8%	0.9%
STATE OF CONNECTICUT	1,755,202	61.2%	1.5%
Sector Total	2,867,844	100.0%	2.4%
Supra-Sov / Supra-Natl Agency			
INTER-AMERICAN DEVELOPMENT BANK	1,697,961	26.8%	1.4%
INTL BANK OF RECONSTRUCTION AND DEV	4,648,824	73.2%	3.9%
Sector Total	6,346,786	100.0%	5.3%
U.S. Treasury			
UNITED STATES TREASURY	25,015,645	100.0%	20.8%
Sector Total	25,015,645	100.0%	20.8%
Portfolio Total	120,417,469	100.0%	100.0%

- We anticipate the Federal Open Market Committee (FOMC) to remain on track to make two additional rate hikes in 2017, matching the three hikes projected for 2017 by the FOMC's "dot plot." In addition, a potential reduction in the size of the Federal Reserve's balance sheet later in the year could have significant implications for the markets.
- As the market awaits clarity on policies proposed and enacted by the Trump administration, financial markets (both bonds and equities) may become more range-bound.
- Since yields are currently stable and we expect no action at the next FOMC meeting in May, we are targeting the portfolio duration to closely match that of the benchmark. We will continue to revisit this position regularly, especially in light of the potential for higher yields later in the year.
- Agency yield spreads over Treasuries continue to remain historically narrow.
- Although yield spreads on corporate securities drifted wider at the end of the first quarter, they remain near multi-year lows.
- We will continue to evaluate opportunities in the ABS sector, purchasing those issues we believe are well structured, offer adequate yield spreads, and which have limited extension and headline risk from Fed balance sheet tapering.
- Yields on negotiable CDs continue to offer significant yield pickup relative to short-term government securities.
- We will continue to monitor incoming economic data, Fed policy, and sector relationships to identify market opportunities. This will include assessing the impact of additional policies put forth by the Trump administration.

Important Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Transactions & Account Holdings

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/3/17	1/5/17	5,450,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	5,435,819.63	1.52%	
1/3/17	1/6/17	235,000	24422ETM1	JOHN DEERE CAPITAL CORP	1.65%	10/15/18	234,847.25	1.69%	
1/10/17	1/12/17	1,200,000	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.89%	1/10/19	1,200,000.00	1.91%	
1/19/17	1/26/17	450,000	17305EGA7	CCCIT 2017-A2 A2	1.74%	1/17/21	449,913.83	1.75%	
1/24/17	1/27/17	600,000	459200JN2	IBM CORP NOTES	1.90%	1/27/20	599,424.00	1.93%	
1/24/17	1/31/17	135,000	02007PAC7	ALLYA 2017-1 A3	1.70%	6/15/21	134,988.20	1.70%	
1/25/17	1/31/17	565,000	14314JAB6	CARMX 2017-1 A2	1.54%	2/15/20	564,999.83	1.60%	
1/30/17	2/6/17	285,000	594918BV5	MICROSOFT CORP	1.85%	2/6/20	284,809.05	1.87%	
1/31/17	2/3/17	600,000	0258M0EC9	AMERICAN EXPRESS CREDIT CORP	1.70%	10/30/19	598,075.00	1.99%	
2/1/17	2/3/17	2,500,000	912828J50	UNITED STATES TREASURY NOTES	1.37%	2/29/20	2,499,676.82	1.58%	
2/2/17	2/9/17	500,000	037833CK4	APPLE INC BONDS	1.90%	2/7/20	499,755.00	1.92%	
2/8/17	2/9/17	1,200,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	1,200,000.00	1.90%	
2/13/17	2/16/17	280,000	02665WBM2	AMERICAN HONDA FINANCE	2.00%	2/14/20	279,602.40	2.05%	
2/22/17	3/2/17	120,000	47787XAC1	JDOT 2017-A A3	1.78%	4/15/21	119,982.91	1.79%	
2/24/17	2/28/17	1,510,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	1,509,033.60	1.52%	
2/28/17	3/3/17	300,000	166764BS8	CHEVRON CORP CORP NOTES	1.68%	2/28/19	300,000.00	1.69%	
3/1/17	3/6/17	115,000	25468PDP8	WALT DISNEY COMPANY CORP NOTES	1.95%	3/4/20	114,970.10	1.96%	
3/7/17	3/15/17	145,000	89238MAD0	TAOT 2017-A A3	1.73%	2/15/21	144,982.93	1.74%	
3/10/17	3/15/17	250,000	24422ETQ2	JOHN DEERE CAPITAL CORP CORP NOTES	2.20%	3/13/20	249,805.00	2.23%	
3/15/17	3/17/17	4,725,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	4,668,138.14	1.71%	
3/21/17	3/28/17	275,000	43814TAC6	HAROT 2017-1 A3	1.72%	7/21/21	274,983.64	1.72%	
3/21/17	3/28/17	315,000	654747AD6	NAROT 2017-A A3	1.74%	8/15/21	314,966.64	1.74%	
3/21/17	3/29/17	480,000	02007HAC5	ALLYA 2017-2 A3	1.78%	8/15/21	479,943.41	1.79%	
3/22/17	3/29/17	260,000	44931PAD8	HART 2017-A A3	1.76%	8/15/21	259,978.97	1.76%	

