



Date: July 31, 2017
To: Mayor and City Council
From: City Manager
By: Director of Finance
Subject: 2017 Second 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 April 1 – June 30, 2017 (2Q2017). The City's Investment Advisory Committee (IAC) reviewed this report (but took no formal action) during their quarterly meeting on July 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 \$282.8 million as of June 30, 2017. The investments held at the end of 2Q2017 included \$120.8 million invested through the City's investment advisor, The PFM Group; \$130.3 million on deposit in the Local Agency Investment Fund (LAIF); and \$31.7 million in the City's general checking account.

Interest earned during 2Q2017 on the City's portfolio managed by the PFM Group (excluding LAIF and cash accounts) totaled \$344,907. The portfolio outperformed the City's benchmark used for comparison (1-3 Year U.S. Treasury Index) – by 9 basis points for the quarter and 34 basis points for the one year period from June 30, 2016 to June 30, 2017. Funds on deposit with LAIF earned 0.93% during 2Q2017. 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:

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



CITY OF HAYWARD

Investment Performance Review For the Quarter Ended June 30, 2017

Client Management Team

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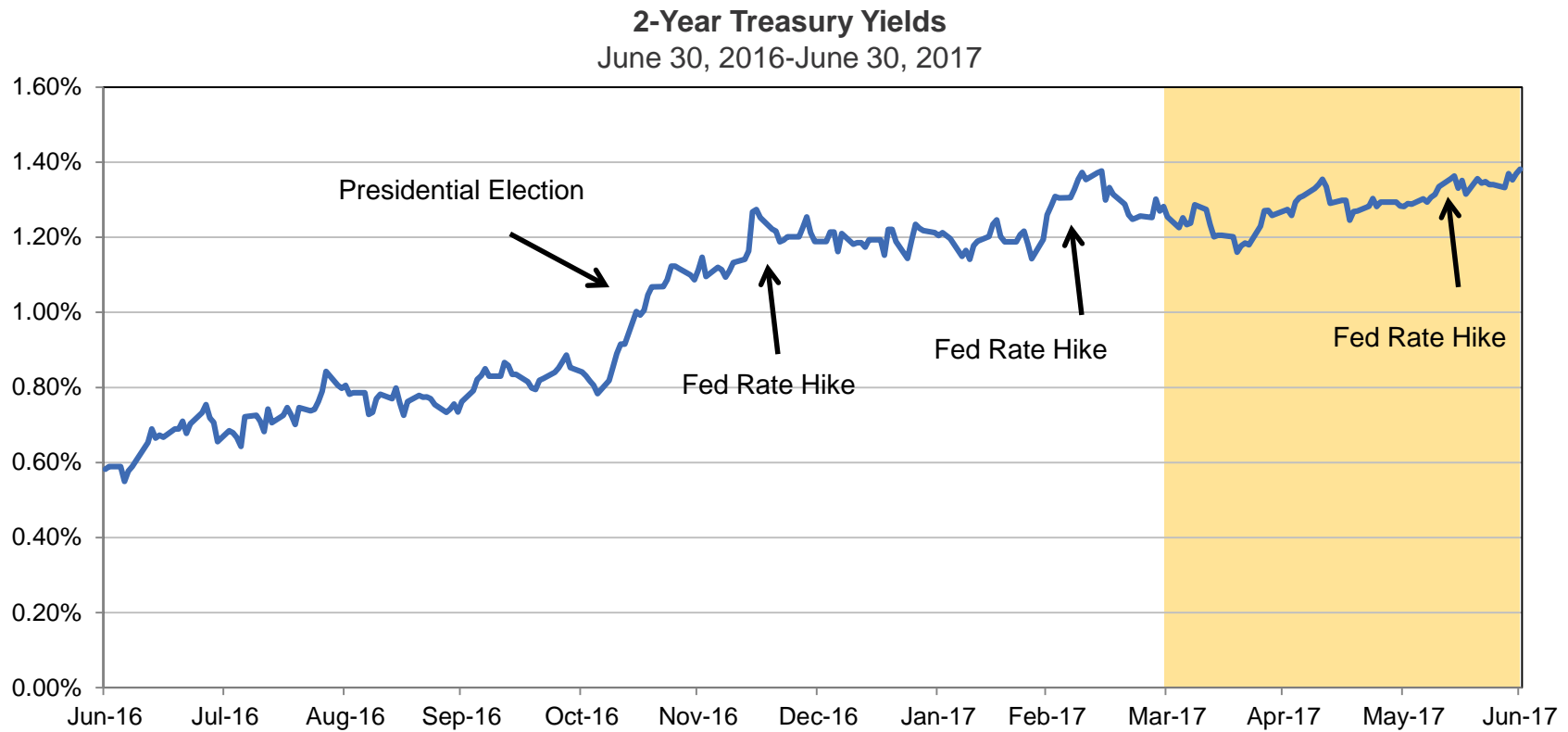
Harrisburg, PA 17101-2044

717-232-2723

Market Update

Interest Rate Update

- Two-year treasury yields moved modestly higher, possibly due to lower expectations of future rate hikes for the remainder of 2017.

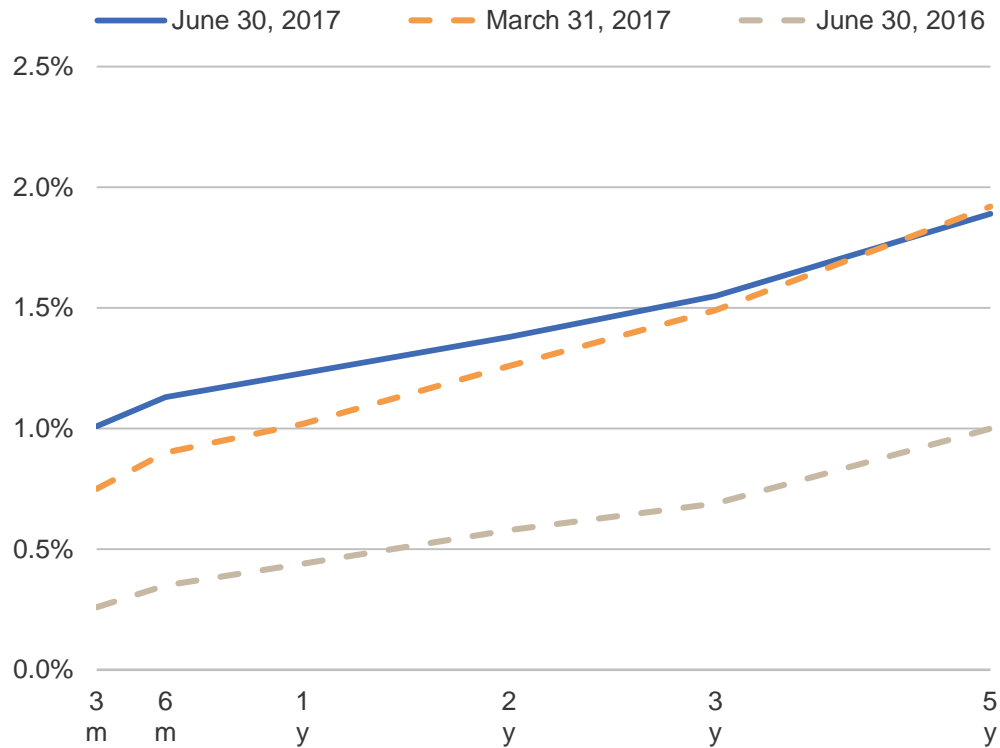


Source: Bloomberg, as of 6/30/17.

Short-Term Yields Higher, but Curve Flatter in Second Quarter

- Treasury yields are substantially higher compared to a year ago; with short-term yields rising in response to the Fed raising rates to normalize policy, while longer-term yields have come down in response to lower inflation expectations.

