



Quarterly Investment Report

*As of
March 31, 2015*

April 30, 2015

This report presents the City's investment portfolio for the quarter ending March 31, 2015. It has been prepared to comply with regulations contained in California Government Code Section 53646. The report includes all investments managed by the City on its own behalf as well as for other third party agencies on a fiduciary basis such as the Whale Rock Commission. It also includes all City-related investments held by trustees for bond debt service obligations. As required, the report provides information on the investment type, issuer, maturity date, cost, and current market value for each security.

The investment objectives of the City of San Luis Obispo are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

The City follows the practice of pooling cash and investments for all funds under its direct control. Funds held by outside fiscal agents under provisions of bond indentures are maintained separately. Interest earned on pooled cash and investments is allocated quarterly to the various funds based on the respective fund's average quarterly cash balance. Interest earned from cash and investments with fiscal agents is credited directly to the related accounts. It is common for governments to pool the cash and investments of various funds to improve investment performance. By pooling funds, the city is able to benefit from economies of scale, diversification, liquidity, and ease of administration.

The City uses the services of an investment advisor, PFM Asset Management, to manage a portion of the City's portfolio. The City's strategy is to retain approximately 20% of the portfolio to manage its day-to-day cash flow needs, while PFM's focus is on longer-term investment management. In addition, the City has retained direct control of several investments that had been acquired before the City began to use investment advisors. All investments are held by the City in a safe keeping account with Bank of New York Mellon, except for investments held by trustees related to bond financings, which are held by either US Bank or Bank of New York Mellon.

Investment Portfolio by Fund

The City's cash and investment portfolio represents money from all City funds, including the General Fund, enterprise funds, capital projects funds, and other funds which are restricted to specific purposes.

In general, monies held by the city are either allocated by the City Council for spending or are purposefully retained in reserve. For example, the money in the Capital Outlay Fund has been identified to provide particular capital projects for the community and there is a plan for spending down the cash balance as the projects progress. In the General Fund, about \$10 million is purposely held in reserve to meet the City's reserve policy of 20% of operating expenditures.

Quarterly Investment Report

Current Portfolio Summary

The following is a summary of the City's cash and investments based on market value as of March 31, 2015 compared with the prior quarter:

	December 31, 2014	March 31, 2015	Percent of Portfolio
Cash and investments held by the City	47,618,995	54,434,580	51.82%
Cash and investments managed by PFM*	45,294,066	45,940,792	43.74%
Cash and investments held by trustees	4,601,598	4,665,595	4.44%
TOTAL	97,514,659	105,040,967	100%

There are a number of factors which result in changes in cash and investment balances from month to month and quarter to quarter. Often they are the result of the receipt of revenues or a large disbursement. Some major City revenues are received on a periodic rather than a monthly basis. Property Tax, for example, is received in December, January, April and May of each year. Other revenues, such as Transient Occupancy Tax, are received monthly but vary considerably because they are seasonal. On the disbursement side, payments for bonded indebtedness or large capital projects can reduce the portfolio substantially in the quarter that they occur. Significant fluctuations of this type will be discussed in the following section of this report.

Securities in the City's portfolio are priced by IDC, an independent pricing service at the end of every month. In some cases, the City may have investments with a current market value that is greater or less than the recorded value. These changes in market value are due to fluctuations in the marketplace having no effect on yield, as the City does not intend to sell securities prior to maturity. Nevertheless, these market changes will impact the total value of the portfolio as reported. At March 31, 2015 the market value of the portfolio was \$61,960 less than the cost basis.

The portfolio's yield on a market basis as of March 31, 2015 was .70%, and the yield on a cost basis was 1.11%. (These amounts do not reflect the returns on the assets held by the bond trustee.)

As of March 31, 2015, the investment portfolio was in compliance with all State laws, the City's Statement of Investment Policy and the City's Investment Management Plan.

Summary of Activity for the Quarter and Future Liquidity

Cash receipts and disbursements are generally consistent with past trends for the quarter. The cash management program contains enough liquidity to meet the next six months of expected expenditures by the City as well as by related parties, such as the Whale Rock Commission.

Report Contents and Distribution. This report includes the following four schedules on the City's portfolio as of March 31, 2015: summary of investments held or managed by the City, trustees or PFM; summary of investment portfolio liquidity; investment details; and detail of holdings for each investment. These schedules have not yet been reviewed by the City's independent auditor.

If you have any questions concerning this report, or require additional information, contact Wayne Padilla, Director of Finance at (805) 781-7125.

*PFM Asset Management took over as the City's asset manager in November 2014.

DISTRIBUTION LIST

City Council

Jan Howell Marx, Mayor

John Ashbaugh, Vice Mayor

Dan Carpenter, Council Member

Carlyn Christianson, Council Member

Dan Rivoire, Council Member

Investment Oversight Committee

Jan Howell Marx, Mayor

Wayne Padilla, Director of Finance & Information Technology

Michael Codron, Assistant City Manager

Katie Lichtig, City Manager

Vilma Warner, Finance Operations Manager

Steven Barasch, Public Member

Independent Auditor

Allen E. Eschenbach, Glenn Burdette Attest Corporation

PFM Asset Management

Nancy Jones, Managing Director

Carlos Oblites, VP/Portfolio Manager

CITY OF SAN LUIS OBISPO

SUMMARY OF INVESTMENTS

As of March 31, 2015

INVESTMENTS HELD AND MANAGED BY THE CITY			
	Percent of Portfolio	Current Yield	Market Value
Local Agency Investment Funds	50%	0.26%	27,239,525.00
Certificate of Deposit	2%	0.27%	1,000,000.00
Money Market Account	2%	0.25%	1,007,714.00
Checking Account	44%	0.25%	24,109,611.00
Treasury Issues	2%	8.58%	1,077,730.00
Total Investments Held by the City	100%	0.42%	\$54,434,580.00

INVESTMENTS OF THE CITY MANAGED BY PUBLIC FINANCIAL MANAGEMENT			
	Percent of Portfolio	Current Yield	Market Value
Federal Agency Issues	52%	1.32%	23,928,062.00
Money Market Fund	1%	0.00%	416,483.00
US Corporate Notes	15%	0.95%	7,018,227.00
Treasury Issues	31%	1.05%	14,270,571.00
Total Investments Managed by Public Financial Management	100%	1.17%	\$45,633,343.00

INVESTMENTS OF THE CITY HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS			
	Percent of Trustee Portfolio	Current Yield	Market Value
First American Treasury Funds	2.38%	0.00%	111,153.00
Other Money Market Accounts	0.45%	0.03%	20,818.00
Certificate of Deposit	0.00%	0.00%	
Guaranteed Investment Contracts	43.64%	see below	2,036,161.00
Federal Agency Issues	18.20%	2.51%	849,092.00
Treasury Issues	35.33%	Varies	1,648,371.00
Total Investments Held by Trustees	100%		\$4,665,595.00

TOTAL CASH AND INVESTMENTS	
Total of all Investments--Market Value	\$104,733,518.00

CITY OF SAN LUIS OBISPO
SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY
As of March 31, 2015

INVESTMENTS HELD BY THE CITY AND THOSE MANAGED BY PUBLIC FINANCIAL MANAGEMENT (PFM)				
	Managed by City	Managed by PFM	Percent of Portfolio	Market Value
On Demand	52,356,850.00	646,913.00	53%	53,003,763.00
Within Three Months	0.00	1,058,821.00	1%	1,058,821.00
Within Six Months	1,000,000.00	2,459,199.00	3%	3,459,199.00
Six Months to One Year		7,400,208.00	7%	7,400,208.00
Within One to Five Years	1,077,730.00	34,068,202.00	35%	35,145,932.00
Over Five Years			0%	0.00
TOTAL	54,434,580.00	45,633,343.00	100%	\$100,067,923.00

INVESTMENTS HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS			
		Percent of Portfolio	Market Value
On Demand		3%	131,971.00
Within Six Months		0%	
Six Months to One Year		0%	0.00
Within One to Five Years		24%	1,140,580.00
Over Five Years		73%	3,393,044.00
TOTAL		100%	\$4,665,595.00

TOTAL CASH AND INVESTMENTS	
Total of all Investments--Market Value	\$104,733,518.00

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of March 31, 2015

INVESTMENTS HELD AND MANAGED BY THE CITY						
Agency (Broker)	Investment Description	Coupon Rate	Current Yield	Purchase Date	Maturity Date	Market Value
Local Agency Investment Fund	Money Market Fund City	NA	0.26%	Varies	On Demand	27,172,164.00
Local Agency Investment Fund	Money Market Fund CIB	NA	0.26%	Varies	On Demand	67,361.00
Bank of America	Checking Account	NA	0.25%	Varies	On Demand	24,109,611.00
Heritage Oaks	Collateralized Certificate of Deposit	NA	0.27%	12/20/2013	12/20/2015	1,000,000.00
Heritage Oaks	Money Market Account	NA	0.25%	1/24/2012	On Demand	1,007,714.00
B of NY Safekeeping	U.S. Treasury Bond	9.25%	8.58%	4/18/86	2/15/2016	1,077,730.00
TOTAL						\$54,434,580.00

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of March 31, 2015

INVESTMENTS HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS						
Agency (Broker)	Investment Description	Coupon Rate	Current Yield	Purchase Date	Maturity Date	Market Value
2005 Refunding Lease Revenue Bonds						
U. S. Bank Corporate Trust Services	First American Treasury Fund	N/A	0.00%	Varies	on demand	\$17,640.00
U. S. Bank Corporate Trust Services	United States Treasury Bonds	6.00%	4.49%	6/26/96	2/15/26	\$819,113.00
2006 Lease Revenue Bonds						
U. S. Bank Corporate Trust Services	First American Treasury Fund	N/A	0.00%	Varies	on demand	\$27,285.00
FSA Capital Management Services LLC	Guaranteed Investment Contract Treasury Fund	5.545%	5.545%	5/11/06	5/26/36	\$1,000,814.00
2006 Water Revenue Bonds						
U. S. Bank Corporate Trust Services	First American Treasury Fund	N/A	0.00%	Varies	on demand	\$27,259.00
FSA Capital Management Services LLC	Guaranteed Investment Contract Treasury Fund	5.355%	5.355%	8/17/06	5/28/36	\$1,035,347.00
2009 Lease Revenue Bonds						
U. S. Bank Corporate Trust Services	First American Treasury Fund	N/A	0.00%	Varies	on demand	\$38,969.00
U. S. Bank Corporate Trust Services	Federal Home Loan Bank	1.00%	1.00%	11/25/2014	6/21/2017	\$35,227.00
U. S. Bank Corporate Trust Services	Fed Home Loan Mort. Corp Medium term Note	0.75%	0.75%	11/25/2014	1/12/2018	\$79,858.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	1.50%	1.48%	11/25/2014	2/28/2019	\$70,864.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	1.13%	1.13%	11/25/2014	5/31/2019	\$79,700.00
U. S. Bank Corporate Trust Services	Fed Home Loan Mort. Corp Debenture	1.25%	1.25%	11/25/2014	8/1/2019	\$79,871.00
U. S. Bank Corporate Trust Services	Federal Nat'l Mtge. Assoc.	1.75%	1.75%	11/25/2014	9/12/2019	\$50,802.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	0.88%	0.88%	11/25/2014	1/31/2018	\$70,060.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	1.38%	1.37%	11/25/2014	6/30/2018	\$70,864.00
U. S. Bank Corporate Trust Services	Federal Nat'l Mtge. Assoc. Debenture	1.88%	1.84%	11/25/2014	9/18/2018	\$35,880.00
U. S. Bank Corporate Trust Services	Federal Nat'l Mtge. Assoc. Debenture	0.88%	0.88%	11/25/2014	2/8/2018	\$79,948.00
U. S. Bank Corporate Trust Services	Federal Home Loan Bank	1.38%	1.37%	11/25/2014	3/9/18	\$70,857.00

2012 Water Revenue Refunding Bonds (Refunded 2002 Water Revenue Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.03%	Varies	on demand	\$10,089.00
U. S. Bank Corporate Trust Services	United States Treasury Bond	2.00%	1.99%	Varies	11/25/21	\$230,045.00
U. S. Bank Corporate Trust Services	United States Treasury Bond	7.125%	5.150%	Varies	2/15/23	\$307,725.00
2012 Revenue Refunding Bonds (Refunded 2001 Revenue Refunding Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	NA	0.00%	Varies	on demand	\$10,729.00
U. S. Bank Corporate Trust Services	Federal Home Loan Bank	5.50%	5.11%	Varies	8/15/16	\$416,649.00
TOTAL						\$4,665,595.00

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of March 31, 2015

MANAGED BY PUBLIC FINANCIAL MANAGEMENT

The City of San Luis Obispo maintains certain performance objectives for the investments that are managed by Public Financial Management. The overall performance objective for the portfolio is to earn a total rate of return over the market cycle that equals or exceeds the market index. In order to achieve this objective the portfolio invests in high-quality money market instruments, US Treasury securities, Agency securities, and high-grade corporate securities, with a maximum maturity of five years. To monitor the achievement of this objective, the City uses a "Benchmark" to compare to. The benchmark which is used is based on the BofA Merrill Lynch Index of 0-5 year Treasury securities. Below is a summary of the monthly results as compared to the benchmark. While the City strives to achieve this performance objective every month, the goal is assumed to be met on an annual basis. The City of San Luis Obispo is currently just under the benchmark goals in most categories. We feel that through market trends and current investing adjustments, our performance will meet or exceed the benchmarks by the end of the fiscal year.

