



City of San Leandro

City Council Investment Report

Quarter Ending
September 30, 2015



City of San Leandro
September 30, 2015

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Agency Issues	No limitations	Complies
Banker's Acceptances	"A" or higher by one NRSRO; 40% maximum; 30% per issuer; 180-day max maturity	Complies
Commercial Paper	A-1/P-1-rated; 25% maximum; 10% per issuer; 270-day max maturity	Complies
Negotiable Certificates of Deposit (including CDARS)	30% maximum; FDIC Insured or Collateralized 110%	Complies
Medium Term Notes	"A" or higher by one NRSRO; 30% maximum	Complied at time of Purchase*
Money Market Funds	AAA/Aaa rated or SEC registered adviser, assets greater than \$500MM; 20% maximum	Complies
Repurchase Agreements (excluded-not used by IA)	20% maximum; 360-day max. maturity	Complies
Reverse Repurchase Agreements (excluded- not used by IA)	20% maximum; 92-day max. maturity	Complies
LAIF	Currently not used by adviser	Complies
Maximum Maturity	5 years	Complies

*Complied at time of purchase; Ebay was downgraded to BBB+ by S&P (Stable) and BBB by Fitch 7/20/15; Portfolio holds Ebay Inc Note 1.625% Due 10/15/2015 rated Baa1/BBB+/BBB

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

	9/30/2015	6/30/2015
LAIF - City Pool #98-01-809	\$37,581,096	\$48,246,854
LAIF - Successor Agency	2,619,502	2,617,652
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	5,121,766	5,186,782
Total LAIF and Bank Accounts	\$45,322,367	\$56,051,290
Investment Portfolio Market Value	\$39,314,136	\$39,180,366
Total Market Value	\$84,636,503	\$95,231,656

LAIF Quarterly Apportionment Rate	0.32%	0.28%
2 year US Treasury Yield to Maturity	0.64%	0.64%
5 year US Treasury Yield to Maturity	1.37%	1.63%

Investment Portfolio:

Average Maturity (yrs)	1.72	1.72
Modified Duration	1.69	1.69
Average Book Yield	0.97%	0.97%
Average Yield to Maturity at Market	0.75%	0.75%
Average Quality S&P/Moody	AA/Aa1	AA/Aa1

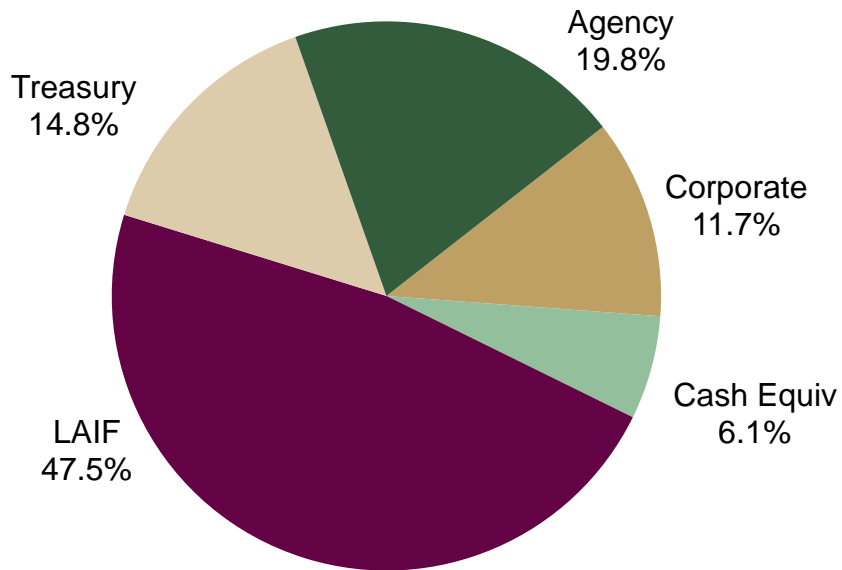
Portfolio Activity

During the third quarter of 2015 activity in the portfolio managed by Chandler Asset Management was influenced by 2.475 million in maturing securities. Four securities were purchased during the quarter, two Treasury notes and two Agency notes. The purchased securities had an aggregate par amount of 2.775 million and ranged in maturity from June 2018 to March 2020. The current duration of the portfolio is 1.69, close to the City's 1-3 Year Treasury and Agency benchmark.