CITY OF HAYWARD

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total BUY		22,495,000					22,418,696.35		
INTEREST									
1/1/17	1/1/17	190,000	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	1.82%	7/1/17	1,732.80		
1/1/17	1/1/17	920,000	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	1.82%	7/1/17	8,390.40		
1/1/17	1/15/17	462,595	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,734.73		
1/1/17	1/25/17	402,861	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	545.88		
1/1/17	1/25/17	920,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	1,368.50		
1/1/17	1/25/17	233,364	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	153.64		
1/1/17	1/25/17	1,856,877	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,286.46		
1/1/17	1/25/17	385,000	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	497.29		
1/1/17	1/25/17	515,000	3136QSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
1/1/17	1/25/17	235,978	3136AMMC0	FNMA SERIES 2015-M3 FA	0.80%	6/1/18	157.39		
1/1/17	1/25/17	1,125,000	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,543.13		
1/1/17	1/25/17	1,507,361	3136AP3Z3	FNMA SERIES 2015-M12 FA	0.92%	4/1/20	1,161.13		
1/15/17	1/15/17	620,000	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	728.50		
1/16/17	1/16/17	1,250,000	94974BFG0	WELLS FARGO & COMPANY GLOBAL NOTES	1.50%	1/16/18	9,375.00		
1/16/17	1/16/17	1,250,000	3130AAE46	FHLB NOTES	1.25%	1/16/19	1,649.31		
1/19/17	1/19/17	2,450,000	3130A8SE4	FEDERAL HOME LOAN BANKS NOTES	0.75%	1/19/18	9,187.50		
1/19/17	1/19/17	2,450,000	459058FE8	INTL BANK OF RECON AND DEV SN NOTES	0.87%	7/19/18	10,718.75		
1/28/17	1/28/17	5,195,000	3135G0H63	FNMA BENCHMARK NOTE	1.37%	1/28/19	35,715.63		
1/31/17	1/31/17	4,850,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	30,312.50		
2/1/17	2/15/17	430,177	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,613.16		
2/1/17	2/25/17	1,115,114	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,529.56		
2/1/17	2/25/17	1,495,396	3136AP3Z3	FNMA SERIES 2015-M12 FA	0.92%	4/1/20	1,389.42		
2/1/17	2/25/17	385,000	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	497.29		
2/1/17	2/25/17	350,652	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	475.13		
2/1/17	2/25/17	215,737	3136AMMC0	FNMA SERIES 2015-M3 FA	0.80%	6/1/18	178.16		