Benchmark Comparison for the Quarter Ended 3/31/2015

	<u>Benchmark</u>	<u>03/31/2015 Portfolio</u>	<u>12/31/2014 Portfoli</u>
Average Maturity (yrs)	2.23	2.16	1.89
Modified Duration	2.17	2.12	1.78
Average Purchase Yield	n/a	1.11%	1.13%
Average Market Yield	0.79%	0.70%	0.76%
Average Quality	AA+	AA+/Aaa	AA+/Aaa
Total Market Value		\$45,633,343	\$45,294,066

The following pages provide a summary of the portfolio under management by Public Financial Management (PFM) as well as a detailed holding report for the month.



City of San Luis Obispo



Investment Report Period Ending March 31, 2015

PFM Asset Management LLC
50 California Street, Suite 2300
San Francisco, CA 94111
(415) 982-5544

Table of Contents

- Section I. Economic Update
 - Section II. Account Profile
 - Section III. Consolidated Information
 - Section IV. Portfolio Holdings
 - Section V. Monthly Transactions
-

Section I. Economic Update

Summary

- For the first quarter of 2015, accommodative global central bank policies were a major driver of financial markets. The European Central Bank (ECB) initiated an asset purchase program similar to the Federal Reserve's (Fed's) quantitative easing (QE) policies that concluded last year, and the Federal Open Market Committee (FOMC) seemed comfortable leaving the Fed Funds rate at current levels for the near future.
- The yield on 10-year U.S. Treasuries fell for the fifth consecutive quarter, which resulted in the longest period of quarterly gains since 1988.
- After trending up briefly, oil prices headed toward the lower end of recent ranges.
- Driven by a drop in Treasury yields, fixed-income market performance was generally positive for the quarter. Returns were dependent on both maturity and sector.

Economic Snapshot

- U.S. gross domestic product (GDP) grew at a pace of 2.2% during the fourth quarter. The GDP report showed that household spending rose to a nine-year high and exports were strong. These positive trends were offset by growth in inventories, which were weaker than previously expected.
- The U.S. labor market continued to improve, as the unemployment rate fell from 5.6% in December to 5.5% in March. This was the lowest rate since mid-2008.
- Consumer confidence for the first quarter reached its highest level since 2007, as lower gasoline prices and an increase in personal income helped to generate more disposable income. However, consumers slowed their pace of spending during the quarter, causing a lackluster retail sales report.
- New-home sales rose nearly 8% in February, marking their highest level since early 2008 and serving as a bright spot in a mixed bag of recent housing-market data.

Interest Rates

- At its March meeting, the FOMC removed the word "patient" from its previous statement, indicating that the current target range for the Federal funds rate will be appropriate until the FOMC is "reasonably confident" that inflation is increasing toward its 2% objective. The statement also implied that economic growth has been weaker than it was earlier in the year.
- A Reuters poll released at the end of March showed that 17 of 21 primary securities dealers expect the Fed's first interest rate hike to occur in September 2015, at the earliest, with only four dealers expecting the first hike to occur in June 2015.

Sector Performance

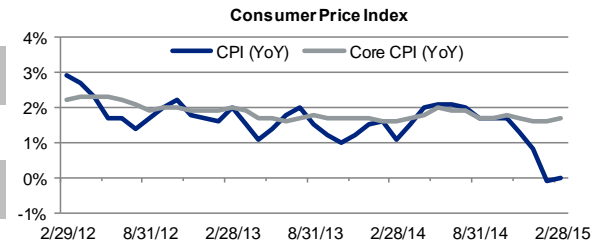
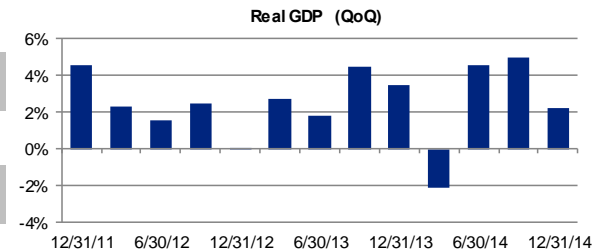
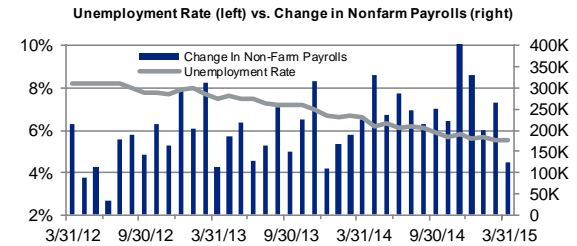
- The yield curve flattened modestly over the quarter as yields on longer maturities declined more than yields on shorter maturities. This market movement and its positive impact on longer durations combined to provide performance in excess of initial yields.
- Yields between Treasury and Federal Agency securities in short and intermediate maturities widened modestly during the quarter. This caused the performance of the Agencies to suffer relative to Treasuries.
- Corporate securities slightly outperformed government obligations with similar maturities because of higher initial yields and relatively unchanged yield spreads.
- While still generating positive performance, mortgage-backed and asset-backed securities trailed other high-quality investment options for the quarter.
- Yields on money market securities (primarily commercial paper and certificates of deposit) remained at elevated levels, making them attractive options for short-maturity investment needs.

Economic Snapshot

Labor Market	Latest	Dec 2014	Mar 2014	
Unemployment Rate	Mar'15	5.5%	5.6%	6.6%
Change In Non-Farm Payrolls	Mar'15	126,000	329,000	225,000
Average Hourly Earnings (YoY)	Mar'15	2.1%	1.8%	2.2%
Personal Income (YoY)	Feb'15	4.5%	4.8%	3.7%
Initial Jobless Claims (week)	3/27/15	268,000	293,000	329,000

Growth	Latest	Dec 2014	Mar 2014	
Real GDP (QoQ SAAR)	2014Q4	2.2%	5.0% ¹	3.5% ²
GDP Personal Consumption (QoQ SAAR)	2014Q4	4.4%	3.2% ¹	3.7% ²
Retail Sales (YoY)	Feb'15	1.7%	3.3%	4.1%
ISM Manufacturing Survey (month)	Mar'15	51.5	55.1	54.4
Existing Home Sales SAAR (month)	Feb'15	4.88 mil.	5.07 mil.	4.70 mil.

Inflation / Prices	Latest	Dec 2014	Mar 2014	
Personal Consumption Expenditures (YoY)	Feb'15	0.3%	0.8%	1.2%
Consumer Price Index (YoY)	Feb'15	0.0%	0.8%	1.5%
Consumer Price Index Core (YoY)	Feb'15	1.7%	1.6%	1.7%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$47.60	\$53.27	\$101.58
Gold Futures (oz.)	Mar 31	\$1,183	\$1,184	\$1,283



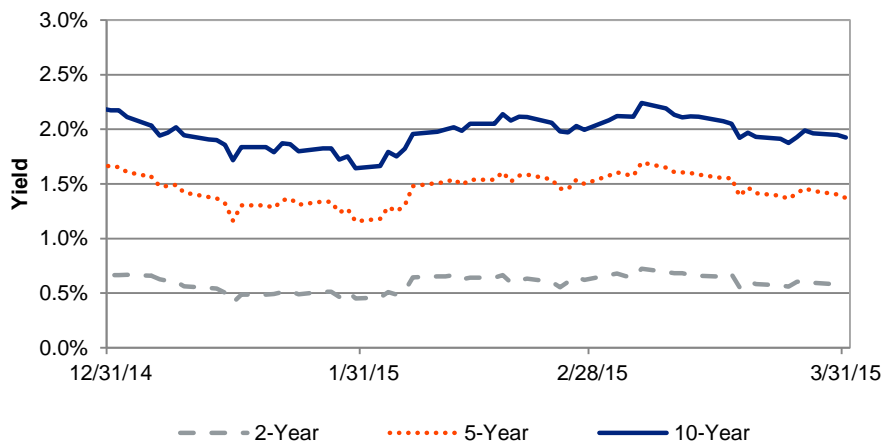
1. Data as of Third Quarter 2014

2. Data as of Fourth Quarter 2013

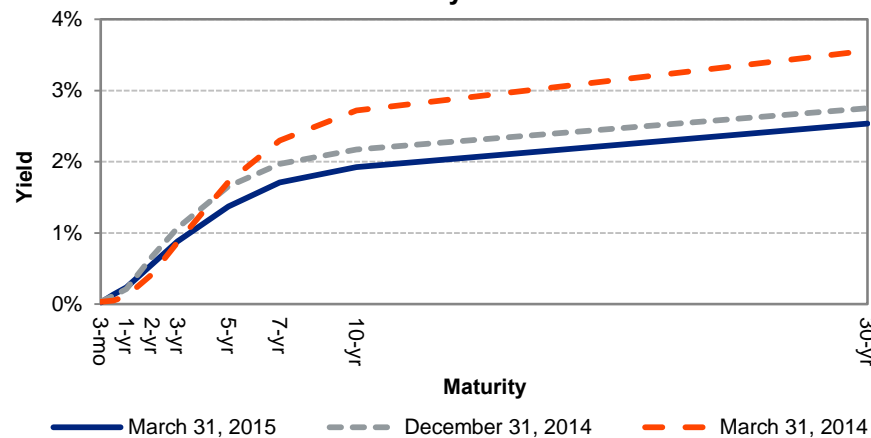
Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve

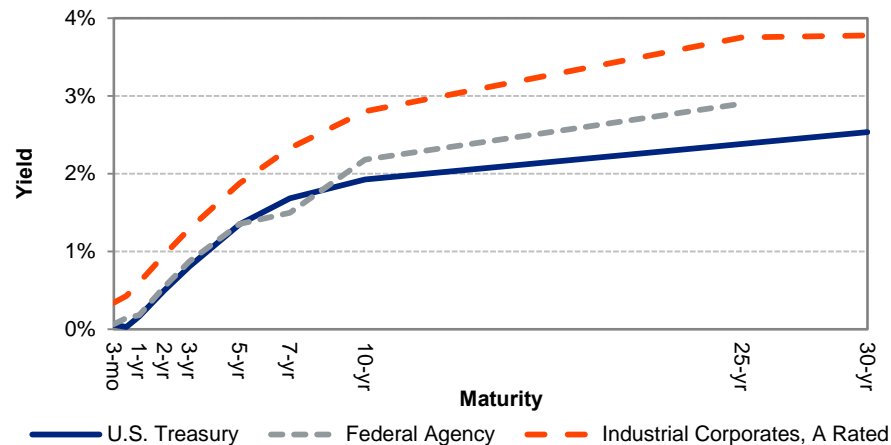


U.S. Treasury Yields

Maturity	3/31/15	12/31/14	Change over Quarter	3/31/14	Change over Year
3-month	0.02%	0.04%	(0.02%)	0.03%	(0.01%)
1-year	0.23%	0.22%	0.01%	0.11%	0.12%
2-year	0.56%	0.67%	(0.11%)	0.42%	0.14%
5-year	1.37%	1.65%	(0.28%)	1.72%	(0.35%)
10-year	1.92%	2.17%	(0.25%)	2.72%	(0.80%)
30-year	2.54%	2.75%	(0.21%)	3.56%	(1.02%)