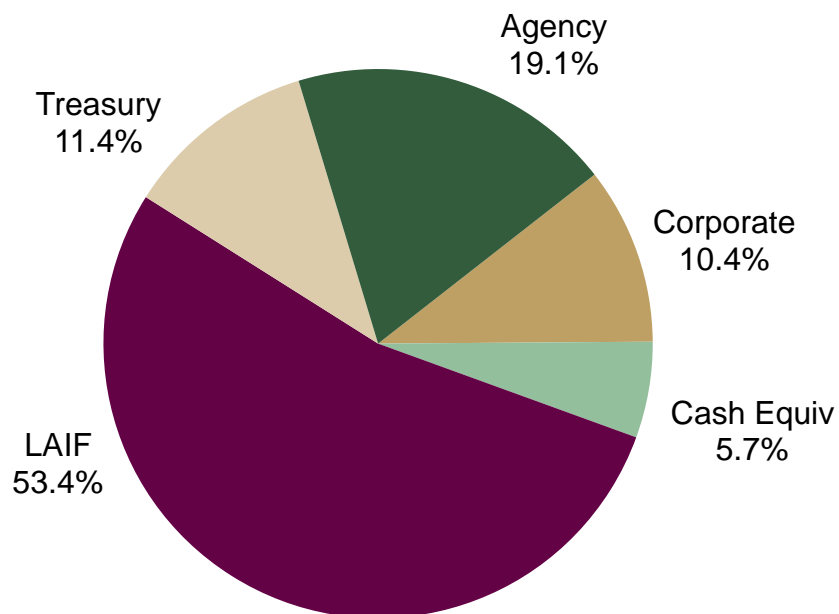


Sector Distribution

September 30, 2015



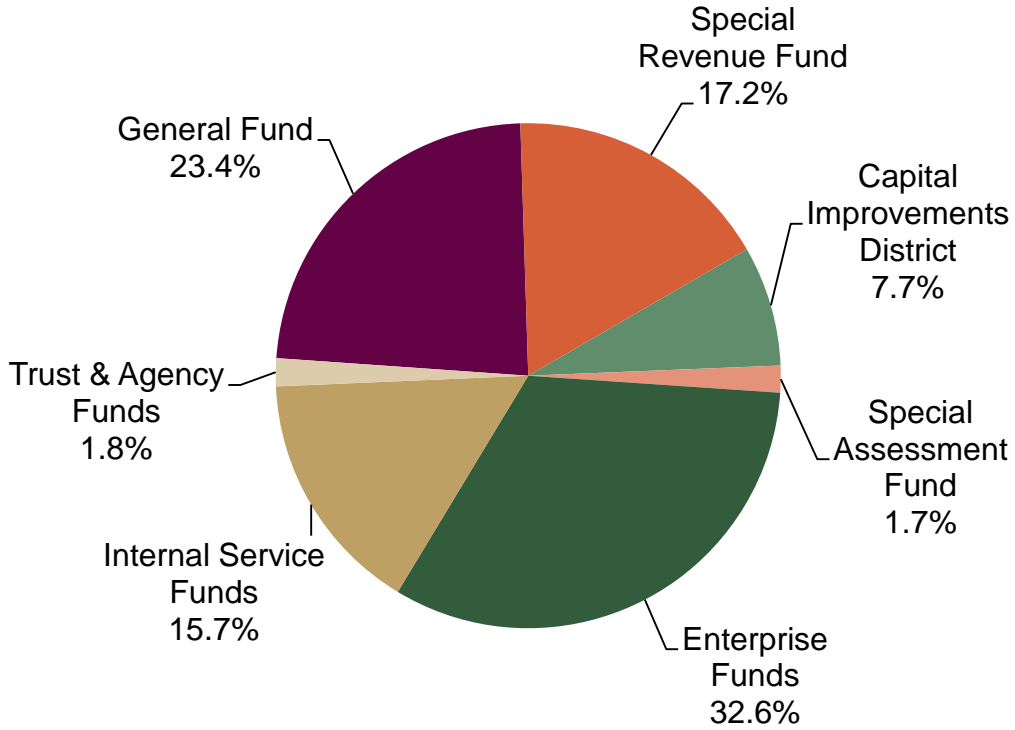
June 30, 2015



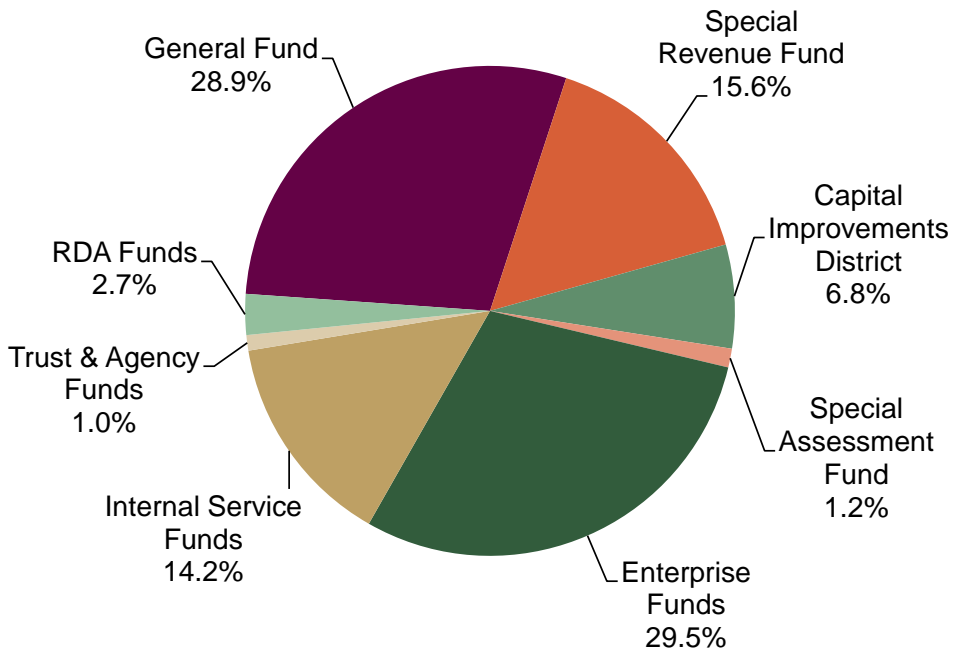


City Fund Allocation

September 30, 2015



June 30, 2015





**City of San Leandro
Investments by All Types
Active Investments
September 30, 2015**

CUSIP	Issuer	Coupon	Maturity Date	Par	Purchase Price	Book Value	Purchase Yield	MVACC	
LAIF									
SYS113	LAIF - City Pool			\$37,581,096.23	100.00000	\$37,581,096.23		\$37,581,096.23	
SYS114	LAIF - Successor Agency			2,619,502.21	100.00000	\$2,619,502.21		\$2,619,502.21	
	LAIF - Economic Development Agency			2.34		\$2.34		\$2.34	
			subtotal	\$40,200,600.78		\$40,200,600.78		\$40,200,600.78	
Passbook/Checking Accounts									
	Public Funds Checking			5,121,765.93	100.00000	5,121,765.93		5,121,765.93	
			subtotal	\$ 5,121,765.93		\$ 5,121,765.93		\$ 5,121,765.93	
Government Issues									
60934N104	GOVT OBLIG MMF Federated	0.010	30-Sep-15	45,093.78	100.00000	45,093.78	0.01	45,093.78	
278642AB9	Note Ebay Inc	1.625	15-Oct-15	440,000.00	100.04014	440,176.62	0.57	443,441.26	
31398A4M1	Note FNMA	1.625	26-Oct-15	950,000.00	100.05936	950,563.95	0.74	957,594.80	
912828PE4	Note US Treasury	1.250	31-Oct-15	800,000.00	100.06840	800,547.16	0.41	804,809.58	
36962G4T8	Note General Electric Capital Corp	2.250	09-Nov-15	500,000.00	100.12253	500,612.64	1.09	505,356.50	
459200GU9	Note IBM Corp	2.000	05-Jan-16	440,000.00	100.35050	441,542.22	0.65	443,918.10	
3134A4ZT4	Note FHLMC	4.750	19-Jan-16	550,000.00	101.21554	556,685.48	0.65	562,734.15	
