CHANDLER
ASSET
MANAGEMENT

City of San Leandro

City Council Investment Report

Quarter Ending
March 31, 2017

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City of San Leandro
March 31, 2017

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Agency Issues	No limitations	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Municipal Securities	Issued by City of San Leandro and its Agencies	Complies
Banker's Acceptances	"A" or higher by a NRSRO; 40% maximum; 30% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 or highest rating by a NRSRO; Issuer rating by S&P and Moody's; Issuer must be a domestic corporation having assets in excess of $500 million; 25% maximum; 10% per issuer; 270days max maturity	Complies
Negotiable Certificates of Deposit (including CDARS)	30% maximum (including CDARS); FDIC Insured or Collateralized 110%	Complies
Time Deposits (TD)/ Cerfiticates of Deposit (CD)	Collateralized 110%	Complies
Medium Term Notes	"A" or better by a NRSRO; 30% maximum; Issuers must be corporations organized and operating within the U.S.	Complies
Money Market Funds	Highest rating by two NRSROs or SEC registered adviser with assets greater than $500 million; 20% maximum	Complies
Asset Backed Securities, Mortgage Backed/ Pass-Through Securities, CMOs	"AA" or higher by a NRSRO; "A" or higher for the issuer's long term debt by at least one NRSRO; 20% maximum; 5% per single Asset-Backed or Commercial Mortgage issuer; There is no issuer limitation on any Mortgage security where the issuer is US Treasury or a Federal Agency/Government-sponsored Enterprise (GSE).	Complies
Repurchase Agreements	20% maximum; 360 days max maturity; 102% collateralized; Not used by IA	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity; Not used by IA	Complies
LAIF	Maximum program limit; Not used by IA	Complies
Maximum Maturity	5 years	Complies

The City of San Leandro is able to meet its pool's expenditure requirement for the next six months.

City of San Leandro

The investment goals of the City of San Leandro are to preserve principal, to provide liquidity, and to attain a rate of return commensurate with the City's investment risk constraints and cash flow needs. Furthermore, the City is able to meet its cash obligations during the next six-month period.

Investment Report Performance Objectives

The performance objective for the City of San Leandro's portfolio managed by Chandler is to attain a rate of return greater than the benchmark 1-3 Year Treasury/Agency securities over a market cycle.

Strategy

In order to achieve these objectives, the City of San Leandro invests in US Treasury securities, federal agency securities, high quality money market instruments and high quality corporate medium term notes in accordance with the City's investment policy and California Government Code Section 53600 et seq.

Portfolio Characteristics

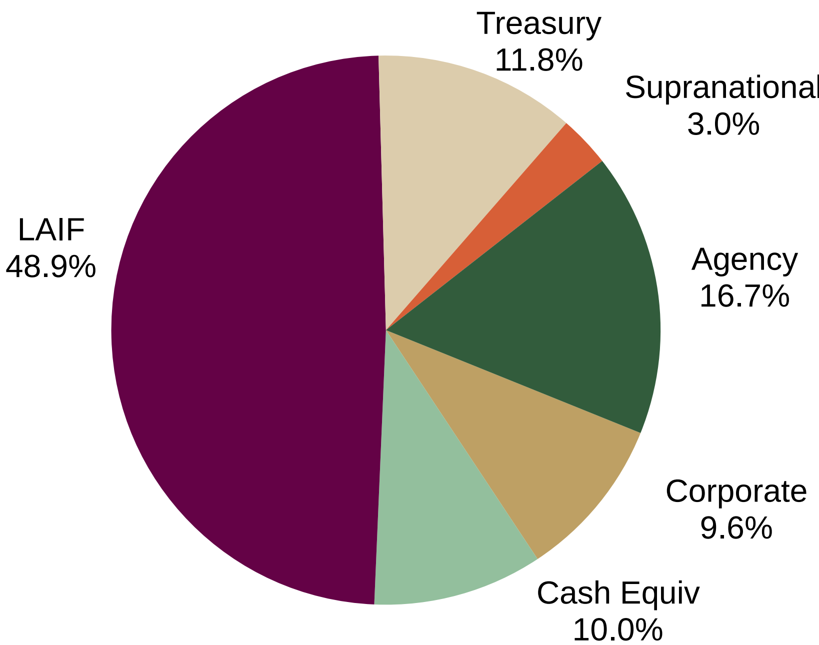
	3/31/2017	12/31/2016
LAIF - City Pool #98-01-809	$50,874,344	$39,203,030
LAIF - Successor Agency	2,368,554	2,364,526
LAIF - RDA 1999 Bond Proceeds #11-01-001	0	0
LAIF - RDA 2008 Bond Proceeds #11-01-038	0	0
LAIF - Economic Development Agency	2	2
Passbook/Checking Accounts	10,811,427	19,658,334
Total LAIF and Bank Accounts	**$64,054,327**	**$61,225,893**
Investment Portfolio Market Value	$44,842,668	$44,704,548
Total Market Value	**$108,896,995**	**$105,930,441**
LAIF Quarterly Apportionment Rate	0.78%	0.68%
2 year US Treasury Yield to Maturity	1.27%	1.20%
5 year US Treasury Yield to Maturity	1.93%	1.93%
Investment Portfolio:		
Average Maturity (yrs)	1.59	1.55
Modified Duration	1.54	1.51
Average Book Yield	1.28%	1.19%
Average Yield to Maturity at Market	1.32%	1.19%
Average Quality S&P/Moody	AA+/Aa1	AA/Aa1