CITY OF HAYWARD

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
2/1/17	2/25/17	515,000	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
2/1/17	2/25/17	1,841,505	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,568.29		
2/1/17	2/25/17	233,134	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	190.52		
2/1/17	2/25/17	920,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	1,368.50		
2/2/17	2/2/17	3,050,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	13,343.75		
2/7/17	2/7/17	6,100,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	19,062.50		
2/15/17	2/15/17	620,000	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	728.50		
2/15/17	2/15/17	135,000	02007PAC7	ALLYA 2017-1 A3	1.70%	6/15/21	95.63		
2/15/17	2/15/17	1,225,000	459058FK4	INTL BANK OF RECON AND DEV SN NOTE	0.87%	8/15/19	5,359.38		
2/15/17	2/15/17	1,340,000	20772J3D2	CT ST TXBL GO BONDS	1.30%	8/15/19	8,613.22		
2/15/17	2/15/17	565,000	14314JAB6	CARMX 2017-1 A2	1.54%	2/15/20	376.67		
2/26/17	2/26/17	4,900,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	24,500.00		
2/28/17	2/28/17	5,700,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	27,866.67		
2/28/17	2/28/17	2,500,000	912828J50	UNITED STATES TREASURY NOTES	1.37%	2/29/20	17,187.50		
2/28/17	2/28/17	1,300,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	6,355.56		
3/1/17	3/25/17	1,111,669	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,524.84		
3/1/17	3/25/17	515,000	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
3/1/17	3/25/17	232,903	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	177.42		
3/1/17	3/25/17	1,484,519	3136AP3Z3	FNMA SERIES 2015-M12 FA	0.92%	4/1/20	1,280.98		
3/1/17	3/25/17	342,150	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	463.61		
3/1/17	3/25/17	920,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	1,368.50		
3/1/17	3/25/17	385,000	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	497.29		
3/1/17	3/25/17	209,652	3136AMMC0	FNMA SERIES 2015-M3 FA	0.80%	6/1/18	161.34		
3/1/17	3/25/17	1,811,478	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,436.31		
3/1/17	3/15/17	392,580	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,472.17		
3/6/17	3/6/17	650,000	30231GAL6	EXXON MOBIL CORP NOTES	1.30%	3/6/18	4,241.25		
3/15/17	3/15/17	135,000	02007PAC7	ALLYA 2017-1 A3	1.70%	6/15/21	191.25		
3/15/17	3/15/17	565,000	14314JAB6	CARMX 2017-1 A2	1.54%	2/15/20	753.33		
3/15/17	3/15/17	430,000	20772JZJ4	CT ST TXBL GO BONDS	1.42%	3/15/18	3,057.30		
3/15/17	3/15/17	620,000	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	728.50		

CITY OF HAYWARD

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/19/17	3/19/17	1,000,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	4,375.00		
3/22/17	3/22/17	900,000	46625HQU7	JP MORGAN CHASE & CORP NOTES (CALLABLE)	1.85%	3/22/19	8,325.00		
3/26/17	3/26/17	1,575,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	7,875.00		
3/28/17	3/28/17	260,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	1,137.50		
3/28/17	3/28/17	3,650,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	15,968.75		
3/31/17	3/31/17	4,725,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	26,578.13		
3/31/17	3/31/17	3,145,000	912828C65	US TREASURY NOTES	1.62%	3/31/19	25,553.13		
Total INTEREST		86,815,702					358,168.32		

PAYDOWNS

1/1/17	1/15/17	32,419	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	32,418.76		0.00
1/1/17	1/25/17	52,209	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	52,208.73		0.00
1/1/17	1/25/17	20,241	3136AMMC0	FNMA SERIES 2015-M3 FA	0.80%	6/1/18	20,241.18		0.00
1/1/17	1/25/17	11,965	3136AP3Z3	FNMA SERIES 2015-M12 FA	0.92%	4/1/20	11,965.21		0.00
1/1/17	1/25/17	15,372	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	15,372.15		0.00
1/1/17	1/25/17	9,886	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	9,886.04		0.00
1/1/17	1/25/17	230	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	229.71		0.00
2/1/17	2/15/17	37,597	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	37,596.82		0.00
2/1/17	2/25/17	8,502	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	8,501.56		0.00
2/1/17	2/25/17	6,085	3136AMMC0	FNMA SERIES 2015-M3 FA	0.80%	6/1/18	6,084.70		0.00
2/1/17	2/25/17	10,877	3136AP3Z3	FNMA SERIES 2015-M12 FA	0.92%	4/1/20	10,876.79		0.00
2/1/17	2/25/17	30,027	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	30,027.49		0.00
2/1/17	2/25/17	3,444	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	3,444.47		0.00
2/1/17	2/25/17	231	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	230.91		0.00
3/1/17	3/25/17	7,786	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	7,786.29		0.00
3/1/17	3/25/17	329	3136AMMC0	FNMA SERIES 2015-M3 FA	0.80%	6/1/18	328.78		0.00
3/1/17	3/25/17	6,936	3136AP3Z3	FNMA SERIES 2015-M12 FA	0.92%	4/1/20	6,935.69		0.00
3/1/17	3/25/17	20,016	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	20,016.40		0.00

