



**Date:** October 27, 2017  
**To:** Mayor and City Council  
**From:** City Manager  
**By:** Director of Finance  
**Subject:** 2017 Third Quarter Investment Report

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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 July 1 – September 30, 2017 (3Q2017). The City's Investment Advisory Committee (IAC) reviewed this report (but took no formal action) during their quarterly meeting on October 26, 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) carried a market value of \$258.2 million as of September 30, 2017. The investments held at the end of 3Q2017 included \$122.4 million invested through the City's investment advisor, The PFM Group; \$100.5 million on deposit in the Local Agency Investment Fund (LAIF); and \$35.3 million in the City's general checking account.

Interest earned during 3Q2017 on the City's portfolio managed by the PFM Group (excluding LAIF and cash accounts) totaled \$371,641. The portfolio outperformed the City's benchmark used for comparison (1-3 Year U.S. Treasury Index) – by 5 basis points for the quarter and 32 basis points for the one year period from September 30, 2016 to September 30, 2017. Funds on deposit with LAIF earned 1.08% during 3Q2017. The balance held in the City's general checking account does not earn interest.

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:**

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



# CITY OF HAYWARD

## **Investment Performance Review For the Quarter Ended September 30, 2017**

Client Management Team

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## *Market Update*

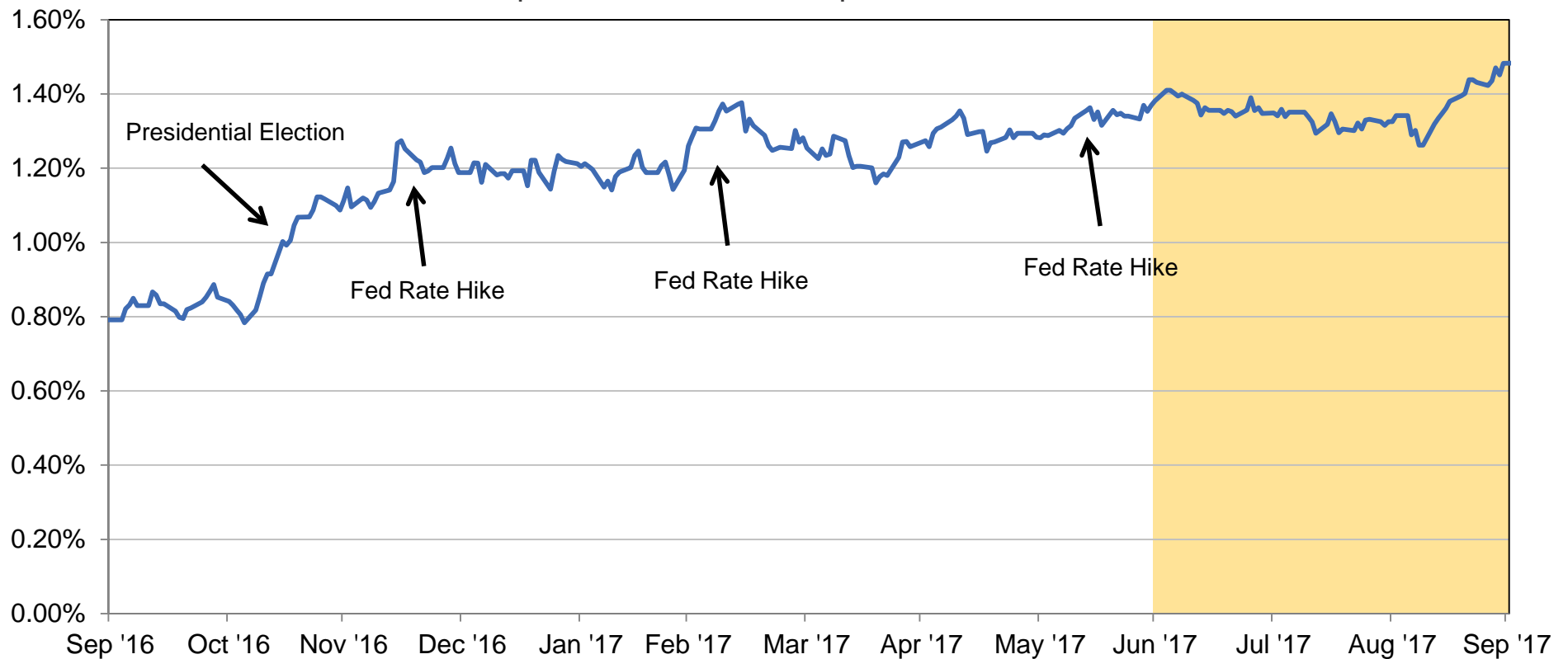
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## Interest Rate Update

- Two-year treasury yields moved modestly higher towards the end of the quarter, possibly due to heightened expectations of another rate hike and a tax overhaul that could increase government borrowing.

## 2-Year Treasury Yields

September 30, 2016 – September 30, 2017

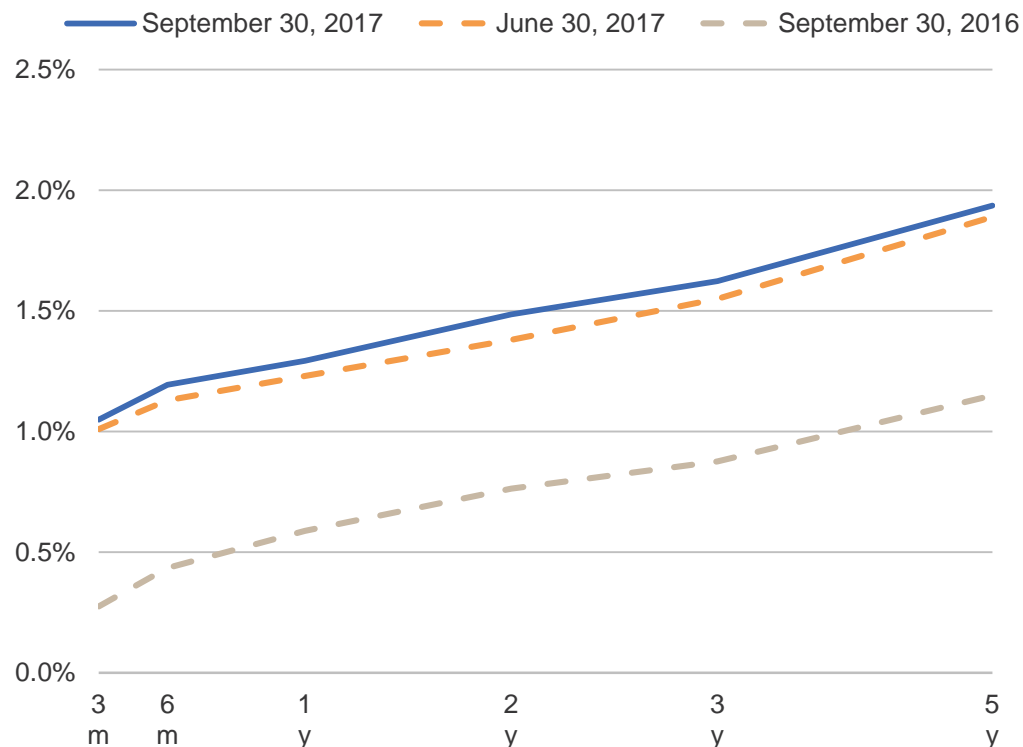


Source: Bloomberg, as of 9/30/17.

## Short-Term Yields Higher but Curve Flatter in Third Quarter

- Treasury yields are substantially higher compared to a year ago. Short-term yields continue to rise in response to the Fed raising rates in their efforts to normalize policy. Longer-term yields still remain relatively low in response to lower inflation and growth expectations.

### U.S. Treasury Yield Curve



### Yield Curve History

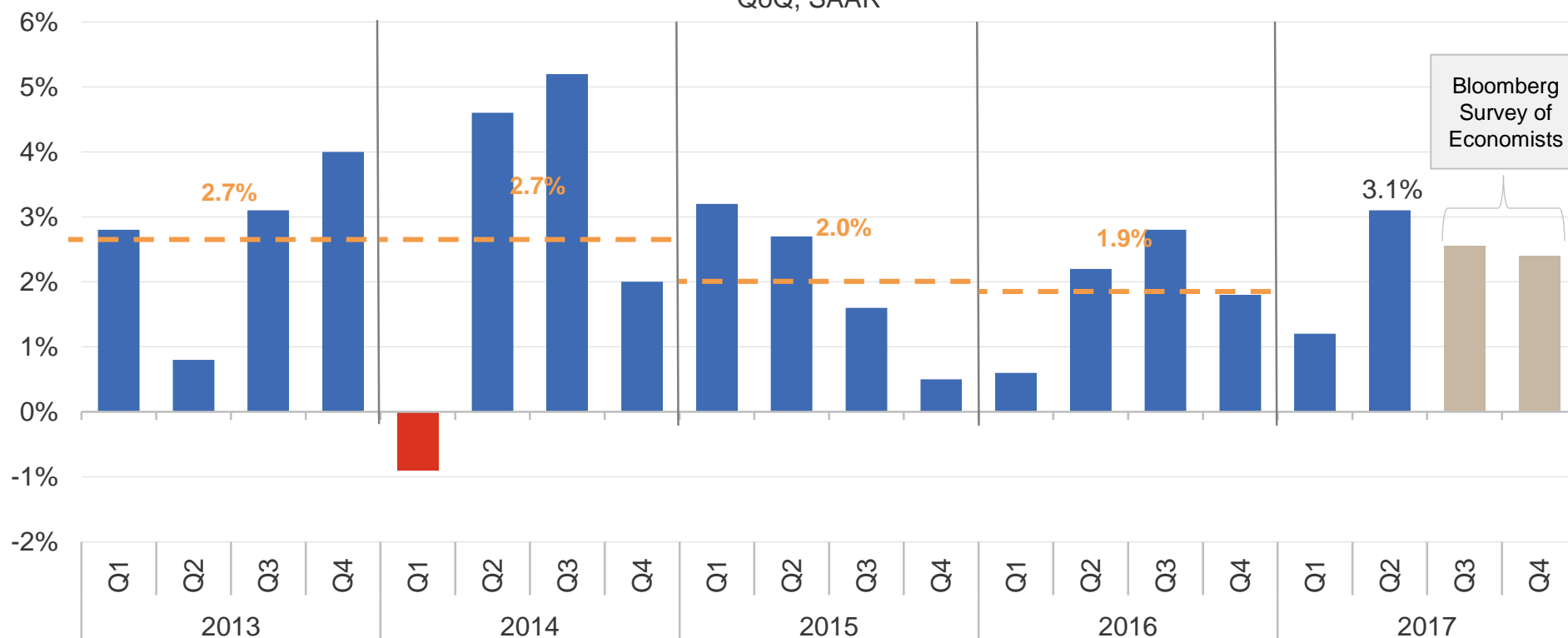
Maturity	6/30/17	9/30/17	Change
3-Mo.	1.01	1.05	0.04
6-Mo.	1.13	1.19	0.06
1-Yr.	1.23	1.29	0.06
2-Yr.	1.38	1.49	0.11
3-Yr.	1.55	1.62	0.07
5-Yr.	1.89	1.94	0.05
10-Yr.	2.31	2.33	0.02
20-Yr.	2.61	2.60	0.01
30-Yr.	2.84	2.86	0.02

Source: Bloomberg, as of 9/30/17.

