



Quarterly Investment Report

*As of
June 30, 2015*

July 31, 2015

This report presents the City's investment portfolio for the quarter ending June 30, 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 25% 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 Benefits all Funds

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 Cash and Investment Summary

The following is a summary of the City's cash and investments based on market value as of June 30, 2015 compared with the prior quarter:

	March 31, 2015	June 30, 2015	Percent of Total
Cash and investments held by the City	54,434,580	55,575,151	52.54%
Cash and investments managed by PFM	45,940,792	45,622,718	43.13%
Cash and investments held by trustees	4,665,595	4,581,321	4.33%
TOTAL	105,040,967	105,779,190	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 June 30, 2015 the market value of the portfolio was \$101,601 less than the cost basis.

The portfolio's yield on a market basis as of June 30, 2015 was .84%, and the yield on a cost basis was 1.12%. (These amounts do not reflect the returns on the assets held by the bond trustee.)

As of June 30, 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 June 30, 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.

DISTRIBUTION LIST

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PFM Asset Management

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Carlos Oblites, VP/Portfolio Manager

CITY OF SAN LUIS OBISPO

SUMMARY OF INVESTMENTS

As of June 30, 2015

INVESTMENTS HELD AND MANAGED BY THE CITY			
	Percent of Portfolio	Current Yield	Market Value
Local Agency Investment Funds	49%	0.26%	27,256,994.00
Certificate of Deposit	2%	0.27%	1,000,000.00
Money Market Account	2%	0.21%	1,008,468.00
Checking Account	45%	0.25%	25,253,909.00
Treasury Issues	2%	9.24%	1,055,780.00
Total Investments Held by the City	100%	0.42%	\$55,575,151.00

INVESTMENTS OF THE CITY MANAGED BY PUBLIC FINANCIAL MANAGEMENT			
	Percent of Portfolio	Current Yield	Market Value
Federal Agency Issues	54%	1.32%	24,656,595.00
Money Market Fund	0%	0.00%	74,684.00
US Corporate Notes	15%	0.95%	6,691,199.00
Treasury Issues	31%	1.05%	14,200,240.00
Total Investments Managed by Public Financial Management	100%	1.18%	\$45,622,718.00

INVESTMENTS OF THE CITY HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS			
	Percent of Trustee Portfolio	Current Yield	Market Value
First American Treasury Funds	2.10%	0.00%	96,160.00
Other Money Market Accounts	0.05%	0.02%	2,251.00
Certificate of Deposit	0.00%	0.00%	
Guaranteed Investment Contracts	44.44%	see below	2,036,161.00
Federal Agency Issues	18.39%	2.55%	842,317.00
Treasury Issues	35.02%	Varies	1,604,432.00
Total Investments Held by Trustees	100%		\$4,581,321.00

TOTAL CASH AND INVESTMENTS	
Total of all Investments--Market Value	\$105,779,190.00

CITY OF SAN LUIS OBISPO
SUMMARY OF INVESTMENT PORTFOLIO LIQUIDITY
As of June 30, 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	53,519,371.00	74,684.00	53%	53,594,055.00
Within Three Months	0.00	1,501,183.00	1%	1,501,183.00
Within Six Months	1,000,000.00	3,452,053.00	4%	4,452,053.00
Six Months to One Year		8,142,079.00	8%	8,142,079.00
Within One to Five Years	1,055,780.00	32,452,719.00	33%	33,508,499.00
Over Five Years			0%	0.00
TOTAL	55,575,151.00	45,622,718.00	100%	\$101,197,869.00

INVESTMENTS HELD BY TRUSTEES FOR BOND DEBT SERVICE OBLIGATIONS			
		Percent of Portfolio	Market Value
On Demand		2%	98,411.00
Within Six Months		0%	
Six Months to One Year		0%	0.00
Within One to Five Years		25%	1,133,029.00
Over Five Years		73%	3,349,881.00
TOTAL		100%	\$4,581,321.00

TOTAL CASH AND INVESTMENTS	
Total of all Investments--Market Value	\$105,779,190.00

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of June 30, 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	27,189,590.00
Local Agency Investment Fund	Money Market Fund CIB	NA	0.26%	Varies	On Demand	67,404.00
Bank of America	Checking Account	NA	0.25%	Varies	On Demand	25,253,909.00
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	0.21%	1/24/2012	On Demand	1,008,468.00
B of NY Safekeeping	U.S. Treasury Bond	9.25%	9.24%	4/18/86	2/15/2016	1,055,780.00
TOTAL						\$55,575,151.00

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of June 30, 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	\$0.00
U. S. Bank Corporate Trust Services	United States Treasury Bonds	6.00%	4.47%	6/26/96	2/15/26	\$789,802.00
2006 Lease Revenue Bonds						
U. S. Bank Corporate Trust Services	First American Treasury Fund	N/A	0.00%	Varies	on demand	\$28,056.00
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	\$28,029.00
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	\$40,075.00
U. S. Bank Corporate Trust Services	Federal Home Loan Bank	1.00%	0.99%	11/25/2014	6/21/2017	\$35,183.00
U. S. Bank Corporate Trust Services	Fed Home Loan Mort. Corp Medium term Note	0.75%	0.75%	11/25/2014	1/12/2018	\$79,602.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	1.50%	1.49%	11/25/2014	2/28/2019	\$70,591.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	1.13%	1.13%	11/25/2014	5/31/2019	\$79,350.00
U. S. Bank Corporate Trust Services	Fed Home Loan Mort. Corp Debenture	1.25%	1.26%	11/25/2014	8/1/2019	\$79,150.00
U. S. Bank Corporate Trust Services	Federal Nat'l Mtge. Assoc.	1.75%	1.74%	11/25/2014	9/12/2019	\$50,401.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	0.88%	0.88%	11/25/2014	1/31/2018	\$70,011.00
U. S. Bank Corporate Trust Services	U.S. Treasury Note	1.38%	1.36%	11/25/2014	6/30/2018	\$70,760.00
U. S. Bank Corporate Trust Services	Federal Nat'l Mtge. Assoc. Debenture	1.88%	1.83%	11/25/2014	9/18/2018	\$35,756.00
U. S. Bank Corporate Trust Services	Federal Nat'l Mtge. Assoc. Debenture	0.88%	0.88%	11/25/2014	2/8/2018	\$79,803.00
U. S. Bank Corporate Trust Services	Federal Home Loan Bank	1.38%	1.36%	11/25/2014	3/9/18	\$70,609.00

2012 Water Revenue Refunding Bonds (Refunded 2002 Water Revenue Bonds)						
U. S. Bank Corporate Trust Services	U.S Bank Money Market Account	N/A	0.02%	Varies	on demand	\$2,251.00
U. S. Bank Corporate Trust Services	United States Treasury Bond	2.00%	2.00%	Varies	11/25/21	\$225,405.00
U. S. Bank Corporate Trust Services	United States Treasury Note	7.125%	5.150%	Varies	2/15/23	\$298,513.00
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	\$0.00
U. S. Bank Corporate Trust Services	Federal Home Loan Bank	5.50%	5.21%	Varies	8/15/16	\$411,813.00
TOTAL						\$4,581,321.00

CITY OF SAN LUIS OBISPO

INVESTMENT DETAIL

As of June 30, 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 6/30/2015

	<u>Benchmark</u>	<u>06/31/2015 Portfolio</u>	<u>03/31/2015 Portfoli</u>
Average Maturity (yrs)	2.25	2.21	2.16
Modified Duration	2.18	2.15	2.12
Average Purchase Yield	n/a	1.12%	1.11%
Average Market Yield	0.75%	0.84%	0.70%
Average Quality	AA+	AA+/Aaa	AA+/Aaa
Total Market Value		\$45,622,718	\$45,633,343

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 June 30, 2015

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

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Section I. Economic Update

Summary

- Throughout the quarter, improving U.S. economic conditions contrasted with global economic uncertainty, particularly the deteriorating negotiations between Greece and its international creditors, which came to a vital impasse at the end of the quarter.
- Market participants continued to weigh the impact that adverse global economic conditions would have on the interest rate setting policies of the Federal Open Market Committee (FOMC).

Economic Snapshot

- For the first quarter of 2015, gross domestic product (GDP) declined by 0.2%. While estimates initially reflected a larger decline, increases in consumer spending and inventories contributed to the upward revision.
- The U.S. labor market continued to improve, as the unemployment rate fell from 5.5% in March to 5.3% in June. While robust headline job creation continued, some of the underlying metrics related to employment—particularly wage growth—were weak.
- The housing market strengthened, as reflected by improvements in the pace of pending home sales, building permits, new-home sales, and housing starts.
- Greek-related tensions grew as the troubled nation missed a payment of 1.6 billion euros to the International Monetary Fund (IMF), and Greek voters overwhelmingly rejected austerity measures demanded by creditors as a condition for further financial assistance. These actions leave open the possibility that Greece would abandon the euro and even leave the eurozone.

Interest Rates

- The FOMC kept the federal funds target rate unchanged for the quarter. While the FOMC's statement left open the possibility of an interest rate increase in the latter half of 2015, this policy decision will depend on labor market conditions and inflation expectations.

- The timing for a potential interest rate hike became more uncertain at the end of the quarter due to the potential for the Greek debt crisis to affect the overall global economy.
- Treasury yields reacted differently across the curve. Yields for short maturities rose only modestly (two- and three-year Treasuries ended the quarter up 0.09% and 0.12%, respectively) while yields for intermediate and longer maturities had sizeable increases (five- and 10-year Treasuries ended the quarter higher by 0.28% and 0.43%, respectively).

