



City of San Diego

Pooled Investment Fund Quarterly Review

Quarter ended

9/30/15

Publication Date: 10/30/15

Office of the City Treasurer—Investments Division

Economic Commentary

Quarterly Economic Highlights

- The U.S. unemployment rate ended the quarter at 5.1%
- The U.S. stock market, as measured by the S&P 500, fell by 6.94% during the quarter
- Crude Oil futures fell by 25.40% to end at \$45.09/barrel
- The U.S. dollar increased by 0.91% versus a basket of trade-weighted currencies

The Federal Open Market Committee (FOMC) was the big story during the past quarter. There was much anticipation leading up to the September 17 meeting as many market participants and economists expected the first rate hike in nine years, but it wasn't to be. The Committee decided to keep rates unchanged for at least a little bit longer due to concerns about international developments (see Hot Topic, page 2).

In the Summary of Economic Projections that accompanied the September statement, the FOMC cut its estimates for year-end 2015, 2016 and 2017 Fed Funds rates by 25 basis points each. Additionally, it lowered its estimate for the median longer run Fed Funds rate by 25 basis points to 3.50%. Astonishingly, one participant actually saw a negative Fed Funds rate at the end of 2015 and 2016.

One of the large concerns is the slowdown in China, which has seen its stock market plunge over the last few quarters. Economic data from China has shown a slowing economy, which not only affects them, but also its large trading partners in the region and the rest of the world.

This has led to much volatility in financial markets, including the first correction (10% drop) in the S&P 500 U.S. equity index in several years. Commodities were also very weak during the quarter due to a strengthening in the U.S. dollar and global slowdown fears. (Chart 1).

Recent economic figures have shown some degree of slowdown in the U.S. Average non-farm payrolls decreased from a monthly pace of just over 230,000 new jobs per month in the second quarter to 167,000 last quarter. The unemployment rate did drop to a cycle low of 5.1% during the

quarter, but that was largely in part to the labor force participation rate dropping to 62.4%, the lowest rate since 1977. Other figures, such as Retail Sales, ISM Manufacturing, and PPI have all come in below expectations recently.

One thing to watch in the coming quarter is the debt ceiling, which is expected to become binding during the first week of November. To be clear, the issue is not one of the U.S. Treasury running out of cash. That happened about \$20 trillion ago. The issue, again, is the inability of the U.S. Treasury to borrow enough money to pay for principal and interest on Treasury securities, Social Security payments and Federal payroll, among other things. If Congress fails to act to increase or suspend the limit, it is very possible the United States could default on its debt, which would certainly create additional global financial turmoil.

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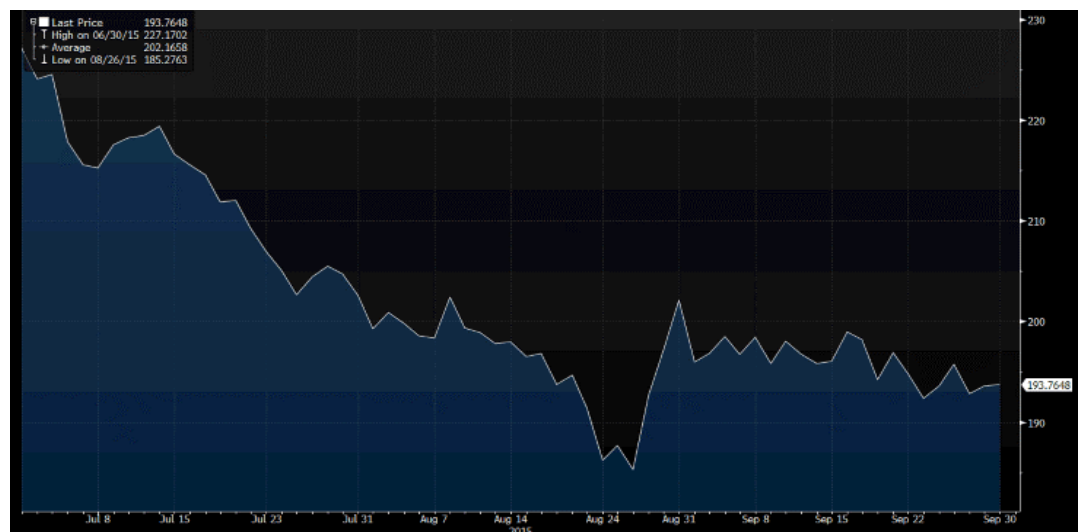


Chart 1: Thomson Reuters/CoreCommodity CRB Index (June 2015–September 2015) (Source: Bloomberg)

Hot Topic Corner— The FOMC: How Many Mandates?

The Federal Open Market Committee (FOMC) surprised some economists and market participants by not beginning the rate normalization process at their September 17 meeting. As surprising was the dovish tone taken by Chair Yellen during the post-meeting press conference and the minutes of the meeting released a few weeks later.

As it turns out, the call not to raise rates may have been justified based upon subsequent economic releases including non-farm payrolls. However, unless they had inside information, the FOMC did not know that would be the case when they decided upon inaction in September.

The FOMC has two official mandates to consider when determining monetary policy:

maximum employment and price stability.

Recently, the unemployment rate dropped to 5.1%, a new low for the economic expansion and pretty close to what the FOMC typically considers full employment. Additionally, even though the inflation rate has been below the Fed's target rate of two percent, the FOMC has stated on numerous occasions that they are confident they would get to their target in the medium term.

So even with these two official mandates either being met or likely to be met, the FOMC still did not raise rates. In fact, concerning the unemployment rate, they actually moved the goalposts during the last meeting, dropping their estimate of maximum employment from 5.1% to 4.9%.

This begs the question, how many other mandates does the FOMC really have in determining monetary policy, both official and unofficial?

In the policy statement and meeting minutes, there were several mentions of concern with developments abroad and global market stability. So are these factors now to be considered when trying to figure out the path of rates? In other words, is global stability now a FOMC mandate?