U.S. Treasury Yield Curve

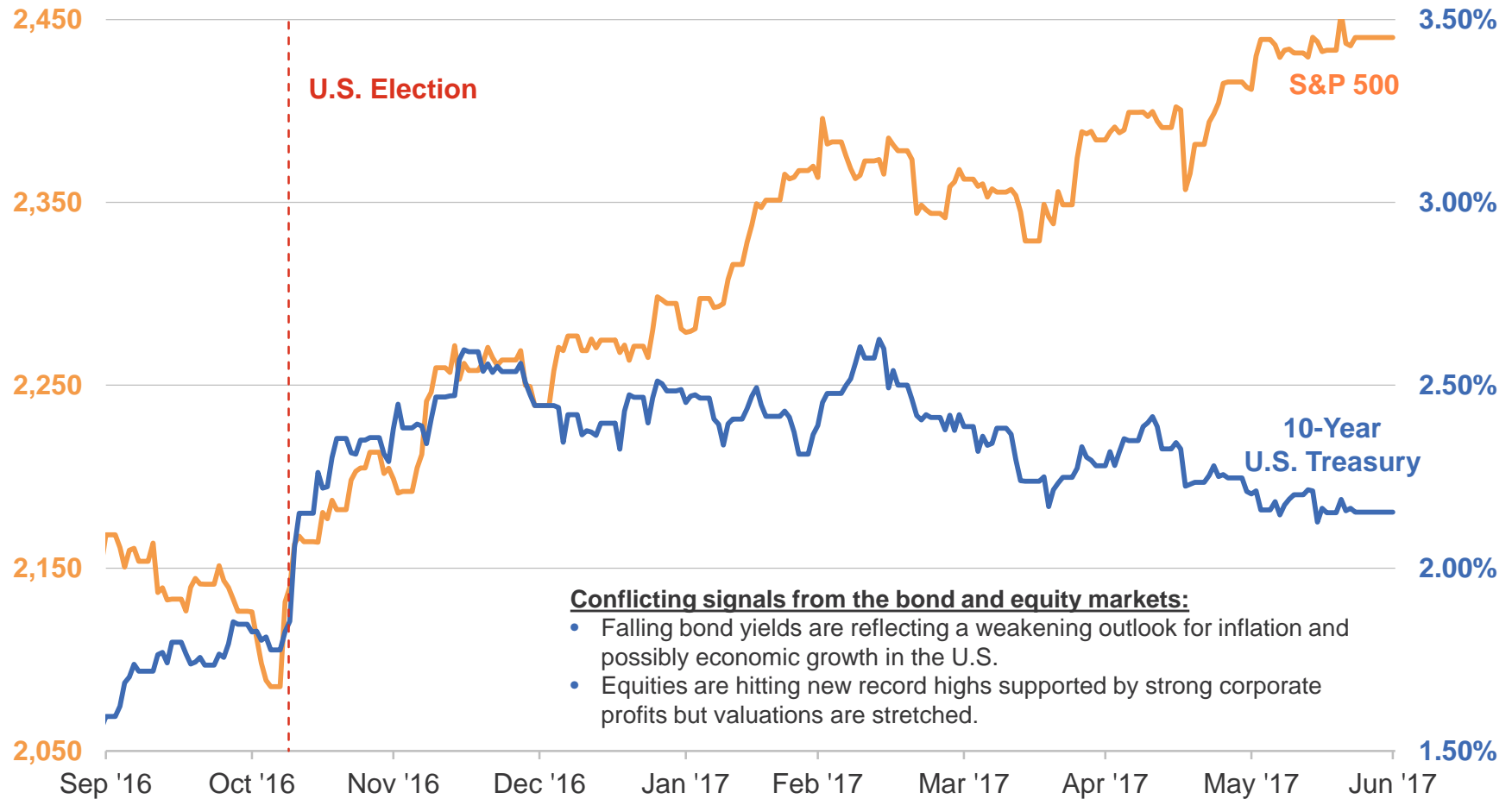


Yield Curve History

Maturity	03/31/17	06/30/17	Change
3-Mo.	0.75	1.01	0.26
6-Mo.	0.90	1.13	0.23
1-Yr.	1.02	1.23	0.21
2-Yr.	1.26	1.38	0.12
3-Yr.	1.49	1.55	0.06
5-Yr.	1.92	1.89	-0.03
10-Yr.	2.39	2.31	-0.08
20-Yr.	2.76	2.61	-0.15
30-Yr.	3.02	2.84	-0.18

Source: Bloomberg, as of 6/30/17.

A Tale of Two Markets

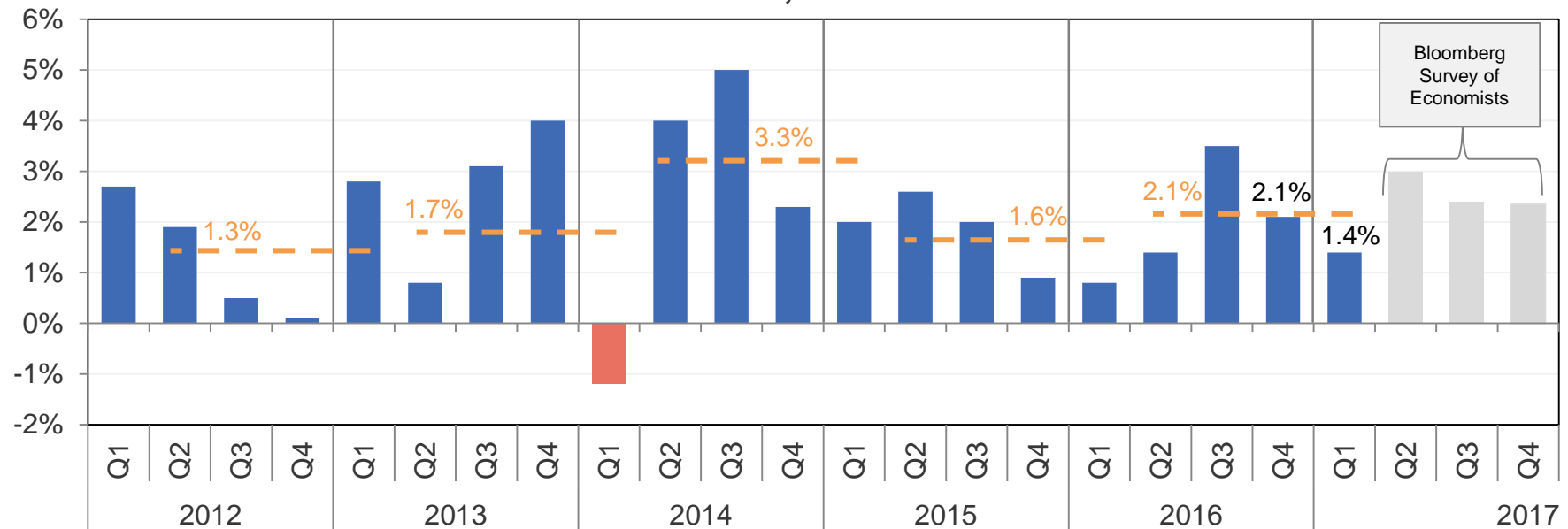


Source: The WSJ Daily Shot, Bloomberg, as of 6/30/17.

U.S. Economic Growth

- The third and final estimate of first quarter 2017 gross domestic product (GDP) indicated an increase of an annualized rate of 1.4%, resulting in an average growth of 2.1% over the last four quarters.
- The weaker GDP growth, largely expected to be transitory, was dragged down by a fall in consumer spending as motor vehicle and retail sales softened in the first three months of the year, while warm weather also induced lower energy consumption.

U.S. Real GDP
QoQ, SAAR

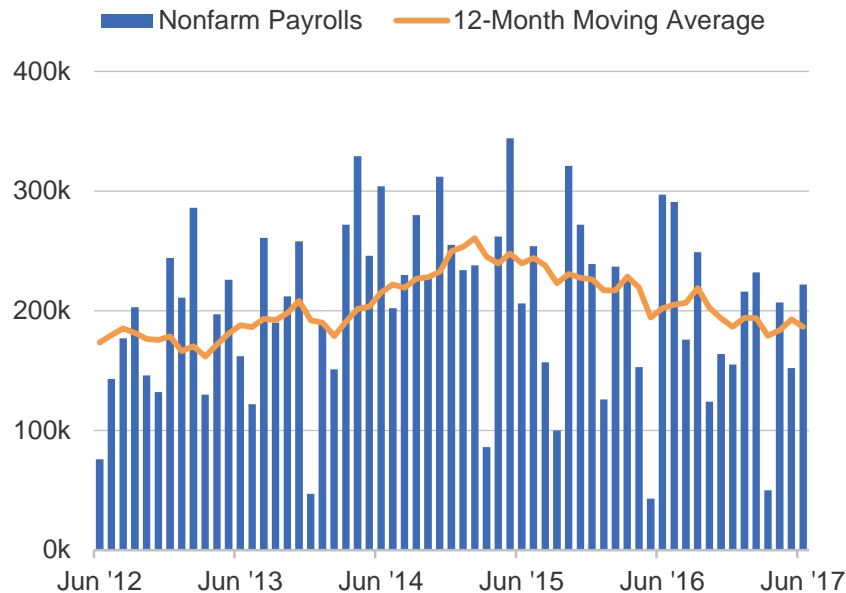


Source: Bloomberg, as of 6/30/17. SAAR is seasonally adjusted annualized rate. Orange dashes denotes rolling four-quarter averages.

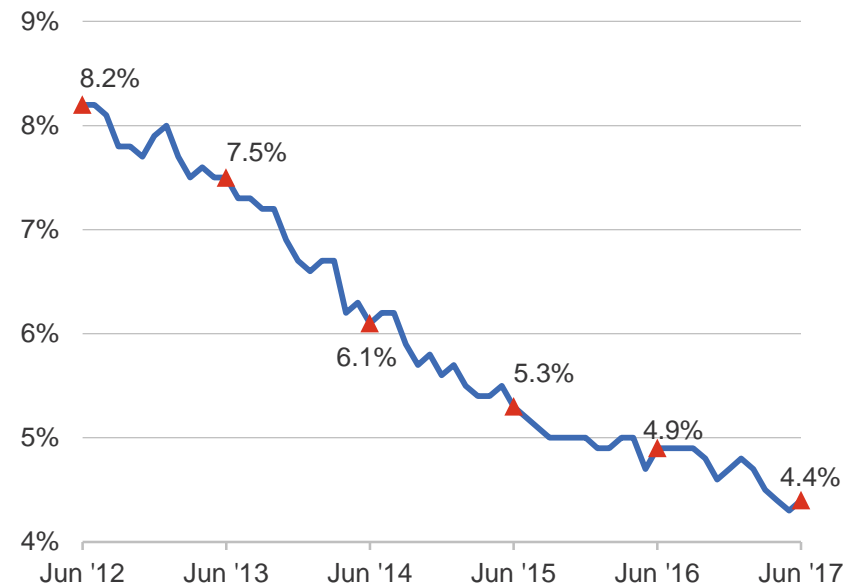
Labor Market Strength Continues

- The U.S. labor market continued to improve, adding 581,000 jobs in the second quarter and an average of 187,000 jobs per month over the past year.
- The headline unemployment rate and participation rate ticked up to 4.4%, as did the labor force participation rate at 62.8%. The U-6 rate, which includes underemployed and discouraged workers, ended the quarter at 8.6% — the lowest since 2007.
- Average hourly earnings – an important gauge of wage growth – grew 2.5% over the past 12 months.

