



City of
Santa Rosa

City of Santa Rosa
Monthly Investment Report
August 31, 2016

City's Investment Objectives

- **Investment Objectives:** In accordance with the City's Investment Policy, the City's primary objectives in order of priority are:
 - **Safety** – Safety of principal is the foremost objective of the investment program. Investments of the City will be made in a manner that seeks to ensure the preservation of capital in the overall portfolio.
 - **Liquidity** – The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
 - **Yield** – The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints, liquidity needs, and cash flow characteristics of the portfolio.
- **Certification:** The City has sufficient funds to meet expenditures for the following six-month period.

Investment Guidelines

- The City invests in permitted securities consistent with California Government Code sections §53601, 53635, and 16429.1. The City's Investment Policy includes additional sector allocation and maturity restrictions that reflect the City's risk tolerances.

| Security Type | California Government Code | City's Investment Policy |
|--|----------------------------|--------------------------|
| U.S Treasury Notes | ✓ | ✓ |
| Federal Agencies | ✓ | ✓ |
| International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank Bonds | ✓ | |
| CA Municipal Investments | ✓ | ✓ |
| State Municipals | ✓ | ✓ |
| Corporate Notes | ✓ | ✓ |
| Mortgage-Backed Securities | ✓ | ✓ |
| Commercial Paper | ✓ | ✓ |
| Time Certificates of Deposit | ✓ | ✓ |
| Negotiable Certificates of Deposit | ✓ | ✓ |
| Bankers' Acceptances | ✓ | ✓ |
| Repurchase Agreements | ✓ | ✓ |
| Reverse Repurchase Agreements | ✓ | |
| Mutual Funds | ✓ | ✓ |
| Money Market Funds | ✓ | ✓ |
| Local Government Pools | ✓ | ✓ |
| Local Agency Investment Fund (LAIF) | ✓ | ✓ |

Market Summary

Economic Conditions

- The dog days of summer is a fitting description for financial markets in August. Despite post-Brexit uncertainty, the 10-year Treasury note yield traded within a range of less than 15 basis points (bps), the S&P 500 Index exchanged fewer than 500 million shares during 16 of 23 trading days, and market volatility reached a two-year low during the month.
- The U.S. economy grew at an annual rate of just 1.1% in the second quarter. Consumers continued to drive economic growth, while private investment detracted the most from growth since the financial crisis.
- The U.S. economy added 255,000 jobs in July, capping the largest two-month addition in jobs since the end of 2015. The unemployment rate remained at 4.9%.
- As mortgage rates remained near record lows, July's new home sales rose to the highest level since 2007. Existing home sales declined from an eight-year high in June, but remained above the 5-million-unit pace for the eighth month in a row.
- In a highly anticipated speech in August, Federal Reserve (Fed) Chair Janet Yellen said that "the case for an increase in the federal funds rate has strengthened in recent months."

Market Reaction

- Treasury yields rose modestly in August, posting their strongest gains of the year amid heightened expectations for a Fed rate hike later this year, probably after the November presidential election.
- Higher yields depressed returns in August, and for most Treasury benchmarks, the increase of 10 to 15 bps pushed quarterly returns into negative territory. The 1-3 year Treasury benchmark returned -0.22%, while the year-to-date (YTD) return remained positive at 1.21%.
- Federal agency spreads tightened modestly in August while agency yields rose in tandem with Treasuries of comparable maturity. As a result, most agency indexes slightly outperformed Treasuries of similar duration, although both were negative for the month.
- Investment-grade corporate yield spreads tightened further during the month as volatility all but disappeared. Corporate bonds continued to outperform Treasuries of comparable maturity for the second month in a row, adding to the 1-3-year, A-rated corporate bond return of 2.11% YTD.
- Mortgage-backed securities (MBS) outperformed comparable Treasury securities in August as the rise in interest rates helped to alleviate the risk of prepayments.

Portfolio Information Summary

Funds Included In Report

- The following report includes the City's funds held in overnight investment vehicles (savings accounts, money market funds, and CA state investment pool) and portfolio of individual fixed-income securities (operating and bond proceeds).

Portfolio Summary and Characteristics

- Funds are shown on a par, amortized cost, and market value basis.
 - Par Value. Face value, stated value or maturity value of a security.
 - Amortized Cost Value (Book Value). Represents the original cost of an investment adjusted for amortization of premium or accretion of discount.
 - Market Value. The current price at which that security is trading between buyers and sellers. Valuation highly dependent on interest rate movements.
- The investment sector and credit-ratings distribution is shown based on market value basis.
- Demonstrates level of diversification by investment type and credit quality. Additionally, illustrates active management of funds to optimize value in the current market.