There have been times in the past where declining stock markets have altered FOMC monetary policy. In fact, throughout much of Alan Greenspan's tenure as Fed Chair, there was considered to be a "Greenspan put" in the markets, meaning that if the U.S. stock market were to drop dramatically, the Fed would lower interest rates, or raise rates more slowly, in order to soften the blow.

In fact, much of recent monetary policy is seemingly crafted to keep the stock market increasing in value. This again leads to the question, is an forever-increasing stock market now a FOMC mandate?

If so, this is great for institutions and individuals who hold equities, but it is a pretty lousy bargain for retirees and others living on a fixed income who depend on earning a decent return on safe assets to make ends meet.

It's actually quite hilarious to think that interest rates have remained at zero percent for almost seven years now despite having been in an expanding economy for almost six years. And given that this is already a historically long economic expansion, and with a slowdown looming, it remains to be seen whether we'll ever get off of zero percent.

Tom Williams, Investment Officer

Key Economic Indicators

<i>Indicator</i>	<i>Period</i>	<i>Report Current</i>	<i>As Reported Last Quarter</i>	<i>Difference</i>
Federal Funds Rate	9/17/2015	0-0.25%	0-0.25%	0%
Consumer Price Index (MoM)	SEP	(0.2%)	0.3%	(0.5%)
Consumer Price Index (YoY)	SEP	0.0%	0.1%	(0.1%)
Producer Price Index (MoM)	SEP	(0.5%)	0.4%	(0.9%)
Producer Price Index (YoY)	SEP	(1.1%)	(0.7%)	(0.4%)
Durable Goods Orders	SEP	(1.2%)	3.4%	(4.6%)
ISM (Manufacturing)	SEP	50.2	53.5	(2.3)
ISM (Non-manufacturing)	SEP	56.9	56.0	0.9
Retail Sales	SEP	0.1%	(0.3%)	0.4%
Unemployment Rate	SEP	5.1%	5.3%	(0.2%)
Change in Non-farm Payrolls	SEP	142,000	223,000	(81,000)
Consumer Confidence (Univ. of Michigan)	OCT (P)	92.1	93.3	(1.2)
Existing Home Sales	SEP	5.55(mil)	5.49(mil)	0.06(mil)
New Home Sales	SEP	0.468(mil)	0.482(mil)	(0.014)(mil)
Housing Starts	SEP	1.206(mil)	1.174(mil)	0.032(mil)
Median Home Price (existing) [EHSLMP]	SEP	(\$223,500)	\$237,700	(\$14,200)
NYMEX WTI CRUDE OIL (barrel)	9/30/15	\$45.09	\$59.47	(\$14.38)
S&P 500 Stock Index	9/30/15	1,920.03	2,063.11	(143.08)

Portfolio Performance

The Core Portfolio outperformed its benchmark, the Bank of America Merrill Lynch 1-3 year Treasury Index, returning 0.317% versus index performance of 0.31% during the quarter.

Chart 2 shows a yield curve that bull flattened during the quarter, as longer maturity securities declined in yield more than shorter maturity securities.

As we were short duration versus the index while rates decreased, “Effective Duration Effect” subtracted 3.7 basis points of performance versus the index.

However, “Non-parallel Duration Effect” added 6.3 basis points of performance versus the index. This was due to a slight overweight in the 5-year part of the curve, which declined in yield much more than shorter maturities, and is also not represented in our benchmark

index. A short position in the 1-year part of the curve also helped as this was the only part of the yield curve to rise in yield during the quarter.

“Convexity Effect” subtracted 0.8 basis point of performance during the quarter. The underperformance was a result of our holdings of callable securities, which typically underperform during large rate moves in either direction.

“Sector/Quality Effect” subtracted 0.6 basis points from performance, as agency, corporate, and asset-backed securities underperformed Treasuries in a flight-to-quality move during the quarter.

“Selection Effect” subtracted 1.3 basis points of performance versus the index, as our securities as a whole underperformed their theoretical, predicted price returns.

“Roll Effect” subtracted 0.4 basis points of performance versus the index due to the fact that we were underweight the 2- and 3-year parts of the curve. This part of the curve was fairly

steep, causing index securities to benefit by this effect more than portfolio securities. The yield increase in the 1-year part of the curve did help to mitigate this effect, however.

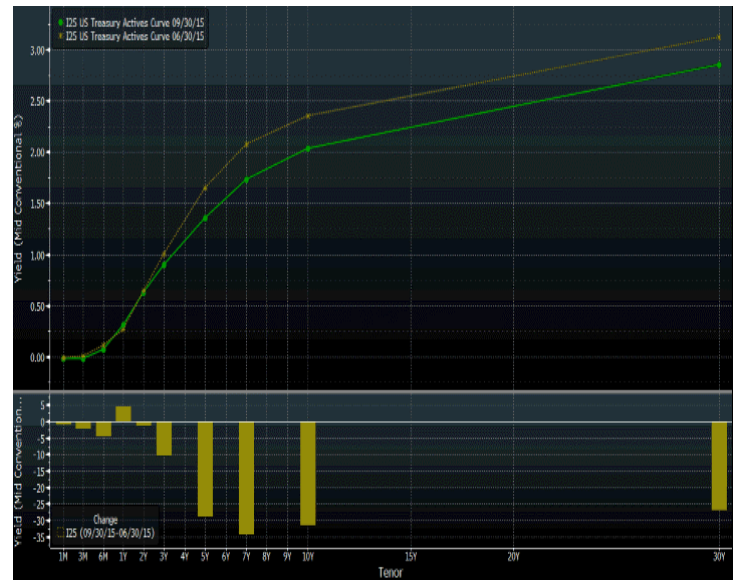


Chart 2: U.S. Treasury Yield Curve 6/30/15-9/30/15 (Source: Bloomberg)

Returns

The City’s Total Pooled Investment Fund is split into two portfolios. A Liquidity portfolio, which is short-term in nature and managed on an Earned Income Yield basis, and a Core portfolio, which is longer in maturity (0-5 years) and managed on a total-return basis versus an index (Bank of America Merrill Lynch (BAML) 1-3 Year Treasury Index).

