

Date: January 16, 2015

Who: Hal Fick David Culver
Tom Vocker Larry Patterson
Kent Grealish Matt Bronson
Brian Berberet Kathleen VonAchen
Scott Lee Grace Castaneda
Jun Nguyen

What: **INVESTMENT ADVISORY COMMITTEE**

When: January 22, 2015 (Thursday)
1:00 to 2:00 p.m.

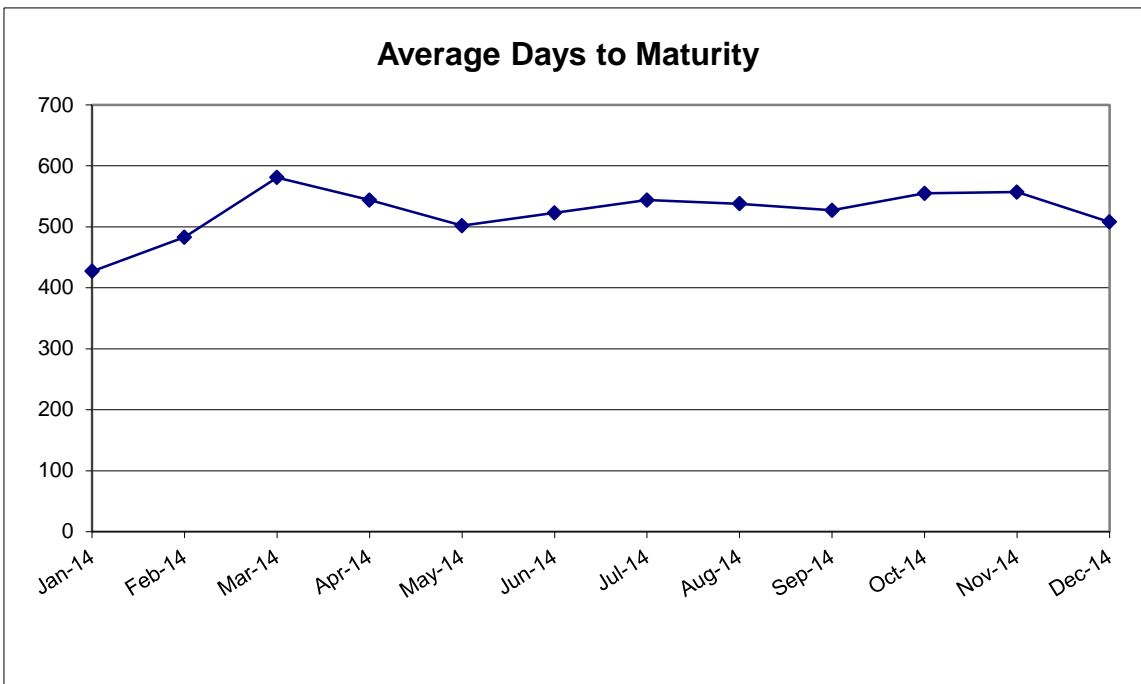
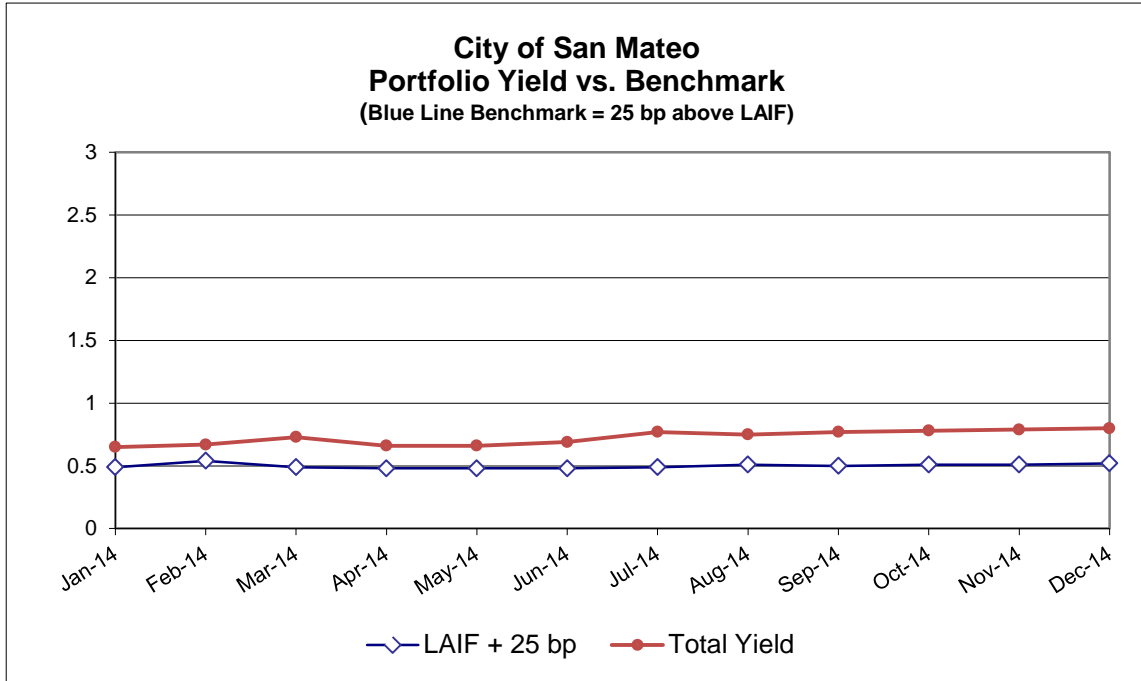
Where: City of San Mateo - Room A
330 West 20th Avenue
San Mateo, CA 94403

