

City of Santa Rosa

Monthly Investment Report

September 30, 2018

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 for 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

- U.S. equities had a great quarter, registering the best returns in nearly five years, as the S&P 500 (S&P) rose more than 7% and hit new all-time highs in September, before plummeting after quarter-end. Stocks benefitted from tailwinds of robust economic fundamentals, strong corporate earnings, and business optimism. But the outlook clouded in October, threatening valuations and raising uncertainty.
- The Federal Open Market Committee (FOMC) increased the overnight lending rate by 0.25% to a new target range of 2% to 2.25% at its September meeting, marking the third hike this year. Perhaps more significantly, the Fed ended the use of the word “accommodative” in its post-meeting news release. This suggests additional hikes in coming months but also adds uncertainty to rate forecasts.
- The U.S. economy added 134,000 new jobs in September, but this seemingly weak number was offset by sharp upward revisions in prior month estimates. Overall, the pace has averaged a healthy 200,000 jobs per month, enough to push the unemployment rate to 3.7%—a 48-year low.
- On the inflation front, many gauges of price increases are now at or near the Fed’s 2% target. Wage growth has ticked up, although it is still modest; oil prices have spiked on supply constraints and tariffs threaten to push up the cost of imported goods—all factors that could portend higher inflation in the future.
- The U.S., Canada, and Mexico reached agreement on updates to NAFTA. While the deal revises some country-of-origin, intellectual property, and environmental rules, the biggest result is the resolution of one significant source of market uncertainty. Meanwhile, however, trade with China showed signs of worsening.

Market Reaction

- The U.S. Treasury yield curve is showing signs of steepening as 10- and 30-year rates have recently risen to 7- and 4-year highs, respectively, while short-term rates rose in lockstep with the Fed.
- As a result of higher yields, the majority of investment-grade (IG), fixed income benchmarks generated negative returns for the month, with shorter-term maturities significantly outperforming their longer-term counterparts. For example, the three-year, five-year, and 30-year constant maturity indices returned -0.30%, -0.70%, and -3.34%, respectively.

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 a 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 is 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

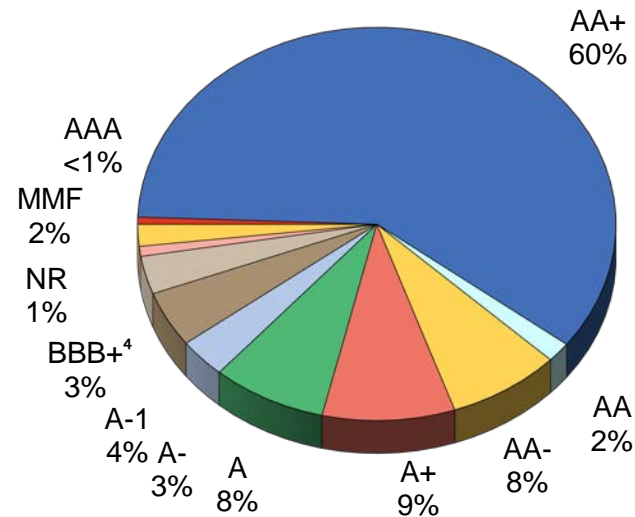
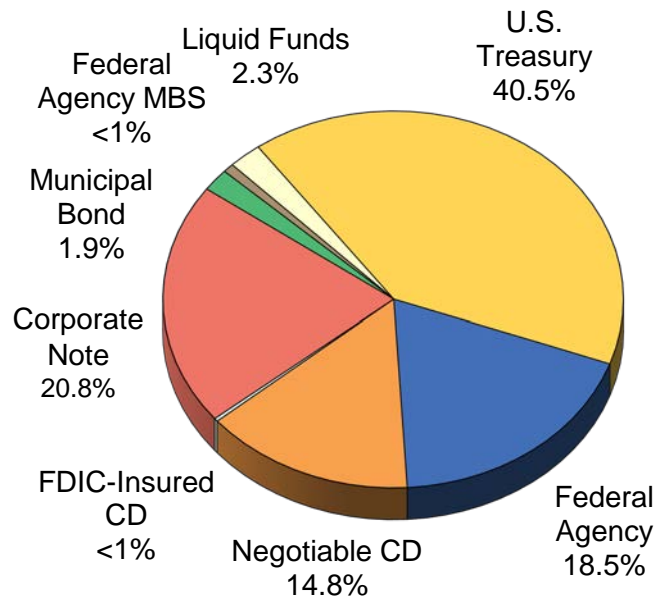
- The maturity distribution of the City's funds (market value plus accrued interest) from one day to the five-year mandated limit.
- The percentage change in maturity distribution month-over-month is shown in the table.
- Demonstrates level of diversification by maturity date. Shows placement of funds 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 six 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	September 30, 2018 % of Portfolio ³
U.S. Treasury	\$147,431,000	\$147,394,383	\$145,373,085	41%
Federal Agency	\$67,178,000	\$67,294,536	\$66,394,999	19%
Federal Agency Mortgage-Backed	\$2,761,595	\$2,807,244	\$2,786,280	1%
Negotiable CD	\$52,815,000	\$53,144,673	\$52,952,158	15%
FDIC-Insured CD	\$1,169,252	\$1,179,189	\$1,173,664	<1%
Corporate Notes	\$75,119,000	\$75,535,389	\$74,705,889	21%
Municipal Bond	\$6,950,000	\$7,003,194	\$6,932,315	2%
Liquid Funds ²	\$8,383,705	\$8,383,705	\$8,383,705	2%
Total Value	\$361,807,552	\$362,742,312	\$358,702,095	100%