Monthly Change in Nonfarm Payrolls

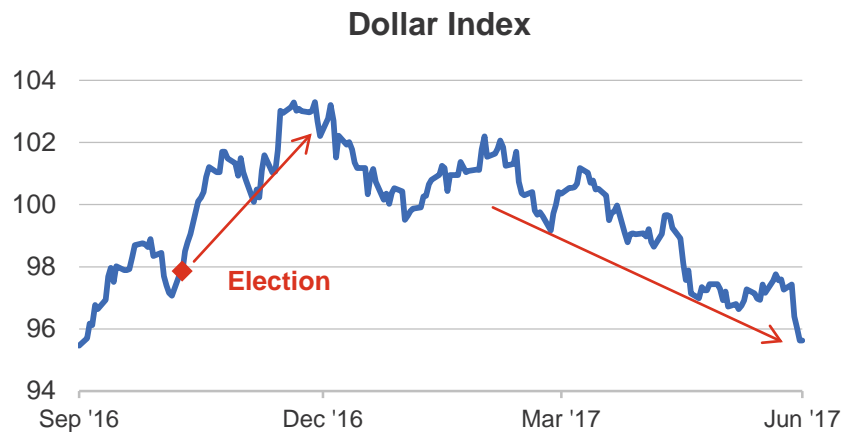
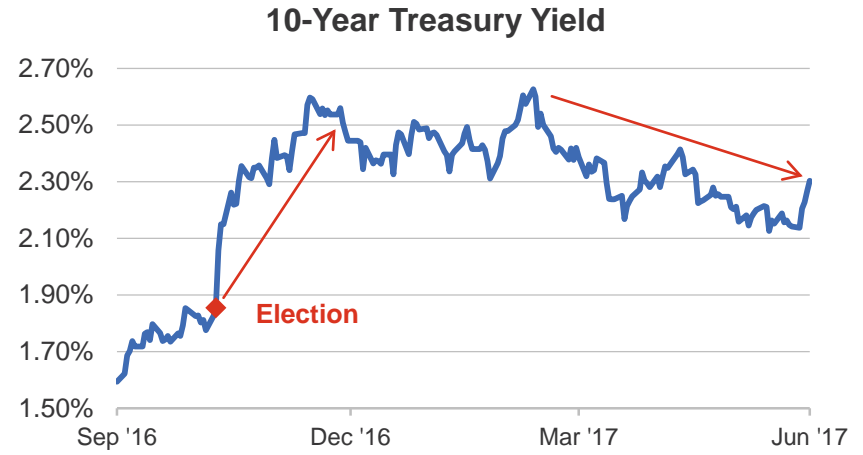
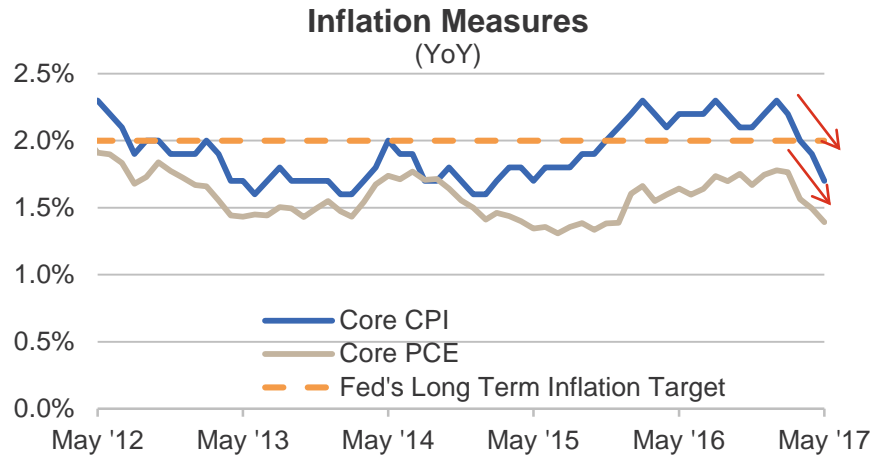


Unemployment Rate



Source: Bloomberg, as of 6/30/17.

Inflation Trend Reverses



Source: Bloomberg, as of 6/30/17. Post-election period is 11/08/16-1/20/17, post-inauguration period is 1/20/17-6/30/17.

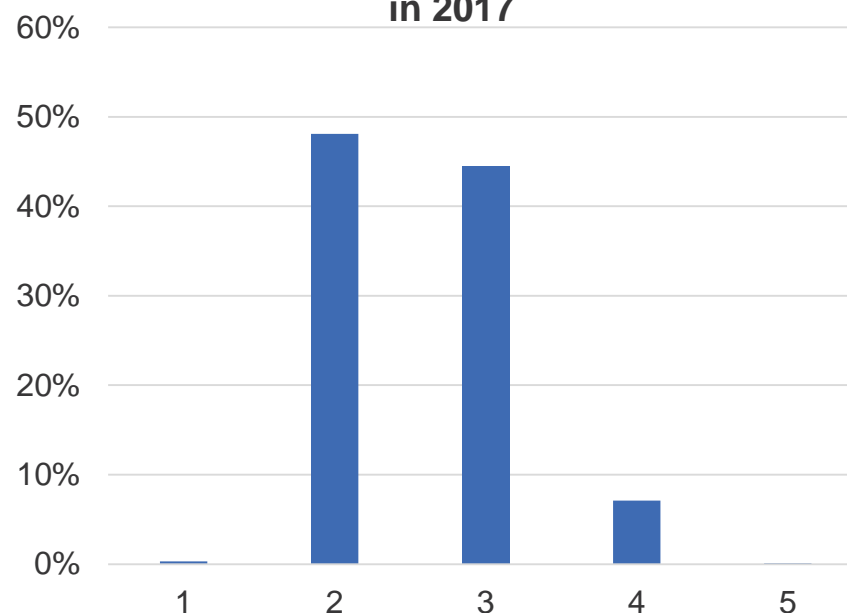
Fed Rate Hikes Expected in 2017

- On June 14, the Federal Open Market Committee (FOMC) raised rates for the fourth time since the recession by 25bps, lifting its target rate to 1.00% - 1.25%.
- Market implied probabilities indicate that there is a 52% chance of the Fed raising rates at their December meeting. Additionally, the market has priced in roughly 45% chance of one more hike this year.

Probability of Fed Rate Hike

Meeting	6/30/2017
7/26/2017	0%
9/20/2017	16%
11/1/2017	17%
12/13/2017	52%
1/31/2018	53%

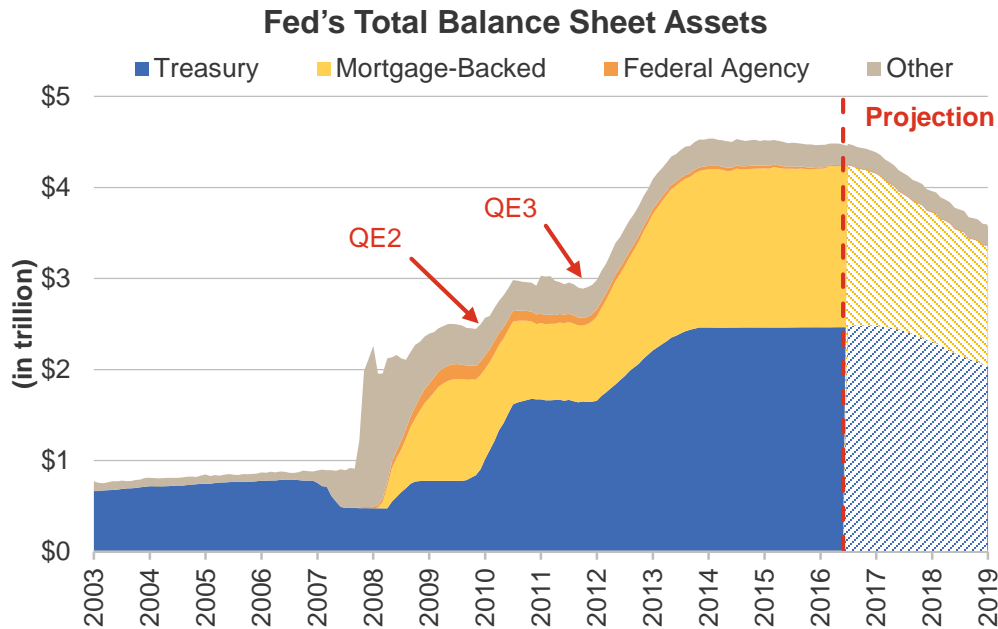
Number of Total Rate Hikes Expected in 2017



Source: Bloomberg, based on Fed Funds Futures (Effective rate) by Bloomberg.

Fed's Balance Sheet Normalization Plan

- At the June FOMC meeting, the Federal Reserve laid out its plan to reduce the size of its balance sheet, which stands at \$4.5 trillion after multiple rounds of quantitative easing following the 2007 financial crisis. Fed officials expect to begin implementing the program this year, provided the economy evolves broadly as anticipated.
- The Fed plans to gradually reduce its holdings by decreasing reinvestments of principal payments on its U.S. Treasury and agency mortgage-backed securities. The pace of this decline will be limited by a cap that starts at \$10 billion per month, increasing every three months until it reaches \$50 billion per month.



(in billion)	Treasury Holdings	Agency MBS Holdings	Total Fed Assets
Dec 2017	\$2,465	\$1,770	\$4,470
Dec 2019 (Projected)	\$2,035	\$1,410*	\$3,680
Difference:	\$430	\$360*	\$790

*MBS projection assumes that principal payments will always exceed the cap over the horizon period (i.e. the monthly run off amount is equal to the cap).