Portfolio Activity

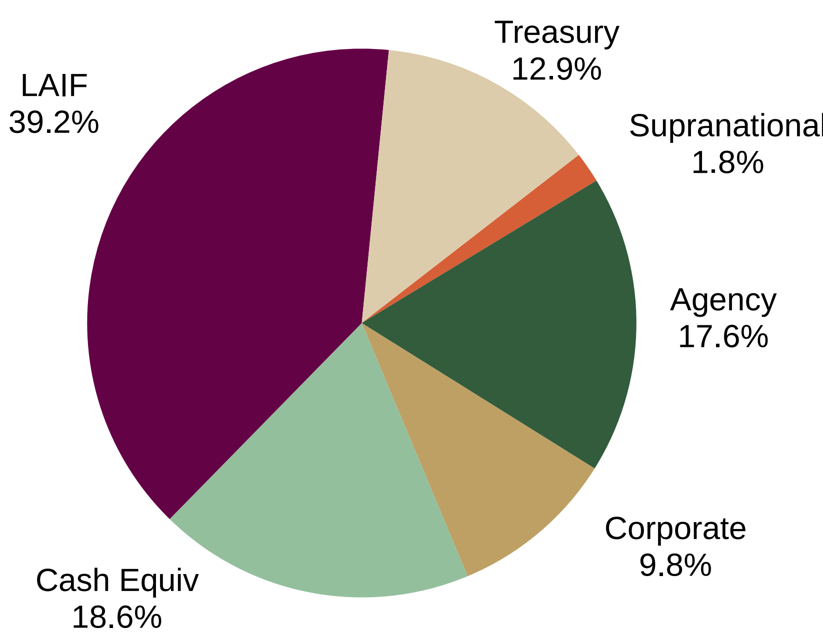
There were five securities maturing over the previous quarter, totaling 2.95 million. The proceeds from the maturities were reinvested to a mix of securities, including two Supranational positions, two Corporate notes, and an Agency security. With these purchases, the portfolio allocation to the Supranational sector increased over the quarter, with a corresponding decrease in the allocation to the US Treasury and Agency sector. The duration of the portfolio extended slightly from the previous quarter, to 1.54.