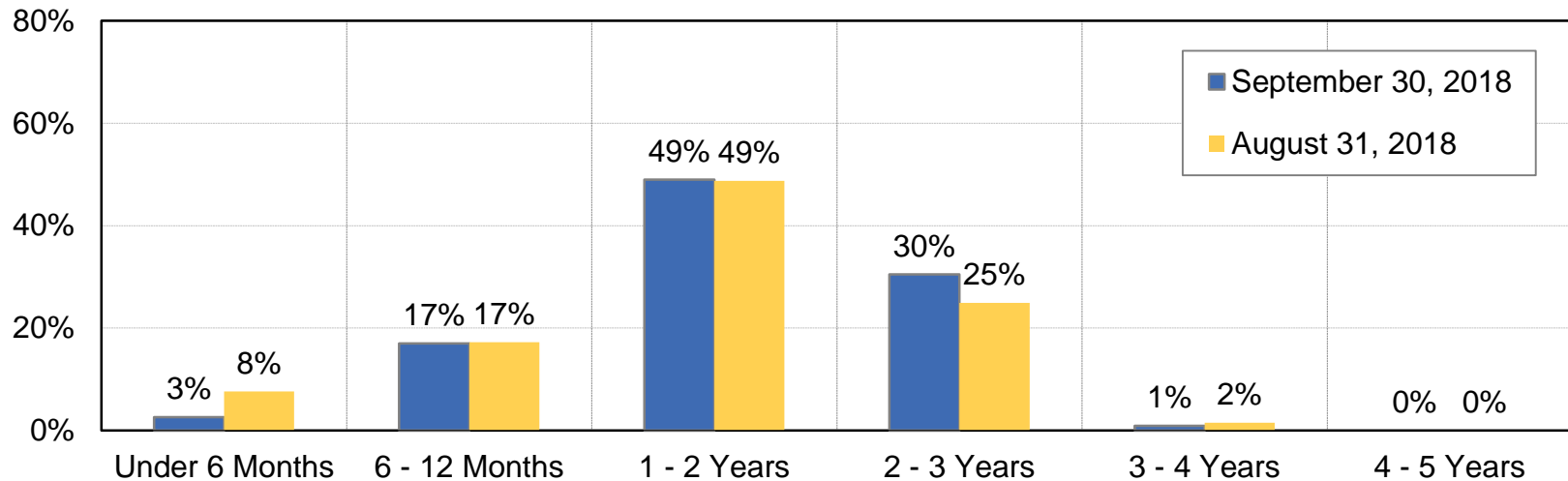
Ratings by Standard & Poor's

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. Percentages may not add exactly to 100% due to rounding.
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	September 30, 2018 % of Portfolio	August 31, 2018 % of Portfolio
Under 6 Months	\$9,433,263	3%	8%
6–12 Months	\$61,205,396	17%	17%
1–2 Years	\$175,513,527	49%	49%
2–3 Years	\$109,332,432	30%	25%
3–4 Years	\$3,217,477	1%	2%
4–5 Years	\$0	0%	0%
Total Market Value	\$358,702,095	100%	100%