Investment Program Maturity Summary

- The maturity distribution of the City's funds (market value plus accrued interest) from one day to the five year mandated limit.
- The change in by percentage in maturity distribution month-over-month is shown in the table.
- Demonstrates level of diversification by maturity date. Shows placement of funds to take advantage of opportunities while ensuring that the City has funds to meet its cash flow needs.

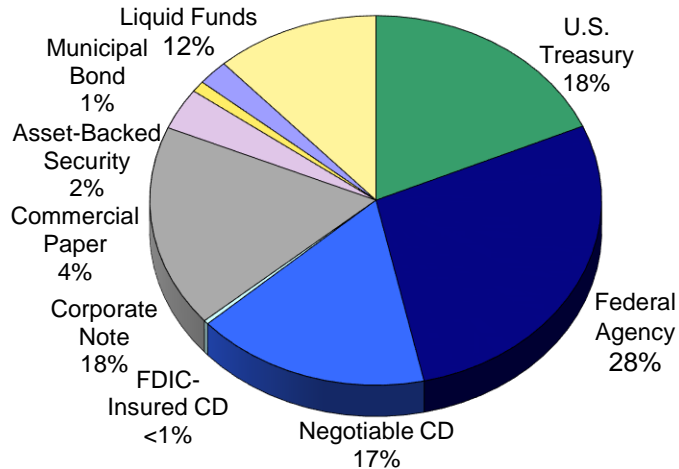
Portfolio Yield Summary

- The historical yield and duration of the City's funds, effective monthly yield for the California Local Government Investment Fund (LAIF), and the monthly yield for the Bank of America/Merrill Lynch 1-3 year Treasury Index is shown for the trailing 6-months.
- A historical record of the City's overall fund balance and earnings rates.

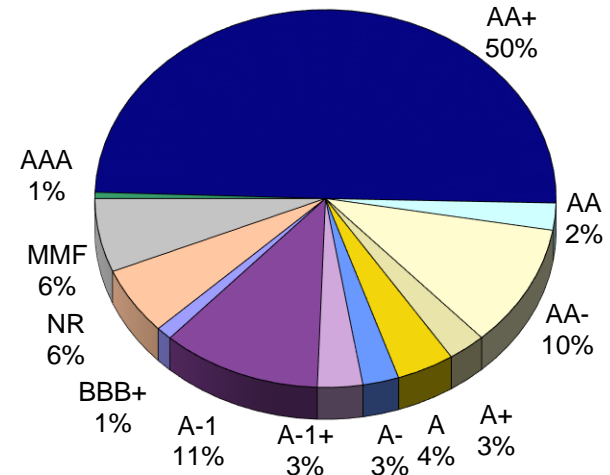
Portfolio Summary and Characteristics

| Security Type | Par Value | Amortized Cost Value ¹ | Market Value ¹ | August 31, 2016 % of Portfolio ³ |
|--------------------------------|----------------------|-----------------------------------|---------------------------|--|
| U.S. Treasury | \$65,654,000 | \$66,211,054 | \$66,561,412 | 18% |
| Federal Agency | \$101,640,000 | \$101,705,133 | \$101,653,606 | 28% |
| Federal Agency Mortgage-Backed | \$7,929,854 | \$7,993,369 | \$7,977,271 | 2% |
| Negotiable CD | \$60,100,000 | \$60,426,601 | \$60,527,249 | 17% |
| FDIC-Insured CD | \$1,232,145 | \$1,235,239 | \$1,233,064 | <1% |
| Corporate Note | \$63,230,000 | \$63,603,033 | \$64,009,254 | 18% |
| Commercial Paper | \$13,174,000 | \$13,165,594 | \$13,166,879 | 4% |
| Municipal Bond | \$3,525,000 | \$3,534,965 | \$3,516,285 | 1% |
| Liquid Funds ² | \$42,433,712 | \$42,433,712 | \$42,433,712 | 12% |
| Total Value | \$358,918,711 | \$360,308,700 | \$361,078,733 | 100% |