Source: Bloomberg, The Federal Reserve, FRB of St. Louis, as of 6/15/17. Projection is based on maturity schedule of Fed's Treasury holdings and caps on reinvestments as described in FOMC's June 2017 addendum to the Policy Normalization Principles and Plans, assuming normalization begins in January 2018.

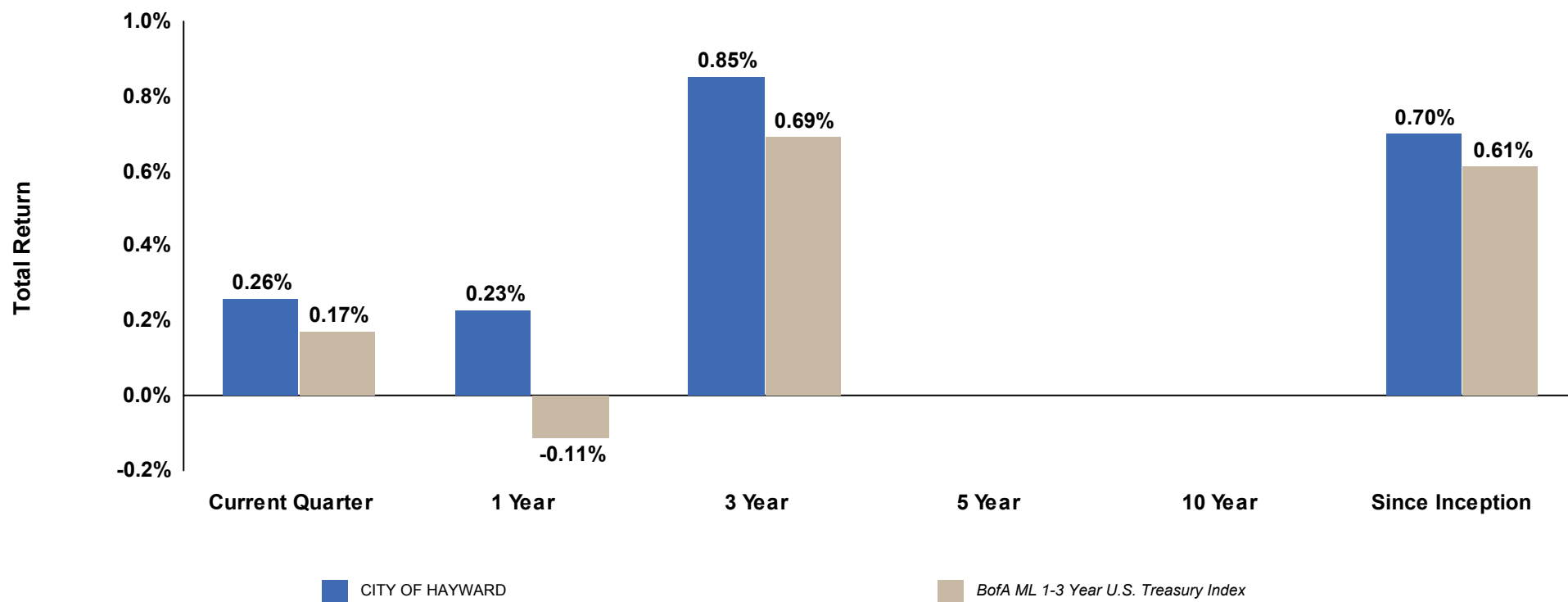
Investment Performance Review

Portfolio Recap

- ◆ Key drivers of market conditions in the second quarter included:
 - An additional Federal Reserve (Fed) rate hike,
 - Mixed readings on key economic data in the U.S.,
 - Persistently subdued inflation readings,
 - Narrowing credit spreads, and
 - Stronger growth readings, and higher yields, in Europe and elsewhere.
- ◆ The yield curve flattened as short-term yields moved higher, pricing in the Fed's June rate hike, while yields on longer-term maturities fell amid muted inflation and fading prospects for stimulative fiscal policy.
- ◆ For much of the quarter, we maintained a duration position generally neutral to the City's performance benchmark since market conditions were consistent with moderate growth and the Fed is on track to gradually raise rates.
- ◆ Federal agency yield spreads narrowed further during the quarter as demand continued to outpace supply. Our strategy remained opportunistic as we purchased new issues offering acceptable yield concessions, mostly in the 2-3 year maturity range.
- ◆ Yield spreads on certificates of deposit (CDs) relative to Treasuries continued to narrow from their exceptionally wide levels of late 2016 and early 2017. CD spreads offer a modest incremental yield over Treasuries, therefore we slightly added to the position.
- ◆ We maintained corporate allocations as yield spreads continued to tighten during the quarter, reaching multi-year lows. The sector continued to provide incremental income and "roll-down". The sector outperformed comparable maturity Treasuries for its seventh straight quarter.
- ◆ Asset-backed securities (ABS) posted its second straight quarter of outperformance over Treasuries. ABS provide enhanced diversification and incremental yield.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (09/30/12) *
			1 Year	3 Year	5 Year	10 Year	
CITY OF HAYWARD	1.81	0.26%	0.23%	0.85%	-	-	0.70%
BofA ML 1-3 Year U.S. Treasury Index	1.82	0.17%	-0.11%	0.69%	-	-	0.61%
Difference		0.09%	0.34%	0.16%	-	-	0.09%



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

Portfolio Earnings*Quarter-Ended June 30, 2017*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/30/2017)	\$120,417,469.29	\$120,797,184.36
Net Purchases/Sales	\$70,322.97	\$70,322.97
Change in Value	(\$47,560.96)	(\$17,107.61)
Ending Value (06/30/2017)	\$120,440,231.30	\$120,850,399.72
Interest Earned	\$365,206.26	\$365,206.26
Portfolio Earnings	\$317,645.30	\$348,098.65

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

Security Type	Market Value as of June 30, 2017	% of Portfolio	Permitted by Policy	In Compliance
U.S. Treasury	\$32,203,413	11%	100%	✓
Federal Agency/GSE	\$52,570,668	19%	100%	✓
Federal Agency/CMO	\$7,389,926	3%	20%	✓
Supra-Sov/Supra-Natl Agency	\$6,347,645	2%	30%	✓
Negotiable CDs	\$6,013,063	2%	30%	✓
Corporate Notes	\$8,476,853	3%	30%	✓
Municipal	\$4,105,643	1%	20%	✓
Asset-Backed Securities	\$3,333,020	1%	20%	✓
Security Sub-Total	\$120,440,231			
Accrued Interest	\$344,907			
Security Total	\$120,785,139	43%		
LAIF	\$130,267,607	46%	\$195 Million ¹	✓
Bank of West	\$31,713,248	11%	100%	✓
Total Liquidity	\$161,980,855	57%		
Total Investments	\$282,765,994	100%		

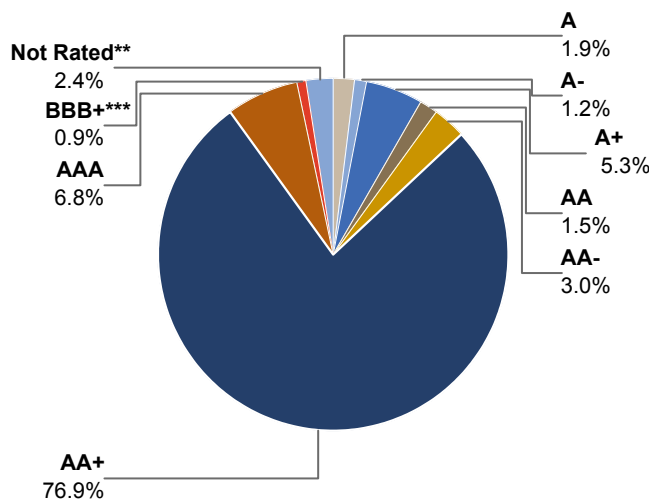
1. The maximum allowable LAIF balance is \$65 million per account. LAIF City: \$58.1 million. LAIF HPFA: \$47.1 million. LAIF Housing: \$25.1 million.

