



DATE: August 18, 2014

AGENDA ITEM # 2

TO: Financial Commission

FROM: Marcia Somers, City Manager
Joe Aguilar, Interim Finance Director

SUBJECT: Investment Portfolio update

RECOMMENDATION:

Accept the presentation of Investment Portfolio as of June 30, 2014

BACKGROUND

The Financial Commission periodically review quarterly updates of the City's investment portfolio performance as a precursor to its delivery to City Council.

DISCUSSION

The attached internal report as of June 30, 2014 brings the Commission up to date on the latest quarter of reporting. This report is also augmented by the attached portfolio presentation provided by the City's investment consultant, Carlos Oblites of PFM as a basis for discussion and questions.

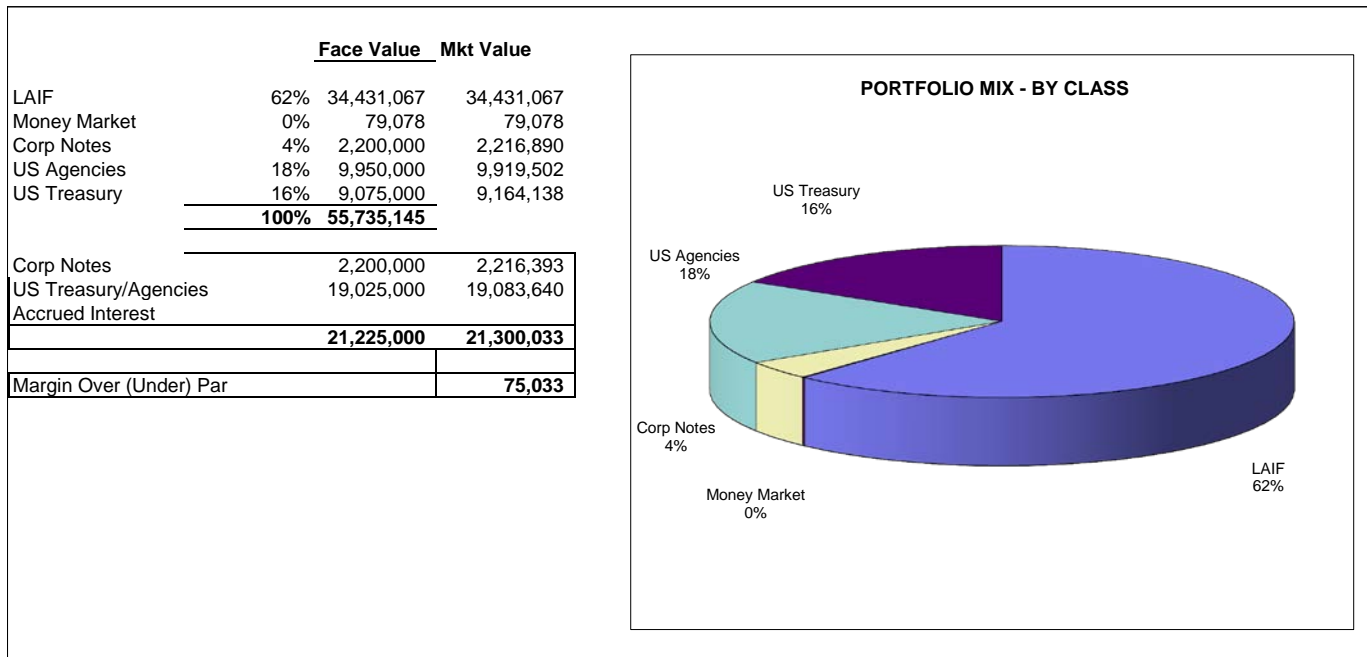
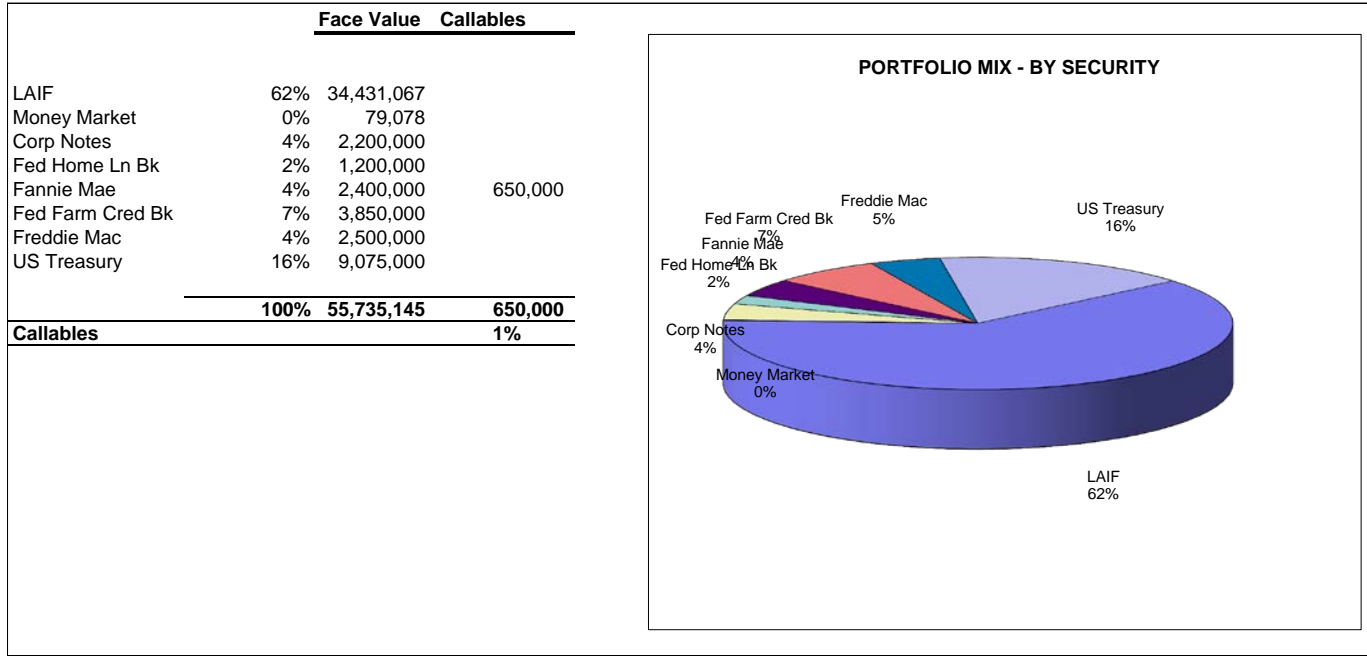
Attachments:

- A. City Wide Holdings and Investment Ladder June 30, 2014
- B. Investment Performance Review June 30, 2014 - PFM

Attachment A

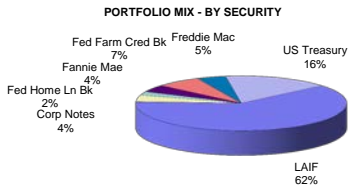
City Wide Holdings and Investment Ladder
March 31, 2014

Portfolio Mix Charts June 30, 2014



Attachments A
Citywide Holdings and Investment Ladder
June 30, 2014

Month	2014				2015				2016				2017				
	YTM	Sec	Call Date	Amount	YTM	Sec	Call Date	Amount	YTM	Sec	Call Date	Amount	YTM	Sec	Call Date	Amount	
LAIIF	0.22%			34,431,067													
MMKT	0.01%			79,078													
Jan									1/15/2016	0.360%	USTreas	300,000					
Feb									3/30/2016	0.520%	FNMA	750,000					
Mar					7/2/2015	0.61%	FNMA	900,000	4/25/2016	0.550%	FNMA	01/25/14	650,000	4/30/17	0.875%	USTreas	650,000
Apr									4/11/2016	0.520%	Wmart	800,000					
May									5/13/2016	0.410%	FHLMC	500,000					
Jun									5/13/2016	0.720%	FHLMC	2,000,000					
									6/15/2016	0.500%	USTreas	1,150,000	6/30/17	0.750%	USTreas	1,050,000	
									6/24/2016	0.770%	FHLB	1,200,000					
Jul					7/15/2015	0.38%	USTreas	750,000									
					7/15/2015	0.40%	USTreas	1,000,000	7/15/2016	0.590%	USTreas	350,000					
Aug									8/31/2016	0.600%	USTreas	525,000					
Sep									9/29/2016	0.700%	3M	750,000					
Oct					10/15/2014	0.49%	USTreas	1,700,000	10/9/2015	0.78%	CP GE	650,000					
Nov					11/10/2014	0.67%	FFCB	1,000,000	11/16/2015	0.45%	FFCB	1,600,000					
Dec					12/31/2014	0.53%	USTreas	1,600,000	12/21/2015	0.40%	FNMA	750,000					
									12/28/2015	0.41%	FFCB	1,250,000					
Total				\$0			\$4,300,000				\$6,900,000				\$8,975,000	\$1,700,000	
Count/Percent	0	0.00%	3	19.66%	7	0.49%	0	31.54%	11	0.57%	1	41.03%	2	0.80%		7.77%	
Avg YTM/Days	0		0	141	7		455		634								
Total Face Value			\$ -	\$ 4,300,000			\$ 11,200,000				\$ 20,175,000					\$ 21,875,000	



	No of Inv	Ladder Yield	Spread Over LAIF	%	Avg Mat	# of Callables	Face Value
LAIIF	1	0.220%	0.000%	61%	1		34,431,067
Money Market Fund	0	0.010%	-0.210%	0%	1		79,078
2010	0	0.000%	0.000%	0%	0	0	0
2013	#REF!	#REF!	0.000%	0%	0	0	0
2014	3	0.563%	0.343%	8%	145	0	4,300,000
2015	7	0.491%	0.271%	12%	457	0	6,900,000
2016	11	0.567%	0.557%	16%	693	1	8,975,000
2017	2	0.798%	0.578%	3%	1065	0	1,700,000
	#REF!	#REF!	0.35%	100%	210	1	\$56,385,145

6/30/2014

Investment Policy Compliance Chart
June 30, 2014

City Investment	% Mix	Par Value	Latest Term	City Policy \$ Limitation	City Policy % Limitation	CAPACITY	% Compliance Yes/No	Term Compliance Yes/No
LAIF	62%	34,431,067	06/30/19	50,000,000	100%	15,568,933	Yes	N/A
M FUND	0%	79,078	06/30/19		20%	11,067,951	Yes	N/A
MTNs	4%	2,200,000	06/30/19		15%	6,160,272	Yes	Yes
FHLB	2%	1,200,000	06/30/19		20%	9,947,029	Yes	Yes
FNMA	4%	2,400,000	06/30/19		20%	8,747,029	Yes	Yes
FFCB	7%	3,850,000	06/30/19		20%	7,297,029	Yes	Yes
FHLM	4%	2,500,000	06/30/19		20%	8,647,029	Yes	Yes
All Agencies	18%		06/30/19		100%	45,785,145	Yes	Yes
TREAS	16%	9,075,000	06/30/19		100%	46,660,145	Yes	Yes
	100%	55,735,145						
All Agencies		18% 9,950,000			100%	45,785,145	Yes	
Callables		1% 650,000			35%	18,857,301	Yes	

