



INVESTMENT ADVISORY COMMITTEE AGENDA

Monday, April 24, 2017

10:00 AM

Executive Conference Room, Level Three
Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CHAIR: Council Member Christine Marick
ALTERNATE: Council Member Marty Simonoff

Materials related to an item on this agenda submitted to the Investment Advisory Committee after distribution of the agenda packet are available for public inspection in the third floor lobby of the Civic and Cultural Center at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

CALL TO ORDER / ROLL CALL

1. Matters from the Audience

CONSENT

2. Approval of Action Minutes for December 12, 2016 Meeting

Attachments

Minutes

3. Treasurer's Report for the City of Brea for Period Ending March 31, 2017

Attachments

Attachment A

4. Treasurer's Report for the Successor Agency to the Brea Redevelopment Agency for Period Ending March 31, 2017

Attachments

Attachment A

NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.

DISCUSSION

5. Review Quarterly Review Report from Chandler Asset Management for Period Ending March 31, 2017 - Presentation by Bill Dennehy

Attachments

Report

6. Review of PARS Post Employment Benefit Trust Investment Report for Period Ending March 31, 2017 - Presentation by PARS and HighMark Capital Management

Attachments

Report

7. Discuss Moving the Portfolio Update Presented by PARS/HighMark Capital Management from Quarterly to Annually for the City's Post Employment Benefits Trust - Oral Report
8. Discuss the Investment Policy for the City and Successor Agency to the City of Brea and the Investment Policy Guidelines for the City's Employee Benefits Fund Pension Plan (Oral Report)

Attachments

City's Investment Policy

Investment Policy Guidelines for Employee Benefits Pension Plan

9. Schedule Next Meeting: July 24, 2017

cc: Mayor Cecilia Hupp
Mayor Pro Tem Glenn Parker
Council Member Steven Vargas

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

NOTE: This agenda is subject to amendments up to 72 hours prior to the meeting date.

City of Brea

COMMUNICATION

TO: Honorable Chair and Members

FROM: City Manager

DATE: 04/24/2017

SUBJECT: Approval of Action Minutes for December 12, 2016 Meeting

Attachments

Minutes



INVESTMENT ADVISORY COMMITTEE MEETING MINUTES

Monday, December 12, 2016

10:00 AM

Executive Conference Room, Level Three

Brea Civic & Cultural Center, 1 Civic Center Circle, Brea, California

CALL TO ORDER / ROLL CALL

ATTENDEES: Christine Marick, Rick Rios, Gary Terrazas, Scott Fujioka, Cindy Russell, Faith Madrazo, Alicia Brenner, Ana Conrique

OTHER ATTENDEES: Bill Dennehy (Chandler), Mia Corral (Chandler), Dennis Yu (PARS) Jennifer Meza (PARS), Keith Stribling (HighMark)

1. Matters from the Audience – Presentation of the Post Employment Benefit Trust Investment Report by PARS and HighMark Capital Management - *The Committee reviewed the report as of October 31, 2016 as presented by Dennis Yu and Keith Stribling.*

CONSENT

2. Approval of Action Minutes for September 12 Meeting – *Approved*
3. Change to the Investment Advisory Committee Regular Meeting Dates – *Approved*
4. Treasurer's Report for the City of Brea for Period Ending November 30, 2016 - *Approved*
5. Treasurer's Report for the Successor Agency to the Brea Redevelopment Agency for Period Ending November 30, 2016 - *Approved*

DISCUSSION

6. Review Quarterly Report Period Ending November 30, 2016 from Chandler Asset - Presentation by Bill Dennehy & Mia Corral - *The Committee reviewed the quarterly report as presented and recommended forwarding to the City Council.*
7. Schedule Next Meeting: April 24, 2017

Meeting Adjourned: 10:42 a.m.

City of Brea

INVESTMENT ADVISORY COMMITTEE COMMUNICATION

TO: Honorable Chair and Committee Members

FROM: City Manager,

DATE: 04/24/2017

SUBJECT: Treasurer's Report for the City of Brea for Period Ending March 31, 2017

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Treasurer's Report contains information on the investment activities for the month of March 2017. Cash for day-to-day activities is deposited in the demand and interest-bearing checking accounts. The Local Agency Investment Fund (LAIF) is used for short term investment and functions like a savings account. The City's managed investment portfolio is for longer-term investments which are managed through Chandler Asset Management. Together, the short and long-term investment accounts represent the City's investment portfolio. Attachment A includes a Portfolio Summary, Holdings Report, Book Value Report and Compliance with Investment Policy Statement prepared by Chandler Asset Management for the invested funds. The book value is the cost, plus or minus amortization/accretion. As of March 31, 2017, the total market value of the managed investment portfolio, including accrued interest, was \$63,881,279.47 as compared to \$63,820,580.16 at February 28, 2017. The weighted average investment yield for March 2017 was 1.56%, which was slightly higher from the prior month of 1.52%.

The City's Local Agency Investment Fund (LAIF) had a total market value, including accrued interest of \$6,211,983.00 at March 31, 2017. This brings the total value of the City's investment portfolio as of March 31, 2017 to \$70,093,262.47, as compared to \$71,528,218.06 at February 28, 2017. Restricted cash and investments are held in the post-employment benefits trust account administered by PARS and managed by High Mark Capital and the City's various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a monthly statement from US Bank for the PARS account as well as a portfolio report from Chandler Asset Management for each bond reserve account that is invested.

As of March 31, 2017, the market value of these funds, including short-term cash and accrued interest were \$6,637,884.74 and \$6,688,741.38, respectively. Furthermore, the City of Brea holds 2,106.5 shares of water common stock with Cal Domestic totaling \$6,692,116.02 and 687.85 shares of Class A preferred stock with Pellissier Co-Tenancy, totaling \$8,444,403.67. All City investments are GASB rated No. 1, where the custodian (The Bank of New York Mellon Trust Company, N.A.) acts as an agent of the City, and is not a

counter party to the investment transaction, and all securities are held in the name of the City of Brea. The custodial account at Bank of New York and account records with Chandler Asset Management have been reconciled to par value for the month. The City of Brea has sufficient cash flow to meet its expected expenditures for the next six months.

FISCAL IMPACT/SUMMARY

During the month of March, the total value of the City's investment portfolio decreased by \$1,434,955.59. The decrease was primarily due to the Solar Lease Debt payment, Downtown Parking Structure progress payment and normal operating expenditures. The total value of the City's restricted cash and investment accounts decreased by \$96,861.94 primarily due to investment activity.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Ana Conrique, Senior Accountant

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

City of Brea
Cash and Investment Information
 March 31, 2017

		Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$ 2,047,183.63	\$ 2,047,183.63
Local Agency Investment Fund	LAIF	\$ 6,199,107.27	\$ 6,211,983.00
Managed Investment Portfolio - CHANDLER	Chandler	\$ 63,713,111.14	\$ 63,881,279.47
PARS Post-Employment Benefits Trust**	US Bank	\$ 6,325,241.87	\$ 6,637,884.74
<u>Fiscal Agent Cash & Investments**</u>			
2005 Olinda Ranch Public Improvements Bonds (CFD 1997-1)	Chandler/BNY	\$ 462,412.75	\$ 464,369.27
2009 Water Revenue Bonds	Chandler/BNY	\$ 1,924,653.99	\$ 1,901,584.67
2009 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2)	Chandler/BNY	\$ 833,316.53	\$ 836,538.91
2010 Water Revenue Bonds	Chandler/BNY	\$ 1,362,958.23	\$ 1,347,243.03
2010 Lease Revenue Bonds	Chandler/BNY	\$ 268,060.21	\$ 265,323.94
2011 Tax Allocation Bonds, Series B	Chandler/BNY	\$ 1,710,461.65	\$ 1,710,461.65
2014 Downtown Brea Public Improvements CFD Bonds	Chandler/BNY	\$ 163,198.89	\$ 163,198.89
2014 Water Revenue Bonds	Chandler/BNY	\$ 21.02	\$ 21.02
Sub-total - Fiscal Agent Cash & Investments		\$ 6,725,083.27	\$ 6,688,741.38
Report Grand Total		\$ 85,009,727.18	\$ 85,467,072.22

* Includes accrued interest on invested funds

** Reserve Fund

City of Brea

Cash and Investment Information

March 31, 2017

Fiscal Agent Cash & Investments Detail		Cost Value	Market Value
10103	2005 Olinda Ranch Public Improvements Bonds (CFD 1997-1) - CHANDLER	\$ 451,923.27	\$ 453,879.79
	Short-Term Treasury Funds - BNY	\$ 10,489.48	\$ 10,489.48
	Sub-total	\$ 462,412.75	\$ 464,369.27
10073	2009 Water Revenue Bonds - CHANDLER	\$ 1,924,653.99	\$ 1,901,584.67
	Short-Term Treasury Funds - BNY	\$ -	\$ -
	Sub-total	\$ 1,924,653.99	\$ 1,901,584.67
10118	2009 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2) - CHANDLER	\$ 833,316.53	\$ 836,538.91
	Short-Term Treasury Funds - BNY	\$ -	\$ -
	Sub-total	\$ 833,316.53	\$ 836,538.91
10128	2010 Water Revenue Bonds - CHANDLER	\$ 1,361,576.75	\$ 1,345,861.55
	Short-Term Treasury Funds - BNY	\$ 1,381.48	\$ 1,381.48
	Sub-total	\$ 1,362,958.23	\$ 1,347,243.03
10129	2010 Lease Revenue Bonds - CHANDLER	\$ 268,057.08	\$ 265,320.81
	Short-Term Treasury Funds - BNY	\$ 3.13	\$ 3.13
	Sub-total	\$ 268,060.21	\$ 265,323.94
	2011 Tax Allocation Bonds, Series B - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 1,710,461.65	\$ 1,710,461.65
	Sub-total	\$ 1,710,461.65	\$ 1,710,461.65
	2014 Downtown Brea Public Improvements CFD Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 163,198.89	\$ 163,198.89
	Sub-total	\$ 163,198.89	\$ 163,198.89
	2014 Water Revenue Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 21.02	\$ 21.02
	Sub-total	\$ 21.02	\$ 21.02
Report Grand Total		\$ 6,725,083.27	\$ 6,688,741.38



Portfolio Summary

As of 3/31/2017

Attachment A

PORTFOLIO CHARACTERISTICS

Average Duration	0.00
Average Coupon	0.78 %
Average Purchase YTM	0.78 %
Average Market YTM	0.78 %
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

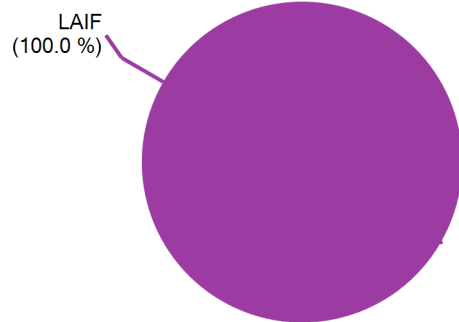
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	7,699,107	6,199,107
Accrued Interest	8,531	12,876
Total Market Value	7,707,638	6,211,983
Income Earned	3,439	4,343
Cont/WD		-1,500,000
Par	7,699,107	6,199,107
Book Value	7,699,107	6,199,107
Cost Value	7,699,107	6,199,107

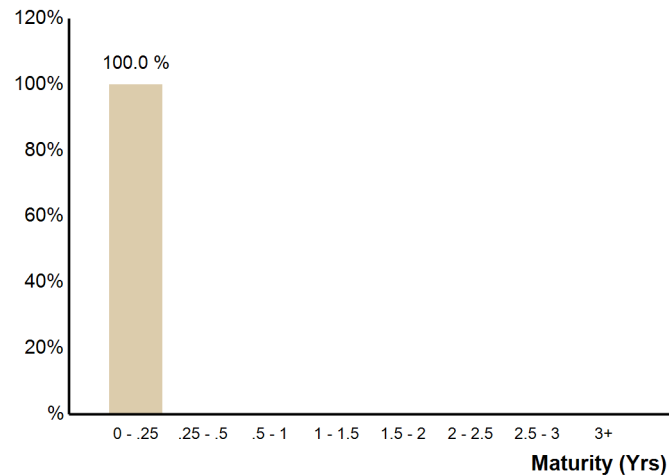
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

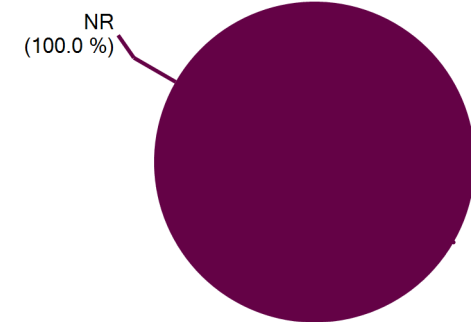
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 2/28/2012
					3 Yrs	5 Yrs	10 Yrs	2/28/2012	
City of Brea Laif	0.07 %	0.19 %	0.19 %	0.64 %	0.41 %	0.37 %	N/A	N/A	N/A



Holdings Report
As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	6,199,107.27	Various 0.78 %	6,199,107.27 6,199,107.27	1.00 0.78 %	6,199,107.27 12,875.73	100.00 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		6,199,107.27	0.78 %	6,199,107.27 6,199,107.27	0.78 %	6,199,107.27 12,875.73	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		6,199,107.27	0.78 %	6,199,107.27 6,199,107.27	0.78 %	6,199,107.27 12,875.73	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						6,211,983.00			



PORTFOLIO CHARACTERISTICS

Average Duration	2.49
Average Coupon	1.46 %
Average Purchase YTM	1.56 %
Average Market YTM	1.60 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.72 yrs
Average Life	2.57 yrs

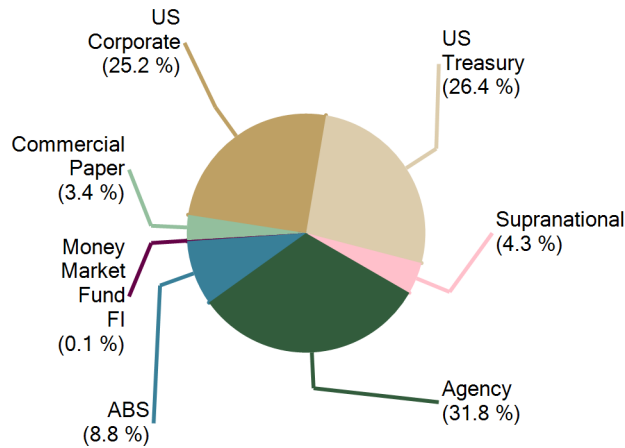
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	63,594,523	63,676,727
Accrued Interest	226,057	204,552
Total Market Value	63,820,580	63,881,279
Income Earned	78,738	81,909
Cont/WD		0
Par	63,900,374	64,022,870
Book Value	63,714,187	63,817,101
Cost Value	63,613,682	63,713,111

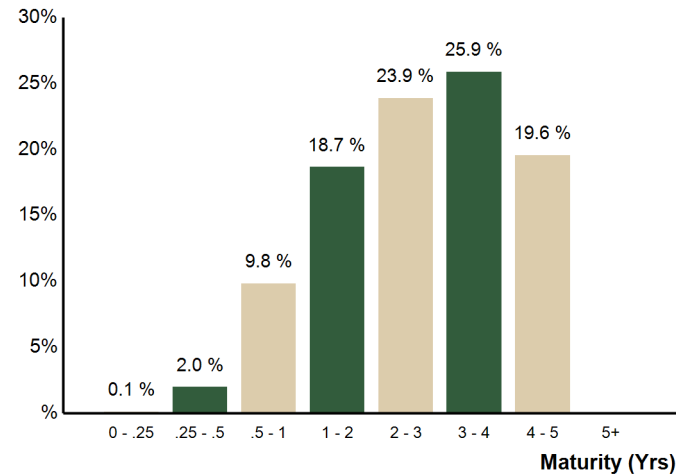
TOP ISSUERS

Issuer	% Portfolio
Government of United States	26.4 %
Federal National Mortgage Assoc	11.8 %
Federal Home Loan Mortgage Corp	10.4 %
Federal Home Loan Bank	8.0 %
Intl Bank Recon and Development	2.3 %
Honda ABS	2.3 %
John Deere ABS	2.2 %
Inter-American Dev Bank	2.0 %
	65.3 %

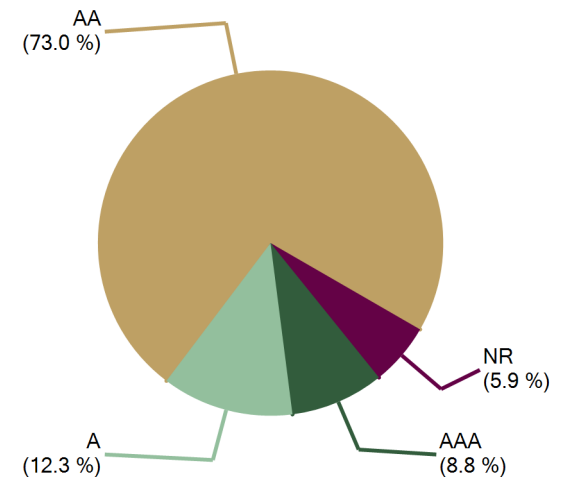
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			4/30/1996	Since 4/30/1996
					3 Yrs	5 Yrs	10 Yrs		
City of Brea	0.10 %	0.48 %	0.48 %	0.26 %	1.34 %	1.18 %	2.81 %	4.02 %	128.21 %
BAML 1-5 Yr US Treasury/Agency Index*	0.06 %	0.38 %	0.38 %	-0.08 %	1.14 %	0.92 %	2.64 %	3.64 %	111.34 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.05 %	0.43 %	0.43 %	0.10 %	1.25 %	1.08 %	2.70 %	N/A	N/A

*BAML 1-Yr US Treasury Bill Index to 9/30/01,



City of Brea
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
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset- Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%; <60%, with OCIP	Complies
OCIP	40%; <60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Per issuer max	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$63,714,186.51
<u>Acquisition</u>		
+ Security Purchases	\$4,868,644.28	
+ Money Market Fund Purchases	\$4,687,393.27	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$9,556,037.55
<u>Dispositions</u>		
- Security Sales	\$774,323.90	
- Money Market Fund Sales	\$4,869,614.39	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$3,708,486.66	
- Calls	\$0.00	
- Principal Paydowns	\$105,283.22	
Total Dispositions		\$9,457,708.17
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$5,084.83	
		\$5,084.83
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	(\$499.33)	
		(\$499.33)
Ending Book Value		\$63,817,101.39

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$262,791.63
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$774,323.90	
Accrued Interest Received	\$2,221.86	
Interest Received	\$77,312.91	
Dividend Received	\$20.95	
Principal on Maturities	\$3,708,486.66	
Interest on Maturities	\$19,743.77	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$105,283.22	
Total Acquisitions	\$4,687,393.27	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$4,868,644.28	
Accrued Interest Paid	\$970.11	
Total Dispositions	\$4,869,614.39	
Ending Book Value		\$80,570.51

Holdings Report

As of 3/31/17

Attachment A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	61,504.82	04/02/2014 0.93 %	61,494.97 61,504.69	99.96 1.29 %	61,478.62 25.15	0.10 % (26.07)	Aaa / NR AAA	1.04 0.12
43814NAB1	Honda Auto Receivables 2016-1 A2 1.01% Due 6/18/2018	251,321.08	02/16/2016 1.02 %	251,295.98 251,307.91	99.98 1.10 %	251,270.56 91.66	0.39 % (37.35)	NR / AAA AAA	1.22 0.22
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	325,473.14	02/24/2015 1.13 %	325,423.92 325,458.54	99.90 1.35 %	325,156.78 162.01	0.51 % (301.76)	Aaa / AAA NR	1.88 0.43
47788NAB4	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	575,000.00	07/19/2016 1.10 %	574,964.93 574,974.25	99.91 1.28 %	574,489.40 278.56	0.90 % (484.85)	Aaa / NR AAA	1.88 0.47
43814RAB2	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	820,000.00	10/18/2016 1.05 %	819,977.12 819,981.11	99.80 1.33 %	818,382.14 307.96	1.28 % (1,598.97)	NR / AAA AAA	2.05 0.68
65478WAB1	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	400,000.00	08/02/2016 1.08 %	399,984.24 399,987.90	99.88 1.30 %	399,512.00 190.22	0.63 % (475.90)	Aaa / NR AAA	2.12 0.54
89231LAB3	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	530,000.00	10/04/2016 1.07 %	529,957.60 529,965.27	99.83 1.32 %	529,083.63 249.69	0.83 % (881.64)	Aaa / AAA NR	2.12 0.66
43814TAB8	Honda Auto Receivables 2017-1 A2 1.42% Due 7/22/2019	380,000.00	03/21/2017 1.43 %	379,990.92 379,990.96	100.03 1.39 %	380,106.02 44.97	0.60 % 115.06	Aaa / NR AAA	2.31 0.83
161571HH0	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	815,000.00	09/06/2016 1.08 %	814,929.75 814,968.03	99.92 1.25 %	814,332.52 383.96	1.28 % (635.51)	Aaa / AAA AAA	2.46 0.44
89238MAB4	Toyota Auto Receivables Owner 2017-A 1.42% Due 9/16/2019	420,000.00	03/07/2017 1.43 %	419,959.47 419,960.22	99.99 1.44 %	419,959.68 265.07	0.66 % (0.54)	Aaa / AAA NR	2.46 0.92
47787XAB3	John Deere Owner Trust 2017-A A2 1.5% Due 10/15/2019	285,000.00	02/22/2017 1.50 %	284,998.86 284,998.90	99.98 1.53 %	284,931.60 344.38	0.45 % (67.30)	Aaa / NR AAA	2.54 1.06
654747AB0	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	275,000.00	03/21/2017 1.47 %	274,998.60 274,998.61	100.00 1.48 %	274,998.63 179.67	0.43 % 0.02	Aaa / NR AAA	2.79 1.04
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	485,000.00	02/23/2016 1.37 %	484,923.66 484,943.70	99.79 1.54 %	483,991.69 293.16	0.76 % (952.01)	Aaa / NR AAA	3.04 1.18
Total ABS		5,623,299.04	1.19 %	5,622,900.02 5,623,040.09	1.35 %	5,617,693.27 2,816.46	8.80 % (5,346.82)	Aaa / AAA AAA	2.24 0.68
AGENCY									
313381B20	FHLB Note 0.75% Due 12/8/2017	550,000.00	01/04/2013 0.91 %	545,671.50 549,394.40	99.77 1.08 %	548,758.10 1,294.79	0.86 % (636.30)	Aaa / AA+ AAA	0.69 0.68
313378A43	FHLB Note 1.375% Due 3/9/2018	1,125,000.00	09/04/2014 1.31 %	1,127,430.00 1,125,650.28	100.23 1.13 %	1,127,580.75 945.31	1.77 % 1,930.47	Aaa / AA+ AAA	0.94 0.93
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	1,135,000.00	03/20/2015 1.02 %	1,138,723.94 1,136,283.09	99.97 1.15 %	1,134,698.09 5,533.13	1.78 % (1,585.00)	Aaa / AA+ AAA	1.07 1.05
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	1,145,000.00	Various 1.53 %	1,113,053.45 1,136,757.67	99.66 1.18 %	1,141,093.26 3,617.88	1.79 % 4,335.59	Aaa / AA+ AAA	1.14 1.13
880591EQ1	Tennessee Valley Authority Note 1.75% Due 10/15/2018	1,005,000.00	Various 1.58 %	1,013,173.05 1,007,536.63	100.77 1.24 %	1,012,764.63 8,109.79	1.60 % 5,228.00	Aaa / AA+ AAA	1.54 1.50

Holdings Report

As of 3/31/17

Attachment A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADZ9	FHLMC Note 1.125% Due 4/15/2019	500,000.00	07/28/2016 0.92 %	502,764.50 502,077.56	99.52 1.37 %	497,580.50 2,593.75	0.78 % (4,497.06)	Aaa / AA+ AAA	2.04 2.00
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	1,125,000.00	09/04/2014 1.74 %	1,125,572.63 1,125,261.92	100.78 1.38 %	1,133,813.25 6,617.19	1.79 % 8,551.33	Aaa / AA+ AAA	2.16 2.11
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	1,270,000.00	Various 1.81 %	1,237,124.88 1,254,199.43	99.63 1.41 %	1,265,328.94 2,645.83	1.98 % 11,129.51	Aaa / AA+ AAA	2.34 2.29
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	1,250,000.00	05/26/2015 1.48 %	1,237,873.75 1,243,024.93	99.44 1.48 %	1,243,028.75 7,769.10	1.96 % 3.82	Aaa / AA+ AAA	2.51 2.44
3135G0A78	FNMA Note 1.625% Due 1/21/2020	1,250,000.00	Various 1.46 %	1,260,040.40 1,255,705.23	100.18 1.56 %	1,252,305.00 3,949.66	1.97 % (3,400.23)	Aaa / AA+ AAA	2.81 2.72
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,250,000.00	05/28/2015 1.52 %	1,241,437.50 1,244,640.70	99.21 1.64 %	1,240,098.75 7,161.46	1.95 % (4,541.95)	Aaa / AA+ AAA	3.09 2.99
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,030,000.00	Various 1.57 %	1,026,700.60 1,027,795.75	99.56 1.64 %	1,025,490.66 4,248.75	1.61 % (2,305.09)	Aaa / AA+ AAA	3.23 3.12
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,225,000.00	12/16/2015 1.90 %	1,201,847.50 1,207,872.27	99.17 1.73 %	1,214,820.25 6,176.04	1.91 % 6,947.98	Aaa / AA+ AAA	3.67 3.53
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,070,000.00	02/17/2016 1.46 %	1,065,677.20 1,066,642.55	98.47 1.78 %	1,053,621.51 1,757.33	1.65 % (13,021.04)	Aaa / AA+ AAA	3.89 3.75
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,275,000.00	Various 1.46 %	1,269,953.70 1,270,940.66	98.24 1.84 %	1,252,552.35 1,704.42	1.96 % (18,388.31)	Aaa / AA+ AAA	3.91 3.77
3135G0K69	FNMA Note 1.25% Due 5/6/2021	400,000.00	05/27/2016 1.48 %	395,724.00 396,448.14	97.68 1.84 %	390,720.40 2,013.89	0.61 % (5,727.74)	Aaa / AA+ AAA	4.10 3.95
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,285,000.00	10/04/2016 1.33 %	1,273,126.60 1,274,333.02	96.87 1.89 %	1,244,820.62 3,092.03	1.95 % (29,512.40)	Aaa / AA+ AAA	4.29 4.15
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,250,000.00	08/30/2016 1.33 %	1,237,737.50 1,239,182.94	96.56 1.95 %	1,207,046.25 1,914.06	1.89 % (32,136.69)	Aaa / AA+ AAA	4.37 4.22
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,285,000.00	Various 1.29 %	1,282,305.71 1,282,580.22	97.13 1.94 %	1,248,119.22 1,963.20	1.96 % (34,461.00)	Aaa / AA+ AAA	4.38 4.22
Total Agency		20,425,000.00	1.46 %	20,295,938.41 20,346,327.39	1.55 %	20,234,241.28 73,107.61	31.79 % (112,086.11)	Aaa / AA+ AAA	2.81 2.72
COMMERCIAL PAPER									
06538BU76	Bank of Tokyo Mitsubishi NY Discount CP 1.18% Due 7/7/2017	1,275,000.00	03/06/2017 1.20 %	1,269,901.42 1,269,901.42	99.60 1.20 %	1,269,901.42 1,044.79	1.99 % 0.00	P-1 / A-1 NR	0.27 0.27
21687AY31	Rabobank Nederland NV NY Discount CP 1.2% Due 11/3/2017	910,000.00	03/28/2017 1.22 %	903,387.33 903,387.33	99.27 1.22 %	903,387.33 60.67	1.41 % 0.00	P-1 / A-1 NR	0.59 0.59
Total Commercial Paper		2,185,000.00	1.21 %	2,173,288.75 2,173,288.75	1.21 %	2,173,288.75 1,105.46	3.40 % 0.00	P-1 / A-1 NR	0.40 0.40

Holdings Report

As of 3/31/17

Attachment A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
316175884	Fidelity Institutional Money Market Fund 696	80,570.51	Various 0.30 %	80,570.51 80,570.51	1.00 0.30 %	80,570.51 0.00	0.13 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		80,570.51	0.30 %	80,570.51 80,570.51	0.30 %	80,570.51 0.00	0.13 % 0.00	Aaa / AAA AAA	0.00 0.00
SUPRANATIONAL									
459058ER0	Intl. Bank Recon & Development Note 1% Due 10/5/2018	1,460,000.00	09/30/2015 1.06 %	1,457,518.00 1,458,747.66	99.49 1.35 %	1,452,485.38 7,137.78	2.28 % (6,262.28)	Aaa / AAA AAA	1.52 1.49
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15 %	1,273,431.75 1,273,494.45	100.38 2.04 %	1,279,883.25 5,494.01	2.01 % 6,388.80	Aaa / NR AAA	4.81 4.52
Total Supranational		2,735,000.00	1.57 %	2,730,949.75 2,732,242.11	1.67 %	2,732,368.63 12,631.79	4.30 % 126.52	Aaa / AAA AAA	3.06 2.91
US CORPORATE									
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	785,000.00	Various 1.27 %	787,534.60 785,424.43	100.06 1.26 %	785,506.33 3,120.38	1.23 % 81.90	A1 / A+ A+	0.71 0.70
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	780,000.00	Various 1.31 %	782,765.40 780,831.11	99.98 1.47 %	779,874.42 2,481.92	1.22 % (956.69)	Aa3 / AA- A	0.79 0.77
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	725,000.00	02/03/2015 1.23 %	722,788.75 724,372.54	99.86 1.29 %	723,993.70 1,246.09	1.14 % (378.84)	Aa3 / AA- A+	0.85 0.84
084670BH0	Berkshire Hathaway Note 1.55% Due 2/9/2018	700,000.00	09/18/2014 1.65 %	697,725.00 699,421.58	100.07 1.46 %	700,504.00 1,567.22	1.10 % 1,082.42	Aa2 / AA A+	0.86 0.85
166764AV2	Chevron Corp Note 1.365% Due 3/2/2018	700,000.00	02/24/2015 1.37 %	700,000.00 700,000.00	99.94 1.43 %	699,595.40 769.71	1.10 % (404.60)	Aa2 / AA- NR	0.92 0.91
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	400,000.00	04/04/2013 1.14 %	399,632.00 399,924.42	99.82 1.30 %	399,299.20 2,125.00	0.63 % (625.22)	Aa2 / AA AA	1.03 1.01
037833AJ9	Apple Inc Note 1% Due 5/3/2018	810,000.00	Various 1.20 %	802,722.10 808,268.01	99.70 1.28 %	807,550.56 3,330.00	1.27 % (717.45)	Aa1 / AA+ NR	1.09 1.07
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	800,000.00	Various 1.90 %	807,073.15 802,630.99	100.77 1.61 %	806,128.81 8,075.00	1.27 % 3,497.82	A1 / A+ NR	1.53 1.48
74005PBH6	Praxair Note 1.25% Due 11/7/2018	810,000.00	Various 1.67 %	797,684.40 804,787.87	99.60 1.50 %	806,759.19 4,050.00	1.27 % 1,971.32	A2 / A NR	1.61 1.57
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	430,000.00	12/10/2013 1.99 %	429,084.10 429,688.51	100.58 1.60 %	432,496.15 2,515.50	0.68 % 2,807.64	A2 / A A	1.70 1.66
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	800,000.00	Various 2.27 %	800,569.30 800,427.19	101.39 1.51 %	811,111.21 3,935.56	1.28 % 10,684.02	A1 / AA- AA-	1.79 1.74
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	715,000.00	Various 2.04 %	717,853.05 716,094.90	101.04 1.57 %	722,459.60 1,266.16	1.13 % 6,364.70	A1 / AA- NR	1.92 1.87