Portfolio Statistics

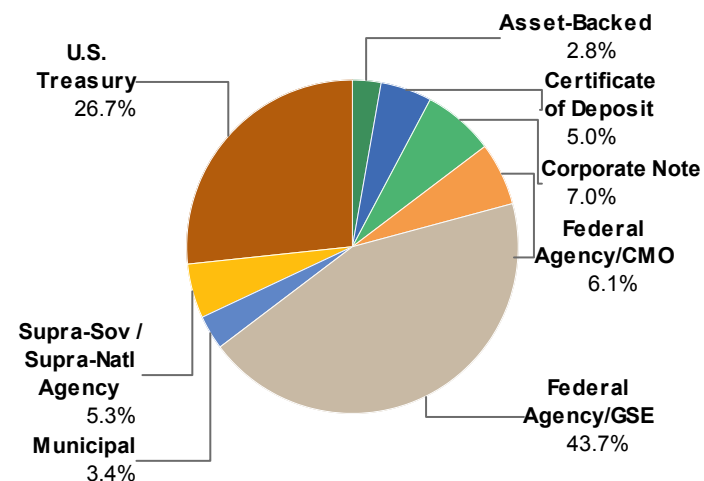
As of June 30, 2017

Par Value:	\$120,828,905
Total Market Value:	\$120,785,139
Security Market Value:	\$120,440,231
Accrued Interest:	\$344,907
Cash:	-
Amortized Cost:	\$120,850,400
Yield at Market:	1.48%
Yield at Cost:	1.26%
Effective Duration:	1.81 Years
Duration to Worst:	1.90 Years
Average Maturity:	1.99 Years
Average Credit: *	AA

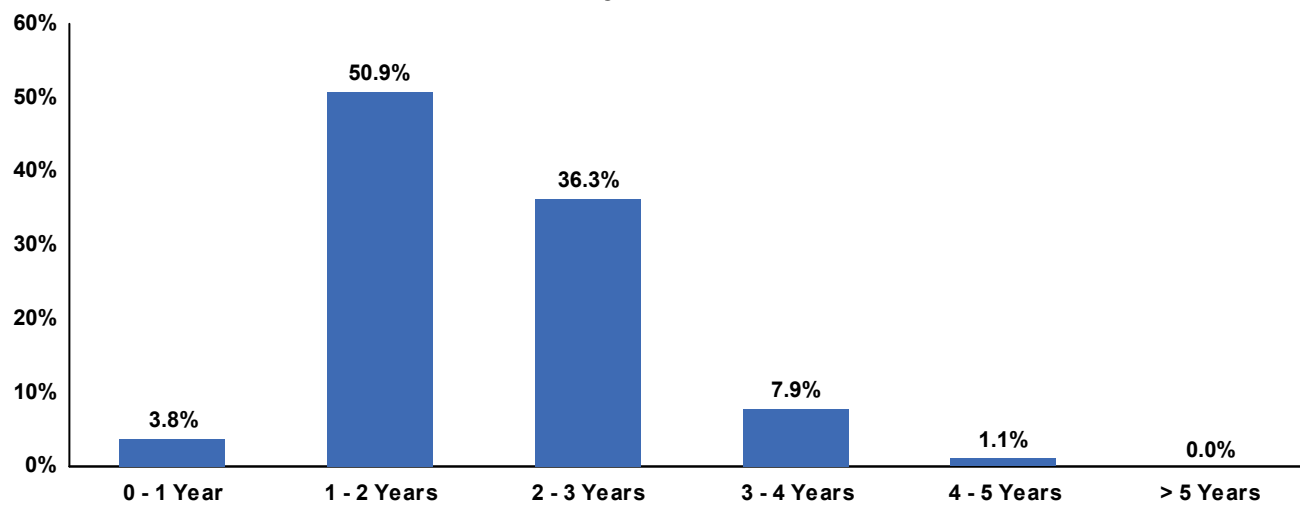
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



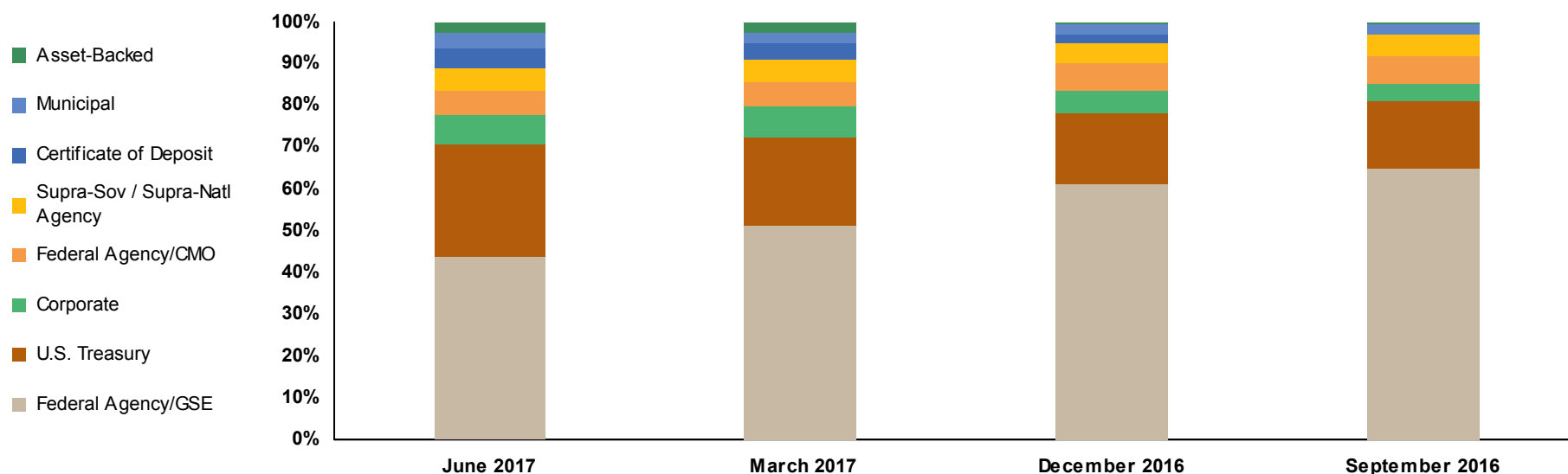
* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

** CA Earthquake Authority rated A3 by Moody's. Carmax Auto Owner Trust, John Deere Owner Trust, Honda Auto Receivables, Nissan Auto Receivables, and Ally Auto Receivables Trust rated Aaa by Moody's.

*** Citi Group rated A by Fitch. Goldman Sachs rated A3 by Moody's.

Sector Allocation

Sector	June 30, 2017		March 31, 2017		December 31, 2016		September 30, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	52.6	43.7%	61.7	51.2%	73.4	61.0%	78.7	64.9%
U.S. Treasury	32.2	26.7%	25.0	20.8%	20.6	17.1%	19.2	15.9%
Corporate	8.5	7.0%	8.9	7.4%	6.4	5.3%	5.2	4.3%
Federal Agency/CMO	7.4	6.1%	7.3	6.1%	7.7	6.4%	8.1	6.7%
Supra-Sov / Supra-Natl Agency	6.3	5.3%	6.3	5.3%	6.3	5.3%	6.4	5.3%
Certificate of Deposit	6.0	5.0%	4.8	4.0%	2.4	2.0%	0.0	0.0%
Municipal	4.1	3.4%	2.9	2.4%	2.9	2.4%	2.9	2.4%
Asset-Backed	3.3	2.8%	3.4	2.8%	0.6	0.5%	0.6	0.5%
Total	\$120.4	100.0%	\$120.4	100.0%	\$120.3	100.0%	\$121.2	100.0%

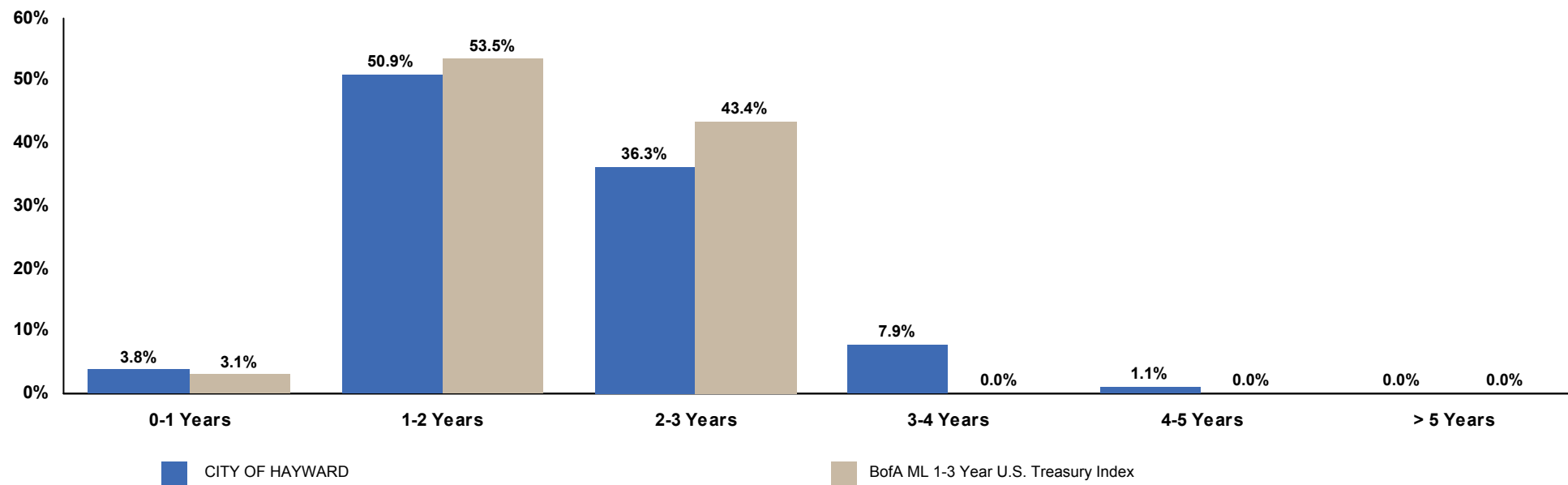


Detail may not add to total due to rounding.