912828UM0	Note US Treasury	0.375	15-Feb-16	775,000.00	100.01231	775,095.44	0.34	776,168.66	
3133EAJU3	Note FFCB	1.050	28-Mar-16	835,000.00	100.29116	837,431.17	0.45	838,525.79	
3135GOBA0	Note FNMA	2.375	11-Apr-16	865,000.00	100.66597	870,760.66	1.08	884,348.57	
037833AH3	Note Apple Inc	0.450	03-May-16	500,000.00	99.89230	499,461.49	0.63	501,061.00	
3137EACT4	Note FHLMC	2.500	27-May-16	250,000.00	101.34675	253,366.87	0.43	255,699.53	
912828QP8	Note US Treasury	1.750	31-May-16	760,000.00	100.88101	766,695.66	0.41	772,059.79	
313373SZ6	Note FHLMC	2.125	10-Jun-16	850,000.00	100.66504	855,652.85	1.14	865,605.22	
742718DV8	Note Procter & Gamble Co	1.450	15-Aug-16	400,000.00	100.64128	402,565.10	0.71	404,199.91	
3137EACW7	Note FHLMC	2.000	25-Aug-16	740,000.00	101.27426	749,429.53	0.57	752,037.58	
912828RF9	Note US Treasury	1.000	31-Aug-16	775,000.00	100.44496	778,448.43	0.51	779,989.18	
02665WAB7	Note American Honda Finance	1.125	07-Oct-16	475,000.00	100.34752	476,650.70	0.78	479,180.24	
3135GOES8	Note FNMA	1.375	15-Nov-16	650,000.00	100.44059	652,863.85	0.97	659,651.49	
912828RU6	Note US Treasury	0.875	30-Nov-16	775,000.00	99.97061	774,772.19	0.90	781,204.32	
084670BD9	Note Berkshire Hathaway	1.900	31-Jan-17	525,000.00	100.37745	526,981.61	1.61	533,727.84	
912828SC5	Note US Treasury	0.875	31-Jan-17	800,000.00	100.26763	802,141.07	0.67	805,324.95	
674599CB9	Note Occidental Petroleum	1.750	15-Feb-17	400,000.00	101.17667	404,706.69	0.88	404,365.24	
17275RAT9	Note Cisco Systems	1.100	03-Mar-17	500,000.00	100.17187	500,859.37	0.98	502,073.78	
3137EADC0	Note FHLMC	1.000	08-Mar-17	800,000.00	100.36832	802,946.55	0.74	805,595.11	