Attachment B
Investment Performance Review First Quarter 2014 - PFM



City of Los Altos



Investment Portfolio Review Second Quarter Ended June 30, 2014

PFM Asset Management LLC
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

Summary

- Treasury prices rose during the second quarter, marking two consecutive quarters of price rallies—a pattern that has not occurred since 2012.
- Global central banks seem to be going their separate ways in terms of monetary policy, as the European Central Bank cut interest rates and added to bank liquidity in an effort to avoid deflation while the Federal Reserve (Fed) continued to scale back its quantitative easing program.
- Geopolitical uncertainty continued to be a primary focus for the markets, as tensions in Ukraine, Iraq, and Syria caused investors to move toward assets that are perceived to have less risk.

Economic Snapshot

- First-quarter gross domestic product (GDP) contracted at an annual rate of 2.9%—the first downward move in three years. The harsh winter weather was a primary contributor, and most economists expect a recovery as 2014 further unfolds.
- The U.S. unemployment rate fell from 6.7% in March to 6.1% at the end of the second quarter. While the U.S. is adding jobs at a steady pace, the reduction in unemployment can also be traced to an increase in the number of Americans who are no longer actively looking for work.
- The housing market continued to show modest strength during the quarter. New-home sales for May rose 18.6% from the prior month, marking a six-year high, while existing-home sales rose 4.9% from the prior month. However, the pace of housing starts remained well below pre-recession levels. Mortgage applications for purchase are down 17.6% year over year, and mortgage applications for refinancing are down 56.5% year over year.

Interest Rates

- The Fed continued to taper its bond buying program throughout the quarter, and at its June meeting, the Federal Open Market Committee (FOMC) cut bond purchases by another \$10 billion, resulting in monthly purchases of \$35 billion. The FOMC has continued to keep the federal funds target rate in a range of zero to 25 basis points.
- Inflation ticked up during the quarter as the Consumer Price Index rose at its fastest pace in more than a year in May—increasing twice as much as economists had anticipated. Core prices (which exclude food and energy prices) gained 2% on an annual basis, marking the fastest price increase since February 2013 and matching the Fed's current target for inflation.
- The Treasury yield curve flattened over the quarter as intermediate- and long-maturity bond prices led the rally. This flattening expresses the current investor outlook that Fed tightening will be modest by historical standards and inflation will remain well-contained in coming years.

Sector Performance

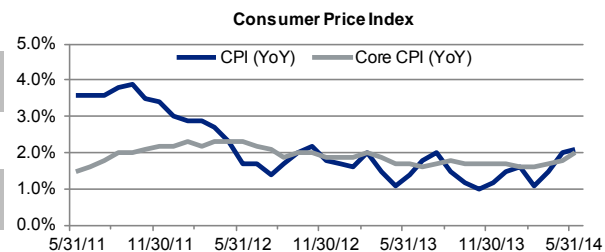
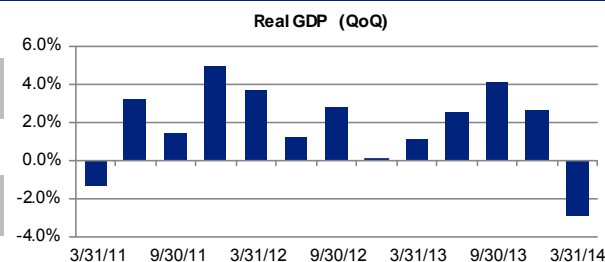
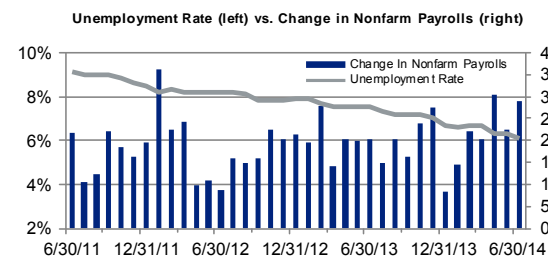
- Portfolios maintained a modestly defensive maturity structure, with durations somewhat short of benchmarks. This structure is in place to reduce the effects of interest rate rises that normally occur when economic growth accelerates and the Fed moves to tighten credit.
- Federal Agency and corporate sector holdings generally contributed returns in excess of those on Treasuries. The excess resulted from the added income generated by these holdings and from spread narrowing, offsetting the drag on performance that resulted from the defensive duration position.
- Risk premiums on lower-rated corporate bonds and on callable and mortgage-backed securities narrowed further during the quarter to the point where there was diminished value relative to comparable Treasury benchmarks.

Economic Snapshot

Labor Market	Latest	Mar 2014	Jun 2013	
Unemployment Rate	Jun'14	6.1%	6.7%	7.5%
Change In Nonfarm Payrolls	Jun'14	288,000	203,000	201,000
Average Hourly Earnings (YoY)	Jun'14	2.0%	2.1%	2.2%
Personal Income (YoY)	May'14	3.5%	3.3%	3.4%
Initial Jobless Claims (week)	Jul 11	302,000	332,000	344,000

Growth	Latest	Mar 2014	Jun 2013	
Real GDP (QoQ SAAR)	2014Q1	-2.9%	2.6% ¹	2.5% ²
GDP Personal Consumption (QoQ SAAR)	2014Q1	1.0%	3.3% ¹	1.8% ²
Retail Sales (YoY)	Jun'14	4.3%	4.1%	5.9%
ISM Manufacturing Survey (month)	Jun'14	55.3	53.7	52.5
Existing Home Sales SAAR (month)	May'14	4.89 mil.	4.59 mil.	5.16 mil.