Maturity Distribution²

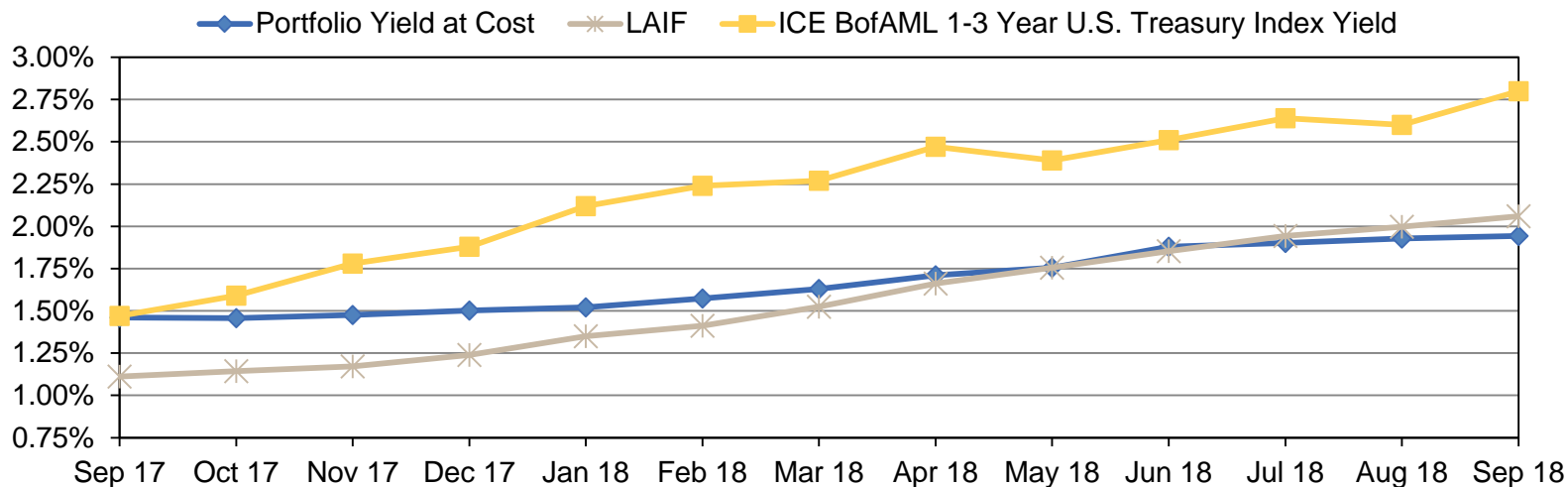


1. Funds held in LAIF are included in the under 6-month range because they can be accessed within one day.
2. Security market values include accrued interest as of trade date. Values may not sum exactly to 100% due to rounding.

Portfolio Yield Summary

Date	Market Value ¹	Portfolio Duration	Portfolio Yield (Cost)	LAIF Yield (Monthly Effective) ²	1-3 Year Treasury Index Yield ²
Mar-18	\$397,675,981	1.44	1.63%	1.52%	2.27%
Apr-18	\$399,873,234	1.43	1.71%	1.66%	2.47%
May-18	\$413,681,581	1.37	1.76%	1.76%	2.39%
Jun-18	\$403,409,604	1.48	1.88%	1.85%	2.51%
Jul-18	\$382,281,851	1.58	1.90%	1.94%	2.64%
Aug-18	\$362,179,863	1.52	1.93%	2.00%	2.60%
Sep-18	\$358,702,095	1.52	1.94%	2.06%	2.80%

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: ICE Bank of America/Merrill Lynch Global Bond Indices
3. Source: California State Treasurer's website. Average monthly effective yield.