## Economic Growth

- ◆ Gross domestic product (GDP) increased at an annualized rate of 3.1% in the second quarter of 2017.
- ◆ The acceleration in second quarter GDP reflected positive contributions from personal consumption, nonresidential private investments, exports, and federal government spending, offset by negative contributions from residential fixed investments, imports, and state and local government spending.

### U.S. Real GDP QoQ, SAAR

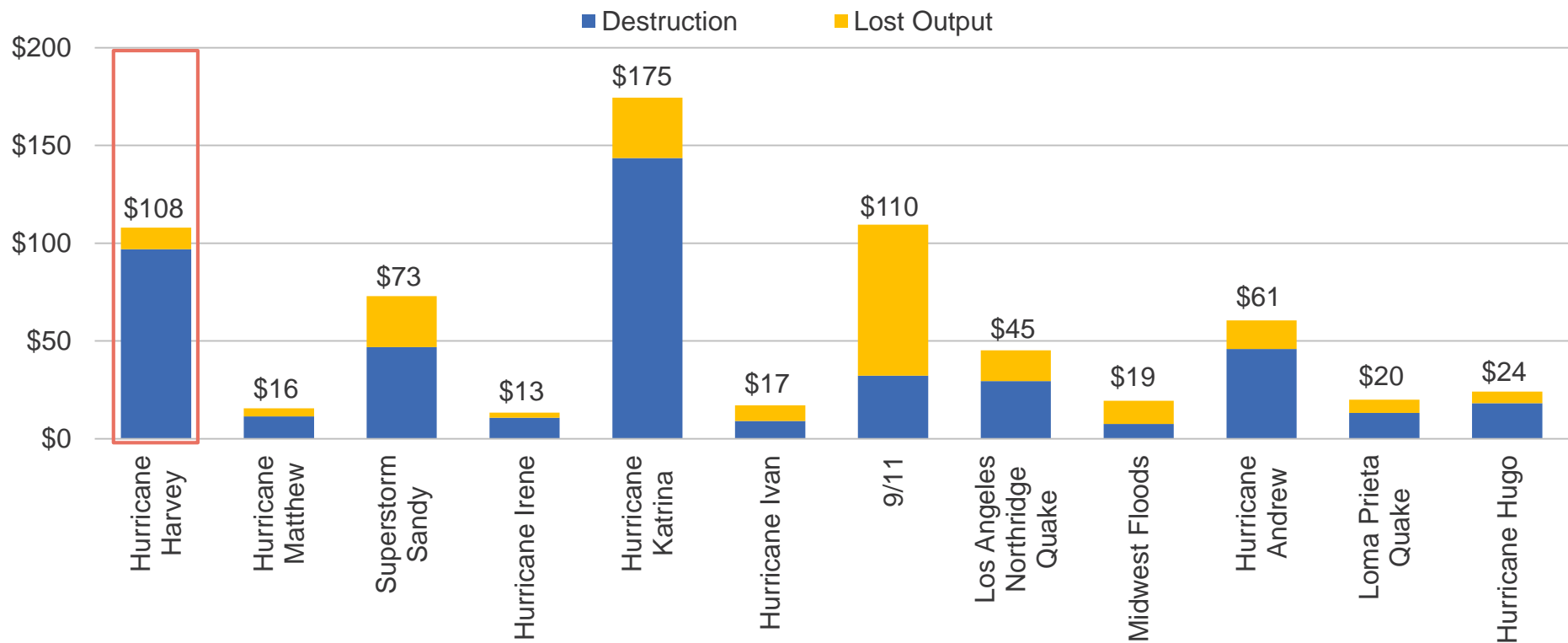


Source: Bloomberg, as of 9/30/17. SAAR is seasonally adjusted annualized rate. Orange dashes denotes four-quarter averages.

## Hurricane Disruption

- Hurricane Harvey is expected to be the second most destructive natural disaster over the last three decades.
- Destruction to property caused by Hurricane Harvey is estimated to range from \$77 to \$97 billion. The lost economic output is forecasted to be \$9 – \$11 billion.

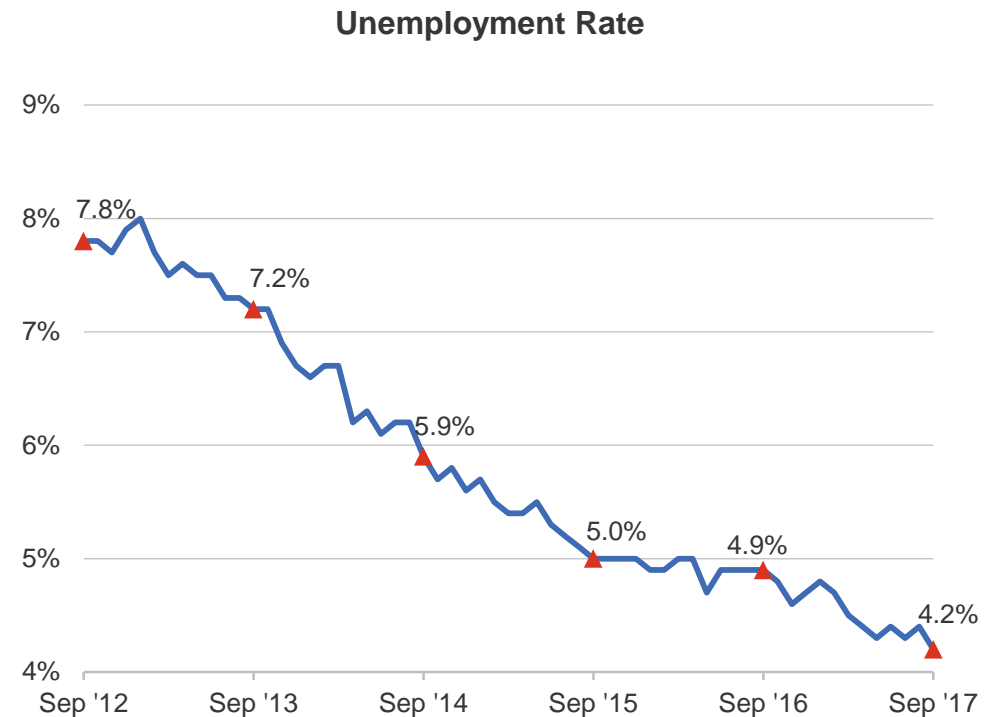
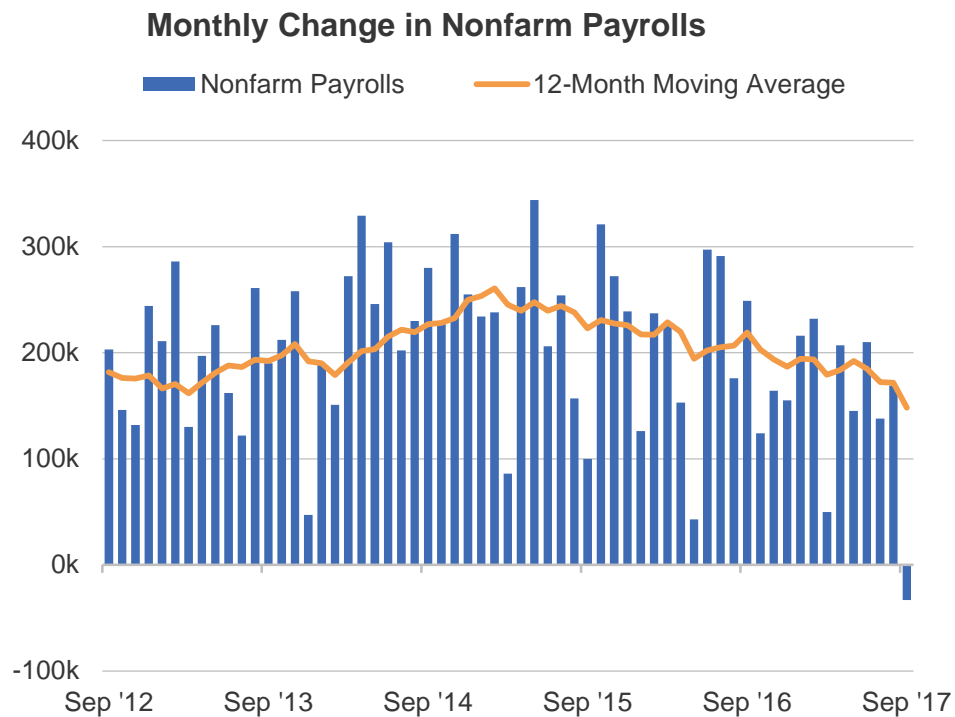
**Total Economic Loss Due to Disasters**  
(Billions of Today's Dollars)



Hurricane Harvey estimates are preliminary and shown in the chart at the high end of the estimated range. Source: *The Economic Impact of Hurricane Harvey*, Moody's Analytics, 9/5/17.

## Labor Market Remains Strong Despite the Impact of Hurricanes

- The U.S. labor market lost 33,000 jobs in September. The first decline in U.S. nonfarm payrolls in seven years.
- Despite the impact of the hurricanes on the September job numbers, the headline unemployment rate ticked down to 4.2%, hitting the lowest level in more than 16 years. The U6 unemployment rate also decreased slightly from 8.6% in June to 8.3% in September, while the labor force participation rate ticked up from 62.8% in June to 63.1% in September.
- Average hourly earnings—an important gauge of wage growth—grew 2.9% over the past 12 months.