Sector Distribution



Credit Quality Distribution



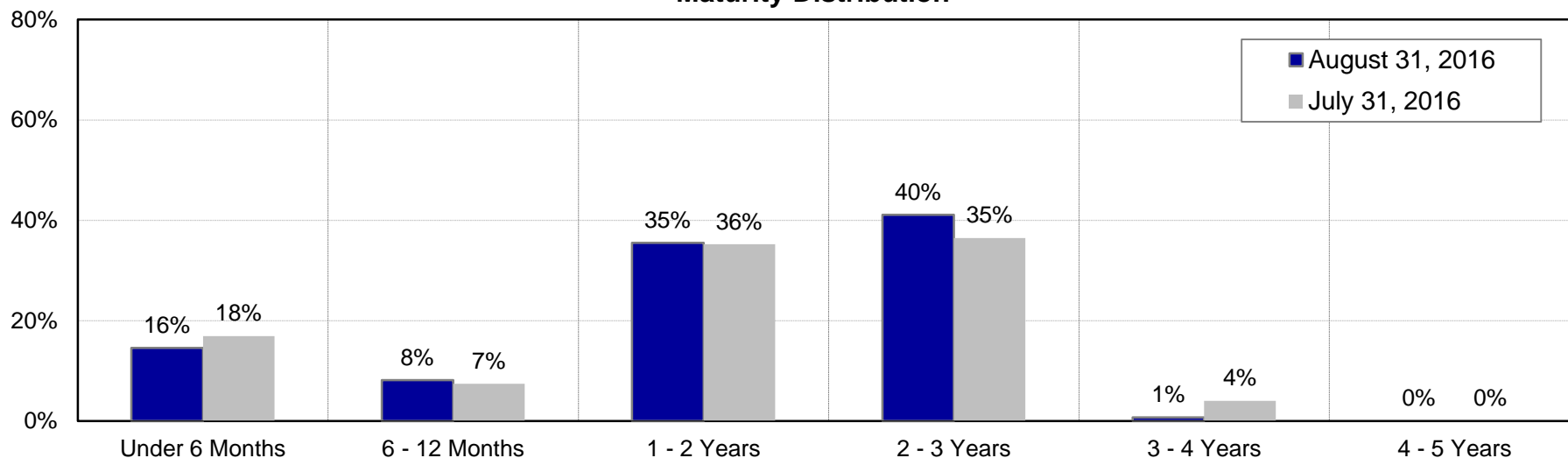
Ratings by Standard & Poor's

1. Security market values include accrued interest as of trade date.
2. Liquid Funds include the City's LAIF, PFM Funds-Prime Money Market Fund, Wells Fargo Peg & Sweep, and custody account cash balances.
3. Based on market value plus accrued interest.
4. Credit rating for security was compliant at the time of purchase. City has elected to hold security until it is advantageous to sell or to maturity.

Investment Program Maturity Summary

| Maturity ¹ | Market Value ² | August 31, 2016 % of Portfolio | July 31, 2016 % of Portfolio |
|---------------------------|---------------------------|-----------------------------------|---------------------------------|
| Under 6 Months | \$58,089,704 | 16% | 18% |
| 6 - 12 Months | \$28,868,163 | 8% | 7% |
| 1 - 2 Years | \$125,893,736 | 35% | 36% |
| 2 - 3 Years | \$145,687,973 | 40% | 35% |
| 3 - 4 Years | \$2,539,158 | 1% | 4% |
| 4 - 5 Years | \$0 | 0% | 0% |
| Total Market Value | \$361,078,733 | 100% | 100% |