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 12/01/2014 1.500% 11/30/2019	912828G61	13,300,000.00	AA+	Aaa	12/01/16	12/05/16	13,320,781.25	1.45	67,045.08	13,308,207.30	13,117,643.70
US TREASURY NOTES DTD 02/02/2015 1.250% 01/31/2020	912828H52	7,050,000.00	AA+	Aaa	01/03/17	01/05/17	6,993,820.31	1.52	14,847.15	7,025,335.15	6,913,406.25
US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	7,500,000.00	AA+	Aaa	05/15/18	05/16/18	7,344,726.56	2.56	8,831.15	7,376,879.78	7,357,035.00
US TREASURY NOTES DTD 03/02/2015 1.375% 02/29/2020	912828J50	8,400,000.00	AA+	Aaa	08/31/17	09/01/17	8,399,671.88	1.38	9,890.88	8,399,813.44	8,239,879.20
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	2,250,000.00	AA+	Aaa	04/03/17	04/05/17	2,239,892.58	1.53	12,946.67	2,244,737.18	2,201,220.00
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	3,950,000.00	AA+	Aaa	04/07/17	04/10/17	3,929,632.81	1.55	22,728.60	3,939,344.48	3,864,364.00
US TREASURY NOTES DTD 04/30/2015 1.375% 04/30/2020	912828K58	6,250,000.00	AA+	Aaa	04/10/17	04/10/17	6,219,482.42	1.54	35,962.98	6,234,035.50	6,114,500.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	7,500,000.00	AA+	Aaa	06/26/17	06/28/17	7,526,953.13	1.50	30,799.93	7,515,814.05	7,349,415.00
US TREASURY NOTES DTD 06/30/2015 1.625% 06/30/2020	912828XH8	8,000,000.00	AA+	Aaa	06/15/17	06/15/17	8,024,687.50	1.52	32,853.26	8,014,328.72	7,839,376.00
US TREASURY NOTES DTD 07/31/2015 1.625% 07/31/2020	912828XM7	10,000,000.00	AA+	Aaa	07/05/17	07/07/17	10,006,250.00	1.60	27,377.72	10,003,791.60	9,788,280.00
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	4,000,000.00	AA+	Aaa	08/01/17	08/03/17	3,982,500.00	1.52	4,709.94	3,989,023.40	3,892,812.00
US TREASURY NOTES DTD 10/31/2015 1.375% 10/31/2020	912828L99	700,000.00	AA+	Aaa	10/17/17	10/17/17	693,164.06	1.71	4,027.85	695,280.05	679,410.20
US TREASURY NOTES DTD 11/30/2015 1.625% 11/30/2020	912828M98	3,630,000.00	AA+	Aaa	11/01/17	11/03/17	3,614,260.55	1.77	19,823.67	3,618,844.97	3,537,405.96
US TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	912828N48	9,000,000.00	AA+	Aaa	12/01/17	12/05/17	8,957,109.38	1.91	39,802.99	8,968,407.30	8,786,250.00