AGENDA

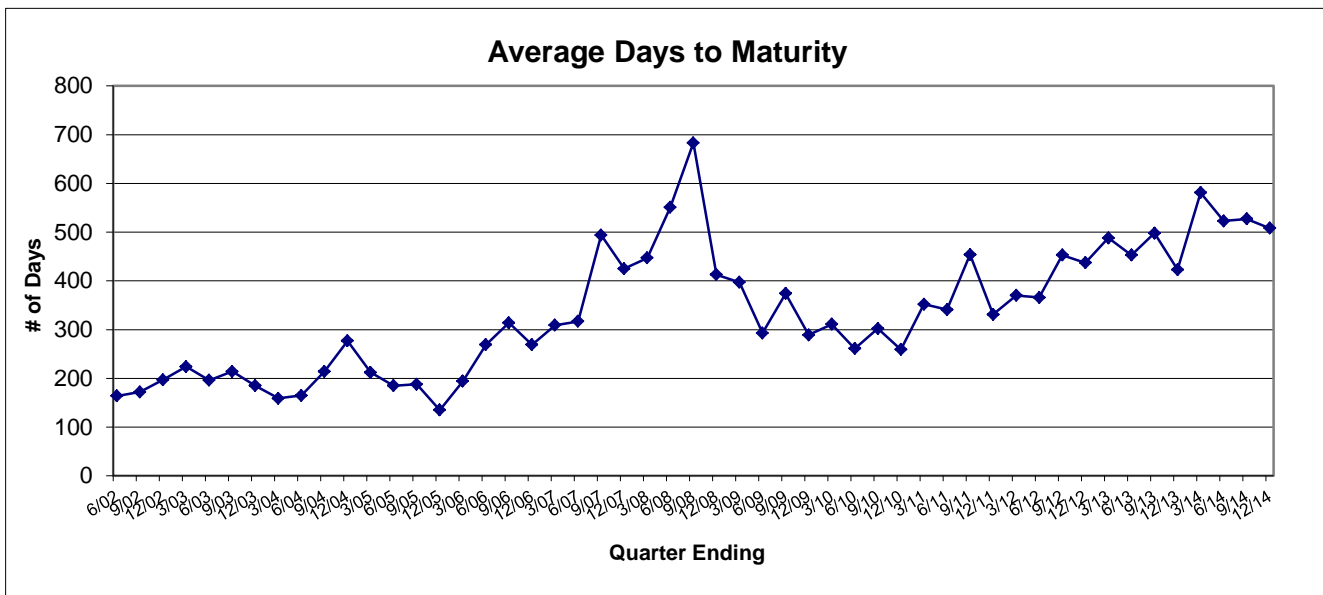
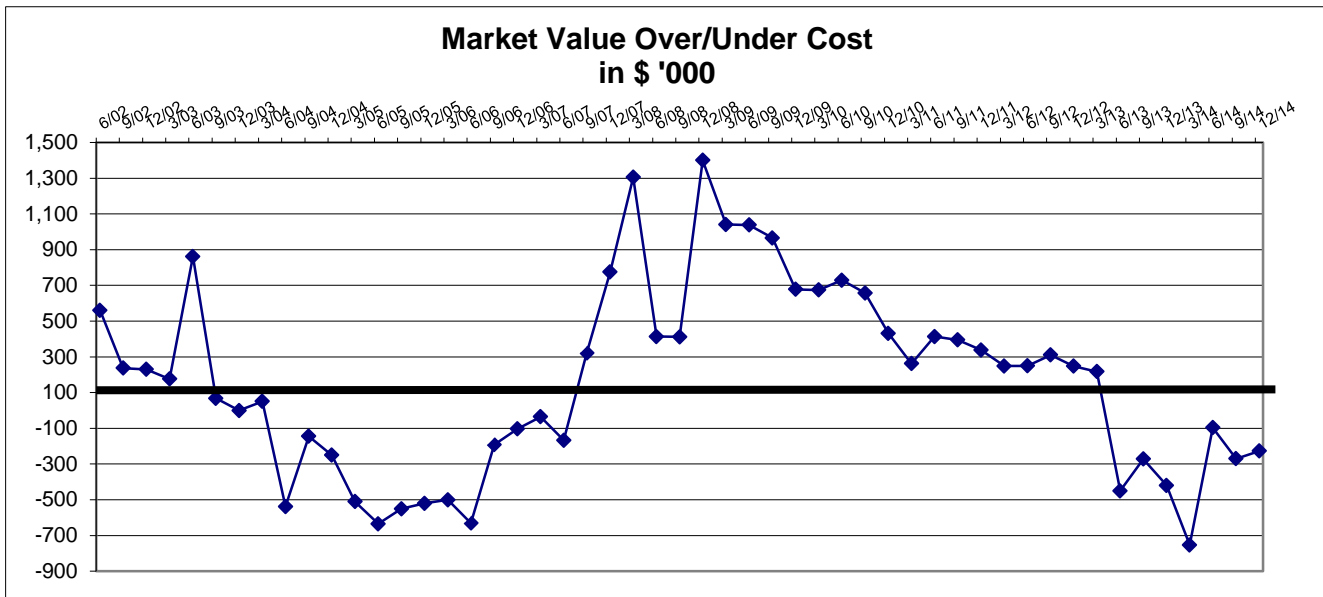
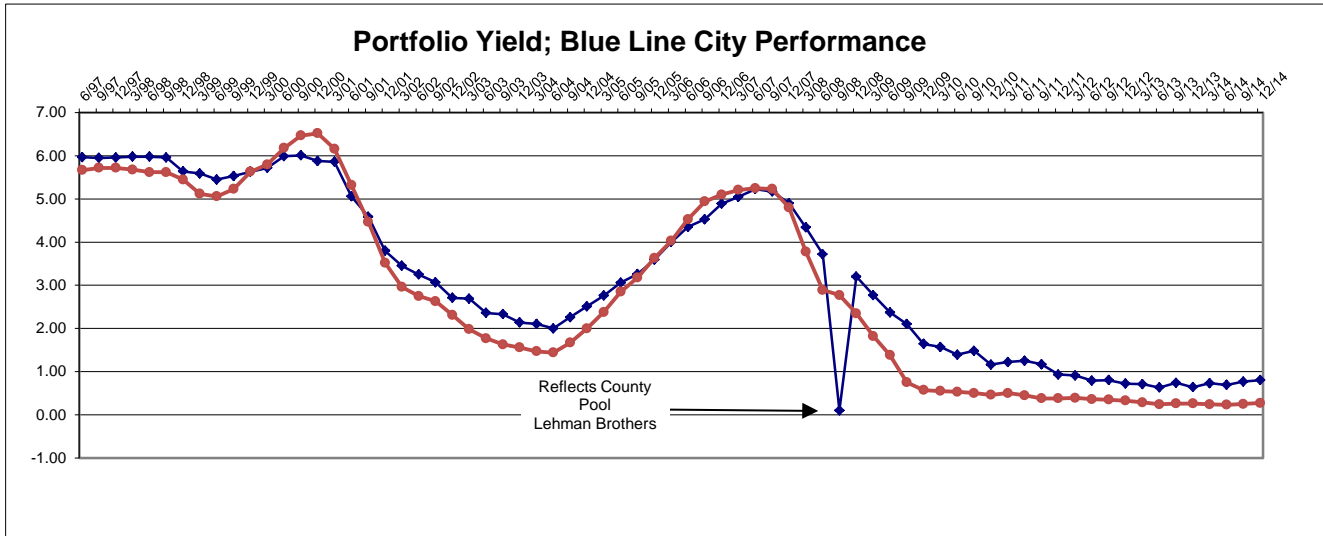
1. Approve Minutes- October 23, 2014
2. Portfolio Review
 - ❖ Yield Trend
 - ❖ Strategy
 - ❖ Market Value
3. Review Quarterly Report- October through December 2014
4. Confirm next meeting date
5. For more detailed information regarding LAIF and San Mateo County Pool investments, please refer to:
 - LAIF: <http://www.treasurer.ca.gov/pmia-laif/index.asp>
 - SM County Pool: <http://www.sanmateocountytreasurer.org/investmentReports.html>