Earned Income Yield*

	Q3 2015	Q2 2015	Q1 2015	FYTD 2016	1 Year	3 Year
Total Pooled Investment Fund	0.69%	0.59%	0.53%	0.69%	0.60%	0.52%
Core Portfolio	0.88%	0.83%	0.73%	0.88%	0.80%	0.65%
Liquidity Portfolio	0.27%	0.23%	0.21%	0.27%	0.23%	0.29%

Total Return—Core Portfolio

	Q3 2015	Q2 2015	Q1 2015	FYTD 2016	1 Year	3 Year*
Core Portfolio	0.32%	0.14%	0.46%	0.32%	1.10%	0.65%
BAML 1 - 3 Year Treasury Index	0.31%	0.15%	0.51%	0.31%	1.16%	0.67%
Difference	0.01%	(0.02%)	(0.05%)	0.01%	(0.06%)	(0.02%)

*Annualized Returns

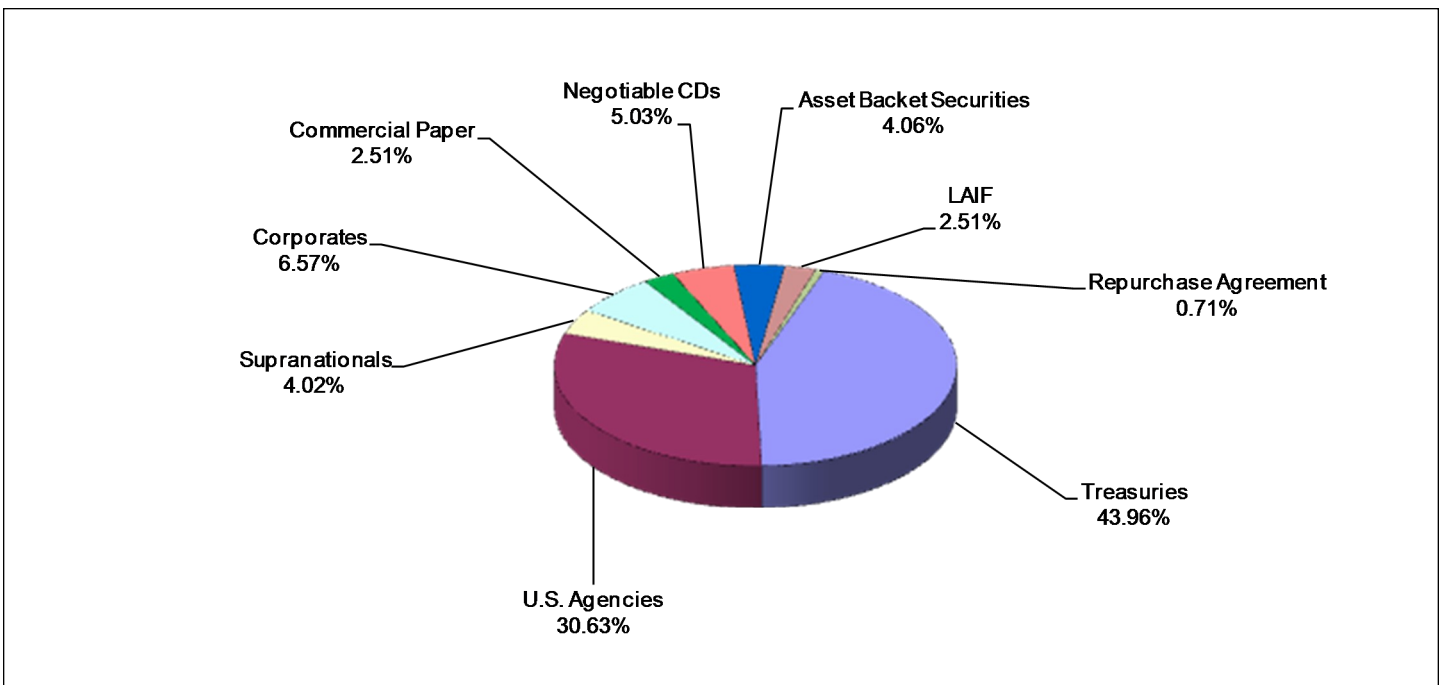
Portfolio Profile

as of September 30, 2015

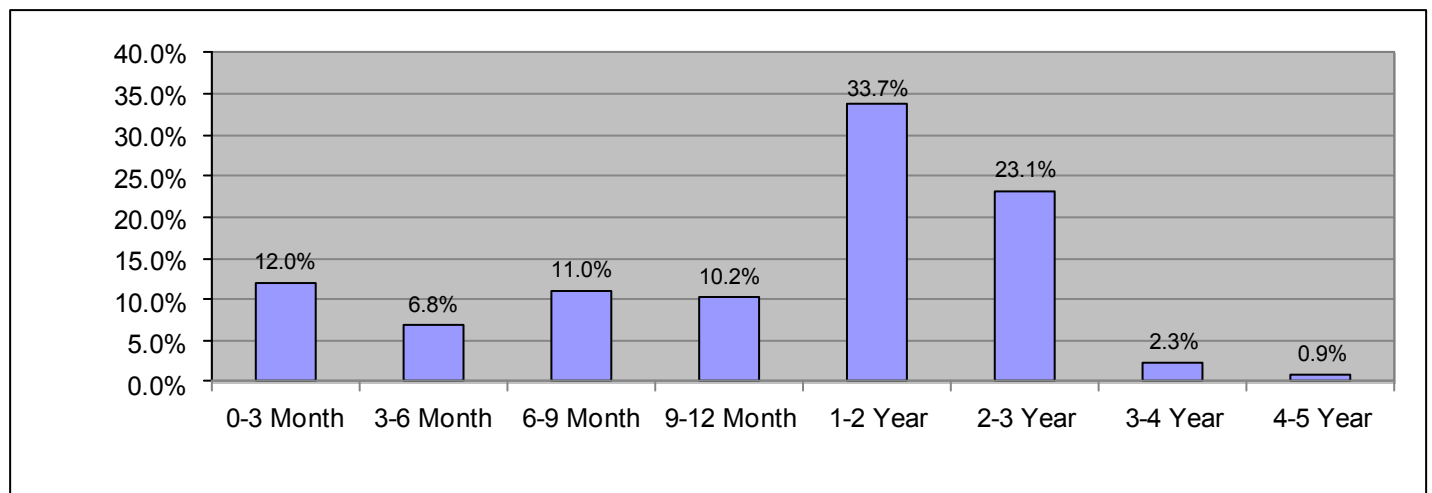
	<i>Liquidity</i>	<i>Core</i>
Portfolio Size*	\$619,736,222	\$1,369,834,763
% of total pool	31.15%	68.85%
Portfolio Duration**	0.37	1.606
Index Duration**	0.35	1.867
% of index	107.07%	86.02%
Weighted Average Days to Maturity	145.77	680.84

* Book Value ** Macaulay's Duration for the Liquidity Portfolio and Effective Duration for the Core Portfolio
 Note: Portfolio durations do not include the effect of trades settling over month end.

Asset Allocation



Pool Maturity Distribution



Credit Profile

as of September 30, 2015

Credit Ratings

Ratings Buckets	% of Portfolio
U.S. Treasury (AAA)	43.96%
Agencies (AAA)	30.63%
AAA/A1	15.87%
AA	1.85%
A	4.47%
Below A	0.00%

- All Commercial Paper is rated A1 or A1+ and is included in the AAA/A1 bucket
- All Negotiable Certificates of Deposit are rated A1 or A1+ and are included in the AAA/A1 bucket
- Repurchase agreements are not included, though they are collateralized at 102% by AAA-rated collateral
- LAIF and money market funds are not included
- Municipal securities not included in above chart as they are rated on a municipal rating scale

Top Issuer Exposures

Issuer	% of Portfolio
U.S. Treasury	43.96%
Federal Home Loan Bank System	13.31%
Fannie Mae	10.29%
Freddie Mac	4.52%
Int'l Bank for Reconstruction & Develop	2.76%
Federal Farm Credit Bank	2.51%
Wells Fargo Bank NA	1.76%