Sector Performance

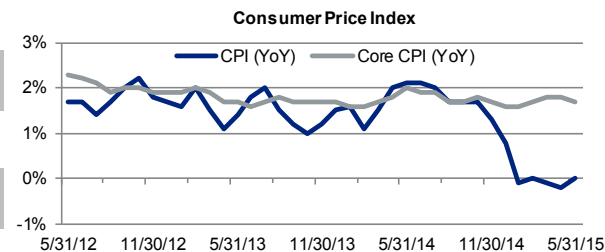
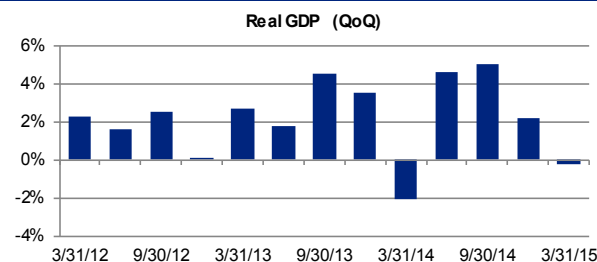
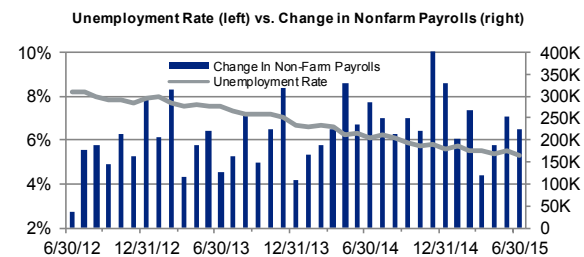
- Benchmark Treasury indices for shorter-maturity securities ended the quarter slightly positive, as more than sufficient income was generated to overcome the limited decrease in market value that resulted from the rise in yields. Longer maturities did not perform as well because they had significantly larger rate increases.
- Yield spreads for Federal Agency securities fluctuated within their historically low ranges for the quarter; as a result, the sector's performance was relatively flat when compared to Treasuries.
- Corporate securities underperformed government issues as yield spreads widened throughout the quarter; bonds with higher credit quality underperformed the most.
- Within the mortgage-backed securities (MBS) sector, structure and coupon were the major determinants of performance for the quarter. Higher-coupon structures were the strongest performers on both an absolute return and relative return basis (compared to similar-duration Treasuries).
- Asset-backed securities (ABS) were among the stronger-performing sectors, as their superior income and limited sensitivity to changes in interest rates fared well in what was a volatile market environment.

Economic Snapshot

Labor Market	Latest	Mar 2015	Jun 2014	
Unemployment Rate	Jun'15	5.3%	5.5%	6.1%
Change In Non-Farm Payrolls	Jun'15	223,000	119,000	286,000
Average Hourly Earnings (YoY)	Jun'15	2.0%	2.1%	2.0%
Personal Income (YoY)	May'15	4.4%	4.0%	3.7%
Initial Jobless Claims (week)	7/2/15	281,000	267,000	313,000

Growth	Latest	Mar 2015	Jun 2014	
Real GDP (QoQ SAAR)	2015Q1	-0.2%	2.2% ¹	-2.1% ²
GDP Personal Consumption (QoQ SAAR)	2015Q1	2.1%	4.4% ¹	1.2% ²
Retail Sales (YoY)	May'15	2.7%	2.1%	4.3%
ISM Manufacturing Survey (month)	Jun'15	53.5	51.5	55.7
Existing Home Sales SAAR (month)	May'15	5.35 mil.	5.21 mil.	5.01 mil.

Inflation / Prices	Latest	Mar 2015	Jun 2014	
Personal Consumption Expenditures (YoY)	May'15	0.2%	0.3%	1.6%
Consumer Price Index (YoY)	May'15	0.0%	-0.1%	2.1%
Consumer Price Index Core (YoY)	May'15	1.7%	1.8%	1.9%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$59.47	\$47.60	\$105.37
Gold Futures (oz.)	Jun 30	\$1,172	\$1,183	\$1,322



1. Data as of Fourth Quarter 2014

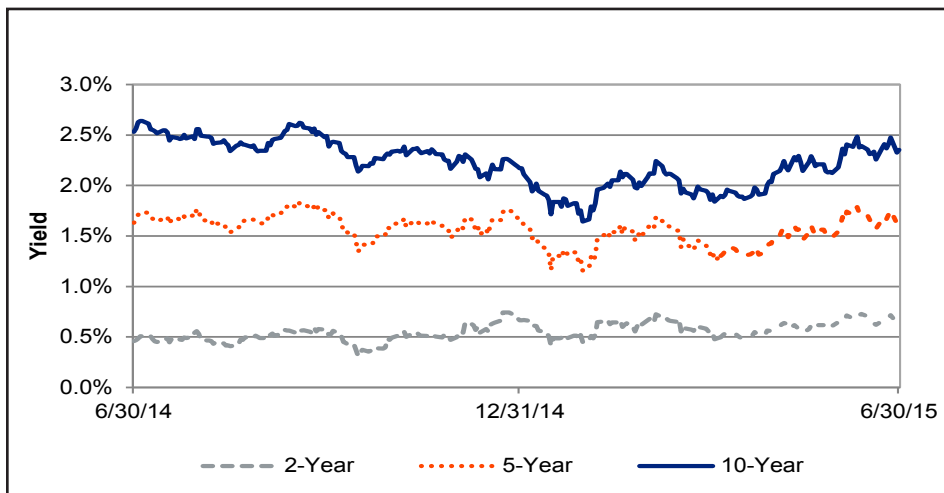
2. Data as of First Quarter 2014

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

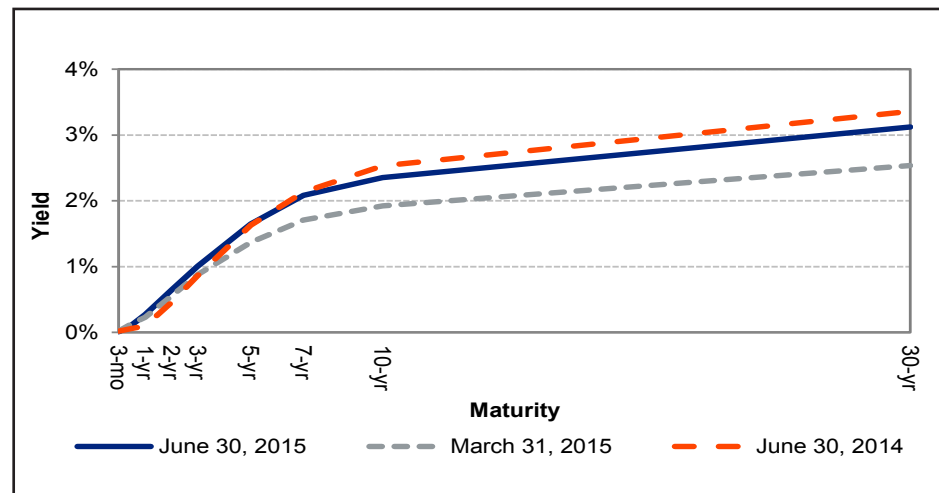
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



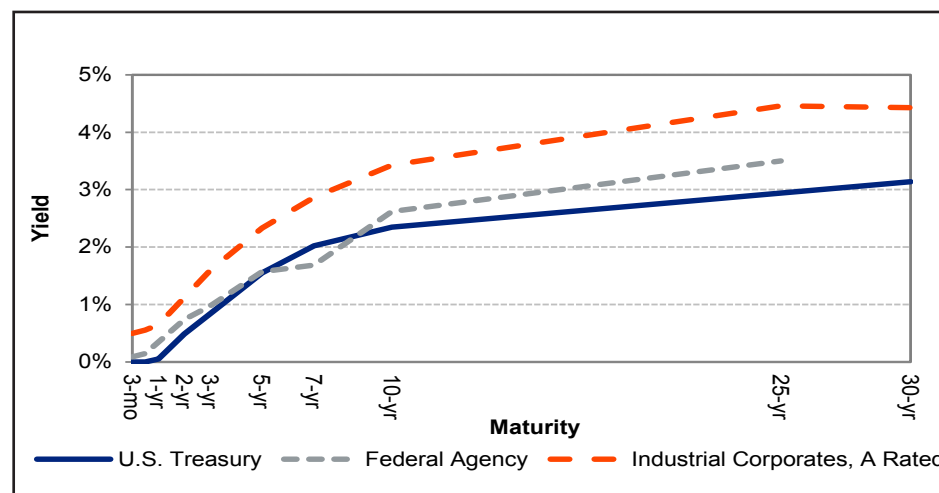
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	6/30/15	3/31/15	Change over Quarter	6/30/14	Change over Year
3-month	0.01%	0.02%	(0.01%)	0.02%	(0.01%)
1-year	0.27%	0.23%	0.04%	0.10%	0.17%
2-year	0.65%	0.56%	0.09%	0.46%	0.19%
5-year	1.65%	1.37%	0.28%	1.63%	0.02%
10-year	2.35%	1.92%	0.43%	2.53%	(0.18%)
30-year	3.12%	2.54%	0.58%	3.36%	(0.24%)

Yield Curves as of 6/30/15



Source: Bloomberg

BofA Merrill Lynch Index Returns

	As of 6/30/2015		Returns for Periods ended 6/30/2015		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.87	0.63%	0.15%	0.88%	0.66%
Federal Agency	1.74	0.76%	0.16%	0.99%	0.73%
U.S. Corporates, A-AAA rated	2.05	1.45%	0.08%	1.02%	1.76%
Agency MBS (0 to 3 years)	1.93	1.53%	(0.07%)	0.62%	0.96%
Municipals	1.79	0.86%	0.01%	0.40%	0.80%
1-5 Year Indices					
U.S. Treasury	2.70	0.93%	0.02%	1.38%	0.83%
Federal Agency	2.18	0.96%	0.09%	1.31%	0.94%
U.S. Corporates, A-AAA rated	2.81	1.80%	(0.13%)	1.45%	2.36%
Agency MBS (0 to 5 years)	3.34	2.10%	(0.46%)	1.58%	1.68%
Municipals	2.54	1.13%	(0.01%)	0.62%	1.13%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.04	1.56%	(1.84%)	2.59%	0.94%
Federal Agency	3.71	1.41%	(0.66%)	2.11%	1.28%
U.S. Corporates, A-AAA rated	6.68	2.89%	(2.59%)	1.75%	3.04%
Agency MBS (0 to 30 years)	4.65	2.60%	(0.79%)	2.16%	1.87%
Municipals	6.93	2.63%	(0.97%)	3.10%	3.21%

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

	6/30/15		3/31/15
	Benchmark	Portfolio	Portfolio
Average Maturity (yrs.)	2.25	2.21	2.16
Effective Duration*	2.18	2.15	2.12
Average Purchase Yield	N/A	1.12%	1.11%
Average Market Yield	0.75%	0.84%	0.70%
Average Quality	AA+	AA+/Aaa	AA+/Aaa
Total Market Value		45,622,718	45,633,343