CITY OF HAYWARD

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/1/17	3/25/17	2,246	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	2,246.25		0.00
3/1/17	3/25/17	7,309	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	7,308.57		0.00
3/1/17	3/15/17	29,365	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	29,364.50		0.00
Total PAYDOWNS		313,071					313,071.00		0.00

SELL

1/3/17	1/5/17	1,000,000	912828TM2	US TREASURY NOTES	0.62%	8/31/17	1,001,333.31	0.76%	(36.26)
1/3/17	1/5/17	1,250,000	912828UE8	US TREASURY NOTES	0.75%	12/31/17	1,248,127.54	0.91%	(2,499.95)
1/3/17	1/5/17	1,850,000	912828UJ7	US TREASURY NOTES	0.87%	1/31/18	1,855,143.43	0.97%	4,792.86
1/3/17	1/5/17	1,190,000	912828PA2	US TREASURY NOTES	1.87%	9/30/17	1,205,056.85	0.83%	1,898.36
1/3/17	1/6/17	235,000	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	234,219.57	1.20%	(1,190.27)
1/10/17	1/12/17	1,200,000	3130AAE46	FHLB NOTES	1.25%	1/16/19	1,200,924.67	1.27%	(444.00)
1/19/17	1/26/17	450,000	3130AAE46	FHLB NOTES	1.25%	1/16/19	449,629.75	1.31%	(508.50)
1/24/17	1/27/17	600,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	599,121.61	1.51%	141.96
1/25/17	1/31/17	550,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	551,011.08	1.00%	(660.08)
2/1/17	2/3/17	2,450,000	3130A8SE4	FEDERAL HOME LOAN BANKS NOTES	0.75%	1/19/18	2,447,039.58	0.91%	(2,172.22)
2/1/17	2/3/17	950,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	952,163.10	0.96%	(770.43)
2/2/17	2/9/17	500,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	496,600.70	1.50%	307.01
2/8/17	2/9/17	1,200,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	1,199,733.33	1.24%	(3,762.74)
2/13/17	2/16/17	280,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	278,317.20	1.48%	311.26
2/24/17	2/28/17	1,500,000	912828J50	UNITED STATES TREASURY NOTES	1.37%	2/29/20	1,497,070.31	1.44%	5,948.03
2/28/17	3/3/17	300,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	300,774.33	1.01%	(374.52)
3/1/17	3/6/17	100,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	100,256.60	1.02%	(133.76)
3/7/17	3/15/17	150,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	150,229.35	1.12%	(228.26)
3/10/17	3/15/17	250,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	250,254.76	1.17%	(507.94)
3/15/17	3/17/17	3,100,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	3,103,305.81	1.20%	(9,638.49)
3/15/17	3/17/17	1,500,000	880591CU4	TENNESSEE VALLEY AUTHORITY NOTES	6.25%	12/15/17	1,580,592.38	1.14%	(1,500.73)
3/22/17	3/28/17	650,000	30231GAL6	EXXON MOBIL CORP NOTES	1.30%	3/6/18	650,212.88	1.36%	(305.50)

CITY OF HAYWARD

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/22/17	3/28/17	625,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	623,593.75	1.10%	(797.91)
Total SELL		21,880,000					21,974,711.89		-12,132.08