General Electric Capital Corp.	1.51%
Swedbank NY	1.26%
Skandinaviska Enskilda Banken NY	1.26%
Toronto-Dominion Bank NY	1.26%
Inter-American Development Bank	1.26%
Toyota Motor Credit Corp.	1.25%
Chase Issuance Trust	1.18%
Honda Auto Receivables Owners Trust	1.02%
Toyota Auto Receivables Owners Trust	0.79%

Pooled Investment Fund Corporate Issuers

Issuer	Moody's	S&P	Egan-Jones	5yr CDS level	Q/Q % change	Equity Price	Q/Q % change	Longest maturity
Apple Inc.	Aa1	AA+	AA	29.63	48.15%	\$110.30	-12.06%	946 days
Berkshire Hathaway Inc.	Aa2	AA (-)	AA+	65.69	-7.30%	\$195,240.00	-4.69%	835 days
Cisco Systems Inc.	A1	AA-	AA	37.23	22.45%	\$26.25	-4.41%	1,248 days
Deere & Co.	A2	A	BBB+	64.95	71.09%	\$74.00	-23.75%	114 days
General Electric Co.	A1	AA+ (-)	AA+	49.87	-15.44%	\$25.22	-5.08%	106 days
Home Depot Inc.	A2	A	A+	N/A	N/A	\$115.49	3.92%	716 days
IBM Corp.	Aa3	AA-	AA-	49.82	3.46%	\$144.97	-10.88%	862 days
JP Morgan Chase	A3	A (-)	A+	88.77	21.78%	\$60.97	-10.02%	149 days
Johnson & Johnson	Aaa	AAA	AA+	18.51	-4.45%	\$93.35	-4.22%	783 days
Merck & Co. Inc.	A2	AA	A	14.50	26.09%	\$49.39	-13.24%	961 days
Oracle Corp.	A1	AA-	AA-	28.50	-13.61%	\$36.12	-10.37%	746 days
PepsiCo Inc.	A1	A	A	41.50	10.67%	\$93.34	-2.38%	656 days
Skandinaviska Enskilda Banken NY	P-1	A-1	N/A	69.09	23.37%	\$10.66	-16.62%	275 days
Swedbank NY	P-1	A-1	N/A	73.32	17.30%	\$22.05	-5.36%	49 days
Texas Instruments Inc.	A1	A+	AA-	39.48	14.97%	\$49.52	-3.86%	944 days
Toronto-Dominion Bank NY	P-1	A-1+	A1+	N/A	N/A	\$39.42	-7.27%	275 days
Toyota Motor Credit Corp.	P-1	A-1+	A1+	79.44	9.25%	\$117.28	-12.31%	37 days
US Bancorp	A1	A+	A+	63.96	-6.48%	\$41.01	-5.51%	488 days
Wal-Mart Stores Inc.	Aa2	AA	AA-	32.50	63.89%	\$64.84	-8.59%	924 days
Walt Disney Co.	A2	A	AA-	26.18	34.85%	\$102.20	-10.46%	1,083 days
Wells Fargo & Co.	A2	A+ (-)	A+	64.32	18.61%	\$51.35	-8.69%	246 days
S&P 500 Index						1920.03	-6.94%	
CDX IG24 Index				89.08	27.40%			

CDS level: the 5-year Credit Default Swap of the underlying parent company as of quarter end.