Holdings Report

As of 3/31/17

Attachment A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	700,000.00	Various 2.08 %	703,858.75 701,614.88	100.80 1.79 %	705,593.00 6,673.33	1.11 % 3,978.12	A1 / A+ AA	2.07 1.92
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	705,000.00	Various 2.29 %	705,272.60 705,130.12	100.95 1.89 %	711,682.70 900.84	1.12 % 6,552.58	A1 / A AA-	2.45 2.29
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	735,000.00	01/26/2015 2.17 %	734,204.40 734,548.74	100.21 2.07 %	736,553.79 2,677.65	1.16 % 2,005.05	A2 / A AA-	2.84 2.73
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	465,000.00	02/05/2015 1.77 %	464,511.75 464,718.94	100.18 1.68 %	465,850.95 1,039.79	0.73 % 1,132.01	A1 / A+ A+	2.88 2.78
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	750,000.00	06/11/2015 2.49 %	741,693.75 744,716.30	100.22 2.18 %	751,661.26 6,140.62	1.19 % 6,944.96	A1 / A+ NR	3.14 2.99
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	325,000.00	10/29/2015 2.02 %	324,740.00 324,813.29	100.33 1.90 %	326,066.98 2,672.22	0.51 % 1,253.69	Aaa / AAA AA+	3.60 3.35
00440EAT4	ACE INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	800,000.00	02/06/2017 2.16 %	803,768.00 803,623.73	100.36 2.19 %	802,873.60 7,564.44	1.27 % (750.13)	A3 / A A	3.60 3.32
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	875,000.00	Various 1.97 %	884,992.10 883,178.99	100.19 2.17 %	876,692.25 1,620.21	1.37 % (6,486.74)	Aaa / AA+ NR	3.92 3.73
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	440,000.00	05/16/2016 1.96 %	439,771.20 439,810.92	98.25 2.40 %	432,296.04 3,146.00	0.68 % (7,514.88)	A1 / A AA-	4.14 3.91
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	590,000.00	Various 1.57 %	589,298.90 589,389.52	97.44 2.17 %	574,912.52 1,346.35	0.90 % (14,477.00)	Aaa / AAA AA+	4.36 4.17
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	804,000.00	11/29/2016 2.40 %	785,998.44 787,234.25	98.26 2.31 %	790,026.48 678.93	1.24 % 2,792.23	A1 / AA- A+	4.46 4.24
91159HHP8	US Bancorp Note 2.625% Due 1/24/2022	390,000.00	01/19/2017 2.66 %	389,329.20 389,353.81	100.38 2.54 %	391,471.86 1,905.31	0.62 % 2,118.05	A1 / A+ AA	4.82 4.48
Total US Corporate		16,034,000.00	1.85 %	16,012,870.94 16,020,005.04	1.75 %	16,040,960.00 70,848.23	25.22 % 20,954.96	A1 / AA- AA-	2.28 2.18
US TREASURY									
912828SH4	US Treasury Note 1.375% Due 2/28/2019	1,140,000.00	Various 1.71 %	1,122,272.76 1,133,057.27	100.24 1.25 %	1,142,716.63 1,363.04	1.79 % 9,659.36	Aaa / AA+ AAA	1.92 1.88
912828ST8	US Treasury Note 1.25% Due 4/30/2019	1,150,000.00	Various 1.67 %	1,127,845.65 1,140,476.32	99.94 1.28 %	1,149,281.25 6,035.91	1.81 % 8,804.93	Aaa / AA+ AAA	2.08 2.04
912828R85	US Treasury Note 0.875% Due 6/15/2019	1,100,000.00	07/28/2016 0.82 %	1,101,722.44 1,101,319.28	99.03 1.32 %	1,089,343.20 2,829.33	1.71 % (11,976.08)	Aaa / AA+ AAA	2.21 2.17
912828UB4	US Treasury Note 1% Due 11/30/2019	1,065,000.00	12/18/2014 1.67 %	1,031,264.70 1,046,834.84	98.91 1.42 %	1,053,435.17 3,569.51	1.65 % 6,600.33	Aaa / AA+ AAA	2.67 2.61
912828J84	US Treasury Note 1.375% Due 3/31/2020	1,250,000.00	10/23/2015 1.35 %	1,251,224.89 1,250,828.96	99.57 1.52 %	1,244,580.00 46.96	1.95 % (6,248.96)	Aaa / AA+ AAA	3.00 2.93

Holdings Report

As of 3/31/17

Attachment A

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828VF4	US Treasury Note 1.375% Due 5/31/2020	1,150,000.00	Various 1.63 %	1,137,379.14 1,141,254.10	99.37 1.58 %	1,142,767.65 5,299.79	1.80 % 1,513.55	Aaa / AA+ AAA	3.17 3.07
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,250,000.00	09/29/2015 1.37 %	1,250,394.81 1,250,274.19	99.07 1.65 %	1,238,427.50 1,494.57	1.94 % (11,846.69)	Aaa / AA+ AAA	3.42 3.32
912828L99	US Treasury Note 1.375% Due 10/31/2020	1,300,000.00	11/23/2015 1.71 %	1,279,641.07 1,285,219.17	98.91 1.69 %	1,285,780.60 7,505.52	2.02 % 561.43	Aaa / AA+ AAA	3.59 3.46
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,300,000.00	03/09/2016 1.40 %	1,298,734.82 1,299,008.10	98.60 1.75 %	1,281,770.10 2,962.71	2.01 % (17,238.00)	Aaa / AA+ AAA	3.84 3.71
912828B90	US Treasury Note 2% Due 2/28/2021	1,250,000.00	04/26/2016 1.40 %	1,285,111.61 1,278,395.30	100.88 1.77 %	1,260,937.50 2,173.91	1.98 % (17,457.80)	Aaa / AA+ AAA	3.92 3.75
912828Q37	US Treasury Note 1.25% Due 3/31/2021	1,300,000.00	12/13/2016 1.81 %	1,269,891.07 1,271,964.90	97.94 1.79 %	1,273,187.50 44.40	1.99 % 1,222.60	Aaa / AA+ AAA	4.00 3.88
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,300,000.00	11/09/2016 1.48 %	1,278,016.07 1,279,764.93	96.75 1.88 %	1,257,699.30 39.96	1.97 % (22,065.63)	Aaa / AA+ AAA	4.50 4.36
912828F96	US Treasury Note 2% Due 10/31/2021	1,025,000.00	01/27/2017 1.94 %	1,027,686.05 1,027,591.61	100.46 1.90 %	1,029,684.25 8,607.73	1.63 % 2,092.64	Aaa / AA+ AAA	4.59 4.33
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14 %	1,335,407.68 1,335,638.53	99.12 1.94 %	1,347,993.92 2,069.57	2.11 % 12,355.39	Aaa / AA+ AAA	4.92 4.68
Total US Treasury		16,940,000.00	1.58 %	16,796,592.76 16,841,627.50	1.63 %	16,797,604.57 44,042.91	26.36 % (44,022.93)	Aaa / AA+ AAA	3.45 3.33
TOTAL PORTFOLIO		64,022,869.55	1.56 %	63,713,111.14 63,817,101.39	1.60 %	63,676,727.01 204,552.46	100.00 % (140,374.38)	Aa1 / AA+ AAA	2.72 2.49
TOTAL MARKET VALUE PLUS ACCRUED						63,881,279.47			



Book Value Report
As of 3/31/2017 12:00:00 AM

MIG	Book Value	12 Months or less	13 to 24 Months	25 to 60 Months	Total Holdings
ABS	\$5,623,040.09	\$3,378,159.80	\$1,304,891.82	\$939,988.47	\$5,623,040.09
Agency	\$20,346,327.39	\$1,675,044.68	\$3,280,577.39	\$15,390,705.32	\$20,346,327.39
Commercial Paper	\$2,173,288.75	\$2,173,288.75	\$0.00	\$0.00	\$2,173,288.75
Money Market Fund FI	\$80,570.51	\$80,570.51	\$0.00	\$0.00	\$80,570.51
Supranational	\$2,732,242.11	\$0.00	\$1,458,747.66	\$1,273,494.45	\$2,732,242.11
US Corporate	\$16,020,005.04	\$3,690,049.66	\$5,463,436.77	\$6,866,518.61	\$16,020,005.04
US Treasury	\$16,841,627.50	\$0.00	\$1,133,057.27	\$15,708,570.23	\$16,841,627.50
Total	\$63,817,101.39	\$10,997,113.40	\$12,640,710.91	\$40,179,277.08	\$63,817,101.39

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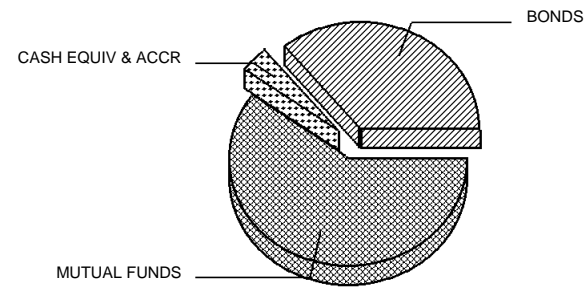
PARS/CITY OF BREA 115P
 ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET SUMMARY

ASSETS	03/31/2017 MARKET	03/31/2017 BOOK VALUE	% OF MARKET
Cash And Equivalents	181,779.53	181,779.53	2.74
Corporate Issues	2,406,215.75	2,487,425.00	36.25
Mutual Funds-Equity	4,030,121.39	3,656,037.34	60.71
Total Assets	6,618,116.67	6,325,241.87	99.70
Accrued Income	19,768.07	19,768.07	0.30
Grand Total	6,637,884.74	6,345,009.94	100.00

Estimated Annual Income **149,687.05**



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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cash And Equivalents						
Money Markets						
First American Govt Oblig Fund Cl Z 31846V567 Asset Minor Code 1	181,779.530	181,779.53 1.0000	181,779.53	.00 .00	107.96	0.54
Total Money Markets	181,779.530	181,779.53	181,779.53	.00 .00	107.96	0.53
Total Cash And Equivalents	181,779.530	181,779.53	181,779.53	.00 .00	107.96	0.53
Corporate Issues						
Apple Inc 2.850% 2/23/23 Standard & Poors Rating: AA+ Moodys Rating: Aa1 037833BU3 Asset Minor Code 28	150,000.000	151,419.00 100.9460	158,403.00	- 6,984.00 264.00	451.25	2.82
Bank Ny Mellon Mtn 5.450% 5/15/19 Standard & Poors Rating: A Moodys Rating: A1 06406HBM0 Asset Minor Code 28	200,000.000	214,640.00 107.3200	223,052.00	- 8,412.00 - 444.00	4,117.78	5.08
Cisco Systems Inc 2.900% 3/04/21 Standard & Poors Rating: AA- Moodys Rating: A1 17275RAP7 Asset Minor Code 28	200,000.000	205,344.00 102.6720	207,884.00	- 2,540.00 - 118.00	435.00	2.82
Gen Elec Cap Crp Mtn 6.000% 8/07/19 Standard & Poors Rating: AA- Moodys Rating: A1 36962G4D3 Asset Minor Code 28	175,000.000	192,225.25 109.8430	200,947.25	- 8,722.00 - 794.50	1,575.00	5.46

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Attachment A

PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Gen Elec Cap Crp Mtn 5.500% 1/08/20 Standard & Poors Rating: AA- Moody's Rating: A1 36962G4J0 Asset Minor Code 28	200,000.000	219,198.00 109.5990	228,930.00	- 9,732.00 - 1,138.00	2,536.11	5.02
General Elec Cap Mtn 3.100% 1/09/23 Standard & Poors Rating: AA- Moody's Rating: A1 36962G6S8 Asset Minor Code 28	100,000.000	102,783.00 102.7830	106,031.00	- 3,248.00 - 474.00	706.11	3.02
Intercontinental 3.750% 12/01/25 Standard & Poors Rating: A Moody's Rating: A2 45866FAD6 Asset Minor Code 28 Date Last Priced: 11/28/16	100,000.000	103,518.00 103.5180 @	104,231.00	- 713.00 .00	1,250.00	3.62
Kimberly Clark Corp 2.750% 2/15/26 Standard & Poors Rating: A Moody's Rating: A2 494368BU6 Asset Minor Code 28	100,000.000	97,469.00 97.4690	103,111.00	- 5,642.00 - 797.00	351.39	2.82
Medtronic Inc 3.125% 3/15/22 Standard & Poors Rating: A Moody's Rating: A3 585055AX4 Asset Minor Code 28	200,000.000	204,580.00 102.2900	208,046.00	- 3,466.00 - 88.00	277.78	3.06
Mondelez Int 4.000% 2/01/24 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AB1 Asset Minor Code 28	100,000.000	104,869.00 104.8690	109,303.00	- 4,434.00 - 719.00	666.67	3.81

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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Pepsico Inc 2.750% 4/30/25 Standard & Poors Rating: A Moody's Rating: A1 713448CT3 Asset Minor Code 28	75,000.000	73,648.50 98.1980	73,932.75	- 284.25 - 249.00	865.10	2.80
Verizon 5.150% 9/15/23 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 92343VBR4 Asset Minor Code 28	200,000.000	220,120.00 110.0600	230,048.00	- 9,928.00 286.00	457.78	4.68
Visa Inc 2.200% 12/14/20 Standard & Poors Rating: A+ Moody's Rating: A1 92826CAB8 Asset Minor Code 28	200,000.000	200,586.00 100.2930	204,764.00	- 4,178.00 - 1,054.00	1,307.78	2.19
Wells Fargo Mtn 3.300% 9/09/24 Standard & Poors Rating: A Moody's Rating: A2 94974BGA2 Asset Minor Code 28	100,000.000	100,154.00 100.1540	103,890.00	- 3,736.00 - 495.00	201.67	3.29
Xto Energy Inc 6.500% 12/15/18 Standard & Poors Rating: AA+ Moody's Rating: Aaa 98385XAT3 Asset Minor Code 28	200,000.000	215,662.00 107.8310	224,852.00	- 9,190.00 - 1,668.00	3,827.78	6.03
Total Corporate Issues	2,300,000.000	2,406,215.75	2,487,425.00	- 81,209.25 - 7,488.50	19,027.20	3.96

Mutual Funds

Mutual Funds-Equity

Columbia Contrarian Core Z 19765P406 Asset Minor Code 98	16,785.993	403,367.41 24.0300	352,780.74	50,586.67 2,684.97	.00	0.85
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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Dodge & Cox International Stock Fund 256206103 Asset Minor Code 98	5,270.646	219,522.41 41.6500	188,106.99	31,415.42 6,679.49	.00	2.04
Dodge & Cox Stock Fund 256219106 Asset Minor Code 98	1,744.696	331,422.45 189.9600	279,056.08	52,366.37 - 30,259.42	.00	1.30
Harbor Capital Aprction Inst 411511504 Asset Minor Code 98	2,690.584	168,645.81 62.6800	150,957.53	17,688.28 2,478.17	.00	0.10
Schroder Emerging Market Equity Fund 41665H847 Asset Minor Code 98	19,812.338	265,485.33 13.4000	223,601.98	41,883.35 7,229.45	.00	0.84
Ishares Russell Midcap Value Etf 464287473 Asset Minor Code 94	.000	.00 82.9900	.00	.00 - 10,640.72	.00	0.00
Ishares Russell Midcap Index Etf 464287499 Asset Minor Code 94	1,617.000	302,670.06 187.1800	273,493.37	29,176.69 - 533.43	.00	1.57
Mfs Intl Growth Fd Cl I 55273E848 Asset Minor Code 98	6,995.314	219,093.23 31.3200	202,785.93	16,307.30 5,964.98	.00	1.09
Nationwide Bailard International 63868B815 Asset Minor Code 98	41,660.830	328,703.95 7.8900	307,933.67	20,770.28 6,559.77	.00	1.98
Nuveen Real Estate Secs I 670678507 Asset Minor Code 98	4,933.027	108,723.92 22.0400	116,557.34	- 7,833.42 - 3,013.58	632.91	3.24
Price T Rowe Growth Stk Fd Inc 741479406 Asset Minor Code 98	2,853.245	168,997.70 59.2300	142,405.09	26,592.61 2,139.02	.00	0.22

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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
T Rowe Price New Horizons Fund I 779562206 Asset Minor Code 98	6,387.335	304,995.25 47.7500	268,308.94	36,686.31 4,471.15	.00	0.00
Jp Undiscovered Mgrs Be Val CI L 904504842 Asset Minor Code 98	4,649.330	306,437.34 65.9100	284,678.49	21,758.85 - 6,536.76	.00	0.97
Vanguard Growth & Income Adm Shs#593 921913208 Asset Minor Code 98	12,671.113	902,056.53 71.1900	865,371.19	36,685.34 1,691.18	.00	2.08
Total Mutual Funds-Equity	128,071.451	4,030,121.39	3,656,037.34	374,084.05 - 11,085.73	632.91	1.33
Total Mutual Funds	128,071.451	4,030,121.39	3,656,037.34	374,084.05 - 11,085.73	632.91	1.33
Total Assets	2,609,850.981	6,618,116.67	6,325,241.87	292,874.80 - 18,574.23	19,768.07	2.26
Accrued Income	.000	19,768.07	19,768.07			
Grand Total	2,609,850.981	6,637,884.74	6,345,009.94			

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

Period from March 1, 2017 to March 31, 2017

ASSET DETAIL MESSAGES (continued)

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

@ No current price is available.



PORTFOLIO CHARACTERISTICS

Average Duration	3.02
Average Coupon	1.50 %
Average Purchase YTM	1.59 %
Average Market YTM	1.58 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.13 yrs
Average Life	3.13 yrs

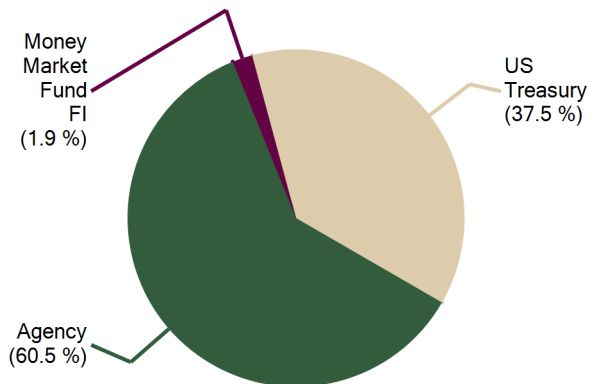
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	451,879	452,127
Accrued Interest	1,585	1,752
Total Market Value	453,464	453,880
Income Earned	581	606
Cont/WD		0
Par	453,362	453,768
Book Value	452,559	452,997
Cost Value	451,518	451,923

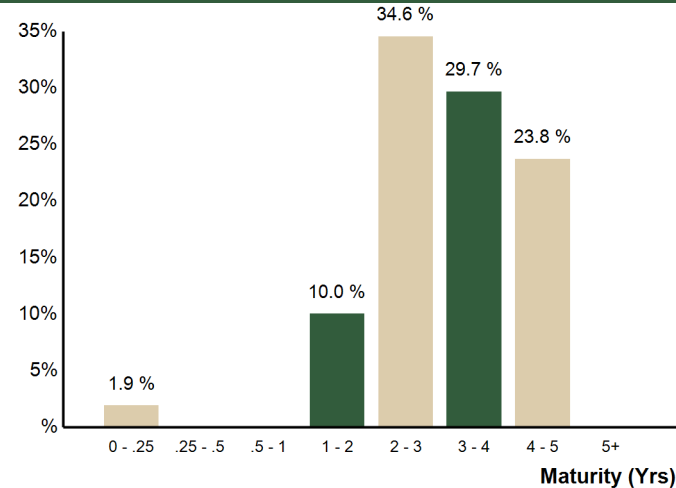
TOP ISSUERS

Issuer	% Portfolio
Government of United States	37.5 %
Federal National Mortgage Assoc	25.3 %
Federal Home Loan Mortgage Corp	18.7 %
Federal Home Loan Bank	16.5 %
AIM STIT-Treasury Portfolio	1.9 %
	100.0 %

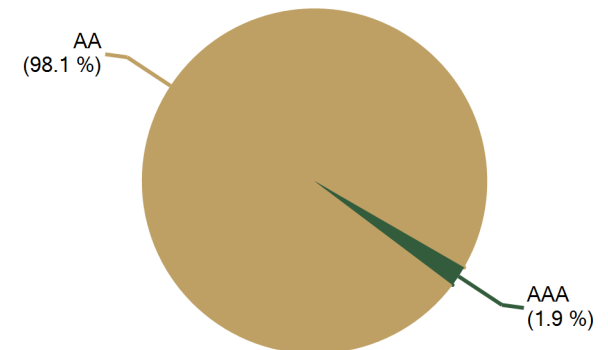
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 11/30/2009
					3 Yrs	5 Yrs	10 Yrs	11/30/2009	
Brea 05 CFD 97-1 Spec Tax Reserve Fund	0.09 %	0.43 %	0.43 %	-0.18 %	1.66 %	1.38 %	N/A	2.13 %	16.75 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	0.94 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$452,558.64
<u>Acquisition</u>	
+ Security Purchases \$0.00	
+ Money Market Fund Purchases \$405.71	
+ Money Market Contributions \$0.00	
+ Security Contributions \$0.00	
+ Security Transfers \$0.00	
Total Acquisitions	\$405.71
<u>Dispositions</u>	
- Security Sales \$0.00	
- Money Market Fund Sales \$0.00	
- MMF Withdrawals \$0.00	
- Security Withdrawals \$0.00	
- Security Transfers \$0.00	
- Other Dispositions \$0.00	
- Maturities \$0.00	
- Calls \$0.00	
- Principal Paydowns \$0.00	
Total Dispositions	\$0.00
<u>Amortization/Accretion</u>	
+/- Net Accretion \$32.25	
	\$32.25
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss \$0.00	
	\$0.00
Ending Book Value	\$452,996.60

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$8,362.10
<u>Acquisition</u>	
Contributions \$0.00	
Security Sale Proceeds \$0.00	
Accrued Interest Received \$0.00	
Interest Received \$405.00	
Dividend Received \$0.71	
Principal on Maturities \$0.00	
Interest on Maturities \$0.00	
Calls/Redemption (Principal) \$0.00	
Interest from Calls/Redemption \$0.00	
Principal Paydown \$0.00	
Total Acquisitions	\$405.71
<u>Disposition</u>	
Withdrawals \$0.00	
Security Purchase \$0.00	
Accrued Interest Paid \$0.00	
Total Dispositions	\$0.00
Ending Book Value	\$8,767.81



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	45,000.00	03/18/2014 1.69 %	45,399.60 45,153.13	101.01 1.33 %	45,453.11 98.44	10.04 % 299.98	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	45,000.00	09/09/2014 1.84 %	43,771.05 44,413.74	99.63 1.41 %	44,834.49 93.75	9.90 % 420.75	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	27,000.00	11/17/2014 1.77 %	26,972.73 26,986.14	100.63 1.49 %	27,170.15 24.94	5.99 % 184.01	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	40,000.00	03/25/2015 1.40 %	39,735.60 39,853.63	99.44 1.48 %	39,776.92 248.61	8.82 % (76.71)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	40,000.00	06/26/2015 1.87 %	39,779.20 39,857.52	100.19 1.69 %	40,075.76 211.94	8.88 % 218.24	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	35,000.00	03/11/2016 1.64 %	34,566.00 34,658.24	98.47 1.78 %	34,464.26 57.48	7.61 % (193.98)	Aaa / AA+ AAA	3.89 3.75
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	43,000.00	10/27/2016 1.50 %	42,738.13 42,760.62	97.56 1.94 %	41,949.21 285.77	9.31 % (811.41)	Aaa / AA+ AAA	4.52 4.32
Total Agency		275,000.00	1.67 %	272,962.31 273,683.02	1.58 %	273,723.90 1,020.93	60.53 % 40.88	Aaa / AA+ AAA	2.96 2.86
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	8,767.81	Various 0.11 %	8,767.81 8,767.81	1.00 0.11 %	8,767.81 0.00	1.93 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		8,767.81	0.11 %	8,767.81 8,767.81	0.11 %	8,767.81 0.00	1.93 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	15,000.00	06/17/2014 1.75 %	14,557.67 14,806.73	99.63 1.30 %	14,944.92 56.56	3.31 % 138.19	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	30,000.00	Various 1.46 %	29,709.47 29,825.29	99.29 1.50 %	29,785.56 32.60	6.57 % (39.73)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	30,000.00	05/07/2015 1.57 %	29,379.01 29,619.91	98.84 1.52 %	29,653.14 0.92	6.53 % 33.23	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	30,000.00	11/04/2015 1.63 %	30,166.51 30,119.63	100.22 1.69 %	30,065.64 220.44	6.67 % (53.99)	Aaa / AA+ AAA	3.59 3.43
912828WN6	US Treasury Note 2% Due 5/31/2021	30,000.00	07/11/2016 1.01 %	31,406.35 31,199.02	100.76 1.81 %	30,227.34 201.10	6.70 % (971.68)	Aaa / AA+ AAA	4.17 3.96



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	35,000.00	01/18/2017 1.89 %	34,974.14 34,975.19	99.88 1.90 %	34,958.98 219.95	7.75 % (16.21)	Aaa / AA+ AAA	4.67 4.42
Total US Treasury		170,000.00	1.54 %	170,193.15 170,545.77	1.66 %	169,635.58 731.57	37.54 % (910.19)	Aaa / AA+ AAA	3.57 3.43
TOTAL PORTFOLIO		453,767.81	1.59 %	451,923.27 452,996.60	1.58 %	452,127.29 1,752.50	100.00 % (869.31)	Aaa / AA+ AAA	3.13 3.02
TOTAL MARKET VALUE PLUS ACCRUED						453,879.79			



PORTFOLIO CHARACTERISTICS

Average Duration	3.06
Average Coupon	1.62 %
Average Purchase YTM	1.15 %
Average Market YTM	1.57 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.18 yrs
Average Life	3.18 yrs

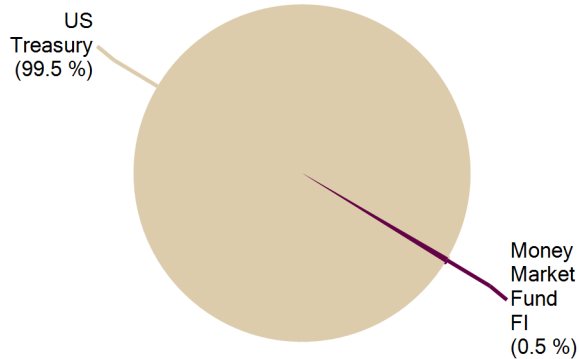
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	1,894,128	1,895,359
Accrued Interest	5,989	6,226
Total Market Value	1,900,117	1,901,585
Income Earned	1,698	1,873
Cont/WD		0
Par	1,887,754	1,890,123
Book Value	1,920,025	1,921,661
Cost Value	1,922,285	1,924,654

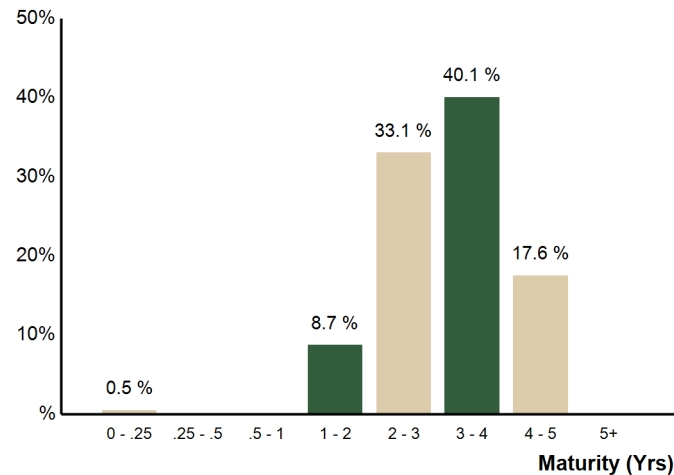
TOP ISSUERS

Issuer	% Portfolio
Government of United States	99.5 %
AIM STIT-Treasury Portfolio	0.5 %
	100.0 %