Sector Distribution

March 31, 2017

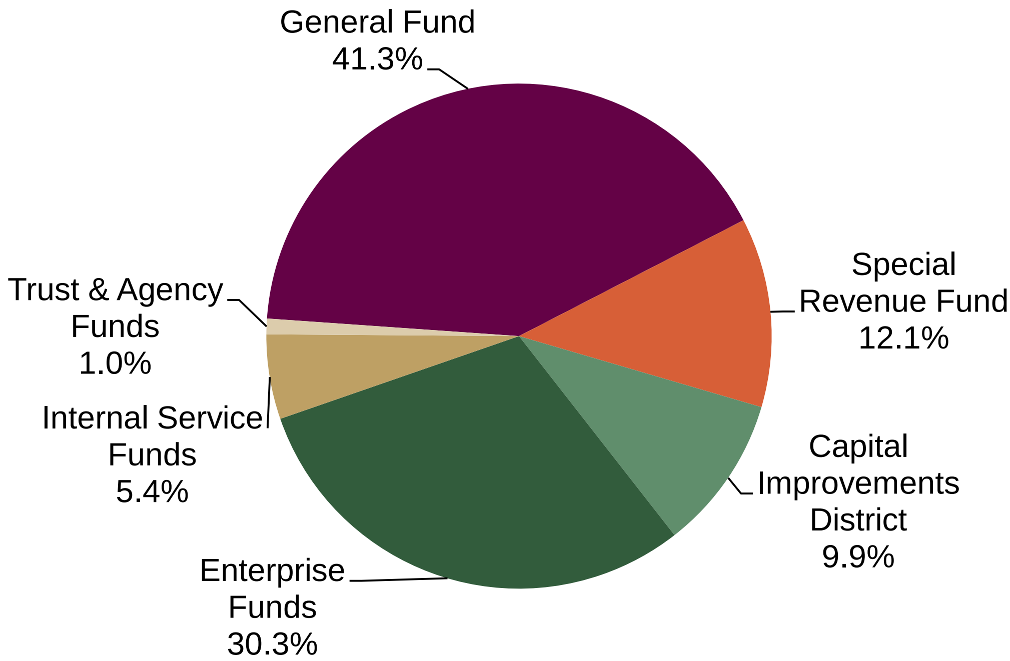


December 31, 2016

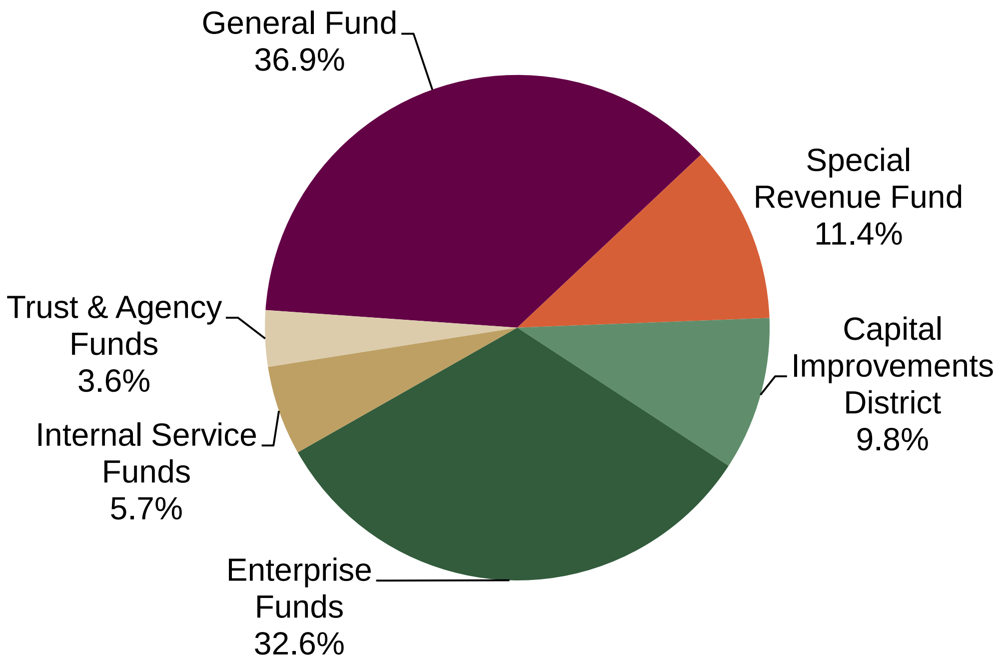


City Fund Allocation

March 31, 2017



December 31, 2016



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City of San Leandro
Investments by All Types
Active Investments
March 31, 2017