Inflation / Prices	Latest	Mar 2014	Jun 2013	
Personal Consumption Expenditures (YoY)	May'14	1.8%	1.1%	1.3%
Consumer Price Index (YoY)	May'14	2.1%	1.5%	1.8%
Consumer Price Index Core (YoY)	May'14	2.0%	1.7%	1.6%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$105.37	\$101.58	\$96.56
Gold Futures (oz.)	Jun 30	\$1,322	\$1,283	\$1,224



1. Data as of Fourth Quarter 2013

2. Data as of Second Quarter 2013

Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

Source: Bloomberg

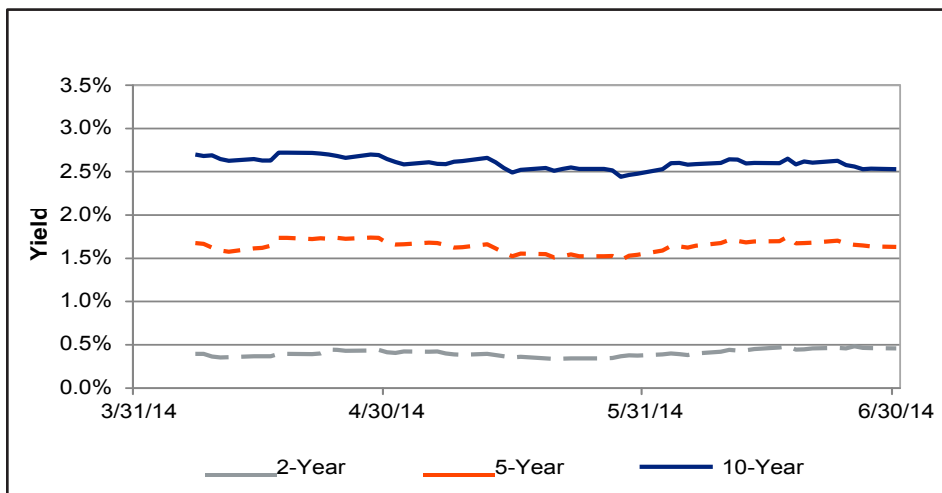
Quarterly Commentary

Second Quarter 2014

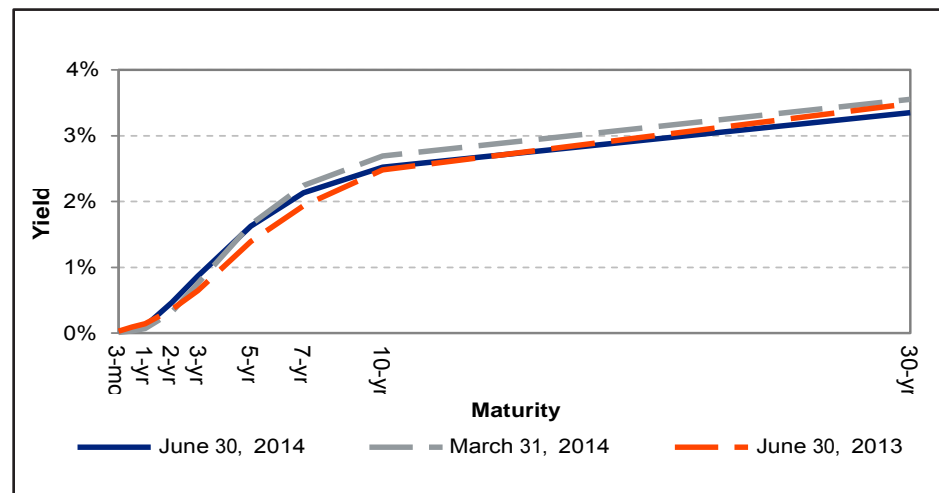
Fixed Income Management

Interest Rate Overview

U.S. Treasury Note Yields



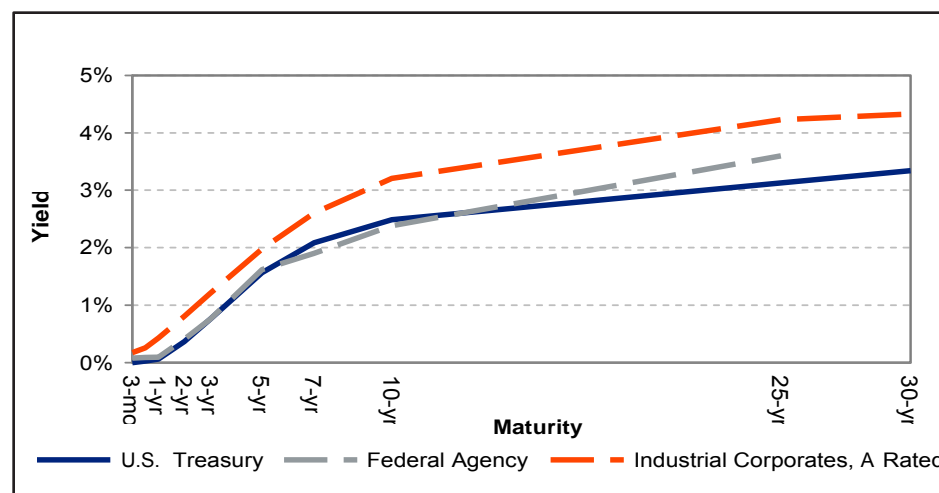
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	6/30/14	3/31/14	Change over Quarter	6/30/13	Change over Year
3-month	0.02%	0.03%	(0.01%)	0.03%	(0.01%)
1-year	0.10%	0.11%	(0.01%)	0.15%	(0.05%)
2-year	0.46%	0.42%	0.04%	0.36%	0.10%
5-year	1.63%	1.72%	(0.09%)	1.40%	0.23%
10-year	2.53%	2.72%	(0.19%)	2.49%	0.04%
30-year	3.36%	3.56%	(0.20%)	3.50%	(0.14%)