3133782N0	Note FHLMC	0.875	10-Mar-17	325,000.00	100.13198	325,428.92	0.78	326,054.12	
3135GOZB2	Note FNMA	0.750	20-Apr-17	1,000,000.00	99.91171	999,117.05	0.81	1,004,653.17	
91159HHD5	Callable Note Cont 4/15/2017 US Bancorp	1.650	15-May-17	500,000.00	100.25108	501,255.39	1.48	507,590.17	
912828SY7	Note US Treasury	0.625	31-May-17	775,000.00	99.64142	772,220.98	0.84	777,202.87	
913017BU2	Note United Tech Corp	1.800	01-Jun-17	500,000.00	101.17377	505,868.83	1.08	509,006.00	
313379DD8	Note FHLMC	1.000	21-Jun-17	800,000.00	99.67708	797,416.65	1.19	807,603.02	
3137EADJ5	Note FHLMC	1.000	28-Jul-17	800,000.00	100.11601	800,928.10	0.94	806,811.20	
48126EAA5	Note JP Morgan	2.000	15-Aug-17	475,000.00	100.71471	478,394.85	1.61	480,237.14	
912828TM2	Note US Treasury	0.625	31-Aug-17	825,000.00	99.41410	820,166.29	0.94	825,406.96	
3133EDVU3	Note FFCB	1.125	22-Sep-17	750,000.00	99.83465	748,759.89	1.21	754,553.44	
3133EDXA5	Note FFCB	1.150	10-Oct-17	775,000.00	100.25227	776,955.11	1.02	785,295.49	
68389XAN5	Note Oracle Corp	1.200	15-Oct-17	400,000.00	99.93263	399,730.53	1.23	402,886.53	
74005PBC7	Note Praxair	1.050	07-Nov-17	450,000.00	98.66694	444,001.24	1.71	450,918.45	
912828UA6	Note US Treasury	0.625	30-Nov-17	1,020,000.00	99.43832	1,014,270.91	0.89	1,020,282.96	
166764AA8	Callable Note Cont 11/5/17 Chevron Corp.	1.104	05-Dec-17	650,000.00	99.07651	643,997.34	1.54	649,707.07	
40428HPH9	Note HSBC USA Inc	1.625	16-Jan-18	500,000.00	100.04841	500,242.04	1.60	500,272.71	
24422EST7	Note John Deere Capital Corp	1.350	16-Jan-18	500,000.00	100.11431	500,571.54	1.30	501,319.25	