Maturity Distribution

As of June 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	1.48%	1.99 yrs	3.8%	50.9%	36.3%	7.9%	1.1%	0.0%
BofA ML 1-3 Year U.S. Treasury Index	1.40%	1.94 yrs	3.1%	53.5%	43.4%	0.0%	0.0%	0.0%



Sector/Issuer Distribution

As of June 30, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	614,950	18.5%	0.5%
CARMAX AUTO OWNER TRUST	564,931	16.9%	0.5%
CITIBANK CREDIT CARD ISSUANCE	450,574	13.5%	0.4%
FORD CREDIT AUTO OWNER TRUST	586,679	17.6%	0.5%
HONDA AUTO RECEIVABLES	275,175	8.3%	0.2%
HYUNDAI AUTO RECEIVABLES	260,060	7.8%	0.2%
JOHN DEERE OWNER TRUST	120,138	3.6%	0.1%
NISSAN AUTO RECEIVABLES	315,328	9.5%	0.3%
TOYOTA AUTO RECEIVABLES	145,185	4.4%	0.1%
Sector Total	3,333,020	100.0%	2.8%
Certificate of Deposit			
BANK OF MONTREAL	1,206,976	20.1%	1.0%
BANK OF NOVA SCOTIA	1,199,293	19.9%	1.0%
CANADIAN IMPERIAL BANK OF COMMERCE	1,205,027	20.0%	1.0%
NORDEA BANK AB	1,205,027	20.0%	1.0%
SVENSKA HANDELSBANKEN AB	1,196,741	19.9%	1.0%
Sector Total	6,013,063	100.0%	5.0%
Corporate			

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
AMERICAN EXPRESS CO	596,766	7.0%	0.5%
AMERICAN HONDA FINANCE	280,613	3.3%	0.2%
APPLE INC	501,256	5.9%	0.4%
CHEVRON CORPORATION	300,210	3.5%	0.2%
CITIGROUP INC	465,300	5.5%	0.4%
DEERE & COMPANY	487,204	5.7%	0.4%
GOLDMAN SACHS GROUP INC	601,639	7.1%	0.5%
INTERNATIONAL BUSINESS MACHINES	600,166	7.1%	0.5%
JP MORGAN CHASE & CO	899,053	10.6%	0.7%
MICROSOFT CORP	285,726	3.4%	0.2%
PFIZER INC	595,945	7.0%	0.5%
THE BANK OF NEW YORK MELLON CORPORATION	603,460	7.1%	0.5%
THE WALT DISNEY CORPORATION	115,359	1.4%	0.1%
TOYOTA MOTOR CORP	894,556	10.6%	0.7%
WELLS FARGO & COMPANY	1,249,599	14.7%	1.0%
Sector Total	8,476,853	100.0%	7.0%
Federal Agency/CMO			
FANNIE MAE	6,210,743	84.0%	5.2%
FREDDIE MAC	1,179,182	16.0%	1.0%
Sector Total	7,389,926	100.0%	6.1%
Federal Agency/GSE			
FANNIE MAE	27,593,595	52.5%	22.9%
FEDERAL HOME LOAN BANKS	20,747,875	39.5%	17.2%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
FREDDIE MAC	4,229,198	8.0%	3.5%
Sector Total	52,570,668	100.0%	43.6%
Municipal			
CA EARTHQUAKE AUTH TXBL REV BOND	1,110,000	27.0%	0.9%
STATE OF CONNECTICUT	1,748,074	42.6%	1.5%
UNIVERSITY OF CALIFORNIA	1,247,569	30.4%	1.0%
Sector Total	4,105,643	100.0%	3.4%
Supra-Sov / Supra-Natl Agency			
INTER-AMERICAN DEVELOPMENT BANK	1,696,752	26.7%	1.4%
INTL BANK OF RECONSTRUCTION AND DEV	4,650,892	73.3%	3.9%
Sector Total	6,347,645	100.0%	5.3%
U.S. Treasury			
UNITED STATES TREASURY	32,203,413	100.0%	26.7%
Sector Total	32,203,413	100.0%	26.7%
Portfolio Total	120,440,231	100.0%	100.0%

Investment Strategy Outlook

- ◆ Our outlook for the third quarter is for continued modest growth in the U.S. But the future path of Fed tightening is less certain as recent economic data has been disappointing, fiscal policy initiatives have stalled, and inflation remains below the Fed's 2% target.
- ◆ With rates priced for the current level of uncertainty, we are once again positioning the portfolio duration to match the benchmark duration. We will continue to assess the duration position during the quarter as we gain more clarity surrounding Fed policy and the trajectory of the U.S. and global economy.
- ◆ Agency yield spreads over Treasuries continue to remain historically narrow. As a result, our strategy will generally favor Treasuries over agencies unless specific issues offer identifiable value. New issue federal agency and supranational issues may also offer opportunities in this space.
- ◆ Corporate yield spreads are near the tightest levels since the post-recession tights of 2014. Although we remain constructive on the fundamental strength of the sector, we plan to be more selective with regard to our choice of industry, issuer and maturity, while maintaining broad issuer diversification. Given the flatness of the yield curve, we may favor shorter maturities.
- ◆ Negotiable CD yields represent fair value when compared to similar maturity government obligations, but far less than a few months ago. Given the flatness of the yield curve, CDs still offer a shorter-duration alternative to one- and two- year government securities by providing higher yields with less market risk.
- ◆ 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.
- ◆ 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 polices put forth by the Trump administration.

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									
4/3/17	4/5/17	4,300,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	4,306,162.87	1.53%	
4/5/17	4/6/17	1,200,000	06417GUE6	BANK OF NOVA SCOTIA HOUSTON LT CD	1.91%	4/5/19	1,200,000.00	1.91%	
4/10/17	4/13/17	600,000	06406HCZ0	BNY MELLON (CALLABLE) CORP NOTE	2.15%	2/24/20	604,857.83	1.96%	
4/19/17	4/20/17	1,200,000	3137EAEF2	FHLMC AGENCY NOTES	1.37%	4/20/20	1,195,896.00	1.49%	
5/5/17	5/18/17	625,000	91412GS71	UNIV OF CAL TXBL REV BOND	1.61%	5/15/19	625,000.00	1.61%	
5/5/17	5/18/17	625,000	91412GS89	UNIV OF CAL TXBL REV BOND	1.90%	5/15/20	625,000.00	1.90%	
5/8/17	5/9/17	1,130,000	912796KZ1	US TREASURY BILL	0.00%	5/18/17	1,129,810.02	0.68%	
6/23/17	6/28/17	880,160	3137AA4V2	FHLMC SERIES K013 A1	2.90%	8/25/20	898,818.96	1.60%	
6/26/17	6/28/17	7,750,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	7,840,124.52	1.50%	
Total BUY		18,310,160					18,425,670.20		
INTEREST									
4/1/17	4/1/17	5,865,000	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	25,659.38		
4/1/17	4/15/17	363,215	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,362.06		
4/1/17	4/25/17	515,000	3136AQS1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
4/1/17	4/25/17	225,595	3136AMT1	FNMA SERIES M4 FA	0.79%	9/1/18	190.38		
4/1/17	4/25/17	385,000	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	497.29		
4/1/17	4/25/17	209,323	3136AMMC0	FNMA SERIES 2015-M3 FA	1.21%	6/1/18	178.45		
4/1/17	4/25/17	1,477,584	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.11%	4/1/20	1,412.32		
4/1/17	4/25/17	334,364	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	453.06		
4/1/17	4/25/17	1,791,461	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,573.50		
4/1/17	4/25/17	1,109,423	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,521.76		
4/1/17	4/25/17	920,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	1,368.50		
4/15/17	4/15/17	620,000	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	728.50		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
4/15/17	4/15/17	120,000	47787XAC1	JDOT 2017-A A3	1.78%	4/15/21	178.00		
4/15/17	4/15/17	145,000	89238MAD0	TAOT 2017-A A3	1.73%	2/15/21	209.04		
4/15/17	4/15/17	565,000	14314JAB6	CARMX 2017-1 A2	1.54%	2/15/20	725.08		
4/15/17	4/15/17	315,000	654747AD6	NAROT 2017-A A3	1.74%	8/15/21	258.83		
4/15/17	4/15/17	480,000	02007HAC5	ALLYA 2017-2 A3	1.78%	8/15/21	379.73		
4/15/17	4/15/17	3,050,000	3137EADZ9	FREDDIE MAC NOTES	1.12%	4/15/19	17,156.25		
4/15/17	4/15/17	260,000	44931PAD8	HART 2017-A A3	1.76%	8/15/21	203.38		
4/15/17	4/15/17	135,000	02007PAC7	ALLYA 2017-1 A3	1.70%	6/15/21	191.25		
4/15/17	4/15/17	235,000	24422ETM1	JOHN DEERE CAPITAL CORP	1.65%	10/15/18	1,066.31		
4/19/17	4/19/17	6,100,000	3135G0E58	FNMA BENCHMARK NOTE	1.12%	10/19/18	34,312.50		
4/21/17	4/21/17	275,000	43814TAC6	HAROT 2017-1 A3	1.72%	7/21/21	302.19		
4/30/17	4/30/17	600,000	0258M0EC9	AMERICAN EXPRESS CREDIT CORP	1.70%	10/30/19	5,100.00		
4/30/17	4/30/17	3,015,000	912828D23	US TREASURY NOTES	1.62%	4/30/19	24,496.88		
4/30/17	4/30/17	4,300,000	912828K58	US TREASURY NOTES	1.37%	4/30/20	29,562.50		
5/1/17	5/15/17	331,551	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,243.32		
5/1/17	5/25/17	1,107,645	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,519.32		
5/1/17	5/25/17	515,000	3136AQSW1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
5/1/17	5/25/17	1,475,574	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.11%	4/1/20	1,618.35		
5/1/17	5/25/17	316,274	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	428.55		
5/1/17	5/25/17	207,164	3136AMMC0	FNMA SERIES 2015-M3 FA	1.21%	6/1/18	206.49		
5/1/17	5/25/17	378,971	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	489.50		
5/1/17	5/25/17	920,000	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	1,368.50		
5/1/17	5/25/17	225,365	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	222.76		
5/1/17	5/25/17	1,755,273	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,793.46		
5/13/17	5/13/17	1,715,000	458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1.00%	5/13/19	8,575.00		
5/15/17	5/15/17	565,000	14314JAB6	CARMX 2017-1 A2	1.54%	2/15/20	725.08		
5/15/17	5/15/17	620,000	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	728.50		
5/15/17	5/15/17	480,000	02007HAC5	ALLYA 2017-2 A3	1.78%	8/15/21	712.00		
5/15/17	5/15/17	120,000	47787XAC1	JDOT 2017-A A3	1.78%	4/15/21	178.00		
5/15/17	5/15/17	135,000	02007PAC7	ALLYA 2017-1 A3	1.70%	6/15/21	191.25		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/15/17	5/15/17	145,000	89238MAD0	TAOT 2017-A A3	1.73%	2/15/21	209.04		
5/15/17	5/15/17	315,000	654747AD6	NAROT 2017-A A3	1.74%	8/15/21	456.75		
5/15/17	5/15/17	260,000	44931PAD8	HART 2017-A A3	1.76%	8/15/21	381.33		
5/20/17	5/20/17	900,000	89236TDE2	TOYOTA MOTOR CREDIT CORP NOTES	1.40%	5/20/19	6,300.00		
5/21/17	5/21/17	275,000	43814TAC6	HAROT 2017-1 A3	1.72%	7/21/21	394.17		
5/30/17	5/30/17	1,200,000	65558LWA6	NORDEA BANK FINLAND NY CD	1.76%	11/30/18	10,325.33		
5/31/17	5/31/17	1,780,000	912828VE7	US TREASURY NOTES	1.00%	5/31/18	8,900.00		
5/31/17	5/31/17	5,850,000	912828G61	US TREASURY NOTES	1.50%	11/30/19	43,875.00		
6/1/17	6/15/17	303,835	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	1,139.38		
6/1/17	6/25/17	305,319	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	413.71		
6/1/17	6/25/17	1,039,539	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,425.90		
6/1/17	6/25/17	1,669,045	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	1,788.55		
6/1/17	6/25/17	515,000	3136AQS1	FNMA SERIES 2015-M15 ASQ2	1.89%	1/1/19	814.59		
6/1/17	6/25/17	205,691	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	213.33		
6/1/17	6/25/17	206,891	3136AMMC0	FNMA SERIES 2015-M3 FA	1.21%	6/1/18	216.36		
6/1/17	6/25/17	677,740	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	1,008.14		
6/1/17	6/25/17	371,275	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	479.56		
6/1/17	6/25/17	1,460,613	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.11%	4/1/20	1,678.39		
6/7/17	6/7/17	465,000	172967KS9	CITIGROUP INC CORP NOTES	2.05%	6/7/19	4,766.25		
6/13/17	6/13/17	600,000	38145GAJ9	GOLDMAN SACHS GROUP INC BONDS	2.30%	12/13/19	6,900.00		
6/15/17	6/15/17	565,000	14314JAB6	CARMX 2017-1 A2	1.54%	2/15/20	725.08		
6/15/17	6/15/17	620,000	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	728.50		
6/15/17	6/15/17	480,000	02007HAC5	ALLYA 2017-2 A3	1.78%	8/15/21	712.00		
6/15/17	6/15/17	145,000	89238MAD0	TAOT 2017-A A3	1.73%	2/15/21	209.04		
6/15/17	6/15/17	260,000	44931PAD8	HART 2017-A A3	1.76%	8/15/21	381.33		
6/15/17	6/15/17	120,000	47787XAC1	JDOT 2017-A A3	1.78%	4/15/21	178.00		
6/15/17	6/15/17	395,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	3,805.17		
6/15/17	6/15/17	200,000	717081EB5	PFIZER INC CORP NOTE	1.70%	12/15/19	1,926.67		
6/15/17	6/15/17	315,000	654747AD6	NAROT 2017-A A3	1.74%	8/15/21	456.75		
6/15/17	6/15/17	1,010,000	459058EJ8	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.00%	6/15/18	5,050.00		