Yield Curves as of 6/30/14



Source: Bloomberg

Quarterly Commentary

Second Quarter 2014

Fixed Income
Management

BofA Merrill Lynch Index Returns

	As of 6/30/2014		Returns for Periods ended 6/30/2014		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.93	0.45%	0.27%	0.76%	0.63%
Federal Agency	1.85	0.55%	0.24%	0.87%	0.75%
U.S. Corporates, A-AAA rated	1.95	0.90%	0.49%	2.12%	2.10%
Agency MBS (0 to 3 years)	1.52	0.93%	0.55%	2.68%	1.46%
Municipals	1.73	0.45%	0.34%	1.40%	1.16%
1-5 Year Indices					
U.S. Treasury	2.72	0.79%	0.55%	1.16%	1.11%
Federal Agency	2.35	0.80%	0.54%	1.52%	1.15%
U.S. Corporates, A-AAA rated	2.88	1.40%	0.96%	3.45%	2.92%
Agency MBS (0 to 5 years)	3.05	2.04%	1.71%	4.12%	2.52%
Municipals	2.50	0.77%	0.60%	2.25%	1.78%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	5.89	1.51%	1.56%	2.29%	3.03%
Federal Agency	3.93	1.34%	1.24%	2.65%	2.18%
U.S. Corporates, A-AAA rated	6.74	2.60%	2.37%	6.58%	5.42%
Agency MBS (0 to 30 years)	4.69	2.61%	2.43%	4.68%	2.79%
Municipals	7.32	2.85%	2.69%	6.54%	5.62%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices

PFM[®] Quarterly Commentary

Second Quarter 2014

Fixed Income
Management

Disclosures

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Portfolio Summary

<u>Total Portfolio Value</u>	<u>June 30, 2014</u>
Market Value	\$21,383,524.27
Amortized Cost	\$21,334,694.18

PORTFOLIO RECAP

- U.S. Treasury yields moved in somewhat random fashion, despite generally upbeat economic news. The long-awaited increase in rates failed to materialize and continued to confound investors. Uncertainty around future Fed action, in terms of the timing and pace of eventual rate increases, posed a significant challenge in assessing the attractiveness of current yields.
- Our sector views continued to favor credit instruments, like corporate notes, over government debt. The corporate sector offered higher yields and benefited from strong fundamentals and robust investor demand. Our credit strategy has continued to enhance portfolio returns.
- The yield spread between U.S. Treasuries and Agencies of similar maturity remained at historically narrow levels. In fact, in some shorter maturities the spread was zero, or remarkably, negative. Given narrow spreads, we favored Treasuries in all but select issues and maturities.
- We use quantitative analysis to identify the steepest part of the curve, which benefits most from “roll-down” return, and to measure the relative risk/reward of individual bonds. For example, after generally avoiding callable agencies for much of the past 6 years, our analysis has begun to show value in certain callable structures.

PORTFOLIO STRATEGY

- PFM seeks to add value in a variety of ways: duration management, adjusting maturities along the yield curve, emphasizing sectors that offer the best value, and careful issue-level analysis and security selection. This is supported by both quantitative and qualitative assessments of market conditions and credit quality.
- We believe the Fed is nearing the point where it has engineered the achievement of its dual mandate — full employment with price stability. Economic growth appears to be accelerating, accompanied by early signs of an uptick in inflation. The unwinding of the Fed's quantitative easing program of bond purchases has gone remarkably smoothly, opening the door to their next possible move — a Fed rate hike.
- Higher interest rates triggered by anticipated Fed action are widely expected in the future. The timing and pace of how interest rates rise will determine the optimal investment strategy.
 - Since rising rates can result in unrealized market losses, we will remain somewhat defensive.
 - However, the steep yield curve offers considerably higher yields for even modest maturity extension.
- Balancing the benefit of higher yields available on longer maturities today against the negative impact of potentially rising rates in the future will be a difficult and dynamic undertaking, requiring frequent reassessments of strategy.