Maturity Distribution²

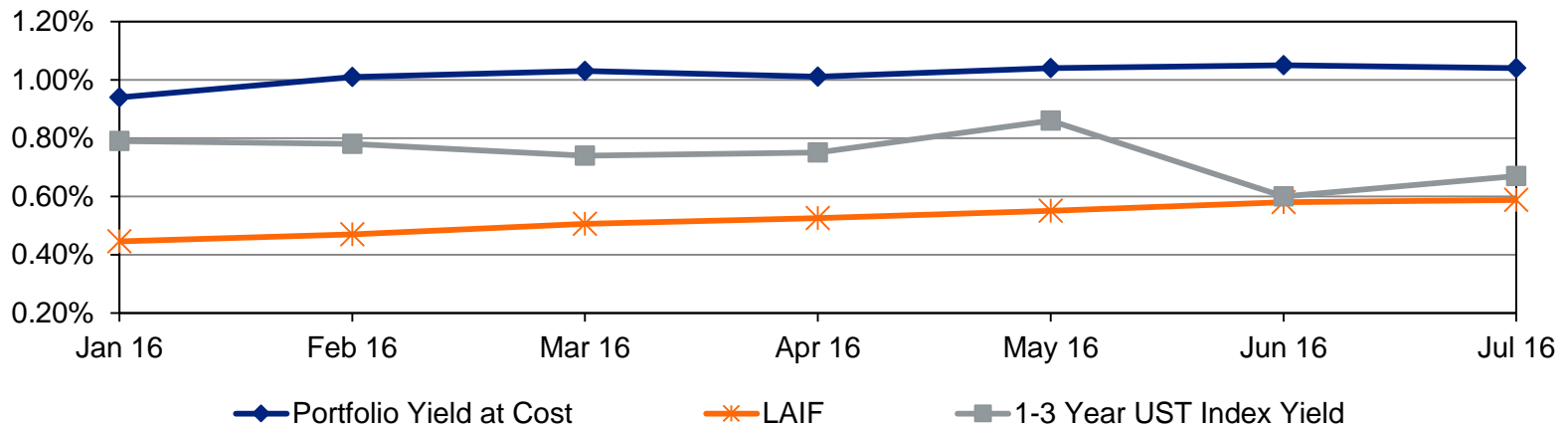


1. Funds held in LAIF are included in the under 6 month range because they can be accessed within one day.
2. Security market values include accrued interest as of trade date.

Portfolio Yield Summary

| Date | Market Value ¹ | Portfolio Duration | Portfolio Yield (Cost) | LAIF Yield (Monthly Effective) ² | 1-3 Year Treasury Index Yield ² |
|--------|---------------------------|--------------------|------------------------|---|--|
| Feb-16 | \$362,571,482 | 1.55 | 1.01% | 0.47% | 0.78% |
| Mar-16 | \$366,052,452 | 1.54 | 1.03% | 0.51% | 0.74% |
| Apr-16 | \$379,096,223 | 1.44 | 1.01% | 0.53% | 0.75% |
| May-16 | \$376,601,239 | 1.48 | 1.04% | 0.55% | 0.86% |
| Jun-16 | \$376,821,935 | 1.51 | 1.05% | 0.58% | 0.60% |
| Jul-16 | \$365,692,556 | 1.62 | 1.04% | 0.59% | 0.67% |
| Aug-16 | \$361,079,176 | 1.66 | 1.06% | 0.61% | 0.80% |

Comparison of Combined Portfolio Yield, BAML 1-3 Year Treasury Index², and LAIF³



1. Security market values include accrued interest as of trade date.
2. Source: Bank of America/Merrill Lynch Global Bond Indices
3. Source: California State Treasurer's Website. Average monthly effective yield.



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

CITY OF SANTA ROSA (PFM)

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|-----------------------------------|-----------------|--|------------------|----------------------|------------------------|--------------------|------------------------|--------------|--------------|--------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| BUY | | | | | | | | | | |
| 07/28/16 | 08/04/16 | APPLE INC CORP NOTES DTD 08/04/2016 1.100% 08/02/2019 | 037833CB4 | 2,900,000.00 | (2,897,100.00) | 0.00 | (2,897,100.00) | | | |
| 07/29/16 | 08/02/16 | FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019 | 3135G0N33 | 9,200,000.00 | (9,184,544.00) | 0.00 | (9,184,544.00) | | | |
| 08/01/16 | 08/08/16 | MICROSOFT CORP NOTES DTD 08/08/2016 1.100% 08/08/2019 | 594918BN3 | 1,915,000.00 | (1,913,027.55) | 0.00 | (1,913,027.55) | | | |
| 08/03/16 | 08/17/16 | CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019 | 20772J3D2 | 3,175,000.00 | (3,181,858.00) | 0.00 | (3,181,858.00) | | | |
| 08/05/16 | 08/08/16 | FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 7,250,000.00 | (7,268,342.50) | (32,625.00) | (7,300,967.50) | | | |
| 08/08/16 | 08/15/16 | BERKSHIRE HATHAWAY INC GLOBAL NOTES DTD 08/15/2016 1.150% 08/15/2018 | 084670BX5 | 700,000.00 | (699,916.00) | 0.00 | (699,916.00) | | | |
| 08/10/16 | 08/12/16 | FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018 | 3130A8PK3 | 7,750,000.00 | (7,722,255.00) | (672.74) | (7,722,927.74) | | | |
| 08/11/16 | 08/12/16 | FEDERAL HOME LOAN BANKS AGCY DTD 05/27/2016 0.875% 06/29/2018 | 3130A8BD4 | 1,950,000.00 | (1,950,741.00) | (2,038.02) | (1,952,779.02) | | | |
| 08/12/16 | 08/15/16 | FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019 | 3137EADZ9 | 7,000,000.00 | (7,043,260.00) | (31,500.00) | (7,074,760.00) | | | |
| 08/25/16 | 08/26/16 | FHLB GLOBAL NOTE DTD 08/26/2016 0.875% 10/01/2018 | 3130A9AE1 | 13,250,000.00 | (13,240,990.00) | 0.00 | (13,240,990.00) | | | |
| 08/31/16 | 09/02/16 | FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019 | 3135G0P49 | 14,075,000.00 | (14,053,043.00) | 0.00 | (14,053,043.00) | | | |
| Transaction Type Sub-Total | | | | 69,165,000.00 | (69,155,077.05) | (66,835.76) | (69,221,912.81) | | | |
| INTEREST | | | | | | | | | | |
| 08/01/16 | 08/25/16 | FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.652% 06/01/2018 | 3136AMMC0 | 840,407.30 | 0.00 | 483.45 | 483.45 | | | |
| 08/01/16 | 08/25/16 | FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019 | 3136ASPX8 | 2,150,000.00 | 0.00 | 3,198.13 | 3,198.13 | | | |
| 08/01/16 | 08/25/16 | FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019 | 3136AQSW1 | 1,160,000.00 | 0.00 | 1,834.81 | 1,834.81 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