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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 05/31/2013 1.000% 05/31/2018	912828VE7	2,905,000.00	AA+	Aaa	12/28/15	12/30/15	2,890,588.48	1.21	9,736.54	2,898,010.02	2,900,915.57
US TREASURY NOTES DTD 12/31/2013 1.500% 12/31/2018	912828A75	340,000.00	AA+	Aaa	12/01/15	12/04/15	342,882.03	1.22	1,282.04	341,653.13	341,593.92
US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	3,145,000.00	AA+	Aaa	03/02/16	03/04/16	3,199,546.10	1.05	139.63	3,180,647.69	3,167,112.50
US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019	912828D23	3,015,000.00	AA+	Aaa	11/10/16	11/14/16	3,056,220.70	1.06	20,571.96	3,049,906.83	3,035,845.71
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	5,850,000.00	AA+	Aaa	12/01/16	12/05/16	5,859,140.63	1.45	29,410.71	5,858,176.78	5,859,828.00
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	4,070,000.00	AA+	Aaa	01/03/17	01/05/17	4,037,567.19	1.52	8,432.32	4,040,026.08	4,043,768.85
UNITED STATES TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	1,000,000.00	AA+	Aaa	02/01/17	02/03/17	993,945.31	1.58	1,195.65	994,249.72	996,211.00
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	4,725,000.00	AA+	Aaa	03/15/17	03/17/17	4,643,604.49	1.71	145.24	4,644,688.32	4,670,369.55
Security Type Sub-Total		25,050,000.00					25,023,494.93	1.38	70,914.09	25,007,358.57	25,015,645.10
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	1,009,326.19	1,006,491.26
INTL BANK OF RECON AND DEV SN NOTES DTD 04/19/2016 0.875% 07/19/2018	459058FE8	2,450,000.00	AAA	Aaa	04/12/16	04/19/16	2,445,663.50	0.95	4,287.50	2,447,480.00	2,436,713.65
INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019	458182DX7	1,715,000.00	AAA	Aaa	04/05/16	04/12/16	1,709,855.00	1.10	6,574.17	1,711,450.60	1,697,961.48
INTL BANK OF RECON AND DEV SN NOTE DTD 07/13/2016 0.875% 08/15/2019	459058FK4	1,225,000.00	AAA	Aaa	07/06/16	07/13/16	1,224,742.75	0.88	1,369.62	1,224,800.51	1,205,619.28



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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
Security Type Sub-Total		6,400,000.00					6,388,534.15	1.00	15,205.18	6,393,057.30	6,346,785.67

Municipal Bond / Note

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	190,452.20
CA EARTHQUAKE AUTH TXBL REV BONDS DTD 11/06/2014 1.824% 07/01/2017	13017HAD8	920,000.00	NR	A3	04/19/16	04/20/16	927,893.60	1.10	4,195.20	921,655.78	922,189.60
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	430,344.00
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	1,340,000.00	AA-	Aa3	08/03/16	08/17/16	1,342,894.40	1.23	2,225.89	1,342,301.14	1,324,858.00

Security Type Sub-Total		2,880,000.00					2,890,788.00	1.25	7,559.25	2,883,956.92	2,867,843.80
--------------------------------	--	---------------------	--	--	--	--	---------------------	-------------	-----------------	---------------------	---------------------

Federal Agency Collateralized Mortgage Obligation

FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	334,364.12	AA+	Aaa	01/15/15	01/30/15	337,705.25	1.26	453.06	334,937.52	334,557.65
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	385,941.14	384,664.51
FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.800% 06/01/2018	3136AMMC0	209,323.30	AA+	Aaa	02/12/15	02/27/15	209,268.62	0.39	139.61	209,323.30	209,359.07
FNMA SERIES M4 FA DTD 03/01/2015 0.790% 09/01/2018	3136AMTM1	225,594.62	AA+	Aaa	03/12/15	03/31/15	225,536.83	0.38	148.52	225,594.62	225,602.72
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	517,525.87	515,669.55
FNMA SERIES 2015-M10 FA DTD 06/01/2015 0.831% 03/01/2019	3136ANA98	1,791,461.19	AA+	Aaa	06/12/15	06/30/15	1,790,942.73	0.43	1,241.14	1,791,461.19	1,792,296.91
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	920,000.00	AA+	Aaa	06/09/16	06/30/16	929,199.54	1.05	1,368.50	926,435.04	920,256.86
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	1,109,423.24	AA+	Aaa	10/07/15	10/30/15	1,120,532.90	1.08	1,521.76	1,115,846.86	1,109,311.96



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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											
FREDDIE MAC SERIES 4459 NB DTD 04/01/2015 4.500% 01/01/2020	3137BHU39	363,215.20	AA+	Aaa	06/08/15	06/11/15	380,808.44	0.77	1,362.06	372,960.87	369,155.48
FNMA SERIES 2015-M12 FA DTD 09/01/2015 0.924% 04/01/2020	3136AP3Z3	1,477,583.51	AA+	Aaa	09/10/15	09/30/15	1,477,051.59	0.54	1,138.19	1,477,583.51	1,477,827.46