Equity Price: stock price of the underlying parent company (if applicable) as of quarter end.

(+) or (-) after rating indicates a credit rating that is under review for upgrade or downgrade

Portfolio Strategy

At the September Federal Open Market Committee (FOMC) meeting, the Committee left rates unchanged, which was somewhat of a surprise to some economists and market participants, who had expected a token 25 basis point hike. In the Summary of Economic Projections that accompanied September's statement, the median expected Fed Funds rates at the end of 2015, 2016 and 2017 were all lowered by 25 basis points, though the year-end forecasted Fed Funds rate still implied one rate hike before the end of the year.

The recently released minutes of September's FOMC meeting confirmed the dovish bias of the Committee during that meeting. Several members expressed continued concern about developments abroad.

That said, the market still largely expects the first rate hike to

occur by June 2016, with some forecasting a December 2015 start. At her first speaking engagement following the September meeting, FOMC Chair Yellen stated that a rate hike was still possible in 2015.

As such, we will continue to maintain a short duration position in the Core portfolio versus the index in anticipation of the interest rate increases. It is currently positioned at about 88% of index duration, and will likely remain there over the next few quarters in an effort to not only outperform the index, but more importantly to mitigate portfolio losses as rates rise.

Additionally, depending upon how the steepness of the yield curve evolves, we may look for opportunities to structure the portfolio in more of a barbell fashion, favoring short fixed and floating rate securities in the front end as well as 4-5 year

securities in the long end. This will allow the portfolio to capture the rise in rates quickly while maintaining a fair amount of yield.

Though they have increased from the cycle lows, rates for overnight investments remain very low and we will minimize overnight cash invested by managing liquidity through upcoming maturities and by investing out to future known cash outflows such as payroll and debt service payment dates.

Spreads on corporate and asset-backed bonds increased versus treasuries over the past quarter due to heavy supply in corporates and a general flight-to-quality trade stemming from developments abroad. As a result, we will use this spread-widening as an opportunity to look for potentially attractive

corporate bonds in the new issue and secondary markets, and buy additional asset-backed securities in the new issue market.

One major development during the quarter was the announcement by General Electric that they will divest themselves of most financial assets and dramatically shrink their GE Capital arm. This is important for us as we have traditionally used their commercial paper window as a good source of short-term investments. As their issuance window shrinks, we will look elsewhere to invest some of the cash that would normally have gone into GE Capital paper. These monies will likely go into Agency discount notes, Certificates of Deposit, and other commercial paper programs.

Projected Portfolio Cash Flows*

The Investment staff have reviewed and the City Treasurer has affirmed that the Pooled Investment Fund has sufficient maturities and liquidity to meet the City's expenditure requirements for the next six months per California Government Code §53646.

MONTH	CASH INFLOWS	CASH OUTFLOWS	NET MONTHLY CASH-FLOWS	CUMULATIVE NET CASHFLOWS
October	222	199	23	23
November	257	233	24	47
December	372	200	172	219
January	256	206	50	269
February	236	217	19	288
March	243	175	68	356

(All dollar amounts in millions)

Legend:

Cash Inflows- All revenues, reimbursements, interest receipts and investment maturities.

Cash Outflows- All disbursements to include payroll, pension payroll, accounts payable and wire transfer payments (e.g. water payments, IRS taxes and bond payments).

Cumulative Net Cashflow- All future cumulative net flows available for reinvestment. Since the target duration of the Liquidity Portfolio is approximately .33 years, it will not be unusual for the cumulative net Cashflow figure to equal or closely approximate the size of the Liquidity Portfolio.

* Cashflows based on Actual Cashflows where applicable, otherwise, based on quarterly updated projection Cashflows.

Portfolio Compliance with Investment Policy

The City of San Diego Pooled Investment Fund is in full compliance with the City Treasurer's Investment Policy, which is more restrictive than the current California Government Code. The Investment Policy is reviewed annually by the City's Investment Advisory Committee and accepted by the City Council.

Category	Standard	Comment
Duration (Core)	BAML 1-3 Year +/-20%	Complies - 86.02%
Duration (Liquidity)	BAML US T-bill 3-6 months +/-40%	Complies - 107.07%
Maximum Maturity	5 years	Complies
Supranationals	30% maximum	Complies - 4.02%
FNMA	33.3% maximum	Complies - 10.29%
FHLMC	33.3% maximum	Complies - 4.52%
FHLB	33.3% maximum	Complies - 13.31%
FFCB	33.3% maximum	Complies - 2.51%
Callable Securities	30% maximum	Complies - 6.78%
MBS/CMO's	5 yr maximum- 20% max.	Complies - None in Portfolio
Asset-backed	5 yr maximum- 20% max.	Complies - 4.06%
Commercial Paper	A1/P1- 5% per issuer	Complies
	25% maximum	Complies - 2.51%
Banker's Acceptances	A1/P1- 5% per issuer	Complies - None in Portfolio
	40% maximum	Complies - None in Portfolio
Medium Term Notes (includes Bank Notes)	'A' Rating by at least two agencies	Complies
	5 year maximum	Complies
	30% maximum	Complies - 6.57%
Mutual Funds	20% maximum; 5% maximum per fund	Complies - None in Portfolio
FDIC-insured Certificates of Deposit	2% maximum	Complies - None in Portfolio
Certificate and Public Deposits	30% maximum	Complies - 5.03%
Reverse Repos	20% maximum	Complies - None in Portfolio
Futures and Options	Prohibited	Complies - None in Portfolio
Custody	Bank trust dept.	Complies - Citigroup
Exposure per issuer (corporate)	5% of total portfolio	Complies
Structured Notes	8% maximum/no multiple index structures.	Complies - None in Portfolio
Municipal Securities	'A' Issuer Rating by an NRSRO	Complies
	20% maximum	Complies - None in Portfolio
	5% of total portfolio exposure per Issuer or Insurer, excluding California General Obligations	Complies - None in Portfolio