<i>2014-2015 Investment Advisory Committee Meetings</i>			Quarterly Investment Report	City Council Meetings Agenda
April 23, 2015	3:30 p.m.	Room A	Jan/Feb/Mar	N/A
July 23, 2015	3:30 p.m.	Room A	Apr/May/June	N/A
October 22, 2015	3:30 p.m.	Room A	July/Aug/Sept	N/A
January 21, 2016	3:30 p.m.	Room A	Oct/Nov/Dec	N/A

City of San Mateo Current Year - 12 Month Trend



City of San Mateo Historical Trend by Quarter





Summary of Investment Transactions October - December 2014

	Date	Face Value	Issuer	Coupon	Maturity Distribution	Price
New Purchase	10/23/2014	\$ 1,000,000	CD-EWB	0.895%	2-3 yrs	Par
	10/25/2014	\$ 240,000	CD-ICBC	0.600%	2-3 yrs	Par
	11/28/2014	\$ 1,000,000	FNMA	1.150%	3-4 yrs	Par
	12/18/2014	\$ 1,000,000	FHLB	1.000%	2-3 yrs	Prem 100.323
	12/24/2014	\$ 1,000,000	FNMA	1.500%	3-4 yrs	Par
	12/29/2014	\$ 1,000,000	FHLB	1.100%	3-4 yrs	Par
	12/29/2014	\$ 1,000,000	FHLB	1.350%	3-4 yrs	Par
	12/29/2014	\$ 1,000,000	FHLB	1.000%	2-3 yrs	Par
	12/29/2014	\$ 2,000,000	FHLB	1.400%	3-4 yrs	Par
	12/30/2014	\$ 3,000,000	FHLB	1.150%	2-3 yrs	Par
			\$ 12,240,000			
Maturities	Date	Face Value	Issuer	Coupon	CUSIP	
	10/25/2014	\$ 1,000,000	CD-ICBC	0.750%	CD	
		\$ 1,000,000				
Call	Date	Face Value	Issuer	Coupon	CUSIP	
	11/6/2014	\$ 1,000,000	FNMA	0.500%	3135G0RS4	
		\$ 1,000,000				
Renewals	Term					
		\$ -				

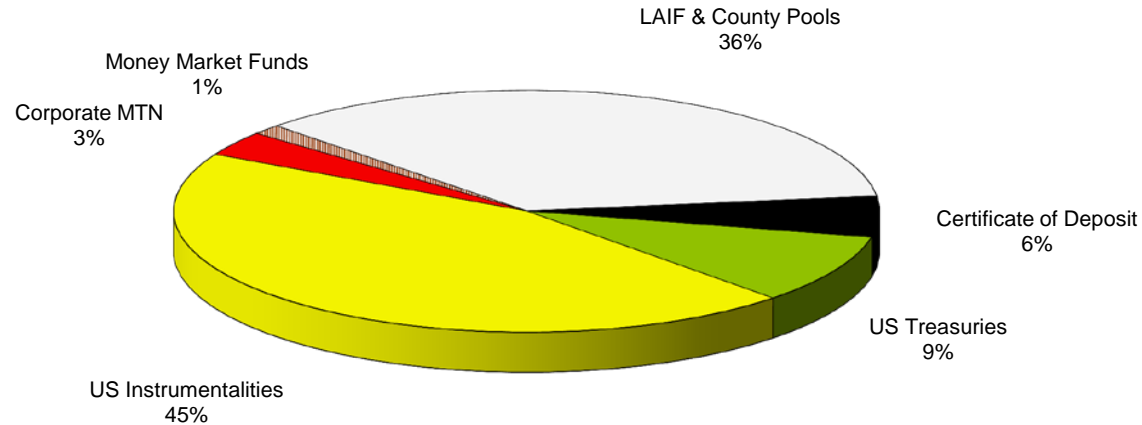


City of San Mateo Investment Portfolio Report

December 31, 2014

Investment Type	Amortized Cost	Market Value	Maturity	Yield	% of portfolio
Money Market Funds	\$2,228,080	\$2,228,080	1	0.36%	1.34%
State (LAIF) and County Pools	\$59,299,956	\$59,299,956	1	0.62%	35.57%
Certificates of Deposit	\$9,090,000	\$9,083,344	284	0.65%	5.45%
US Treasuries	\$15,459,833	\$15,475,119	840	0.90%	9.27%
US Instrumentalities (Agencies)	\$75,066,313	\$74,830,213	887	0.93%	45.03%
Corporate Medium Term Notes	\$5,552,619	\$5,555,082	434	0.72%	3.33%
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Total Operating Portfolio	\$166,696,800	\$166,471,793	508	0.80%	100.00%
Bond Portfolio	\$21,604,945	\$21,604,945		0.51%	