Investment Report

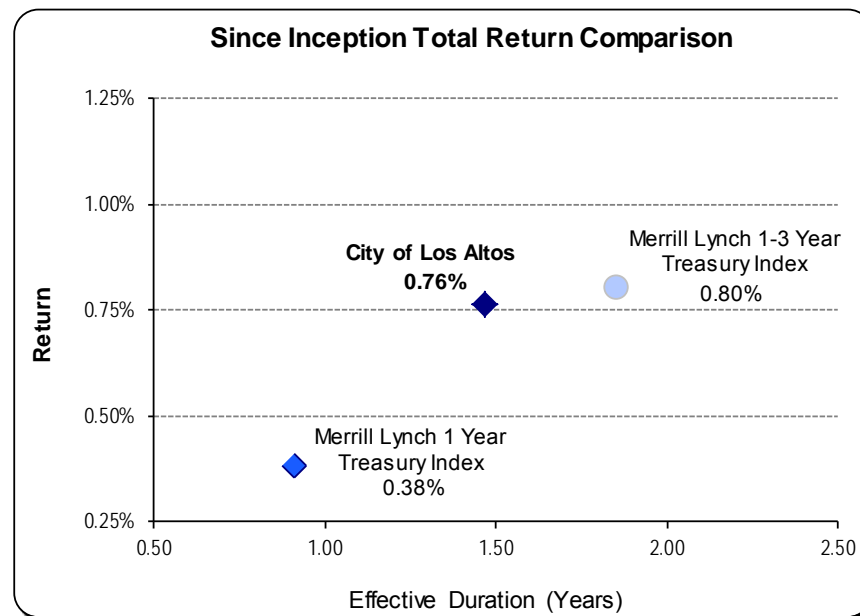
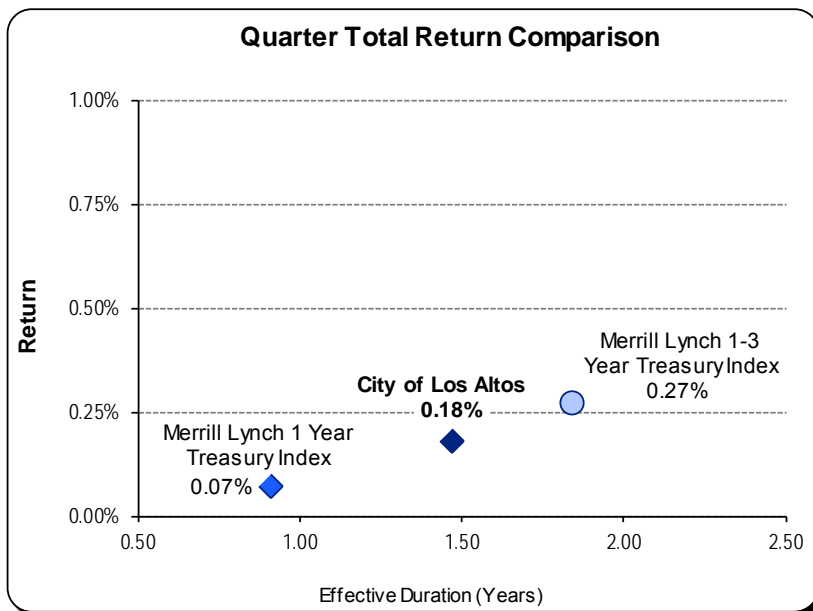
Second Quarter 2014

Fixed Income
Management

Portfolio Performance

Total Return ^{1,2,3,4,5}	Quarter Ended 6/30/2014	Past 12 Months	Past 2 Years	Since Inception
City of Los Altos	0.18%	0.84%	0.54%	0.76%
Merrill Lynch 1-3 Year Treasury Index	0.27%	0.76%	0.55%	0.80%
Merrill Lynch 1 Year Treasury Index	0.07%	0.29%	0.30%	0.38%

<u>Effective Duration</u> ³	<u>June 30, 2014</u>	<u>March 31, 2014</u>	<u>Yields</u> ³	<u>June 30, 2014</u>	<u>March 31, 2014</u>
City of Los Altos	1.47	1.58	Yield on Cost	0.57%	0.55%
Merrill Lynch 1-3 Year Treasury Index	1.85	1.84	ML 1-3 Year Yield	0.42%	0.41%
Merrill Lynch 1 Year Treasury Index	0.91	0.91			



Notes:

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. Excludes LAIF in performance and duration computation.
4. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
5. Inception date is June 30, 2010.

Investment Report

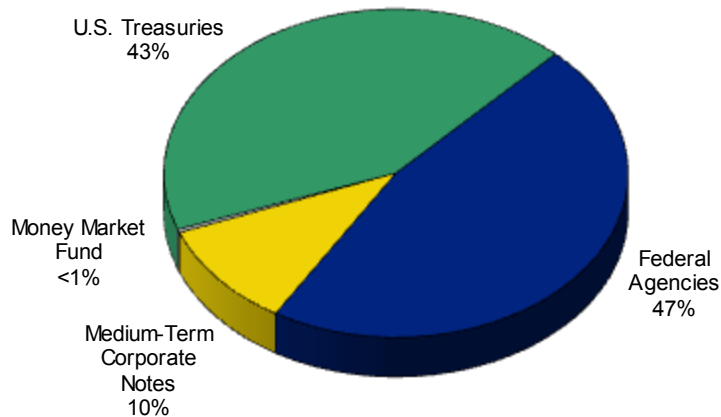
Second Quarter 2014

Fixed Income
Management

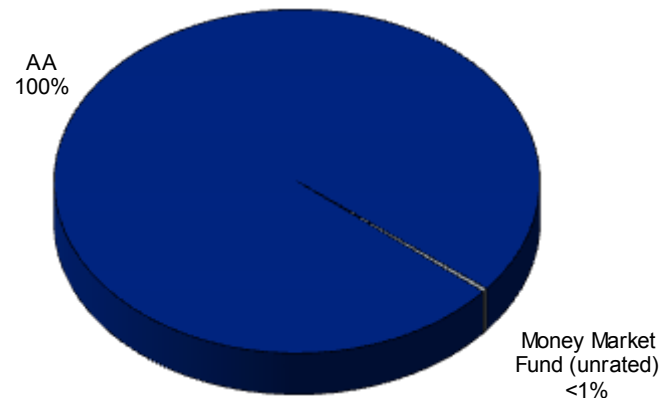
Portfolio Composition and Credit Quality Characteristics