Security Type Sub-Total		7,330,965.18					7,380,044.46	0.76	8,684.72	7,357,609.92	7,338,702.17
--------------------------------	--	---------------------	--	--	--	--	---------------------	-------------	-----------------	---------------------	---------------------

Federal Agency Bond / Note											
FHLB NOTES DTD 02/18/2016 0.875% 03/19/2018	3130A7CX1	1,000,000.00	AA+	Aaa	02/17/16	02/18/16	999,690.00	0.89	291.67	999,855.00	997,712.00
FNMA NOTE DTD 03/04/2016 0.875% 03/28/2018	3135G0J61	260,000.00	AA+	Aaa	07/01/16	07/01/16	261,089.40	0.63	18.96	260,622.00	259,378.34
FNMA NOTE DTD 03/04/2016 0.875% 03/28/2018	3135G0J61	3,025,000.00	AA+	Aaa	03/02/16	03/04/16	3,018,950.00	0.97	220.57	3,022,080.09	3,017,767.23
FEDERAL HOME LOAN BANKS AGCY DTD 05/27/2016 0.875% 06/29/2018	3130A8BD4	2,275,000.00	AA+	Aaa	08/11/16	08/12/16	2,275,864.50	0.85	5,087.15	2,275,576.05	2,266,207.13
FEDERAL HOME LOAN BANKS AGCY DTD 05/27/2016 0.875% 06/29/2018	3130A8BD4	3,835,000.00	AA+	Aaa	05/26/16	05/27/16	3,825,757.65	0.99	8,575.49	3,829,468.66	3,820,177.73
FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018	3130A8PK3	6,100,000.00	AA+	Aaa	07/07/16	07/08/16	6,087,312.00	0.73	5,718.75	6,091,743.53	6,053,694.90
FHLB GLOBAL NOTE DTD 08/26/2016 0.875% 10/01/2018	3130A9AE1	5,865,000.00	AA+	Aaa	08/25/16	08/26/16	5,861,011.80	0.91	25,659.38	5,862,133.31	5,829,956.63
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	6,095,056.68	6,090,118.00
FHLB NOTES DTD 12/08/2016 1.250% 01/16/2019	3130AAE46	800,000.00	AA+	Aaa	12/07/16	12/08/16	799,968.00	1.25	2,083.33	799,970.51	799,235.20
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	5,193,052.86	5,200,922.30
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	4,900,000.00	AA+	Aaa	02/19/16	02/23/16	4,888,436.00	1.08	4,763.89	4,892,642.41	4,867,973.60



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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											
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	3,050,000.00	AA+	Aaa	03/30/16	03/31/16	3,057,259.00	1.05	15,821.88	3,054,893.51	3,035,241.05
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	2,550,000.00	AA+	Aaa	06/02/16	06/03/16	2,548,929.00	1.14	7,968.75	2,549,213.45	2,535,720.00
FHLB GLOBAL NOTE DTD 06/03/2016 1.125% 06/21/2019	3130A8DB6	3,995,000.00	AA+	Aaa	06/27/16	06/29/16	4,031,208.60	0.82	12,484.38	4,022,102.76	3,972,628.00
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	3,050,000.00	AA+	Aaa	07/29/16	08/02/16	3,044,876.00	0.93	4,373.78	3,045,998.06	3,010,411.00
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	1,300,000.00	AA+	Aaa	10/03/16	10/05/16	1,299,220.00	1.02	1,119.44	1,299,350.61	1,286,190.10
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	5,700,000.00	AA+	Aaa	08/31/16	09/02/16	5,691,108.00	1.05	4,908.33	5,692,799.13	5,639,448.90
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	1,575,000.00	AA+	Aaa	10/03/16	10/05/16	1,574,448.75	1.01	218.75	1,574,539.00	1,557,807.30
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	1,510,000.00	AA+	Aaa	02/24/17	02/28/17	1,509,033.60	1.52	1,950.42	1,509,061.13	1,506,365.43

Security Type Sub-Total		62,085,000.00					62,056,059.40	1.03	144,646.64	62,070,158.75	61,746,954.84
--------------------------------	--	----------------------	--	--	--	--	----------------------	-------------	-------------------	----------------------	----------------------