Asset Allocation By Sector (excludes Bond Proceeds)



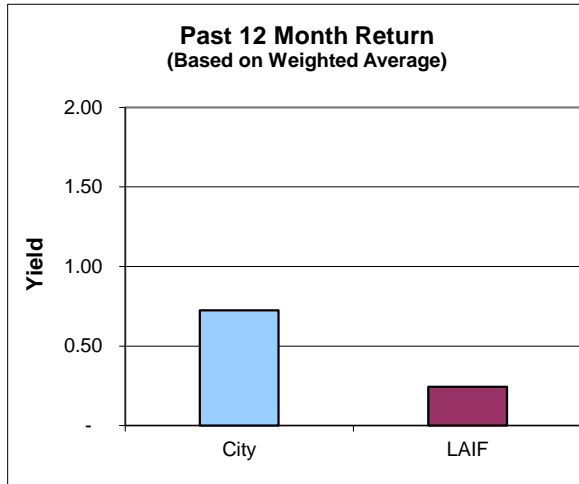


City of San Mateo Portfolio Compliance Report December 31, 2014

Compliance

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| Liquidity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Permitted types of investments | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within investment categories | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within single agency/institution | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits relating to maturity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Portfolio Return vs. LAIF



Historical Portfolio Data

Portfolio Date	Yield	Market Value
December 31, 2011	0.93%	\$ 114,071,844
December 31, 2012	0.72%	\$ 129,722,997
December 31, 2013	0.63%	\$ 149,136,057
December 31, 2014	0.80%	\$ 166,471,793

David Culver
Finance Director

January 15, 2015

Date



City of San Mateo Investment Portfolio Report (City and Cutwater Managed)

December 31, 2014

Investment Type	Par Value	Historical Cost	Amortized Cost	Market Value ⁽⁵⁾	Maturity ⁽¹⁾	Yield ⁽²⁾	% of portfolio	Policy Limit
Cash and Money Market - SM	2,000,000	2,000,000	2,000,000	2,000,000	1	0.40%	1.20%	
Cash and Money Market - Cutwater	228,080	228,080	228,080	228,080	1	0.00%	0.14%	
Total Combined Cash and Equivalents:	2,228,080	2,228,080	2,228,080	2,228,080	1	0.36%	1.34%	20%
State (LAIF) Pool - SM	11,507,337	11,507,337	11,507,337	11,507,337	1	0.27%	6.90%	65%
SM County Pool - SM	47,792,619	47,792,619	47,792,619	47,792,619	1	0.71%	28.67%	30%
Total Combined LAIF/County:	59,299,956	59,299,956	59,299,956	59,299,956	1	0.62%	35.57%	
Certificates of Deposit - SM	9,090,000	9,090,000	9,090,000	9,083,344	284	0.65%	5.45%	5% per issuer
Certificates of Deposit - Cutwater	0	0	0	0	0	0.00%	0.00%	5% per issuer
Total Certificates of Deposit:	9,090,000	9,090,000	9,090,000	9,083,344	284	0.65%	5.45%	30%
US Treasuries - SM	9,000,000	8,925,477	8,940,407	8,940,821	971	0.98%	5.36%	
US Treasuries - Cutwater	6,500,000	6,557,891	6,519,425	6,534,298	661	0.79%	3.91%	
Total Combined US Treasuries:	15,500,000	15,483,367	15,459,833	15,475,119	840	0.90%	9.27%	No Limit
US Instrumentalities - SM:	48,000,000	48,108,650	48,076,208	47,901,501	917	0.94%	28.84%	
FNMA (Federal Nat'l Mtg Assoc.)	15,000,000	15,082,990	15,056,263	14,990,327			9.03%	35% combined
FHLB (Federal Home Loan Bank)	13,000,000	13,031,830	13,023,271	12,975,371			7.81%	35% combined
FFC (Federal Farm Credit)	12,000,000	12,014,520	12,010,094	11,958,643			7.20%	35% combined
FHLMC (Federal Home Loan Mtg Credit)	8,000,000	7,979,310	7,986,580	7,977,160			4.79%	35% combined
US Instrumentalities - Cutwater:	26,990,000	27,061,439	26,990,104	26,928,712	834	0.92%	16.19%	
FNMA (Federal Nat'l Mtg Assoc.)	9,590,000	9,560,976	9,566,613	9,539,799			5.74%	35% combined
FHLB (Federal Home Loan Bank)	8,400,000	8,475,558	8,411,353	8,400,636			5.05%	35% combined
FFC (Federal Farm Credit)	4,000,000	4,004,440	4,002,797	3,990,952			2.40%	35% combined
FHLMC (Federal Home Loan Mtg Credit)	5,000,000	5,020,465	5,009,342	4,997,326			3.01%	35% combined
Total Combined US Instrumentalities:	74,990,000	75,170,089	75,066,313	74,830,213	887	0.93%	45.03%	70%
Corporate MTN - SM	2,000,000	2,033,760	2,020,213	2,021,158	559	0.83%	1.21%	
GE Capital	2,000,000	2,033,760	2,020,213	2,021,158			1.21%	2%
Corporate MTN - Cutwater	3,500,000	3,652,975	3,532,406	3,533,924	362	0.65%	2.12%	
Berkshire Hathaway	500,000	543,515	500,812	500,580			0.30%	2%
Berkshire Hathaway	500,000	543,375	500,810	500,580			0.30%	2%
Microsoft Corp	500,000	533,205	511,087	511,906			0.31%	2%
Toyota Motor Credit	1,000,000	1,001,010	1,000,542	1,001,790			0.60%	2%
IBM Corp	1,000,000	1,031,870	1,019,156	1,019,068			0.61%	2%
Total Combined Corporate MTN:	5,500,000	5,686,735	5,552,619	5,555,082	434	0.72%	3.33%	10%
Total San Mateo Operating Portfolio:	129,389,956	129,457,843	129,426,784	129,246,780	437	0.77%	77.64%	
Total Cutwater Operating Portfolio:	37,218,080	37,500,384	37,270,016	37,225,014	754	0.87% ^(3,4)	22.36%	
Combined Operating Portfolio:	\$166,608,036	\$166,958,226	\$166,696,800	\$166,471,793	508	0.80%	100.00%	

(1) Weighted Average Days to Final Maturity

(2) Weighted Average Yield (based on amortized cost)

(3) Cutwater Asset Management return net of fees is: 0.79%

(4) Cutwater Asset Management's performance is expected to be higher than the City for the long term due to different investment objectives.