CITY OF SANTA ROSA (PFM)

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|-----------------------------------|----------|--|-----------|----------------------|------------------|-------------------|-------------------|--------------|--------------|--------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| INTEREST | | | | | | | | | | |
| 08/01/16 | 08/25/16 | FNMA SERIES 2015-M7 ASQ2 DTD 04/01/2015 1.550% 04/01/2018 | 3136ANJY4 | 1,280,000.00 | 0.00 | 1,653.33 | 1,653.33 | | | |
| 08/01/16 | 08/25/16 | FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019 | 3136AODO0 | 2,525,000.00 | 0.00 | 3,463.46 | 3,463.46 | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 0.59 | 0.59 | | | |
| 08/07/16 | 08/07/16 | FHLB NOTES DTD 07/08/2016 0.625% 08/07/2018 | 3130A8PK3 | 6,750,000.00 | 0.00 | 3,398.44 | 3,398.44 | | | |
| 08/17/16 | 08/17/16 | HSBC BANK USA NA FLOATING CERT DEPOS DTD 11/18/2015 1.394% 11/17/2017 | 40428AR41 | 5,500,000.00 | 0.00 | 17,114.04 | 17,114.04 | | | |
| 08/18/16 | 08/18/16 | CATERPILLAR FINANCIAL SE DTD 08/20/2014 1.250% 08/18/2017 | 14912L6D8 | 2,745,000.00 | 0.00 | 17,156.25 | 17,156.25 | | | |
| 08/19/16 | 08/19/16 | TOYOTA MOTOR CREDIT CORP DTD 02/19/2016 1.700% 02/19/2019 | 89236TCU7 | 2,675,000.00 | 0.00 | 22,737.50 | 22,737.50 | | | |
| 08/23/16 | 08/23/16 | APPLE INC CORP NOTES DTD 02/23/2016 1.700% 02/22/2019 | 037833BQ2 | 900,000.00 | 0.00 | 7,650.00 | 7,650.00 | | | |
| 08/24/16 | 08/24/16 | SVENSKA HANDELSBANKEN NY FLT CERT DEPOS DTD 11/24/2015 1.275% 08/24/2017 | 86958DH54 | 5,500,000.00 | 0.00 | 15,619.94 | 15,619.94 | | | |
| 08/26/16 | 08/26/16 | FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 7,250,000.00 | 0.00 | 36,250.00 | 36,250.00 | | | |
| 08/26/16 | 08/26/16 | FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019 | 3135G0J53 | 7,250,000.00 | 0.00 | 36,250.00 | 36,250.00 | | | |
| 08/28/16 | 08/28/16 | CISCO SYSTEMS INC CORP NOTE DTD 02/29/2016 1.400% 02/28/2018 | 17275RBA9 | 1,240,000.00 | 0.00 | 8,583.56 | 8,583.56 | | | |
| Transaction Type Sub-Total | | | | 47,765,407.30 | 0.00 | 175,393.50 | 175,393.50 | | | |
| PAYDOWNS | | | | | | | | | | |
| 08/01/16 | 08/25/16 | FNMA SERIES 2015-M3 FA DTD 02/01/2015 0.652% 06/01/2018 | 3136AMMC0 | 25,553.27 | 25,553.27 | 0.00 | 25,553.27 | 6.68 | 0.00 | |
| Transaction Type Sub-Total | | | | 25,553.27 | 25,553.27 | 0.00 | 25,553.27 | 6.68 | 0.00 | |
| SELL | | | | | | | | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