Source: Bloomberg

Yield Curves as of 3/31/2015



B of A Merrill Lynch Index Returns

As of 3/31/15

Returns for Periods ended 3/31/15

	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.87	0.55%	0.52%	1.00%	0.67%
Federal Agency	1.72	0.68%	0.54%	1.07%	0.74%
U.S. Corporates, A-AAA rated	2.05	1.24%	0.77%	1.43%	1.86%
Agency MBS (0 to 3 years)	2.07	1.36%	0.41%	1.25%	1.18%
Municipals	1.75	0.65%	0.26%	0.73%	0.88%
1-5 Year Indices					
U.S. Treasury	2.69	0.81%	0.92%	1.91%	1.02%
Federal Agency	2.15	0.84%	0.79%	1.77%	1.06%
U.S. Corporates, A-AAA rated	2.87	1.56%	1.20%	2.57%	2.64%
Agency MBS (0 to 5 years)	3.29	1.88%	0.83%	3.79%	2.20%
Municipals	2.54	0.95%	0.35%	1.24%	1.30%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.23	1.33%	1.75%	6.15%	2.57%
Federal Agency	3.72	1.21%	1.27%	4.07%	1.97%
U.S. Corporates, A-AAA rated	6.96	2.52%	2.18%	6.93%	4.84%
Agency MBS (0 to 30 years)	3.78	2.11%	1.00%	5.48%	2.51%
Municipals	6.80	2.18%	1.09%	6.90%	4.23%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices

Section II. Account Profile

Objectives



Investment Objectives

- The investment objectives of the City of San Luis Obispo are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Performance Objectives

- The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index, the BofA Merrill Lynch Index of 0-5 Year Treasury securities.

Strategy

- In order to achieve this objective, the portfolio invests in high-quality money market instruments, U.S. Treasury securities, Federal Agency securities, and high-grade corporate securities, with a maximum maturity of five years.

Compliance



- Portfolio Complies with California Government Code and the City of San Luis Obispo's Investment Policy in regards to credit quality, as well as maturity, sector, and issuer limits. Additionally, none of the City's funds are invested in any securities prohibited by Code.

City of San Luis Obispo Portfolio Compliance* – PFM Managed

Category	Standard	Comment
Treasury Obligations	5 year maximum maturity	Complies
Government Sponsored Enterprise (GSE) Securities	5 year maximum maturity, AAA by S&P or Moody's	Complies
Corporate Notes	5 year maximum maturity At least one "AA" rating 30% maximum, 5% per issuer	Complies
Local Government Investment Pool (LAIF)	Up to maximum permitted by State Law	Complies
Negotiable Certificates of Deposit	5 year maximum maturity 30% maximum, 5% per issuer	Complies
Collateralized Bank Deposits	5% per issuer	Complies
Money Market Mutual Funds	Highest rating category by 2 NRSRO's 20% maximum, 10% per issuer	Complies
% maturing in less than 90 days	5% minimum	Complies
Maximum maturity of corporate	5 years	Complies
Maximum maturity	10 years; 10% maximum of portfolio in Treasury and GSE obligations with maturity >5 years	Complies

*Applies to aggregate portfolio.



City of San Luis Obispo – PFM Managed Portfolio Characteristics

	3/31/15		12/31/14
	Benchmark	Portfolio	Portfolio
Average Maturity (yrs.)	2.25	2.16	1.89
Effective Duration*	2.18	2.12	1.78
Average Purchase Yield	N/A	1.11%	1.13%
Average Market Yield	0.66%	0.70%	0.76%
Average Quality	AA+	AA+/Aaa	AA+/Aaa
Total Market Value		45,633,343	45,294,065

- The City of San Luis Obispo’s current benchmark is the Bank of America Merrill Lynch (BAML) 0-5 Year U.S. Treasury Index.

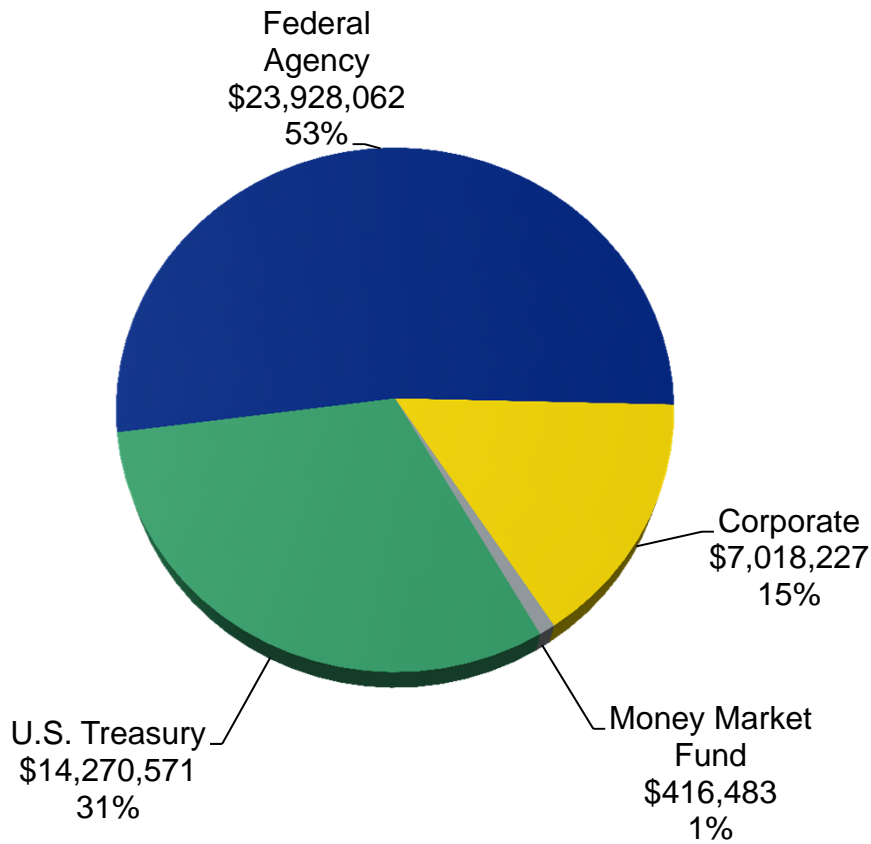
**Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price, for each 1% change in interest rates. Modified duration is a similar risk measure, but it ignores how changes in rates will impact cash flows on bonds with embedded options such as callable notes, MBS, or ABS. Effective duration takes into account the impact that changing interest rates has on cash flows (i.e. if interest rates fall and a callable bond is more likely to be called prior to its final maturity, the effective duration will decrease).*

Sector Distribution

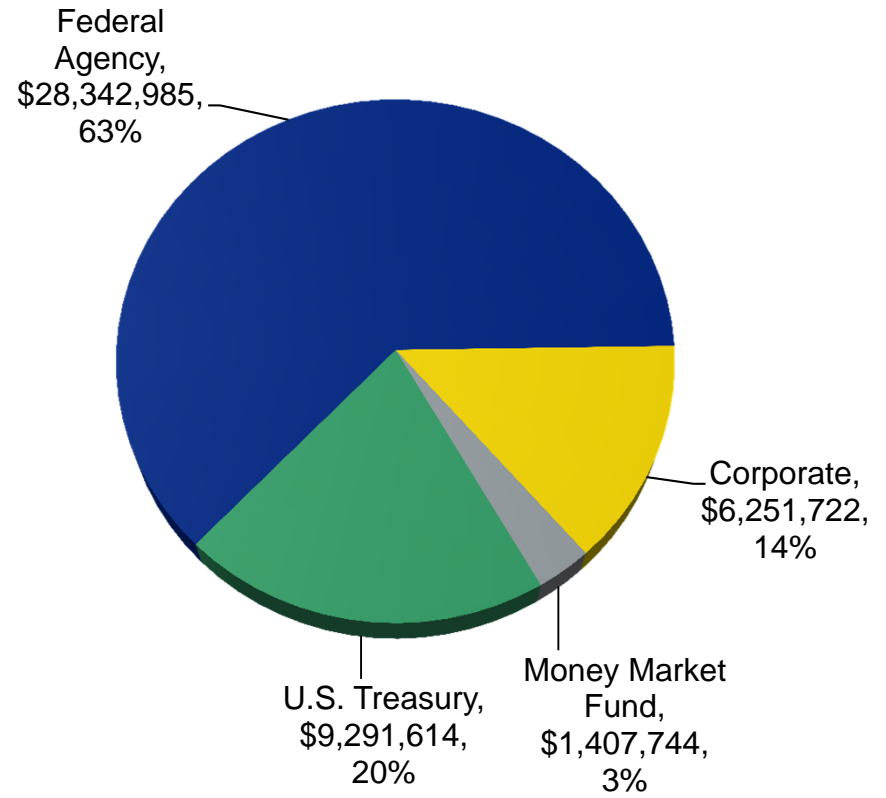


City of San Luis Obispo Sector Distribution – PFM Managed

March 31, 2015



December 31, 2014



*Sector distribution includes market value and excludes accrued interest.



City of San Luis Obispo Issuer Distribution – PFM Managed

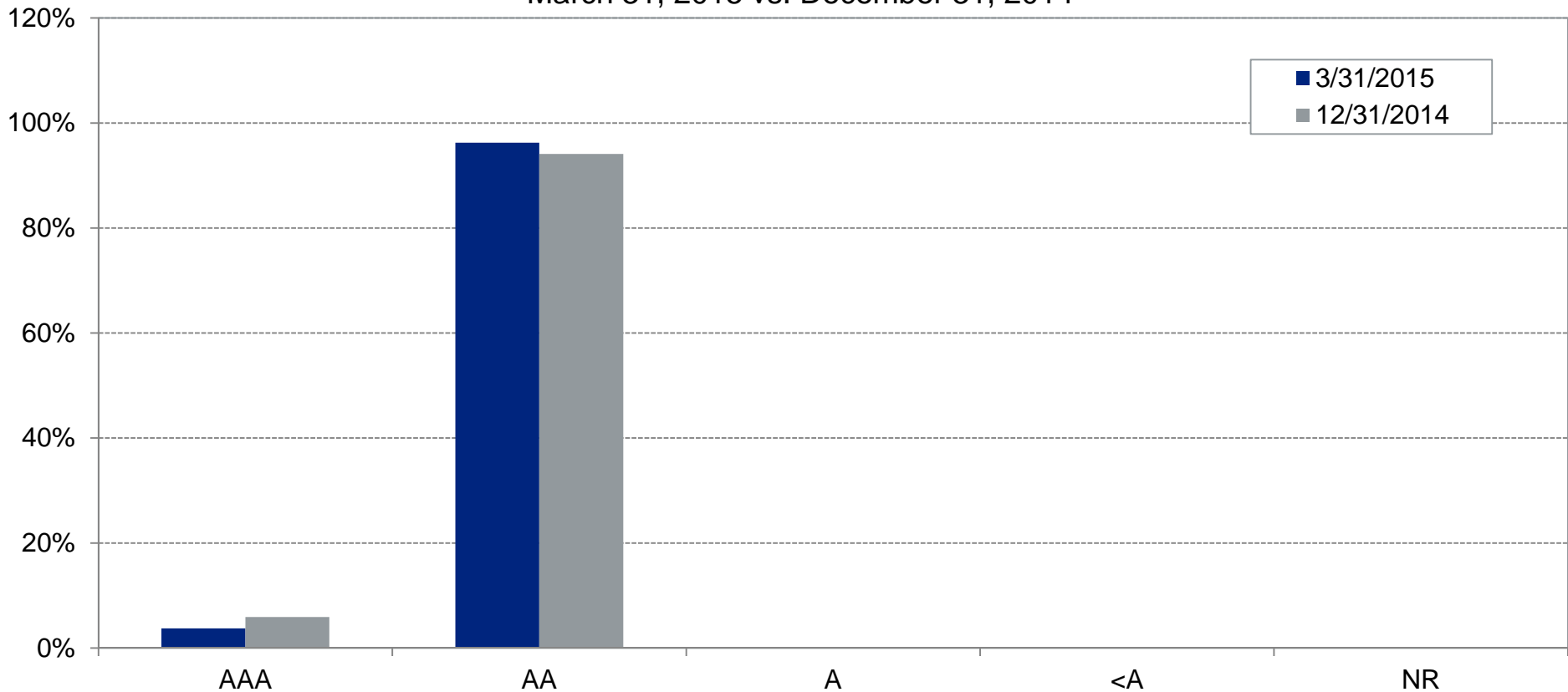
Issuer Name	Investment Type	% Portfolio
U.S. Treasury	U.S. Treasury	31.27%
FHLMC	Federal Agency	18.51%
FNMA	Federal Agency	14.87%
FFCB	Federal Agency	8.89%
FHLB	Federal Agency	7.85%
Tennessee Valley Authority	Federal Agency	2.32%
Procter & Gamble	Corporate Note	2.03%
IBM	Corporate Note	1.64%
Berkshire Hathaway	Corporate Note	1.56%
General Electric	Corporate Note	1.54%
Wal-Mart Stores	Corporate Note	1.54%
Chevron Corp	Corporate Note	1.54%
Apple Inc	Corporate Note	1.53%
Johnson & Johnson	Corporate Note	1.51%
Microsoft Corp	Corporate Note	1.33%
Google Inc	Corporate Note	1.17%
Dreyfus Prime Cash Management Fund	Money Market Fund	0.91%
Total		100.00%