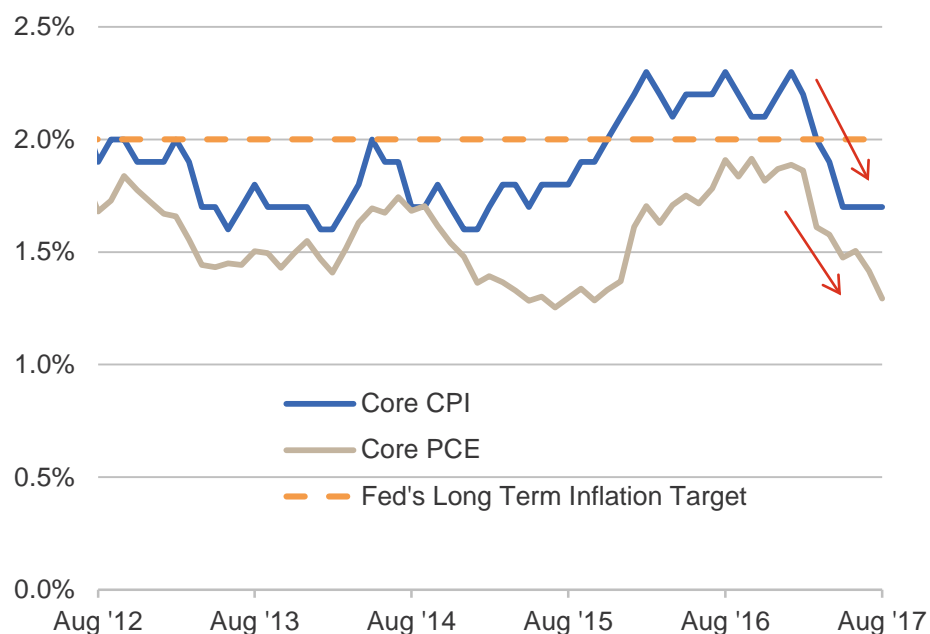
Source: Bloomberg, as of 9/30/17.



## Inflation Steadies but Outlook Remains Weak

- Inflation pressures have declined from levels at the beginning of the year. The core personal consumption expenditures (PCE) price index, the Fed's preferred measure of inflation, slipped to 1.3% year-over-year in August. While some Fed officials expect this weakness to be transitory, the prospect for another rate hike in 2017 may be diminished should this trend continue.
- Although inflation expectations jumped following the U.S. election, the outlook has since softened, reflecting doubts in the administration's ability to implement its agenda.

**Inflation Measures**  
(YoY)

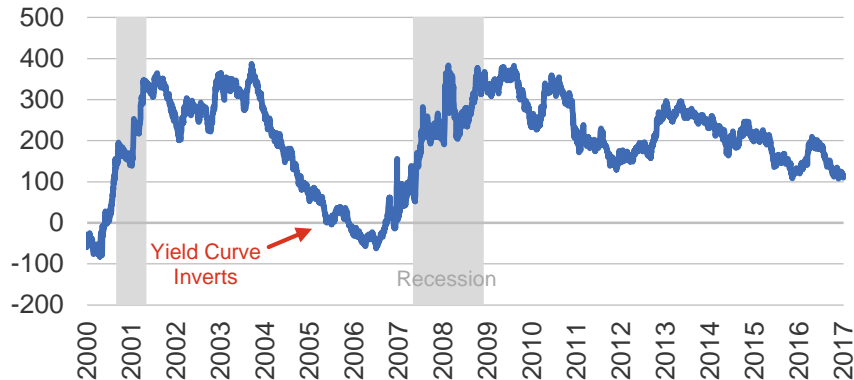
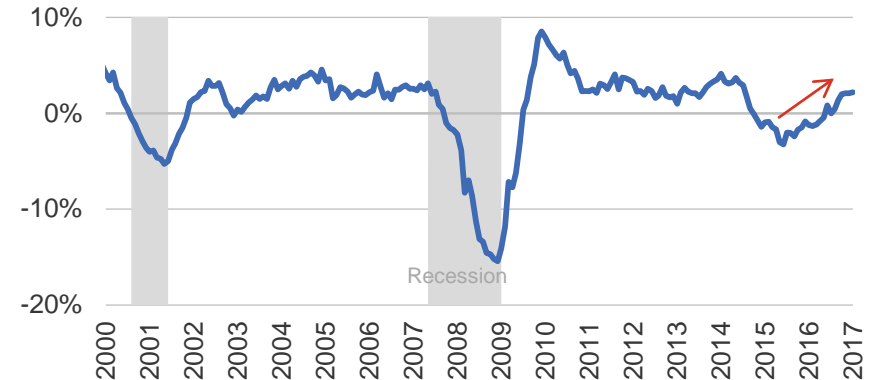
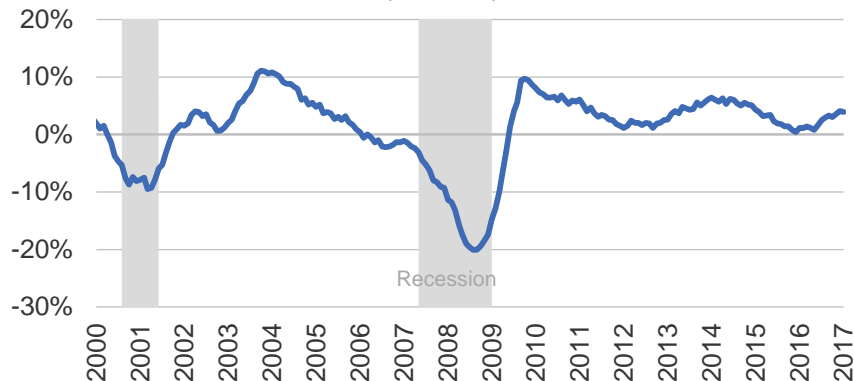


**Expectations for Average Inflation Rate Over Next 5 Years**



Source: Bloomberg, as of 9/30/17. Inflation expectations based on yield difference between 5-year Treasury note and 5-year Treasury Inflation Protected Securities (TIPS).

## U.S. Recession Indicators: Low Risk in the Near-Term

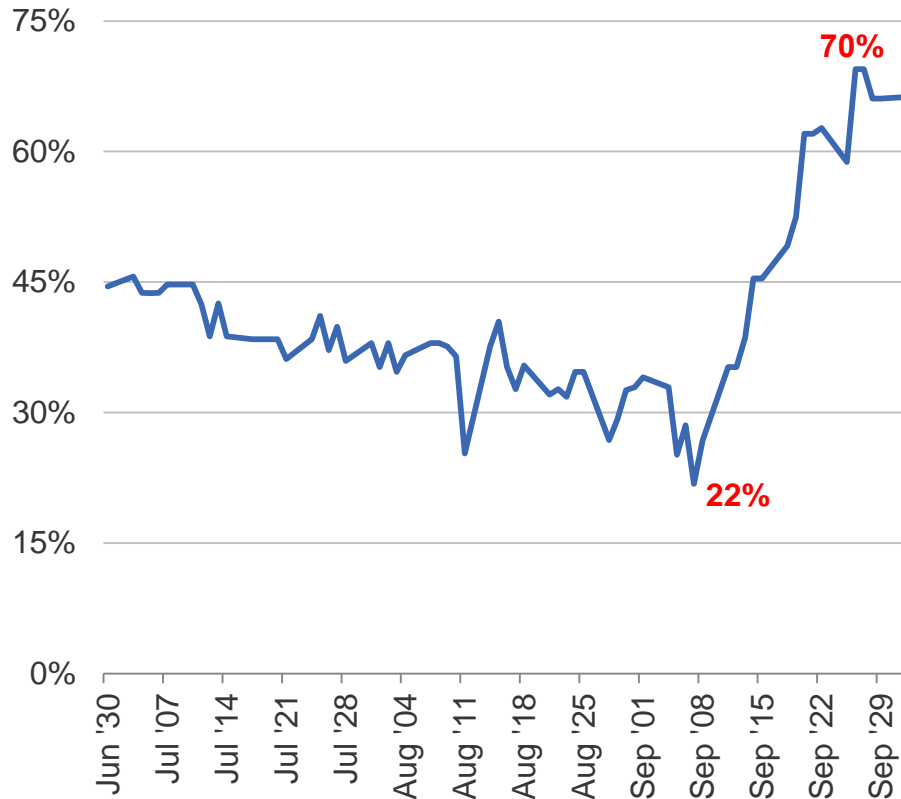
**10 Year – 3 Month Treasury Yield Spread**  
(in bps)**Industrial Production**  
(YoY)**Conference Board Leading Indicators**  
(SA, YoY)**Initial Jobless Claims**  
(4-week average, in thousand)

Source: Bloomberg, as of 8/31/17. SA is seasonally adjusted.

### Probability of Fed Rate Hike at the December Meeting

- The probability of a third rate hike in 2017 at the FOMC's December meeting increased following their September meeting.
- The FOMC will initiate the balance sheet normalization program described in the June 2017 Addendum to the Committee's Policy Normalization Principles and Plans in October.

**Historical Probability of December Rate Hike**



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# *Investment Performance Review*

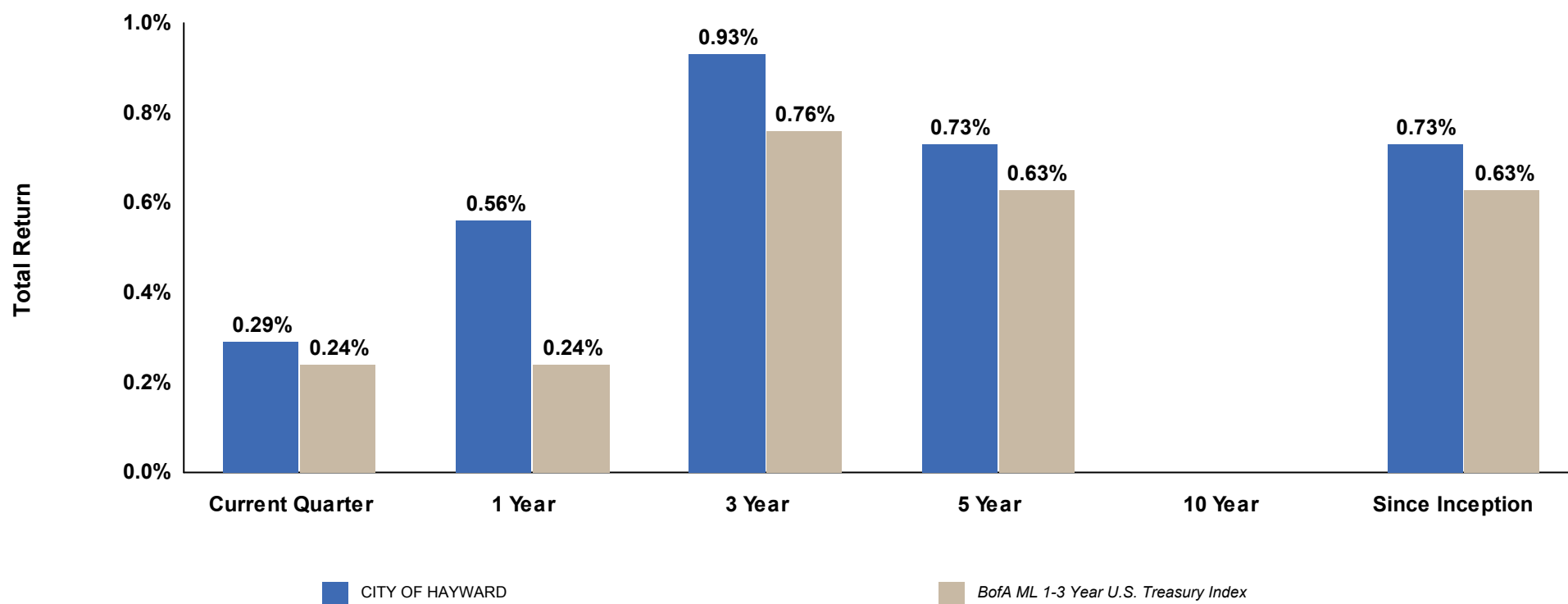
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## Portfolio Recap