CITY OF SANTA ROSA (PFM)

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------|-----------------|---|------------------|---------------------|---------------------|-----------------|---------------------|-----------------|-----------------|-----------------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| SELL | | | | | | | | | | |
| 07/29/16 | 08/02/16 | US TREASURY NOTES DTD 06/02/2014 1.500% 05/31/2019 | 912828WL0 | 6,825,000.00 | 6,964,965.82 | 17,621.93 | 6,982,587.75 | (21,861.33) | (18,078.66) | SPEC LOT |
| 07/29/16 | 08/02/16 | JOHN DEERE CAPITAL CORP NOTES DTD 06/12/2014 1.125% 06/12/2017 | 24422ESN0 | 1,000,000.00 | 1,001,770.00 | 1,562.50 | 1,003,332.50 | 3,300.00 | 2,246.82 | SPEC LOT |
| 07/29/16 | 08/02/16 | PEPSICO, INC DTD 07/17/2015 1.125% 07/17/2017 | 713448CW6 | 3,940,000.00 | 3,950,086.40 | 1,846.88 | 3,951,933.28 | 11,347.20 | 10,694.03 | SPEC LOT |
| 08/01/16 | 08/08/16 | US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019 | 912828D23 | 1,850,000.00 | 1,892,636.72 | 8,169.16 | 1,900,805.88 | (5,347.66) | (3,526.83) | SPEC LOT |
| 08/03/16 | 08/17/16 | US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019 | 912828D23 | 3,095,000.00 | 3,165,362.89 | 14,896.79 | 3,180,259.68 | (9,913.67) | (6,182.09) | SPEC LOT |
| 08/05/16 | 08/08/16 | US TREASURY NOTES DTD 01/31/2014 1.500% 01/31/2019 | 912828B33 | 2,900,000.00 | 2,949,957.03 | 945.65 | 2,950,902.68 | 39,308.59 | 41,364.30 | SPEC LOT |
| 08/05/16 | 08/08/16 | US TREASURY NOTES DTD 02/29/2012 1.375% 02/28/2019 | 912828SH4 | 4,225,000.00 | 4,286,064.45 | 25,416.02 | 4,311,480.47 | 18,484.37 | 25,471.57 | SPEC LOT |
| 08/08/16 | 08/15/16 | US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018 | 912828VQ0 | 675,000.00 | 683,384.77 | 378.31 | 683,763.08 | 2,953.13 | 4,895.28 | SPEC LOT |
| 08/10/16 | 08/12/16 | US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018 | 912828VQ0 | 3,525,000.00 | 3,571,265.63 | 1,580.50 | 3,572,846.13 | 17,900.40 | 27,967.57 | SPEC LOT |
| 08/10/16 | 08/12/16 | US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018 | 912828VQ0 | 1,000,000.00 | 1,013,125.00 | 448.37 | 1,013,573.37 | 4,804.69 | 7,781.37 | SPEC LOT |
| 08/10/16 | 08/12/16 | US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018 | 912828VQ0 | 3,090,000.00 | 3,130,556.25 | 1,385.46 | 3,131,941.71 | 362.11 | 5,149.42 | SPEC LOT |
| 08/11/16 | 08/12/16 | US TREASURY NOTES DTD 07/31/2013 1.375% 07/31/2018 | 912828VQ0 | 1,910,000.00 | 1,932,905.08 | 856.39 | 1,933,761.47 | (1,939.84) | 1,019.31 | SPEC LOT |
| 08/12/16 | 08/15/16 | US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019 | 912828D23 | 6,875,000.00 | 7,028,076.17 | 32,483.44 | 7,060,559.61 | (25,244.14) | (17,293.41) | SPEC LOT |
| 08/25/16 | 08/26/16 | US TREASURY NOTES DTD 09/30/2011 1.375% 09/30/2018 | 912828RH5 | 13,000,000.00 | 13,154,882.81 | 72,281.42 | 13,227,164.23 | (11,679.69) | 37,091.63 | SPEC LOT |
| 08/31/16 | 09/02/16 | US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017 | 912828UA6 | 2,975,000.00 | 2,971,978.52 | 4,775.44 | 2,976,753.96 | 5,113.29 | 2,768.88 | SPEC LOT |
| 08/31/16 | 09/02/16 | JOHN DEERE CAPITAL CORP NOTES DTD 06/12/2014 1.125% 06/12/2017 | 24422ESN0 | 3,500,000.00 | 3,503,605.00 | 8,750.00 | 3,512,355.00 | 8,960.00 | 5,112.94 | SPEC LOT |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