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

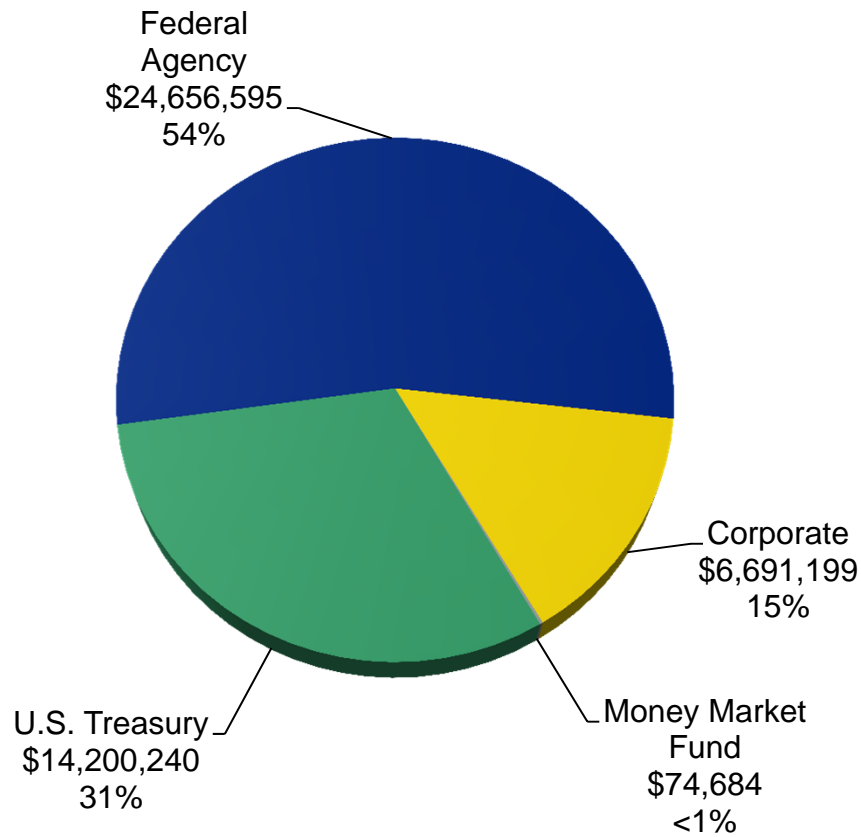
**Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price, for each 1% change in interest rates. Modified duration is a similar risk measure, but it ignores how changes in rates will impact cash flows on bonds with embedded options such 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

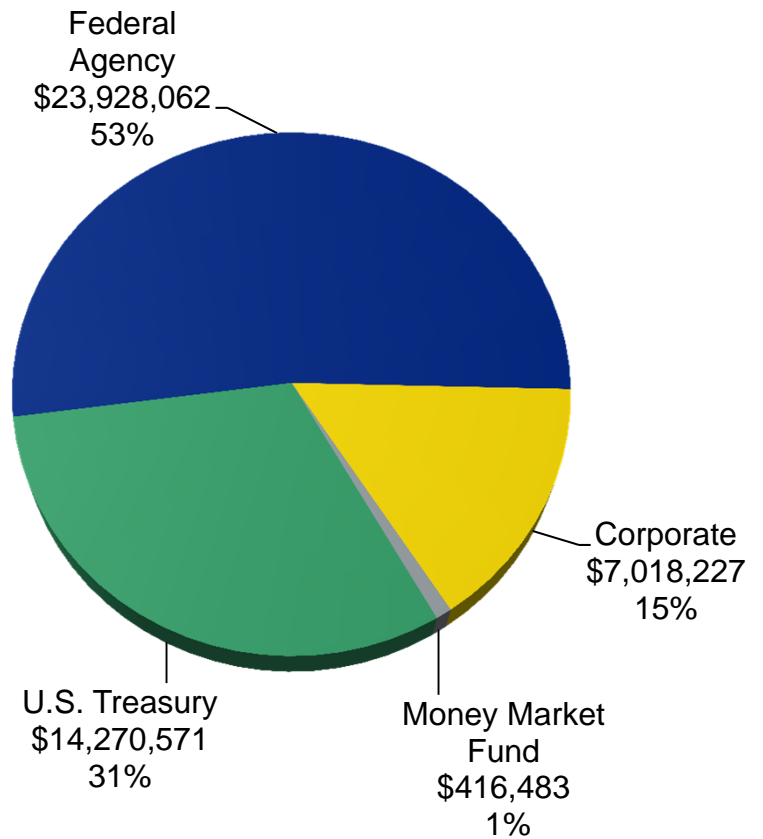


City of San Luis Obispo Sector Distribution – PFM Managed

June 30, 2015



March 31, 2015



*Sector distribution includes market value and excludes accrued interest.



City of San Luis Obispo Issuer Distribution – PFM Managed

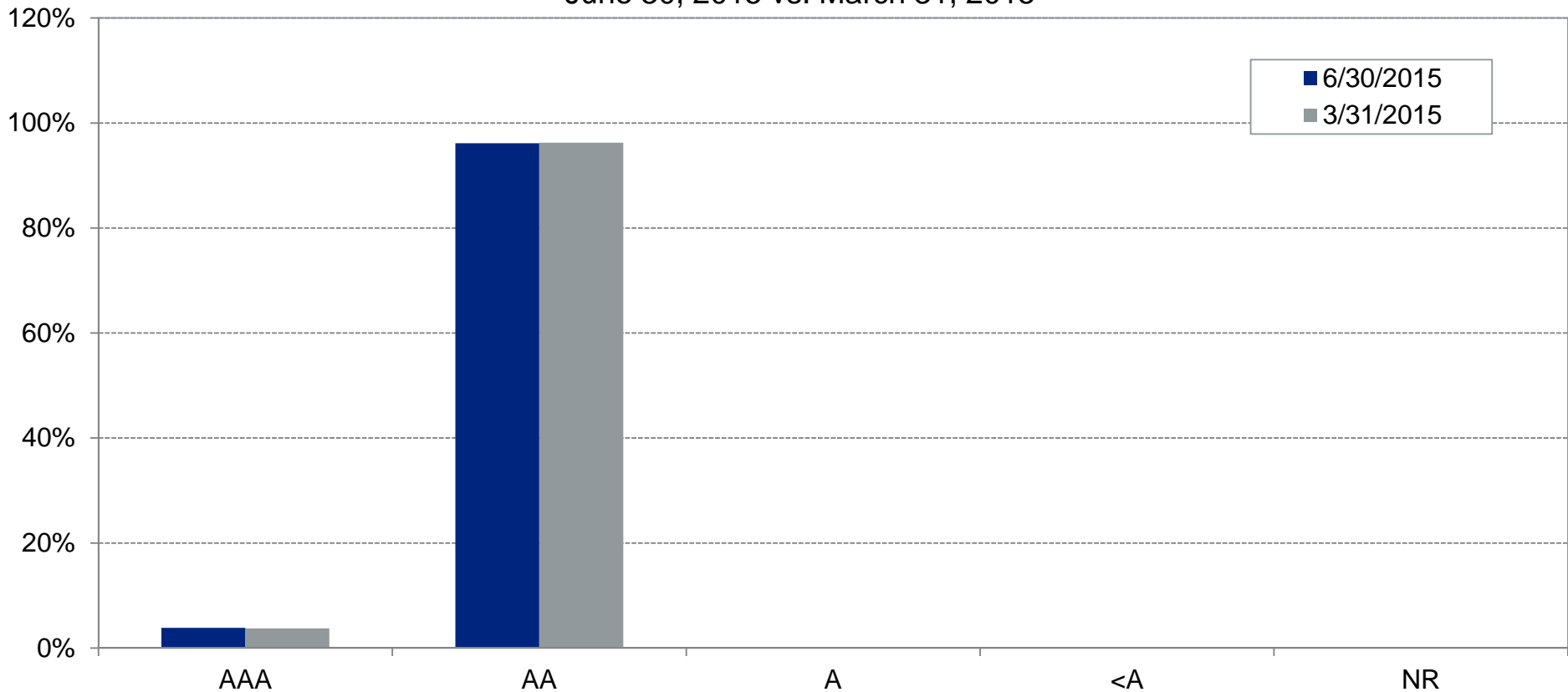
Issuer Name	Investment Type	% Portfolio
U.S. Treasury	U.S. Treasury	31.13%
FNMA	Federal Agency	19.14%
FHLMC	Federal Agency	18.46%
FFCB	Federal Agency	8.36%
FHLB	Federal Agency	8.08%
Microsoft Corp	Corporate Note	2.19%
Procter & Gamble	Corporate Note	2.02%
IBM	Corporate Note	1.63%
Berkshire Hathaway	Corporate Note	1.55%
General Electric	Corporate Note	1.54%
Wal-Mart Stores	Corporate Note	1.53%
Apple Inc	Corporate Note	1.53%
Johnson & Johnson	Corporate Note	1.50%
Google Inc	Corporate Note	1.16%
Dreyfus Prime Cash Management Fund	Money Market Fund	0.16%
Total		100.00%

As of June 30, 2015

Quality Distribution



City of San Luis Obispo
Credit Quality – PFM Managed
 June 30, 2015 vs. March 31, 2015