- ◆ Policy challenges in the U.S., combined with escalating tensions on the geopolitical front, led to bouts of uncertainty which triggered periods of “risk-off” and “risk-on” during the third quarter. Nonetheless, volatility remained low and equities continued to book new record highs, reflective of investor complacency.
- ◆ After three rate hikes since December 2016, the Federal Reserve (Fed) shifted gears and announced the beginning of their program to reduce the central bank’s enormous balance sheet. The plan is to gradually reduce the Fed's securities holdings by decreasing its reinvestment of the principal payments on its large holdings of Treasury and agency mortgage-backed securities. This had little impact on our strategy as the process was telegraphed well in advance and will be gradual and predictable.
- ◆ Strong investor appetite for high-quality bonds generally caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter.
  - The yield spreads on federal agency securities vs. comparable-maturity Treasuries narrowed to historic lows, in some cases near zero, leading to diminished value of the agency sector.
  - Supranationals carried more yield spread and offered an attractive alternative in the high-quality government agency space.
  - Corporate yield spreads also tightened to multi-year lows as investors reaching for yield piled into a limited market supply of investment-grade securities.
  - Despite weakening collateral metrics in some higher risk areas of the ABS sector (e.g., subprime auto loans which PFM does not purchase), higher quality prime auto loan and credit-card-backed tranches performed well, benefitting from higher initial yields.
- ◆ Without a clear trend in the direction of interest rates, we maintained the portfolio duration in line with the benchmark to minimize return volatility.

## Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception (09/30/12)
CITY OF HAYWARD*	1.82	0.29%	0.56%	0.93%	0.73%	-	0.73%
BofA ML 1-3 Year U.S. Treasury Index	1.81	0.24%	0.24%	0.76%	0.63%	-	0.63%
Difference		0.05%	0.32%	0.17%	0.10%	-	0.10%



\*Portfolio performance is gross of fees unless otherwise indicated.

**Portfolio Earnings**  
**Quarter-Ended September 30, 2017**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (06/30/2017)</b>	\$120,440,231.30	\$120,850,399.72
<b>Net Purchases/Sales</b>	\$1,597,387.34	\$1,597,387.34
<b>Change in Value</b>	(\$56,941.09)	(\$56,346.60)
<b>Ending Value (09/30/2017)</b>	\$121,980,677.55	\$122,391,440.46
<b>Interest Earned</b>	\$414,286.43	\$414,286.43
<b>Portfolio Earnings</b>	\$357,345.34	\$357,939.83

## Sector Allocation and Compliance

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

Security Type	Market Value	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$39,678,106	15.4%	100%	✓
Federal Agency	\$49,204,537	19.1%	100%	✓
Federal Agency CMOs	\$6,525,621	2.5%	20%	✓
California Municipal Obligations	\$3,005,680	1.2%	20%	✓
Supranationals	\$5,330,500	2.1%	30%	✓
Negotiable CDs	\$7,829,221	3.0%	30%	✓
Corporate Notes	\$7,261,306	2.8%	30%	✓
Asset-Backed Securities	\$3,145,707	1.2%	20%	✓
<b>Securities Sub-Total</b>	<b>\$121,980,678</b>	<b>47.3%</b>		
Accrued Interest	\$371,641			
<b>Securities Total</b>	<b>\$122,352,318</b>			
LAIF	\$100,542,296	39.0%	195 Million <sup>1</sup>	✓
Bank of West	\$35,322,643	13.7%	100%	✓
<b>Total Investments</b>	<b>\$258,217,257</b>	<b>100.0%</b>		

As of 9/30/2017. Detail may not add to total due to rounding.

1. The maximum allowable LAIF balance is \$65 million per account. LAIF City: \$58.3 million. LAIF HPFA: \$17.2 million. LAIF Housing: \$25.1 million.

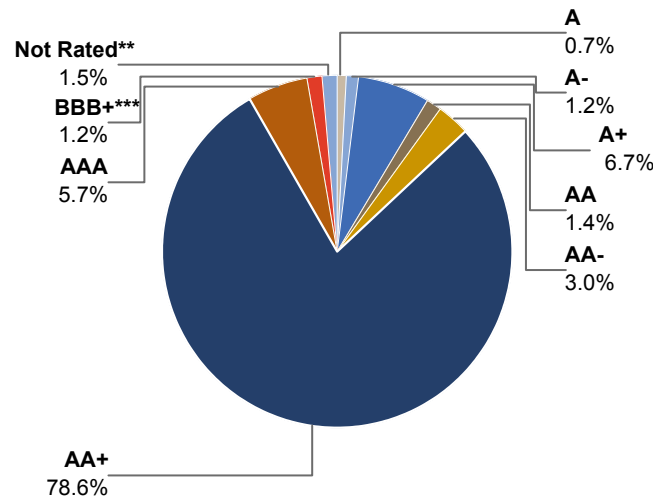


## Portfolio Statistics

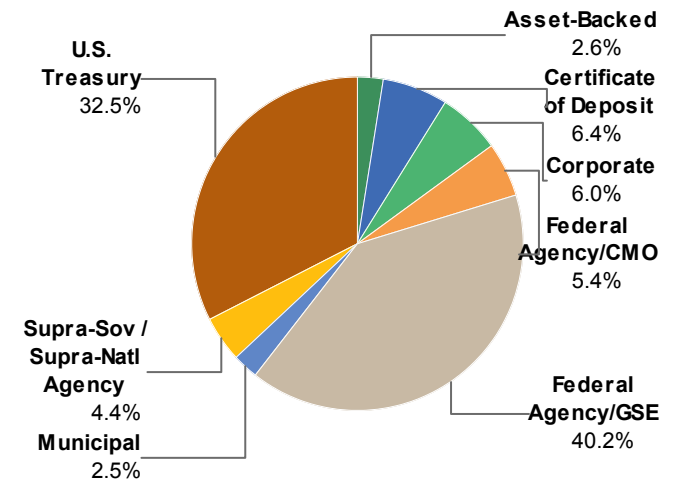
As of September 30, 2017

Par Value:	\$122,372,650
Total Market Value:	\$122,352,318
Security Market Value:	\$121,980,678
Accrued Interest:	\$371,641
Cash:	-
Amortized Cost:	\$122,391,440
Yield at Market:	1.54%
Yield at Cost:	1.34%
Effective Duration:	1.82 Years
Duration to Worst:	1.89 Years
Average Maturity:	1.98 Years
Average Credit: *	AA

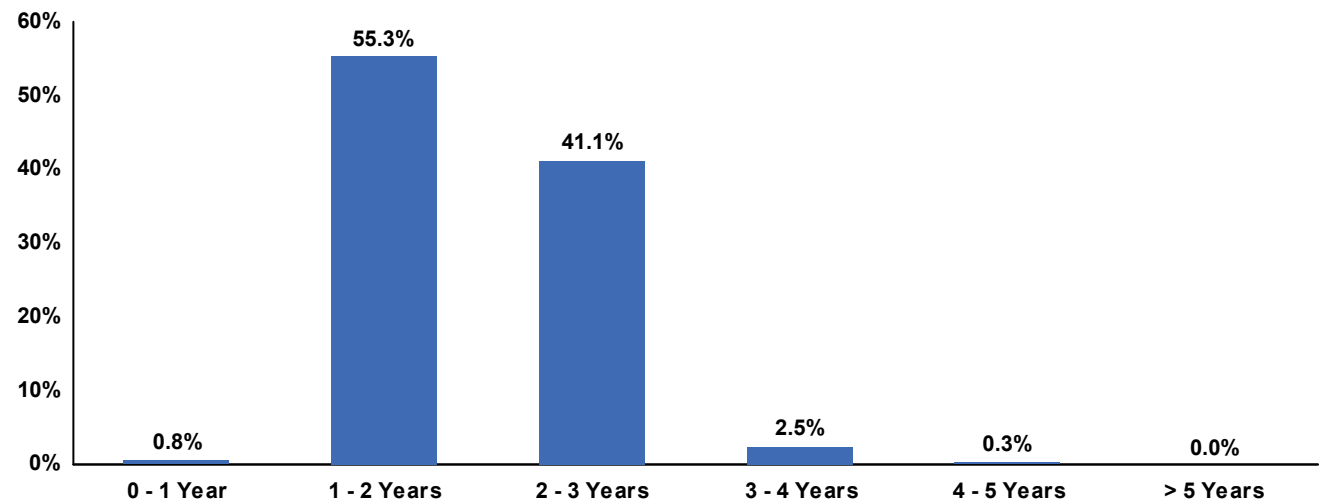
## Credit Quality (S&amp;P Ratings)