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	575,000.00	AA+	Aaa	12/27/17	12/28/17	563,567.38	2.04	1,332.03	566,318.44	555,841.00
US TREASURY NOTES DTD 01/31/2016 1.375% 01/31/2021	912828N89	6,900,000.00	AA+	Aaa	01/02/18	01/04/18	6,762,000.00	2.05	15,984.38	6,794,571.17	6,670,092.00
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	12,500,000.00	AA+	Aaa	06/04/18	06/06/18	12,277,832.03	2.62	84,016.39	12,300,881.50	12,220,700.00
US TREASURY NOTES DTD 06/30/2014 2.125% 06/30/2021	912828WR7	4,150,000.00	AA+	Aaa	07/03/18	07/06/18	4,086,453.13	2.66	22,286.51	4,091,327.09	4,067,809.25
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	4,250,000.00	AA+	Aaa	09/26/18	09/28/18	4,231,904.30	2.91	14,926.97	4,231,953.99	4,234,228.25
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	4,600,000.00	AA+	Aaa	09/10/18	09/12/18	4,596,585.94	2.78	16,156.25	4,596,643.56	4,582,929.40
US TREASURY NOTES DTD 08/15/2018 2.750% 08/15/2021	9128284W7	13,000,000.00	AA+	Aaa	09/05/18	09/07/18	13,010,664.06	2.72	45,658.97	13,010,429.77	12,951,757.00
Security Type Sub-Total		137,505,000.00					136,781,939.27	1.96	532,009.37	136,925,968.44	134,964,354.21
Municipal Bond / Note											
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	3,175,000.00	A	A1	08/03/16	08/17/16	3,181,858.00	1.23	5,274.03	3,177,022.70	3,118,770.75
CA ST TXBL GO BONDS DTD 04/25/2018 2.800% 04/01/2021	13063DGA0	3,775,000.00	AA-	Aa3	04/18/18	04/25/18	3,775,151.00	2.80	45,803.33	3,775,093.47	3,762,467.00
Security Type Sub-Total		6,950,000.00					6,957,009.00	2.09	51,077.36	6,952,116.17	6,881,237.75
Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	65,409.27	AA+	Aaa	11/06/15	11/30/15	66,063.36	1.20	103.46	65,409.27	65,168.64
FNMA SERIES 2016-M9 ASQ2 DTD 06/01/2016 1.785% 06/01/2019	3136ASPX8	81,292.02	AA+	Aaa	06/09/16	06/30/16	82,104.90	1.05	120.92	81,384.88	80,777.25



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Collateralized Mortgage Obligation											
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	485,945.14	AA+	Aaa	10/07/15	10/30/15	490,811.35	1.08	666.55	486,590.64	484,096.60
FNA 2018-M5 A2 DTD 04/01/2018 3.560% 09/25/2021	3136B1XP4	2,128,948.07	AA+	Aaa	04/11/18	04/30/18	2,171,294.98	2.27	6,315.88	2,166,652.42	2,149,030.44
Security Type Sub-Total		2,761,594.50					2,810,274.59	2.00	7,206.81	2,800,037.21	2,779,072.93
Federal Agency Bond / Note											
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	9,025,000.00	AA+	Aaa	07/29/16	08/02/16	9,009,838.00	0.93	12,942.10	9,020,732.98	8,898,352.18
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	10,825,000.00	AA+	Aaa	08/31/16	09/02/16	10,808,113.00	1.05	9,922.92	10,819,812.01	10,668,979.28
FHLB GLOBAL NOTES DTD 09/09/2016 1.000% 09/26/2019	3130A9EP2	9,475,000.00	AA+	Aaa	10/03/16	10/05/16	9,471,683.75	1.01	1,315.97	9,473,891.61	9,321,505.00
FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	5,000,000.00	AA+	Aaa	05/02/17	05/02/17	4,944,100.00	1.46	21,805.56	4,975,757.15	4,912,455.00
FREDDIE MAC NOTES DTD 01/17/2017 1.500% 01/17/2020	3137EAEE5	6,250,000.00	AA+	Aaa	04/10/17	04/10/17	6,242,562.50	1.54	19,270.83	6,246,506.69	6,152,493.75
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	3,675,000.00	AA+	Aaa	02/24/17	02/28/17	3,672,648.00	1.52	5,053.13	3,673,882.76	3,612,150.15
FEDERAL HOME LOAN BANKS NOTES DTD 05/21/2018 2.625% 05/28/2020	3130AECJ7	5,000,000.00	AA+	Aaa	06/04/18	06/06/18	5,007,300.00	2.55	47,395.83	5,006,167.85	4,985,890.00
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	6,475,000.00	AA+	Aaa	08/31/17	09/01/17	6,476,683.50	1.49	16,457.29	6,476,081.07	6,327,629.00
FREDDIE MAC NOTES DTD 02/16/2018 2.375% 02/16/2021	3137EAEL9	3,250,000.00	AA+	Aaa	04/18/18	04/19/18	3,226,372.50	2.64	9,648.44	3,230,073.54	3,212,608.75
FANNIE MAE NOTES DTD 06/25/2018 2.750% 06/22/2021	3135G0U35	3,350,000.00	AA+	Aaa	06/22/18	06/25/18	3,349,229.50	2.76	24,566.67	3,349,293.52	3,333,822.85
Security Type Sub-Total		62,325,000.00					62,208,530.75	1.48	168,378.74	62,272,199.18	61,425,885.96