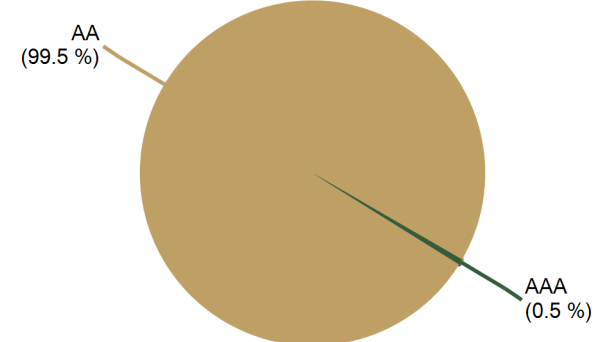
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			6/30/2009	Since 6/30/2009
					3 Yrs	5 Yrs	10 Yrs		
Brea 2009 Water Revenue Bond Reserve Fund	0.08 %	0.45 %	0.45 %	-0.55 %	1.56 %	1.31 %	N/A	2.47 %	20.86 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	1.04 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$1,920,025.21
<u>Acquisition</u>	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$2,369.26
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$2,369.26
<u>Dispositions</u>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$0.00
<u>Amortization/Accretion</u>	
+/- Net Accretion	(\$733.14)
	(\$733.14)
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$1,921,661.33

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$7,754.23
<u>Acquisition</u>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$2,368.75
Dividend Received	\$0.51
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$2,369.26
<u>Disposition</u>	
Withdrawals	\$0.00
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$0.00
Ending Book Value	\$10,123.49



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	10,123.49	Various 0.11 %	10,123.49 10,123.49	1.00 0.11 %	10,123.49 0.00	0.53 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		10,123.49	0.11 %	10,123.49 10,123.49	0.11 %	10,123.49 0.00	0.53 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B33	US Treasury Note 1.5% Due 1/31/2019	165,000.00	08/24/2016 0.80 %	167,784.93 167,098.88	100.46 1.24 %	165,766.92 410.22	8.74 % (1,331.96)	Aaa / AA+ AAA	1.84 1.80
912828SX9	US Treasury Note 1.125% Due 5/31/2019	165,000.00	Various 1.30 %	163,146.84 164,416.34	99.63 1.30 %	164,394.12 622.15	8.68 % (22.22)	Aaa / AA+ AAA	2.17 2.13
912828TH3	US Treasury Note 0.875% Due 7/31/2019	165,000.00	08/24/2016 0.85 %	165,110.12 165,087.58	98.94 1.34 %	163,253.31 239.30	8.60 % (1,834.27)	Aaa / AA+ AAA	2.33 2.30
912828G61	US Treasury Note 1.5% Due 11/30/2019	165,000.00	08/24/2016 0.92 %	168,081.41 167,515.28	100.17 1.44 %	165,277.20 829.53	8.74 % (2,238.08)	Aaa / AA+ AAA	2.67 2.59
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	135,000.00	Various 1.60 %	132,834.83 133,673.16	99.29 1.50 %	134,035.02 146.74	7.06 % 361.86	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	100,000.00	05/07/2015 1.57 %	97,930.02 98,733.02	98.84 1.52 %	98,843.80 3.07	5.20 % 110.78	Aaa / AA+ AAA	3.00 2.94
912828XM7	US Treasury Note 1.625% Due 7/31/2020	165,000.00	08/24/2016 1.03 %	168,796.84 168,217.80	100.01 1.62 %	165,019.31 444.41	8.70 % (3,198.49)	Aaa / AA+ AAA	3.34 3.23
912828WC0	US Treasury Note 1.75% Due 10/31/2020	160,000.00	Various 1.46 %	161,991.55 161,621.71	100.22 1.69 %	160,350.08 1,175.69	8.49 % (1,271.63)	Aaa / AA+ AAA	3.59 3.43
912828A83	US Treasury Note 2.375% Due 12/31/2020	165,000.00	08/24/2016 1.08 %	174,062.66 172,813.62	102.36 1.72 %	168,886.58 985.10	8.93 % (3,927.04)	Aaa / AA+ AAA	3.76 3.56
912828B90	US Treasury Note 2% Due 2/28/2021	165,000.00	08/24/2016 1.10 %	171,516.76 170,650.76	100.88 1.77 %	166,443.75 286.96	8.77 % (4,207.01)	Aaa / AA+ AAA	3.92 3.75
912828WN6	US Treasury Note 2% Due 5/31/2021	160,000.00	Various 1.04 %	167,290.77 166,241.76	100.76 1.81 %	161,212.48 1,072.53	8.53 % (5,029.28)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	170,000.00	10/27/2016 1.38 %	175,983.77 175,467.93	101.03 1.88 %	171,753.04 9.87	9.03 % (3,714.89)	Aaa / AA+ AAA	4.50 4.28
Total US Treasury		1,880,000.00	1.15 %	1,914,530.50 1,911,537.84	1.57 %	1,885,235.61 6,225.57	99.47 % (26,302.23)	Aaa / AA+ AAA	3.20 3.08
TOTAL PORTFOLIO				1,924,653.99 1,921,661.33	1.57 %	1,895,359.10 6,225.57	100.00 % (26,302.23)	Aaa / AA+ AAA	3.18 3.06
TOTAL MARKET VALUE PLUS ACCRUED						1,901,584.67			



PORTFOLIO CHARACTERISTICS

Average Duration	2.99
Average Coupon	1.49 %
Average Purchase YTM	1.57 %
Average Market YTM	1.56 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.10 yrs
Average Life	3.10 yrs

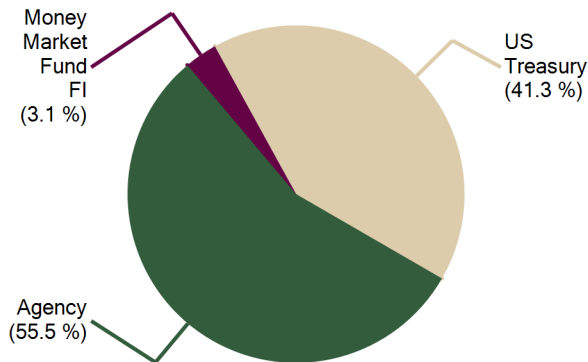
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	832,832	833,589
Accrued Interest	2,954	2,950
Total Market Value	835,787	836,539
Income Earned	1,051	1,100
Cont/WD		0
Par	835,293	836,344
Book Value	834,251	835,355
Cost Value	832,265	833,317

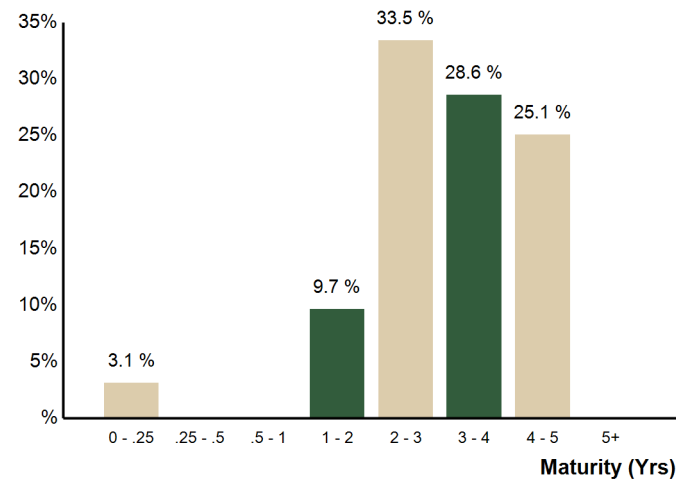
TOP ISSUERS

Issuer	% Portfolio
Government of United States	41.3 %
Federal National Mortgage Assoc	24.5 %
Federal Home Loan Mortgage Corp	15.5 %
Federal Home Loan Bank	15.5 %
AIM STIT-Treasury Portfolio	3.1 %
	100.0 %

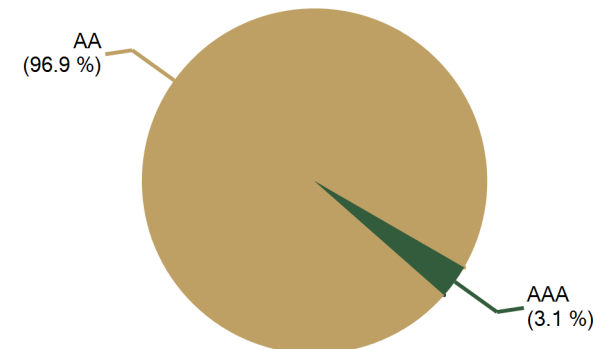
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			2/28/2010	Since 2/28/2010
					3 Yrs	5 Yrs	10 Yrs		
Brea CFD No. 2008-2 Reserve Fund	0.09 %	0.43 %	0.43 %	-0.20 %	1.66 %	1.37 %	N/A	2.20 %	16.68 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	0.92 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$834,251.01
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$1,051.04	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,051.04
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$53.16	
		\$53.16
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$835,355.21

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$25,292.87
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$1,050.00	
Dividend Received	\$1.04	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$1,051.04	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$26,343.91



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	80,000.00	03/18/2014 1.69 %	80,710.40 80,272.23	101.01 1.33 %	80,805.52 175.00	9.68 % 533.29	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	80,000.00	09/09/2014 1.84 %	77,815.20 78,957.75	99.63 1.41 %	79,705.76 166.67	9.55 % 748.01	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	45,000.00	11/17/2014 1.77 %	44,954.55 44,976.90	100.63 1.49 %	45,283.59 41.56	5.42 % 306.69	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	50,000.00	03/25/2015 1.40 %	49,669.50 49,817.03	99.44 1.48 %	49,721.15 310.76	5.98 % (95.88)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	65,000.00	06/26/2015 1.87 %	64,641.20 64,768.46	100.19 1.69 %	65,123.11 344.41	7.83 % 354.65	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	65,000.00	03/11/2016 1.64 %	64,194.00 64,365.31	98.47 1.78 %	64,005.05 106.75	7.66 % (360.26)	Aaa / AA+ AAA	3.89 3.75
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	80,000.00	10/27/2016 1.50 %	79,512.80 79,554.64	97.56 1.94 %	78,045.04 531.67	9.39 % (1,509.60)	Aaa / AA+ AAA	4.52 4.32
Total Agency		465,000.00	1.68 %	461,497.65 462,712.32	1.59 %	462,689.22 1,676.82	55.51 % (23.10)	Aaa / AA+ AAA	3.00 2.89
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	26,343.91	Various 0.11 %	26,343.91 26,343.91	1.00 0.11 %	26,343.91 0.00	3.15 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		26,343.91	0.11 %	26,343.91 26,343.91	0.11 %	26,343.91 0.00	3.15 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	50,000.00	Various 1.66 %	48,788.64 49,450.13	99.63 1.30 %	49,816.40 188.53	5.98 % 366.27	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	55,000.00	Various 1.43 %	54,534.75 54,721.04	99.29 1.50 %	54,606.86 59.78	6.53 % (114.18)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	60,000.00	05/07/2015 1.57 %	58,758.01 59,239.81	98.84 1.52 %	59,306.28 1.84	7.09 % 66.47	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	50,000.00	11/04/2015 1.63 %	50,277.51 50,199.37	100.22 1.69 %	50,109.40 367.40	6.03 % (89.97)	Aaa / AA+ AAA	3.59 3.43
912828WN6	US Treasury Note 2% Due 5/31/2021	60,000.00	07/11/2016 1.01 %	62,812.70 62,398.05	100.76 1.81 %	60,454.68 402.20	7.27 % (1,943.37)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	30,000.00	01/18/2017 1.88 %	30,332.91 30,318.93	101.03 1.88 %	30,309.36 1.74	3.62 % (9.57)	Aaa / AA+ AAA	4.50 4.28



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	40,000.00	01/18/2017 1.89 %	39,970.45 39,971.65	99.88 1.90 %	39,953.12 251.37	4.81 % (18.53)	Aaa / AA+ AAA	4.67 4.42
Total US Treasury		345,000.00	1.53 %	345,474.97 346,298.98	1.64 %	344,556.10 1,272.86	41.34 % (1,742.88)	Aaa / AA+ AAA	3.49 3.35
TOTAL PORTFOLIO		836,343.91	1.57 %	833,316.53 835,355.21	1.56 %	833,589.23 2,949.68	100.00 % (1,765.98)	Aaa / AA+ AAA	3.10 2.99
TOTAL MARKET VALUE PLUS ACCRUED						836,538.91			



PORTFOLIO CHARACTERISTICS

Average Duration	3.04
Average Coupon	1.59 %
Average Purchase YTM	1.15 %
Average Market YTM	1.56 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.15 yrs
Average Life	3.15 yrs

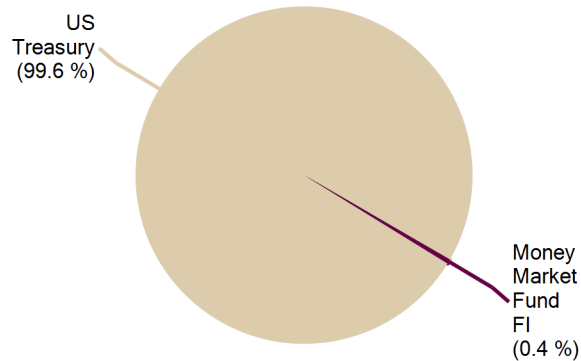
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	1,340,693	1,341,738
Accrued Interest	4,128	4,124
Total Market Value	1,344,821	1,345,862
Income Earned	1,203	1,326
Cont/WD		0
Par	1,337,151	1,338,967
Book Value	1,358,380	1,359,711
Cost Value	1,359,761	1,361,577

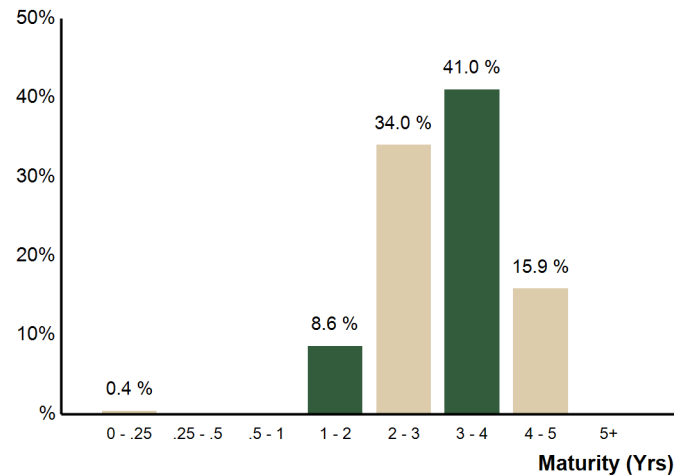
TOP ISSUERS

Issuer	% Portfolio
Government of United States	99.6 %
AIM STIT-Treasury Portfolio	0.4 %
	100.0 %

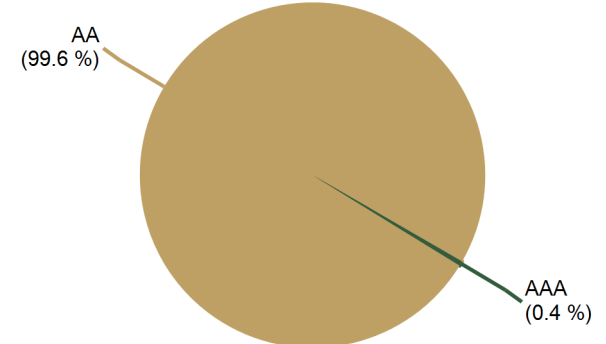
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 5/31/2010
					3 Yrs	5 Yrs	10 Yrs	5/31/2010	
Brea Water Revenue Bonds, Series B, Reserve Account	0.08 %	0.44 %	0.44 %	-0.52 %	1.56 %	1.30 %	N/A	2.05 %	14.90 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	0.90 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$1,358,380.40
<u>Acquisition</u>	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$1,815.87
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,815.87
<u>Dispositions</u>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$0.00
<u>Amortization/Accretion</u>	
+/- Net Accretion	(\$485.33)
	(\$485.33)
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$1,359,710.94

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$4,150.76
<u>Acquisition</u>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$1,815.63
Dividend Received	\$0.24
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$1,815.87
<u>Disposition</u>	
Withdrawals	\$0.00
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$0.00
Ending Book Value	\$5,966.63



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	5,966.63	Various 0.11 %	5,966.63 5,966.63	1.00 0.11 %	5,966.63 0.00	0.44 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		5,966.63	0.11 %	5,966.63 5,966.63	0.11 %	5,966.63 0.00	0.44 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B33	US Treasury Note 1.5% Due 1/31/2019	115,000.00	08/24/2016 0.80 %	116,941.01 116,462.85	100.46 1.24 %	115,534.52 285.91	8.61 % (928.33)	Aaa / AA+ AAA	1.84 1.80
912828SX9	US Treasury Note 1.125% Due 5/31/2019	117,000.00	Various 1.30 %	115,665.43 116,582.24	99.63 1.30 %	116,570.38 441.16	8.69 % (11.86)	Aaa / AA+ AAA	2.17 2.13
912828TH3	US Treasury Note 0.875% Due 7/31/2019	115,000.00	08/24/2016 0.85 %	115,076.75 115,061.04	98.94 1.34 %	113,782.61 166.78	8.47 % (1,278.43)	Aaa / AA+ AAA	2.33 2.30
912828G61	US Treasury Note 1.5% Due 11/30/2019	115,000.00	08/24/2016 0.92 %	117,147.65 116,753.07	100.17 1.44 %	115,193.20 578.16	8.60 % (1,559.87)	Aaa / AA+ AAA	2.67 2.59
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	112,000.00	Various 1.40 %	111,138.03 111,517.62	99.29 1.50 %	111,199.42 121.73	8.27 % (318.20)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	115,000.00	Various 1.47 %	113,111.52 113,865.85	98.84 1.52 %	113,670.37 3.53	8.45 % (195.48)	Aaa / AA+ AAA	3.00 2.94
912828XM7	US Treasury Note 1.625% Due 7/31/2020	115,000.00	08/24/2016 1.03 %	117,646.28 117,242.70	100.01 1.62 %	115,013.46 309.74	8.57 % (2,229.24)	Aaa / AA+ AAA	3.34 3.23
912828WC0	US Treasury Note 1.75% Due 10/31/2020	88,000.00	11/04/2015 1.63 %	88,488.42 88,350.90	100.22 1.69 %	88,192.54 646.63	6.60 % (158.36)	Aaa / AA+ AAA	3.59 3.43
912828A83	US Treasury Note 2.375% Due 12/31/2020	115,000.00	08/24/2016 1.08 %	121,316.40 120,445.86	102.36 1.72 %	117,708.83 686.58	8.80 % (2,737.03)	Aaa / AA+ AAA	3.76 3.56
912828B90	US Treasury Note 2% Due 2/28/2021	115,000.00	08/24/2016 1.10 %	119,541.99 118,938.41	100.88 1.77 %	116,006.25 200.00	8.63 % (2,932.16)	Aaa / AA+ AAA	3.92 3.75
912828WN6	US Treasury Note 2% Due 5/31/2021	101,000.00	Various 1.03 %	105,664.79 104,985.70	100.76 1.81 %	101,765.38 677.03	7.61 % (3,220.32)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	10/27/2016 1.38 %	113,871.85 113,538.07	101.03 1.88 %	111,134.32 6.39	8.26 % (2,403.75)	Aaa / AA+ AAA	4.50 4.28
Total US Treasury		1,333,000.00	1.15 %	1,355,610.12 1,353,744.31	1.56 %	1,335,771.28 4,123.64	99.56 % (17,973.03)	Aaa / AA+ AAA	3.16 3.05
TOTAL PORTFOLIO		1,338,966.63	1.15 %	1,361,576.75 1,359,710.94	1.56 %	1,341,737.91 4,123.64	100.00 % (17,973.03)	Aaa / AA+ AAA	3.15 3.04
TOTAL MARKET VALUE PLUS ACCRUED						1,345,861.55			



PORTFOLIO CHARACTERISTICS

Average Duration	3.00
Average Coupon	1.58 %
Average Purchase YTM	1.17 %
Average Market YTM	1.53 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.11 yrs
Average Life	3.11 yrs

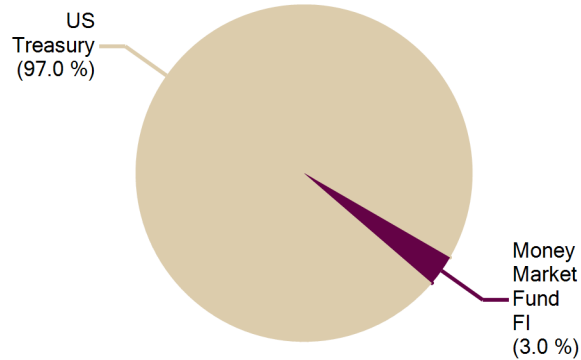
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	257,867	264,500
Accrued Interest	828	821
Total Market Value	258,695	265,321
Income Earned	239	264
Cont/WD		6,428
Par	257,046	263,836
Book Value	261,153	267,852
Cost Value	261,268	268,057

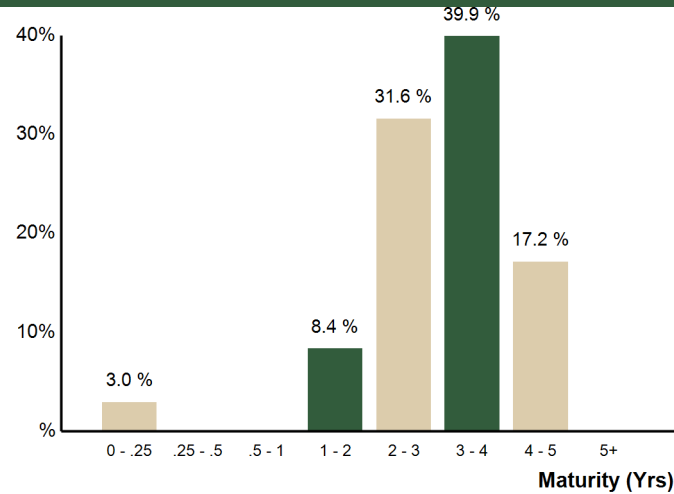
TOP ISSUERS

Issuer	% Portfolio
Government of United States	97.0 %
AIM STIT-Treasury Portfolio	3.0 %
	100.0 %

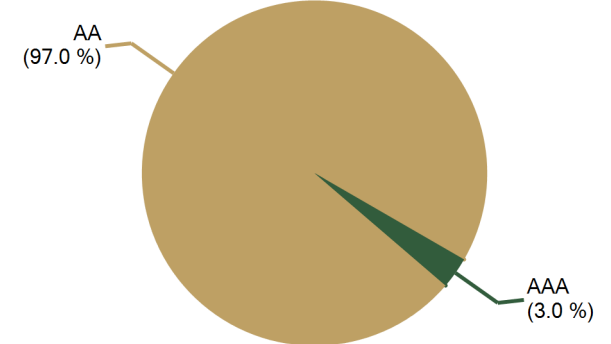
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 5/31/2010
					3 Yrs	5 Yrs	10 Yrs	5/31/2010	
Brea Lease Revenue Bonds, Reserve Account	0.08 %	0.45 %	0.45 %	-0.54 %	1.58 %	1.31 %	N/A	2.07 %	15.06 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	0.90 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$261,153.09
<u>Acquisition</u>	
+ Security Purchases \$0.00	
+ Money Market Fund Purchases \$361.30	
+ Money Market Contributions \$7,474.48	
+ Security Contributions \$0.00	
+ Security Transfers \$0.00	
Total Acquisitions	\$7,835.78
<u>Dispositions</u>	
- Security Sales \$0.00	
- Money Market Fund Sales \$0.00	
- MMF Withdrawals \$1,046.51	
- Security Withdrawals \$0.00	
- Security Transfers \$0.00	
- Other Dispositions \$0.00	
- Maturities \$0.00	
- Calls \$0.00	
- Principal Paydowns \$0.00	
Total Dispositions	\$1,046.51
<u>Amortization/Accretion</u>	
+/- Net Accretion (\$89.96)	
	(\$89.96)
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss \$0.00	
	\$0.00
Ending Book Value	\$267,852.40

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$1,046.47
<u>Acquisition</u>	
Contributions \$7,474.48	
Security Sale Proceeds \$0.00	
Accrued Interest Received \$0.00	
Interest Received \$361.26	
Dividend Received \$0.04	
Principal on Maturities \$0.00	
Interest on Maturities \$0.00	
Calls/Redemption (Principal) \$0.00	
Interest from Calls/Redemption \$0.00	
Principal Paydown \$0.00	
Total Acquisitions	\$7,835.78
<u>Disposition</u>	
Withdrawals \$1,046.51	
Security Purchase \$0.00	
Accrued Interest Paid \$0.00	
Total Dispositions	\$1,046.51
Ending Book Value	\$7,835.74



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	7,835.74	Various 0.11 %	7,835.74 7,835.74	1.00 0.11 %	7,835.74 0.00	2.95 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		7,835.74	0.11 %	7,835.74 7,835.74	0.11 %	7,835.74 0.00	2.95 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B33	US Treasury Note 1.5% Due 1/31/2019	22,000.00	08/24/2016 0.80 %	22,371.32 22,279.85	100.46 1.24 %	22,102.26 54.70	8.35 % (177.59)	Aaa / AA+ AAA	1.84 1.80
912828SX9	US Treasury Note 1.125% Due 5/31/2019	20,000.00	06/17/2014 1.75 %	19,410.22 19,742.30	99.63 1.30 %	19,926.56 75.41	7.54 % 184.26	Aaa / AA+ AAA	2.17 2.13
912828TH3	US Treasury Note 0.875% Due 7/31/2019	22,000.00	08/24/2016 0.85 %	22,014.68 22,011.68	98.94 1.34 %	21,767.11 31.91	8.22 % (244.57)	Aaa / AA+ AAA	2.33 2.30
912828G61	US Treasury Note 1.5% Due 11/30/2019	22,000.00	08/24/2016 0.92 %	22,410.85 22,335.37	100.17 1.44 %	22,036.96 110.60	8.35 % (298.41)	Aaa / AA+ AAA	2.67 2.59
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	20,000.00	Various 1.59 %	19,688.54 19,809.67	99.29 1.50 %	19,857.04 21.73	7.49 % 47.37	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	17,000.00	05/07/2015 1.57 %	16,648.10 16,784.61	98.84 1.52 %	16,803.45 0.52	6.33 % 18.84	Aaa / AA+ AAA	3.00 2.94
912828XM7	US Treasury Note 1.625% Due 7/31/2020	22,000.00	08/24/2016 1.03 %	22,506.25 22,429.04	100.01 1.62 %	22,002.57 59.25	8.32 % (426.47)	Aaa / AA+ AAA	3.34 3.23
912828WC0	US Treasury Note 1.75% Due 10/31/2020	22,000.00	Various 1.45 %	22,276.59 22,225.44	100.22 1.69 %	22,048.14 161.66	8.37 % (177.30)	Aaa / AA+ AAA	3.59 3.43
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08 %	23,208.35 23,041.81	102.36 1.72 %	22,518.21 131.35	8.54 % (523.60)	Aaa / AA+ AAA	3.76 3.56
912828B90	US Treasury Note 2% Due 2/28/2021	22,000.00	08/24/2016 1.10 %	22,868.90 22,753.43	100.88 1.77 %	22,192.50 38.26	8.38 % (560.93)	Aaa / AA+ AAA	3.92 3.75
912828WN6	US Treasury Note 2% Due 5/31/2021	20,000.00	07/11/2016 1.01 %	20,937.57 20,799.35	100.76 1.81 %	20,151.56 134.07	7.65 % (647.79)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	25,000.00	10/27/2016 1.38 %	25,879.97 25,804.11	101.03 1.88 %	25,257.80 1.45	9.52 % (546.31)	Aaa / AA+ AAA	4.50 4.28
Total US Treasury		256,000.00	1.20 %	260,221.34 260,016.66	1.58 %	256,664.16 820.91	97.05 % (3,352.50)	Aaa / AA+ AAA	3.21 3.09
TOTAL PORTFOLIO		263,835.74	1.17 %	268,057.08 267,852.40	1.53 %	264,499.90 820.91	100.00 % (3,352.50)	Aaa / AA+ AAA	3.11 3.00
TOTAL MARKET VALUE PLUS ACCRUED						265,320.81			

City of Brea

INVESTMENT ADVISORY COMMITTEE COMMUNICATION

TO: Honorable Chair and Committee Members

FROM: City Manager,

DATE: 04/24/2017

SUBJECT: Treasurer's Report for the Successor Agency to the Brea Redevelopment Agency
for Period Ending March 31, 2017

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Treasurer's Report contains information on the investment activities for the month of March 2017. Funds received by the Successor Agency are typically spent within 3-6 months; therefore are not invested long-term. The Successor Agency's Local Agency Investment Fund (LAIF) is used for short-term investments and functions like a savings account until funds are required to meet expenditures needs. Attachment A includes a Portfolio Summary and Holdings Report prepared by Chandler Asset Management for the funds invested by the City. As of March 31, 2017, the market value, including accrued interest on the Successor Agency's Local Agency Investment Fund (LAIF), was \$2,606,074.24 in comparison to \$2,604,264.76 at February 28, 2017.

The Successor Agency to the Brea Redevelopment Agency has sufficient cash flow to meet its expected expenditures for the next six months. The Successor Agency also has restricted (fiscal agent) cash and investment accounts related to its various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of March 31, 2017, the market value of these funds, including short-term cash and accrued interest was \$27,557,070.94 as compared to \$27,368,456.19 as of February 28, 2017.

FISCAL IMPACT/SUMMARY

During the month of March, the total value of the Successor Agency to the Brea Redevelopment Agency's investment portfolio increased by \$1,809.48 due to accrued interest. The total value of the restricted cash and investments increased by \$188,614.75. This increase is primarily due to accrued interest as well.