## Sector Allocation



## Maturity Distribution



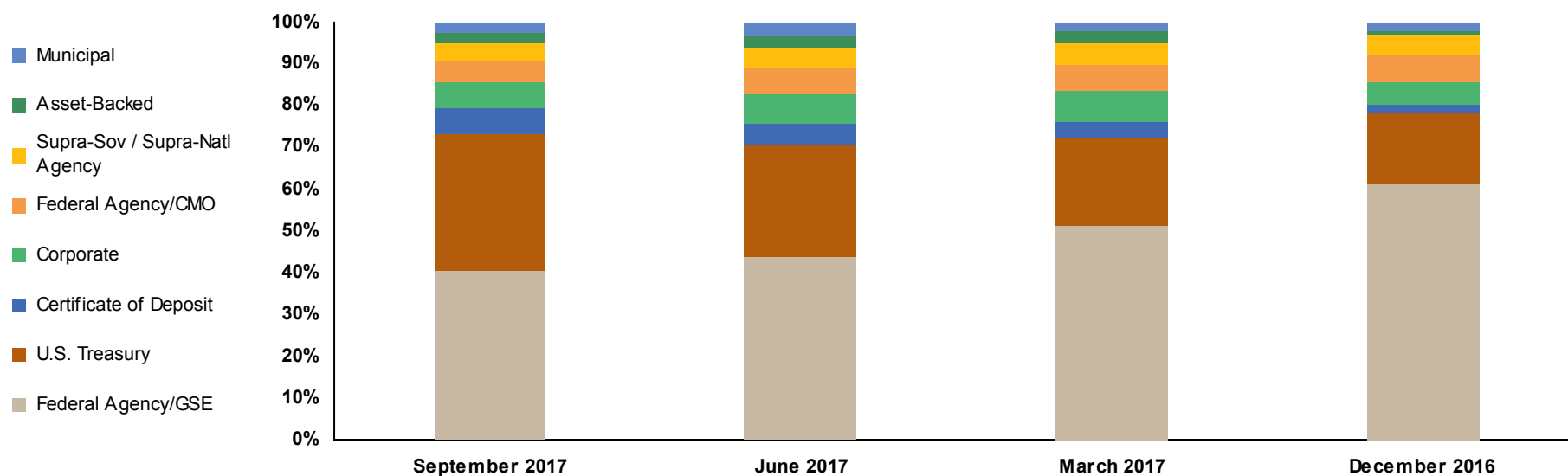
\*An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

\*\*The "Not Rated" category comprises asset-backed securities and supranationals rated Aaa by Moody's.

\*\*\*The "BBB+" category comprises securities rated A or better by Moody's and/or Fitch.

## Sector Allocation

Sector	September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	49.2	40.2%	52.6	43.7%	61.7	51.2%	73.4	61.0%
U.S. Treasury	39.7	32.5%	32.2	26.7%	25.0	20.8%	20.6	17.1%
Certificate of Deposit	7.8	6.4%	6.0	5.0%	4.8	4.0%	2.4	2.0%
Corporate	7.3	6.0%	8.5	7.0%	8.9	7.4%	6.4	5.3%
Federal Agency/CMO	6.5	5.4%	7.4	6.1%	7.3	6.1%	7.7	6.4%
Supra-Sov / Supra-Natl Agency	5.3	4.4%	6.3	5.3%	6.3	5.3%	6.3	5.3%
Asset-Backed	3.1	2.6%	3.3	2.8%	3.4	2.8%	0.6	0.5%
Municipal	3.0	2.5%	4.1	3.4%	2.9	2.4%	2.9	2.4%
<b>Total</b>	<b>\$122.0</b>	<b>100.0%</b>	<b>\$120.4</b>	<b>100.0%</b>	<b>\$120.4</b>	<b>100.0%</b>	<b>\$120.3</b>	<b>100.0%</b>

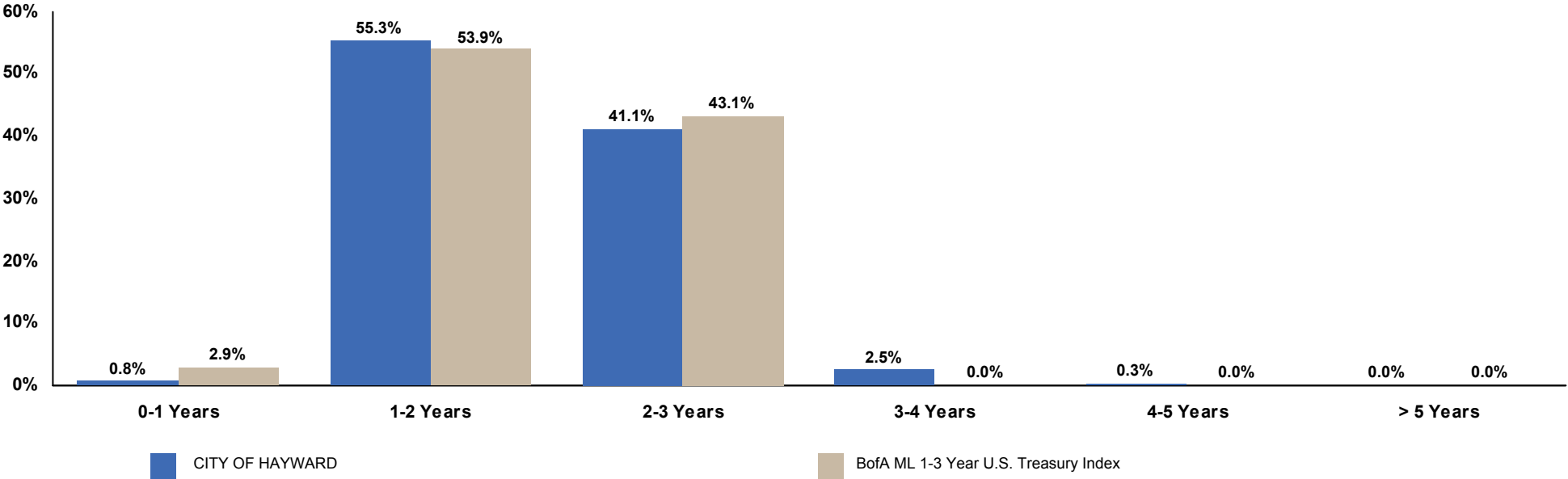


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 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	1.54%	1.98 yrs	0.8%	55.3%	41.1%	2.5%	0.3%	0.0%
BofA ML 1-3 Year U.S. Treasury Index	1.48%	1.93 yrs	2.9%	53.9%	43.1%	0.0%	0.0%	0.0%



## Sector/Issuer Distribution

As of September 30, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
ALLY AUTO RECEIVABLES TRUST	614,584	19.5%	0.5%
CARMAX AUTO OWNER TRUST	506,663	16.1%	0.4%
CITIGROUP INC	450,432	14.3%	0.4%
FORD CREDIT AUTO OWNER TRUST	459,624	14.6%	0.4%
HONDA AUTO RECEIVABLES	274,847	8.7%	0.2%
HYUNDAI AUTO RECEIVABLES	259,844	8.3%	0.2%
JOHN DEERE OWNER TRUST	119,997	3.8%	0.1%
NISSAN AUTO RECEIVABLES	314,806	10.0%	0.3%
TOYOTA MOTOR CORP	144,908	4.6%	0.1%
<b>Sector Total</b>	<b>3,145,707</b>	<b>100.0%</b>	<b>2.6%</b>
<b>Certificate of Deposit</b>			
BANK OF MONTREAL	1,204,868	15.4%	1.0%
BANK OF NOVA SCOTIA	1,198,439	15.3%	1.0%
CANADIAN IMPERIAL BANK OF COMMERCE	1,203,025	15.4%	1.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	624,801	8.0%	0.5%
NORDEA BANK AB	1,203,025	15.4%	1.0%
SKANDINAVISKA ENSKILDA BANKEN AB	1,198,908	15.3%	1.0%
SVENSKA HANDELSBANKEN AB	1,196,154	15.3%	1.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>7,829,221</b>	<b>100.0%</b>	<b>6.4%</b>
<b>Corporate</b>			
AMERICAN EXPRESS CO	598,114	8.2%	0.5%
AMERICAN HONDA FINANCE	280,618	3.9%	0.2%
APPLE INC	501,724	6.9%	0.4%
BANK OF AMERICA CO	389,185	5.4%	0.3%
CHEVRON CORPORATION	300,092	4.1%	0.2%
CITIGROUP INC	465,358	6.4%	0.4%
DEERE & COMPANY	251,870	3.5%	0.2%
GOLDMAN SACHS GROUP INC	602,593	8.3%	0.5%
INTERNATIONAL BUSINESS MACHINES	600,769	8.3%	0.5%
JP MORGAN CHASE & CO	900,824	12.4%	0.7%
MICROSOFT CORP	286,173	3.9%	0.2%
PFIZER INC	469,750	6.5%	0.4%
THE BANK OF NEW YORK MELLON CORPORATION	602,881	8.3%	0.5%
THE WALT DISNEY CORPORATION	115,383	1.6%	0.1%
TOYOTA MOTOR CORP	895,971	12.3%	0.7%
<b>Sector Total</b>	<b>7,261,306</b>	<b>100.0%</b>	<b>6.0%</b>
<b>Federal Agency/CMO</b>			
FANNIE MAE	4,590,886	70.4%	3.8%
FREDDIE MAC	1,934,735	29.6%	1.6%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Sector Total</b>	<b>6,525,621</b>	<b>100.0%</b>	<b>5.3%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	30,899,399	62.8%	25.3%
FEDERAL HOME LOAN BANKS	14,078,274	28.6%	11.5%
FREDDIE MAC	4,226,864	8.6%	3.5%
<b>Sector Total</b>	<b>49,204,537</b>	<b>100.0%</b>	<b>40.3%</b>
<b>Municipal</b>			
STATE OF CONNECTICUT	1,755,930	58.4%	1.4%
UNIVERSITY OF CALIFORNIA	1,249,750	41.6%	1.0%
<b>Sector Total</b>	<b>3,005,680</b>	<b>100.0%</b>	<b>2.5%</b>
<b>Supra-Sov / Supra-Natl Agency</b>			
INTER-AMERICAN DEVELOPMENT BANK	1,697,083	31.8%	1.4%
INTL BANK OF RECONSTRUCTION AND DEV	3,633,416	68.2%	3.0%
<b>Sector Total</b>	<b>5,330,500</b>	<b>100.0%</b>	<b>4.4%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	39,678,106	100.0%	32.5%
<b>Sector Total</b>	<b>39,678,106</b>	<b>100.0%</b>	<b>32.5%</b>
<b>Portfolio Total</b>	<b>121,980,678</b>	<b>100.0%</b>	<b>100.0%</b>

## Outlook and Strategy

- ◆ Although current low inflation is a conundrum, recent signaling from Fed officials boosted expectations for another rate hike this year, raising the market-implied probability of a December hike from 30% mid-third quarter to over 70%.
- ◆ With 2-year Treasury yields at the highest level since 2008, we plan to maintain the portfolio duration generally in line with the benchmark. However, the significant flattening of the yield curve since the beginning of the year has reduced the benefit of some maturity extensions, so we will carefully assess value along the yield curve.
- ◆ As we near the end of Janet Yellen's term as Chair of the Federal Reserve, which will expire early next year, we will assess the market implications of all new appointees to the Fed (there will be a total of 4 openings on the Fed's 7-member Board of Governors).
- ◆ Our prevailing economic theme includes moderate growth expectations in the U.S. and abroad, further improvements in the tightening U.S. labor market, healthy consumer demand, and a stable corporate backdrop.
- ◆ The impact from the recent Gulf Coast hurricanes will likely manifest itself in weaker economic data for September and early fourth quarter. However, history shows that the effects of weather-related events are typically short-lived and may be smoothed over by the subsequent recovery and rebuilding activity.
- ◆ On the policy front, the potential for tax reform is worth watching, as will be the debt ceiling debate, which will resurface in December.
- ◆ Our outlook on each of the major investment-grade fixed income sectors are as follows:
  - Limited supply and robust demand are likely to keep yield spreads on federal agencies tight. Generally, we favor U.S. Treasuries over agencies, except for new issues that offer a fair yield concession. Supranationals remain an attractive alternative.
  - Corporate fundamentals remain stable, and we continue to view the sector positively. However, recent richness in the sector warrants being more selective with industries, issuers, and individual issues.
  - In the credit space, we find that negotiable certificates of deposit (CDs) offer the best value, especially in the 2-year and under maturity range.
  - ABS continue to offer opportunity for modest incremental yield. We continue to closely monitor developments in the underlying collateral.