City of San Diego Pooled Investment Fund Holdings as of September 30, 2015

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
US Treasury Note	US Treasury	0.5	6/30/2016	\$25,000,000.00	\$25,023,437.50	\$25,043,000.00
US Treasury Note	US Treasury	0.625	8/15/2016	\$25,000,000.00	\$24,893,554.69	\$25,057,250.00
US Treasury Note	US Treasury	0.875	9/15/2016	\$25,000,000.00	\$25,178,710.94	\$25,116,500.00
US Treasury Note	US Treasury	0.5	9/30/2016	\$25,000,000.00	\$24,955,078.13	\$25,025,000.00
US Treasury Note	US Treasury	0.625	10/15/2016	\$25,000,000.00	\$25,034,179.69	\$25,057,000.00
US Treasury Note	US Treasury	0.375	10/31/2016	\$25,000,000.00	\$24,936,523.44	\$24,994,500.00
US Treasury Note	US Treasury	0.625	11/15/2016	\$25,000,000.00	\$25,056,640.63	\$25,056,250.00
US Treasury Note	US Treasury	0.5	11/30/2016	\$25,000,000.00	\$24,998,046.88	\$25,018,250.00
US Treasury Note	US Treasury	0.625	12/31/2016	\$25,000,000.00	\$24,971,679.69	\$25,049,250.00
US Treasury Note	US Treasury	0.75	1/15/2017	\$25,000,000.00	\$25,024,414.06	\$25,094,750.00
US Treasury Note	US Treasury	0.5	1/31/2017	\$25,000,000.00	\$25,007,812.50	\$25,009,750.00
US Treasury Note	US Treasury	0.625	2/15/2017	\$25,000,000.00	\$24,968,750.00	\$25,046,500.00
US Treasury Note	US Treasury	0.5	2/28/2017	\$25,000,000.00	\$24,930,664.06	\$25,000,250.00
US Treasury Note	US Treasury	0.75	3/15/2017	\$25,000,000.00	\$24,898,437.50	\$25,085,250.00
US Treasury Note	US Treasury	0.5	3/31/2017	\$25,000,000.00	\$24,968,750.00	\$24,995,750.00
US Treasury Note	US Treasury	0.875	4/15/2017	\$25,000,000.00	\$24,970,703.13	\$25,126,250.00
US Treasury Note	US Treasury	0.875	5/15/2017	\$25,000,000.00	\$25,072,265.63	\$25,126,500.00
US Treasury Note	US Treasury	0.625	5/31/2017	\$25,000,000.00	\$25,006,286.29	\$25,018,500.00
US Treasury Note	US Treasury	0.875	6/15/2017	\$25,000,000.00	\$24,981,445.31	\$25,121,500.00
US Treasury Note	US Treasury	0.625	6/30/2017	\$25,000,000.00	\$24,989,257.81	\$25,014,250.00
US Treasury Note	US Treasury	0.875	7/15/2017	\$25,000,000.00	\$24,892,578.13	\$25,117,500.00
US Treasury Note	US Treasury	0.625	7/31/2017	\$25,000,000.00	\$24,947,265.63	\$25,009,500.00
US Treasury Note	US Treasury	0.625	8/31/2017	\$25,000,000.00	\$24,974,609.38	\$24,980,500.00
US Treasury Note	US Treasury	1	9/15/2017	\$25,000,000.00	\$24,956,054.69	\$25,176,000.00
US Treasury Note	US Treasury	0.625	9/30/2017	\$25,000,000.00	\$24,984,375.00	\$24,988,250.00
US Treasury Note	US Treasury	0.875	10/15/2017	\$25,000,000.00	\$24,964,843.75	\$25,103,500.00
US Treasury Note	US Treasury	0.875	11/15/2017	\$25,000,000.00	\$24,984,375.00	\$25,088,500.00
US Treasury Note	US Treasury	1	12/15/2017	\$25,000,000.00	\$24,896,484.38	\$25,155,000.00
US Treasury Note	US Treasury	0.875	1/15/2018	\$25,000,000.00	\$25,075,195.31	\$25,067,000.00
US Treasury Note	US Treasury	1	2/15/2018	\$25,000,000.00	\$24,982,421.88	\$25,134,000.00
US Treasury Note	US Treasury	1	3/15/2018	\$25,000,000.00	\$25,073,242.19	\$25,129,750.00
US Treasury Note	US Treasury	1	5/15/2018	\$25,000,000.00	\$25,058,423.91	\$25,100,250.00
US Treasury Note	US Treasury	1.125	6/15/2018	\$25,000,000.00	\$25,103,323.52	\$25,171,000.00
US Treasury Note	US Treasury	0.875	7/15/2018	\$25,000,000.00	\$24,870,839.00	\$24,998,750.00
US Treasury Note	US Treasury	1	8/15/2018	\$25,000,000.00	\$25,002,972.15	\$25,066,500.00
US Treasury Total			43.96%	\$875,000,000.00	\$874,633,641.80	\$877,342,250.00
Agency Note	Federal Home Loan Bank	0.21	10/9/2015	\$25,000,000.00	\$24,993,879.25	\$25,000,500.00
Agency Discount Note	Fannie Mae	0.115	11/10/2015	\$25,000,000.00	\$24,987,062.50	\$24,998,250.00
Agency Discount Note	Freddie Mac	0.12	12/4/2015	\$25,000,000.00	\$24,986,333.33	\$24,995,000.00
Agency Note	Federal Home Loan Bank	0.23	12/18/2015	\$25,000,000.00	\$24,996,268.92	\$25,006,500.00
Agency Discount Note	Fannie Mae	0.15	1/29/2016	\$25,000,000.00	\$24,973,750.00	\$24,989,250.00
Agency Discount Note	Fannie Mae	0.18	2/12/2016	\$25,000,000.00	\$24,966,750.00	\$24,984,000.00
Agency Discount Note	Federal Home Loan Bank	0.24	2/26/2016	\$23,000,000.00	\$22,962,126.67	\$22,983,900.00
Agency Note	Federal Home Loan Bank	0.33	3/10/2016	\$25,000,000.00	\$25,000,000.00	\$25,022,750.00
Agency Discount Note	Fannie Mae	0.3	4/8/2016	\$25,000,000.00	\$24,955,625.00	\$24,969,750.00
Agency Discount Note	Fannie Mae	0.24	4/22/2016	\$25,000,000.00	\$24,944,000.00	\$24,967,500.00
Agency Discount Note	Federal Farm Credit Bank	0.32	5/4/2016	\$25,000,000.00	\$24,951,777.78	\$24,964,000.00
Agency Note	Freddie Mac	0.5	5/13/2016	\$20,000,000.00	\$19,998,800.00	\$20,021,400.00
Agency Note	Federal Home Loan Bank	0.25	5/18/2016	\$25,000,000.00	\$24,982,144.44	\$24,997,750.00
Agency Note	Federal Home Loan Bank	0.4	5/27/2016	\$20,000,000.00	\$20,000,000.00	\$20,006,400.00
Agency Note	Federal Home Loan Bank	0.4	6/17/2016	\$25,000,000.00	\$25,000,000.00	\$24,995,000.00
Agency Note	Federal Home Loan Bank	0.43	7/1/2016	\$25,000,000.00	\$24,998,660.98	\$25,024,500.00
Agency Note	Fannie Mae	0.625	8/26/2016	\$25,000,000.00	\$24,919,750.00	\$25,042,250.00
Agency Note	Federal Home Loan Bank	0.5	9/28/2016	\$25,000,000.00	\$24,953,250.00	\$25,019,000.00
Agency Note	Federal Home Loan Bank	0.5	10/28/2016	\$20,000,000.00	\$20,000,000.00	\$20,005,000.00