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
6/15/17	6/15/17	135,000	02007PAC7	ALLYA 2017-1 A3	1.70%	6/15/21	191.25		
6/21/17	6/21/17	275,000	43814TAC6	HAROT 2017-1 A3	1.72%	7/21/21	394.17		
6/21/17	6/21/17	2,550,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	14,343.75		
6/21/17	6/21/17	3,995,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	22,471.88		
6/30/17	6/30/17	340,000	912828A75	US TREASURY NOTES	1.50%	12/31/18	2,550.00		
6/30/17	6/30/17	7,750,000	912828XH8	US TREASURY NOTES	1.62%	6/30/20	62,968.75		
Total INTEREST		81,978,731					379,494.52		
MATURITY									
5/18/17	5/18/17	1,130,000	912796KZ1	US TREASURY BILL	0.00%	5/18/17	1,130,000.00		0.00
Total MATURITY		1,130,000					1,130,000.00		0.00
PAYDOWNS									
4/1/17	4/15/17	31,664	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	31,663.83		0.00
4/1/17	4/25/17	229	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	229.31		0.00
4/1/17	4/25/17	36,188	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	36,188.27		0.00
4/1/17	4/25/17	1,778	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	1,778.41		0.00
4/1/17	4/25/17	2,010	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.11%	4/1/20	2,009.76		0.00
4/1/17	4/25/17	2,159	3136AMMC0	FNMA SERIES 2015-M3 FA	1.21%	6/1/18	2,159.39		0.00
4/1/17	4/25/17	6,029	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	6,029.03		0.00
4/1/17	4/25/17	18,090	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	18,090.12		0.00
5/1/17	5/15/17	27,716	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	27,716.05		0.00
5/1/17	5/25/17	19,674	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	19,673.98		0.00
5/1/17	5/25/17	86,228	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	86,228.16		0.00
5/1/17	5/25/17	242,260	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	242,259.74		0.00
5/1/17	5/25/17	68,106	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	68,106.11		0.00

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
5/1/17	5/25/17	14,961	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.11%	4/1/20	14,961.20		0.00
5/1/17	5/25/17	273	3136AMMC0	FNMA SERIES 2015-M3 FA	1.21%	6/1/18	273.08		0.00
5/1/17	5/25/17	7,696	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	7,695.57		0.00
5/1/17	5/25/17	10,955	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	10,954.61		0.00
6/1/17	6/15/17	24,595	3137BHU39	FREDDIE MAC SERIES 4459 NB	4.50%	1/1/20	24,594.62		0.00
6/1/17	6/25/17	206	3136AMTM1	FNMA SERIES M4 FA	0.79%	9/1/18	205.52		0.00
6/1/17	6/25/17	16,386	3136ASPX8	FNMA SERIES 2016-M9 ASQ2	1.78%	6/1/19	16,386.47		0.00
6/1/17	6/25/17	54,132	3136ANA98	FNMA SERIES 2015-M10 FA	0.83%	3/1/19	54,131.51		0.00
6/1/17	6/25/17	30,704	3136AQDQ0	FANNIE MAE SERIES 2015-M13 ASQ2	1.64%	9/1/19	30,703.98		0.00
6/1/17	6/25/17	75,792	3136AP3Z3	FNMA SERIES 2015-M12 FA	1.11%	4/1/20	75,791.60		0.00
6/1/17	6/25/17	26,281	3136AMMC0	FNMA SERIES 2015-M3 FA	1.21%	6/1/18	26,281.42		0.00
6/1/17	6/25/17	13,286	3136ANJY4	FNMA SERIES 2015-M7 ASQ2	1.55%	4/1/18	13,286.23		0.00
6/1/17	6/25/17	26,755	3136AMKW8	FNMA SERIES 2015-M1 ASQ2	1.62%	2/1/18	26,755.33		0.00
6/15/17	6/15/17	33,066	34530YAD5	FORD ABS 2015-C A3	1.41%	2/15/20	33,066.35		0.00
Total PAYDOWNS		877,220					877,219.65		0.00

SELL

4/3/17	4/5/17	1,000,000	3130A7CX1	FHLB NOTES	0.87%	3/19/18	998,268.89	1.10%	(1,976.67)
4/3/17	4/5/17	260,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	259,461.84	1.11%	(1,197.44)
4/3/17	4/5/17	3,025,000	3135G0J61	FNMA NOTE	0.87%	3/28/18	3,018,738.67	1.11%	(3,888.73)
4/5/17	4/6/17	1,050,000	06406HDB2	BANK OF NEW YORK MELLON CORP (CALLABLE)	1.60%	5/22/18	1,056,316.33	1.59%	99.75
4/5/17	4/6/17	150,000	912828C65	US TREASURY NOTES	1.62%	3/31/19	151,100.51	1.26%	(628.12)
4/10/17	4/13/17	610,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	603,476.56	1.51%	3,490.07
4/19/17	4/20/17	1,200,000	912828UV0	US TREASURY NOTES	1.12%	3/31/20	1,192,065.83	1.38%	11,378.95
5/4/17	5/9/17	1,125,000	912828VE7	US TREASURY NOTES	1.00%	5/31/18	1,127,659.89	1.19%	181.08
6/26/17	6/28/17	1,780,000	912828VE7	US TREASURY NOTES	1.00%	5/31/18	1,777,607.06	1.23%	(353.88)
6/26/17	6/28/17	2,275,000	3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	0.87%	6/29/18	2,276,161.83	1.26%	(9,200.76)
6/26/17	6/28/17	3,835,000	3130A8BD4	FEDERAL HOME LOAN BANKS AGCY	0.87%	6/29/18	3,836,958.51	1.26%	(10,262.84)

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total	SELL	16,310,000					16,297,815.92		-12,358.59