RESPECTFULLY SUBMITTED

William Gallardo, City Manager

Prepared by: Ana Conrique, Senior Accountant

Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
 March 31, 2017

		Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$ 630,696.26	\$ 630,696.26
Local Agency Investment Fund	LAIF	\$ 2,601,248.47	\$ 2,606,074.24
<u>Fiscal Agent Cash & Investments</u>			
2003 Tax Allocation Bonds	Chandler/BNY	\$ 366,856.86	\$ 366,856.86
2004 Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 327,428.98	\$ 327,428.98
2011 Tax Allocation Bonds, Series A	Chandler/BNY	\$ 14,804,069.37	\$ 14,786,391.92
2011 Tax Allocation Bonds, Series B	Chandler/BNY	\$ 1,491,986.15	\$ 1,497,592.26
2013 Tax Allocation Bonds	Chandler/BNY	\$ 8,966,354.70	\$ 8,966,354.70
2016 Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,612,446.22	\$ 1,612,446.22
Sub-total - Fiscal Agent Cash & Investments		\$ 27,569,142.28	\$ 27,557,070.94
Grand Total		\$ 30,801,087.01	\$ 30,793,841.44

* Includes accrued interest on invested funds

Successor Agency to the Brea Redevelopment Agency Cash and Investment Information

March 31, 2017

Fiscal Agent Cash & Investments Detail		Cost Value	Market Value
	2003 Tax Allocation Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 366,856.86	\$ 366,856.86
	Sub-total	\$ 366,856.86	\$ 366,856.86
	2004 Brea Public Financing Authority Lease Revenue Bond - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 327,428.98	\$ 327,428.98
	Sub-total	\$ 327,428.98	\$ 327,428.98
10156	2011 Tax Allocation Bonds, Series A - CHANDLER	\$ 1,920,362.58	\$ 1,927,689.39
	Short-Term Treasury Funds - BNY	\$ 12,883,706.79	\$ 12,858,702.53
	Sub-total	\$ 14,804,069.37	\$ 14,786,391.92
10157	2011 Tax Allocation Bonds, Series B - CHANDLER	\$ 1,026,540.93	\$ 1,032,147.04
	Short-Term Treasury Funds - BNY	\$ 465,445.22	\$ 465,445.22
	Sub-total	\$ 1,491,986.15	\$ 1,497,592.26
	2013 Tax Allocation Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 8,966,354.70	\$ 8,966,354.70
	Sub-total	\$ 8,966,354.70	\$ 8,966,354.70
	2016 Tax Allocation Refunding Bonds, Series A & B - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 1,612,446.22	\$ 1,612,446.22
	Sub-total	\$ 1,612,446.22	\$ 1,612,446.22
Report Grand Total		\$ 27,569,142.28	\$ 27,557,070.94



PORTFOLIO CHARACTERISTICS

Average Duration	0.00
Average Coupon	0.78 %
Average Purchase YTM	0.78 %
Average Market YTM	0.78 %
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

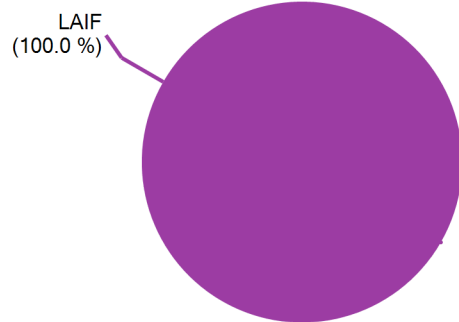
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	2,601,248	2,601,248
Accrued Interest	3,016	4,826
Total Market Value	2,604,265	2,606,074
Income Earned	1,550	1,809
Cont/WD		0
Par	2,601,248	2,601,248
Book Value	2,601,248	2,601,248
Cost Value	2,601,248	2,601,248

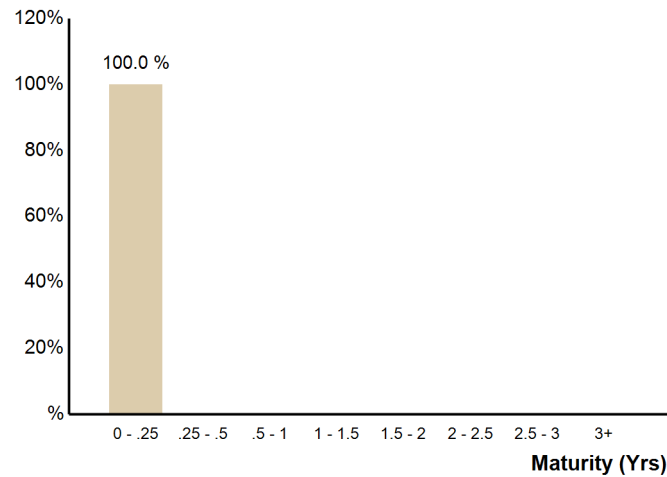
TOP ISSUERS

Issuer	% Portfolio
Local Agency Investment Fund	100.0 %
	100.0 %

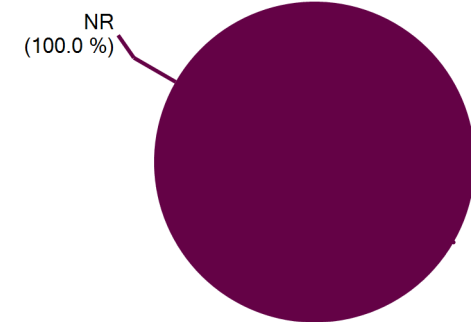
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	2,601,248.47	Various 0.78 %	2,601,248.47 2,601,248.47	1.00 0.78 %	2,601,248.47 4,825.77	100.00 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		2,601,248.47	0.78 %	2,601,248.47 2,601,248.47	0.78 %	2,601,248.47 4,825.77	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		2,601,248.47	0.78 %	2,601,248.47 2,601,248.47	0.78 %	2,601,248.47 4,825.77	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						2,606,074.24			



PORTFOLIO CHARACTERISTICS

Average Duration	2.97
Average Coupon	1.45 %
Average Purchase YTM	1.57 %
Average Market YTM	1.58 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.07 yrs
Average Life	3.07 yrs

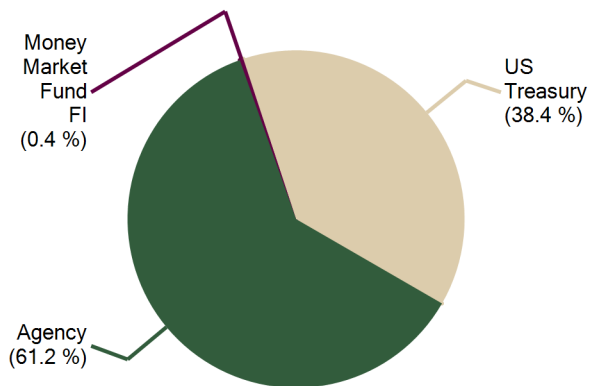
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	1,919,646	1,921,153
Accrued Interest	6,432	6,536
Total Market Value	1,926,077	1,927,689
Income Earned	2,448	2,549
Cont/WD		0
Par	1,929,752	1,931,992
Book Value	1,923,680	1,926,125
Cost Value	1,918,122	1,920,363

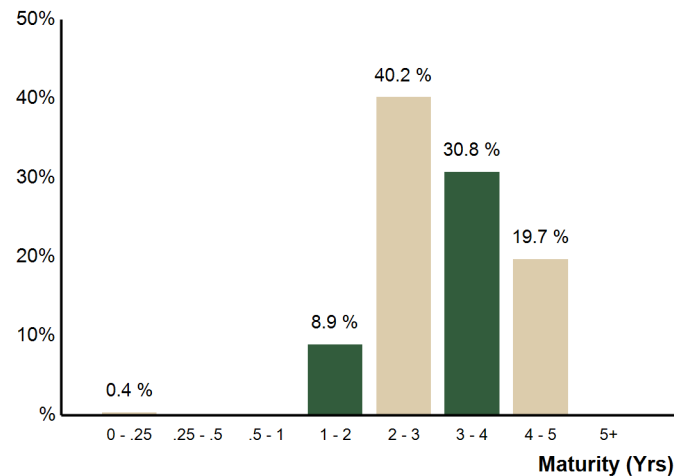
TOP ISSUERS

Issuer	% Portfolio
Government of United States	38.4 %
Federal National Mortgage Assoc	24.4 %
Federal Home Loan Bank	20.8 %
Federal Home Loan Mortgage Corp	16.1 %
AIM STIT-Treasury Portfolio	0.4 %
	100.0 %

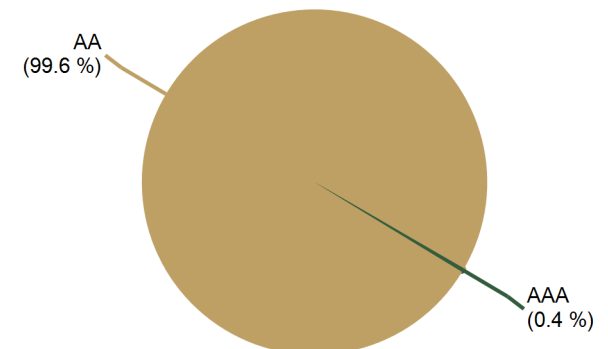
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			7/31/2011	Since 7/31/2011
					3 Yrs	5 Yrs	10 Yrs		
2011A TABS, Successor Agency to the Brea Redevelopm	0.08 %	0.43 %	0.43 %	-0.30 %	1.66 %	1.40 %	N/A	1.58 %	9.30 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	0.73 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$1,923,680.28
<u>Acquisition</u>	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$2,240.75
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$2,240.75
<u>Dispositions</u>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$0.00
<u>Amortization/Accretion</u>	
+/- Net Accretion	\$203.59
	\$203.59
<u>Gain/Loss on Dispositions</u>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$1,926,124.62

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$4,751.73
<u>Acquisition</u>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$2,240.63
Dividend Received	\$0.12
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$2,240.75
<u>Disposition</u>	
Withdrawals	\$0.00
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$0.00
Ending Book Value	\$6,992.48



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	170,000.00	03/18/2014 1.69 %	171,509.60 170,578.48	101.01 1.33 %	171,711.73 371.88	8.93 % 1,133.25	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	175,000.00	09/09/2014 1.84 %	170,220.75 172,720.09	99.63 1.41 %	174,356.35 364.58	9.06 % 1,636.26	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	150,000.00	11/17/2014 1.77 %	149,848.50 149,923.00	100.63 1.49 %	150,945.30 138.54	7.84 % 1,022.30	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	135,000.00	03/25/2015 1.40 %	134,107.65 134,505.99	99.44 1.48 %	134,247.11 839.06	7.01 % (258.88)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	130,000.00	06/26/2015 1.87 %	129,282.40 129,536.93	100.19 1.69 %	130,246.22 688.82	6.79 % 709.29	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	150,000.00	03/11/2016 1.64 %	148,140.00 148,535.33	98.47 1.78 %	147,703.95 246.35	7.68 % (831.38)	Aaa / AA+ AAA	3.89 3.75
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	125,000.00	10/27/2016 1.41 %	123,377.50 123,523.71	96.87 1.89 %	121,091.50 300.78	6.30 % (2,432.21)	Aaa / AA+ AAA	4.29 4.15
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	150,000.00	10/27/2016 1.50 %	149,086.50 149,164.94	97.56 1.94 %	146,334.45 996.88	7.64 % (2,830.49)	Aaa / AA+ AAA	4.52 4.32
Total Agency		1,185,000.00	1.65 %	1,175,572.90 1,178,488.47	1.61 %	1,176,636.61 3,946.89	61.24 % (1,851.86)	Aaa / AA+ AAA	3.07 2.97
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	6,992.48	Various 0.11 %	6,992.48 6,992.48	1.00 0.11 %	6,992.48 0.00	0.36 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		6,992.48	0.11 %	6,992.48 6,992.48	0.11 %	6,992.48 0.00	0.36 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	150,000.00	Various 1.64 %	146,388.78 148,404.92	99.63 1.30 %	149,449.20 565.59	7.78 % 1,044.28	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	165,000.00	Various 1.42 %	163,694.10 164,218.26	99.29 1.50 %	163,820.58 179.35	8.51 % (397.68)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	165,000.00	05/07/2015 1.57 %	161,584.54 162,909.49	98.84 1.52 %	163,092.27 5.07	8.46 % 182.78	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	150,000.00	Various 1.61 %	150,973.16 150,714.58	100.22 1.69 %	150,328.20 1,102.21	7.86 % (386.38)	Aaa / AA+ AAA	3.59 3.43



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828WN6	US Treasury Note 2% Due 5/31/2021	110,000.00	07/11/2016 1.01 %	115,156.62 114,396.42	100.76 1.81 %	110,833.58 737.36	5.79 % (3,562.84)	Aaa / AA+ AAA	4.17 3.96
Total US Treasury		740,000.00	1.47 %	737,797.20 740,643.67	1.55 %	737,523.83 2,589.58	38.39 % (3,119.84)	Aaa / AA+ AAA	3.11 3.01
TOTAL PORTFOLIO		1,931,992.48	1.57 %	1,920,362.58 1,926,124.62	1.58 %	1,921,152.92 6,536.47	100.00 % (4,971.70)	Aaa / AA+ AAA	3.07 2.97
TOTAL MARKET VALUE PLUS ACCRUED						1,927,689.39			



PORTFOLIO CHARACTERISTICS

Average Duration	2.99
Average Coupon	1.46 %
Average Purchase YTM	1.61 %
Average Market YTM	1.58 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	3.09 yrs
Average Life	3.09 yrs

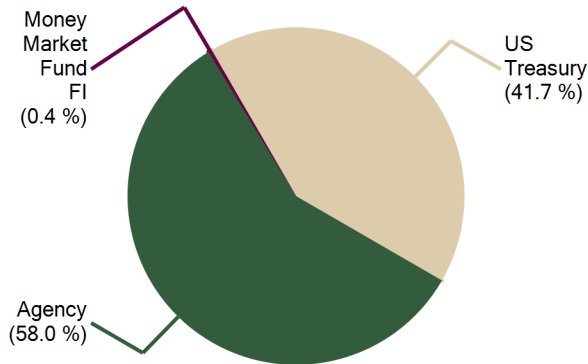
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
Market Value	1,027,876	1,028,554
Accrued Interest	3,371	3,594
Total Market Value	1,031,247	1,032,147
Income Earned	1,333	1,393
Cont/WD		0
Par	1,032,586	1,033,633
Book Value	1,028,862	1,030,032
Cost Value	1,025,494	1,026,541

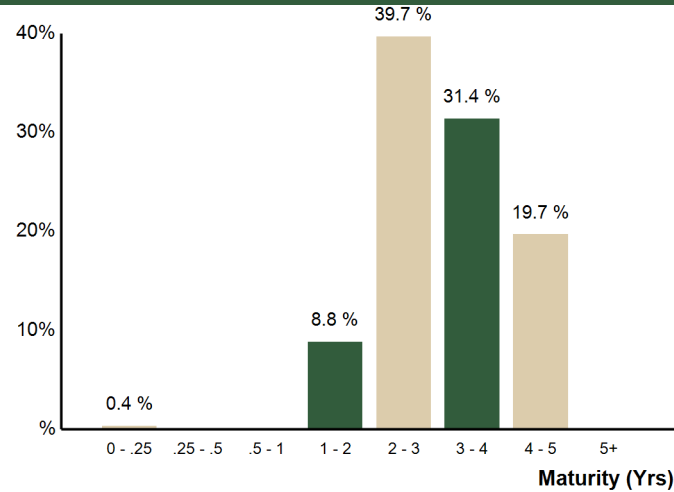
TOP ISSUERS

Issuer	% Portfolio
Government of United States	41.7 %
Federal National Mortgage Assoc	20.9 %
Federal Home Loan Bank	20.6 %
Federal Home Loan Mortgage Corp	16.5 %
Fidelity Govt. Money Market Fun	0.4 %
	100.0 %

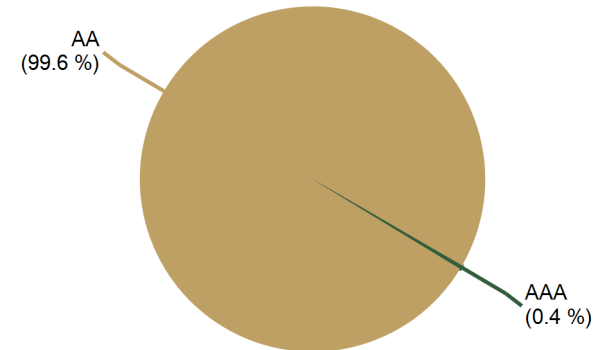
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			7/31/2011	Since 7/31/2011
					3 Yrs	5 Yrs	10 Yrs		
Brea 2011B TABS Reserve Account, Successor Agency	0.09 %	0.43 %	0.43 %	-0.21 %	1.69 %	1.41 %	N/A	1.56 %	9.20 %
BAML 3-Month US Treasury Bill Index	0.02 %	0.10 %	0.10 %	0.36 %	0.17 %	0.14 %	N/A	0.13 %	0.73 %



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$1,028,861.57
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$1,046.98	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,046.98
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$123.70	
		\$123.70
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$1,030,032.25

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$2,585.52
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$1,046.88	
Dividend Received	\$0.10	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$1,046.98	
<u>Disposition</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
Ending Book Value		\$3,632.50



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	90,000.00	03/18/2014 1.69 %	90,799.20 90,306.26	101.01 1.33 %	90,906.21 196.88	8.83 % 599.95	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	95,000.00	09/09/2014 1.84 %	92,405.55 93,762.33	99.63 1.41 %	94,650.59 197.92	9.19 % 888.26	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	65,000.00	11/17/2014 1.77 %	64,934.35 64,966.63	100.63 1.49 %	65,409.63 60.03	6.34 % 443.00	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	75,000.00	03/25/2015 1.40 %	74,504.25 74,725.55	99.44 1.48 %	74,581.73 466.15	7.27 % (143.82)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	80,000.00	06/26/2015 1.87 %	79,558.40 79,715.03	100.19 1.69 %	80,151.52 423.89	7.81 % 436.49	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	85,000.00	03/11/2016 1.64 %	83,946.00 84,170.02	98.47 1.78 %	83,698.91 139.60	8.12 % (471.11)	Aaa / AA+ AAA	3.89 3.75
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	50,000.00	10/27/2016 1.41 %	49,351.00 49,409.49	96.87 1.89 %	48,436.60 120.31	4.70 % (972.89)	Aaa / AA+ AAA	4.29 4.15
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	60,000.00	10/27/2016 1.50 %	59,634.60 59,665.98	97.56 1.94 %	58,533.78 398.75	5.71 % (1,132.20)	Aaa / AA+ AAA	4.52 4.32
Total Agency		600,000.00	1.66 %	595,133.35 596,721.29	1.60 %	596,368.97 2,003.53	57.97 % (352.32)	Aaa / AA+ AAA	3.01 2.91
MONEY MARKET FUND FI									
316175108	Fidelity Institutional Govt Money Market Fund	3,632.50	Various 0.56 %	3,632.50 3,632.50	1.00 0.56 %	3,632.50 0.00	0.35 % 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		3,632.50	0.56 %	3,632.50 3,632.50	0.56 %	3,632.50 0.00	0.35 % 0.00	Aaa / AAA NR	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	85,000.00	06/17/2014 1.75 %	82,493.45 83,904.77	99.63 1.30 %	84,687.88 320.50	8.24 % 783.11	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	90,000.00	Various 1.41 %	89,314.17 89,585.07	99.29 1.50 %	89,356.68 97.82	8.67 % (228.39)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	85,000.00	05/07/2015 1.57 %	83,240.52 83,923.07	98.84 1.52 %	84,017.23 2.61	8.14 % 94.16	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	75,000.00	11/04/2015 1.63 %	75,416.27 75,299.07	100.22 1.69 %	75,164.10 551.10	7.34 % (134.97)	Aaa / AA+ AAA	3.59 3.43
912828WN6	US Treasury Note 2% Due 5/31/2021	50,000.00	07/11/2016 1.01 %	52,343.92 51,998.38	100.76 1.81 %	50,378.90 335.16	4.91 % (1,619.48)	Aaa / AA+ AAA	4.17 3.96



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	45,000.00	01/18/2017 1.89 %	44,966.75 44,968.10	99.88 1.90 %	44,947.26 282.80	4.38 % (20.84)	Aaa / AA+ AAA	4.67 4.42
Total US Treasury		430,000.00	1.55 %	427,775.08 429,678.46	1.58 %	428,552.05 1,589.99	41.67 % (1,126.41)	Aaa / AA+ AAA	3.24 3.12
TOTAL PORTFOLIO		1,033,632.50	1.61 %	1,026,540.93 1,030,032.25	1.58 %	1,028,553.52 3,593.52	100.00 % (1,478.73)	Aaa / AA+ AAA	3.09 2.99
TOTAL MARKET VALUE PLUS ACCRUED						1,032,147.04			

City of Brea

COMMUNICATION

TO: Honorable Chair and Members

FROM: City Manager

DATE: 04/24/2017

SUBJECT: Review Quarterly Review Report from Chandler Asset Management for Period
Ending March 31, 2017 - Presentation by Bill Dennehy

Attachments

Report



CHANDLER ASSET MANAGEMENT

Investment Report

City of Brea

Period Ending
March 31, 2017



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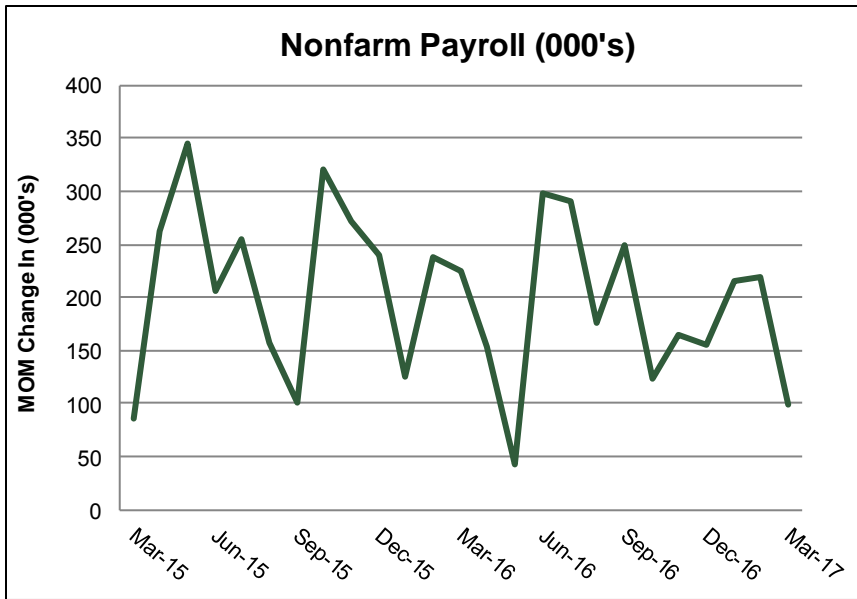


SECTION 1

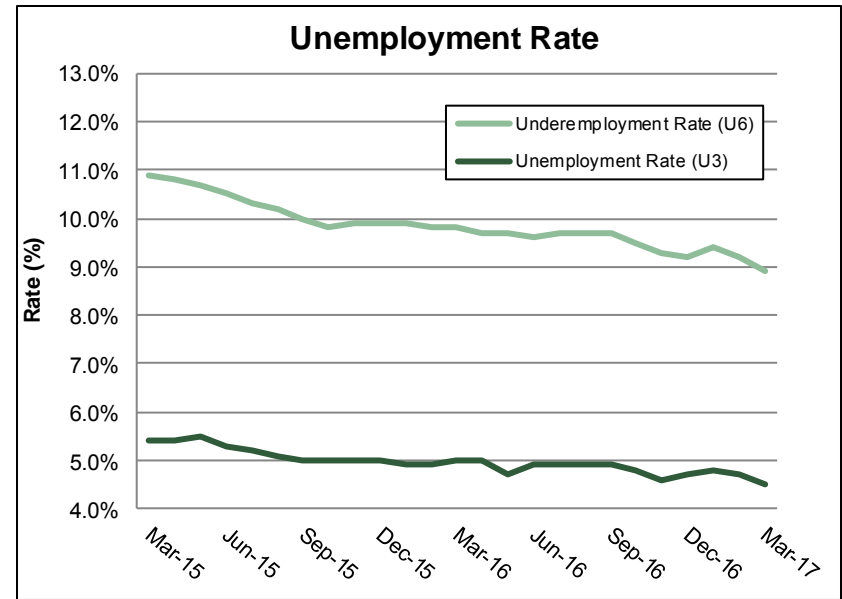
Economic Update



- The Federal Open Market Committee (FOMC) raised the fed funds target rate by 25 basis points to a range of 0.75%-1.00% in March. There was one dissenting vote from Minneapolis Fed President Neel Kashkari who preferred no rate hike. The Fed noted economic activity expanded at a moderate pace, labor market gains remain solid, and inflation is moving close to the Fed's 2.0% target. The Fed is still projecting a 1.4% fed funds rate by the end of this year, which implies two more 25 basis point hikes. The long-run fed funds rate projection was also unchanged at 3.0%. Notably, the Fed anticipates the longer-run neutral level of the fed funds rate (the level of the fed funds rate that is neither stimulative to the economy nor contractionary) is likely to remain relatively low which should warrant a gradual pace of rate hikes. Fed Chair Yellen indicated the current level of the fed funds rate is below the neutral rate, but not significantly lower. The FOMC did not make any decisions about their balance sheet reinvestment plans and will continue that discussion during future meetings.
- Domestic economic data remains indicative of slow growth. The economy is likely at or near full employment, consumer confidence is strong, manufacturing indicators have improved, and housing trends remain favorable. Looking further ahead, a potential boost in fiscal stimulus could provide a further tailwind to economic growth. GDP grew by 2.1% in the fourth quarter. We expect GDP growth of 2.0%-2.5% in 2017.
- The Treasury yield curve continued to flatten modestly in March. Short-term Treasury yields (under 2-year maturities) increased while the rest of Treasury yield curve was essentially unchanged. Meanwhile sovereign yields in Germany increased in March, and yields in Japan were little changed. At the end of 2016, following the election, US Treasury yields increased meaningfully driven by heightened expectations for fiscal stimulus and growth under the Trump administration and Republican-controlled Congress. Some of the post-election exuberance regarding fiscal spending, tax reform, and healthcare reform has started to wane, as market participants begin to sense the timeline and magnitude of such policies may be delayed or potentially less robust than previously hoped.

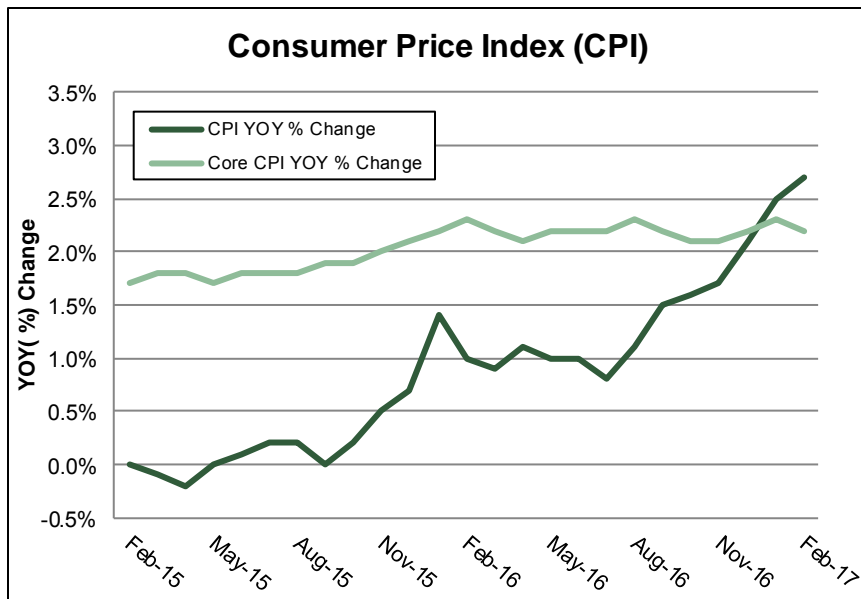


Source: US Department of Labor

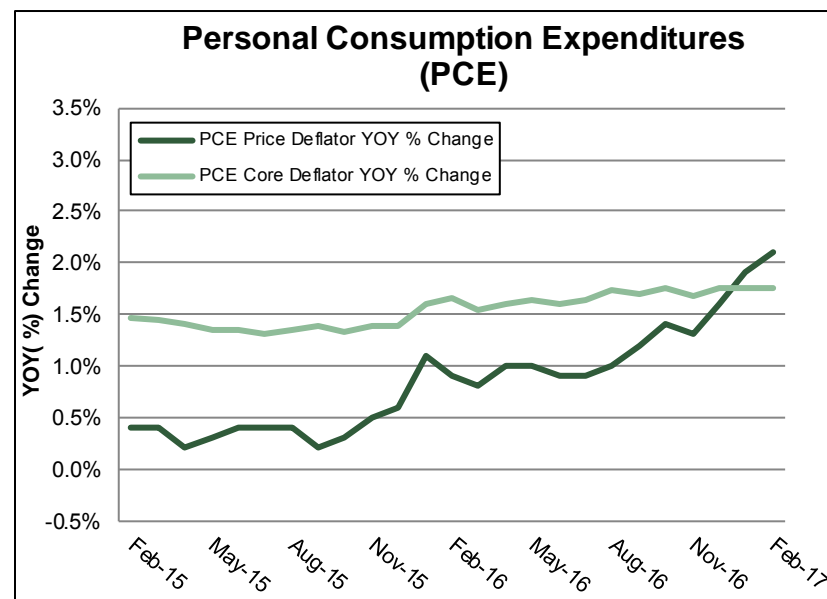


Source: US Department of Labor

Nonfarm payrolls were significantly lower than expected in March, up 98,000 versus the consensus forecast of 175,000. January and February payrolls were revised down by 38,000. On a trailing 3-month and 6-month basis, payrolls increased by an average of 178,000 and 163,000 per month, respectively. The unemployment rate fell to 4.5% in March from 4.7% in February. The participation rate was unchanged at 63.0%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, decreased to 8.9% in March from 9.2% in February. Wage growth rose 0.2% in March, versus expectations for a 0.3% increase. This follows an upwardly revised gain of 0.3% in February (previously 0.2%). On a year-over-year basis, wages were up 2.7% in March, vs. 2.8% in February.