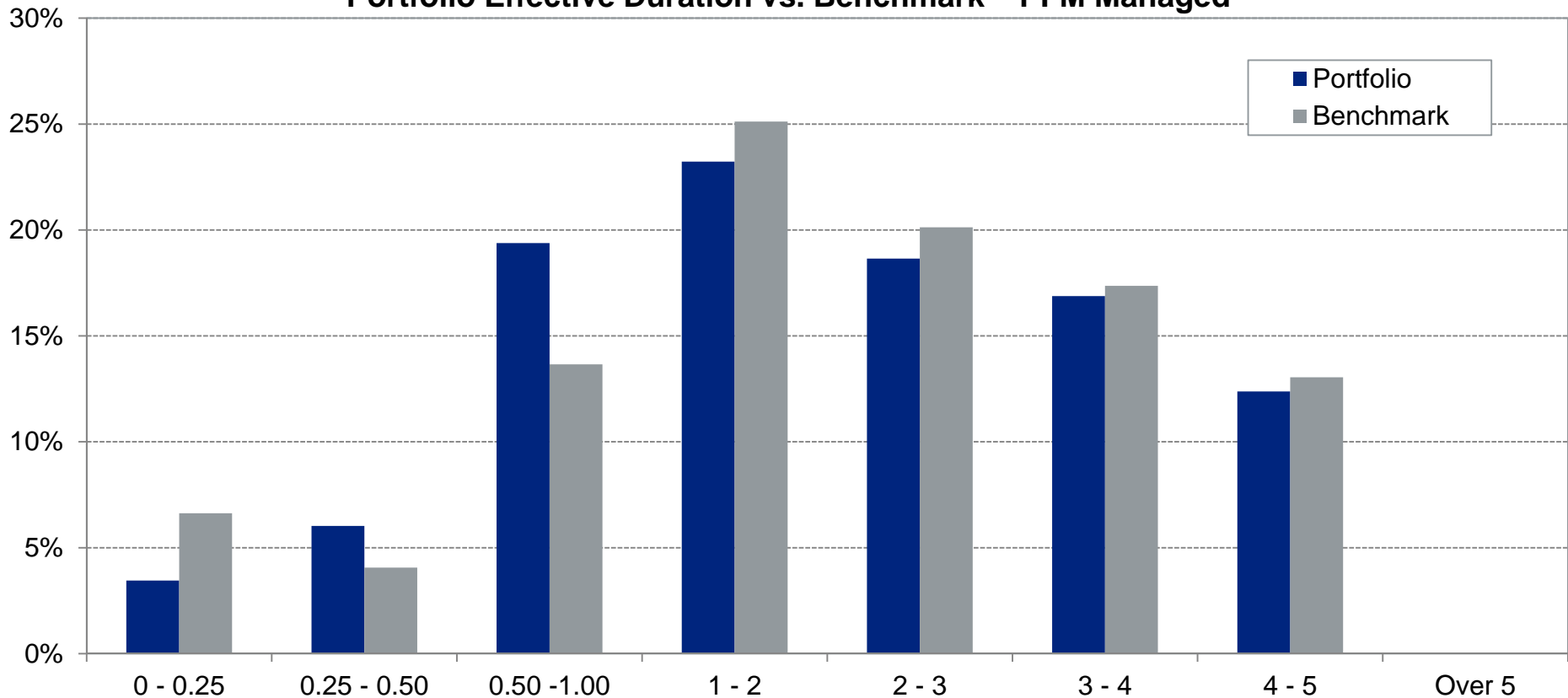
	AAA	AA	A	<A	NR
6/30/2015	3.9%	96.1%	0.0%	0.0%	0.0%
3/31/2015	3.8%	96.2%	0.0%	0.0%	0.0%

Ratings by Standard & Poor's

Duration Distribution



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



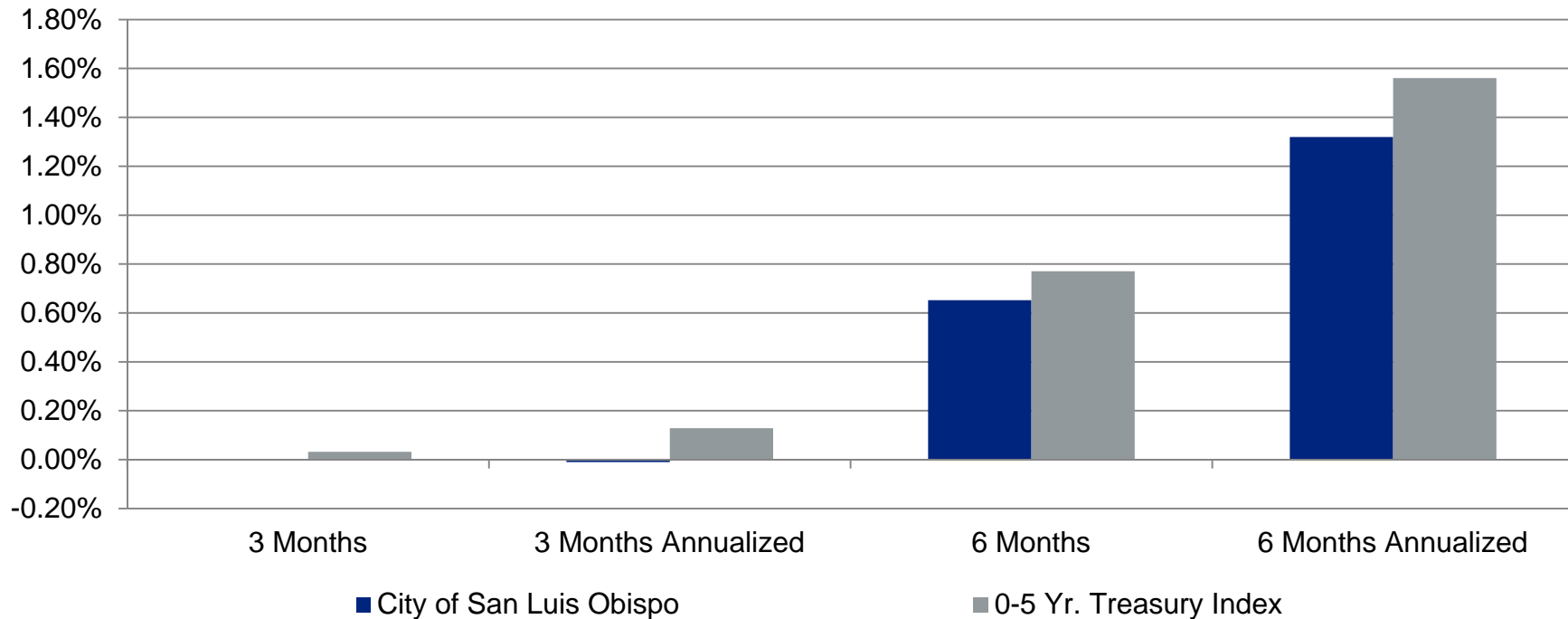
	0 – 0.25	0.25 – 0.5	0.50 – 1	1 - 2	2 - 3	3 - 4	4 -5	Over 5
Portfolio	3.5%	6.0%	19.4%	23.2%	18.6%	16.9%	12.4%	0.0%
Benchmark	6.6%	4.1%	13.7%	25.1%	20.1%	17.4%	13.0%	0.0%

*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 June 30, 2015
 Total Rate of Return*



	3 Months	3 Months Annualized	6 Months	6 Months Annualized
City of San Luis Obispo	0.00%	-0.01%	0.65%	1.32%
0-5 Yr. Treasury Index	0.03%	0.13%	0.77%	1.56%

- 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.



City of San Luis Obispo - Internal Portfolio Characteristics

	6/30/15	3/31/15
	Portfolio	Portfolio
Average Maturity (yrs.)	0.02	0.03
Effective Duration*	0.02	0.03
Average Purchase Yield	0.32%	0.32%
Average Market Yield	0.15%	0.15%
Average Quality	AA+/Aaa	AA+/Aaa
Total Market Value	55,575,152	54,434,581

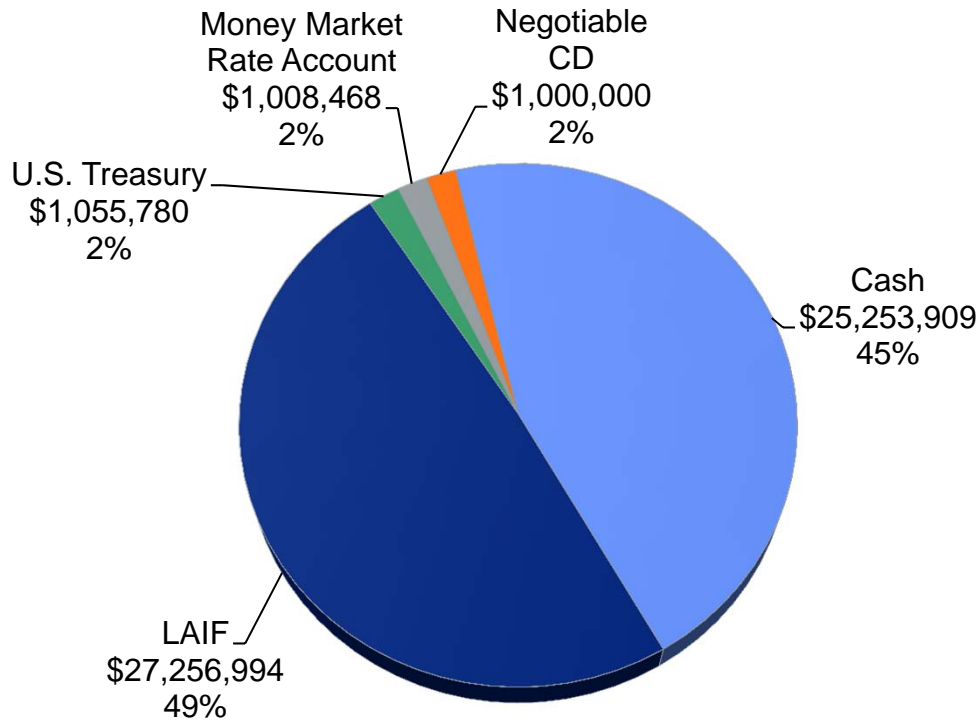
**Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price, for each 1% change in interest rates. Modified duration is a similar risk measure, but it ignores how changes in rates will impact cash flows on bonds with embedded options such 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

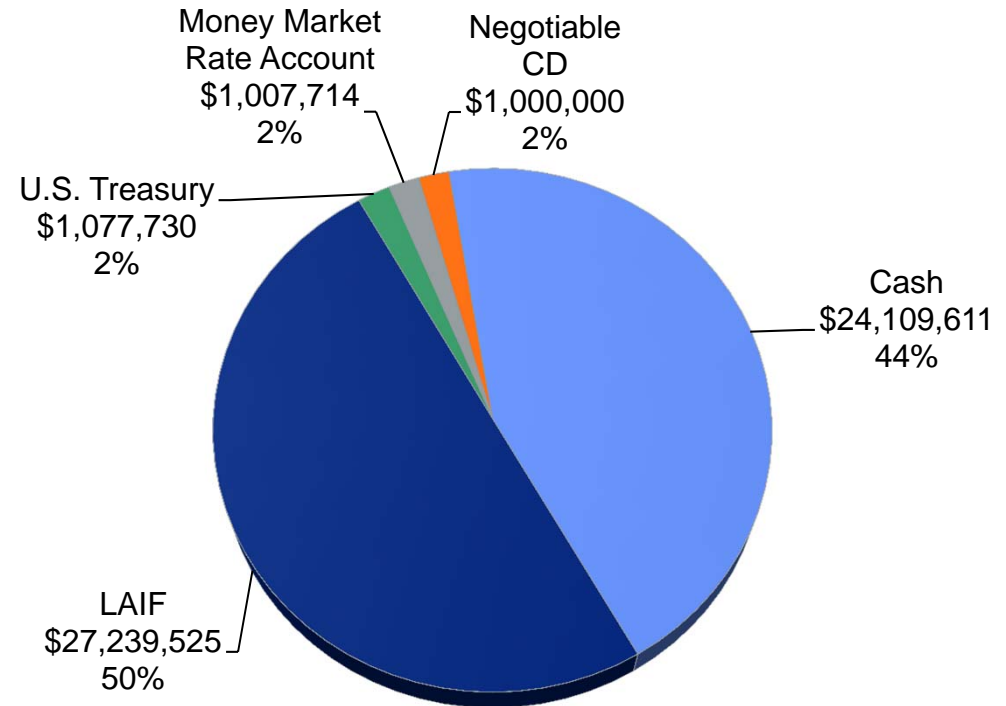


City of San Luis Obispo Sector Distribution – Internal

June 30, 2015



March 31, 2015



*Sector distribution includes market value and excludes accrued interest.