CUSIP	Issuer	Coupon	Maturity Date	Par	Purchase Price	Book Value	Purchase Yield	MVACC
LAIF								
SYS113	LAIF - City Pool			$50,874,343.72	100.00000	$50,874,343.72		$50,874,343.72
SYS114	LAIF - Successor Agency			2,368,553.90	100.00000	$2,368,553.90		$2,368,553.90
	LAIF - Economic Development Agency			2.34		$2.34		$2.34
			subtotal	**$53,242,899.96**		**$53,242,899.96**		**$53,242,899.96**
Passbook/Checking Accounts								
	Public Funds Checking			10,811,426.71	100.00000	10,811,426.71		10,811,426.71
			subtotal	**$ 10,811,426.71**		**$ 10,811,426.71**		**$ 10,811,426.71**
Government Issues								
60934N104	Government Obligations Fund Federated Investors	0.590	31-Mar-17	67,237.15	100.00000	67,237.15	0.59	67,237.15
3135G0ZB2	Note FNMA	0.750	20-Apr-17	1,000,000.00	99.99704	999,970.41	0.81	1,003,332.17
91159HHD5	Callable Note Cont 4/15/2017 US Bancorp	1.650	15-May-17	500,000.00	100.00625	500,031.27	1.48	503,160.17
912828SY7	Note US Treasury	0.625	31-May-17	775,000.00	99.96461	774,725.75	0.84	776,542.08
913017BU2	Note United Tech Corp	1.800	01-Jun-17	500,000.00	100.11757	500,587.85	1.08	503,488.50
313379DD8	Note FHLB	1.000	21-Jun-17	800,000.00	99.95842	799,667.33	1.19	802,516.62
3137EADJ5	Note FHLMC	1.000	28-Jul-17	800,000.00	100.02056	800,164.44	0.94	801,686.40
48126EAA5	Note JP Morgan	2.000	15-Aug-17	475,000.00	100.14211	475,675.00	1.61	477,274.57
912828TM2	Note US Treasury	0.625	31-Aug-17	825,000.00	99.87277	823,950.39	0.94	824,610.17
3133EDVU3	Note FFCB	1.125	22-Sep-17	750,000.00	99.96015	749,701.14	1.21	750,966.19
3133EDXA5	Note FFCB	1.150	10-Oct-17	775,000.00	100.06545	775,507.27	1.02	779,806.94
68389XAN5	Note Oracle Corp	1.200	15-Oct-17	400,000.00	99.98219	399,928.74	1.23	402,109.33
74005PBC7	Note Praxair	1.050	07-Nov-17	450,000.00	99.61814	448,281.61	1.71	451,188.00
912828UA6	Note US Treasury	0.625	30-Nov-17	1,020,000.00	99.82745	1,018,239.99	0.89	1,019,745.79
166764AA8	Callable Note Cont 11/5/17 Chevron Corp	1.104	05-Dec-17	650,000.00	99.71228	648,129.82	1.54	651,229.37
40428HPH9	Note HSBC USA Inc	1.625	16-Jan-18	500,000.00	100.01675	500,083.76	1.60	501,378.71
24422EST7	Note John Deere Capital Corp	1.350	16-Jan-18	500,000.00	100.03956	500,197.79	1.30	501,734.75
94974BFG0	Note Wells Fargo Corp	1.500	16-Jan-18	700,000.00	100.09348	700,654.34	1.38	700,927.50
912828UJ7	Note US Treasury	0.875	31-Jan-18	1,175,000.00	99.79206	1,172,556.66	1.13	1,175,050.85
3135G0TG8	Note FNMA	0.875	08-Feb-18	800,000.00	99.58770	796,701.60	1.37	799,514.56
912828H94	Note US Treasury	1.000	15-Feb-18	1,000,000.00	99.98524	999,852.44	1.02	1,000,735.09
3137EADP1	Note FHLMC	0.875	07-Mar-18	965,000.00	99.74095	962,500.19	1.16	963,380.09
313378A43	Note FHLB	1.375	09-Mar-18	800,000.00	100.09582	800,766.53	1.27	802,507.42
808513AK1	Callable Note Cont 2/10/2018 Charles Schwab Corp	1.500	10-Mar-18	500,000.00	100.03566	500,178.28	1.46	500,338.00
912828J68	Note US Treasury	1.000	15-Mar-18	500,000.00	99.96159	499,807.94	1.04	499,859.98
36962G6W9	Note General Electric Capital Corp	1.625	02-Apr-18	128,000.00	100.01445	128,018.50	1.61	129,311.60
912828K25	Note US Treasury	0.750	15-Apr-18	800,000.00	99.91862	799,348.98	0.83	799,894.03
747525AG8	Note Qualcomm Inc	1.400	18-May-18	550,000.00	99.70739	548,390.66	1.66	552,890.49
3135G0WJ8	Note FNMA	0.875	21-May-18	1,050,000.00	99.61817	1,045,990.82	1.22	1,049,735.11
313379DT3	Note FHLB	1.250	08-Jun-18	650,000.00	100.15561	651,011.46	1.12	653,135.35