Corporate Note											
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	1,250,762.81	1,247,750.00
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	1,049,962.80	1,049,805.75
JOHN DEERE CAPITAL CORP DTD 01/06/2017 1.650% 10/15/2018	24422ETM1	235,000.00	A	A2	01/03/17	01/06/17	234,847.25	1.69	915.52	234,865.85	235,166.15
CHEVRON CORP CORP NOTES DTD 03/03/2017 1.686% 02/28/2019	166764BS8	300,000.00	AA-	Aa2	02/28/17	03/03/17	300,000.00	1.69	393.40	300,000.00	300,315.30



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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
Corporate Note											
JP MORGAN CHASE & CORP NOTES (CALLABLE) DTD 03/23/2016 1.850% 03/22/2019	46625HQU7	900,000.00	A-	A3	05/17/16	05/20/16	903,951.00	1.69	416.25	902,738.39	900,243.00
TOYOTA MOTOR CREDIT CORP NOTES DTD 05/20/2016 1.400% 05/20/2019	89236TDE2	900,000.00	AA-	Aa3	05/17/16	05/20/16	899,397.00	1.42	4,585.00	899,568.09	892,815.30
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	465,000.00	BBB+	Baa1	06/02/16	06/09/16	464,758.20	2.07	3,018.63	464,822.09	464,601.50
AMERICAN EXPRESS CREDIT CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	600,000.00	A-	A2	01/31/17	02/03/17	595,440.00	1.99	4,278.33	595,705.23	596,345.40
GOLDMAN SACHS GROUP INC BONDS DTD 12/13/2016 2.300% 12/13/2019	38145GAJ9	600,000.00	BBB+	A3e	12/08/16	12/13/16	599,550.00	2.33	4,140.00	599,593.71	600,366.00
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	200,000.00	AA	A1	11/18/16	11/21/16	199,850.00	1.73	1,227.78	199,867.86	199,828.00
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	395,000.00	AA	A1	11/14/16	11/21/16	394,715.60	1.72	2,424.86	394,749.50	394,660.30
IBM CORP NOTES DTD 01/27/2017 1.900% 01/27/2020	459200JN2	600,000.00	AA-	Aa3	01/24/17	01/27/17	599,424.00	1.93	2,026.67	599,457.32	602,001.00
MICROSOFT CORP DTD 02/06/2017 1.850% 02/06/2020	594918BV5	285,000.00	AAA	Aaa	01/30/17	02/06/17	284,809.05	1.87	805.52	284,818.55	285,884.07
APPLE INC BONDS DTD 02/09/2017 1.900% 02/07/2020	037833CK4	500,000.00	AA+	Aa1	02/02/17	02/09/17	499,755.00	1.92	1,372.22	499,766.48	501,455.50
AMERICAN HONDA FINANCE DTD 02/16/2017 2.000% 02/14/2020	02665WBM2	280,000.00	A+	A1	02/13/17	02/16/17	279,602.40	2.05	700.00	279,617.01	280,687.68
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	115,000.00	A	A2	03/01/17	03/06/17	114,970.10	1.96	155.73	114,970.77	115,257.37
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/15/2017 2.200% 03/13/2020	24422ETQ2	250,000.00	A	A2	03/10/17	03/15/17	249,805.00	2.23	244.44	249,807.80	250,716.50
Security Type Sub-Total		8,925,000.00					8,923,330.10	1.76	36,630.60	8,921,074.26	8,917,898.82