City of San Diego Pooled Investment Fund Holdings as of September 30, 2015 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
Agency Note	Federal Farm Credit Bank	0.8	6/16/2017	\$15,000,000.00	\$14,998,950.00	\$15,028,200.00
Agency Note	Freddie Mac	0.75	7/14/2017	\$25,000,000.00	\$24,980,500.00	\$25,056,000.00
Agency Note	Federal Home Loan Bank	0.75	8/28/2017	\$17,000,000.00	\$16,961,920.00	\$17,014,790.00
Agency Note	Fannie Mae	1	10/24/2017	\$10,000,000.00	\$10,000,000.00	\$10,004,900.00
Agency Note	Federal Farm Credit Bank	1.125	12/18/2017	\$10,000,000.00	\$9,991,970.00	\$10,072,600.00
Agency Note	Fannie Mae	1	12/28/2017	\$10,000,000.00	\$10,000,000.00	\$9,999,200.00
Agency Note	Freddie Mac	1.25	4/20/2018	\$10,000,000.00	\$10,000,000.00	\$10,002,000.00
Agency Note	Federal Home Loan Bank	1.2	5/24/2018	\$10,000,000.00	\$9,999,000.00	\$9,973,500.00
Agency Note	Freddie Mac	1.25	5/25/2018	\$10,000,000.00	\$9,992,000.00	\$10,014,900.00
Agency Note	Fannie Mae	1.125	10/19/2018	\$25,000,000.00	\$24,959,500.00	\$25,104,250.00
Agency Note	Fannie Mae	1.5	2/13/2020	\$10,000,000.00	\$10,000,000.00	\$10,011,200.00
Agency Total			30.63%	\$610,000,000.00	\$609,454,018.87	\$610,274,240.00
Supranational	Intl Bank Recon & Develop	0.5	5/16/2016	\$20,000,000.00	\$19,990,200.00	\$20,016,400.00
Supranational	Intl Bank Recon & Develop	0.5	6/12/2018	\$10,000,000.00	\$10,000,000.00	\$10,002,600.00
Supranational	Intl Bank Recon & Develop	1	6/15/2018	\$25,000,000.00	\$24,957,250.00	\$25,008,000.00
Supranational	Inter-American Development	1.125	8/28/2018	\$25,000,000.00	\$24,972,000.00	\$24,987,250.00
Supranational Total			4.02%	\$80,000,000.00	\$79,919,450.00	\$80,014,250.00
Repurchase Agreement	Repurchase Agreement	0.12	10/1/2015	\$14,200,000.00	\$14,200,000.00	\$14,200,000.00
LAIF	California State Pool	0.28	10/1/2015	\$49,917,741.90	\$49,917,741.90	\$49,917,741.90
Commercial Paper	General Electric Capital	0.27	10/23/2015	\$25,000,000.00	\$24,962,875.00	\$24,997,250.00
Commercial Paper	Toyota Motor Credit Corp.	0.28	11/6/2015	\$25,000,000.00	\$24,958,777.78	\$24,995,500.00
Negotiable CD	Swedbank NY	0.32	11/18/2015	\$25,000,000.00	\$25,000,000.00	\$25,007,481.25
Negotiable CD	Wells Fargo Bank NA	0.3736	3/24/2016	\$25,000,000.00	\$25,000,000.00	\$25,019,983.57
Negotiable CD	SEB NY	0.54	7/1/2016	\$25,000,000.00	\$25,000,000.00	\$25,007,596.98
Negotiable CD	Toronto-Dominion Bank NY	0.6	7/1/2016	\$25,000,000.00	\$25,000,000.00	\$25,019,011.88
MMKT, Repo, CP, CD			10.76%	\$214,117,741.90	\$214,039,394.68	\$214,164,565.58
Medium Term Note	General Electric Capital	0.5158	1/14/2016	\$5,000,000.00	\$5,000,000.00	\$5,000,700.00
Medium Term Note	John Deere Capital Corp.	0.75	1/22/2016	\$3,000,000.00	\$2,999,465.16	\$3,003,060.00
Medium Term Note	JP Morgan Chase	1.125	2/26/2016	\$5,000,000.00	\$4,998,983.38	\$5,009,000.00
Medium Term Note	Wells Fargo Bank NA	0.479	6/2/2016	\$10,000,000.00	\$10,000,000.00	\$9,998,300.00
Medium Term Note	US Bancorp	0.5268	1/30/2017	\$15,000,000.00	\$15,000,000.00	\$14,984,250.00
Medium Term Note	Apple Inc.	0.9	5/12/2017	\$5,000,000.00	\$4,996,550.00	\$5,009,600.00
Medium Term Note	PepsiCo Inc.	0.5385	7/17/2017	\$10,000,000.00	\$10,000,000.00	\$9,998,100.00
Medium Term Note	Home Depot Inc..	0.7072	9/15/2017	\$5,000,000.00	\$5,000,000.00	\$5,007,800.00
Medium Term Note	Oracle Corp.	1.2	10/15/2017	\$10,000,000.00	\$9,962,500.00	\$10,016,800.00
Medium Term Note	Johnson & Johnson	1.125	11/21/2017	\$5,000,000.00	\$4,996,050.00	\$5,032,150.00
Medium Term Note	Berkshire Hathaway Inc.	0.586	1/12/2018	\$7,000,000.00	\$7,000,000.00	\$6,971,580.00
Medium Term Note	IBM Corp.	1.25	2/8/2018	\$5,000,000.00	\$4,977,100.00	\$5,003,350.00
Medium Term Note	Wal-Mart Stores	1.125	4/11/2018	\$10,000,000.00	\$9,982,102.50	\$9,992,300.00
Medium Term Note	Texas Instruments Inc.	1	5/1/2018	\$5,000,000.00	\$4,953,500.00	\$4,945,700.00
Medium Term Note	Apple Inc.	1	5/3/2018	\$10,000,000.00	\$9,825,200.00	\$9,953,300.00
Medium Term Note	Merck & Co. Inc.	1.3	5/18/2018	\$5,000,000.00	\$4,988,450.00	\$5,002,450.00
Medium Term Note	Cisco Systems Inc.	1.65	6/15/2018	\$5,000,000.00	\$4,999,150.00	\$5,036,450.00
Medium Term Note	The Walt Disney Co.	1.5	9/17/2018	\$6,000,000.00	\$5,994,900.00	\$6,020,580.00
Medium Term Note	Cisco Systems Inc.	0.8244	3/1/2019	\$5,000,000.00	\$5,000,000.00	\$4,985,000.00
MTN Total			6.57%	\$131,000,000.00	\$130,673,951.04	\$130,970,470.00
Asset Backed Security	Chase Issuance Trust	0.45655	4/15/2019	\$10,000,000.00	\$10,000,000.00	\$10,000,000.00
Asset Backed Security	Toyota Auto Rec Owners Trust	0.41	8/15/2016	\$1,218,854.88	\$1,218,758.88	\$1,218,758.88
Asset Backed Security	Honda Auto Receivables Trust	0.41	8/22/2016	\$1,231,493.50	\$1,230,888.70	\$1,230,888.70
Asset Backed Security	Toyota Auto Rec Owners Trust	0.51	2/15/2017	\$3,031,741.32	\$3,031,435.82	\$3,031,435.82
Asset Backed Security	VW Auto Loan Enhanced Trust	0.42	3/20/2017	\$3,708,810.67	\$3,708,579.27	\$3,708,579.27
Asset Backed Security	BMW Vehicle Owner Trust	0.53	4/25/2017	\$2,622,935.24	\$2,622,766.24	\$2,622,766.24