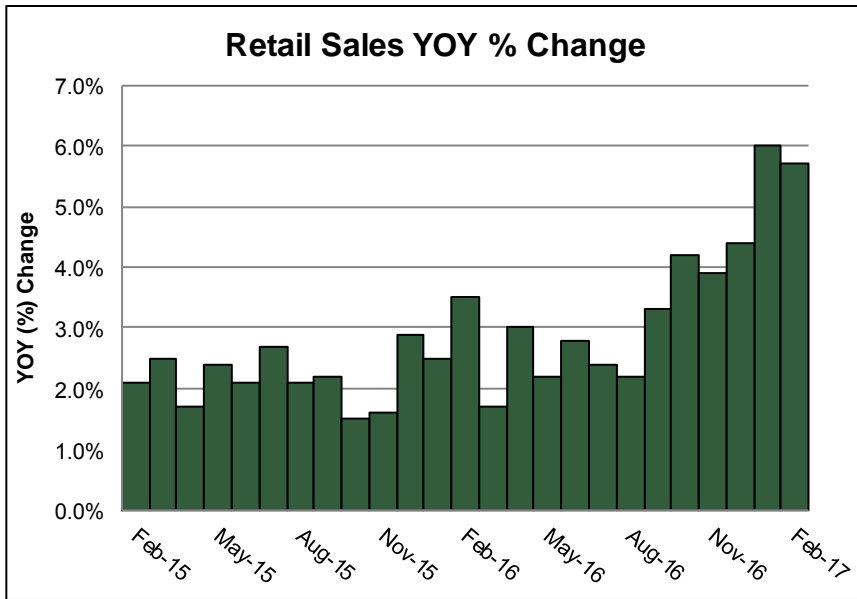


Source: US Department of Labor

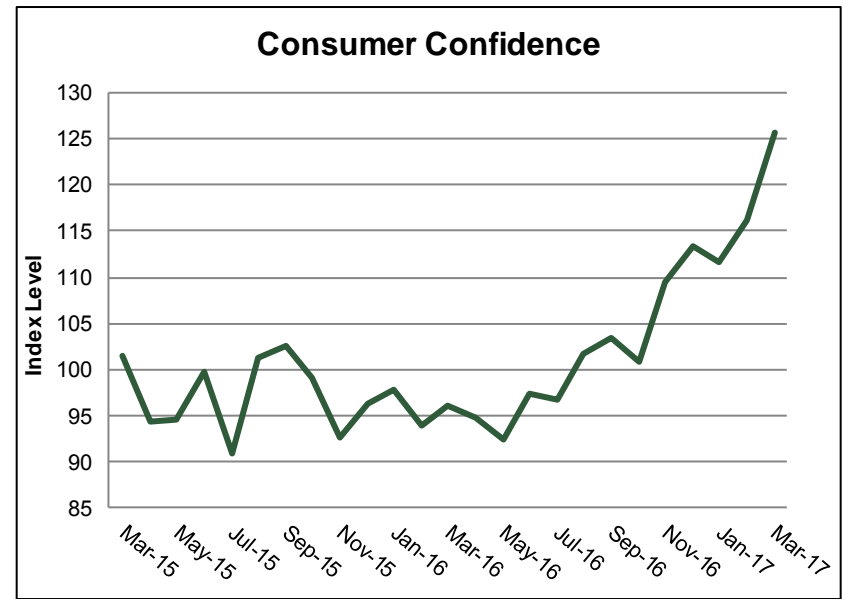


Source: US Department of Labor

The Consumer Price Index (CPI) was up 2.7% year-over-year in February, versus up 2.5% year-over-year in January. Core CPI (CPI less food and energy) was up 2.2% year-over-year in February, versus up 2.3% year-over-year in January. The Personal Consumption Expenditures (PCE) index was up 2.1% year-over-year in February, versus up 1.9% year-over-year in January. Core PCE (excluding food and energy) was up 1.8% year-over-year in February, versus up 1.7% year-over-year in January. CPI is already trending above 2.0%, and the Fed's primary inflation gauge (PCE) is approaching the Fed's 2.0% target.



Source: US Department of Commerce

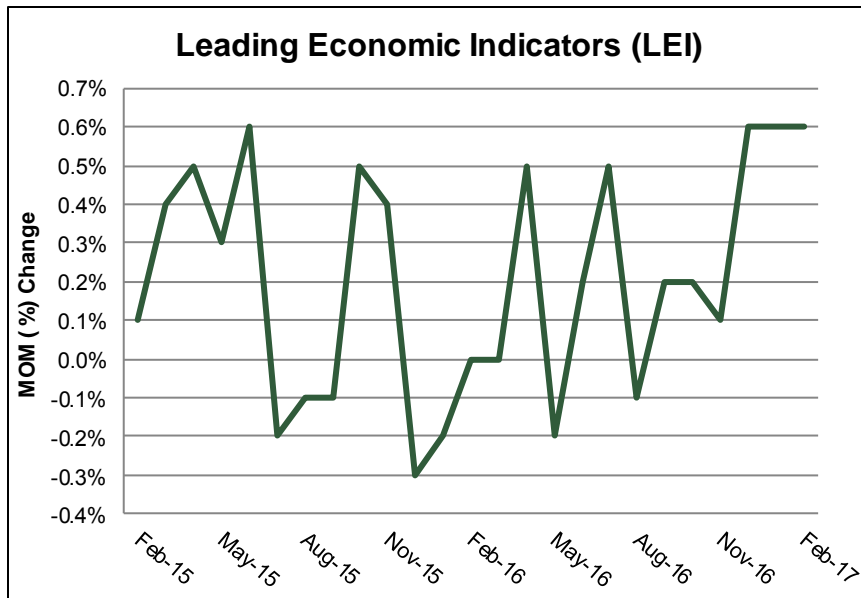


Source: Federal Reserve

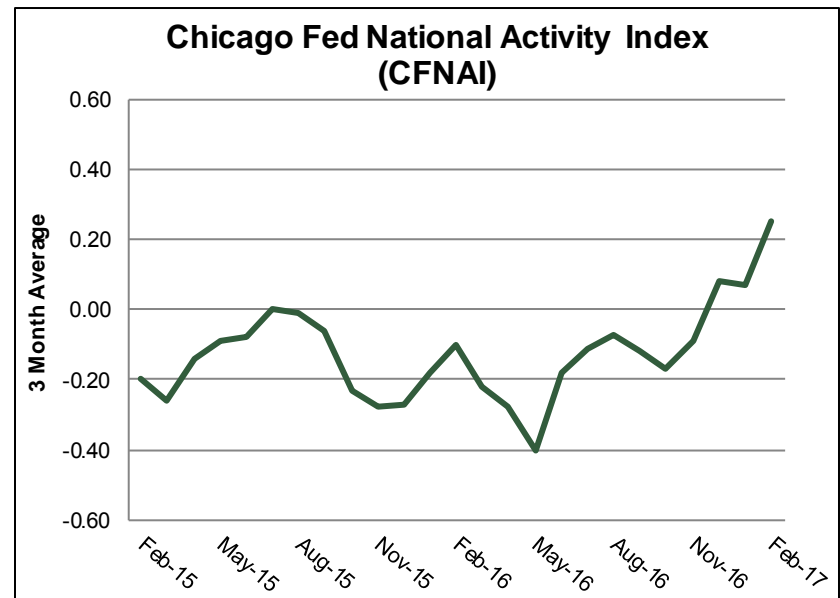
On a year-over-year basis, total retail sales were up 5.7% in February compared with a 6.0% increase in January. On a month-over-month basis, retail sales were up 0.1% in February, following a 0.6% increase in January. Excluding autos and gas, retail sales increased 0.2% in February, following a 1.2% gain in January. On average, retail sales trends were solid in the first two months of the year. Meanwhile, the consumer confidence index remained robust in March at 125.6 versus 116.1 in February.



Economic Activity

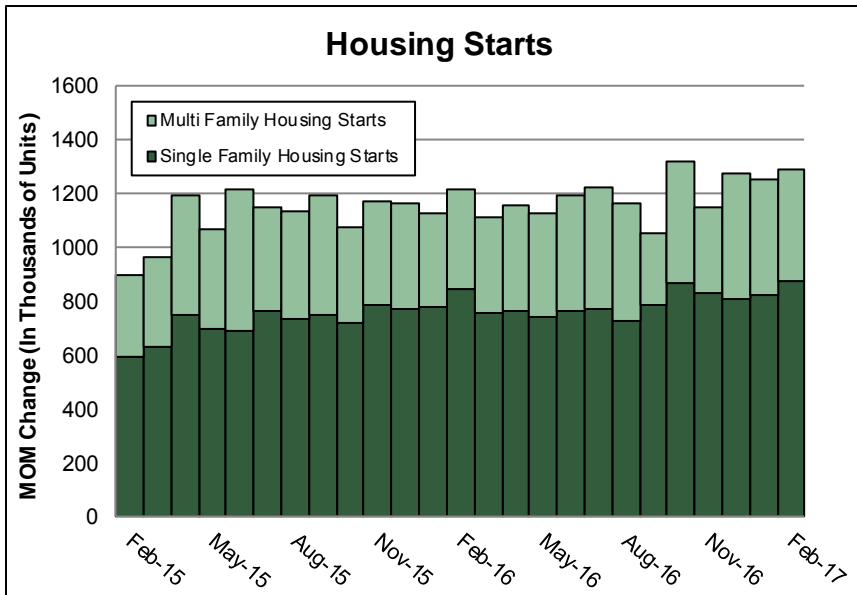


Source: The Conference Board

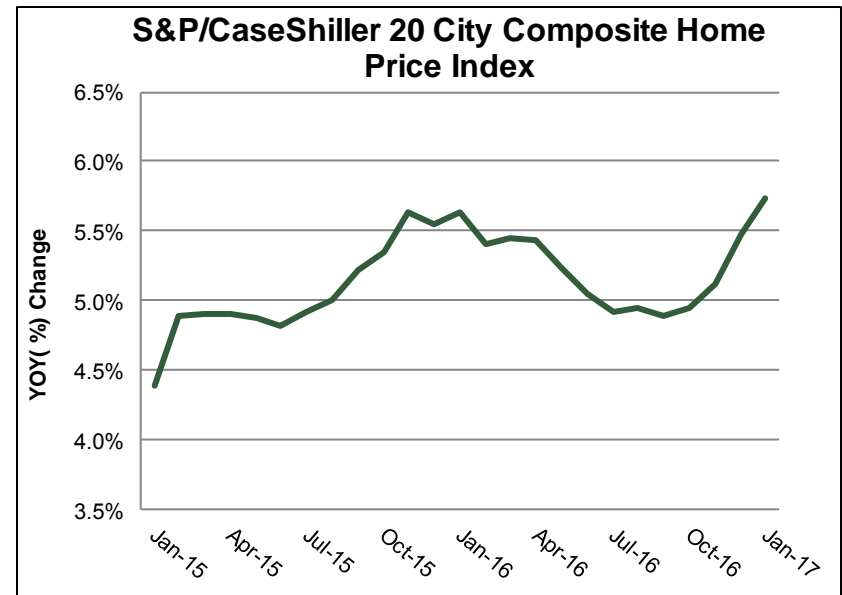


Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) rose 0.6% in February, exceeding expectations of 0.4%, following a 0.6% increase in January. The LEI suggests that economic growth may be accelerating. Meanwhile, the Chicago Fed National Activity Index (CFNAI) also suggests that the pace of economic growth is increasing. The CFNAI increased to 0.25 in February on a 3-month moving average basis from 0.07 in January. Notably, a reading above 0.70 on a three-month moving average basis may point to a sustained increase in inflation.

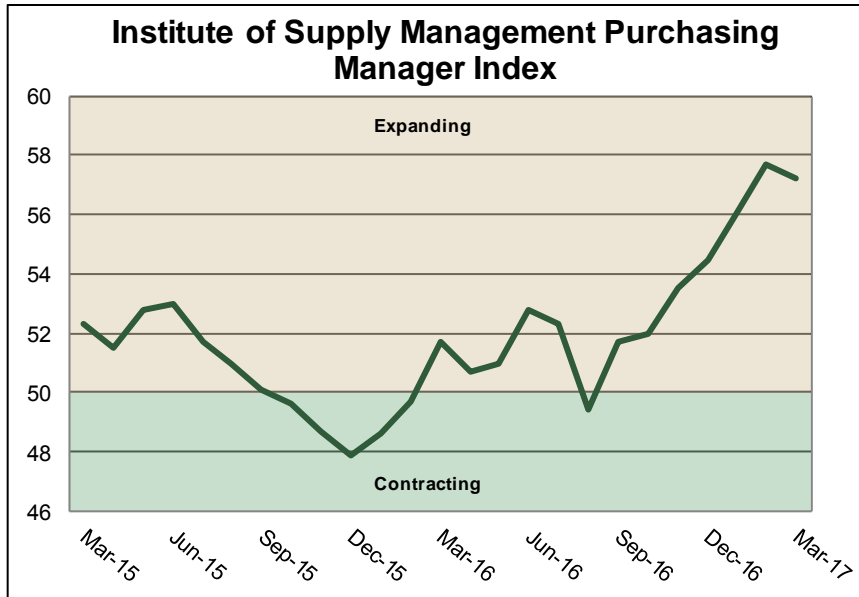


Source: US Census Bureau

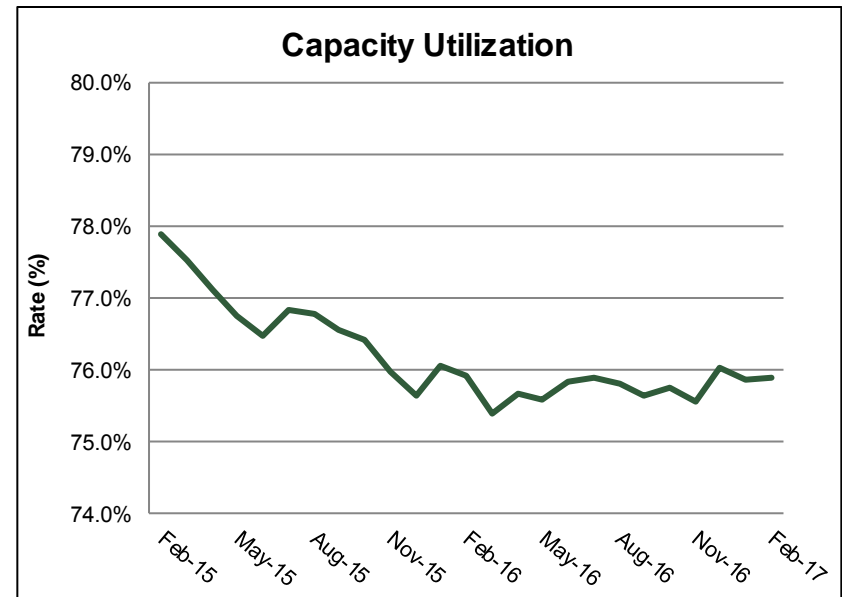


Source: S&P

Total housing starts rose 3.0% in February, following a 1.9% decrease in January. Single-family starts rose 6.5% in February, but multi-family starts declined 3.7%. On a year-over-year basis, total housing starts were up 6.2% in February. Permits were weaker than expected in February, due to a decline in multi-family permits. According to the Case-Shiller 20-City home price index, home prices were up 5.7% year-over-year in January, compared to 5.5% in December.



Source: Institute for Supply Management



Source: Federal Reserve

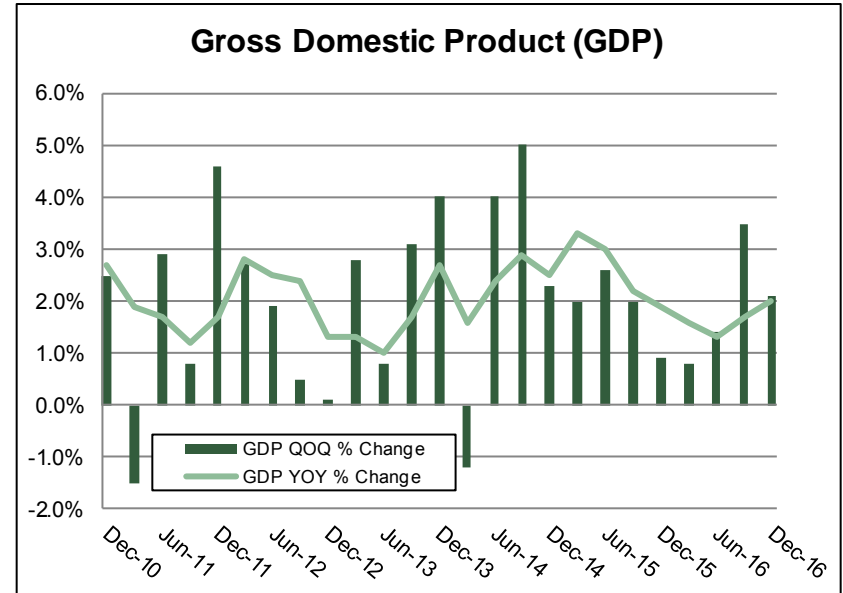
The Institute for Supply Management (ISM) manufacturing index decreased to 57.2 in March from 57.7 in February, suggesting that manufacturing activity remains above trend. Notably, a reading above 50.0 suggests the manufacturing sector is expanding. Meanwhile, capacity utilization, which is production divided by capacity, decreased to 75.4% in February from 75.5% in January. The capacity utilization rate remains below the long-run average of 79.9% (1972-2016), suggesting there is still excess capacity in the industrial sector.



Gross Domestic Product (GDP)

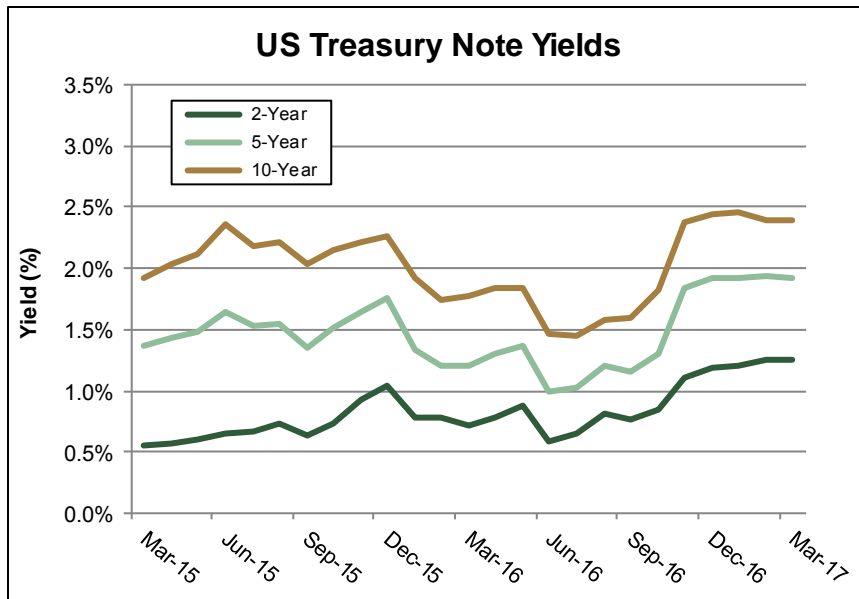
Components of GDP	3/16	6/16	9/16	12/16
Personal Consumption Expenditures	1.1%	2.9%	2.0%	2.4%
Gross Private Domestic Investment	-0.6%	-1.3%	0.5%	1.5%
Net Exports and Imports	0.0%	0.2%	0.9%	-1.8%
Federal Government Expenditures	-0.1%	0.0%	0.2%	-0.1%
State and Local (Consumption and Gross Investment)	0.4%	-0.3%	0.0%	0.1%
Total	0.8%	1.4%	3.5%	2.1%

Source: US Department of Commerce

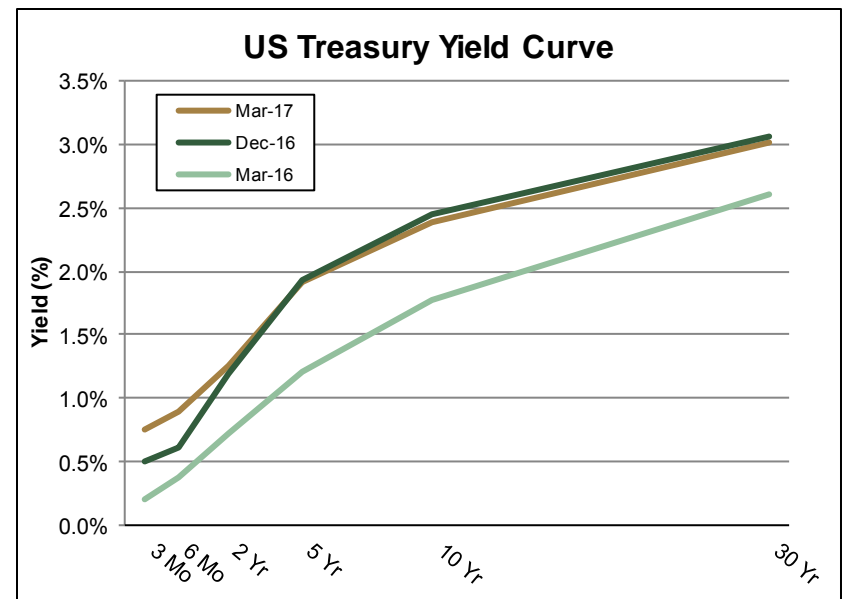


Source: US Department of Commerce

According to the third estimate, fourth quarter real GDP grew at an annualized rate of 2.1%, 0.2% higher compared to the prior estimate. This compares to growth of 3.5% in the third quarter of 2016. Personal consumption expenditures continued to fuel GDP growth in the fourth quarter, while net exports detracted from growth. Market participants are forecasting GDP growth of 1.8% in the first quarter of 2017.



Source: Bloomberg



Source: Bloomberg

Over the past three months, the yield curve flattened, following a dramatic post-election curve steepener. In the past three months, the 2-year Treasury yield is up about 7 basis points and the 10-year Treasury yield is down about 6 basis points. Notably, shorter-term yields (1-year and under) are up more than 20 basis points during that time period. On a year-over-year basis the 2-year Treasury yield has increased 53 basis points and 10-year Treasury yield is up about 62 basis points.



SECTION 2

Account Profile

Investment Objectives

The investment objectives of the City of Brea and the Successor Agency to the Brea Redevelopment Agency are first, to preserve principal in the overall portfolio; second, to provide adequate liquidity to meet operating requirements; and third, to earn a return that is commensurate with the first two objectives.

Chandler Asset Management Performance Objectives

The performance objective for both accounts is to achieve a rate of return over a market cycle that equals or exceeds the return on a market index of similar duration and sector allocation.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.



City of Brea
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
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset- Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%; <60%, with OCIP	Complies
OCIP	40%; <60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Per issuer max	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies



Account Profile

Portfolio Characteristics

City of Brea

	03/31/2017	12/31/2016
	Benchmark*	Portfolio
Average Maturity (yrs)	2.71	2.62
Modified Duration	2.60	2.43
Average Purchase Yield	n/a	1.47 %
Average Market Yield	1.47 %	1.52 %
Average Quality**	AAA	AA+/Aa1
Total Market Value		63,881,279

* BAML 1-5 Yr US Treasury/Agency Index

** Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

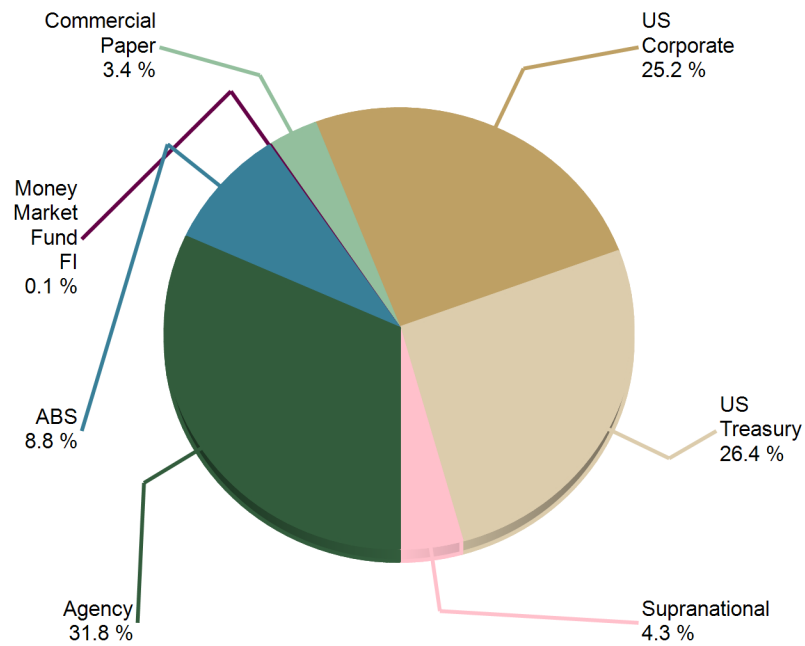
Multiple securities were purchased across the Treasury, Supranational, Asset Backed, Commercial Paper, and Corporate sectors of the market to keep the portfolio structure in-line with Chandler objectives. The purchased securities ranged in maturity from July 2017 to February 2022. Several securities were sold and three matured to help facilitate the new additions to the portfolio.



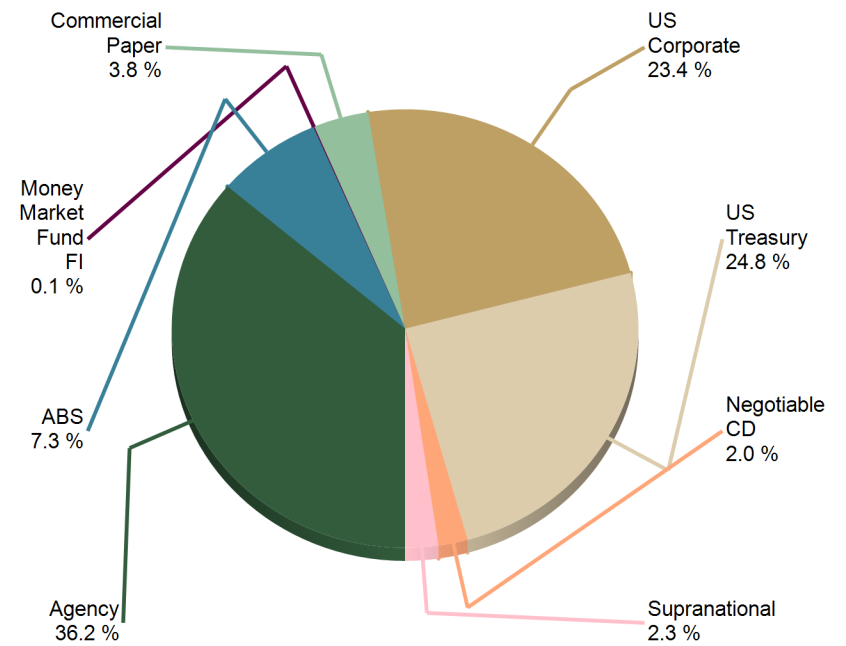
Sector Distribution

City of Brea

March 31, 2017



December 31, 2016





**City of Brea
Account #120**

Issuer Report

As of 3/31/2017

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	26.36 %
Federal National Mortgage Association	Agency	11.82 %
Federal Home Loan Mortgage Corp	Agency	10.36 %
Federal Home Loan Bank	Agency	8.02 %
Intl Bank Recon and Development	Supranational	2.28 %
Honda ABS	ABS	2.27 %
John Deere ABS	ABS	2.20 %
Inter-American Dev Bank	Supranational	2.01 %
Toyota ABS	ABS	2.00 %
Bank of Tokyo-Mit UFJ	Commercial Paper	1.99 %
US Bancorp	US Corporate	1.73 %
Tennessee Valley Authority	Agency	1.60 %
Microsoft	US Corporate	1.42 %
Rabobank Nederland NV NY	Commercial Paper	1.41 %
Exxon Mobil Corp	US Corporate	1.37 %
General Electric Co	US Corporate	1.28 %
JP Morgan ABS	ABS	1.28 %
Honda Motor Corporation	US Corporate	1.27 %
Apple Inc	US Corporate	1.27 %
Praxair	US Corporate	1.27 %
Chubb Corporation	US Corporate	1.27 %
Oracle Corp	US Corporate	1.24 %
Intel Corp	US Corporate	1.23 %
Toyota Motor Corp	US Corporate	1.22 %
Qualcomm Inc	US Corporate	1.19 %
Wells Fargo Corp	US Corporate	1.16 %
IBM Corp	US Corporate	1.14 %
Cisco Systems	US Corporate	1.13 %
Bank of New York	US Corporate	1.12 %
Berkshire Hathaway	US Corporate	1.10 %
ChevronTexaco Corp	US Corporate	1.10 %
Nissan ABS	ABS	1.06 %
Costco Wholesale Corporation	US Corporate	0.73 %



City of Brea
Account #120

Issuer Report

As of 3/31/2017

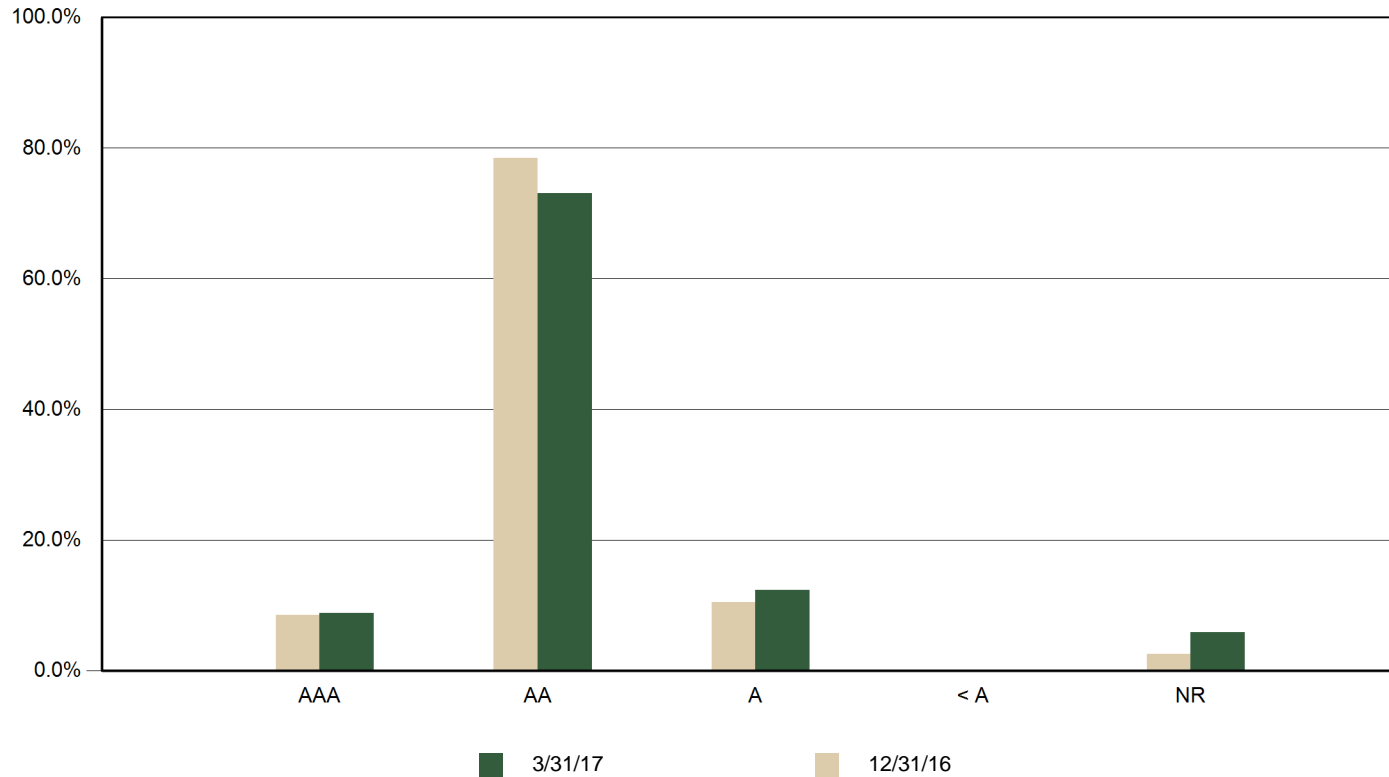
Issue Name	Investment Type	% Portfolio
State Street Bank	US Corporate	0.68 %
Deere & Company	US Corporate	0.68 %
Wal-Mart Stores	US Corporate	0.63 %
Fidelity Institutional Treasury Portfolio	Money Market Fund FI	0.13 %
Total		100.00 %



Quality Distribution

City of Brea

March 31, 2017 vs. December 31, 2016



	AAA	AA	A	<A	NR
3/31/17	8.8 %	73.0 %	12.3 %	0.0 %	5.9 %
12/31/16	8.5 %	78.4 %	10.5 %	0.0 %	2.6 %

Source: S&P Ratings

Agencies

- New issue activity in the sector has slowed down over the past several weeks, valuations remain unattractive.
- The spread curve is flat and Chandler is unlikely to be heavily involved in the five year sector of the market until valuations improve.
- Fannie Mae and Freddie Mac are likely to stay in conservatorship over an intermediate time horizon. The current administration is unlikely to focus on the Agency sector in the near term as other issues are deemed more important.