CITY OF SANTA ROSA (PFM)

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------------------------|----------|--|-----------|----------------------|----------------------|---------------------|-----------------------|--------------------|---------------------|----------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| SELL | | | | | | | | | | |
| 08/31/16 | 09/02/16 | CATERPILLAR FINANCIAL SE DTD 08/20/2014 1.250% 08/18/2017 | 14912L6D8 | 2,745,000.00 | 2,751,642.90 | 1,334.38 | 2,752,977.28 | 8,015.40 | 7,089.24 | SPEC LOT |
| 08/31/16 | 09/02/16 | WELLS FARGO & COMPANY CORP NOTES DTD 09/09/2014 1.400% 09/08/2017 | 94974BGB0 | 4,600,000.00 | 4,604,968.00 | 31,126.67 | 4,636,094.67 | 9,522.00 | 6,534.76 | SPEC LOT |
| Transaction Type Sub-Total | | | | 67,730,000.00 | 68,557,233.44 | 225,859.31 | 68,783,092.75 | 54,084.85 | 140,106.13 | |
| Managed Account Sub-Total | | | | | (572,290.34) | 334,417.05 | (237,873.29) | 54,091.53 | 140,106.13 | |
| Total Security Transactions | | | | | (572,290.34) | \$334,417.05 | (\$237,873.29) | \$54,091.53 | \$140,106.13 | |

Bolded items are forward settling trades.



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA COP 2007 RESERVE FUND

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------------------------|----------|--|-----------|-------------------|---------------------|-----------------|---------------------|-------------------|-------------------|----------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| SELL | | | | | | | | | | |
| 08/10/16 | 08/15/16 | US TREASURY NOTES DTD 06/16/2014 0.875% 06/15/2017 | 912828WP1 | 60,000.00 | 60,140.63 | 87.50 | 60,228.13 | 210.94 | 180.94 | SPEC LOT |
| 08/10/16 | 08/15/16 | US TREASURY NOTES DTD 06/16/2014 0.875% 06/15/2017 | 912828WP1 | 145,000.00 | 145,339.84 | 211.46 | 145,551.30 | 430.46 | 392.52 | SPEC LOT |
| 08/10/16 | 08/15/16 | US TREASURY NOTES DTD 12/16/2013 0.625% 12/15/2016 | 912828A59 | 195,000.00 | 195,159.96 | 203.13 | 195,363.09 | 403.71 | 247.01 | SPEC LOT |
| 08/10/16 | 08/15/16 | UNITED STATES TREASURY NOTES DTD 12/15/2014 1.000% 12/15/2017 | 912828G79 | 260,000.00 | 261,157.81 | 433.33 | 261,591.14 | 1,584.37 | 1,449.26 | SPEC LOT |
| Transaction Type Sub-Total | | | | 660,000.00 | 661,798.24 | 935.42 | 662,733.66 | 2,629.48 | 2,269.73 | |
| Managed Account Sub-Total | | | | | 661,798.24 | 935.42 | 662,733.66 | 2,629.48 | 2,269.73 | |
| Total Security Transactions | | | | | \$661,798.24 | \$935.42 | \$662,733.66 | \$2,629.48 | \$2,269.73 | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA FNTNGROVE 2011 A RESERVE FUND

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------------------------|----------|---|-----------|-------------------|---------------|-------------------|-------------------|--------------|--------------|--------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| INTEREST | | | | | | | | | | |
| 08/01/16 | 08/01/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 0.22 | 0.22 | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 295,000.00 | 0.00 | 2,212.50 | 2,212.50 | | | |
| Transaction Type Sub-Total | | | | 295,000.00 | 0.00 | 2,212.72 | 2,212.72 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 2,212.72 | 2,212.72 | | | |
| Total Security Transactions | | | | | \$0.00 | \$2,212.72 | \$2,212.72 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA SKYHAWK 2011A RESERVE FUND