As of March 31, 2015

Quality Distribution



City of San Luis Obispo
Credit Quality – PFM Managed
 March 31, 2015 vs. December 31, 2014



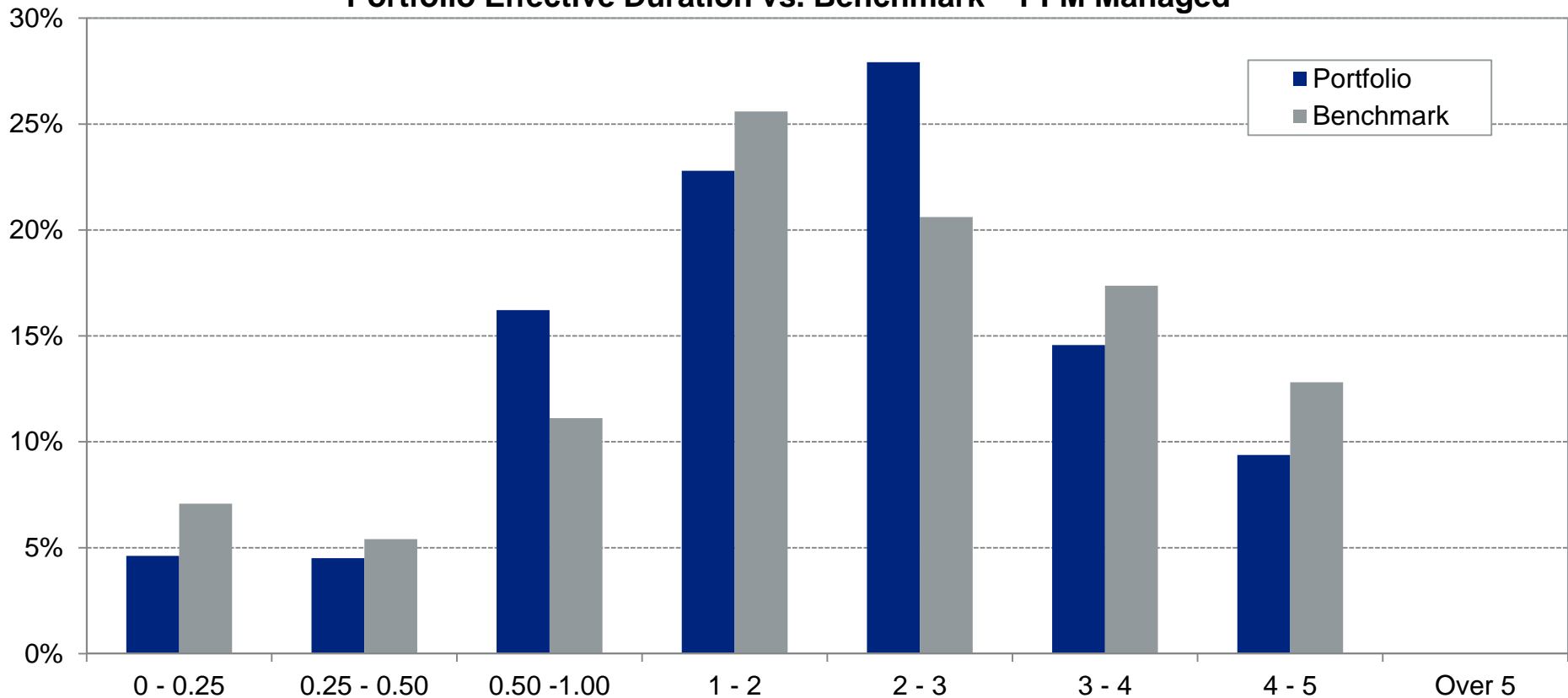
	AAA	AA	A	<A	NR
3/31/2015	3.8%	96.2%	0.0%	0.0%	0.0%
12/31/2014	5.9%	94.1%	0.0%	0.0%	0.0%

Ratings by Standard & Poor's

Duration Distribution



**City of San Luis Obispo
Portfolio Effective Duration vs. Benchmark – PFM Managed**



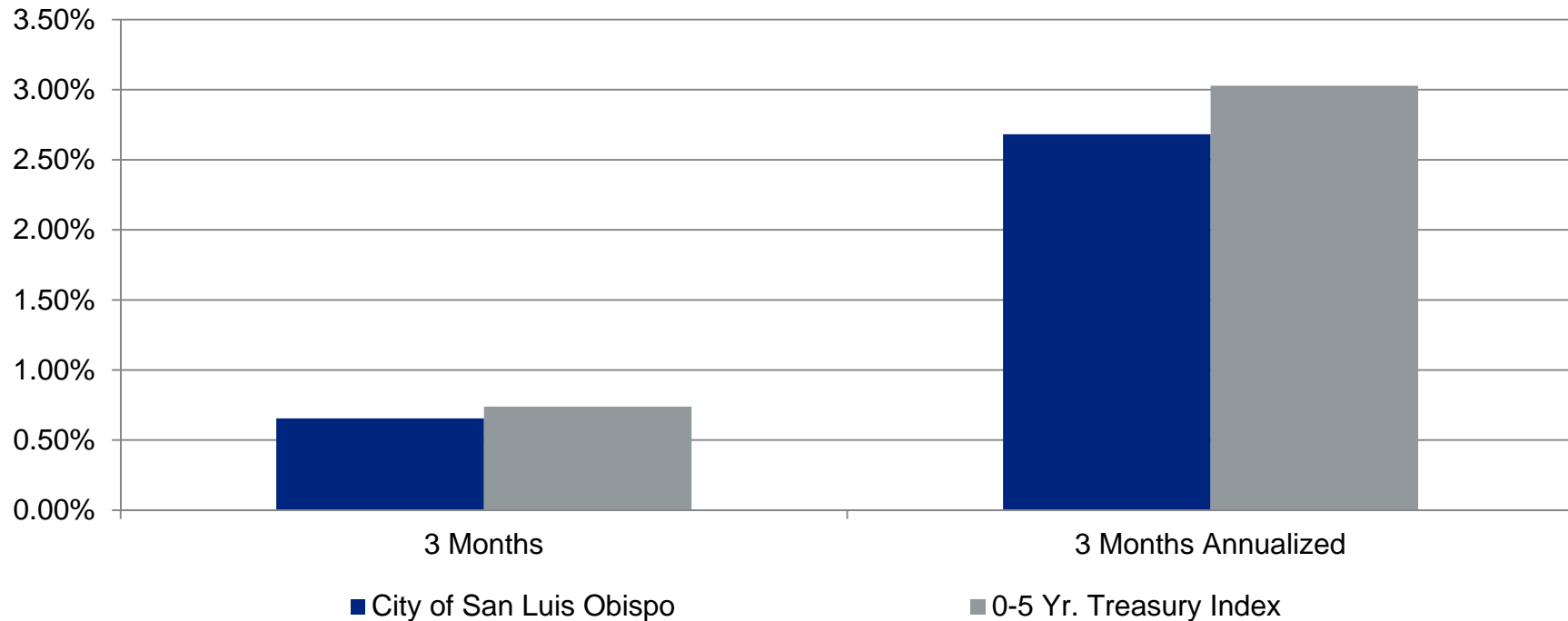
	0 – 0.25	0.25 – 0.5	0.50 – 1	1 - 2	2 - 3	3 - 4	4 - 5	Over 5
Portfolio	4.6%	4.5%	16.2%	22.8%	27.9%	14.6%	9.4%	0.0%
Benchmark	7.1%	5.4%	11.1%	25.6%	20.6%	17.4%	12.8%	0.0%

*Benchmark is the Bank of America Merrill Lynch (BAML) 0-5 Year U.S. Treasury Index
As of December 31, 2014*

Investment Performance



City of San Luis Obispo Total Return
Period Ending March 31, 2015
 Total Rate of Return*



	3 Months	3 Months Annualized
City of San Luis Obispo	0.65%	2.68%
0-5 Yr. Treasury Index	0.74%	3.03%

- Performance on trade-date basis, gross (i.e., before fees) in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
- Performance numbers for periods one year and greater are presented on an annualized basis.
- Merrill Lynch Indices provided by Bloomberg Financial Markets.

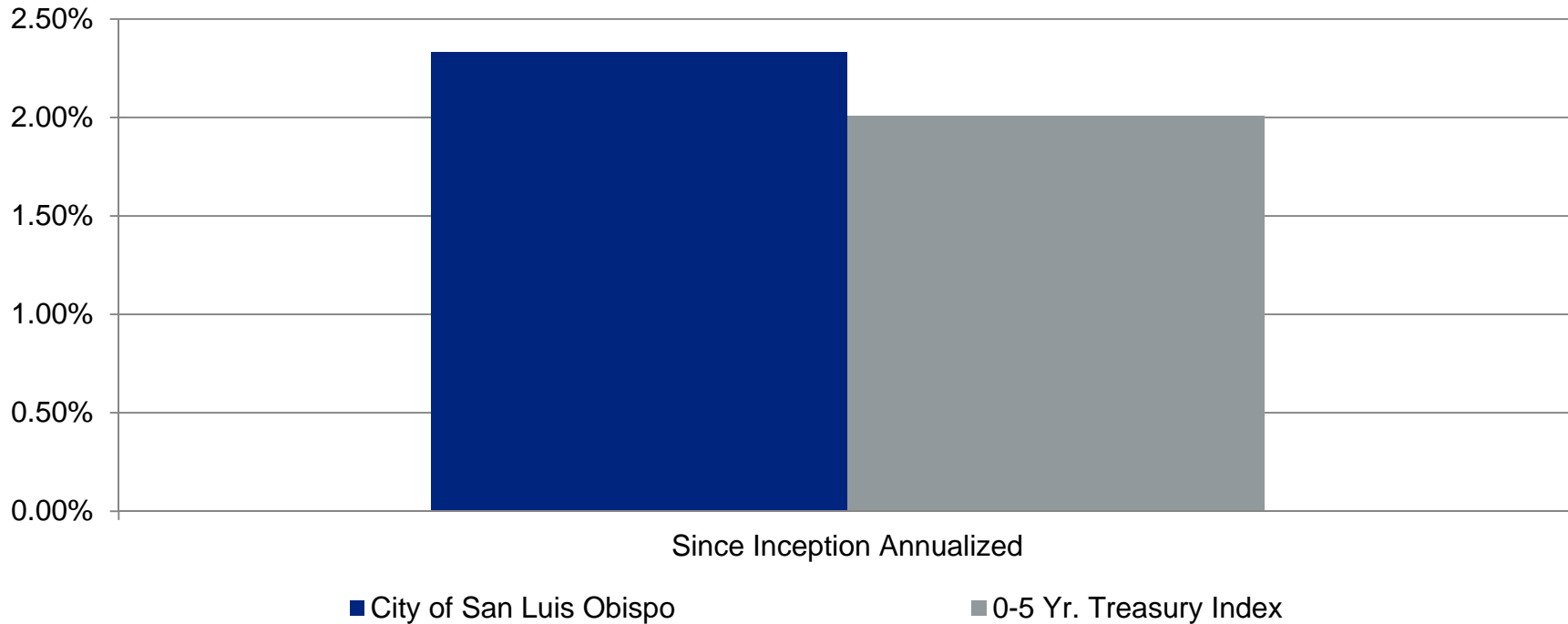
Investment Performance



City of San Luis Obispo Total Return Period Ending March 31, 2015

Total Rate of Return*

Annualized Since Inception (May 31, 2008)



Since Inception Annualized

Since Inception Annualized

City of San Luis Obispo

2.33%

0-5 Yr. Treasury Index

2.01%

*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. Returns represented comprise historical portfolio performance as calculated by the City and reported to PFM Asset Management ("PFMAM"). These figures include periods during which PFMAM, as well as other investment advisors, have provided fiduciary investment services to the City.



