



# **City of San Leandro**

## City Council Investment Report

Quarter Ending  
June 30, 2020



### City of San Leandro

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	"AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer; Unsubordinated obligations issued by by IBRD, IFC or IADB only	Complies
Municipal Securities	Issued by City of San Leandro and its Agencies	Complies
Banker's Acceptances	"A" or highest money market rating by a NRSRO, such as S&P or Moody's; 40% maximum; 30% per issuer; 180 days max maturity	Complies
Commercial Paper	Highest rating by a NRSRO; Issuer must be a domestic corporation having assets in excess of \$500 million and A-1 and P-1 rated or better by S&P and Moody's for its debt other than commercial paper; 25% maximum; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies
Negotiable Certificates of Deposit (including CDARS)	30% maximum (including CDARS); FDIC Insured or Collateralized 110%	Complies
Time Deposits (TD)/ Certificates of Deposit (CD)	FDIC Insured or Collateralized 110%	Complies
Medium Term Corp Notes	"A" rated or better by a NRSRO; 30% maximum; Issuers must be corporations organized and operating within the U.S. or depository institutions licensed by the U.S., or operating within the U.S.	Complies
Money Market Mutual 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, Collateralized Mortgage Obligations	"AA" rated or higher by a 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
Local Agency Investment Fund (LAIF)	Maximum program limit; Not used by IA	Complies
Social Responsibility	The investment policy prohibits investing in an entity that received a significant portion of their revenues from the gun manufacturing, fossil fuel production, private prisons, and tobacco producers	Complies *
Maximum Maturity	5 years	Complies

\*Complied at time of purchase: Portfolio currently holds Fossil Fuel issuer: Chevron (166764BG4)

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

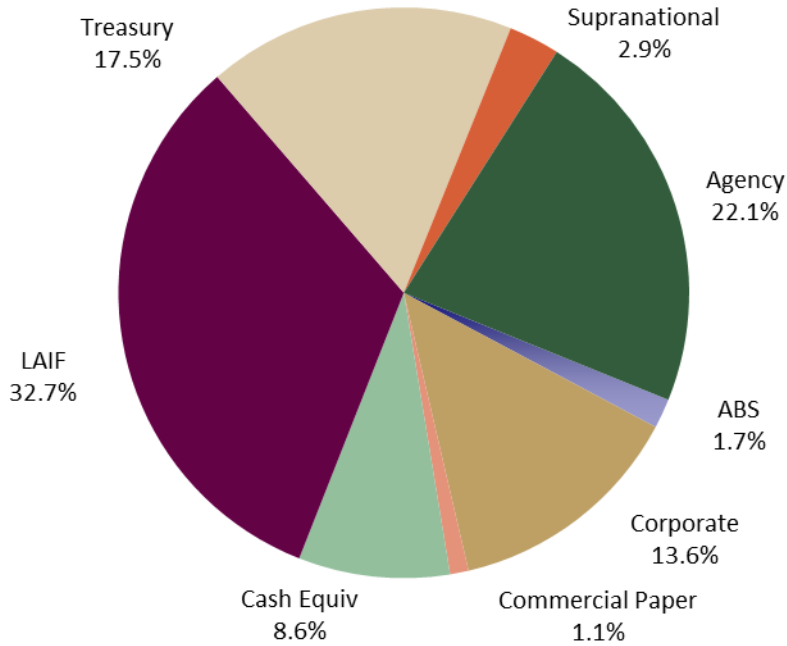
	6/30/2020	12/31/2019
LAIF - City Pool #98-01-809	\$62,131,300	\$37,263,671
LAIF - Successor Agency	27,967	27,668
Passbook/Checking Accounts	15,803,375	10,445,100
<b>Total LAIF and Bank Accounts</b>	<b>\$77,962,641</b>	<b>\$47,736,439</b>
Investment Portfolio Market Value	\$112,224,262	\$109,222,318
<b>Total Market Value</b>	<b>\$190,186,903</b>	<b>\$156,958,757</b>
LAIF Quarterly Apportionment Rate	1.47%	2.29%
2 year US Treasury Yield to Maturity	1.38%	1.89%
5 year US Treasury Yield to Maturity	1.89%	2.20%
<b>Investment Portfolio:</b>		
Average Maturity (yrs)	1.91	1.87
Modified Duration	1.80	1.67
Average Book Yield	2.03%	2.39%
Average Yield to Maturity at Market	0.31%	1.73%
Average Quality S&P/Moody	AA/Aa1	AA/Aa1