912828XK1	Note US Treasury	0.875	15-Jul-18	725,000.00	99.84282	723,860.47	1.00	723,839.29
3135G0E33	Note FNMA	1.125	20-Jul-18	400,000.00	100.04990	400,199.61	1.09	400,635.90
06406HCL1	Callable Note Cont 7/2/2018 Bank of New York	2.100	01-Aug-18	500,000.00	100.32337	501,616.85	1.83	505,027.50
3130A6AE7	Note FHLB	1.125	14-Sep-18	975,000.00	100.21734	977,119.08	0.97	973,635.25
912828L40	Note US Treasury	1.000	15-Sep-18	1,300,000.00	100.04035	1,300,524.53	0.97	1,297,299.84
912828L81	Note US Treasury	0.875	15-Oct-18	1,000,000.00	99.57313	995,731.34	1.16	999,390.46
89236TAY1	Note Toyota Motor Credit Corp	2.000	24-Oct-18	450,000.00	100.75200	453,383.99	1.51	456,149.35
313376BR5	Note FHLB	1.750	14-Dec-18	1,000,000.00	100.67016	1,006,701.59	1.35	1,013,566.39
912828N22	Note US Treasury	1.250	15-Dec-18	1,000,000.00	99.97071	999,707.10	1.27	1,004,221.45
3135G0H63	Note FNMA	1.375	28-Jan-19	1,000,000.00	99.99390	999,939.04	1.38	1,003,546.25
3133782M2	Note FHLB	1.500	08-Mar-19	775,000.00	100.81427	781,310.63	1.07	777,789.49
532457BF4	Note Eli Lilly & Co	1.950	15-Mar-19	400,000.00	101.61619	406,464.74	1.11	403,138.27
30231GAD4	Callable Note Cont 2/15/2019 Exxon Mobil Corp	1.819	15-Mar-19	450,000.00	100.99516	454,478.21	1.30	452,075.15
459058DL4	Note Intl. Bank Recon & Development	1.875	15-Mar-19	900,000.00	101.64204	914,778.36	1.02	907,802.40
912828C65	Note US Treasury	1.625	31-Mar-19	1,000,000.00	100.51709	1,005,170.85	1.36	1,007,075.40
3137EADZ9	Note FHLMC	1.125	15-Apr-19	385,000.00	100.28163	386,084.28	0.98	385,134.18
037833AQ3	Note Apple Inc	2.100	06-May-19	500,000.00	101.72637	508,631.86	1.26	509,656.67
3135G0ZE6	Note FNMA	1.750	20-Jun-19	1,000,000.00	100.81701	1,008,170.05	1.37	1,013,012.72
3130A8DB6	Note FHLB	1.125	21-Jun-19	550,000.00	100.18136	550,997.48	1.04	548,638.75
3137EADK2	Note FHLMC	1.250	01-Aug-19	450,000.00	99.33526	447,008.67	1.54	449,282.40
4581X0BY3	Note Inter-American Dev Bank	1.125	12-Sep-19	500,000.00	100.01200	500,060.00	1.12	494,085.38
45950KCD0	Note International Finance Corp	1.750	16-Sep-19	500,000.00	101.51418	507,570.92	1.12	502,533.08
3137EADM8	Note FHLMC	1.250	02-Oct-19	850,000.00	100.11621	850,987.79	1.20	850,542.54
3130AA3R7	Note FHLB	1.375	15-Nov-19	875,000.00	99.85985	873,773.67	1.43	876,453.43
912828UB4	Note US Treasury	1.000	30-Nov-19	775,000.00	100.05155	775,399.51	0.98	769,181.81
3135G0T29	Note FNMA	1.500	28-Feb-20	675,000.00	99.46703	671,402.47	1.69	674,303.41
912828UV0	Note US Treasury	1.125	31-Mar-20	1,000,000.00	98.72600	987,259.97	1.57	988,468.73
3137EADR7	Note FHLMC	1.375	01-May-20	790,000.00	100.90901	797,181.18	1.07	788,268.45
02665WAZ4	Note American Honda Finance	2.450	24-Sep-20	500,000.00	102.44697	512,234.84	1.72	505,032.69
594918BG8	Callable Note Cont. 10/03/20 Microsoft	2.000	03-Nov-20	650,000.00	100.16193	651,052.57	1.95	657,478.39
084670BQ0	Callable Note Cont 2/15/2021 Berkshire Hathaway	2.200	15-Mar-21	525,000.00	99.76958	523,790.27	2.26	525,904.98
459058FH1	Note Intl. Bank Recon & Development	1.375	24-May-21	600,000.00	97.47534	584,852.04	2.01	588,004.62
17275RBJ0	Callable Note Cont 8/20/2021 Cisco Systems	1.850	20-Sep-21	550,000.00	97.83842	538,111.29	2.36	539,694.80
4581X0CW6	Note Inter-American Dev Bank	2.125	18-Jan-22	800,000.00	99.66932	797,354.55	2.20	806,511.22
			subtotal	**$ 43,188,000.00**		**$ 44,780,767.91**		**$ 44,842,667.62**
			Total	**$ 107,242,326.67**		**$ 108,835,094.58**		**$ 108,896,994.29**