Investment Grade Corporate

- Similar to the assessment in the prior quarter, the spread over Treasury's available in high quality "A" rated paper remains relatively tight; Chandler continues to be selective in adding credit risk to the City's portfolio.
- New issue supply on a year-to-date basis is running ahead of the prior year's elevated pace. Broadly credit spreads have been trending sideways over the past two months; market is due for a modest widening in spreads.



Asset-Backed Securities

- Credit quality trends in prime rated auto sector are holding up well despite some of the negative headlines in the subprime sector. Please note the City's portfolio has zero exposure to the subprime sector.
- Chandler continues to gravitate towards the shorter maturity securities within the ABS sector as the spread differentiation versus alternative high quality assets remains attractive.

Municipal Securities

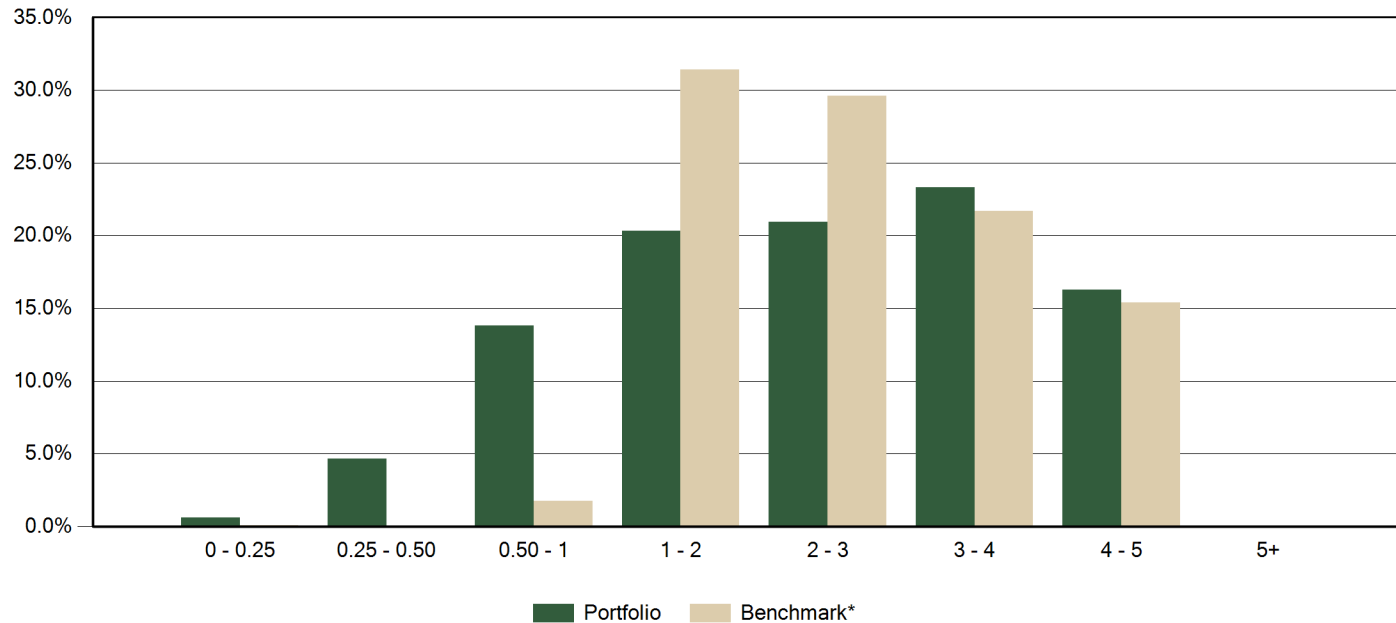
- Ultimately expect new issue supply to pick up as infrastructure spending plans take shape in 2018.
- Pension liability issues have been more of a focus recently, potential to see additional headline risk related to this topic in coming months.



Duration Distribution

City of Brea

Portfolio Compared to the Benchmark as of March 31, 2017



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	0.6 %	4.7 %	13.8 %	20.3 %	21.0 %	23.3 %	16.3 %	0.0 %
Benchmark*	0.1 %	0.0 %	1.7 %	31.4 %	29.6 %	21.7 %	15.4 %	0.0 %

* BAML 1-5 Yr US Treasury/Agency Index



Investment Performance

City of Brea

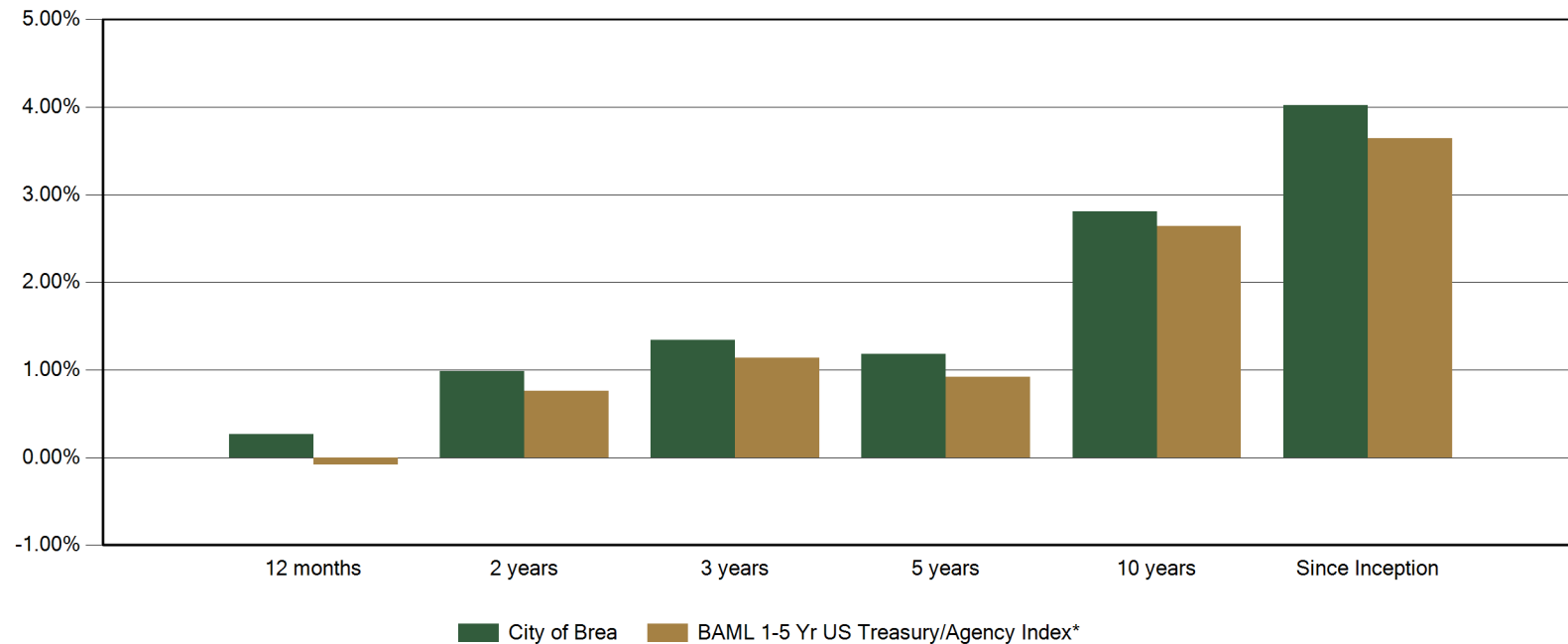
Period Ending

March 31, 2017

Total Rate of Return

Annualized Since Inception

April 30, 1996



	3 months	12 months	Annualized				
			2 years	3 years	5 years	10 years	Since Inception
City of Brea	0.48 %	0.26 %	0.99 %	1.34 %	1.18 %	2.81 %	4.02 %
BAML 1-5 Yr US Treasury/Agency Index*	0.38 %	-0.08 %	0.76 %	1.14 %	0.92 %	2.64 %	3.64 %

*BAML 1-Yr US Treasury Bill Index to 9/30/01,

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



Account Profile

Portfolio Characteristics

City of Brea Laif

	03/31/2017	12/31/2016
	Portfolio	Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	0.78 %	0.67 %
Average Market Yield	0.78 %	0.67 %
Average Quality**	NR/NR	NR/NR
Total Market Value	6,211,983	4,199,905



Account Profile

Portfolio Characteristics

Successor Agency to the Brea RDA LAIF

	03/31/2017	12/31/2016
	Portfolio	Portfolio
Average Maturity (yrs)	0.00	0.00
Modified Duration	0.00	0.00
Average Purchase Yield	0.78 %	0.67 %
Average Market Yield	0.78 %	0.67 %
Average Quality**	NR/NR	NR/NR
Total Market Value	2,606,074	301,289



City of Brea Bond Reserve Funds Portfolio Characteristics

Summary of Accounts Under Management

March 31, 2017

Name of Account	Average Maturity (Years)	Average Book Yield	Market Value	Average Quality
Brea 2009 Water Revenue Bond Reserve Fund	3.18	1.15%	1,901,585	AA+/Aaa
Brea 05 CDF 97-1 Spec Tax reserve Fund	3.13	1.59%	453,880	AA+/Aaa
Brea CFD No. 2008-2 Reserve Fund	3.10	1.57%	836,539	AA+/Aaa
Brea Water Revenue Bonds, Series B, Reserve Account	3.15	1.15%	1,345,862	AA+/Aaa
Brea Lease Revenue Bonds, Reserve Account	3.11	1.17%	265,321	AA+/Aaa
2011A TABS, Successor Agency to the Brea Redevelopment Agency	3.07	1.57%	1,927,689	AA+/Aaa
Brea 2011B TABS Reserve Account, Successor Agency to the Brea Redevelopment Agency	3.09	1.61%	1,032,147	AA+/Aaa
Total	3.01	1.39%	\$7,763,022	



SECTION 3

Portfolio Holdings

Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	61,504.82	04/02/2014 0.93 %	61,494.97 61,504.69	99.96 1.29 %	61,478.62 25.15	0.10 % (26.07)	Aaa / NR AAA	1.04 0.12
43814NAB1	Honda Auto Receivables 2016-1 A2 1.01% Due 6/18/2018	251,321.08	02/16/2016 1.02 %	251,295.98 251,307.91	99.98 1.10 %	251,270.56 91.66	0.39 % (37.35)	NR / AAA AAA	1.22 0.22
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	325,473.14	02/24/2015 1.13 %	325,423.92 325,458.54	99.90 1.35 %	325,156.78 162.01	0.51 % (301.76)	Aaa / AAA NR	1.88 0.43
47788NAB4	John Deere Owner Trust 2016-B A2 1.09% Due 2/15/2019	575,000.00	07/19/2016 1.10 %	574,964.93 574,974.25	99.91 1.28 %	574,489.40 278.56	0.90 % (484.85)	Aaa / NR AAA	1.88 0.47
43814RAB2	Honda Auto Receivables 2016-4 A2 1.04% Due 4/18/2019	820,000.00	10/18/2016 1.05 %	819,977.12 819,981.11	99.80 1.33 %	818,382.14 307.96	1.28 % (1,598.97)	NR / AAA AAA	2.05 0.68
65478WAB1	Nissan Auto Receivables Owner 2016-C A2A 1.07% Due 5/15/2019	400,000.00	08/02/2016 1.08 %	399,984.24 399,987.90	99.88 1.30 %	399,512.00 190.22	0.63 % (475.90)	Aaa / NR AAA	2.12 0.54
89231LAB3	Toyota Auto Receivables Owner 2016-D 1.06% Due 5/15/2019	530,000.00	10/04/2016 1.07 %	529,957.60 529,965.27	99.83 1.32 %	529,083.63 249.69	0.83 % (881.64)	Aaa / AAA NR	2.12 0.66
43814TAB8	Honda Auto Receivables 2017-1 A2 1.42% Due 7/22/2019	380,000.00	03/21/2017 1.43 %	379,990.92 379,990.96	100.03 1.39 %	380,106.02 44.97	0.60 % 115.06	Aaa / NR AAA	2.31 0.83
161571HH0	Chase CHAIT Pool #2016-A7 1.06% Due 9/16/2019	815,000.00	09/06/2016 1.08 %	814,929.75 814,968.03	99.92 1.25 %	814,332.52 383.96	1.28 % (635.51)	Aaa / AAA AAA	2.46 0.44
89238MAB4	Toyota Auto Receivables Owner 2017-A 1.42% Due 9/16/2019	420,000.00	03/07/2017 1.43 %	419,959.47 419,960.22	99.99 1.44 %	419,959.68 265.07	0.66 % (0.54)	Aaa / AAA NR	2.46 0.92
47787XAB3	John Deere Owner Trust 2017-A A2 1.5% Due 10/15/2019	285,000.00	02/22/2017 1.50 %	284,998.86 284,998.90	99.98 1.53 %	284,931.60 344.38	0.45 % (67.30)	Aaa / NR AAA	2.54 1.06
654747AB0	Nissan Auto Receivables 2017-A A2A 1.47% Due 1/15/2020	275,000.00	03/21/2017 1.47 %	274,998.60 274,998.61	100.00 1.48 %	274,998.63 179.67	0.43 % 0.02	Aaa / NR AAA	2.79 1.04
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	485,000.00	02/23/2016 1.37 %	484,923.66 484,943.70	99.79 1.54 %	483,991.69 293.16	0.76 % (952.01)	Aaa / NR AAA	3.04 1.18
Total ABS		5,623,299.04	1.19 %	5,622,900.02 5,623,040.09	1.35 %	5,617,693.27 2,816.46	8.80 % (5,346.82)	Aaa / AAA AAA	2.24 0.68
AGENCY									
313381B20	FHLB Note 0.75% Due 12/8/2017	550,000.00	01/04/2013 0.91 %	545,671.50 549,394.40	99.77 1.08 %	548,758.10 1,294.79	0.86 % (636.30)	Aaa / AA+ AAA	0.69 0.68
313378A43	FHLB Note 1.375% Due 3/9/2018	1,125,000.00	09/04/2014 1.31 %	1,127,430.00 1,125,650.28	100.23 1.13 %	1,127,580.75 945.31	1.77 % 1,930.47	Aaa / AA+ AAA	0.94 0.93
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	1,135,000.00	03/20/2015 1.02 %	1,138,723.94 1,136,283.09	99.97 1.15 %	1,134,698.09 5,533.13	1.78 % (1,585.00)	Aaa / AA+ AAA	1.07 1.05
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	1,145,000.00	Various 1.53 %	1,113,053.45 1,136,757.67	99.66 1.18 %	1,141,093.26 3,617.88	1.79 % 4,335.59	Aaa / AA+ AAA	1.14 1.13
880591EQ1	Tennessee Valley Authority Note 1.75% Due 10/15/2018	1,005,000.00	Various 1.58 %	1,013,173.05 1,007,536.63	100.77 1.24 %	1,012,764.63 8,109.79	1.60 % 5,228.00	Aaa / AA+ AAA	1.54 1.50

Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADZ9	FHLMC Note 1.125% Due 4/15/2019	500,000.00	07/28/2016 0.92 %	502,764.50 502,077.56	99.52 1.37 %	497,580.50 2,593.75	0.78 % (4,497.06)	Aaa / AA+ AAA	2.04 2.00
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	1,125,000.00	09/04/2014 1.74 %	1,125,572.63 1,125,261.92	100.78 1.38 %	1,133,813.25 6,617.19	1.79 % 8,551.33	Aaa / AA+ AAA	2.16 2.11
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	1,270,000.00	Various 1.81 %	1,237,124.88 1,254,199.43	99.63 1.41 %	1,265,328.94 2,645.83	1.98 % 11,129.51	Aaa / AA+ AAA	2.34 2.29
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	1,250,000.00	05/26/2015 1.48 %	1,237,873.75 1,243,024.93	99.44 1.48 %	1,243,028.75 7,769.10	1.96 % 3.82	Aaa / AA+ AAA	2.51 2.44
3135G0A78	FNMA Note 1.625% Due 1/21/2020	1,250,000.00	Various 1.46 %	1,260,040.40 1,255,705.23	100.18 1.56 %	1,252,305.00 3,949.66	1.97 % (3,400.23)	Aaa / AA+ AAA	2.81 2.72
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,250,000.00	05/28/2015 1.52 %	1,241,437.50 1,244,640.70	99.21 1.64 %	1,240,098.75 7,161.46	1.95 % (4,541.95)	Aaa / AA+ AAA	3.09 2.99
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,030,000.00	Various 1.57 %	1,026,700.60 1,027,795.75	99.56 1.64 %	1,025,490.66 4,248.75	1.61 % (2,305.09)	Aaa / AA+ AAA	3.23 3.12
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,225,000.00	12/16/2015 1.90 %	1,201,847.50 1,207,872.27	99.17 1.73 %	1,214,820.25 6,176.04	1.91 % 6,947.98	Aaa / AA+ AAA	3.67 3.53
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,070,000.00	02/17/2016 1.46 %	1,065,677.20 1,066,642.55	98.47 1.78 %	1,053,621.51 1,757.33	1.65 % (13,021.04)	Aaa / AA+ AAA	3.89 3.75
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,275,000.00	Various 1.46 %	1,269,953.70 1,270,940.66	98.24 1.84 %	1,252,552.35 1,704.42	1.96 % (18,388.31)	Aaa / AA+ AAA	3.91 3.77
3135G0K69	FNMA Note 1.25% Due 5/6/2021	400,000.00	05/27/2016 1.48 %	395,724.00 396,448.14	97.68 1.84 %	390,720.40 2,013.89	0.61 % (5,727.74)	Aaa / AA+ AAA	4.10 3.95
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,285,000.00	10/04/2016 1.33 %	1,273,126.60 1,274,333.02	96.87 1.89 %	1,244,820.62 3,092.03	1.95 % (29,512.40)	Aaa / AA+ AAA	4.29 4.15
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,250,000.00	08/30/2016 1.33 %	1,237,737.50 1,239,182.94	96.56 1.95 %	1,207,046.25 1,914.06	1.89 % (32,136.69)	Aaa / AA+ AAA	4.37 4.22
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,285,000.00	Various 1.29 %	1,282,305.71 1,282,580.22	97.13 1.94 %	1,248,119.22 1,963.20	1.96 % (34,461.00)	Aaa / AA+ AAA	4.38 4.22
Total Agency		20,425,000.00	1.46 %	20,295,938.41 20,346,327.39	1.55 %	20,234,241.28 73,107.61	31.79 % (112,086.11)	Aaa / AA+ AAA	2.81 2.72
COMMERCIAL PAPER									
06538BU76	Bank of Tokyo Mitsubishi NY Discount CP 1.18% Due 7/7/2017	1,275,000.00	03/06/2017 1.20 %	1,269,901.42 1,269,901.42	99.60 1.20 %	1,269,901.42 1,044.79	1.99 % 0.00	P-1 / A-1 NR	0.27 0.27
21687AY31	Rabobank Nederland NV NY Discount CP 1.2% Due 11/3/2017	910,000.00	03/28/2017 1.22 %	903,387.33 903,387.33	99.27 1.22 %	903,387.33 60.67	1.41 % 0.00	P-1 / A-1 NR	0.59 0.59
Total Commercial Paper		2,185,000.00	1.21 %	2,173,288.75 2,173,288.75	1.21 %	2,173,288.75 1,105.46	3.40 % 0.00	P-1 / A-1 NR	0.40 0.40

Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
316175884	Fidelity Institutional Money Market Fund 696	80,570.51	Various 0.30 %	80,570.51 80,570.51	1.00 0.30 %	80,570.51 0.00	0.13 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		80,570.51	0.30 %	80,570.51 80,570.51	0.30 %	80,570.51 0.00	0.13 % 0.00	Aaa / AAA AAA	0.00 0.00
SUPRANATIONAL									
459058ER0	Intl. Bank Recon & Development Note 1% Due 10/5/2018	1,460,000.00	09/30/2015 1.06 %	1,457,518.00 1,458,747.66	99.49 1.35 %	1,452,485.38 7,137.78	2.28 % (6,262.28)	Aaa / AAA AAA	1.52 1.49
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15 %	1,273,431.75 1,273,494.45	100.38 2.04 %	1,279,883.25 5,494.01	2.01 % 6,388.80	Aaa / NR AAA	4.81 4.52
Total Supranational		2,735,000.00	1.57 %	2,730,949.75 2,732,242.11	1.67 %	2,732,368.63 12,631.79	4.30 % 126.52	Aaa / AAA AAA	3.06 2.91
US CORPORATE									
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	785,000.00	Various 1.27 %	787,534.60 785,424.43	100.06 1.26 %	785,506.33 3,120.38	1.23 % 81.90	A1 / A+ A+	0.71 0.70
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	780,000.00	Various 1.31 %	782,765.40 780,831.11	99.98 1.47 %	779,874.42 2,481.92	1.22 % (956.69)	Aa3 / AA- A	0.79 0.77
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	725,000.00	02/03/2015 1.23 %	722,788.75 724,372.54	99.86 1.29 %	723,993.70 1,246.09	1.14 % (378.84)	Aa3 / AA- A+	0.85 0.84
084670BH0	Berkshire Hathaway Note 1.55% Due 2/9/2018	700,000.00	09/18/2014 1.65 %	697,725.00 699,421.58	100.07 1.46 %	700,504.00 1,567.22	1.10 % 1,082.42	Aa2 / AA A+	0.86 0.85
166764AV2	Chevron Corp Note 1.365% Due 3/2/2018	700,000.00	02/24/2015 1.37 %	700,000.00 700,000.00	99.94 1.43 %	699,595.40 769.71	1.10 % (404.60)	Aa2 / AA- NR	0.92 0.91
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	400,000.00	04/04/2013 1.14 %	399,632.00 399,924.42	99.82 1.30 %	399,299.20 2,125.00	0.63 % (625.22)	Aa2 / AA AA	1.03 1.01
037833AJ9	Apple Inc Note 1% Due 5/3/2018	810,000.00	Various 1.20 %	802,722.10 808,268.01	99.70 1.28 %	807,550.56 3,330.00	1.27 % (717.45)	Aa1 / AA+ NR	1.09 1.07
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	800,000.00	Various 1.90 %	807,073.15 802,630.99	100.77 1.61 %	806,128.81 8,075.00	1.27 % 3,497.82	A1 / A+ NR	1.53 1.48
74005PBH6	Praxair Note 1.25% Due 11/7/2018	810,000.00	Various 1.67 %	797,684.40 804,787.87	99.60 1.50 %	806,759.19 4,050.00	1.27 % 1,971.32	A2 / A NR	1.61 1.57
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	430,000.00	12/10/2013 1.99 %	429,084.10 429,688.51	100.58 1.60 %	432,496.15 2,515.50	0.68 % 2,807.64	A2 / A A	1.70 1.66
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	800,000.00	Various 2.27 %	800,569.30 800,427.19	101.39 1.51 %	811,111.21 3,935.56	1.28 % 10,684.02	A1 / AA- AA-	1.79 1.74

Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	715,000.00	Various 2.04 %	717,853.05 716,094.90	101.04 1.57 %	722,459.60 1,266.16	1.13 % 6,364.70	A1 / AA- NR	1.92 1.87
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	700,000.00	Various 2.08 %	703,858.75 701,614.88	100.80 1.79 %	705,593.00 6,673.33	1.11 % 3,978.12	A1 / A+ AA	2.07 1.92
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	705,000.00	Various 2.29 %	705,272.60 705,130.12	100.95 1.89 %	711,682.70 900.84	1.12 % 6,552.58	A1 / A AA-	2.45 2.29
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	735,000.00	01/26/2015 2.17 %	734,204.40 734,548.74	100.21 2.07 %	736,553.79 2,677.65	1.16 % 2,005.05	A2 / A AA-	2.84 2.73
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	465,000.00	02/05/2015 1.77 %	464,511.75 464,718.94	100.18 1.68 %	465,850.95 1,039.79	0.73 % 1,132.01	A1 / A+ A+	2.88 2.78
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	750,000.00	06/11/2015 2.49 %	741,693.75 744,716.30	100.22 2.18 %	751,661.26 6,140.62	1.19 % 6,944.96	A1 / A+ NR	3.14 2.99
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	325,000.00	10/29/2015 2.02 %	324,740.00 324,813.29	100.33 1.90 %	326,066.98 2,672.22	0.51 % 1,253.69	Aaa / AAA AA+	3.60 3.35
00440EAT4	ACE INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	800,000.00	02/06/2017 2.16 %	803,768.00 803,623.73	100.36 2.19 %	802,873.60 7,564.44	1.27 % (750.13)	A3 / A A	3.60 3.32
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	875,000.00	Various 1.97 %	884,992.10 883,178.99	100.19 2.17 %	876,692.25 1,620.21	1.37 % (6,486.74)	Aaa / AA+ NR	3.92 3.73
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	440,000.00	05/16/2016 1.96 %	439,771.20 439,810.92	98.25 2.40 %	432,296.04 3,146.00	0.68 % (7,514.88)	A1 / A AA-	4.14 3.91
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	590,000.00	Various 1.57 %	589,298.90 589,389.52	97.44 2.17 %	574,912.52 1,346.35	0.90 % (14,477.00)	Aaa / AAA AA+	4.36 4.17
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	804,000.00	11/29/2016 2.40 %	785,998.44 787,234.25	98.26 2.31 %	790,026.48 678.93	1.24 % 2,792.23	A1 / AA- A+	4.46 4.24
91159HHP8	US Bancorp Note 2.625% Due 1/24/2022	390,000.00	01/19/2017 2.66 %	389,329.20 389,353.81	100.38 2.54 %	391,471.86 1,905.31	0.62 % 2,118.05	A1 / A+ AA	4.82 4.48
Total US Corporate		16,034,000.00	1.85 %	16,012,870.94 16,020,005.04	1.75 %	16,040,960.00 70,848.23	25.22 % 20,954.96	A1 / AA- AA-	2.28 2.18
US TREASURY									
912828SH4	US Treasury Note 1.375% Due 2/28/2019	1,140,000.00	Various 1.71 %	1,122,272.76 1,133,057.27	100.24 1.25 %	1,142,716.63 1,363.04	1.79 % 9,659.36	Aaa / AA+ AAA	1.92 1.88
912828ST8	US Treasury Note 1.25% Due 4/30/2019	1,150,000.00	Various 1.67 %	1,127,845.65 1,140,476.32	99.94 1.28 %	1,149,281.25 6,035.91	1.81 % 8,804.93	Aaa / AA+ AAA	2.08 2.04
912828R85	US Treasury Note 0.875% Due 6/15/2019	1,100,000.00	07/28/2016 0.82 %	1,101,722.44 1,101,319.28	99.03 1.32 %	1,089,343.20 2,829.33	1.71 % (11,976.08)	Aaa / AA+ AAA	2.21 2.17

Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828UB4	US Treasury Note 1% Due 11/30/2019	1,065,000.00	12/18/2014 1.67 %	1,031,264.70 1,046,834.84	98.91 1.42 %	1,053,435.17 3,569.51	1.65 % 6,600.33	Aaa / AA+ AAA	2.67 2.61
912828J84	US Treasury Note 1.375% Due 3/31/2020	1,250,000.00	10/23/2015 1.35 %	1,251,224.89 1,250,828.96	99.57 1.52 %	1,244,580.00 46.96	1.95 % (6,248.96)	Aaa / AA+ AAA	3.00 2.93
912828VF4	US Treasury Note 1.375% Due 5/31/2020	1,150,000.00	Various 1.63 %	1,137,379.14 1,141,254.10	99.37 1.58 %	1,142,767.65 5,299.79	1.80 % 1,513.55	Aaa / AA+ AAA	3.17 3.07
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,250,000.00	09/29/2015 1.37 %	1,250,394.81 1,250,274.19	99.07 1.65 %	1,238,427.50 1,494.57	1.94 % (11,846.69)	Aaa / AA+ AAA	3.42 3.32
912828L99	US Treasury Note 1.375% Due 10/31/2020	1,300,000.00	11/23/2015 1.71 %	1,279,641.07 1,285,219.17	98.91 1.69 %	1,285,780.60 7,505.52	2.02 % 561.43	Aaa / AA+ AAA	3.59 3.46
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,300,000.00	03/09/2016 1.40 %	1,298,734.82 1,299,008.10	98.60 1.75 %	1,281,770.10 2,962.71	2.01 % (17,238.00)	Aaa / AA+ AAA	3.84 3.71
912828B90	US Treasury Note 2% Due 2/28/2021	1,250,000.00	04/26/2016 1.40 %	1,285,111.61 1,278,395.30	100.88 1.77 %	1,260,937.50 2,173.91	1.98 % (17,457.80)	Aaa / AA+ AAA	3.92 3.75
912828Q37	US Treasury Note 1.25% Due 3/31/2021	1,300,000.00	12/13/2016 1.81 %	1,269,891.07 1,271,964.90	97.94 1.79 %	1,273,187.50 44.40	1.99 % 1,222.60	Aaa / AA+ AAA	4.00 3.88
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,300,000.00	11/09/2016 1.48 %	1,278,016.07 1,279,764.93	96.75 1.88 %	1,257,699.30 39.96	1.97 % (22,065.63)	Aaa / AA+ AAA	4.50 4.36
912828F96	US Treasury Note 2% Due 10/31/2021	1,025,000.00	01/27/2017 1.94 %	1,027,686.05 1,027,591.61	100.46 1.90 %	1,029,684.25 8,607.73	1.63 % 2,092.64	Aaa / AA+ AAA	4.59 4.33
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14 %	1,335,407.68 1,335,638.53	99.12 1.94 %	1,347,993.92 2,069.57	2.11 % 12,355.39	Aaa / AA+ AAA	4.92 4.68
Total US Treasury		16,940,000.00	1.58 %	16,796,592.76 16,841,627.50	1.63 %	16,797,604.57 44,042.91	26.36 % (44,022.93)	Aaa / AA+ AAA	3.45 3.33
TOTAL PORTFOLIO		64,022,869.55	1.56 %	63,713,111.14 63,817,101.39	1.60 %	63,676,727.01 204,552.46	100.00 % (140,374.38)	Aa1 / AA+ AAA	2.72 2.49
TOTAL MARKET VALUE PLUS ACCRUED						63,881,279.47			



Brea 2009 Water Revenue Bond Reserve Fund
Account #10073

Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	10,123.49	Various 0.11 %	10,123.49 10,123.49	1.00 0.11 %	10,123.49 0.00	0.53 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		10,123.49	0.11 %	10,123.49 10,123.49	0.11 %	10,123.49 0.00	0.53 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B33	US Treasury Note 1.5% Due 1/31/2019	165,000.00	08/24/2016 0.80 %	167,784.93 167,098.88	100.46 1.24 %	165,766.92 410.22	8.74 % (1,331.96)	Aaa / AA+ AAA	1.84 1.80
912828SX9	US Treasury Note 1.125% Due 5/31/2019	165,000.00	Various 1.30 %	163,146.84 164,416.34	99.63 1.30 %	164,394.12 622.15	8.68 % (22.22)	Aaa / AA+ AAA	2.17 2.13
912828TH3	US Treasury Note 0.875% Due 7/31/2019	165,000.00	08/24/2016 0.85 %	165,110.12 165,087.58	98.94 1.34 %	163,253.31 239.30	8.60 % (1,834.27)	Aaa / AA+ AAA	2.33 2.30
912828G61	US Treasury Note 1.5% Due 11/30/2019	165,000.00	08/24/2016 0.92 %	168,081.41 167,515.28	100.17 1.44 %	165,277.20 829.53	8.74 % (2,238.08)	Aaa / AA+ AAA	2.67 2.59
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	135,000.00	Various 1.60 %	132,834.83 133,673.16	99.29 1.50 %	134,035.02 146.74	7.06 % 361.86	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	100,000.00	05/07/2015 1.57 %	97,930.02 98,733.02	98.84 1.52 %	98,843.80 3.07	5.20 % 110.78	Aaa / AA+ AAA	3.00 2.94
912828XM7	US Treasury Note 1.625% Due 7/31/2020	165,000.00	08/24/2016 1.03 %	168,796.84 168,217.80	100.01 1.62 %	165,019.31 444.41	8.70 % (3,198.49)	Aaa / AA+ AAA	3.34 3.23
912828WC0	US Treasury Note 1.75% Due 10/31/2020	160,000.00	Various 1.46 %	161,991.55 161,621.71	100.22 1.69 %	160,350.08 1,175.69	8.49 % (1,271.63)	Aaa / AA+ AAA	3.59 3.43
912828A83	US Treasury Note 2.375% Due 12/31/2020	165,000.00	08/24/2016 1.08 %	174,062.66 172,813.62	102.36 1.72 %	168,886.58 985.10	8.93 % (3,927.04)	Aaa / AA+ AAA	3.76 3.56
912828B90	US Treasury Note 2% Due 2/28/2021	165,000.00	08/24/2016 1.10 %	171,516.76 170,650.76	100.88 1.77 %	166,443.75 286.96	8.77 % (4,207.01)	Aaa / AA+ AAA	3.92 3.75
912828WN6	US Treasury Note 2% Due 5/31/2021	160,000.00	Various 1.04 %	167,290.77 166,241.76	100.76 1.81 %	161,212.48 1,072.53	8.53 % (5,029.28)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	170,000.00	10/27/2016 1.38 %	175,983.77 175,467.93	101.03 1.88 %	171,753.04 9.87	9.03 % (3,714.89)	Aaa / AA+ AAA	4.50 4.28
Total US Treasury		1,880,000.00	1.15 %	1,914,530.50 1,911,537.84	1.57 %	1,885,235.61 6,225.57	99.47 % (26,302.23)	Aaa / AA+ AAA	3.20 3.08
TOTAL PORTFOLIO		1,890,123.49	1.15 %	1,924,653.99 1,921,661.33	1.57 %	1,895,359.10 6,225.57	100.00 % (26,302.23)	Aaa / AA+ AAA	3.18 3.06
TOTAL MARKET VALUE PLUS ACCRUED						1,901,584.67			



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	45,000.00	03/18/2014 1.69 %	45,399.60 45,153.13	101.01 1.33 %	45,453.11 98.44	10.04 % 299.98	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	45,000.00	09/09/2014 1.84 %	43,771.05 44,413.74	99.63 1.41 %	44,834.49 93.75	9.90 % 420.75	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	27,000.00	11/17/2014 1.77 %	26,972.73 26,986.14	100.63 1.49 %	27,170.15 24.94	5.99 % 184.01	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	40,000.00	03/25/2015 1.40 %	39,735.60 39,853.63	99.44 1.48 %	39,776.92 248.61	8.82 % (76.71)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	40,000.00	06/26/2015 1.87 %	39,779.20 39,857.52	100.19 1.69 %	40,075.76 211.94	8.88 % 218.24	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	35,000.00	03/11/2016 1.64 %	34,566.00 34,658.24	98.47 1.78 %	34,464.26 57.48	7.61 % (193.98)	Aaa / AA+ AAA	3.89 3.75
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	43,000.00	10/27/2016 1.50 %	42,738.13 42,760.62	97.56 1.94 %	41,949.21 285.77	9.31 % (811.41)	Aaa / AA+ AAA	4.52 4.32
Total Agency		275,000.00	1.67 %	272,962.31 273,683.02	1.58 %	273,723.90 1,020.93	60.53 % 40.88	Aaa / AA+ AAA	2.96 2.86
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	8,767.81	Various 0.11 %	8,767.81 8,767.81	1.00 0.11 %	8,767.81 0.00	1.93 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		8,767.81	0.11 %	8,767.81 8,767.81	0.11 %	8,767.81 0.00	1.93 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	15,000.00	06/17/2014 1.75 %	14,557.67 14,806.73	99.63 1.30 %	14,944.92 56.56	3.31 % 138.19	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	30,000.00	Various 1.46 %	29,709.47 29,825.29	99.29 1.50 %	29,785.56 32.60	6.57 % (39.73)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	30,000.00	05/07/2015 1.57 %	29,379.01 29,619.91	98.84 1.52 %	29,653.14 0.92	6.53 % 33.23	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	30,000.00	11/04/2015 1.63 %	30,166.51 30,119.63	100.22 1.69 %	30,065.64 220.44	6.67 % (53.99)	Aaa / AA+ AAA	3.59 3.43
912828WN6	US Treasury Note 2% Due 5/31/2021	30,000.00	07/11/2016 1.01 %	31,406.35 31,199.02	100.76 1.81 %	30,227.34 201.10	6.70 % (971.68)	Aaa / AA+ AAA	4.17 3.96



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	35,000.00	01/18/2017 1.89 %	34,974.14 34,975.19	99.88 1.90 %	34,958.98 219.95	7.75 % (16.21)	Aaa / AA+ AAA	4.67 4.42
Total US Treasury		170,000.00	1.54 %	170,193.15 170,545.77	1.66 %	169,635.58 731.57	37.54 % (910.19)	Aaa / AA+ AAA	3.57 3.43
TOTAL PORTFOLIO		453,767.81	1.59 %	451,923.27 452,996.60	1.58 %	452,127.29 1,752.50	100.00 % (869.31)	Aaa / AA+ AAA	3.13 3.02
TOTAL MARKET VALUE PLUS ACCRUED						453,879.79			



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	80,000.00	03/18/2014 1.69 %	80,710.40 80,272.23	101.01 1.33 %	80,805.52 175.00	9.68 % 533.29	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	80,000.00	09/09/2014 1.84 %	77,815.20 78,957.75	99.63 1.41 %	79,705.76 166.67	9.55 % 748.01	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	45,000.00	11/17/2014 1.77 %	44,954.55 44,976.90	100.63 1.49 %	45,283.59 41.56	5.42 % 306.69	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	50,000.00	03/25/2015 1.40 %	49,669.50 49,817.03	99.44 1.48 %	49,721.15 310.76	5.98 % (95.88)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	65,000.00	06/26/2015 1.87 %	64,641.20 64,768.46	100.19 1.69 %	65,123.11 344.41	7.83 % 354.65	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	65,000.00	03/11/2016 1.64 %	64,194.00 64,365.31	98.47 1.78 %	64,005.05 106.75	7.66 % (360.26)	Aaa / AA+ AAA	3.89 3.75
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	80,000.00	10/27/2016 1.50 %	79,512.80 79,554.64	97.56 1.94 %	78,045.04 531.67	9.39 % (1,509.60)	Aaa / AA+ AAA	4.52 4.32
Total Agency		465,000.00	1.68 %	461,497.65 462,712.32	1.59 %	462,689.22 1,676.82	55.51 % (23.10)	Aaa / AA+ AAA	3.00 2.89
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	26,343.91	Various 0.11 %	26,343.91 26,343.91	1.00 0.11 %	26,343.91 0.00	3.15 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		26,343.91	0.11 %	26,343.91 26,343.91	0.11 %	26,343.91 0.00	3.15 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	50,000.00	Various 1.66 %	48,788.64 49,450.13	99.63 1.30 %	49,816.40 188.53	5.98 % 366.27	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	55,000.00	Various 1.43 %	54,534.75 54,721.04	99.29 1.50 %	54,606.86 59.78	6.53 % (114.18)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	60,000.00	05/07/2015 1.57 %	58,758.01 59,239.81	98.84 1.52 %	59,306.28 1.84	7.09 % 66.47	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	50,000.00	11/04/2015 1.63 %	50,277.51 50,199.37	100.22 1.69 %	50,109.40 367.40	6.03 % (89.97)	Aaa / AA+ AAA	3.59 3.43
912828WN6	US Treasury Note 2% Due 5/31/2021	60,000.00	07/11/2016 1.01 %	62,812.70 62,398.05	100.76 1.81 %	60,454.68 402.20	7.27 % (1,943.37)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	30,000.00	01/18/2017 1.88 %	30,332.91 30,318.93	101.03 1.88 %	30,309.36 1.74	3.62 % (9.57)	Aaa / AA+ AAA	4.50 4.28



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	40,000.00	01/18/2017 1.89 %	39,970.45 39,971.65	99.88 1.90 %	39,953.12 251.37	4.81 % (18.53)	Aaa / AA+ AAA	4.67 4.42
Total US Treasury		345,000.00	1.53 %	345,474.97 346,298.98	1.64 %	344,556.10 1,272.86	41.34 % (1,742.88)	Aaa / AA+ AAA	3.49 3.35
TOTAL PORTFOLIO		836,343.91	1.57 %	833,316.53 835,355.21	1.56 %	833,589.23 2,949.68	100.00 % (1,765.98)	Aaa / AA+ AAA	3.10 2.99
TOTAL MARKET VALUE PLUS ACCRUED						836,538.91			



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	5,966.63	Various 0.11 %	5,966.63 5,966.63	1.00 0.11 %	5,966.63 0.00	0.44 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		5,966.63	0.11 %	5,966.63 5,966.63	0.11 %	5,966.63 0.00	0.44 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B33	US Treasury Note 1.5% Due 1/31/2019	115,000.00	08/24/2016 0.80 %	116,941.01 116,462.85	100.46 1.24 %	115,534.52 285.91	8.61 % (928.33)	Aaa / AA+ AAA	1.84 1.80
912828SX9	US Treasury Note 1.125% Due 5/31/2019	117,000.00	Various 1.30 %	115,665.43 116,582.24	99.63 1.30 %	116,570.38 441.16	8.69 % (11.86)	Aaa / AA+ AAA	2.17 2.13
912828TH3	US Treasury Note 0.875% Due 7/31/2019	115,000.00	08/24/2016 0.85 %	115,076.75 115,061.04	98.94 1.34 %	113,782.61 166.78	8.47 % (1,278.43)	Aaa / AA+ AAA	2.33 2.30
912828G61	US Treasury Note 1.5% Due 11/30/2019	115,000.00	08/24/2016 0.92 %	117,147.65 116,753.07	100.17 1.44 %	115,193.20 578.16	8.60 % (1,559.87)	Aaa / AA+ AAA	2.67 2.59
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	112,000.00	Various 1.40 %	111,138.03 111,517.62	99.29 1.50 %	111,199.42 121.73	8.27 % (318.20)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	115,000.00	Various 1.47 %	113,111.52 113,865.85	98.84 1.52 %	113,670.37 3.53	8.45 % (195.48)	Aaa / AA+ AAA	3.00 2.94
912828XM7	US Treasury Note 1.625% Due 7/31/2020	115,000.00	08/24/2016 1.03 %	117,646.28 117,242.70	100.01 1.62 %	115,013.46 309.74	8.57 % (2,229.24)	Aaa / AA+ AAA	3.34 3.23
912828WC0	US Treasury Note 1.75% Due 10/31/2020	88,000.00	11/04/2015 1.63 %	88,488.42 88,350.90	100.22 1.69 %	88,192.54 646.63	6.60 % (158.36)	Aaa / AA+ AAA	3.59 3.43
912828A83	US Treasury Note 2.375% Due 12/31/2020	115,000.00	08/24/2016 1.08 %	121,316.40 120,445.86	102.36 1.72 %	117,708.83 686.58	8.80 % (2,737.03)	Aaa / AA+ AAA	3.76 3.56
912828B90	US Treasury Note 2% Due 2/28/2021	115,000.00	08/24/2016 1.10 %	119,541.99 118,938.41	100.88 1.77 %	116,006.25 200.00	8.63 % (2,932.16)	Aaa / AA+ AAA	3.92 3.75
912828WN6	US Treasury Note 2% Due 5/31/2021	101,000.00	Various 1.03 %	105,664.79 104,985.70	100.76 1.81 %	101,765.38 677.03	7.61 % (3,220.32)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	10/27/2016 1.38 %	113,871.85 113,538.07	101.03 1.88 %	111,134.32 6.39	8.26 % (2,403.75)	Aaa / AA+ AAA	4.50 4.28
Total US Treasury		1,333,000.00	1.15 %	1,355,610.12 1,353,744.31	1.56 %	1,335,771.28 4,123.64	99.56 % (17,973.03)	Aaa / AA+ AAA	3.16 3.05
TOTAL PORTFOLIO		1,338,966.63	1.15 %	1,361,576.75 1,359,710.94	1.56 %	1,341,737.91 4,123.64	100.00 % (17,973.03)	Aaa / AA+ AAA	3.15 3.04
TOTAL MARKET VALUE PLUS ACCRUED						1,345,861.55			



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	7,835.74	Various 0.11 %	7,835.74 7,835.74	1.00 0.11 %	7,835.74 0.00	2.95 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		7,835.74	0.11 %	7,835.74 7,835.74	0.11 %	7,835.74 0.00	2.95 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828B33	US Treasury Note 1.5% Due 1/31/2019	22,000.00	08/24/2016 0.80 %	22,371.32 22,279.85	100.46 1.24 %	22,102.26 54.70	8.35 % (177.59)	Aaa / AA+ AAA	1.84 1.80
912828SX9	US Treasury Note 1.125% Due 5/31/2019	20,000.00	06/17/2014 1.75 %	19,410.22 19,742.30	99.63 1.30 %	19,926.56 75.41	7.54 % 184.26	Aaa / AA+ AAA	2.17 2.13
912828TH3	US Treasury Note 0.875% Due 7/31/2019	22,000.00	08/24/2016 0.85 %	22,014.68 22,011.68	98.94 1.34 %	21,767.11 31.91	8.22 % (244.57)	Aaa / AA+ AAA	2.33 2.30
912828G61	US Treasury Note 1.5% Due 11/30/2019	22,000.00	08/24/2016 0.92 %	22,410.85 22,335.37	100.17 1.44 %	22,036.96 110.60	8.35 % (298.41)	Aaa / AA+ AAA	2.67 2.59
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	20,000.00	Various 1.59 %	19,688.54 19,809.67	99.29 1.50 %	19,857.04 21.73	7.49 % 47.37	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	17,000.00	05/07/2015 1.57 %	16,648.10 16,784.61	98.84 1.52 %	16,803.45 0.52	6.33 % 18.84	Aaa / AA+ AAA	3.00 2.94
912828XM7	US Treasury Note 1.625% Due 7/31/2020	22,000.00	08/24/2016 1.03 %	22,506.25 22,429.04	100.01 1.62 %	22,002.57 59.25	8.32 % (426.47)	Aaa / AA+ AAA	3.34 3.23
912828WC0	US Treasury Note 1.75% Due 10/31/2020	22,000.00	Various 1.45 %	22,276.59 22,225.44	100.22 1.69 %	22,048.14 161.66	8.37 % (177.30)	Aaa / AA+ AAA	3.59 3.43
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08 %	23,208.35 23,041.81	102.36 1.72 %	22,518.21 131.35	8.54 % (523.60)	Aaa / AA+ AAA	3.76 3.56
912828B90	US Treasury Note 2% Due 2/28/2021	22,000.00	08/24/2016 1.10 %	22,868.90 22,753.43	100.88 1.77 %	22,192.50 38.26	8.38 % (560.93)	Aaa / AA+ AAA	3.92 3.75
912828WN6	US Treasury Note 2% Due 5/31/2021	20,000.00	07/11/2016 1.01 %	20,937.57 20,799.35	100.76 1.81 %	20,151.56 134.07	7.65 % (647.79)	Aaa / AA+ AAA	4.17 3.96
912828F21	US Treasury Note 2.125% Due 9/30/2021	25,000.00	10/27/2016 1.38 %	25,879.97 25,804.11	101.03 1.88 %	25,257.80 1.45	9.52 % (546.31)	Aaa / AA+ AAA	4.50 4.28
Total US Treasury		256,000.00	1.20 %	260,221.34 260,016.66	1.58 %	256,664.16 820.91	97.05 % (3,352.50)	Aaa / AA+ AAA	3.21 3.09
TOTAL PORTFOLIO		263,835.74	1.17 %	268,057.08 267,852.40	1.53 %	264,499.90 820.91	100.00 % (3,352.50)	Aaa / AA+ AAA	3.11 3.00
TOTAL MARKET VALUE PLUS ACCRUED						265,320.81			



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	170,000.00	03/18/2014 1.69 %	171,509.60 170,578.48	101.01 1.33 %	171,711.73 371.88	8.93 % 1,133.25	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	175,000.00	09/09/2014 1.84 %	170,220.75 172,720.09	99.63 1.41 %	174,356.35 364.58	9.06 % 1,636.26	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	150,000.00	11/17/2014 1.77 %	149,848.50 149,923.00	100.63 1.49 %	150,945.30 138.54	7.84 % 1,022.30	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	135,000.00	03/25/2015 1.40 %	134,107.65 134,505.99	99.44 1.48 %	134,247.11 839.06	7.01 % (258.88)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	130,000.00	06/26/2015 1.87 %	129,282.40 129,536.93	100.19 1.69 %	130,246.22 688.82	6.79 % 709.29	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	150,000.00	03/11/2016 1.64 %	148,140.00 148,535.33	98.47 1.78 %	147,703.95 246.35	7.68 % (831.38)	Aaa / AA+ AAA	3.89 3.75
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	125,000.00	10/27/2016 1.41 %	123,377.50 123,523.71	96.87 1.89 %	121,091.50 300.78	6.30 % (2,432.21)	Aaa / AA+ AAA	4.29 4.15
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	150,000.00	10/27/2016 1.50 %	149,086.50 149,164.94	97.56 1.94 %	146,334.45 996.88	7.64 % (2,830.49)	Aaa / AA+ AAA	4.52 4.32
Total Agency		1,185,000.00	1.65 %	1,175,572.90 1,178,488.47	1.61 %	1,176,636.61 3,946.89	61.24 % (1,851.86)	Aaa / AA+ AAA	3.07 2.97
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	6,992.48	Various 0.11 %	6,992.48 6,992.48	1.00 0.11 %	6,992.48 0.00	0.36 % 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		6,992.48	0.11 %	6,992.48 6,992.48	0.11 %	6,992.48 0.00	0.36 % 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	150,000.00	Various 1.64 %	146,388.78 148,404.92	99.63 1.30 %	149,449.20 565.59	7.78 % 1,044.28	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	165,000.00	Various 1.42 %	163,694.10 164,218.26	99.29 1.50 %	163,820.58 179.35	8.51 % (397.68)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	165,000.00	05/07/2015 1.57 %	161,584.54 162,909.49	98.84 1.52 %	163,092.27 5.07	8.46 % 182.78	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	150,000.00	Various 1.61 %	150,973.16 150,714.58	100.22 1.69 %	150,328.20 1,102.21	7.86 % (386.38)	Aaa / AA+ AAA	3.59 3.43



Holdings Report

As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828WN6	US Treasury Note 2% Due 5/31/2021	110,000.00	07/11/2016 1.01 %	115,156.62 114,396.42	100.76 1.81 %	110,833.58 737.36	5.79 % (3,562.84)	Aaa / AA+ AAA	4.17 3.96
Total US Treasury		740,000.00	1.47 %	737,797.20 740,643.67	1.55 %	737,523.83 2,589.58	38.39 % (3,119.84)	Aaa / AA+ AAA	3.11 3.01
TOTAL PORTFOLIO		1,931,992.48	1.57 %	1,920,362.58 1,926,124.62	1.58 %	1,921,152.92 6,536.47	100.00 % (4,971.70)	Aaa / AA+ AAA	3.07 2.97
TOTAL MARKET VALUE PLUS ACCRUED						1,927,689.39			



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	90,000.00	03/18/2014 1.69 %	90,799.20 90,306.26	101.01 1.33 %	90,906.21 196.88	8.83 % 599.95	Aaa / AA+ AAA	1.89 1.84
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	95,000.00	09/09/2014 1.84 %	92,405.55 93,762.33	99.63 1.41 %	94,650.59 197.92	9.19 % 888.26	Aaa / AA+ AAA	2.34 2.29
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	65,000.00	11/17/2014 1.77 %	64,934.35 64,966.63	100.63 1.49 %	65,409.63 60.03	6.34 % 443.00	Aaa / AA+ AAA	2.45 2.39
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	75,000.00	03/25/2015 1.40 %	74,504.25 74,725.55	99.44 1.48 %	74,581.73 466.15	7.27 % (143.82)	Aaa / AA+ AAA	2.51 2.44
313383HU8	FHLB Note 1.75% Due 6/12/2020	80,000.00	06/26/2015 1.87 %	79,558.40 79,715.03	100.19 1.69 %	80,151.52 423.89	7.81 % 436.49	Aaa / AA+ NR	3.20 3.08
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	85,000.00	03/11/2016 1.64 %	83,946.00 84,170.02	98.47 1.78 %	83,698.91 139.60	8.12 % (471.11)	Aaa / AA+ AAA	3.89 3.75
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	50,000.00	10/27/2016 1.41 %	49,351.00 49,409.49	96.87 1.89 %	48,436.60 120.31	4.70 % (972.89)	Aaa / AA+ AAA	4.29 4.15
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	60,000.00	10/27/2016 1.50 %	59,634.60 59,665.98	97.56 1.94 %	58,533.78 398.75	5.71 % (1,132.20)	Aaa / AA+ AAA	4.52 4.32
Total Agency		600,000.00	1.66 %	595,133.35 596,721.29	1.60 %	596,368.97 2,003.53	57.97 % (352.32)	Aaa / AA+ AAA	3.01 2.91
MONEY MARKET FUND FI									
316175108	Fidelity Institutional Govt Money Market Fund	3,632.50	Various 0.56 %	3,632.50 3,632.50	1.00 0.56 %	3,632.50 0.00	0.35 % 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		3,632.50	0.56 %	3,632.50 3,632.50	0.56 %	3,632.50 0.00	0.35 % 0.00	Aaa / AAA NR	0.00 0.00
US TREASURY									
912828SX9	US Treasury Note 1.125% Due 5/31/2019	85,000.00	06/17/2014 1.75 %	82,493.45 83,904.77	99.63 1.30 %	84,687.88 320.50	8.24 % 783.11	Aaa / AA+ AAA	2.17 2.13
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	90,000.00	Various 1.41 %	89,314.17 89,585.07	99.29 1.50 %	89,356.68 97.82	8.67 % (228.39)	Aaa / AA+ AAA	2.92 2.85
912828UV0	US Treasury Note 1.125% Due 3/31/2020	85,000.00	05/07/2015 1.57 %	83,240.52 83,923.07	98.84 1.52 %	84,017.23 2.61	8.14 % 94.16	Aaa / AA+ AAA	3.00 2.94
912828WC0	US Treasury Note 1.75% Due 10/31/2020	75,000.00	11/04/2015 1.63 %	75,416.27 75,299.07	100.22 1.69 %	75,164.10 551.10	7.34 % (134.97)	Aaa / AA+ AAA	3.59 3.43
912828WN6	US Treasury Note 2% Due 5/31/2021	50,000.00	07/11/2016 1.01 %	52,343.92 51,998.38	100.76 1.81 %	50,378.90 335.16	4.91 % (1,619.48)	Aaa / AA+ AAA	4.17 3.96



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828G53	US Treasury Note 1.875% Due 11/30/2021	45,000.00	01/18/2017 1.89 %	44,966.75 44,968.10	99.88 1.90 %	44,947.26 282.80	4.38 % (20.84)	Aaa / AA+ AAA	4.67 4.42
Total US Treasury		430,000.00	1.55 %	427,775.08 429,678.46	1.58 %	428,552.05 1,589.99	41.67 % (1,126.41)	Aaa / AA+ AAA	3.24 3.12
TOTAL PORTFOLIO		1,033,632.50	1.61 %	1,026,540.93 1,030,032.25	1.58 %	1,028,553.52 3,593.52	100.00 % (1,478.73)	Aaa / AA+ AAA	3.09 2.99
TOTAL MARKET VALUE PLUS ACCRUED						1,032,147.04			



Holdings Report
As of 3/31/17

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	6,199,107.27	Various 0.78 %	6,199,107.27 6,199,107.27	1.00 0.78 %	6,199,107.27 12,875.73	100.00 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		6,199,107.27	0.78 %	6,199,107.27 6,199,107.27	0.78 %	6,199,107.27 12,875.73	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		6,199,107.27	0.78 %	6,199,107.27 6,199,107.27	0.78 %	6,199,107.27 12,875.73	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						6,211,983.00			



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	2,601,248.47	Various 0.78 %	2,601,248.47 2,601,248.47	1.00 0.78 %	2,601,248.47 4,825.77	100.00 % 0.00	NR / NR NR	0.00 0.00
Total LAIF		2,601,248.47	0.78 %	2,601,248.47 2,601,248.47	0.78 %	2,601,248.47 4,825.77	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		2,601,248.47	0.78 %	2,601,248.47 2,601,248.47	0.78 %	2,601,248.47 4,825.77	100.00 % 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						2,606,074.24			



Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

City of Brea

COMMUNICATION

TO: Honorable Chair and Members

FROM: City Manager

DATE: 04/24/2017

SUBJECT: Review of PARS Post Employment Benefit Trust Investment Report for Period
Ending March 31, 2017 - Presentation by PARS and HighMark Capital
Management

Attachments

Report

Pension Rate Stabilization (PRSP) Program Client Review



City of Brea

April 24, 2017

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



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OPEB Trust Team

	 		
Role	Trust Administrator and Consultant <ul style="list-style-type: none"> • Recordkeeping/Sub-trust Accounting • Actuarial Coordination • Monitor Contributions/ Process Disbursements • Monitor Plan Compliance • Ongoing Client Liaison • Pre-fund Pension Option – NEW! 	Trustee <ul style="list-style-type: none"> • Safeguard Plan Assets • Oversight Protection <ul style="list-style-type: none"> • Plan Fiduciary • Custodian of Assets 	Investment Manager <ul style="list-style-type: none"> • Investment Sub-advisor to U.S. Bank <ul style="list-style-type: none"> • Open Architecture • Investment Policy Assistance
Corporate Experience	33 years (1984 – 2017)	154 years (1863 – 2017)	98 years (1919 – 2017)
Number of Plans under Administration	1,400+ plans for 800+ public agencies		
Dollars under Administration	More than \$2.2 billion	More than \$4 trillion	More than \$15.4 billion under management

Plan Overview

Type of Plan: IRC Section 115 Irrevocable Exclusive Benefit Trust

Trustee Approach: Discretionary

Plan Effective Date: November 17, 2015

Plan Administrator: Bill Gallardo - City Manager

Current Investment Strategy: Balanced HighMark PLUS (Active) – Individual Account

- Selected on 01/20/2016

Initial Contribution: February 19, 2016 – \$2,000,000

Additional Contributions: April 22, 2016 - \$2,000,000

June 17, 2016 - \$2,000,000

Investment Review

PARS Plan: City of Brea

April 24, 2017

**Presented by
Anne Wimmer, CFA**

DISCUSSION HIGHLIGHTS – City of Brea

Investment objective – Balanced

Asset Allocation: PARS/Balanced (As of 3/31/2017)

- Allocation Target – 60.87% stocks (50-70% range), 36.38% bonds (30-50% range), 2.75% cash (0-20% range)
- Large cap 29.82%, Mid-cap 4.57%, Small cap 9.24%, International 15.60%; REIT 1.64%

Performance: City of Brea

(as of 3/31/2017) gross of investment management fees, net of fund fees

- 3-months: 4.17%
- 6-months: 4.74%
- 1-Year: 10.70%
- 14-months-ITD: 12.70%
- Fixed Income:
 - Credit risk generally outperformed
- Stocks:
 - International weakest segment but stocks are generally strong

12-Month Changes

- Asset Allocation:
 - Recently removed over weight to value style
 - Recently removed overweight to small cap
 - Modest overweight to international
 - Recently removed Loomis Sayles Value Fund

DISCUSSION HIGHLIGHTS – City of Brea

Economic Review

- Trump wins removing uncertainty with a Republican Congress – a new direction
- Changes in Fiscal policy – finally some inflation
- Interest rates
- Fed & monetary policy – “are they behind the curve...”
- Strengthening US Economy supporting stocks
- Consumer well positioned
- International challenges – Japan and Europe/Italian Banks, Emerging Markets / China

2017 Outlook

- Modest GDP growth
 - 2017E 2.1% - 2.6%; 2018E 2.1% - 2.6%
- 10-yr yield 2.5% - 3.0%
- Fed Funds 1.0% - 1.5%
- Strong US dollar moderating

Selected Period Performance
PARS/ CITY OF BREA PRSP
Account 6746050800
Period Ending: 03/31/2017

Sector	Market Value	3 Months	6 Months	1 Year	Inception to Date (14 Months)
Cash Equivalents	181,887	.12	.19	.26	.23
Total Fixed Income	2,427,965	.92	-1.41	.50	
<i>BC US Aggregate Bd Index (USD)</i>	<i>0</i>	<i>.82</i>	<i>-2.18</i>	<i>.44</i>	<i>1.78</i>
Total Equities	4,030,121	6.53	9.18	18.03	22.69
Large Cap Funds	1,974,490	6.45	11.03	19.30	22.70
<i>S&P 500 Composite Index</i>	<i>0</i>	<i>6.07</i>	<i>10.12</i>	<i>17.17</i>	<i>21.04</i>
Mid Cap Funds	302,670	4.57	8.52	16.65	22.44
<i>Russell Midcap Index</i>	<i>0</i>	<i>5.15</i>	<i>8.52</i>	<i>17.03</i>	<i>23.60</i>
Small Cap Funds	611,433	4.99	9.62	21.65	25.89
<i>Russell 2000 Index (USD)</i>	<i>0</i>	<i>2.47</i>	<i>11.52</i>	<i>26.22</i>	<i>30.39</i>
International Equity Funds	1,032,805	9.22	6.31	14.45	20.25
<i>MSCI EAFE Index (Net)</i>	<i>0</i>	<i>7.25</i>	<i>6.48</i>	<i>11.67</i>	<i>14.20</i>
<i>MSCI EM Free Index (Net USD)</i>	<i>0</i>	<i>11.44</i>	<i>6.80</i>	<i>17.21</i>	<i>27.29</i>
Total Managed Portfolio	6,639,974	4.17	4.74	10.70	12.70

Portfolio Inception: 02/01/2016

Returns are gross of account level investment advisory fees and net of any fees, including fees to manage mutual fund or exchange traded fund holdings. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.