Issuer Distribution – Internal

Issuer Name	Investment Type	% Portfolio
LAIF	LAIF	49.05%
Cash	Cash	45.44%
U.S. Treasury	U.S. Treasury	1.90%
Heritage Oaks Bank	Money Market Rate Account	1.81%
Heritage Oaks Bank	Negotiable CD	1.80%
Total		100.00%

As of June 30, 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

	6/30/15	3/31/15
	Portfolio	Portfolio
Average Maturity (yrs.)	1.01	1.00
Effective Duration*	0.98	0.98
Average Purchase Yield	0.68%	0.68%
Average Market Yield	0.46%	0.40%
Average Quality	AA+/Aaa	AA+/Aaa
Total Market Value	101,197,870	100,067,923

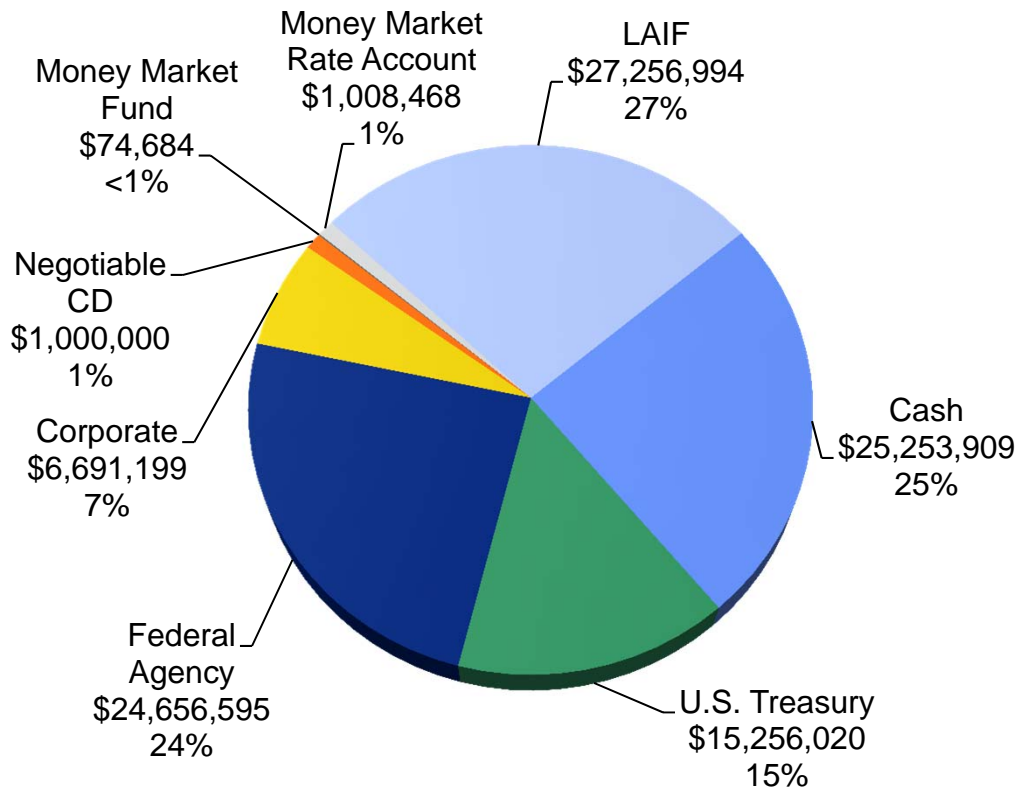
**Effective duration used in place of modified duration. Effective duration is the approximate percentage change in price, for each 1% change in interest rates. Modified duration is a similar risk measure, but it ignores how changes in rates will impact cash flows on bonds with embedded options such 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

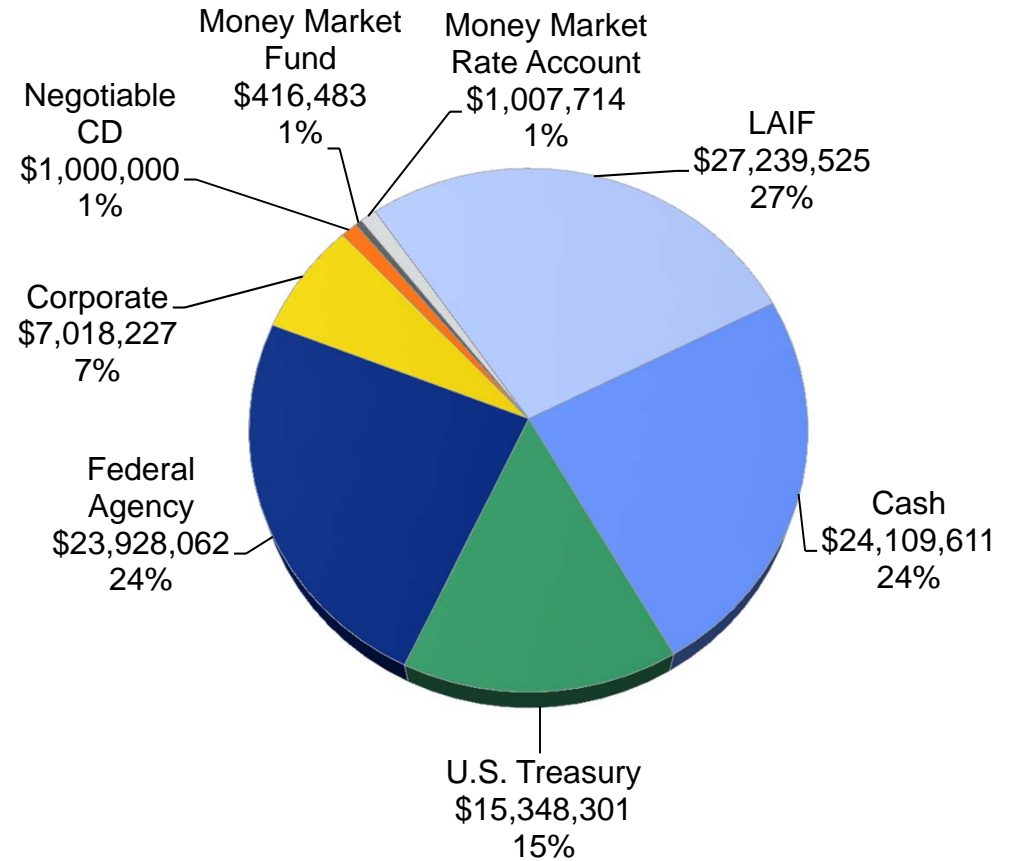


City of San Luis Obispo Sector Distribution – Consolidated

June 30, 2015



March 31, 2015



*Sector distribution includes market value and excludes accrued interest.



Issuer Distribution – Consolidated

Issuer Name	Investment Type	% Portfolio
LAIF	LAIF	26.93%
Cash	Cash	24.95%
U.S. Treasury	U.S. Treasury	15.08%
FNMA	Federal Agency	8.63%
FHLMC	Federal Agency	8.32%
FFCB	Federal Agency	3.77%
FHLB	Federal Agency	3.64%
Heritage Oaks Bank	Money Market Rate Account	1.00%
Microsoft Corp	Corporate Note	0.99%
Heritage Oaks Bank	Negotiable CD	0.99%
Procter & Gamble	Corporate Note	0.91%
IBM	Corporate Note	0.74%
Berkshire Hathaway	Corporate Note	0.70%
General Electric	Corporate Note	0.69%
Wal-Mart Stores	Corporate Note	0.69%
Apple Inc	Corporate Note	0.69%
Johnson & Johnson	Corporate Note	0.68%
Google Inc	Corporate Note	0.52%
Dreyfus Prime Cash Management Fund	Money Market Fund	0.07%
Total		100.00%