<u>Security Type</u> ^{1,2,3}	<u>June 30, 2014</u>	<u>% of Portfolio</u>	<u>March 31, 2014</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasuries	\$9,112,745.70	42.6%	\$7,433,292.26	34.8%	100%
Federal Agencies	\$9,968,771.19	46.6%	\$10,620,174.98	49.8%	100%
Medium-Term Corporate Notes	\$2,222,929.61	10.4%	\$2,221,357.13	10.4%	30%
Money Market Fund	\$79,077.77	0.4%	\$1,070,343.81	5.0%	20%
Totals	\$21,383,524.27	100.0%	\$21,345,168.18	100.0%	

Portfolio Composition



Credit Quality Distribution



Standard & Poor's Ratings

Notes:

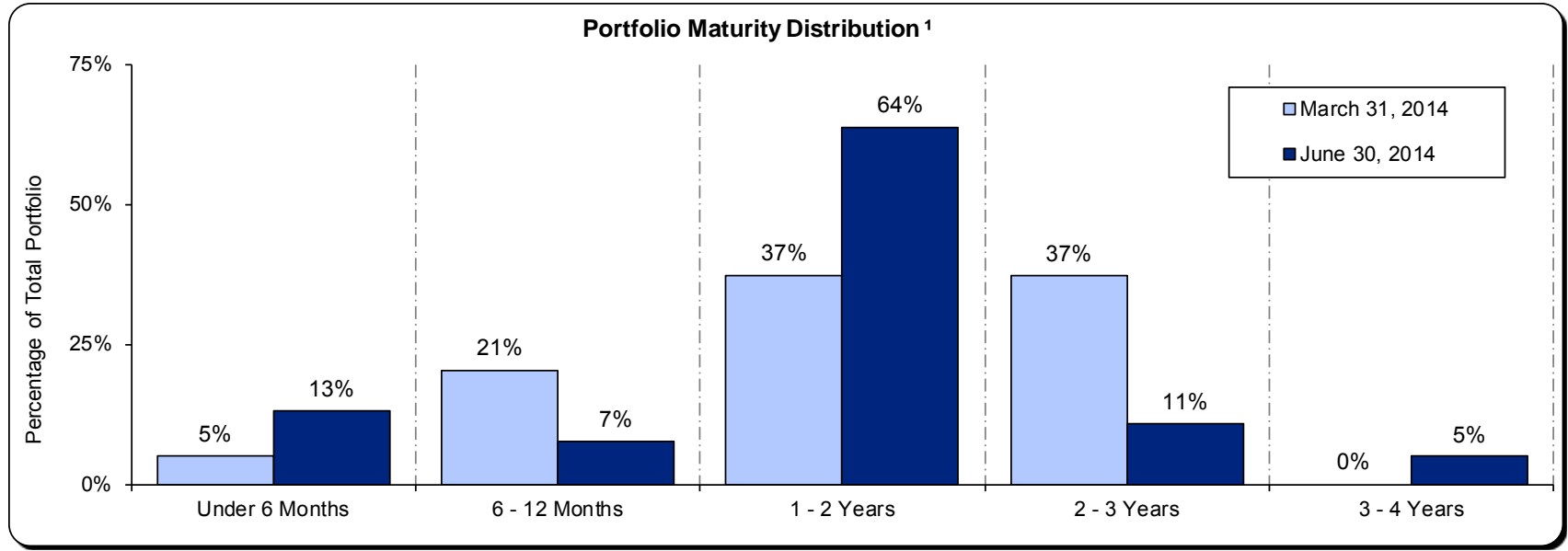
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Government sponsored enterprises including, but not limited to Fannie Mae, Freddie Mac, Federal Home Loan Bank system and Federal Farm Credit Banks.
- Excludes LAIF.

Investment Report

Second Quarter 2014

Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>June 30, 2014</u>	<u>March 31, 2014</u>
Under 6 Months	\$2,785,584.02	\$1,070,343.81
6 - 12 Months	\$1,620,301.33	\$4,353,723.19
1 - 2 Years	\$13,629,692.64	\$7,971,657.12
2 - 3 Years	\$2,302,189.98	\$7,949,444.06
3 - 4 Years	\$1,045,756.30	\$0.00
4 - 5 Years	\$0.00	\$0.00
5 Years and Over	\$0.00	\$0.00
Totals	\$21,383,524.27	\$21,345,168.18