(5) Market Value source information: Cutwater Asset Management and Bank of New York.



City of San Mateo

Bond Proceeds/Bond Reserve Portfolio

December 31, 2014

Account Name	Type*	Issuer	Origination Date	Expiration or Maturity Date	Book Value	Stated Rate/Yield
South Bayfront Levee Flood Control Bond 2011A	C	LAIF	02/15/11	open	80,129	0.2670%
Sewer Revenue Bond 2011	C	LAIF	05/12/11	open	11,632	0.2670%
Sewer Revenue Bond 2014	C	Various ^(d)	06/11/14	various ^(d)	18,021,597	0.1770%
Subtotal Construction					\$ 18,113,357	0.1775%
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34	520,646	4.800%
Merged Area Tax Allocation Bonds Res 2005A	R	FNMA ^(b)	12/04/12	10/26/17	1,309,361	0.875%
Sewer Revenue Bond 2011	R	FNMA ^(c)	07/18/13	09/28/16	1,083,551	1.250%
South Bayfront Levee Flood Control Bond 2011A	R	FHLMC ^(a)	02/15/11	01/19/16	578,029	4.750%
Subtotal Reserve					\$ 3,491,587	2.218%
Total and Average					\$ 21,604,945	0.5073%

* C=Construction, R=Reserve

^(d) Investments consist of:

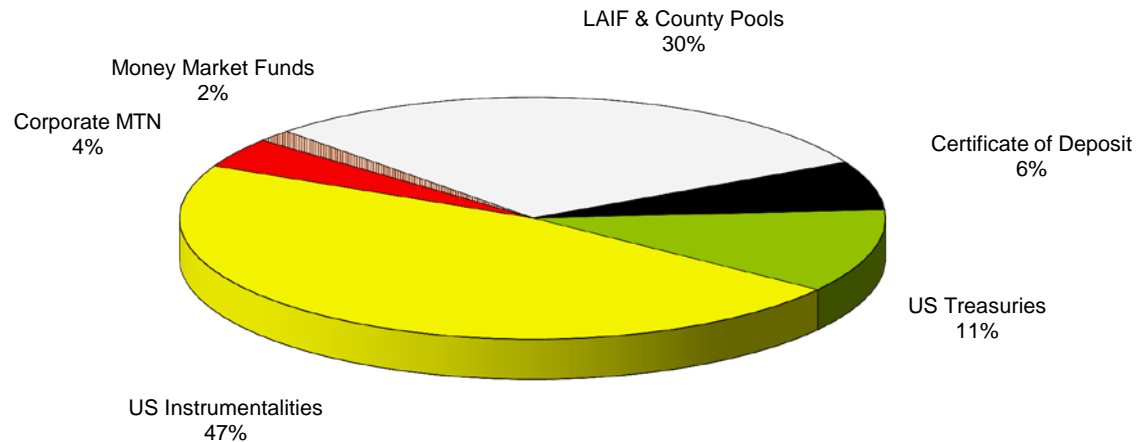
	<u>Issuer</u>	<u>Stated Rate</u>	<u>Maturity Date</u>
^(a) Coupon 4.75%, purchased @ 110.198	FHLMC	0.7500%	11/25/2014
^(b) Coupon 0.875%, purchased @ 100.628	FHLMC	0.6250%	12/29/2014
^(c) Coupon 1.25% purchased @ 101.575	FHLMC	0.2500%	2/20/2015
	FHLMC	0.3750%	12/21/2015
	FHLB	0.0900%	1/14/2015
	FHLB	0.1250%	5/29/2015
	Goldman Sachs Cash	0.0000%	open



City of San Mateo Investment Portfolio Report November 30, 2014

Investment Type	Amortized Cost	Market Value	Maturity	Yield	% of portfolio
Money Market Funds	\$2,228,080	\$2,228,080	1	0.36%	1.61%
State (LAIF) and County Pools	\$40,996,476	\$40,996,476	1	0.63%	29.62%
Certificates of Deposit	\$9,090,000	\$9,083,315	314	0.66%	6.57%
US Treasuries	\$15,459,761	\$15,542,968	871	0.90%	11.17%
US Instrumentalities (Agencies)	\$65,069,247	\$65,084,914	894	0.89%	47.01%
Corporate Medium Term Notes	\$5,559,265	\$5,570,662	465	0.72%	4.02%
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Total Operating Portfolio	\$138,402,828	\$138,506,414	557	0.79%	100.00%
Bond Portfolio	\$21,592,732	\$21,592,732		0.53%	

Asset Allocation By Sector
(excludes Bond Proceeds)



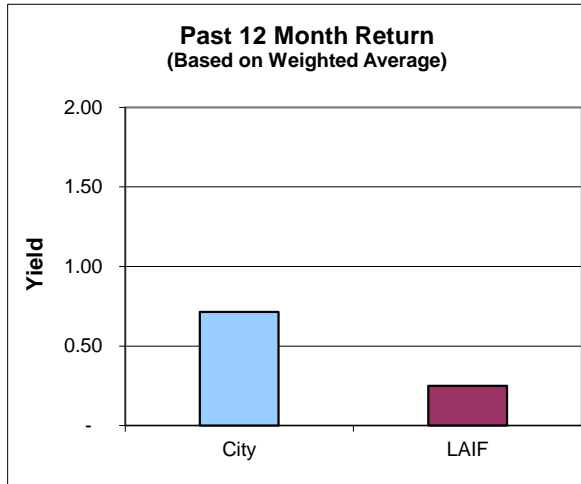


City of San Mateo Portfolio Compliance Report November 30, 2014

Compliance

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| Liquidity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Permitted types of investments | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within investment categories | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within single agency/institution | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits relating to maturity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Portfolio Return vs. LAIF