94974BFG0	Note Wells Fargo Corp	1.500	16-Jan-18	700,000.00	100.27012	701,890.82	1.38	701,523.20	
912828UJ7	Note US Treasury	0.875	31-Jan-18	1,175,000.00	99.41844	1,168,166.66	1.13	1,179,852.97	
3135GOTG8	Note FNMA	0.875	08-Feb-18	800,000.00	98.86585	790,926.78	1.37	802,252.96	
912828H94	Note US Treasury	1.000	15-Feb-18	1,000,000.00	99.95998	999,599.75	1.02	1,006,642.17	
3137EADP1	Note FHLMC	0.875	07-Mar-18	965,000.00	99.32343	958,471.09	1.16	966,381.24	
313378A43	Note FHLMC	1.375	09-Mar-18	800,000.00	100.24935	801,994.76	1.27	809,343.42	
808513AK1	Callable Note Cont 2/10/2018 Charles Schwab Corp	1.500	10-Mar-18	500,000.00	100.09262	500,463.12	1.46	500,917.00	
912828J68	Note US Treasury	1.000	15-Mar-18	500,000.00	99.90110	499,505.49	1.04	502,817.28	
912828K25	Note US Treasury	0.750	15-Apr-18	800,000.00	99.80096	798,407.67	0.83	801,457.69	
3135GOWJ8	Note FNMA	0.875	21-May-18	1,050,000.00	99.11398	1,040,696.77	1.22	1,052,686.66	
313379DT3	Note FHLMC	1.250	08-Jun-18	650,000.00	100.35255	652,291.55	1.12	656,729.85	
3135GOE33	Note FNMA	1.125	20-Jul-18	400,000.00	100.10748	400,429.90	1.09	402,804.30	
06406HCL1	Callable Note Cont 7/2/2018 Bank of New York	2.100	01-Aug-18	500,000.00	100.71113	503,555.66	1.83	507,446.00	
912828L40	Note US Treasury	1.000	15-Sep-18	1,300,000.00	100.08191	1,301,064.84	0.97	1,303,551.03	
3135GOZE6	Note FNMA	1.750	20-Jun-19	1,000,000.00	101.36975	1,013,697.45	1.37	1,024,525.72	
912828UV0		0	1.125	31-Mar-20	425,000.00	98.18810	417,299.43	1.54	421,637.29
			subtotal	\$ 37,575,000.00		\$ 39,043,838.48		\$ 39,314,135.70	
			Total	\$ 82,897,366.71		\$ 84,366,205.19		\$ 84,636,502.41	