As of June 30, 2015

Section IV. Portfolio Holdings



City of San Luis Obispo Holdings Report

For the Quarter Ending June 30, 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	0.28%	27,256,994.30	27,256,994.30	27,256,994.30	0.28%	27,256,994.30	-	26.93%	-	NR NR	0.00	0.00
Total LAIF		0.28%	27,256,994.30	27,256,994.30	27,256,994.30	0.28%	27,256,994.30	-	26.93%	-	NR NR	0.00	0.00
Money Market Fund													
DREYFUS PRIME CASH MANAGEMNT MONEY MARKET FUND	Various	0.00%	74,684.04	74,684.04	74,684.04	0.00%	74,684.04	-	0.07%	-	AAA Aaa	0.00	0.00
Total Money Market Fund		0.00%	74,684.04	74,684.04	74,684.04	0.00%	74,684.04	-	0.07%	-	AAA Aaa	0.00	0.00
Cash													
CASH ACCOUNT	Various	0.00%	25,253,909.04	25,253,909.04	25,253,909.04	0.00%	25,253,909.04	-	24.95%	-	NR NR	0.00	0.00
CASH HERITAGE OAKS BANK MONEY MARKET RATE ACCOUNT	Various	0.21%	1,008,468.24	1,008,468.24	1,008,468.24	0.21%	1,008,468.24	-	1.00%	-	NR NR	0.00	0.00
Total Cash		0.01%	26,262,377.28	26,262,377.28	26,262,377.28	0.01%	26,262,377.28	-	25.95%	-	NR NR	0.00	0.00
U.S. Treasury Bond/Note													
US TREASURY NOTES 912828NP1 1.75% Due 7/31/2015	4/12/2011	1.91%	500,000.00	496,642.30	499,933.08	0.11%	500,703.00	3,649.86	0.49%	769.92	AA+ Aaa	0.08	0.09
US TREASURY NOTES 912828PJ3 1.38% Due 11/30/2015	5/16/2011	1.63%	1,055,000.00	1,043,217.21	1,053,886.95	0.08%	1,060,687.51	1,228.67	1.05%	6,800.56	AA+ Aaa	0.42	0.42
US TREASURY NOTES 912810DV7 9.25% Due 2/15/2016	2/15/1986	9.25%	1,000,000.00	1,000,000.00	1,000,000.00	0.39%	1,055,780.00	34,495.86	1.04%	55,780.00	AA+ Aaa	0.63	0.61
US TREASURY NOTES 912828QJ2 2.13% Due 2/29/2016	5/19/2011	1.74%	450,000.00	457,999.65	451,153.50	0.22%	455,730.30	3,196.16	0.45%	4,576.80	AA+ Aaa	0.67	0.66
US TREASURY NOTES 912828QJ2 2.13% Due 2/29/2016	8/30/2011	0.82%	600,000.00	634,548.89	605,187.09	0.22%	607,640.40	4,261.55	0.60%	2,453.31	AA+ Aaa	0.67	0.66
US TREASURY NOTES 912828UW8 0.25% Due 4/15/2016	4/24/2013	0.34%	900,000.00	897,647.55	899,373.49	0.29%	899,719.20	473.36	0.89%	345.71	AA+ Aaa	0.79	0.79
US TREASURY NOTES 912828VC1 0.25% Due 5/15/2016	9/26/2013	0.54%	700,000.00	694,697.66	698,237.30	0.29%	699,781.60	223.51	0.69%	1,544.30	AA+ Aaa	0.88	0.87
US TREASURY NOTES 912828VL1 0.63% Due 7/15/2016	10/7/2013	0.57%	750,000.00	751,145.09	750,431.51	0.36%	752,050.50	2,162.47	0.74%	1,618.99	AA+ Aaa	1.04	1.03
US TREASURY NOTES 912828SY7 0.63% Due 5/31/2017	5/13/2013	0.62%	135,000.00	135,005.73	135,002.75	0.63%	134,978.94	71.47	0.13%	(23.81)	AA+ Aaa	1.92	1.90
US TREASURY NOTES 912828TB6 0.75% Due 6/30/2017	9/17/2013	1.18%	575,000.00	565,882.79	570,139.70	0.65%	576,122.98	11.72	0.57%	5,983.28	AA+ Aaa	2.00	1.98
US TREASURY NOTES 912828UE8 0.75% Due 12/31/2017	8/13/2013	1.28%	625,000.00	611,061.66	616,959.61	0.84%	623,681.88	12.74	0.62%	6,722.27	AA+ Aaa	2.51	2.47
US TREASURY NOTES 912828UR9 0.75% Due 2/28/2018	4/24/2014	1.32%	925,000.00	905,166.18	911,165.52	0.90%	921,314.80	2,318.78	0.91%	10,149.28	AA+ Aaa	2.67	2.63
US TREASURY NOTES 912828RH5 1.38% Due 9/30/2018	2/19/2015	1.25%	400,000.00	401,765.63	401,593.63	1.11%	403,312.40	1,382.51	0.40%	1,718.77	AA+ Aaa	3.25	3.16
US TREASURY NOTES 912828RY8 1.38% Due 12/31/2018	2/9/2015	1.08%	500,000.00	505,527.34	504,981.87	1.21%	502,851.50	18.68	0.50%	(2,130.37)	AA+ Aaa	3.51	3.41
US TREASURY NOTES 912828RY8 1.38% Due 12/31/2018	3/24/2015	1.17%	1,000,000.00	1,007,539.06	1,007,008.05	1.21%	1,005,703.00	37.36	0.99%	(1,305.05)	AA+ Aaa	3.51	3.41
US TREASURY NOTES 912828RY8 1.38% Due 12/31/2018	4/13/2015	1.10%	600,000.00	606,070.31	605,723.21	1.21%	603,421.80	22.42	0.60%	(2,301.41)	AA+ Aaa	3.51	3.41
US TREASURY NOTES 912828SD3 1.25% Due 1/31/2019	1/8/2015	1.34%	1,775,000.00	1,768,967.77	1,769,666.98	1.24%	1,775,553.80	9,255.01	1.75%	5,886.82	AA+ Aaa	3.59	3.48
US TREASURY NOTES 912828SH4 1.38% Due 2/28/2019	2/27/2015	1.38%	500,000.00	499,960.94	499,964.21	1.28%	501,758.00	2,297.89	0.50%	1,793.79	AA+ Aaa	3.67	3.55
US TREASURY NOTES 912828UF5 1.13% Due 12/31/2019	1/8/2015	1.48%	775,000.00	761,891.60	763,116.35	1.53%	761,377.05	23.69	0.75%	(1,739.30)	AA+ Aaa	4.51	4.37



City of San Luis Obispo Holdings Report

For the Quarter Ending June 30, 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 912828ND8 3.50% Due 5/15/2020	5/29/2015	1.50%	1,300,000.00	1,423,550.78	1,421,393.56	1.62%	1,413,851.40	5,811.14	1.40%	(7,542.16)	AA+ Aaa	4.88	4.49
Total U.S. Treasury Bond/Note		1.76%	15,065,000.00	15,168,288.14	15,164,918.36	0.83%	15,256,020.06	70,954.85	15.08%	91,101.70	AA+ Aaa	2.40	2.32
Federal Agency Bond/Note													
FFCB NOTES 3133EADW5 0.55% Due 8/17/2015	4/27/2012	0.60%	1,000,000.00	998,511.00	999,942.00	0.18%	1,000,480.00	2,047.22	0.99%	538.00	AA+ Aaa	0.13	0.13
FFCB NOTES 31331J2S1 1.50% Due 11/16/2015	3/25/2011	2.20%	402,000.00	389,640.91	400,955.95	0.26%	403,882.97	753.75	0.40%	2,927.02	AA+ Aaa	0.38	0.38
FEDERAL HOME LOAN BANK GLOBAL NOTES 313380L96 0.50% Due 11/20/2015	6/27/2013	0.53%	700,000.00	699,447.00	699,910.54	0.19%	700,852.60	398.61	0.69%	942.06	AA+ Aaa	0.39	0.39
FFCB NOTES 31331J6C2 2.35% Due 12/22/2015	3/28/2011	2.27%	580,000.00	582,099.60	580,221.91	0.32%	585,606.28	340.75	0.58%	5,384.37	AA+ Aaa	0.48	0.48
FHLB NOTES 3133XXP43 3.13% Due 3/11/2016	8/10/2011	1.12%	965,000.00	1,051,449.53	978,370.12	0.32%	983,831.01	9,214.41	0.97%	5,460.89	AA+ Aaa	0.70	0.69
FFCB NOTES 3133EAJU3 1.05% Due 3/28/2016	9/14/2012	0.53%	924,000.00	940,879.28	927,562.95	0.29%	929,190.11	2,506.35	0.92%	1,627.16	AA+ Aaa	0.75	0.74
FANNIE MAE GLOBAL NOTES 3135GQVA8 0.50% Due 3/30/2016	3/27/2013	0.45%	950,000.00	951,434.50	950,358.05	0.31%	951,317.65	1,200.69	0.94%	959.60	AA+ Aaa	0.75	0.75
FHLB NOTES 313370TW8 2.00% Due 9/9/2016	10/24/2013	0.67%	280,000.00	290,550.40	284,387.29	0.48%	285,060.44	1,742.22	0.28%	673.15	AA+ Aaa	1.20	1.17
FANNIE MAE NOTES 3135GQES8 1.38% Due 11/15/2016	3/14/2012	1.21%	985,000.00	992,545.10	987,262.31	0.52%	996,583.60	1,730.59	0.98%	9,321.29	AA+ Aaa	1.38	1.36
FHLB NOTES 3130A3J70 0.63% Due 11/23/2016	2/9/2015	0.52%	500,000.00	500,915.00	500,714.37	0.58%	500,303.00	329.86	0.49%	(411.37)	AA+ Aaa	1.40	1.39
FANNIE MAE GLOBAL NOTES 3135GQGY3 1.25% Due 1/30/2017	2/27/2012	1.07%	800,000.00	807,016.00	802,292.09	0.59%	808,294.40	4,194.44	0.80%	6,002.31	AA+ Aaa	1.59	1.56
FFCB NOTES 31331KBX7 2.88% Due 2/10/2017	7/25/2012	0.74%	865,000.00	947,477.75	894,520.86	0.71%	894,917.76	9,740.26	0.88%	396.90	AA+ Aaa	1.62	1.56
FREDDIE MAC GLOBAL NOTES 3137EADC0 1.00% Due 3/8/2017	3/14/2012	1.29%	1,000,000.00	986,050.00	995,180.87	0.62%	1,006,299.00	3,138.89	0.99%	11,118.13	AA+ Aaa	1.69	1.67
FHLMC NOTES 3137EADF3 1.25% Due 5/12/2017	10/17/2012	0.82%	500,000.00	509,635.00	503,973.56	0.65%	505,589.50	850.69	0.50%	1,615.94	AA+ Aaa	1.87	1.84
FNMA NOTES (EX-CALLABLE) 3136FPYB7 2.05% Due 5/23/2017	8/7/2012	0.90%	365,000.00	384,739.20	372,900.80	0.76%	373,864.76	789.82	0.37%	963.96	AA+ Aaa	1.90	1.86
FHLB GLOBAL NOTES 3130A5EP0 0.63% Due 5/30/2017	5/15/2015	0.67%	515,000.00	514,572.55	514,598.96	0.73%	513,948.89	277.17	0.51%	(650.07)	AA+ Aaa	1.92	1.90
FEDERAL HOME LOAN BANK GLOBAL NOTES 313379DD8 1.00% Due 6/21/2017	11/26/2012	0.70%	700,000.00	709,478.00	704,128.10	0.73%	703,658.20	194.44	0.70%	(469.90)	AA+ Aaa	1.98	1.95
FREDDIE MAC GLOBAL NOTES 3137EADH9 1.00% Due 6/29/2017	7/30/2012	0.85%	775,000.00	780,673.00	777,331.48	0.72%	779,252.43	43.06	0.77%	1,920.95	AA+ Aaa	2.00	1.98
FREDDIE MAC GLOBAL NOTES 3137EADH9 1.00% Due 6/29/2017	12/14/2012	0.74%	135,000.00	136,587.60	135,703.75	0.72%	135,740.75	7.50	0.13%	37.00	AA+ Aaa	2.00	1.98
FREDDIE MAC GLOBAL NOTES 3137EADJ5 1.00% Due 7/28/2017	11/26/2012	0.80%	900,000.00	908,316.00	903,732.17	0.77%	904,191.30	3,825.00	0.89%	459.13	AA+ Aaa	2.08	2.05
FREDDIE MAC GLOBAL NOTES 3137EADJ5 1.00% Due 7/28/2017	3/23/2015	0.82%	495,000.00	497,019.60	496,788.02	0.77%	497,305.22	2,103.75	0.49%	517.20	AA+ Aaa	2.08	2.05
FANNIE MAE GLOBAL NOTES 3135G0MZ3 0.88% Due 8/28/2017	6/20/2014	1.10%	625,000.00	620,687.50	622,069.01	0.76%	626,481.88	1,838.11	0.62%	4,412.87	AA+ Aaa	2.16	2.14
FREDDIE MAC GLOBAL NOTES 3137EADL0 1.00% Due 9/29/2017	1/4/2013	0.89%	950,000.00	954,788.00	952,295.15	0.89%	952,238.20	2,427.78	0.94%	(56.95)	AA+ Aaa	2.25	2.21
FANNIE MAE GLOBAL NOTES 3135G0PQ0 0.88% Due 10/26/2017	6/20/2014	1.17%	625,000.00	618,987.50	620,813.95	0.85%	625,286.25	987.41	0.62%	4,472.30	AA+ Aaa	2.33	2.29
FHLMC NOTES 3137EADN6 0.75% Due 1/12/2018	10/1/2014	1.26%	800,000.00	787,008.00	789,933.46	0.95%	796,016.00	2,816.67	0.79%	6,082.54	AA+ Aaa	2.54	2.49
FREDDIE MAC GLOBAL NOTES 3137EADP1 0.88% Due 3/7/2018	11/20/2014	1.20%	900,000.00	890,469.00	892,218.39	1.01%	896,872.50	2,493.75	0.89%	4,654.11	AA+ Aaa	2.69	2.64