Historical Portfolio Data

Portfolio Date	Yield	Market Value
November 30, 2011	1.07%	\$ 84,102,699
November 30, 2012	0.83%	\$ 104,754,745
November 30, 2013	0.71%	\$ 121,419,514
November 30, 2014	0.79%	\$ 138,506,414

David Culver
Finance Director

December 15, 2014

Date



City of San Mateo Investment Portfolio Report (City and Cutwater Managed)

November 30, 2014

Investment Type	Par Value	Historical Cost	Amortized Cost	Market Value ⁽⁵⁾	Maturity ⁽¹⁾	Yield ⁽²⁾	% of portfolio	Policy Limit
Cash and Money Market - SM	2,000,000	2,000,000	2,000,000	2,000,000	1	0.40%	1.45%	
Cash and Money Market - Cutwater	228,080	228,080	228,080	228,080	1	0.00%	0.16%	
Total Combined Cash and Equivalents:	2,228,080	2,228,080	2,228,080	2,228,080	1	0.36%	1.61%	20%
State (LAIF) Pool - SM	5,107,337	5,107,337	5,107,337	5,107,337	1	0.26%	3.69%	65%
SM County Pool - SM	35,889,139	35,889,139	35,889,139	35,889,139	1	0.68%	25.93%	30%
Total Combined LAIF/County:	40,996,476	40,996,476	40,996,476	40,996,476	1	0.63%	29.62%	
Certificates of Deposit - SM	9,090,000	9,090,000	9,090,000	9,083,315	314	0.66%	6.57%	5% per issuer
Certificates of Deposit - Cutwater	0	0	0	0	0	0.00%	0.00%	5% per issuer
Total Certificates of Deposit:	9,090,000	9,090,000	9,090,000	9,083,315	314	0.66%	6.57%	30%
US Treasuries - SM	9,000,000	8,925,477	8,939,171	8,985,938	1002	0.98%	6.46%	
US Treasuries - Cutwater	6,500,000	6,557,891	6,520,589	6,557,030	692	0.79%	4.71%	
Total Combined US Treasuries:	15,500,000	15,483,367	15,459,761	15,542,968	871	0.90%	11.17%	No Limit
US Instrumentalities - SM:	38,000,000	38,104,990	38,077,309	38,065,794	890	0.87%	27.51%	
FNMA (Federal Nat'l Mtg Assoc.)	14,000,000	14,082,990	14,059,868	14,052,278			10.16%	35% combined
FHLB (Federal Home Loan Bank)	4,000,000	4,028,170	4,020,442	4,017,376			2.90%	35% combined
FFC (Federal Farm Credit)	12,000,000	12,014,520	12,010,772	11,995,476			8.68%	35% combined
FHLMC (Federal Home Loan Mtg Credit)	8,000,000	7,979,310	7,986,227	8,000,664			5.77%	35% combined
US Instrumentalities - Cutwater:	26,990,000	27,061,439	26,991,937	27,019,120	899	0.92%	19.50%	
FNMA (Federal Nat'l Mtg Assoc.)	9,590,000	9,560,976	9,566,272	9,585,955			6.91%	35% combined
FHLB (Federal Home Loan Bank)	8,400,000	8,475,558	8,412,970	8,423,504			6.08%	35% combined
FFC (Federal Farm Credit)	4,000,000	4,004,440	4,002,959	3,999,692			2.89%	35% combined
FHLMC (Federal Home Loan Mtg Credit)	5,000,000	5,020,465	5,009,737	5,009,969			3.62%	35% combined
Total Combined US Instrumentalities:	64,990,000	65,166,429	65,069,247	65,084,914	894	0.89%	47.01%	70%
Corporate MTN - SM	2,000,000	2,033,760	2,021,335	2,026,794	590	0.83%	1.46%	
GE Capital	2,000,000	2,033,760	2,021,335	2,026,794			1.46%	2%
Corporate MTN - Cutwater	3,500,000	3,652,975	3,537,929	3,543,868	393	0.65%	2.56%	
Berkshire Hathaway	500,000	543,515	502,611	502,678			0.36%	2%
Berkshire Hathaway	500,000	543,375	502,603	502,678			0.36%	2%
Microsoft Corp	500,000	533,205	511,939	512,335			0.37%	2%
Toyota Motor Credit	1,000,000	1,001,010	1,000,575	1,004,447			0.72%	2%
IBM Corp	1,000,000	1,031,870	1,020,201	1,021,730			0.74%	2%
Total Combined Corporate MTN:	5,500,000	5,686,735	5,559,265	5,570,662	465	0.72%	4.02%	10%
Total San Mateo Operating Portfolio:	101,086,476	101,150,703	101,124,292	101,158,317	464	0.75%	73.07%	
Total Cutwater Operating Portfolio:	37,218,080	37,500,384	37,278,536	37,348,097	809	0.87% ^(3,4)	26.93%	
Combined Operating Portfolio:	\$138,304,556	\$138,651,086	\$138,402,828	\$138,506,414	557	0.79%	100.00%	

(1) Weighted Average Days to Final Maturity

(2) Weighted Average Yield (based on amortized cost)

(3) Cutwater Asset Management return net of fees is: 0.79%

(4) Cutwater Asset Management's performance is expected to be higher than the City for the long term due to different investment objectives.

(5) Market Value source information: Cutwater Asset Management and Bank of New York.