Managed Account Detail of Securities Held

For the Month Ending **June 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
U.S. Treasury Bond / Note											
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	13.86	341,417.97	340,743.92
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	12,233.67	3,024,754.64	3,008,453.54
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	8,254.38	3,045,773.65	3,028,073.04
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	7,432.38	5,857,425.93	5,855,487.30
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	21,221.34	4,042,631.77	4,045,038.69
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	4,595.79	994,728.03	996,484.00
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	8,243.24	2,869,476.30	2,884,823.92
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	9,961.28	4,282,161.67	4,280,684.40
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	342.22	7,777,779.33	7,763,624.50

Security Type Sub-Total		32,235,000.00					32,260,020.12	1.43	72,298.16	32,236,149.29	32,203,413.31
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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	448.89	1,009,465.13	1,006,615.49
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	9,646.88	2,447,961.94	2,436,723.45
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	2,286.67	1,711,865.63	1,696,752.40



Managed Account Detail of Securities Held

For the Month Ending **June 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
Supra-National Agency Bond / Note											
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	4,049.31	1,224,821.33	1,207,553.55
Security Type Sub-Total		6,400,000.00					6,388,534.15	1.00	16,431.75	6,394,114.03	6,347,644.89

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	1,732.80	190,000.00	190,000.00
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	8,390.40	920,000.00	920,000.00
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	1,800.41	430,000.00	429,045.40
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	1,201.91	625,000.00	623,743.75
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	6,580.89	1,342,061.75	1,319,029.00
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	1,418.40	625,000.00	623,825.00
Security Type Sub-Total		4,130,000.00					4,140,788.00	1.41	21,124.81	4,132,061.75	4,105,643.15

Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M1 ASQ2 DTD 01/15/2015 1.626% 02/01/2018	3136AMKW8	278,564.06	AA+	Aaa	01/15/15	01/30/15	281,347.61	1.26	377.45	278,807.86	278,439.26
FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018	3136ANJY4	357,989.17	AA+	Aaa	04/15/15	04/30/15	361,567.77	0.83	462.40	358,539.82	357,606.26
FNMA SERIES 2015-M3 FA DTD 02/01/2015 1.215% 06/01/2018	3136AMMC0	180,609.41	AA+	Aaa	02/12/15	02/27/15	180,562.23	0.39	182.87	180,609.41	180,578.78
FNMA SERIES M4 FA DTD 03/01/2015 0.790% 09/01/2018	3136AMTM1	205,485.81	AA+	Aaa	03/12/15	03/31/15	205,433.17	0.38	135.29	205,485.81	205,431.71



Managed Account Detail of Securities Held

For the Month Ending **June 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
Federal Agency Collateralized Mortgage Obligation											
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	517,035.22	515,275.11
FNMA SERIES 2015-M10 FA DTD 06/01/2015 0.831% 03/01/2019	3136ANA98	1,614,913.25	AA+	Aaa	06/12/15	06/30/15	1,614,445.89	0.43	1,118.83	1,614,913.25	1,615,361.55
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	661,353.79	AA+	Aaa	06/09/16	06/30/16	667,966.99	1.05	983.76	665,316.40	662,063.75
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	1,008,834.74	AA+	Aaa	10/07/15	10/30/15	1,018,937.11	1.08	1,383.78	1,013,917.76	1,008,622.68
FREDDIE MAC SERIES 4459 NB DTD 04/01/2015 4.500% 01/01/2020	3137BHU39	279,240.70	AA+	Aaa	06/08/15	06/11/15	292,766.42	0.77	1,047.15	286,025.41	282,677.54
FNMA SERIES 2015-M12 FA DTD 09/01/2015 1.110% 04/01/2020	3136AP3Z3	1,384,820.95	AA+	Aaa	09/10/15	09/30/15	1,384,322.42	0.54	1,280.96	1,384,820.95	1,387,364.17
FHLMC SERIES K013 A1 DTD 05/01/2011 2.902% 08/25/2020	3137AA4V2	880,159.63	AA+	Aaa	06/23/17	06/28/17	896,903.29	1.60	0.00	896,903.29	896,504.81

Security Type Sub-Total		7,366,971.51					7,424,402.85	0.85	7,787.08	7,402,375.18	7,389,925.62
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Federal Agency Bond / Note											
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	15,250.00	6,093,266.39	6,052,712.80
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	12,829.69	5,862,608.90	5,829,557.81
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	13,725.00	6,095,848.71	6,081,029.00
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	4,583.33	799,974.58	798,372.80
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	30,358.28	5,193,316.56	5,194,288.29
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	17,013.89	4,893,600.89	4,867,292.50



Managed Account Detail of Securities Held

For the Month Ending **June 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
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	7,243.75	3,054,298.52	3,036,296.35
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	796.88	2,549,300.87	2,535,674.10
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	1,248.44	4,019,080.18	3,972,556.09
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	11,045.66	3,046,422.11	3,013,332.90
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	4,369.44	1,299,417.93	1,287,299.00
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	19,158.33	5,693,545.38	5,644,311.00
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	4,156.25	1,574,584.89	1,559,001.15
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	7,738.75	1,509,141.58	1,506,042.29
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	3,254.17	1,196,160.82	1,192,902.00
Security Type Sub-Total		52,890,000.00					52,870,603.85	1.05	152,771.86	52,880,568.31	52,570,668.08

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	8,593.75	1,250,523.00	1,249,598.75
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	818.58	234,887.21	235,109.28
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	1,657.90	300,000.00	300,209.70



Managed Account Detail of Securities Held

For the Month Ending **June 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
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	4,578.75	902,381.47	899,053.20
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	1,435.00	899,617.97	894,555.90
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	635.50	464,842.03	465,300.39
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	1,728.33	596,114.40	596,766.00
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	690.00	599,630.22	601,638.60
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	151.11	199,880.15	200,317.80
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	298.44	394,772.84	395,627.66
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	4,876.67	599,504.17	600,165.60
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	2,123.65	284,834.09	285,726.47
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	3,747.22	499,786.35	501,256.00
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	2,100.00	279,650.83	280,613.48
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	4,550.83	602,869.50	603,460.20
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	716.35	114,973.18	115,359.03
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	1,619.44	249,823.57	252,095.00



Managed Account Detail of Securities Held

For the Month Ending **June 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
Security Type Sub-Total		8,475,000.00					8,476,526.60	1.80	40,321.52	8,474,090.98	8,476,853.06
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	1,818.67	1,199,332.54	1,205,026.80
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	1,877.33	1,200,000.00	1,205,026.80
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	10,710.00	1,200,000.00	1,196,740.80
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	8,898.67	1,200,000.00	1,206,975.60
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	5,475.33	1,200,000.00	1,199,293.20

Security Type Sub-Total		6,000,000.00					5,999,064.00	1.85	28,780.00	5,999,332.54	6,013,063.20
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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	564,999.95	564,931.01
FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	586,933.65	AAA	Aaa	09/15/15	09/22/15	586,819.43	1.42	367.81	586,870.41	586,679.16
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	3,371.25	450,000.00	450,574.29
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	144,984.18	145,184.89
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	119,984.40	120,137.51
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	134,989.40	134,847.14
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	131.39	274,984.57	275,175.01



Managed Account Detail of Securities Held

For the Month Ending **June 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
Asset-Backed Security / Collateralized Mortgage Obligation											
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	203.38	259,980.06	260,060.14
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	243.60	314,968.38	315,327.98
ALLYA 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	479,946.29	480,102.86
Security Type Sub-Total		3,331,933.65					3,331,559.79	1.67	5,392.29	3,331,707.64	3,333,019.99
Managed Account Sub-Total		120,828,905.16					120,891,499.36	1.26	344,907.47	120,850,399.72	120,440,231.30
Securities Sub-Total		\$120,828,905.16					\$120,891,499.36	1.26%	\$344,907.47	\$120,850,399.72	\$120,440,231.30
Accrued Interest											\$344,907.47
Total Investments											\$120,785,138.77

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.

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)
06/19/17	0.98	0.92	183
06/20/17	0.98	0.92	182
06/21/17	0.99	0.92	181
06/22/17	1.00	0.92	186
06/23/17	1.00	0.92	188
06/24/17	1.00	0.92	188
06/25/17	1.00	0.92	188
06/26/17	1.01	0.93	184
06/27/17	1.01	0.93	182
06/28/17	1.01	0.93	182
06/29/17	1.01	0.93	181
06/30/17	1.03	0.93	194
07/01/17	1.03	1.03	194
07/02/17	1.03	1.03	194
07/03/17	1.03	1.03	199
07/04/17	1.03	1.03	199
07/05/17	1.04	1.03	197
07/06/17	1.04	1.03	196
07/07/17	1.04	1.04	195
07/08/17	1.04	1.04	195
07/09/17	1.04	1.04	195
07/10/17	1.05	1.04	192
07/11/17	1.04	1.04	194
07/12/17	1.05	1.04	194
07/13/17	1.05	1.04	192
07/14/17	1.05	1.04	193
07/15/17	1.05	1.04	193
07/16/17	1.05	1.04	193
07/17/17	1.05	1.04	191
07/18/17	1.05	1.04	190
07/19/17	1.05	1.04	193

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

Quarter Ending 06/30/17

Apportionment Rate: 0.92%
 Earnings Ratio: .00002531309414880
 Fair Value Factor: 0.998940671
 Daily: 1.03%
 Quarter to Date: 0.93%
 Average Life: 194

PMIA Average Monthly Effective Yields

June 2017 0.978%
 May 2017 0.925%
 Apr 2017 0.884%

**Pooled Money Investment Account
Portfolio Composition
06/30/17
\$77.6 billion**