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------------------------|----------|---|-----------|-------------------|---------------|-----------------|-----------------|--------------|--------------|--------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| INTEREST | | | | | | | | | | |
| 08/01/16 | 08/01/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 0.16 | 0.16 | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 107,000.00 | 0.00 | 802.50 | 802.50 | | | |
| Transaction Type Sub-Total | | | | 107,000.00 | 0.00 | 802.66 | 802.66 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 802.66 | 802.66 | | | |
| Total Security Transactions | | | | | \$0.00 | \$802.66 | \$802.66 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA WATER 2008 RSV AC

| 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 | | | | | | | | | | |
| 08/01/16 | 08/01/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 0.01 | 0.01 | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 442,000.00 | 0.00 | 3,315.00 | 3,315.00 | | | |
| Transaction Type Sub-Total | | | | 442,000.00 | 0.00 | 3,315.01 | 3,315.01 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 3,315.01 | 3,315.01 | | | |
| Total Security Transactions | | | | | \$0.00 | \$3,315.01 | \$3,315.01 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA 2001B WASTEWATER PROJECT FUND

| 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 | | | | | | | | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 1.55 | 1.55 | | | |
| Transaction Type Sub-Total | | | | 0.00 | 0.00 | 1.55 | 1.55 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 1.55 | 1.55 | | | |
| Total Security Transactions | | | | | \$0.00 | \$1.55 | \$1.55 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA 2002B WASTEWATER PROJECT FUND

| 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 | | | | | | | | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 2.78 | 2.78 | | | |
| Transaction Type Sub-Total | | | | 0.00 | 0.00 | 2.78 | 2.78 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 2.78 | 2.78 | | | |
| Total Security Transactions | | | | | \$0.00 | \$2.78 | \$2.78 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA 2008A LOCAL WSTWTR PROJECT FD

| 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 | | | | | | | | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 2.78 | 2.78 | | | |
| Transaction Type Sub-Total | | | | 0.00 | 0.00 | 2.78 | 2.78 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 2.78 | 2.78 | | | |
| Total Security Transactions | | | | | \$0.00 | \$2.78 | \$2.78 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA 2008A SUBREGIONAL WSTWTR PROJ

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------------------------|----------|----------------------|-----------|-------------|---------------|---------------|---------------|--------------|--------------|--------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| INTEREST | | | | | | | | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 6.64 | 6.64 | | | |
| Transaction Type Sub-Total | | | | 0.00 | 0.00 | 6.64 | 6.64 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 6.64 | 6.64 | | | |
| Total Security Transactions | | | | | \$0.00 | \$6.64 | \$6.64 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA 2008 WATER BOND PROJECT FUND

| 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 | | | | | | | | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 1.65 | 1.65 | | | |
| Transaction Type Sub-Total | | | | 0.00 | 0.00 | 1.65 | 1.65 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 1.65 | 1.65 | | | |
| Total Security Transactions | | | | | \$0.00 | \$1.65 | \$1.65 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA 2014A WASTEWATER PROJECT FUND

| 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 | | | | | | | | | | |
| 08/02/16 | 08/02/16 | MONEY MARKET FUND | MONEY0002 | 0.00 | 0.00 | 16.77 | 16.77 | | | |
| Transaction Type Sub-Total | | | | 0.00 | 0.00 | 16.77 | 16.77 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 16.77 | 16.77 | | | |
| Total Security Transactions | | | | | \$0.00 | \$16.77 | \$16.77 | | | |



Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2016**

SANTA ROSA WSTWTR REV BDS COM RES

| Transaction Type | | | | | Principal | Accrued | | Realized G/L | Realized G/L | Sale |
|------------------------------------|----------|---|-----------|---------------------|---------------|--------------------|--------------------|--------------|--------------|--------|
| Trade | Settle | Security Description | CUSIP | Par | Proceeds | Interest | Total | Cost | Amort Cost | Method |
| INTEREST | | | | | | | | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 1,045,000.00 | 0.00 | 7,837.50 | 7,837.50 | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 2,745,000.00 | 0.00 | 20,587.50 | 20,587.50 | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 280,000.00 | 0.00 | 2,100.00 | 2,100.00 | | | |
| 08/31/16 | 08/31/16 | US TREASURY NOTES DTD 08/31/2011 1.500% 08/31/2018 | 912828RE2 | 1,660,000.00 | 0.00 | 12,450.00 | 12,450.00 | | | |
| Transaction Type Sub-Total | | | | 5,730,000.00 | 0.00 | 42,975.00 | 42,975.00 | | | |
| Managed Account Sub-Total | | | | | 0.00 | 42,975.00 | 42,975.00 | | | |
| Total Security Transactions | | | | | \$0.00 | \$42,975.00 | \$42,975.00 | | | |