City of San Mateo

Bond Proceeds/Bond Reserve Portfolio

November 30, 2014

Account Name	Type*	Issuer	Origination Date	Expiration or Maturity Date	Book Value	Stated Rate/Yield
South Bayfront Levee Flood Control Bond 2011A	C	LAIF	02/15/11	open	80,129	0.2610%
Sewer Revenue Bond 2011	C	LAIF	05/12/11	open	11,632	0.2610%
Sewer Revenue Bond 2014	C	Various ^(d)	06/11/14	various ^(d)	18,009,388	0.2008%
Subtotal Construction					\$ 18,101,149	0.2011%
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34	520,646	4.800%
Merged Area Tax Allocation Bonds Res 2005A	R	FNMA ^(b)	12/04/12	10/26/17	1,309,361	0.875%
Sewer Revenue Bond 2011	R	FNMA ^(c)	07/18/13	09/28/16	1,083,548	1.250%
South Bayfront Levee Flood Control Bond 2011A	R	FHLMC ^(a)	02/15/11	01/19/16	578,029	4.750%
Subtotal Reserve					\$ 3,491,584	2.218%
Total and Average					\$ 21,592,732	0.5272%

* C=Construction, R=Reserve

^(d) Investments consist of:

- ^(a) Coupon 4.75%, purchased @ 110.198
- ^(b) Coupon 0.875%, purchased @ 100.628
- ^(c) Coupon 1.25% purchased @ 101.575

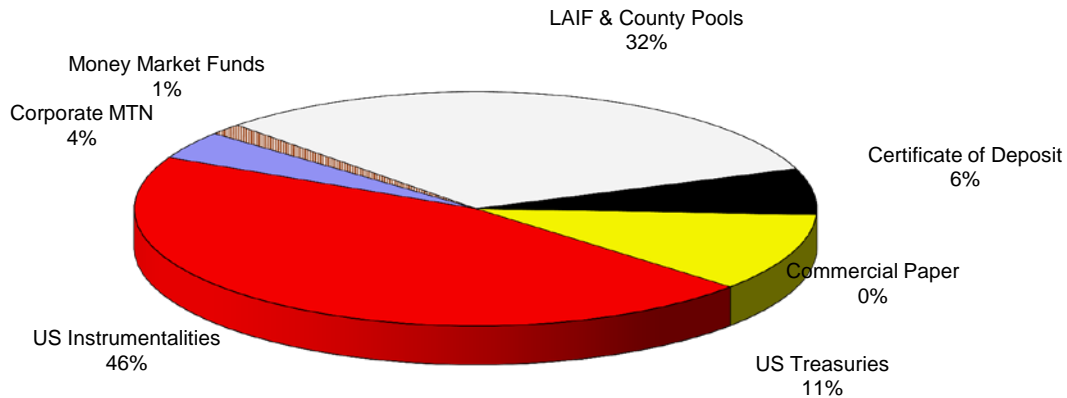
<u>Issuer</u>	<u>Stated Rate</u>	<u>Maturity Date</u>
FHLMC	0.7500%	11/25/2014
FHLMC	0.6250%	12/29/2014
FHLMC	0.2500%	2/20/2015
FHLMC	0.3750%	12/21/2015
FHLB	0.0900%	1/14/2015
FHLB	0.1250%	5/29/2015
Goldman Sachs Cash	0.0000%	open



City of San Mateo Investment Portfolio Report October 31, 2014

Investment Type	Amortized Cost	Market Value	Maturity	Yield	% of portfolio
Money Market Funds	\$2,228,080	\$2,228,080	1	0.36%	1.56%
State (LAIF) and County Pools	\$45,369,521	\$45,369,521	1	0.61%	31.77%
Certificates of Deposit	\$9,090,000	\$9,082,024	344	0.66%	6.37%
Commercial Paper	\$0	\$0	0	0.00%	0.00%
US Treasuries	\$15,459,691	\$15,510,859	901	0.90%	10.83%
US Instrumentalities (Agencies)	\$65,075,573	\$64,988,498	912	0.88%	45.57%
Corporate Medium Term Notes	\$5,565,696	\$5,573,536	495	0.72%	3.90%
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Total Operating Portfolio	\$142,788,561	\$142,752,518	555	0.78%	100.00%
Bond Portfolio	\$21,592,362	\$21,592,362		0.54%	

Asset Allocation By Sector (excludes Bond Proceeds)



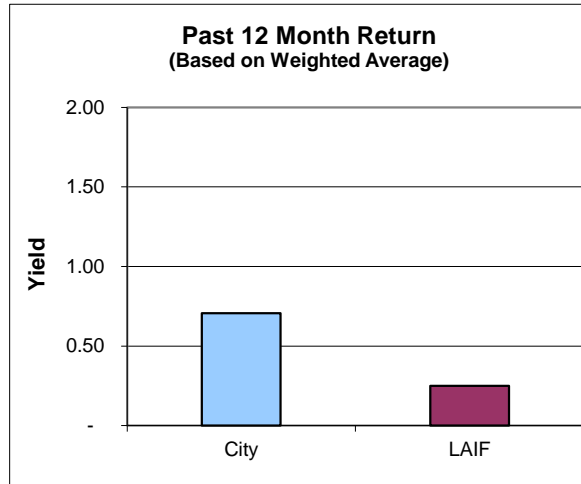


City of San Mateo Portfolio Compliance Report October 31, 2014

Compliance

- | | Yes | No |
|---|-------------------------------------|--------------------------|
| Liquidity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Permitted types of investments | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within investment categories | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits within single agency/institution | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Limits relating to maturity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <p>The investment report herein shown along with ongoing income provides sufficient liquidity to meet estimated expenditures for next 12 months</p> | | |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Portfolio Return vs. LAIF



Historical Portfolio Data

Portfolio Date	Yield	Market Value
October 31, 2011	1.09%	\$ 86,346,190
October 31, 2012	0.77%	\$ 106,650,898
October 31, 2013	0.71%	\$ 125,800,701
October 31, 2014	0.78%	\$ 142,752,518

David Culver
Finance Director

November 15, 2014

Date



City of San Mateo
Investment Portfolio Report
(City and Cutwater Managed)
October 31, 2014