City of San Luis Obispo Holdings Report

For the Quarter Ending June 30, 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
FANNIE MAE GLOBAL NOTES 3135GOWJ8 0.88% Due 5/21/2018	4/24/2014	1.46%	925,000.00	903,691.70	909,767.16	1.09%	919,463.88	899.31	0.91%	9,696.72	AA+ Aaa	2.89	2.84
FREDDIE MAC NOTES 3137EADG1 1.75% Due 5/30/2019	8/4/2014	1.67%	900,000.00	903,420.00	902,802.47	1.46%	909,793.80	1,356.25	0.90%	6,991.33	AA+ Aaa	3.92	3.77
FNMA NOTES 3135GOZE6 1.75% Due 6/20/2019	10/2/2014	1.77%	500,000.00	499,630.00	499,690.60	1.47%	505,344.00	267.36	0.50%	5,653.40	AA+ Aaa	3.98	3.83
FNMA NOTES 3135GOZE6 1.75% Due 6/20/2019	8/5/2014	1.74%	350,000.00	350,227.50	350,188.71	1.47%	353,740.80	187.15	0.35%	3,552.09	AA+ Aaa	3.98	3.83
FNMA NOTES 3135GOZE6 1.75% Due 6/20/2019	11/21/2014	1.71%	100,000.00	100,157.00	100,137.19	1.47%	101,068.80	53.47	0.10%	931.61	AA+ Aaa	3.98	3.83
FREDDIE MAC GLOBAL NOTES 3137EADK2 1.25% Due 8/1/2019	9/15/2014	1.88%	1,050,000.00	1,019,077.50	1,023,929.76	1.52%	1,038,843.75	5,468.75	1.03%	14,913.99	AA+ Aaa	4.09	3.95
FNMA NOTES 3135GOZG1 1.75% Due 9/12/2019	2/9/2015	1.36%	500,000.00	508,665.00	507,942.91	1.55%	504,006.00	2,649.31	0.50%	(3,936.91)	AA+ Aaa	4.21	4.02
FNMA NOTES 3135GOA78 1.63% Due 1/21/2020	4/30/2015	1.54%	1,270,000.00	1,274,889.50	1,274,727.18	1.66%	1,268,239.78	9,172.22	1.25%	(6,487.40)	AA+ Aaa	4.56	4.34
FNMA NOTES 3135GOA78 1.63% Due 1/21/2020	6/29/2015	1.71%	700,000.00	697,298.00	697,301.40	1.66%	699,029.80	5,055.56	0.69%	1,728.40	AA+ Aaa	4.56	4.34
Total Federal Agency Bond/Note		1.13%	24,531,000.00	24,708,033.22	24,554,653.49	0.82%	24,656,595.31	81,102.57	24.36%	101,941.82	AA+ Aaa	2.16	2.11
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	750.00	0.99%	-	NR NR	0.47	0.47
Total Negotiable CD		0.27%	1,000,000.00	1,000,000.00	1,000,000.00	0.27%	1,000,000.00	750.00	0.99%	-	NR NR	0.47	0.47
Corporate Note													
GENERAL ELECTRIC CO NOTES 369604BE2 0.85% Due 10/9/2015	4/24/2013	0.59%	700,000.00	704,515.00	700,502.87	0.32%	701,024.10	1,355.28	0.69%	521.23	AA+ A1	0.28	0.90
WAL-MART STORES INC GLOBAL NOTES 931142DE0 0.60% Due 4/11/2016	6/27/2013	0.81%	700,000.00	696,017.00	698,880.84	0.55%	700,259.00	933.33	0.69%	1,378.16	AA Aa2	0.78	0.78
APPLE INC GLOBAL NOTES 037833AH3 0.45% Due 5/3/2016	5/13/2013	0.55%	700,000.00	698,005.00	699,433.78	0.51%	699,671.00	507.50	0.69%	237.22	AA+ Aa1	0.84	0.84
JOHNSON & JOHNSON GLOBAL NOTE 478160AY0 2.15% Due 5/15/2016	1/15/2013	0.58%	675,000.00	709,870.50	684,189.05	0.60%	684,134.10	1,854.38	0.68%	(54.95)	AAA Aaa	0.88	0.87
GOOGLE INC GLOBAL NOTES 38259PAC6 2.13% Due 5/19/2016	4/23/2012	0.91%	523,000.00	548,360.27	528,579.98	0.44%	530,804.73	1,296.60	0.52%	2,224.75	AA Aa2	0.89	0.88
PROCTER & GAMBLE CO NOTES (EX-CALLABLE) 742718DV8 1.45% Due 8/15/2016	8/3/2012	0.82%	915,000.00	937,893.30	921,444.80	0.77%	921,971.39	5,012.17	0.91%	526.59	AA- Aa3	1.13	1.11
BERKSHIRE HATHAWAY FIN GLOBAL NOTES 084664BS9 1.60% Due 5/15/2017	4/24/2013	1.00%	700,000.00	716,765.00	707,817.92	1.02%	707,520.80	1,431.11	0.70%	(297.12)	AA Aa2	1.88	1.84
IBM CORP NOTES 459200HZ7 1.13% Due 2/6/2018	2/9/2015	1.16%	750,000.00	749,317.50	749,406.33	1.37%	745,237.50	3,398.44	0.74%	(4,168.83)	AA- Aa3	2.61	2.54
MICROSOFT CORP NOTE 594918AY0 1.85% Due 2/12/2020	4/13/2015	1.58%	1,000,000.00	1,012,570.00	1,012,030.91	1.84%	1,000,576.00	7,143.06	0.99%	(11,454.91)	AAA Aaa	4.62	4.38
Total Corporate Note		0.92%	6,663,000.00	6,773,313.57	6,702,286.48	0.88%	6,691,198.62	22,931.87	6.61%	(11,087.86)	AA Aa2	1.70	1.71
Total Portfolio		0.68%	100,853,055.62	101,243,690.55	101,015,913.95	0.46%	101,197,869.61	175,739.29	100.00%	181,955.66	AA+	1.01	0.98
Total Market Value Plus Accrued							101,373,608.90						

*Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFM believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