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## *Transactions & Account Holdings*

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## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
7/5/17	7/5/17	2,750,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	2,769,671.26	1.62%	
7/28/17	8/1/17	3,600,000	3135G0T60	FNMA NOTES	1.50%	7/30/20	3,589,092.00	1.60%	
8/3/17	8/4/17	1,200,000	83050FXT3	SKANDINAV ENSKILDA BANKEN NY CD	1.84%	8/2/19	1,199,532.00	1.85%	
8/28/17	8/30/17	1,225,000	459058FS7	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	1,218,114.07	1.51%	
8/31/17	9/1/17	3,500,000	912828J50	US TREASURY NOTES	1.37%	2/29/20	3,499,996.22	1.38%	
8/31/17	9/1/17	2,500,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	2,495,309.80	1.44%	
9/12/17	9/19/17	1,225,000	45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	1.56%	9/12/20	1,222,060.00	1.64%	
9/13/17	9/18/17	390,000	06051GGS2	BANK OF AMERICA CORP	2.32%	10/1/21	390,000.00	2.33%	
9/21/17	9/26/17	880,000	3137B6ZM6	FHMS K714 A2	3.03%	10/25/20	906,294.74	1.15%	
9/25/17	9/27/17	625,000	06539RGM3	BANK TOKYO MITSUBISHI UFJ LTD LT CD	2.07%	9/25/19	625,000.00	2.07%	
<b>Total BUY</b>		<b>17,895,000</b>					<b>17,915,070.09</b>		
<b>INTEREST</b>									
7/1/17	7/1/17	190,000	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	1.82%	7/1/17	1,732.80		
7/1/17	7/1/17	920,000	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	1.82%	7/1/17	8,390.40		
7/1/17	7/15/17	279,241	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,047.15		
7/1/17	7/25/17	278,564	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	377.45		
7/1/17	7/25/17	205,486	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	207.81		
7/1/17	7/25/17	515,000	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
7/1/17	7/25/17	880,160	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	2,128.52		
7/1/17	7/25/17	357,989	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	462.40		
7/1/17	7/25/17	1,384,821	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.57%	4/1/20	1,550.49		
7/1/17	7/25/17	180,609	3136AMMC0	FNMA SERIES 2015-M3 FA	1.45%	6/1/18	184.16		
7/1/17	7/25/17	1,614,913	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,686.99		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/1/17	7/25/17	1,008,835	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,383.78		
7/1/17	7/25/17	661,354	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	983.76		
7/10/17	7/10/17	1,200,000	86958JHB8	SVENSKA HANDELSBANKEN NY LT CD	1.89%	1/10/19	11,277.00		
7/15/17	7/15/17	315,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	456.75		
7/15/17	7/15/17	135,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	191.25		
7/15/17	7/15/17	565,000	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	725.08		
7/15/17	7/15/17	260,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	381.33		
7/15/17	7/15/17	586,934	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	689.65		
7/15/17	7/15/17	120,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	178.00		
7/15/17	7/15/17	145,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	209.04		
7/15/17	7/15/17	480,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	712.00		
7/16/17	7/16/17	800,000	3130AAE46	FHLB NOTES	1.25%	1/16/19	5,000.00		
7/16/17	7/16/17	1,250,000	94974BFG0	WELLS FARGO & COMPANY GLOBAL NOTES	1.50%	1/16/18	9,375.00		
7/17/17	7/17/17	450,000	17305EGA7	CITIBANK ABS 2017-A2 A2	1.74%	1/17/21	3,719.25		
7/19/17	7/19/17	2,450,000	459058FE8	INTL BANK OF RECON AND DEV SN NOTES	0.87%	7/19/18	10,718.75		
7/21/17	7/21/17	275,000	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	394.17		
7/27/17	7/27/17	600,000	459200JN2	IBM CORP NOTES	1.90%	1/27/20	5,700.00		
7/28/17	7/28/17	5,195,000	3135G0H63	FNMA BENCHMARK NOTE	1.37%	1/28/19	35,715.63		
7/31/17	7/31/17	2,750,000	912828XM7	US TREASURY NOTES	1.62%	7/31/20	22,343.75		
7/31/17	7/31/17	4,070,000	912828H52	US TREASURY NOTES	1.25%	1/31/20	25,437.50		
8/1/17	8/25/17	186,840	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	228.82		
8/1/17	8/25/17	1,273,059	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.57%	4/1/20	1,701.61		
8/1/17	8/25/17	857,908	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	2,074.71		
8/1/17	8/25/17	271,034	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	367.25		
8/1/17	8/25/17	954,898	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,391.91		
8/1/17	8/25/17	515,000	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	1,050.90		
8/1/17	8/25/17	1,566,678	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,972.66		
8/1/17	8/25/17	429,775	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	639.29		
8/1/17	8/25/17	66,157	3136AMMC0	FNMA SERIES 2015-M3 FA	1.45%	6/1/18	81.59		
8/1/17	8/25/17	316,469	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	408.77		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/1/17	8/15/17	251,599	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	943.50		
8/2/17	8/2/17	3,050,000	3135G0N33	FNMA BENCHMARK NOTE	0.87%	8/2/19	13,343.75		
8/6/17	8/6/17	285,000	594918BV5	MICROSOFT CORP	1.85%	2/6/20	2,636.25		
8/7/17	8/7/17	500,000	037833CK4	APPLE INC BONDS	1.90%	2/7/20	4,697.22		
8/7/17	8/7/17	5,600,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	17,500.00		
8/7/17	8/7/17	1,200,000	06427KRC3	BANK OF MONTREAL CHICAGO CERT DEPOS	1.88%	2/7/19	11,154.67		
8/14/17	8/14/17	280,000	02665WBM2	AMERICAN HONDA FINANCE	2.00%	2/14/20	2,768.89		
8/15/17	8/15/17	542,678	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	637.65		
8/15/17	8/15/17	480,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	712.00		
8/15/17	8/15/17	1,225,000	459058FK4	INTL BANK OF RECON AND DEV SN NOTE	0.87%	8/15/19	5,365.50		
8/15/17	8/15/17	260,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	381.33		
8/15/17	8/15/17	145,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	209.04		
8/15/17	8/15/17	1,340,000	20772J3D2	CT ST TXBL GO BONDS	1.30%	8/15/19	8,710.00		
8/15/17	8/15/17	565,000	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	725.08		
8/15/17	8/15/17	120,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	178.00		
8/15/17	8/15/17	315,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	456.75		
8/15/17	8/15/17	135,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	191.25		
8/21/17	8/21/17	275,000	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	394.17		
8/24/17	8/24/17	600,000	06406HCZ0	BNY MELLON (CALLABLE) CORP NOTE	2.15%	2/24/20	6,450.00		
8/26/17	8/26/17	4,900,000	3135G0J53	FNMA BENCHMARK NOTE	1.00%	2/26/19	24,500.00		
8/28/17	8/28/17	300,000	166764BS8	CHEVRON CORP NOTES	1.68%	2/28/19	2,458.75		
8/28/17	8/28/17	5,700,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	28,500.00		
8/28/17	8/28/17	1,300,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	6,500.00		
8/28/17	8/28/17	1,510,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	11,325.00		
8/31/17	8/31/17	1,000,000	912828J50	US TREASURY NOTES	1.37%	2/29/20	6,875.00		
9/1/17	9/15/17	225,293	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	844.85		
9/1/17	9/25/17	53,886	3136AMMC0	FNMA SERIES 2015-M3 FA	1.45%	6/1/18	67.21		
9/1/17	9/25/17	277,574	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	358.53		
9/1/17	9/25/17	837,248	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	2,024.75		
9/1/17	9/25/17	129,886	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	160.87		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
9/1/17	9/25/17	417,660	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	883.14		
9/1/17	9/25/17	1,477,945	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,881.42		
9/1/17	9/25/17	1,246,696	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.57%	4/1/20	1,683.66		
9/1/17	9/25/17	229,776	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	311.35		
9/1/17	9/25/17	931,089	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,438.39		
9/1/17	9/25/17	398,868	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	593.32		
9/4/17	9/4/17	115,000	25468PDP8	WALT DISNEY COMPANY CORP NOTES	1.95%	3/4/20	1,108.79		
9/13/17	9/13/17	250,000	24422ETQ2	JOHN DEERE CAPITAL CORP CORP NOTES	2.20%	3/13/20	2,719.44		
9/15/17	9/15/17	145,000	89238MAD0	TOYOTA ABS 2017-A A3	1.73%	2/15/21	209.04		
9/15/17	9/15/17	430,000	20772JZJ4	CT ST TXBL GO BONDS	1.42%	3/15/18	3,057.30		
9/15/17	9/15/17	260,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	381.33		
9/15/17	9/15/17	135,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	191.25		
9/15/17	9/15/17	315,000	654747AD6	NISSAN ABS 2017-A A3	1.74%	8/15/21	456.75		
9/15/17	9/15/17	480,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	712.00		
9/15/17	9/15/17	551,404	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	707.64		
9/15/17	9/15/17	502,343	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	590.25		
9/15/17	9/15/17	120,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	178.00		
9/21/17	9/21/17	275,000	43814TAC6	HONDA ABS 2017-1 A3	1.72%	7/21/21	394.17		
9/22/17	9/22/17	900,000	46625HQU7	JP MORGAN CHASE & CORP NOTES (CALLABLE)	1.85%	3/22/19	8,325.00		
9/26/17	9/26/17	1,575,000	3130A9EP2	FHLB GLOBAL NOTES	1.00%	9/26/19	7,875.00		
9/30/17	9/30/17	2,915,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	16,396.88		
9/30/17	9/30/17	2,995,000	912828C65	US TREASURY NOTES	1.62%	3/31/19	24,334.38		
<b>Total INTEREST</b>		<b>86,630,670</b>					<b>399,590.47</b>		