City of San Luis Obispo - Internal Portfolio Characteristics

	3/31/15	12/31/14
	Portfolio	Portfolio
Average Maturity (yrs.)	0.03	0.05
Effective Duration*	0.03	0.05
Average Purchase Yield	0.32%	0.36%
Average Market Yield	0.15%	0.16%
Average Quality	AA+/Aaa	AA+/Aaa
Total Market Value	54,434,581	47,618,995

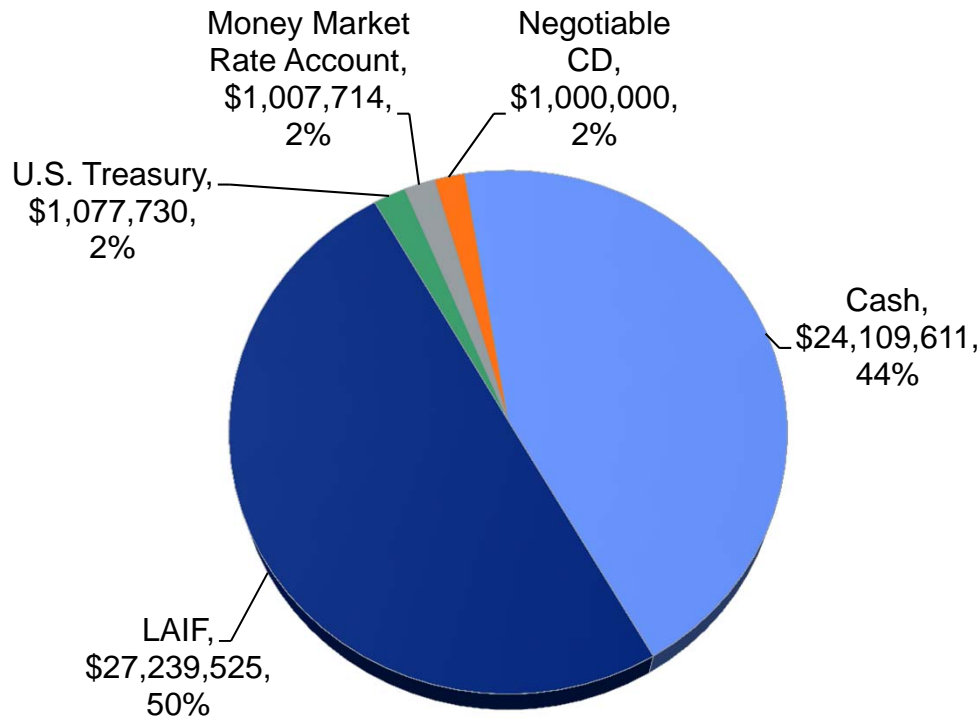
**Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price, for each 1% change in interest rates. Modified duration is a similar risk measure, but it ignores how changes in rates will impact cash flows on bonds with embedded options such as callable notes, MBS, or ABS. Effective duration takes into account the impact that changing interest rates has on cash flows (i.e. if interest rates fall and a callable bond is more likely to be called prior to its final maturity, the effective duration will decrease).*

Sector Distribution

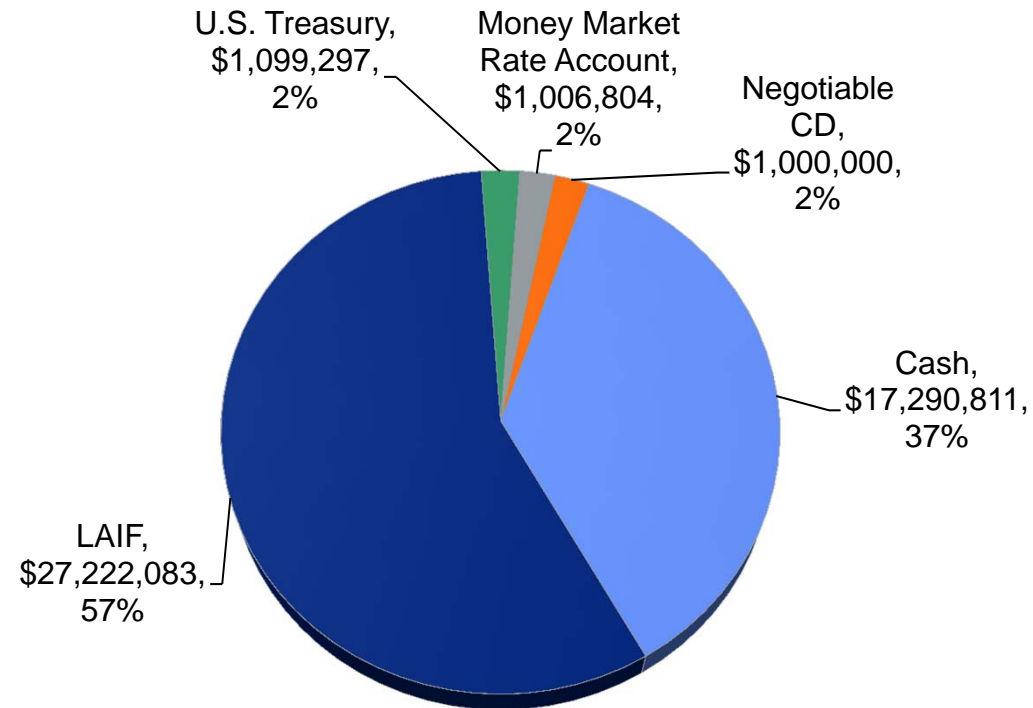


City of San Luis Obispo Sector Distribution – Internal

March 31, 2015



December 31, 2014



*Sector distribution includes market value and excludes accrued interest.



Issuer Distribution – Internal

Issuer Name	Investment Type	% Portfolio
LAIF	LAIF	50.04%
Cash	Cash	44.29%
U.S. Treasury	U.S. Treasury	1.98%
Heritage Oaks Bank	Money Market Rate Account	1.85%
Heritage Oaks Bank	Negotiable CD	1.84%
Total		100.00%

As of March 31, 2015

Section III. Consolidated Information



- Portfolio Complies with California Government Code and the City of San Luis Obispo's Investment Policy in regards to credit quality, as well as maturity, sector, and issuer limits. Additionally, none of the City's funds are invested in any securities prohibited by Code.

City of San Luis Obispo Portfolio Compliance – Consolidated

Category	Standard	Comment
Treasury Obligations	5 year maximum maturity	Complies
Government Sponsored Enterprise (GSE) Securities	5 year maximum maturity, AAA by S&P or Moody's	Complies
Corporate Notes	5 year maximum maturity At least one "AA" rating 30% maximum, 5% per issuer	Complies
Local Government Investment Pool (LAIF)	Up to maximum permitted by State Law	Complies
Negotiable Certificates of Deposit	5 year maximum maturity 30% maximum, 5% per issuer	Complies
Collateralized Bank Deposits	5% per issuer	Complies
Money Market Mutual Funds	Highest rating category by 2 NRSRO's 20% maximum, 10% per issuer	Complies
% maturing in less than 90 days	5% minimum	Complies
Maximum maturity of corporate	5 years	Complies
Maximum maturity	10 years; 10% maximum of portfolio in Treasury and GSE obligations with maturity >5 years	Complies



City of San Luis Obispo - Consolidated Portfolio Characteristics

	3/31/15	12/31/14
	Portfolio	Portfolio
Average Maturity (yrs.)	1.00	0.91
Effective Duration*	0.98	0.89
Average Purchase Yield	0.68%	0.72%
Average Market Yield	0.40%	0.46%
Average Quality	AA+/Aaa	AA+/Aaa
Total Market Value	100,067,923	92,913,060

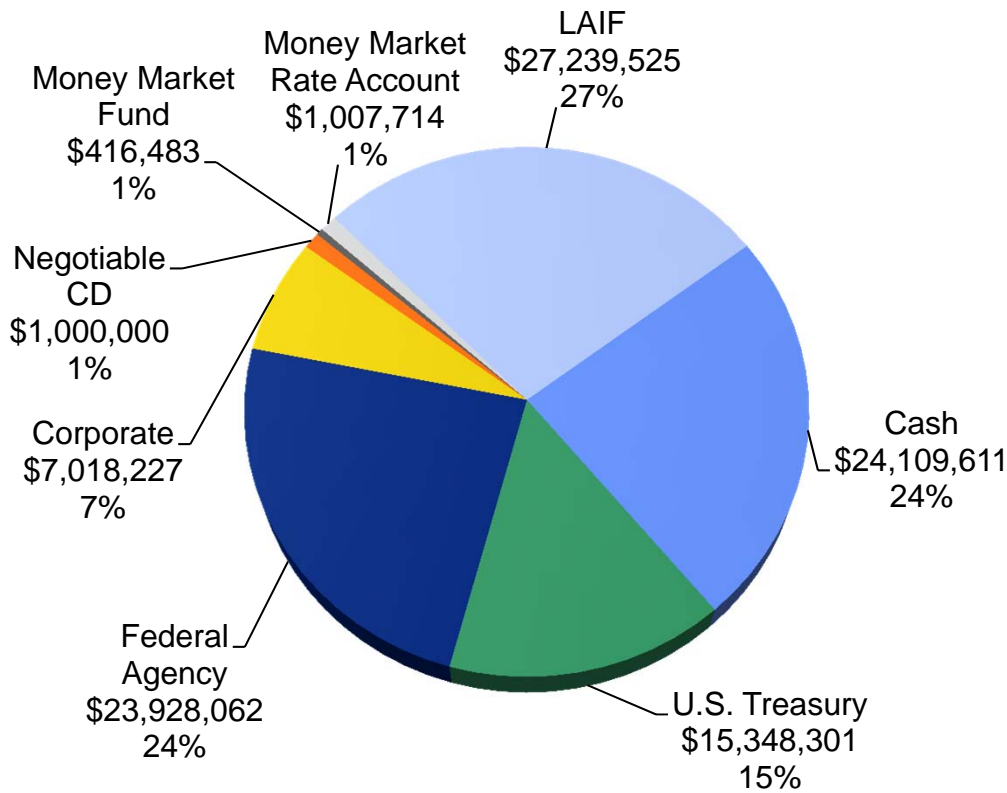
**Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price, for each 1% change in interest rates. Modified duration is a similar risk measure, but it ignores how changes in rates will impact cash flows on bonds with embedded options such as callable notes, MBS, or ABS. Effective duration takes into account the impact that changing interest rates has on cash flows (i.e. if interest rates fall and a callable bond is more likely to be called prior to its final maturity, the effective duration will decrease).*