City of San Diego Pooled Investment Fund Holdings as of September 30, 2015 (continued)

Security Type	Issuer	Coupon	Maturity	Par	Book	Market Value
Asset Backed Security	Honda Auto Receivables Trust	0.7	6/15/2017	\$5,000,000.00	\$4,999,739.00	\$4,999,739.00
Asset Backed Security	Toyota Auto Rec Owners Trust	0.71	7/17/2017	\$5,000,000.00	\$4,999,952.50	\$4,999,952.50
Asset Backed Security	Honda Auto Receivables Trust	0.69	8/21/2017	\$14,000,000.00	\$13,999,161.40	\$13,999,161.40
Asset Backed Security	Toyota Auto Rec Owners Trust	0.77	11/15/2017	\$6,500,000.00	\$6,499,561.90	\$6,499,561.90
Asset Backed Security	Harley-Davidson Motorcycle	0.49	4/15/2018	\$1,544,260.11	\$1,543,921.61	\$1,543,921.61
Asset Backed Security	Nissan Auto Rec Owners Trust	0.83	7/16/2018	\$13,500,000.00	\$13,498,988.85	\$13,498,988.85
Asset Backed Security	Chase Issuance Trust	1.15	1/15/2019	\$5,000,000.00	\$4,999,095.50	\$5,015,000.00
Asset Backed Security	Chase Issuance Trust	1.62	7/15/2020	\$8,500,000.00	\$8,497,679.50	\$8,592,990.00
Asset Backed Total			4.06%	\$80,858,095.72	\$80,850,529.17	\$80,961,744.17
Grand Total			100.00%	\$1,990,975,837.62	\$1,989,570,985.56	\$1,993,727,519.75

Market Values are determined by using Sungard pricing as the primary source. CMS Bondedge, Bloomberg, Custody Bank (Citibank) and pricing provided by broker/dealers are all used to reconcile and determine correct prices.