## Portfolio Activity

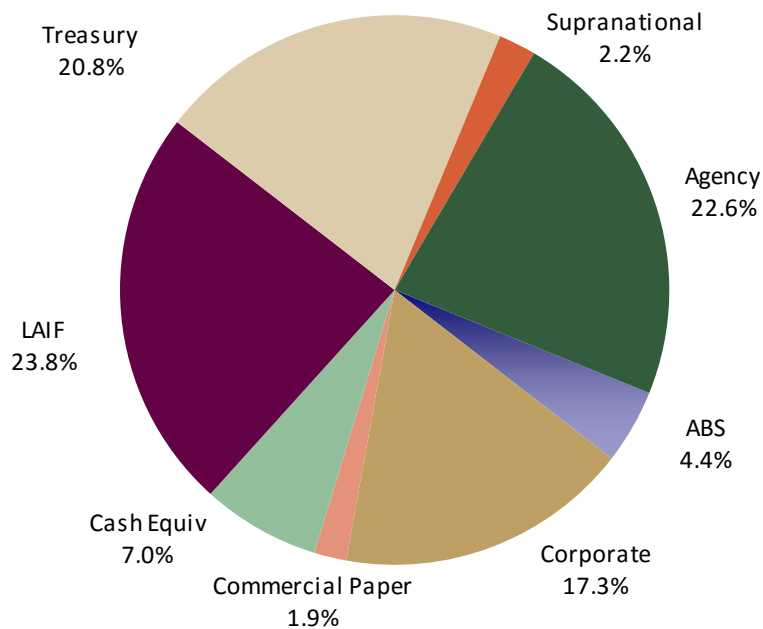
There was \$24.5 million invested in a diversified mix of agency, commercial paper, corporate notes and Treasury securities over the course of the first half of 2020, with the goal of maintaining the maturity and duration profile of the City's investment portfolio consistent with internal targets. Numerous maturities totaling \$18.9 million and paydowns from ABS funded the new purchases. The maturities of the purchases ranged from April 2020 to May 2025.



## Sector Distribution June 30, 2020

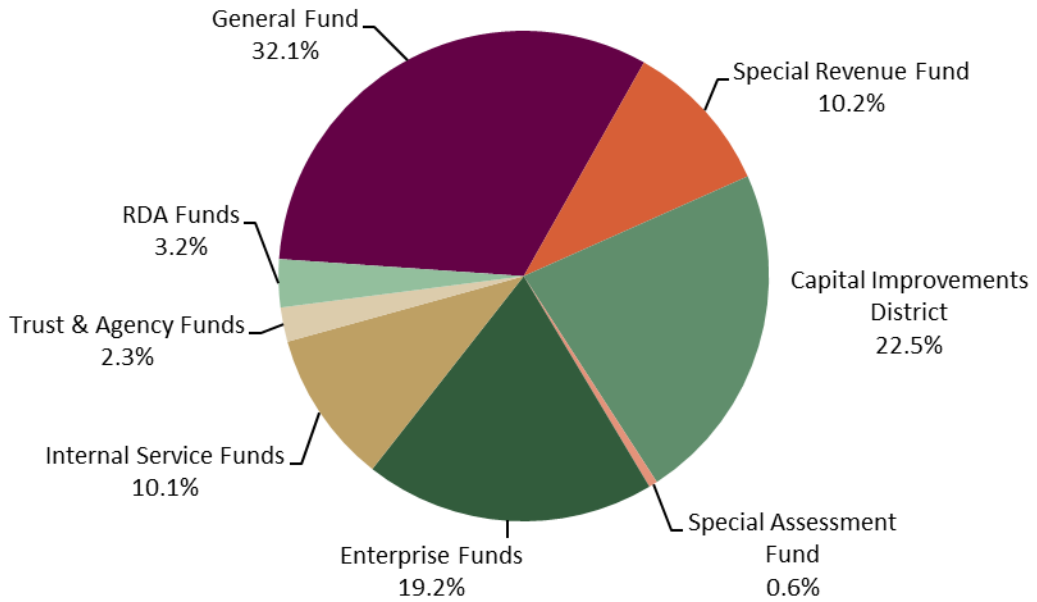


## December 31, 2019





## City Fund Allocation June 30, 2020



## December 31, 2019