Sector Distribution

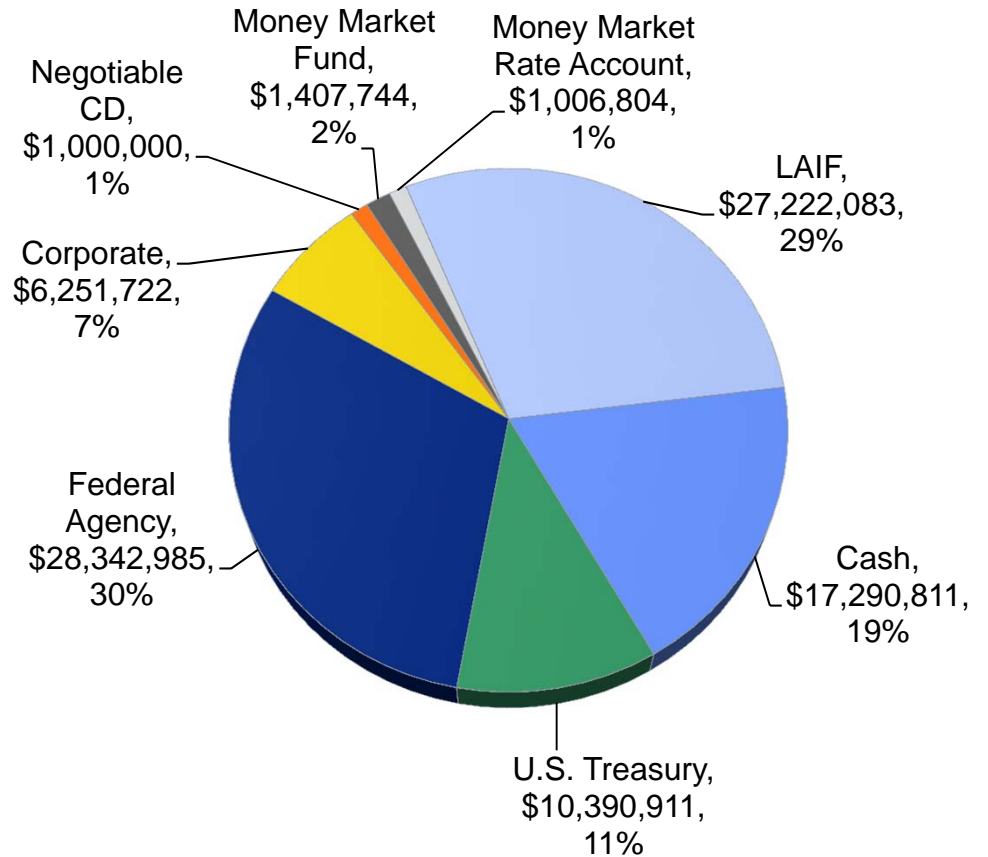


City of San Luis Obispo Sector Distribution – Consolidated

March 31, 2015



December 31, 2014



*Sector distribution includes market value and excludes accrued interest.



Issuer Distribution – Consolidated

Issuer Name	Investment Type	% Portfolio
LAIF	LAIF	27.22%
Cash	Cash	24.09%
U.S. Treasury	U.S. Treasury	15.34%
FHLMC	Federal Agency	8.44%
FNMA	Federal Agency	6.78%
FFCB	Federal Agency	4.05%
FHLB	Federal Agency	3.58%
Tennessee Valley Authority	Federal Agency	1.06%
Heritage Oaks Bank	Money Market Rate Account	1.01%
Heritage Oaks Bank	Negotiable CD	1.00%
Procter & Gamble	Corporate Note	0.93%
IBM	Corporate Note	0.75%
Berkshire Hathaway	Corporate Note	0.71%
General Electric	Corporate Note	0.70%
Wal-Mart Stores	Corporate Note	0.70%
Chevron Corp	Corporate Note	0.70%
Apple Inc	Corporate Note	0.70%
Johnson & Johnson	Corporate Note	0.69%
Microsoft Corp	Corporate Note	0.61%
Google Inc	Corporate Note	0.53%
Dreyfus Prime Cash Management Fund	Money Market Fund	0.42%
Total		100.00%

As of March 31, 2015

Section IV. Portfolio Holdings



City of San Luis Obispo Holdings Report

For the Month Ending March 31, 2015

Security Description	Settle Date	YTM at Cost	Par	Cost Value	Amortized Cost	YTM at Market	Market Value	Accrued Interest	% of Portfolio	Unreal G/L Amort Cost	S&P/ Moody's	Years to Maturity	Duration
LAIF													
LOCAL AGENCY INVESTMENT FUND	Various	0.26%	27,239,525.32	27,239,525.32	27,239,525.32	0.26%	27,239,525.32	-	27.22%	-	NR NR	0.00	0.00
Total LAIF		0.26%	27,239,525.32	27,239,525.32	27,239,525.32	0.26%	27,239,525.32	-	27.22%	-	NR NR	0.00	0.00
Money Market Fund													
DREYFUS PRIME CASH MANAGEMNT MONEY MARKET FUND	Various	0.00%	416,483.29	416,483.29	416,483.29	0.00%	416,483.29	-	0.42%	-	AAA Aaa	0.00	0.00
Total Money Market Fund		0.00%	416,483.29	416,483.29	416,483.29	0.00%	416,483.29	-	0.42%	-	AAA Aaa	0.00	0.00
Cash													
CASH ACCOUNT	Various	0.00%	24,109,611.00	24,109,611.00	24,109,611.00	0.00%	24,109,611.00	-	24.09%	-	NR NR	0.00	0.00
CASH HERITAGE OAKS BANK MONEY MARKET RATE ACCOUNT	Various	0.21%	1,007,714.24	1,007,714.24	1,007,714.24	0.21%	1,007,714.24	-	1.01%	-	NR NR	0.00	0.00
Total Cash		0.01%	25,117,325.24	25,117,325.24	25,117,325.24	0.01%	25,117,325.24	-	25.10%	-	NR NR	0.00	0.00
U.S. Treasury Bond/Note													
US TREASURY NOTES 1.75% Due 7/31/2015	4/12/2011	1.91%	1,050,000.00	1,042,948.83	1,049,433.18	0.10%	1,055,824.35	3,045.58	1.06%	6,391.17	AA+ Aaa	0.33	0.34
US TREASURY NOTES 1.38% Due 11/30/2015	5/16/2011	1.63%	1,055,000.00	1,043,217.21	1,053,221.74	0.21%	1,063,159.37	4,861.98	1.06%	9,937.63	AA+ Aaa	0.67	0.66
US TREASURY NOTES 9.25% Due 2/15/2016	2/15/1986	9.24%	1,000,000.00	1,000,000.00	1,000,000.00	0.39%	1,077,730.00	11,243.09	1.08%	77,730.00	AA+ Aaa	0.88	0.84
US TREASURY NOTES 2.13% Due 2/29/2016	5/19/2011	1.74%	450,000.00	457,999.65	451,579.17	0.29%	457,558.65	831.52	0.46%	5,979.48	AA+ Aaa	0.92	0.91
US TREASURY NOTES 2.13% Due 2/29/2016	8/30/2011	0.82%	600,000.00	634,548.89	607,107.81	0.29%	610,078.20	1,108.70	0.61%	2,970.39	AA+ Aaa	0.92	0.91
US TREASURY NOTES 0.25% Due 4/15/2016	4/24/2013	0.34%	900,000.00	897,647.55	899,176.31	0.30%	899,507.70	1,038.46	0.90%	331.39	AA+ Aaa	1.04	1.04
US TREASURY NOTES 0.25% Due 5/15/2016	9/26/2013	0.54%	700,000.00	694,697.66	697,735.02	0.33%	699,398.70	662.29	0.70%	1,663.68	AA+ Aaa	1.13	1.12
US TREASURY NOTES 0.63% Due 7/15/2016	10/7/2013	0.57%	750,000.00	751,145.09	750,535.52	0.39%	752,285.25	984.12	0.75%	1,749.73	AA+ Aaa	1.29	1.29
US TREASURY NOTES 0.63% Due 5/31/2017	5/13/2013	0.62%	650,000.00	650,027.57	650,014.98	0.62%	650,050.70	1,361.61	0.65%	35.72	AA+ Aaa	2.17	2.15
US TREASURY NOTES 0.75% Due 6/30/2017	9/17/2013	1.18%	575,000.00	565,882.79	569,536.99	0.66%	576,167.83	1,084.08	0.58%	6,630.84	AA+ Aaa	2.25	2.23
US TREASURY NOTES 0.75% Due 12/31/2017	8/13/2013	1.28%	625,000.00	611,061.66	616,165.66	0.82%	623,828.13	1,178.35	0.62%	7,662.47	AA+ Aaa	2.76	2.71
US TREASURY NOTES 0.75% Due 2/28/2018	4/24/2014	1.32%	925,000.00	905,166.18	909,905.86	0.86%	921,965.08	603.26	0.92%	12,059.22	AA+ Aaa	2.92	2.88
US TREASURY NOTES 1.38% Due 9/30/2018	2/19/2015	1.25%	400,000.00	401,765.63	401,713.16	1.06%	404,250.00	15.03	0.40%	2,536.84	AA+ Aaa	3.50	3.41
US TREASURY NOTES 1.38% Due 12/31/2018	2/9/2015	1.08%	500,000.00	505,527.34	505,331.42	1.14%	504,336.00	1,728.25	0.50%	(995.42)	AA+ Aaa	3.76	3.64
US TREASURY NOTES 1.38% Due 12/31/2018	3/24/2015	1.17%	1,000,000.00	1,007,539.06	1,007,496.15	1.14%	1,008,672.00	3,456.49	1.01%	1,175.85	AA+ Aaa	3.76	3.64
US TREASURY NOTES 1.25% Due 1/31/2019	1/8/2015	1.34%	1,775,000.00	1,768,967.77	1,769,302.46	1.15%	1,781,656.25	3,677.49	1.78%	12,353.79	AA+ Aaa	3.84	3.73