## MATURITY

7/1/17	7/1/17	190,000	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	1.82%	7/1/17	190,000.00		0.00
7/1/17	7/1/17	920,000	13017HAD8	CA EARTHQUAKE AUTH TXBL REV BONDS	1.82%	7/1/17	920,000.00		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>Total MATURITY</b>		<b>1,110,000</b>					<b>1,110,000.00</b>		<b>0.00</b>
<b>PAYDOWNS</b>									
7/1/17	7/15/17	27,642	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	27,641.90		0.00
7/1/17	7/25/17	18,646	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	18,645.90		0.00
7/1/17	7/25/17	22,251	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	22,251.34		0.00
7/1/17	7/25/17	111,762	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.57%	4/1/20	111,761.90		0.00
7/1/17	7/25/17	114,453	3136AMMC0	FNMA SERIES 2015-M3 FA	1.45%	6/1/18	114,452.51		0.00
7/1/17	7/25/17	48,235	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	48,235.02		0.00
7/1/17	7/25/17	231,579	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	231,578.59		0.00
7/1/17	7/25/17	41,520	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	41,520.41		0.00
7/1/17	7/25/17	53,937	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	53,936.85		0.00
7/1/17	7/25/17	7,530	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	7,530.40		0.00
7/15/17	7/15/17	44,255	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	44,255.40		0.00
8/1/17	8/25/17	56,953	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	56,953.47		0.00
8/1/17	8/25/17	20,660	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	20,660.09		0.00
8/1/17	8/25/17	26,363	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.57%	4/1/20	26,362.88		0.00
8/1/17	8/25/17	12,271	3136AMMC0	FNMA SERIES 2015-M3 FA	1.45%	6/1/18	12,270.54		0.00
8/1/17	8/25/17	88,733	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	88,733.05		0.00
8/1/17	8/25/17	38,895	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	38,895.14		0.00
8/1/17	8/25/17	23,809	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	23,809.00		0.00
8/1/17	8/25/17	30,907	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	30,906.72		0.00
8/1/17	8/25/17	97,340	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	97,339.88		0.00
8/1/17	8/25/17	41,257	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	41,257.18		0.00
8/1/17	8/15/17	26,306	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	26,305.76		0.00
8/15/17	8/15/17	13,596	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	13,595.58		0.00
8/15/17	8/15/17	40,335	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	40,335.49		0.00
9/1/17	9/15/17	24,939	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	24,938.62		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
9/1/17	9/25/17	30,842	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	30,841.68		0.00
9/1/17	9/25/17	20,746	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	20,746.43		0.00
9/1/17	9/25/17	118,061	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.57%	4/1/20	118,061.31		0.00
9/1/17	9/25/17	16,896	3136AMMC0	FNMA SERIES 2015-M3 FA	1.45%	6/1/18	16,896.14		0.00
9/1/17	9/25/17	37,970	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	37,970.14		0.00
9/1/17	9/25/17	105,840	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	105,840.12		0.00
9/1/17	9/25/17	95,486	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	95,486.16		0.00
9/1/17	9/25/17	40,430	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	40,430.39		0.00
9/1/17	9/25/17	78,156	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	78,155.50		0.00
9/1/17	9/25/17	50,244	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	50,243.78		0.00
9/15/17	9/15/17	44,879	14314JAB6	CARMAX ABS 2017-1 A2	1.54%	2/15/20	44,879.42		0.00
9/15/17	9/15/17	42,530	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	42,530.24		0.00
<b>Total PAYDOWNS</b>		<b>1,946,255</b>					<b>1,946,254.93</b>		<b>0.00</b>

## SELL

7/28/17	8/1/17	500,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	498,155.42	1.29%	(2,844.67)
7/28/17	8/1/17	2,450,000	459058FE8	INTL BANK OF RECON AND DEV SN NOTES	0.87%	7/19/18	2,439,224.90	1.36%	(9,613.41)
8/3/17	8/4/17	1,250,000	94974BFG0	WELLS FARGO & COMPANY GLOBAL NOTES	1.50%	1/16/18	1,251,175.00	1.46%	(197.23)
8/28/17	8/30/17	750,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	745,844.48	1.27%	(3,750.01)
8/31/17	9/1/17	4,850,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	4,823,502.83	1.26%	(23,972.58)
8/31/17	9/1/17	1,010,000	459058EJ8	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.00%	6/15/18	1,009,849.62	1.29%	(1,840.77)
9/12/17	9/19/17	1,225,000	912828L32	US TREASURY NOTES	1.37%	8/31/20	1,222,534.45	1.47%	(1,043.11)
9/13/17	9/18/17	375,000	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	374,819.64	1.32%	(1,575.63)
9/22/17	9/26/17	250,000	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	249,863.37	1.35%	(1,117.23)
9/25/17	9/27/17	125,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	125,684.58	1.67%	148.39
9/25/17	9/27/17	275,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	272,708.03	1.48%	(2,236.43)
9/25/17	9/27/17	235,000	24422ETM1	JOHN DEERE CAPITAL CORP	1.65%	10/15/18	236,939.93	1.57%	287.14

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	SELL	13,295,000					13,250,302.25		-47,755.54



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>U.S. Treasury Bond / Note</b>											
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	1,288.86	341,182.66	340,371.96
US TREASURY NOTES DTD 03/31/2014 1.625% 03/31/2019	912828C65	2,995,000.00	AA+	Aaa	03/02/16	03/04/16	3,046,944.54	1.05	133.71	3,020,515.21	3,003,775.35
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	20,502.82	3,041,609.40	3,023,478.18
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	29,489.75	5,856,664.55	5,849,087.40
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	8,571.33	4,045,250.41	4,043,292.66
US 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	1,177.49	995,215.60	995,859.00
US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	3,500,000.00	AA+	Aaa	08/31/17	09/01/17	3,499,863.28	1.38	4,121.20	3,499,867.81	3,485,506.50
US TREASURY NOTES DTD 04/01/2013 1.125% 03/31/2020	912828UV0	2,915,000.00	AA+	Aaa	03/15/17	03/17/17	2,864,784.57	1.71	90.09	2,873,544.18	2,884,141.81
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	4,300,000.00	AA+	Aaa	04/03/17	04/05/17	4,280,683.59	1.53	24,742.53	4,283,705.15	4,278,500.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	7,750,000.00	AA+	Aaa	06/26/17	06/28/17	7,777,851.56	1.50	31,826.60	7,775,505.48	7,756,355.00
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	2,750,000.00	AA+	Aaa	07/05/17	07/05/17	2,750,537.11	1.62	7,528.87	2,750,506.19	2,751,504.25
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,275,000.00	AA+	Aaa	08/31/17	09/01/17	1,272,559.57	1.44	1,501.29	1,272,625.86	1,266,234.38
<b>Security Type Sub-Total</b>		<b>39,760,000.00</b>					<b>39,782,980.08</b>	<b>1.44</b>	<b>130,974.54</b>	<b>39,756,192.50</b>	<b>39,678,106.49</b>
<b>Supra-National Agency Bond / Note</b>											
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	1,712,281.73	1,697,083.40





## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>Supra-National Agency Bond / Note</b>											
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	1,224,842.21	1,207,949.23
INTL BANK OF RECON AND DEV GLOBAL NOTES DTD 10/27/2016 1.125% 11/27/2019	459058FS7	1,225,000.00	AAA	Aaa	08/28/17	08/30/17	1,214,550.75	1.51	4,746.88	1,214,948.19	1,210,910.05
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	1,225,000.00	NR	Aaa	09/12/17	09/19/17	1,222,060.00	1.64	637.41	1,222,092.13	1,214,556.88

<b>Security Type Sub-Total</b>		<b>5,390,000.00</b>					<b>5,371,208.50</b>	<b>1.27</b>	<b>13,328.08</b>	<b>5,374,164.26</b>	<b>5,330,499.56</b>
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<b>Municipal Bond / Note</b>											
CT ST TXBL GO BONDS DTD 03/25/2015 1.422% 03/15/2018	20772JZJ4	430,000.00	A+	A1	03/13/15	03/25/15	430,000.00	1.42	271.76	430,000.00	429,772.10
UNIV OF CAL TXBL REV BOND DTD 05/18/2017 1.610% 05/15/2019	91412GS71	625,000.00	AA	Aa2	05/05/17	05/18/17	625,000.00	1.61	3,717.53	625,000.00	624,937.50
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	1,340,000.00	A+	A1	08/03/16	08/17/16	1,342,894.40	1.23	2,225.89	1,341,821.61	1,326,157.80
UNIV OF CAL TXBL REV BOND DTD 05/18/2017 1.900% 05/15/2020	91412GS89	625,000.00	AA	Aa2	05/05/17	05/18/17	625,000.00	1.90	4,387.15	625,000.00	624,812.50

<b>Security Type Sub-Total</b>		<b>3,020,000.00</b>					<b>3,022,894.40</b>	<b>1.47</b>	<b>10,602.33</b>	<b>3,021,821.61</b>	<b>3,005,679.90</b>
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<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	179,532.70	AA+	Aaa	01/15/15	01/30/15	181,326.68	1.26	243.27	179,556.16	179,401.35
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	171,733.50	AA+	Aaa	04/15/15	04/30/15	173,450.22	0.83	221.82	171,854.85	171,642.55
FNMA SERIES 2015-M3 FA DTD 02/01/2015 1.457% 06/01/2018	3136AMMC0	36,990.22	AA+	Aaa	02/12/15	02/27/15	36,980.56	0.39	44.92	36,990.22	36,991.20