Section V. Monthly Transactions



Managed Account Security Transactions & Interest

For the Month Ending **April 30, 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										
04/08/15	04/13/15	MICROSOFT CORP NOTE DTD 02/12/2015 1.850% 02/12/2020	594918AY0	1,000,000.00	(1,012,570.00)	(3,134.72)	(1,015,704.72)			
04/08/15	04/13/15	US TREASURY NOTES DTD 01/03/2012 1.375% 12/31/2018	912828RY8	600,000.00	(606,070.31)	(2,347.38)	(608,417.69)			
04/29/15	04/30/15	FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	1,270,000.00	(1,274,889.50)	(5,675.31)	(1,280,564.81)			
Transaction Type Sub-Total				2,870,000.00	(2,893,529.81)	(11,157.41)	(2,904,687.22)			
INTEREST										
04/09/15	04/09/15	GENERAL ELECTRIC CO NOTES DTD 10/09/2012 0.850% 10/09/2015	369604BE2	700,000.00	0.00	2,975.00	2,975.00			
04/11/15	04/11/15	WAL-MART STORES INC GLOBAL NOTES DTD 04/11/2013 0.600% 04/11/2016	931142DE0	700,000.00	0.00	2,100.00	2,100.00			
04/15/15	04/15/15	US TREASURY NOTES DTD 04/15/2013 0.250% 04/15/2016	912828UW8	900,000.00	0.00	1,125.00	1,125.00			
04/26/15	04/26/15	FANNIE MAE GLOBAL NOTES DTD 09/24/2012 0.875% 10/26/2017	3135G0PQ0	625,000.00	0.00	2,734.38	2,734.38			
Transaction Type Sub-Total				2,925,000.00	0.00	8,934.38	8,934.38			
SELL										
04/08/15	04/13/15	MICROSOFT CORP GLOBAL NOTES DTD 12/06/2013 1.625% 12/06/2018	594918AV6	600,000.00	609,930.00	3,439.58	613,369.58	9,852.00	9,864.65	SPEC LOT
04/08/15	04/13/15	US TREASURY NOTES DTD 12/31/2012 1.125% 12/31/2019	912828UF5	1,000,000.00	991,132.81	3,200.97	994,333.78	8,046.87	7,184.01	SPEC LOT
04/29/15	04/30/15	TENN VALLEY AUTHORITY GLOBAL NOTES DTD 06/21/2005 4.375% 06/15/2015	880591DY5	1,050,000.00	1,055,533.50	17,226.56	1,072,760.06	(112,852.95)	1,741.31	SPEC LOT
04/29/15	04/30/15	FFCB NOTES DTD 05/18/2011 1.600% 05/18/2015	31331KLE8	230,000.00	230,169.97	1,656.00	231,825.97	(2,532.53)	133.89	SPEC LOT
Transaction Type Sub-Total				2,880,000.00	2,886,766.28	25,523.11	2,912,289.39	(97,486.61)	18,923.86	



Managed Account Security Transactions & Interest

For the Month Ending April 30, 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									
Managed Account Sub-Total					(6,763.53)	23,300.08	16,536.55	(97,486.61)	18,923.86	
Total Security Transactions					(\$6,763.53)	\$23,300.08	\$16,536.55	(\$97,486.61)	\$18,923.86	



Managed Account Security Transactions & Interest

For the Month Ending **May 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										
05/14/15	05/15/15	FHLB GLOBAL NOTES DTD 05/15/2015 0.625% 05/30/2017	3130A5EP0	515,000.00	(514,572.55)	0.00	(514,572.55)			
05/28/15	05/29/15	US TREASURY NOTES DTD 05/17/2010 3.500% 05/15/2020	912828ND8	1,300,000.00	(1,423,550.78)	(1,730.98)	(1,425,281.76)			
Transaction Type Sub-Total				1,815,000.00	(1,938,123.33)	(1,730.98)	(1,939,854.31)			
INTEREST										
05/03/15	05/03/15	APPLE INC GLOBAL NOTES DTD 05/03/2013 0.450% 05/03/2016	037833AH3	700,000.00	0.00	1,575.00	1,575.00			
05/12/15	05/12/15	FHLMC NOTES DTD 03/26/2012 1.250% 05/12/2017	3137EADF3	500,000.00	0.00	3,125.00	3,125.00			
05/15/15	05/15/15	US TREASURY NOTES DTD 05/15/2013 0.250% 05/15/2016	912828VC1	700,000.00	0.00	875.00	875.00			
05/15/15	05/15/15	FANNIE MAE NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	985,000.00	0.00	6,771.88	6,771.88			
05/15/15	05/15/15	BERKSHIRE HATHAWAY FIN GLOBAL NOTES DTD 05/15/2012 1.600% 05/15/2017	084664BS9	700,000.00	0.00	5,600.00	5,600.00			
05/15/15	05/15/15	JOHNSON & JOHNSON GLOBAL NOTE DTD 05/20/2011 2.150% 05/15/2016	478160AY0	675,000.00	0.00	7,256.25	7,256.25			
05/16/15	05/16/15	FFCB NOTES DTD 11/15/2010 1.500% 11/16/2015	31331J2S1	402,000.00	0.00	3,015.00	3,015.00			
05/19/15	05/19/15	GOOGLE INC GLOBAL NOTES DTD 05/19/2011 2.125% 05/19/2016	38259PAC6	523,000.00	0.00	5,556.88	5,556.88			
05/20/15	05/20/15	FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 08/23/2012 0.500% 11/20/2015	313380L96	700,000.00	0.00	1,750.00	1,750.00			
05/21/15	05/21/15	FANNIE MAE GLOBAL NOTES DTD 04/15/2013 0.875% 05/21/2018	3135G0WJ8	925,000.00	0.00	4,046.88	4,046.88			
05/23/15	05/23/15	FNMA NOTES (EX-CALLABLE) DTD 11/23/2010 2.050% 05/23/2017	3136FPYB7	365,000.00	0.00	3,741.25	3,741.25			
05/23/15	05/23/15	FHLB NOTES DTD 11/17/2014 0.625% 11/23/2016	3130A3J70	500,000.00	0.00	1,614.58	1,614.58			



Managed Account Security Transactions & Interest

For the Month Ending **May 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									
INTEREST										
05/30/15	05/30/15	FREDDIE MAC NOTES DTD 04/16/2012 1.750% 05/30/2019	3137EADG1	900,000.00	0.00	7,875.00	7,875.00			
05/30/15	05/30/15	FHLB GLOBAL NOTES DTD 05/15/2015 0.625% 05/30/2017	3130A5EP0	515,000.00	0.00	134.11	134.11			
05/31/15	05/31/15	US TREASURY NOTES DTD 05/31/2012 0.625% 05/31/2017	912828SY7	135,000.00	0.00	421.88	421.88			
05/31/15	05/31/15	US TREASURY NOTES DTD 11/30/2010 1.375% 11/30/2015	912828PJ3	1,055,000.00	0.00	7,253.13	7,253.13			
Transaction Type Sub-Total				10,280,000.00	0.00	60,611.84	60,611.84			
SELL										
05/14/15	05/15/15	US TREASURY NOTES DTD 05/31/2012 0.625% 05/31/2017	912828SY7	515,000.00	515,181.05	1,467.89	516,648.94	159.21	169.84	SPEC LOT
05/28/15	05/29/15	US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	500,000.00	501,484.38	2,852.21	504,336.59	4,842.08	1,624.91	SPEC LOT
05/29/15	05/29/15	US TREASURY NOTES DTD 08/02/2010 1.750% 07/31/2015	912828NP1	50,000.00	50,148.44	285.22	50,433.66	484.21	162.49	SPEC LOT
05/29/15	05/29/15	FHLB NOTES DTD 03/11/2011 2.125% 06/30/2015	313372XB5	400,000.00	400,703.20	3,518.06	404,221.26	(9,408.80)	484.83	SPEC LOT
Transaction Type Sub-Total				1,465,000.00	1,467,517.07	8,123.38	1,475,640.45	(3,923.30)	2,442.07	
Managed Account Sub-Total					(470,606.26)	67,004.24	(403,602.02)	(3,923.30)	2,442.07	
Total Security Transactions					(\$470,606.26)	\$67,004.24	(\$403,602.02)	(\$3,923.30)	\$2,442.07	



Managed Account Security Transactions & Interest

For the Month Ending **June 30, 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										
06/25/15	06/29/15	FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	700,000.00	(697,298.00)	(4,992.36)	(702,290.36)			
Transaction Type Sub-Total				700,000.00	(697,298.00)	(4,992.36)	(702,290.36)			
INTEREST										
06/05/15	06/05/15	CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	700,000.00	0.00	3,864.00	3,864.00			
06/20/15	06/20/15	FNMA NOTES DTD 05/12/2014 1.750% 06/20/2019	3135G0ZE6	500,000.00	0.00	4,375.00	4,375.00			
06/20/15	06/20/15	FNMA NOTES DTD 05/12/2014 1.750% 06/20/2019	3135G0ZE6	100,000.00	0.00	875.00	875.00			
06/20/15	06/20/15	FNMA NOTES DTD 05/12/2014 1.750% 06/20/2019	3135G0ZE6	350,000.00	0.00	3,062.50	3,062.50			
06/21/15	06/21/15	FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 05/04/2012 1.000% 06/21/2017	313379DD8	700,000.00	0.00	3,500.00	3,500.00			
06/22/15	06/22/15	FFCB NOTES DTD 12/22/2010 2.350% 12/22/2015	31331J6C2	580,000.00	0.00	6,815.00	6,815.00			
06/29/15	06/29/15	FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	775,000.00	0.00	3,875.00	3,875.00			
06/29/15	06/29/15	FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	135,000.00	0.00	675.00	675.00			
06/30/15	06/30/15	US TREASURY NOTES DTD 01/03/2012 1.375% 12/31/2018	912828RY8	600,000.00	0.00	4,125.00	4,125.00			
06/30/15	06/30/15	US TREASURY NOTES DTD 07/02/2012 0.750% 06/30/2017	912828TB6	575,000.00	0.00	2,156.25	2,156.25			
06/30/15	06/30/15	US TREASURY NOTES DTD 12/31/2012 1.125% 12/31/2019	912828UF5	775,000.00	0.00	4,359.38	4,359.38			
06/30/15	06/30/15	US TREASURY NOTES DTD 12/31/2012 0.750% 12/31/2017	912828UE8	625,000.00	0.00	2,343.75	2,343.75			
06/30/15	06/30/15	US TREASURY NOTES DTD 01/03/2012 1.375% 12/31/2018	912828RY8	500,000.00	0.00	3,437.50	3,437.50			



Managed Account Security Transactions & Interest

For the Month Ending **June 30, 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										
06/30/15	06/30/15	US TREASURY NOTES DTD 01/03/2012 1.375% 12/31/2018	912828RY8	1,000,000.00	0.00	6,875.00	6,875.00			
Transaction Type Sub-Total				7,915,000.00	0.00	50,338.38	50,338.38			
SELL										
06/25/15	06/29/15	CHEVRON CORP (CALLABLE) GLOBAL NOTES DTD 12/05/2012 1.104% 12/05/2017	166764AA8	700,000.00	696,703.00	515.20	697,218.20	(5,739.00)	(4,504.23)	SPEC LOT
Transaction Type Sub-Total				700,000.00	696,703.00	515.20	697,218.20	(5,739.00)	(4,504.23)	
Managed Account Sub-Total					(595.00)	45,861.22	45,266.22	(5,739.00)	(4,504.23)	
Total Security Transactions					(\$595.00)	\$45,861.22	\$45,266.22	(\$5,739.00)	(\$4,504.23)	