City of San Luis Obispo Holdings Report

For the Month Ending March 31, 2015

Security Description	Settle Date	YTM at Cost	Par	Cost Value	Amortized Cost	YTM at Market	Market Value	Accrued Interest	% of Portfolio	Unreal G/L Amort Cost	S&P/ Moody's	Years to Maturity	Duration
US TREASURY NOTES 1.38% Due 2/28/2019	2/27/2015	1.38%	500,000.00	499,960.94	499,961.86	1.18%	503,750.00	597.83	0.50%	3,788.14	AA+ Aaa	3.92	3.80
US TREASURY NOTES 1.13% Due 12/31/2019	1/8/2015	1.48%	1,775,000.00	1,744,977.54	1,746,315.66	1.33%	1,758,082.48	5,019.77	1.76%	11,766.82	AA+ Aaa	4.76	4.60
Total U.S. Treasury Bond/Note		1.77%	15,230,000.00	15,183,081.36	15,184,532.95	0.72%	15,348,300.69	42,497.90	15.34%	163,767.74	AA+ Aaa	2.42	2.36
Federal Agency Bond/Note													
FFCB NOTES 1.60% Due 5/18/2015	7/20/2011	1.28%	230,000.00	232,702.50	230,094.20	0.16%	230,429.64	1,359.56	0.23%	335.44	AA+ Aaa	0.13	0.13
TENN VALLEY AUTHORITY GLOBAL NOTES 4.38% Due 6/15/2015	6/14/2011	1.46%	1,050,000.00	1,168,386.45	1,056,236.06	0.28%	1,058,821.05	13,526.04	1.06%	2,584.99	AA+ Aaa	0.21	0.21
FHLB NOTES 2.13% Due 6/30/2015	5/26/2011	1.49%	400,000.00	410,112.00	400,626.94	0.15%	401,968.80	2,148.61	0.40%	1,341.86	AA+ Aaa	0.25	0.25
FFCB NOTES 0.55% Due 8/17/2015	4/27/2012	0.60%	1,000,000.00	998,511.00	999,828.52	0.18%	1,001,406.00	672.22	1.00%	1,577.48	AA+ Aaa	0.38	0.38
FFCB NOTES 1.50% Due 11/15/2015	3/25/2011	2.20%	402,000.00	389,640.91	400,263.71	0.26%	405,101.83	2,261.25	0.40%	4,838.12	AA+ Aaa	0.63	0.62
FEDERAL HOME LOAN BANK GLOBAL NOTES 0.50% Due 11/20/2015	6/27/2013	0.53%	700,000.00	699,447.00	699,852.71	0.23%	701,215.90	1,273.61	0.70%	1,363.19	AA+ Aaa	0.64	0.63
FFCB NOTES 2.35% Due 12/22/2015	3/28/2011	2.27%	580,000.00	582,099.60	580,337.52	0.26%	588,752.20	3,748.25	0.59%	8,414.68	AA+ Aaa	0.73	0.72
FHLB NOTES 3.13% Due 3/11/2016	8/10/2011	1.12%	965,000.00	1,051,449.53	983,164.11	0.36%	990,093.86	1,675.35	0.99%	6,929.75	AA+ Aaa	0.95	0.94
FFCB NOTES 1.05% Due 3/28/2016	9/14/2012	0.53%	924,000.00	940,879.28	928,761.81	0.35%	930,356.20	80.85	0.93%	1,594.39	AA+ Aaa	0.99	0.99
FANNIE MAE GLOBAL NOTES 0.50% Due 3/30/2016	3/27/2013	0.45%	950,000.00	951,434.50	950,477.66	0.32%	951,687.20	13.19	0.95%	1,209.54	AA+ Aaa	1.00	1.00
FHLB NOTES 2.00% Due 9/9/2016	10/24/2013	0.67%	280,000.00	290,550.40	285,305.93	0.47%	286,140.68	342.22	0.29%	834.75	AA+ Aaa	1.45	1.42
FANNIE MAE NOTES 1.38% Due 11/15/2016	3/14/2012	1.21%	985,000.00	992,545.10	987,670.56	0.52%	998,644.22	5,116.53	1.00%	10,973.66	AA+ Aaa	1.63	1.60
FHLB NOTES 0.63% Due 11/23/2016	2/9/2015	0.52%	500,000.00	500,915.00	500,841.65	0.57%	500,477.50	1,163.19	0.50%	(364.15)	AA+ Aaa	1.65	1.63
FANNIE MAE GLOBAL NOTES 1.25% Due 1/30/2017	2/27/2012	1.07%	800,000.00	807,016.00	802,650.98	0.62%	809,171.20	1,694.44	0.81%	6,520.22	AA+ Aaa	1.84	1.81
FFCB NOTES 2.88% Due 2/10/2017	7/25/2012	0.74%	865,000.00	947,477.75	899,078.21	0.69%	899,856.91	3,523.07	0.90%	778.70	AA+ Aaa	1.87	1.81
FREDDIE MAC GLOBAL NOTES 1.00% Due 3/8/2017	3/14/2012	1.29%	1,000,000.00	986,050.00	994,474.48	0.63%	1,007,095.00	638.89	1.01%	12,620.52	AA+ Aaa	1.94	1.92
FHLMC NOTES 1.25% Due 5/12/2017	10/17/2012	0.82%	500,000.00	509,635.00	504,502.04	0.68%	505,964.00	2,413.19	0.51%	1,461.96	AA+ Aaa	2.12	2.08
FNMA NOTES (EX-CALLABLE) 2.05% Due 5/23/2017	8/7/2012	0.90%	365,000.00	384,739.20	373,933.40	0.63%	375,993.07	2,660.44	0.38%	2,059.67	AA+ Aaa	2.15	2.09
FEDERAL HOME LOAN BANK GLOBAL NOTES 1.00% Due 6/21/2017	11/26/2012	0.70%	700,000.00	709,478.00	704,646.99	0.70%	704,544.40	1,944.44	0.70%	(102.59)	AA+ Aaa	2.23	2.19
FREDDIE MAC GLOBAL NOTES 1.00% Due 6/29/2017	7/30/2012	0.85%	775,000.00	780,673.00	777,620.67	0.75%	779,313.65	1,980.56	0.78%	1,692.98	AA+ Aaa	2.25	2.21
FREDDIE MAC GLOBAL NOTES 1.00% Due 6/29/2017	12/14/2012	0.74%	135,000.00	136,587.60	135,791.16	0.75%	135,751.41	345.00	0.14%	(39.75)	AA+ Aaa	2.25	2.21
FREDDIE MAC GLOBAL NOTES 1.00% Due 7/28/2017	11/26/2012	0.80%	900,000.00	908,316.00	904,177.52	0.68%	906,712.20	1,575.00	0.91%	2,534.68	AA+ Aaa	2.33	2.29



City of San Luis Obispo Holdings Report

For the Month Ending March 31, 2015

Security Description	Settle Date	YTM at Cost	Par	Cost Value	Amortized Cost	YTM at Market	Market Value	Accrued Interest	% of Portfolio	Unreal G/L Amort Cost	S&P/ Moody's	Years to Maturity	Duration
FREDDIE MAC GLOBAL NOTES 1.00% Due 7/28/2017	3/23/2015	0.82%	495,000.00	497,019.60	497,000.70	0.68%	498,691.71	866.25	0.50%	1,691.01	AA+ Aaa	2.33	2.29
FANNIE MAE GLOBAL NOTES 0.88% Due 8/28/2017	6/20/2014	1.10%	625,000.00	620,687.50	621,730.31	0.82%	625,780.63	470.92	0.63%	4,050.32	AA+ Aaa	2.41	2.39
FREDDIE MAC GLOBAL NOTES 1.00% Due 9/29/2017	1/4/2013	0.89%	950,000.00	954,788.00	952,548.28	0.87%	952,947.85	52.78	0.95%	399.57	AA+ Aaa	2.50	2.46
FANNIE MAE GLOBAL NOTES 0.88% Due 10/26/2017	6/20/2014	1.17%	625,000.00	618,987.50	620,369.13	0.83%	625,773.75	2,354.60	0.63%	5,404.62	AA+ Aaa	2.58	2.53
FHLMC NOTES 0.75% Due 1/12/2018	10/1/2014	1.26%	800,000.00	787,008.00	788,957.30	0.81%	798,584.00	1,316.67	0.80%	9,626.70	AA+ Aaa	2.79	2.74
FREDDIE MAC GLOBAL NOTES 0.88% Due 3/7/2018	11/20/2014	1.20%	900,000.00	890,469.00	891,505.49	0.93%	898,553.70	525.00	0.90%	7,048.21	AA+ Aaa	2.94	2.89
FANNIE MAE GLOBAL NOTES 0.88% Due 5/21/2018	4/24/2014	1.46%	925,000.00	903,691.70	908,478.89	0.95%	922,802.20	2,922.74	0.92%	14,323.31	AA+ Aaa	3.14	3.08
FREDDIE MAC NOTES 1.75% Due 5/30/2019	8/4/2014	1.67%	900,000.00	903,420.00	902,975.27	1.38%	913,467.60	5,293.75	0.91%	10,492.33	AA+ Aaa	4.17	3.99
FNMA NOTES 1.75% Due 6/20/2019	10/2/2014	1.77%	500,000.00	499,630.00	499,671.86	1.35%	508,227.00	2,454.86	0.51%	8,555.14	AA+ Aaa	4.22	4.04
FNMA NOTES 1.75% Due 6/20/2019	8/5/2014	1.74%	350,000.00	350,227.50	350,200.14	1.35%	355,758.90	1,718.40	0.36%	5,558.76	AA+ Aaa	4.22	4.04
FNMA NOTES 1.75% Due 6/20/2019	11/21/2014	1.71%	100,000.00	100,157.00	100,145.51	1.35%	101,645.40	490.97	0.10%	1,499.89	AA+ Aaa	4.22	4.04
FREDDIE MAC GLOBAL NOTES 1.25% Due 8/1/2019	9/15/2014	1.88%	1,050,000.00	1,019,077.50	1,022,398.64	1.29%	1,048,312.65	2,187.50	1.05%	25,914.01	AA+ Aaa	4.34	4.20
FNMA NOTES 1.75% Due 9/12/2019	2/9/2015	1.36%	500,000.00	508,665.00	508,402.41	1.38%	508,019.50	461.81	0.51%	(382.91)	AA+ Aaa	4.45	4.27
Total Federal Agency Bond/Note		1.12%	23,726,000.00	24,032,474.12	23,764,720.76	0.68%	23,928,061.81	71,272.15	23.91%	163,341.05	AA+ Aaa	2.07	2.02
Negotiable CD													
HERITAGE OAKS BANK YANKEE CD 0.27% Due 12/20/2015	12/20/2014	0.27%	1,000,000.00	1,000,000.00	1,000,000.00	0.27%	1,000,000.00	82.50	1.00%	-	NR NR	0.72	0.72
Total Negotiable CD		0.27%	1,000,000.00	1,000,000.00	1,000,000.00	0.27%	1,000,000.00	82.50	1.00%	-	NR NR	0.72	0.72
Corporate Note													
GENERAL ELECTRIC CO NOTES 0.85% Due 10/9/2015	4/24/2013	0.59%	700,000.00	704,515.00	700,964.57	0.25%	702,205.00	2,842.78	0.70%	1,240.43	AA+ A1	0.53	0.90
WAL-MART STORES INC GLOBAL NOTES 0.60% Due 4/11/2016	6/27/2013	0.81%	700,000.00	696,017.00	698,522.20	0.41%	701,393.00	1,983.33	0.70%	2,870.80	AA Aa2	1.03	1.02
APPLE INC GLOBAL NOTES 0.45% Due 5/3/2016	5/13/2013	0.55%	700,000.00	698,005.00	699,265.47	0.43%	700,156.80	1,295.00	0.70%	891.33	AA+ Aa1	1.09	1.08
JOHNSON & JOHNSON GLOBAL NOTE 2.15% Due 5/15/2016	1/15/2013	0.58%	675,000.00	709,870.50	686,814.72	0.45%	687,827.03	5,482.50	0.69%	1,012.31	AAA Aaa	1.13	1.10
GOOGLE INC GLOBAL NOTES 2.13% Due 5/19/2016	4/23/2012	0.91%	523,000.00	548,360.27	530,151.37	0.41%	533,100.70	4,075.04	0.53%	2,949.33	AA Aa2	1.14	1.12
CALLABLE) 1.45% Due 8/15/2016	8/3/2012	0.82%	915,000.00	937,893.30	922,872.71	0.58%	925,918.70	1,695.29	0.93%	3,045.99	AA- Aa3	1.38	1.36
BERKSHIRE HATHAWAY FIN GLOBAL NOTES 1.60% Due 5/15/2017	4/24/2013	1.00%	700,000.00	716,765.00	708,851.05	0.88%	710,516.80	4,231.11	0.71%	1,665.75	AA Aa2	2.13	2.07
CHEVRON CORP (CALLABLE) GLOBAL NOTES 1.10% Due 12/5/2017	1/10/2013	1.03%	700,000.00	702,442.00	701,330.93	1.07%	700,619.50	2,490.13	0.70%	(711.43)	AA Aa1	2.68	3.00



City of San Luis Obispo Holdings Report

For the Month Ending March 31, 2015

Security Description	Settle Date	YTM at Cost	Par	Cost Value	Amortized Cost	YTM at Market	Market Value	Accrued Interest	% of Portfolio	Unreal G/L Amort Cost	S&P/ Moody's	Years to Maturity	Duration
IBM CORP NOTES 1.13% Due 2/6/2018	2/9/2015	1.16%	750,000.00	749,317.50	749,350.03	1.21%	748,148.25	1,289.06	0.75%	(1,201.78)	AA-Aa3	2.86	2.79
MICROSOFT CORP GLOBAL NOTES 1.63% Due 12/6/2018	6/20/2014	1.62%	600,000.00	600,078.00	600,065.92	1.24%	608,341.20	3,114.58	0.61%	8,275.28	AAA Aaa	3.69	3.55
Total Corporate Note		0.90%	6,963,000.00	7,063,263.57	6,998,188.97	0.69%	7,018,226.98	28,498.82	7.01%	20,038.01	AA Aa2	1.75	1.79
Total Portfolio		0.68%	99,692,333.85	100,052,152.90	99,720,776.53	0.40%	100,067,923.33	142,351.37	100.00%	347,146.80	AA+	0.99	0.98
Total Market Value Plus Accrued							100,210,274.70						