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



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2014**

CITY OF LOS ALTOS INVESTMENT PORTFOLIO

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 10/17/2011 0.500% 10/15/2014	912828RL6	1,700,000.00	AA+	Aaa	03/23/12	03/26/12	1,700,531.25	0.49	1,788.25	1,700,060.59	1,702,125.00
US TREASURY NOTES DTD 12/31/2009 2.625% 12/31/2014	912828ME7	1,600,000.00	AA+	Aaa	03/23/12	03/26/12	1,691,937.50	0.53	114.13	1,616,642.53	1,620,187.20
US TREASURY NOTES DTD 07/16/2012 0.250% 07/15/2015	912828TD2	750,000.00	AA+	Aaa	06/27/13	06/28/13	748,007.81	0.38	864.99	748,987.25	750,732.75
US TREASURY NOTES DTD 07/16/2012 0.250% 07/15/2015	912828TD2	1,000,000.00	AA+	Aaa	08/20/12	08/22/12	995,625.00	0.40	1,153.31	998,425.54	1,000,977.00
US TREASURY NOTES DTD 01/15/2013 0.375% 01/15/2016	912828UG3	300,000.00	AA+	Aaa	01/15/13	01/17/13	300,128.91	0.36	518.99	300,066.41	300,468.60
US TREASURY NOTES DTD 06/17/2013 0.500% 06/15/2016	912828VG2	1,150,000.00	AA+	Aaa	12/19/13	12/24/13	1,150,134.77	0.50	251.37	1,150,106.79	1,151,437.50
US TREASURY NOTES DTD 07/15/2013 0.625% 07/15/2016	912828VL1	350,000.00	AA+	Aaa	07/22/13	07/23/13	350,382.81	0.59	1,009.15	350,262.80	351,066.41
US TREASURY NOTES DTD 08/31/2011 1.000% 08/31/2016	912828RF9	525,000.00	AA+	Aaa	10/21/13	10/22/13	530,947.27	0.60	1,754.76	529,518.95	530,413.80
US TREASURY NOTES DTD 04/30/2012 0.875% 04/30/2017	912828SS0	650,000.00	AA+	Aaa	05/01/14	05/02/14	650,380.86	0.86	958.22	650,360.36	651,167.97
US TREASURY NOTES DTD 07/02/2012 0.750% 06/30/2017	912828TB6	1,050,000.00	AA+	Aaa	05/16/14	05/19/14	1,046,062.50	0.87	21.40	1,046,212.07	1,045,734.90
Security Type Sub-Total		9,075,000.00					9,164,138.68	0.55	8,434.57	9,090,643.29	9,104,311.13
Federal Agency Bond / Note											
FEDERAL FARM CREDIT BANK BONDS DTD 11/10/2011 0.600% 11/10/2014	31331K086	1,000,000.00	AA+	Aaa	11/14/11	11/16/11	998,030.00	0.67	850.00	999,761.44	1,001,743.00
FANNIE MAE GLOBAL NOTES DTD 05/21/2012 0.500% 07/02/2015	3135G0LN1	900,000.00	AA+	Aaa	05/24/12	05/25/12	896,958.00	0.61	2,237.50	899,010.41	902,915.10
FEDERAL FARM CREDIT BANK BONDS DTD 12/27/2012 0.430% 11/16/2015	3133ECBJ2	1,600,000.00	AA+	Aaa	12/19/12	12/27/12	1,599,264.00	0.45	860.00	1,599,647.87	1,601,873.60



Managed Account Detail of Securities Held

For the Month Ending **June 30, 2014**

CITY OF LOS ALTOS INVESTMENT PORTFOLIO

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											
FANNIE MAE GLOBAL NOTES DTD 11/16/2012 0.375% 12/21/2015	3135G0SB0	750,000.00	AA+	Aaa	01/15/13	01/17/13	749,415.00	0.40	78.13	749,705.07	750,816.00
FEDERAL FARM CREDIT BANK BONDS DTD 12/28/2012 0.440% 12/28/2015	3133ECBD5	1,250,000.00	AA+	Aaa	01/15/13	01/17/13	1,251,122.50	0.41	45.83	1,250,569.95	1,255,641.25
FANNIE MAE GLOBAL NOTES DTD 02/15/2013 0.500% 03/30/2016	3135G0VA8	750,000.00	AA+	Aaa	10/21/13	10/22/13	749,587.50	0.52	947.92	749,704.17	751,278.00
FREDDIE MAC GLOBAL NOTES DTD 03/07/2013 0.500% 05/13/2016	3137EADQ9	500,000.00	AA+	Aaa	04/17/13	04/18/13	501,325.00	0.41	333.33	500,807.71	500,215.50
FREDDIE MAC GLOBAL NOTES DTD 03/07/2013 0.500% 05/13/2016	3137EADQ9	2,000,000.00	AA+	Aaa	06/27/13	06/28/13	1,987,780.00	0.72	1,333.33	1,992,039.16	2,000,862.00
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 05/10/2013 0.375% 06/24/2016	3133834R9	1,200,000.00	AA+	Aaa	06/27/13	06/28/13	1,186,020.00	0.77	87.50	1,190,700.68	1,196,653.20
Security Type Sub-Total		9,950,000.00					9,919,502.00	0.57	6,773.54	9,931,946.46	9,961,997.65
Corporate Note											
GENERAL ELECTRIC CO NOTES DTD 10/09/2012 0.850% 10/09/2015	369604BE2	650,000.00	AA+	Aa3	10/19/12	10/24/12	651,287.00	0.78	1,258.47	650,557.19	653,224.00
WAL-MART STORES INC GLOBAL NOTES DTD 04/11/2013 0.600% 04/11/2016	931142DE0	800,000.00	AA	Aa2	04/17/13	04/22/13	801,848.00	0.52	1,066.67	801,109.82	801,560.80
3M CORP NOTES DTD 09/29/2011 1.375% 09/29/2016	88579YAD3	750,000.00	AA-	Aa2	12/19/13	12/24/13	763,755.00	0.70	2,635.42	761,190.98	763,184.25
Security Type Sub-Total		2,200,000.00					2,216,890.00	0.66	4,960.56	2,212,857.99	2,217,969.05
Managed Account Sub-Total		21,225,000.00					21,300,530.68	0.57	20,168.67	21,235,447.74	21,284,277.83
Securities Sub-Total		\$21,225,000.00					\$21,300,530.68	0.57%	\$20,168.67	\$21,235,447.74	\$21,284,277.83
Accrued Interest											\$20,168.67
Total Investments											\$21,304,446.50