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES M4 FA DTD 03/01/2015 0.790% 09/01/2018	3136AMTM1	99,044.76	AA+	Aaa	03/12/15	03/31/15	99,019.39	0.38	65.21	99,044.76	98,995.65
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	339,504.62	AA+	Aaa	11/06/15	11/30/15	342,899.63	1.20	537.01	340,526.68	339,837.06
FNMA SERIES 2015-M10 FA DTD 06/01/2015 0.831% 03/01/2019	3136ANA98	1,439,975.04	AA+	Aaa	06/12/15	06/30/15	1,439,558.31	0.43	997.63	1,439,975.04	1,439,953.44
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	358,438.09	AA+	Aaa	06/09/16	06/30/16	362,022.29	1.05	533.18	360,226.35	358,655.70
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	835,602.73	AA+	Aaa	10/07/15	10/30/15	843,970.37	1.08	1,146.17	839,183.96	835,099.70
FREDDIE MAC SERIES 4459 NB DTD 04/01/2015 4.500% 01/01/2020	3137BHU39	200,354.42	AA+	Aaa	06/08/15	06/11/15	210,059.09	0.77	751.33	204,731.33	202,354.06
FNMA SERIES 2015-M12 FA DTD 09/01/2015 1.577% 04/01/2020	3136AP3Z3	1,128,634.86	AA+	Aaa	09/10/15	09/30/15	1,128,228.55	0.54	1,483.42	1,128,634.86	1,130,309.08
FHLMC SERIES K013 A1 DTD 05/01/2011 2.902% 08/25/2020	3137AA4V2	816,501.77	AA+	Aaa	06/23/17	06/28/17	832,034.43	1.60	1,974.57	832,034.44	829,377.84
FHMS K714 A2 DTD 01/01/2014 3.034% 10/25/2020	3137B6ZM6	880,000.00	AA+	Aaa	09/21/17	09/26/17	904,440.63	1.15	2,224.93	904,440.63	903,003.11

<b>Security Type Sub-Total</b>		<b>6,486,312.71</b>					<b>6,553,990.15</b>	<b>0.90</b>	<b>10,223.46</b>	<b>6,537,199.28</b>	<b>6,525,620.74</b>
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<b>Federal Agency Bond / Note</b>											
FHLB GLOBAL NOTE DTD 08/26/2016 0.875% 10/01/2018	3130A9AE1	5,240,000.00	AA+	Aaa	08/25/16	08/26/16	5,236,436.80	0.91	22,925.00	5,238,288.67	5,217,006.88
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	6,096,641.65	6,080,925.30
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	799,978.68	798,050.40
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	5,193,581.51	5,189,794.61



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>Federal Agency Bond / Note</b>											
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	4,894,561.39	4,868,801.70
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	3,053,703.04	3,034,509.05
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	2,549,388.74	2,534,251.20
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	4,016,046.66	3,970,326.88
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	3,046,847.40	3,014,037.45
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	1,191.67	1,299,485.10	1,287,262.60
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	5,425,000.00	AA+	Aaa	08/31/16	09/02/16	5,416,537.00	1.05	4,972.92	5,419,565.51	5,371,845.85
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	1,574,630.79	1,558,638.90
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	2,076.25	1,509,220.82	1,506,409.22
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	1,200,000.00	AA+	Aaa	04/19/17	04/20/17	1,195,896.00	1.49	7,379.17	1,196,496.49	1,192,354.80
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	3,600,000.00	AA+	Aaa	07/28/17	08/01/17	3,589,092.00	1.60	9,000.00	3,589,686.36	3,580,322.40
<b>Security Type Sub-Total</b>		<b>49,490,000.00</b>					<b>49,473,237.85</b>	<b>1.14</b>	<b>138,641.49</b>	<b>49,478,122.81</b>	<b>49,204,537.24</b>
<b>Corporate Note</b>											
CHEVRON 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	463.65	300,000.00	300,091.80



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>Corporate Note</b>											
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	902,024.25	900,823.50
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	899,668.04	895,970.70
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	464,862.14	465,358.05
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	596,522.43	598,114.20
GOLDMAN SACHS GROUP INC BONDS DTD 12/13/2016 2.300% 12/13/2019	38145GAJ9	600,000.00	BBB+	A3	12/08/16	12/13/16	599,550.00	2.33	4,140.00	599,667.07	602,593.20
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	1,001.11	199,890.74	199,893.60
PFIZER INC CORP NOTE DTD 11/21/2016 1.700% 12/15/2019	717081EB5	270,000.00	AA	A1	11/14/16	11/21/16	269,805.60	1.72	1,351.50	269,858.37	269,856.36
IBM CORP NOTES DTD 01/27/2017 1.900% 01/27/2020	459200JN2	600,000.00	A+	A1	01/24/17	01/27/17	599,424.00	1.93	2,026.67	599,551.34	600,768.60
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	284,849.73	286,173.35
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	1,425.00	499,806.40	501,724.00
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	731.11	279,683.33	280,618.24
BNY MELLON (CALLABLE) CORP NOTE DTD 02/24/2015 2.150% 02/24/2020	06406HCZ0	600,000.00	A	A1	04/10/17	04/13/17	603,102.00	1.96	1,325.83	602,598.53	602,881.20
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	168.19	114,975.61	115,383.30
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	275.00	249,839.38	251,870.25



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>Corporate Note</b>											
BANK OF AMERICA CORP DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	390,000.00	BBB+	Baa1	09/13/17	09/18/17	390,000.00	2.33	327.86	390,000.00	389,185.29
<b>Security Type Sub-Total</b>		<b>7,255,000.00</b>					<b>7,254,219.35</b>	<b>1.90</b>	<b>26,339.65</b>	<b>7,253,797.36</b>	<b>7,261,305.64</b>

<b>Certificate of Deposit</b>											
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	1,200,000.00	A+	A1	12/01/16	12/05/16	1,199,064.00	1.78	7,098.67	1,199,451.31	1,203,025.20
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	7,274.67	1,200,000.00	1,203,025.20
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	5,229.00	1,200,000.00	1,196,154.00
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	1,200,000.00	A+	A1	02/08/17	02/09/17	1,200,000.00	1.90	3,384.00	1,200,000.00	1,204,868.40
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	1,200,000.00	A+	A1	04/05/17	04/06/17	1,200,000.00	1.91	11,332.67	1,200,000.00	1,198,438.80
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	1,200,000.00	A+	Aa3	08/03/17	08/04/17	1,199,532.00	1.85	3,557.33	1,199,569.28	1,198,908.00
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	625,000.00	A+	A1	09/25/17	09/27/17	625,000.00	2.07	143.75	625,000.00	624,801.25
<b>Security Type Sub-Total</b>		<b>7,825,000.00</b>					<b>7,823,596.00</b>	<b>1.87</b>	<b>38,020.09</b>	<b>7,824,020.59</b>	<b>7,829,220.85</b>

<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	459,812.52	AAA	Aaa	09/15/15	09/22/15	459,723.04	1.42	288.15	459,768.49	459,624.41
CARMAX ABS 2017-1 A2 DTD 01/31/2017 1.540% 02/15/2020	14314JAB6	506,525.00	NR	Aaa	01/25/17	01/31/17	506,524.84	1.60	346.69	506,524.96	506,663.33
CITIBANK ABS 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	1,609.50	450,000.00	450,431.82



## Managed Account Detail of Securities Held

For the Month Ending **September 30, 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
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
TOYOTA ABS 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	144,982.93	144,908.32
JOHN DEERE ABS 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	119,982.91	119,997.25
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	135,000.00	NR	Aaa	01/24/17	01/31/17	134,988.20	1.70	102.00	134,990.10	134,830.80
HONDA ABS 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	131.39	274,983.64	274,847.49
HYUNDAI ABS 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	203.38	259,978.97	259,843.97
NISSAN ABS 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	243.60	314,966.64	314,806.46
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	480,000.00	NR	Aaa	03/21/17	03/29/17	479,943.41	1.79	379.73	479,943.41	479,753.28
<b>Security Type Sub-Total</b>		<b>3,146,337.52</b>					<b>3,145,988.41</b>	<b>1.68</b>	<b>3,510.86</b>	<b>3,146,122.05</b>	<b>3,145,707.13</b>
<b>Managed Account Sub-Total</b>		<b>122,372,650.23</b>					<b>122,428,114.74</b>	<b>1.34</b>	<b>371,640.50</b>	<b>122,391,440.46</b>	<b>121,980,677.55</b>
<b>Securities Sub-Total</b>		<b>\$122,372,650.23</b>					<b>\$122,428,114.74</b>	<b>1.34%</b>	<b>\$371,640.50</b>	<b>\$122,391,440.46</b>	<b>\$121,980,677.55</b>
<b>Accrued Interest</b>											<b>\$371,640.50</b>
<b>Total Investments</b>											<b>\$122,352,318.05</b>

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**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 that 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 the 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.

## 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 and 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.



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## 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 (i.e., coupon payments and maturity proceeds) occurs on a non-business day, 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)
09/18/17	1.12	1.08	177
09/19/17	1.12	1.08	176
09/20/17	1.12	1.08	174
09/21/17	1.12	1.08	173
09/22/17	1.12	1.08	179
09/23/17	1.12	1.08	179
09/24/17	1.12	1.08	179
09/25/17	1.12	1.08	175
09/26/17	1.12	1.08	173
09/27/17	1.12	1.08	179
09/28/17	1.13	1.08	180
09/29/17	1.13	1.08	180
09/30/17	1.11	1.08	190
10/01/17	1.11	1.11	191
10/02/17	1.13	1.12	198
10/03/17	1.13	1.12	200
10/04/17	1.13	1.13	198
10/05/17	1.13	1.13	197
10/06/17	1.13	1.13	196
10/07/17	1.13	1.13	196
10/08/17	1.13	1.13	196
10/09/17	1.13	1.13	193
10/10/17	1.13	1.13	194
10/11/17	1.13	1.13	192
10/12/17	1.14	1.13	193
10/13/17	1.14	1.13	193
10/14/17	1.14	1.13	193
10/15/17	1.14	1.13	193
10/16/17	1.15	1.14	195
10/17/17	1.15	1.14	193
10/18/17	1.15	1.14	193

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

**Quarter Ending 09/30/17**

Apportionment Rate: 1.07%  
 Earnings Ratio: .00002942867511750  
 Fair Value Factor: .999042071  
 Daily: 1.11%  
 Quarter to Date: 1.08%  
 Average Life: 190

**PMIA Average Monthly  
Effective Yields**

**Sept 2017 1.111**  
 Aug 2017 1.084  
 July 2017 1.051

**Pooled Money Investment Account  
Portfolio Composition  
09/30/17  
\$74.1 billion**