Section V. Monthly Transactions



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2015**

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
01/07/15	01/08/15	US TREASURY NOTES DTD 01/31/2012 1.250% 01/31/2019	912828SD3	1,775,000.00	(1,768,967.77)	(9,707.03)	(1,778,674.80)			
01/07/15	01/08/15	US TREASURY NOTES DTD 12/31/2012 1.125% 12/31/2019	912828UF5	1,775,000.00	(1,744,977.54)	(441.30)	(1,745,418.84)			
Transaction Type Sub-Total				3,550,000.00	(3,513,945.31)	(10,148.33)	(3,524,093.64)			
INTEREST										
01/12/15	01/12/15	FHLMC NOTES DTD 11/21/2012 0.750% 01/12/2018	3137EADN6	800,000.00	0.00	3,000.00	3,000.00			
01/15/15	01/15/15	US TREASURY NOTES DTD 07/15/2013 0.625% 07/15/2016	912828VL1	750,000.00	0.00	2,343.75	2,343.75			
01/28/15	01/28/15	FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	900,000.00	0.00	4,500.00	4,500.00			
01/30/15	01/30/15	FANNIE MAE GLOBAL NOTES DTD 01/09/2012 1.250% 01/30/2017	3135G0GY3	800,000.00	0.00	5,000.00	5,000.00			
01/31/15	01/31/15	US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	1,050,000.00	0.00	9,187.50	9,187.50			
01/31/15	01/31/15	US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	200,000.00	0.00	500.00	500.00			
01/31/15	01/31/15	US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	300,000.00	0.00	750.00	750.00			
01/31/15	01/31/15	US TREASURY NOTES DTD 01/31/2012 1.250% 01/31/2019	912828SD3	1,775,000.00	0.00	11,093.75	11,093.75			
Transaction Type Sub-Total				6,575,000.00	0.00	36,375.00	36,375.00			
SELL										
01/07/15	01/08/15	FHLB NOTES DTD 05/10/2011 2.125% 06/10/2016	313373SZ6	1,000,000.00	1,022,770.00	1,652.78	1,024,422.78	9,310.00	18,794.08	SPEC LOT
01/07/15	01/08/15	FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 05/10/2013 0.375% 06/24/2016	3133834R9	700,000.00	699,062.00	102.08	699,164.08	7,245.00	3,081.85	SPEC LOT
01/07/15	01/08/15	FANNIE MAE GLOBAL NOTES DTD 08/17/2012 0.500% 09/28/2015	3135G0NV1	650,000.00	651,163.50	902.78	652,066.28	1,137.50	1,154.97	SPEC LOT



Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2015**

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
Transaction Type Sub-Total				2,350,000.00	2,372,995.50	2,657.64	2,375,653.14	17,692.50	23,030.90	
Managed Account Sub-Total					(1,140,949.81)	28,884.31	(1,112,065.50)	17,692.50	23,030.90	
Total Security Transactions					(\$1,140,949.81)	\$28,884.31	(\$1,112,065.50)	\$17,692.50	\$23,030.90	



Managed Account Security Transactions & Interest

For the Month Ending February 28, 2015

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
02/04/15	02/09/15	FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	500,000.00	(508,665.00)	(3,572.92)	(512,237.92)			
02/04/15	02/09/15	FHLB NOTES DTD 11/17/2014 0.625% 11/23/2016	3130A3J70	500,000.00	(500,915.00)	(711.81)	(501,626.81)			
02/04/15	02/09/15	US TREASURY NOTES DTD 01/03/2012 1.375% 12/31/2018	912828RY8	500,000.00	(505,527.34)	(759.67)	(506,287.01)			
02/04/15	02/09/15	IBM CORP NOTES DTD 02/06/2015 1.125% 02/06/2018	459200HZ7	750,000.00	(749,317.50)	(70.31)	(749,387.81)			
02/18/15	02/19/15	US TREASURY NOTES DTD 09/30/2011 1.375% 09/30/2018	912828RH5	400,000.00	(401,765.63)	(2,145.60)	(403,911.23)			
02/26/15	02/27/15	US TREASURY NOTES DTD 02/29/2012 1.375% 02/28/2019	912828SH4	500,000.00	(499,960.94)	(3,418.51)	(503,379.45)			
Transaction Type Sub-Total				3,150,000.00	(3,166,151.41)	(10,678.82)	(3,176,830.23)			
INTEREST										
02/01/15	02/01/15	FREDDIE MAC GLOBAL NOTES DTD 07/30/2012 1.250% 08/01/2019	3137EADK2	1,050,000.00	0.00	6,562.50	6,562.50			
02/09/15	02/09/15	FHLMC GLOBAL NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	1,225,000.00	0.00	17,609.38	17,609.38			
02/10/15	02/10/15	FFCB NOTES DTD 02/10/2011 2.875% 02/10/2017	31331KBX7	865,000.00	0.00	12,434.38	12,434.38			
02/15/15	02/15/15	PROCTER & GAMBLE CO NOTES (EX-CALLABLE) DTD 08/15/2011 1.450% 08/15/2016	742718DV8	915,000.00	0.00	6,633.75	6,633.75			
02/17/15	02/17/15	FFCB NOTES DTD 02/17/2012 0.550% 08/17/2015	3133EADW5	1,000,000.00	0.00	2,750.00	2,750.00			
02/18/15	02/18/15	FFCB NOTES DTD 02/18/2011 2.050% 02/18/2015	31331KCR9	400,000.00	0.00	4,100.00	4,100.00			
02/27/15	02/27/15	FNMA NOTES (CALLED, OMD 02/27/17) DTD 02/27/2013 1.000% 02/27/2015	3135G0UY7	500,000.00	0.00	2,500.00	2,500.00			
02/28/15	02/28/15	US TREASURY NOTES DTD 02/28/2011 2.125% 02/29/2016	912828OJ2	450,000.00	0.00	4,781.25	4,781.25			
02/28/15	02/28/15	US TREASURY NOTES DTD 02/28/2011 2.125% 02/29/2016	912828QJ2	600,000.00	0.00	6,375.00	6,375.00			



Managed Account Security Transactions & Interest

For the Month Ending February 28, 2015

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
INTEREST										
02/28/15	02/28/15	FANNIE MAE GLOBAL NOTES DTD 07/20/2012 0.875% 08/28/2017	3135G0MZ3	625,000.00	0.00	2,734.38	2,734.38			
02/28/15	02/28/15	US TREASURY NOTES DTD 02/29/2012 1.375% 02/28/2019	912828SH4	500,000.00	0.00	3,437.50	3,437.50			
02/28/15	02/28/15	US TREASURY NOTES DTD 02/28/2013 0.750% 02/28/2018	912828UR9	925,000.00	0.00	3,468.75	3,468.75			
Transaction Type Sub-Total				9,055,000.00	0.00	73,386.89	73,386.89			
MATURITY										
02/09/15	02/09/15	FHLMC GLOBAL NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	1,225,000.00	1,225,000.00	0.00	1,225,000.00	(13,784.93)	0.00	
02/18/15	02/18/15	FFCB NOTES DTD 02/18/2011 2.050% 02/18/2015	31331KCR9	400,000.00	400,000.00	0.00	400,000.00	(11,440.00)	0.00	
02/27/15	02/27/15	FNMA NOTES (CALLED, OMD 02/27/17) DTD 02/27/2013 1.000% 02/27/2015	3135G0UY7	500,000.00	500,000.00	0.00	500,000.00	(4,750.00)	0.00	
Transaction Type Sub-Total				2,125,000.00	2,125,000.00	0.00	2,125,000.00	(29,974.93)	0.00	
SELL										
02/04/15	02/09/15	US TREASURY NOTES DTD 11/30/2011 0.875% 11/30/2016	912828RU6	500,000.00	503,769.53	853.37	504,622.90	2,986.60	3,480.69	SPEC LOT
02/04/15	02/09/15	FHLB NOTES DTD 03/11/2011 2.125% 06/30/2015	313372XB5	500,000.00	503,905.00	1,151.04	505,056.04	(8,735.00)	2,663.45	SPEC LOT
Transaction Type Sub-Total				1,000,000.00	1,007,674.53	2,004.41	1,009,678.94	(5,748.40)	6,144.14	
Managed Account Sub-Total					(33,476.88)	64,712.48	31,235.60	(35,723.33)	6,144.14	
Total Security Transactions					(\$33,476.88)	\$64,712.48	\$31,235.60	(\$35,723.33)	\$6,144.14	



Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2015**

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
BUY										
03/20/15	03/23/15	FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	495,000.00	(497,019.60)	(756.25)	(497,775.85)			
03/24/15	03/24/15	US TREASURY NOTES DTD 01/03/2012 1.375% 12/31/2018	912828RY8	1,000,000.00	(1,007,539.06)	(3,152.62)	(1,010,691.68)			
Transaction Type Sub-Total				1,495,000.00	(1,504,558.66)	(3,908.87)	(1,508,467.53)			
INTEREST										
03/07/15	03/07/15	FREDDIE MAC GLOBAL NOTES DTD 01/17/2013 0.875% 03/07/2018	3137EADP1	900,000.00	0.00	3,937.50	3,937.50			
03/08/15	03/08/15	FREDDIE MAC GLOBAL NOTES DTD 01/30/2012 1.000% 03/08/2017	3137EADC0	1,000,000.00	0.00	5,000.00	5,000.00			
03/09/15	03/09/15	FHLB NOTES DTD 08/26/2010 2.000% 09/09/2016	313370TW8	280,000.00	0.00	2,800.00	2,800.00			
03/11/15	03/11/15	FHLB NOTES DTD 03/16/2010 3.125% 03/11/2016	3133XXP43	965,000.00	0.00	15,078.13	15,078.13			
03/12/15	03/12/15	FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	500,000.00	0.00	4,375.00	4,375.00			
03/24/15	03/24/15	FFCB NOTES DTD 03/24/2011 1.670% 03/24/2015	31331KFS4	1,000,000.00	0.00	8,350.00	8,350.00			
03/28/15	03/28/15	FFCB NOTES DTD 03/28/2012 1.050% 03/28/2016	3133EAJU3	924,000.00	0.00	4,851.00	4,851.00			
03/29/15	03/29/15	FREDDIE MAC GLOBAL NOTES DTD 08/10/2012 1.000% 09/29/2017	3137EADL0	950,000.00	0.00	4,750.00	4,750.00			
03/30/15	03/30/15	FANNIE MAE GLOBAL NOTES DTD 02/15/2013 0.500% 03/30/2016	3135G0VA8	950,000.00	0.00	2,375.00	2,375.00			
03/31/15	03/31/15	US TREASURY NOTES DTD 09/30/2011 1.375% 09/30/2018	912828RH5	400,000.00	0.00	2,750.00	2,750.00			
Transaction Type Sub-Total				7,869,000.00	0.00	54,266.63	54,266.63			
MATURITY										
03/24/15	03/24/15	FFCB NOTES DTD 03/24/2011 1.670% 03/24/2015	31331KFS4	1,000,000.00	1,000,000.00	0.00	1,000,000.00	(17,410.00)	0.00	



Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2015**

CITY OF SAN LUIS OBISPO OPERATING FUNDS

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
Transaction Type Sub-Total				1,000,000.00	1,000,000.00	0.00	1,000,000.00	(17,410.00)	0.00	
SELL										
03/20/15	03/23/15	US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	300,000.00	298,300.78	211.33	298,512.11	2,002.90	255.27	SPEC LOT
03/20/15	03/23/15	US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	200,000.00	198,867.19	140.88	199,008.07	(297.54)	(722.80)	SPEC LOT
Transaction Type Sub-Total				500,000.00	497,167.97	352.21	497,520.18	1,705.36	(467.53)	
Managed Account Sub-Total					(7,390.69)	50,709.97	43,319.28	(15,704.64)	(467.53)	
Total Security Transactions					(\$7,390.69)	\$50,709.97	\$43,319.28	(\$15,704.64)	(\$467.53)	