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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
Certificate of Deposit											
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	1,200,000.00	A+	Aa3	12/01/16	12/05/16	1,199,064.00	1.78	6,864.00	1,199,215.06	1,206,640.80
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	1,200,000.00	AA-	Aa3	12/01/16	12/05/16	1,200,000.00	1.74	6,864.00	1,200,000.00	1,206,640.80
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	1,200,000.00	AA-	Aa2	01/10/17	01/12/17	1,200,000.00	1.91	4,977.00	1,200,000.00	1,196,710.80
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	1,200,000.00	A+	Aa3	02/08/17	02/09/17	1,200,000.00	1.90	3,196.00	1,200,000.00	1,208,289.60
Security Type Sub-Total		4,800,000.00					4,799,064.00	1.83	21,901.00	4,799,215.06	4,818,282.00
Asset-Backed Security / Collateralized Mortgage Obligation											
CARMX 2017-1 A2 DTD 01/31/2017 1.540% 02/15/2020	14314JAB6	565,000.00	NR	Aaa	01/25/17	01/31/17	564,999.83	1.60	386.71	564,999.91	565,056.22
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	619,925.69	619,774.69
CCCIT 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	450,000.00	AAA	Aaa	01/19/17	01/26/17	449,913.83	1.75	1,413.75	450,000.00	450,716.13
TAOT 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	145,000.00	AAA	Aaa	03/07/17	03/15/17	144,982.93	1.74	111.49	144,983.12	144,982.93
JDOT 2017-A A3 DTD 03/02/2017 1.780% 04/15/2021	47787XAC1	120,000.00	NR	Aaa	02/22/17	03/02/17	119,982.91	1.79	94.93	119,983.41	119,954.95
ALLYA 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	135,000.00	AAA	Aaa	01/24/17	01/31/17	134,988.20	1.70	102.00	134,988.70	134,862.88
HAROT 2017-1 A3 DTD 03/28/2017 1.720% 07/21/2021	43814TAC6	275,000.00	NR	Aaa	03/21/17	03/28/17	274,983.64	1.72	39.42	274,983.66	275,120.07
HART 2017-A A3 DTD 03/29/2017 1.760% 08/15/2021	44931PAD8	260,000.00	AAA	NR	03/22/17	03/29/17	259,978.97	1.76	25.42	259,978.98	259,978.97
NAROT 2017-A A3 DTD 03/28/2017 1.740% 08/15/2021	654747AD6	315,000.00	NR	Aaa	03/21/17	03/28/17	314,966.64	1.74	45.68	314,966.67	314,966.64



Managed Account Detail of Securities Held

For the Month Ending **March 31, 2017**

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											
ALLYA 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	480,000.00	AAA	NR	03/21/17	03/29/17	479,943.41	1.79	47.47	479,943.44	479,943.41
Security Type Sub-Total		3,365,000.00					3,364,619.71	1.67	2,655.40	3,364,753.58	3,365,356.89
Managed Account Sub-Total		120,835,965.18					120,825,934.75	1.19	308,196.88	120,797,184.36	120,417,469.29
Securities Sub-Total		\$120,835,965.18					\$120,825,934.75	1.19%	\$308,196.88	\$120,797,184.36	\$120,417,469.29
Accrued Interest											\$308,196.88
Total Investments											\$120,725,666.17

Glossary

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount, expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

Glossary

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction occurs on a non-business day (i.e. coupon payments and maturity proceeds), the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred however the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/17/17	0.88	0.87	181
04/18/17	0.89	0.87	183
04/19/17	0.89	0.87	183
04/20/17	0.90	0.87	186
04/21/17	0.90	0.88	191
04/22/17	0.90	0.88	191
04/23/17	0.90	0.88	191
04/24/17	0.90	0.88	192
04/25/17	0.90	0.88	193
04/26/17	0.90	0.88	194
04/27/17	0.91	0.88	195
04/28/17	0.91	0.88	188
04/29/17	0.91	0.88	188
04/30/17	0.91	0.88	188
05/01/17	0.92	0.89	189
05/02/17	0.92	0.89	191
05/03/17	0.92	0.89	193
05/04/17	0.92	0.89	193
05/05/17	0.92	0.89	195
05/06/17	0.92	0.89	195
05/07/17	0.92	0.89	195
05/08/17	0.92	0.89	195
05/09/17	0.92	0.89	196
05/10/17	0.92	0.89	195
05/11/17	0.92	0.89	194
05/12/17	0.92	0.89	193
05/13/17	0.92	0.89	193
05/14/17	0.92	0.90	193
05/15/17	0.92	0.90	190
05/16/17	0.92	0.90	190
05/17/17	0.92	0.90	191

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

Quarter Ending 03/31/17

Apportionment Rate: 0.78%
 Earnings Ratio: 0.00002126194403179
 Fair Value Factor: 0.999175951
 Daily: 0.85%
 Quarter to Date: 0.78%
 Average Life: 180

**PMIA Average Monthly
Effective Yields**

Apr 2017 0.884%
 Mar 2017 0.821%
 Feb 2017 0.777%

**Pooled Money Investment Account
Portfolio Composition
04/30/17
\$76.5 billion**