Investment Type	Par Value	Historical Cost	Amortized Cost	Market Value ⁽⁵⁾	Maturity ⁽¹⁾	Yield ⁽²⁾	% of portfolio	Policy Limit
Cash and Money Market - SM	2,000,000	2,000,000	2,000,000	2,000,000	1	0.40%	1.40%	
Cash and Money Market - Cutwater	228,080	228,080	228,080	228,080	1	0.00%	0.16%	
Total Combined Cash and Equivalents:	2,228,080	2,228,080	2,228,080	2,228,080	1	0.36%	1.56%	20%
State (LAIF) Pool - SM	7,207,337	7,207,337	7,207,337	7,207,337	1	0.26%	5.05%	65%
SM County Pool - SM	38,162,184	38,162,184	38,162,184	38,162,184	1	0.68%	26.73%	30%
Total Combined LAIF/County:	45,369,521	45,369,521	45,369,521	45,369,521	1	0.61%	31.77%	
Certificates of Deposit - SM	9,090,000	9,090,000	9,090,000	9,082,024	344	0.66%	6.37%	5% per issuer
Certificates of Deposit - Cutwater	0	0	0	0	0	0.00%	0.00%	5% per issuer
Total Certificates of Deposit:	9,090,000	9,090,000	9,090,000	9,082,024	344	0.66%	6.37%	30%
US Treasuries - SM	9,000,000	8,925,477	8,937,975	8,959,454	1032	0.98%	6.26%	
US Treasuries - Cutwater	6,500,000	6,557,891	6,521,716	6,551,405	722	0.79%	4.57%	
Total Combined US Treasuries:	15,500,000	15,483,367	15,459,691	15,510,859	901	0.90%	10.83%	No Limit
US Instrumentalities - SM:	38,000,000	38,104,990	38,081,862	38,008,206	900	0.85%	26.67%	
FNMA (Federal Nat'l Mtg Assoc.)	14,000,000	14,082,990	14,063,357	14,031,762			9.85%	35% combined
FHLB (Federal Home Loan Bank)	4,000,000	4,028,170	4,021,192	4,009,093			2.82%	35% combined
FFC (Federal Farm Credit)	12,000,000	12,014,520	12,011,429	11,981,118			8.41%	35% combined
FHLMC (Federal Home Loan Mtg Credit)	8,000,000	7,979,310	7,985,885	7,986,233			5.59%	35% combined
US Instrumentalities - Cutwater:	26,990,000	27,061,439	26,993,711	26,980,292	929	0.92%	18.90%	
FNMA (Federal Nat'l Mtg Assoc.)	9,590,000	9,560,976	9,565,942	9,562,084			6.70%	35% combined
FHLB (Federal Home Loan Bank)	8,400,000	8,475,558	8,414,534	8,416,646			5.89%	35% combined
FFC (Federal Farm Credit)	4,000,000	4,004,440	4,003,117	3,998,140			2.80%	35% combined
FHLMC (Federal Home Loan Mtg Credit)	5,000,000	5,020,465	5,010,118	5,003,423			3.51%	35% combined
Total Combined US Instrumentalities:	64,990,000	65,166,429	65,075,573	64,988,498	912	0.88%	45.57%	70%
Corporate MTN - SM	2,000,000	2,033,760	2,022,422	2,026,728	620	0.83%	1.42%	
GE Capital	2,000,000	2,033,760	2,022,422	2,026,728			1.42%	2%
Corporate MTN - Cutwater	3,500,000	3,652,975	3,543,274	3,546,808	423	0.65%	2.48%	
Berkshire Hathaway	500,000	543,515	504,352	504,406			0.35%	2%
Berkshire Hathaway	500,000	543,375	504,338	504,406			0.35%	2%
Microsoft Corp	500,000	533,205	512,765	512,583			0.36%	2%
Toyota Motor Credit	1,000,000	1,001,010	1,000,608	1,003,489			0.70%	2%
IBM Corp	1,000,000	1,031,870	1,021,213	1,021,925			0.72%	2%
Total Combined Corporate MTN:	5,500,000	5,686,735	5,565,696	5,573,536	495	0.72%	3.90%	10%
Total San Mateo Operating Portfolio:	105,459,521	105,523,748	105,501,780	105,445,933	454	0.73%	73.89%	
Total Cutwater Operating Portfolio:	37,218,080	37,500,384	37,286,781	37,306,585	839	0.87% ^(3,4)	26.11%	
Combined Operating Portfolio:	\$142,677,601	\$143,024,131	\$142,788,561	\$142,752,518	555	0.78%	100.00%	

(1) Weighted Average Days to Final Maturity

(2) Weighted Average Yield (based on amortized cost)

(3) Cutwater Asset Management return net of fees is: 0.79%

(4) Cutwater Asset Management's performance is expected to be higher than the City for the long term due to different investment objectives.

(5) Market Value source information: Cutwater Asset Management and Bank of New York.



City of San Mateo

Bond Proceeds/Bond Reserve Portfolio

October 31, 2014

Account Name	Type*	Issuer	Origination Date	Expiration or Maturity Date	Book Value	Stated Rate/Yield
South Bayfront Levee Flood Control Bond 2011A	C	LAIF	02/15/11	open	80,129	0.2610%
Sewer Revenue Bond 2011	C	LAIF	05/12/11	open	11,632	0.2610%
Sewer Revenue Bond 2014	C	Various ^(d)	06/11/14	various ^(d)	18,009,025	0.2121%
Subtotal Construction					\$ 18,100,785	0.2123%
Landfill Closure Bond 2003	R	AIG GIC MF	05/21/04	07/27/34	520,646	4.800%
Sewer Revenue Bond 2003	R	FSA Capital	12/01/03	07/27/28	-	4.600%
Merged Area Tax Allocation Bonds Res 2005A	R	FNMA ^(b)	12/04/12	10/26/17	1,309,361	0.875%
Sewer Revenue Bond 2011	R	FNMA ^(c)	07/18/13	09/28/16	1,083,541	1.250%
South Bayfront Levee Flood Control Bond 2011A	R	FHLMC ^(a)	02/15/11	01/19/16	578,028	4.750%
Subtotal Reserve					\$ 3,491,576	2.218%
Total and Average					\$ 21,592,362	0.5367%

* C=Construction, R=Reserve

^(d) Investments consist of:

- ^(a) Coupon 4.75%, purchased @ 110.198
- ^(b) Coupon 0.875%, purchased @ 100.628
- ^(c) Coupon 1.25% purchased @ 101.575

<u>Issuer</u>	<u>Stated Rate</u>	<u>Maturity Date</u>
FHLMC	0.7500%	11/25/2014
FHLMC	0.6250%	12/29/2014
FHLMC	0.2500%	2/20/2015
FHLMC	0.3750%	12/21/2015
FHLB	0.0900%	1/14/2015
FHLB	0.1250%	5/29/2015
Goldman Sachs Cash	0.0000%	open