ASSET ALLOCATION- City of Brea

Current Asset Allocation		Weight	Ticker	Investment Vehicle	
Equity		60.87%		Range: 50%-70%	
Large Cap Core		6.09%	SMGIX	Columbia Contrarian Core Cl Z	
Large Cap Value		5.01%	DODGX	Dodge & Cox Stock Fund	
Large Cap Growth		13.62%	VGIAX	Vanguard Gro & Inc Admiral Shrs	
		2.55%	HACAX	Harbor Capital Appreciation Instl	
		2.55%	PRUFX	T. Rowe Price Growth Stock Fund	
Mid Cap Core		4.57%	IWR	Ishares Russell Mid Cap Core ETF	
Small Cap Value		4.63%	UBVLX	Columbia Small Cap Value Fund II	
Small Cap Growth		4.61%	PRJIX	T. Rowe Price New Horizons Fund	
International Core		4.96%	NWHNX	Nationwide Baillard Intl Equities Fund	
International Value		3.32%	DODFX	Dodge & Cox International Stock Fund	
International Growth		3.31%	MQGIX	MFS International Growth Fund	
Emerging Markets		4.01%	SEMNX	Schroder Emerging Market Equity	
REIT		1.64%	FARCX	Nuveen Real Estate ETF	
Fixed Income		36.38%		Range: 30%-50%	
1-3 yrs		3.24%			
	AA+	3.26%	XOM	XTO Energy	6.50% 12/15/18
	A	3.24%	BK	Bank of New York	5.45% 05/15/19
3-5 yrs		12.35%			
	AA+	2.90%	GE	GE Credit Corp	6.00% 8/07/19
	AA+	3.31%	GE	GE Credit Corp	5.50% 01/08/20
	A+	3.03%	V	Visa Inc	2.20% 12/14/20
	AA-	3.10%	CSCO	Cisco Systems	2.90% 3/04/21
5-7 yrs		2.29%			
	A	3.09%	MDT	Medtronic Inc	3.13% 03/15/22
		1.55%	GE	GE Credit Corp	3.100% 1/09/23
	AA+	2.29%	AAPL	Apple	2.85% 02/23/23
7-10 yrs		10.61%			
	BBB+	3.32%	VZ	Verizon Communications	5.15% 9/15/23
	BBB	1.58%	MDLZ	Mondelez Inc	4.0% 2/01/24
	A	1.51%	WFC	Wells Fargo Corp	3.30% 9/09/24
		1.11%	PEP	Pepsico Inc	2.750% 4/30/25
	A	1.60%	ICE	Intercontinental Exchange	3.75% 12/01/25
	A	1.47%	KMB	Kimberly Clark	2.75% 2/15/26
High Yield					
Cash		2.75%		Range: 0%-20%	
		2.75%	FGZXX	FIRST AMERN GOV'T OBLIG FD CL Z	
TOTAL		100.00%			

City of Brea

For Period Ending March 31, 2017

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core CI Z	0.80	6.80	6.80	15.32	10.14	13.66	9.49
Harbor Capital Appreciation Instl	1.87	10.64	10.64	15.83	10.17	12.30	8.98
Loomis Sayles Value Fund	-0.86	3.72	3.72	17.72	6.23	12.19	6.15
T. Rowe Price Growth Stock	1.89	11.14	11.14	19.10	11.24	13.57	8.98
Dodge & Cox Stock	-0.36	4.97	4.97	28.58	9.44	15.24	6.26
S&P 500 Index	0.12	6.07	6.07	17.17	10.37	13.30	7.51
MID CAP EQUITY FUNDS							
Ivy Mid Cap Growth I	0.72	6.77	6.77	14.31	4.55	8.58	8.49
Russell Mid Cap Growth Index	0.55	6.89	6.89	14.07	7.88	11.95	8.13
TIAA-Cref Mid-Cap Value Instl	-0.42	3.39	3.39	18.66	7.58	12.31	6.92
Russell Mid Cap Value Index	-0.73	3.76	3.76	19.82	8.94	14.07	7.47
SMALL CAP EQUITY FUNDS							
Columbia Small Cap Value II Z	-1.59	0.73	0.73	23.73	7.36	12.71	7.48
T. Rowe Price New Horizons	1.47	10.11	10.11	23.76	8.97	14.47	11.44
Russell 2000 Index	0.13	2.47	2.47	26.22	7.22	12.35	7.12
REAL ESTATE FUNDS							
Nuveen Real Estate Securities I	-2.21	0.45	0.45	2.39	9.66	9.55	5.61
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox Intl Stock	3.56	9.32	9.32	22.97	0.72	7.32	2.52
Nationwide Baird Intl Equities	2.20	7.65	7.65	7.33	0.81	6.27	1.58
MFS International Growth I	3.23	8.04	8.04	9.20	2.13	4.66	3.25
MSCI EAFE Index	2.75	7.25	7.25	11.67	0.50	5.83	1.05
Schroder Emerging Market Equity	3.24	12.51	12.51	20.57	2.04	1.58	3.31
MSCI Emerging Markets Index	2.52	11.44	11.44	17.21	1.18	0.81	2.72
SPDR Euro Stoxx 50 ETF	6.34	8.29	8.29	12.95	-2.06	5.97	-0.52
BOND FUNDS							
Nationwide HighMark Bond Fid	-0.09	0.72	0.72	1.19	2.43	2.61	4.59
Pimco Total Return Instl	-0.01	1.63	1.63	2.44	2.77	2.96	5.61
Vanguard Short-Term Investment-Grade Adm	0.13	0.83	0.83	1.88	1.94	2.14	3.26
Prudential Total Return Bond Q	0.14	1.84	1.84	3.43	3.83	4.06	5.89
BarCap US Aggregate Bond	-0.05	0.82	0.82	0.44	2.68	2.34	4.27
PIMCO High Yield Instl	-0.21	2.36	2.36	12.30	4.43	6.16	6.50
Credit Suisse HY	1.36	4.79	2.69	23.11	4.59	6.68	7.13

City of Brea

COMMUNICATION

TO: Honorable Chair and Members

FROM: City Manager

DATE: 04/24/2017

SUBJECT: Discuss the Investment Policy for the City and Successor Agency to the City of Brea and the Investment Policy Guidelines for the City's Employee Benefits Fund Pension Plan (Oral Report)

Attachments

City's Investment Policy

Investment Policy Guidelines for Employee Benefits Pension Plan

City Of Brea / Successor Agency to the Brea Redevelopment Agency
(Final)
STATEMENT OF INVESTMENT POLICY
July 1, 2016

Purpose

This statement is intended to provide a guideline for the prudent investment of funds and to outline the policies for maximizing the efficiency of the City of Brea and Successor Agency to the Brea Redevelopment Agency ("City") cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled funds. This investment policy has been prepared so as to be in conformance with all pertinent existing laws of the State of California for General Law cities.

Objective

The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain a market rate of return without incurring undue risk to principal. The objectives of such investments are: 1) preserve capital, 2) maintain financial flexibility/liquidity, and 3) obtain a competitive rate of return on the City's investments.

Scope

This investment policy applies to the decisions and activities of the City with regard to investing the financial assets of all funds, including the following: General Fund, Special Revenue Funds, Assessment Funds, Enterprise Funds, Internal Service Funds, Capital Projects Funds, Debt Service Funds, Reserve Funds, Trust and Agency Funds, and any other funds that may be created from time to time. This policy does not apply retiree health care savings/trust/plan(s) or deferred compensation plans.

Investment Responsibility

Investments decisions of the City funds are the responsibility of the City Treasurer and Administrative Services Director, and shall comply with the Investment Policy of the City. These responsibilities include the authority to open accounts with banks, brokers and dealers and to establish safekeeping accounts or other arrangements for the custody of securities and to execute such documents as may be necessary.

Those authorized to execute transactions for the City include the: 1) City Treasurer, 2) Administrative Services Director, 3) Revenue and Budget Manager, and 4) those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk. The City Treasurer and Administrative Services Director shall insure that an authorized person is available at all times to execute the City's investments. Investment managers, brokers and dealers are to be provided with a list of specified names of those persons authorized to execute transactions. The City Council may authorize the delegation of a portion of investments to an outside investment manager.

Reporting

The City Treasurer and Administrative Services Director shall be responsible for reporting the status of investments to the City Council, City Manager and Investment Advisory Committee on a monthly basis. Reports are to be submitted to the City Council, City

Manager and Investment Advisory Committee by the 2nd City Council meeting following the end of the reporting month. These reports shall include the type of investment, institution, face amount, market value, book value, interest rate, date of maturity, compliance to the investment policy, and a statement that denotes the ability to meet expenditure requirements for the next six months.

Prudence

The standard of prudence to be applied by the City Treasurer, Administrative Services Director, Revenue and Budget Manager, and those specifically deputized by the City Treasurer and Administrative Services Director with said authorization to be filed with the City Clerk shall be the "prudent investor" standard, as defined under Government Code Section 53600.3 which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

Ethics and Conflicts of Interest

Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Investment Instruments

Funds of the City may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et sec.) so long as the investment is appropriate and consistent with this Investment Policy taking into consideration the City's investment objectives. Investment instruments may include:

- U.S. Treasury Obligations (Bills, Notes and Bonds)
- U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, including a maximum of 5% in callable bonds issued by such agencies
- Banker's Acceptances
- Commercial Paper
- Repurchase Agreements (requires a master repurchase agreement to be signed and on file with the bank or broker/dealer)
- Certificates of Deposit
- Negotiable Certificates of Deposit

- Passbook Savings Accounts
- Interest Bearing Checking Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)
- County of Orange Investment Fund (County Pool)
- Other investments that are, or may become, legal investments through the State of California Government Code.
- Water rights/preferred stock/common stock of a private mutual water company

Provisions of Government Code Section 53601 shall be adhered to at all times. This includes, but is not limited to, the following restrictions:

- Bankers Acceptances cannot exceed 40% of the portfolio nor exceed 180 days;
- Commercial Paper cannot exceed 25% of the portfolio. Commercial Paper must be rated P-1 (Moody's), A-1 (Standard & Poor's) and cannot exceed 270 days;
- Money Market Funds cannot exceed 20% of the portfolio;
- Medium Term Corporate Notes cannot exceed 30% of the portfolio and must carry a minimum A rating;
- Pass-through securities including Collateralized Mortgage Obligations cannot exceed 20% of the portfolio.
 - Collateralized Mortgage Obligations must pass the Federal Financial Institution Examination Council (FFIEC) liquidity test to be an eligible investment for the City
 - Asset Backed Securities are limited to a maximum of 10% of the portfolio at time of purchase
 - Maximum maturity of 5 years
 - Asset Backed Security must be rated AA or higher
 - Underlying issuer rating must meet the requirements of code (i.e. A3 or A- minimum)
- Supranational Securities must be rated AA or higher, cannot exceed 15% of the portfolio and no more than 5% of portfolio per issuer. The maximum maturity cannot exceed 5 years.
- Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage references pertaining to the above refers to the maturity value of the portfolio at the time of purchase.

Prohibited Investments

The City shall not invest any funds in derivatives, inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. The City shall not invest any funds in any security that could result in a zero interest accrual if held to maturity.

Collateralization

Collateralization shall be required on two types of investments: Certificates of deposit and repurchase (and reverse repurchase) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit.

Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted in accordance with the following requirements:

- A. **Certificates of Deposit**
 - 1. Government securities used as collateral require one hundred and ten (110) percent of market value to the face amount of the deposit
 - 2. Promissory notes secured by first trust deeds used as collateral require one hundred and fifty (150) percent of market value to the face amount of the deposit
 - 3. Irrevocable letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five (105) percent of market value to the face amount of the deposit
- B. **Repurchase and Reverse Repurchase Agreements**
 - 1. Only U.S. Treasury securities or federal agency securities are acceptable collateral. All securities underlying repurchase agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two (102) percent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one (1) day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.
 - 2. The City or its trustee shall have perfected first security interest under the Uniform Commercial Code in all securities subject to a repurchase agreement.

Investment Criteria

Criteria for selecting investments and the order of priority are:

- A. **Safety**

The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. The City only operates in those investments that are considered very safe.
- B. **Liquidity**

This refers to the ability to convert an investment into cash at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality when there is an occasional need for funds. The potential fluctuations in market value and the expected future availability of reasonable bids in the market are to be important considerations when selecting an investment.
- C. **Yield**

Yield is the potential dollar earnings an investment can provide and sometimes is described as the rate of return.

Diversification

The City will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, or individual financial institutions. In no case, without prior notification and approval from the City Council, shall the amount invested in one entity at the time of purchase exceed 5% of the total portfolio, with the following exceptions:

- U.S. Federal Government Agency Obligations of one specific entity cannot exceed 25% of the maturity value of the portfolio at the time of purchase.
- U.S. Treasury Obligations (Treasury Bills, Treasury Strips, Bonds, Notes) directly backed by the full faith and credit of the United States for payment of principal and interest shall not be subject to a maximum percentage of the portfolio.
- Approved State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Investment Pools

The City Treasurer, Administrative Services Director and City Council have determined that use of investment pools is a practical investment option. The City will utilize guidelines established by the California Municipal Treasurers Association and California Society of Municipal Finance Officers to ensure the safety of investment pools which includes a thorough investigation of the pool/fund prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Maturity Limitations

Every investment instrument purchased must have a term remaining to maturity of less than five years, unless the investment is for the Senior Low Cost Housing Subsidy Program, bond proceeds for the Reserve Fund, funded/capitalized interest fund; or the City Council has granted express authority to make that investment, either specifically or as part of an investment program approved by the City Council no more than three months prior to the investment. When possible, a minimum of 25% of the portfolio should be in maturities of one year or less.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the City and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, direct time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require authorization.

Monthly trust statements are reconciled to the Investment Reports by the City's Accountant. The City's Accountant performs reconciliation of the monthly bank statements. The periodic review of the investment portfolio, including investment types, purchase price, market values, maturity dates, and investment yields as well as conformance to the stated investment policy will be performed by the Investment Advisory Committee.

Qualified Broker/Dealers

For those investments managed directly by the City, the City shall maintain a listing of broker/dealers that are approved by the Investment Advisory Committee for investment purposes. All broker/dealers who desire to bid for investment transactions must supply the City with the following information; a completed broker/dealer questionnaire, audited financial statements, proof of National Association of Security Dealers' certification, trading resolution, proof of California registration, and certification of having read the City of Brea's investment policy.

The Investment Advisory Committee will conduct an annual review of the qualified broker/dealers. The decision to add or subtract from the authorized list of broker/dealers will be based on many factors to include, but not limited to, products offered, service levels, references, etc. No single factor will determine the Committee's final decision. A current audited financial statement is required to be on file for each broker/dealer with which the City of Brea invests. The City's authorized brokers/dealers shall provide written confirmation of having read and understood the City's investment policy and that all investments recommended by them will be suitable for the City of Brea.

Monitoring and Adjusting the Portfolio

The City Treasurer and Administrative Services Director will routinely monitor the contents, performance and risk profile of the investment portfolio, the investment alternatives, and the relative values of competing investment instruments and will adjust the portfolio accordingly based on the approved Statement of Investment Policy on a quarterly basis. The City Council shall also bear a responsibility for monitoring the implementation of this policy and the safeguarding of the City's Treasury.

Performance Standards

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer and Administrative Services Director shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the Treasurer's monthly report. The Treasurer and Administrative Services Director shall select an appropriate, readily available index to use as a market benchmark.

Monthly Reporting

Monthly investment reports will be submitted by the City +Treasurer and Administrative Services Director to the City Council. These reports will disclose, at a minimum, the following information about the characteristics of the City's portfolio:

- A. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate.
- B. Monthly transactions for the period.
- C. A one-page summary report that shows:
 - 1. Average maturity of the portfolio and modified duration of the portfolio;
 - 2. Maturity distribution of the portfolio;
 - 3. Average portfolio credit quality; and,
 - 4. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months, year to date, and since inception compared to the City's market benchmark returns for the same periods;
- D. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- E. A statement that the City has adequate funds to meet its cash flow requirements for the next six months.

Bond Funds/Arbitrage

The U.S. Tax Reform Act of 1986 requires the City to perform annual arbitrage calculations and rebate excess earnings from investments of proceeds of bond issues sold after the effective date of this law to the U.S. Treasury. This arbitrage calculation may be contracted with an outside source to provide the necessary technical assistance to comply with this regulation. Funds subject to the 1986 Tax Reform Act will be kept segregated from other funds and records will be kept in a fashion to facilitate the calculations. The City's investment position relative to the new arbitrage restrictions is to continue pursuing the maximum yield on applicable investments while ensuring the safety of capital and liquidity. It is a fiscally sound position to continue maximization of yield and to rebate excess earnings, if necessary.

Review and/or Modification

The City Treasurer and Investment Advisory Committee shall be responsible for reviewing and recommending modifications to the Statement of Investment Policy and submitting it to the City Council for approval on an annual basis. However, the City Treasurer and Administrative Services Director may, at any time, further restrict the investments approved for purchase as deemed appropriate.

Internal Controls

The City Treasurer and Administrative Services Director shall organize the investment function so that specific responsibility for the performance of duties is assigned with a clear line of authority and reporting. The functions of authorizing, executing and recording transactions, custody of investments and performing reconciliation's will be handled by separate persons to reduce the risk that anyone person is in a position to conceal errors or fraud in the normal course of duty. While no internal control system, however elaborate, can guarantee absolute assurance that the City's assets are safeguarded, it is the intent of the City's internal control system to provide reasonable assurance that management of the investment function meets the City's objectives. These internal controls shall be reviewed annually by the independent auditor who shall review and comment upon the content of this policy, the effectiveness of its implementation and applicable management controls with regard to its implementation and the safeguarding of the City's Treasury funds.

Investment Advisory Committee

An Investment Advisory Committee ("Committee") is established to review and make recommendations on the Investment Policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency and to strengthen the internal control of the management of the City's funds. The following are the duties and responsibilities of the Committee:

A. Purpose

1. To review and make recommendations on investment policy and investment strategy of the City of Brea/Successor Agency to the Brea Redevelopment Agency.
2. To review the City's investments on a periodic basis and to recommend any exceptions and/or changes to the policy, to the City Council for review and approval.

B. Composition of Committee

1. City Treasurer
2. City Council Member (selected by the City Council)
3. Administrative Services Director
4. Revenue and Budget Manager
5. Two (2) Brea Citizens (selected by the City Council with the City Treasurer as subcommittee members)

C. Functions

1. Annually (or as needed)
 - a. To review and approve Statement of Investment Policy
 - b. To review the financial condition and registrations of qualified broker/dealers (Only required when investments are managed by the City)
2. Monthly or Quarterly
 - a. To review the City's investments
 - b. To recommend any modifications to the Investment Policy
 - c. To develop and carry out the ongoing investment strategy in accordance with the Investment Policy
 - d. To provide a status report at a study session of the City Council as requested

The function of the Committee is not to inhibit the daily operation of the Administrative Services Department, but to provide policy guidelines within which to work on a day-to-day basis. By this, it is meant that each individual trade need not be approved by the Committee at the time it is transacted provided that it falls within the scope of the Statement of Investment Policy.

Disclosure

Members of the Committee shall be required to comply with the Fair Political Practices Act reporting requirements (Form 700) on an annual basis and submit filings to the City Clerk's Office.

SEGREGATION OF RESPONSIBILITIES
(External)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	Administrative Services Director Revenue and Budget Manager
Recommend modifications to Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Review formal Statement of Investment Policy and recommend a Council action	City Treasurer Investment Advisory Committee
Adopt formal Statement of Investment Policy	City Council
Select investments	Outside Investment Manager
Execute investment transactions and fax or email completed trade information to City	Outside Investment Manager
Review transactions for compliance with investment policy	City Treasurer, Administrative Services Director, or Revenue and Budget Manager
Investment verification (match broker confirmation to trade information provided by outside Investment Manager to City investment records)	Administrative Services Director, or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to Administrative Services Director and City Treasurer	City Accountant
Security	Time Certificates of Deposit will be maintained in the City's vault in the care of the City Treasurer and Administrative Services Director. All other investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director.

SEGREGATION OF RESPONSIBILITIES
(Internal)

FUNCTION	RESPONSIBILITY
Develop formal Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager
Recommend modifications to Statement of Investment Policy	City Treasurer Administrative Services Director Revenue and Budget Manager Investment Advisory Committee
Review formal Statement of Investment Policy and recommend City Council action	Investment Advisory Committee
Annually review and adopt a formal Statement of Investment Policy	City Council
Select investments	Administrative Services Director, or Revenue and Budget Manager
Approve transactions	Administrative Services Director
Execute investment transactions	Administrative Services Director
Investment verification (match broker confirmation to City investment records)	Administrative Services Director, or Revenue and Budget Manager
Record investment transactions into City's accounting records	City Accountant
Reconcile investment records to accounting records and bank statements and report any variances to the Administrative Services Director	City Accountant
Security	Time Certificates of Deposit will be maintained in the City's vault in the care of the City Treasurer and Administrative Services Director. All other investment securities will be held in safekeeping in the trust department of the City's Depository Bank, or other third party custodian as designated by the City Treasurer or Administrative Services Director

GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or plus accretion of discount.

BROKER: A broker brings buyers and sellers together for a commission.

CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION (CMTA): Is the professional society of active public treasurers of California counties, cities and special districts. It sets ethical standards for the treasury profession in state and local governments in California.

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS (CSMFO): Is a professional association of state, county and local government finance officers in California. CSMFO is the statewide organization serving all of California municipal finance professionals, an affiliate of the nationwide Government Finance Officers Association (GFOA).

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of the (*entity*). It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

CORPORATE BOND: A debt security issued by corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.,* S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL (FFIEC): The Council is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Controller of the Currency (OCC) and the Consumer Financial Protection Bureau (CFPB), and to make recommendations to promote uniformity in the supervision of financial institutions.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INVERSE FLOATER: A bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes. This investment is prohibited under in the City's and Successor Agency to the Brea Redevelopment Agency Investment Policy.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PASSBOOK SAVINGS ACCOUNT: A savings account in which deposits and withdrawals are recorded in the depositor's passbook.

PASS-THOUGH SECURITY: A pool of fixed income securities backed by a package of assets (i.e. mortgages) where the holder receives the principal and interest payments.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRINCIPAL: The face value or par value of an investment.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PRUDENT INVESTOR STANDARD: Is a standard defined under State Government Code Section 53600.3 that states when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic

conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City/Successor Agency to the Brea Redevelopment Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



Investment Policy Guidelines
for the
City of Brea
Employee Benefits Fund Pension Plan
January, 2016

Investment Policy Guidelines

Scope and Purpose

The purpose of these Investment Policy Guidelines is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's investment needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

Key Plan Sponsor Account Information as of December 2015

Plan Sponsor:	City of Brea
Governance:	Investment Advisory Committee for the City of Brea
Plan Name ("Plan"):	City of Brea Employee Benefit Fund Pension Plan
Trustee:	US Bank Contact: Sue Hughes, 949-224-7209 Susan.Hughes@usbank.com
Type of Account:	Pension Plan
Investment Manager:	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Keith Stribling, CFA, 949-553-2591 Keith.stribling@highmarkcapital.com

Investment Authority: Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

Investment Objectives and Constraints

The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.

Investment Time Horizon: Long-term

Anticipated Cash Flows: Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS. Typically increases in rates come with a one-year advance warning, however this Plan may transfer assets to CalPERS at any time.

Investment Objective: The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the **Balanced Objective**, which has a dual goal to seek growth of income and principal.

Risk Tolerance: *Balanced*
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

Strategic Asset Allocation: The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	30%-50%	50%-70%
Policy: 5%	Policy: 35%	Policy: 60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

Security Guidelines:

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	50%-70%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	20%-50%
Domestic Mid Cap Equity	0%-15%
Domestic Small Cap Equity	0%-20%
International Equity (incl. Emerging Markets)	0%-20%
Real Estate Investment Trust (REIT)	0%-10%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	30%-50%
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Eligible Investments

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities (MBS)
- Asset Backed Securities (ABS)
- Collateralized Mortgage Obligations (CMO)
- Commercial Mortgage-Backed Securities (CMBS)

- Corporate debt securities issued by U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates

Quality

The portfolio will maintain a minimum weighted average quality of A- at all times. Individual securities shall have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's (S&P).

Duration

The manager will maintain the portfolio duration within +/- 25% of the benchmark duration at all times.

Diversification

- Any individual issuer position size is to be less than 10% of the portfolio assets at time of purchase, with the exception of securities issued or guaranteed by the U.S. Government, its agencies, and Government Sponsored Enterprises
- High Yield will be managed with funds and/or ETF's at less than 5% of the total portfolio.

Performance Benchmarks:

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

32.00%	S&P500 Index
6.00%	Russell Mid Cap Index
9.00%	Russell 2000 Index
4.00%	MSCI Emerging Market Index
7.00%	MSCI EAFE Index
2.00%	Wilshire REIT
27.00%	BC US Aggregate Index
6.75%	ML 1-3 Year US Corp/Gov't
1.25%	US High Yield Master II
5.00%	Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell Mid Cap Index
Growth	Russell Mid Cap Growth
Value	Russell Mid Cap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	Barclays US Aggregate

Security Selection

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

Investment Limitations:

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions*
- Commodities Transactions Puts, calls, straddles, or other option strategies*
- Purchases of real estate, with the exception of REITs
- Individual high yield or below investment grade rated bonds (high yield will be managed with funds and/or ETF's)
- Derivatives, with exception of ETFs*

**Permissible in diversified mutual funds and exchange-traded funds*

Duties and Responsibilities

Responsibilities of Plan Sponsor

The Investment Advisory Committee of the City of Brea is responsible for:

- Confirming in writing the accuracy of this Investment Policy Guidelines.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.

The City Treasurer and Administrative Services Director is responsible for:

- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.
- Providing quarterly investment reports to the City Council.

Responsibilities of Trustee

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

Responsibilities of Investment Manager

The Investment Manager is responsible for:

- Assisting the Investment Advisory Committee with the development and maintenance of this Investment Policy Guidelines annually.
- Meeting with Investment Advisory Committee annually to review portfolio structure, holdings, and performance.
- Meeting with City Council annually to review portfolio structure, holdings, and performance.
- Providing quarterly investment reports to the Investment Advisory Committee.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

Acknowledgement and Acceptance

I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Policy Guidelines, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Policy Guidelines supersedes all previous versions of an Investment Policy Guidelines or investment objective instructions that may have been executed for this account.

Plan Sponsor: City of Brea

Date: _____

Investment Manager: Keith Stribling, CFA, Senior Portfolio Manager, (949) 553-2591

Date: _____