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	390,000.00	BBB+	A3	04/20/16	04/25/16	388,915.80	2.10	3,380.00	389,790.09	388,525.41
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	2,500,000.00	BBB+	A3	04/21/16	04/26/16	2,498,400.00	2.02	21,666.67	2,499,690.35	2,490,547.50
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	1,120,000.00	BBB+	Baa1	06/02/16	06/09/16	1,119,417.60	2.07	7,270.67	1,119,863.89	1,114,482.88
CISCO SYSTEMS INC CORP NOTES DTD 09/20/2016 1.400% 09/20/2019	17275RBG6	2,900,000.00	AA-	A1	09/13/16	09/20/16	2,896,781.00	1.44	1,240.56	2,898,944.72	2,862,123.10
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.750% 10/09/2019	931142DY6	1,505,000.00	AA	Aa2	10/11/17	10/20/17	1,504,969.90	1.75	12,583.47	1,504,982.54	1,491,417.38
AMERICAN EXPRESS CREDIT (CALLABLE) CORP DTD 10/31/2016 1.700% 10/30/2019	0258M0EC9	500,000.00	A-	A2	01/31/17	02/03/17	496,200.00	1.99	3,565.28	498,480.27	493,800.00
HONEYWELL INTERNATIONAL CORP NOTES DTD 10/30/2017 1.800% 10/30/2019	438516BQ8	880,000.00	A	A2	10/23/17	10/30/17	879,313.60	1.84	6,644.00	879,626.14	871,383.04
AMERICAN HONDA FINANCE DTD 11/16/2017 2.000% 11/13/2019	02665WBZ3	1,200,000.00	A+	A2	11/13/17	11/16/17	1,199,328.00	2.03	9,200.00	1,199,619.50	1,188,008.40
BB&T CORP (CALLABLE) NOTE DTD 12/08/2014 2.450% 01/15/2020	05531FAS2	605,000.00	A-	A2	01/31/17	02/03/17	611,031.25	2.10	3,129.19	607,583.46	600,432.25
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2015 2.250% 01/23/2020	46625HKA7	3,250,000.00	A-	A3	06/15/17	06/20/17	3,262,252.50	2.10	13,812.50	3,256,101.91	3,216,742.75
MORGAN STANLEY CORP BONDS DTD 01/27/2015 2.650% 01/27/2020	61747YDW2	1,450,000.00	BBB+	A3	01/31/17	02/03/17	1,462,542.50	2.35	6,831.11	1,455,665.59	1,440,708.40
MICROSOFT CORP NOTES DTD 02/06/2017 1.850% 02/06/2020	594918BV5	1,405,000.00	AAA	Aaa	01/30/17	02/06/17	1,404,058.65	1.87	3,971.08	1,404,570.90	1,387,957.35
AMERICAN HONDA FINANCE DTD 02/16/2017 2.000% 02/14/2020	02665WBM2	1,365,000.00	A+	A2	02/13/17	02/16/17	1,363,061.70	2.05	3,564.17	1,364,098.83	1,346,941.05



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	1,475,000.00	A-	A2	02/28/17	03/03/17	1,473,466.00	2.24	2,523.89	1,474,260.20	1,458,480.00
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	570,000.00	A+	A2	03/01/17	03/06/17	569,851.80	1.96	833.63	569,928.27	562,247.43
HSBC USA INC NOTES DTD 03/05/2015 2.350% 03/05/2020	40428HPR7	1,104,000.00	A	A2	03/27/18	03/29/18	1,089,935.04	3.03	1,873.73	1,093,546.01	1,091,900.16
JOHN DEERE CAPITAL CORP NOTES DTD 03/15/2017 2.200% 03/13/2020	24422ETO2	1,200,000.00	A	A2	03/10/17	03/15/17	1,199,064.00	2.23	1,320.00	1,199,538.70	1,185,114.00
TOYOTA MOTOR CREDIT CORP DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	475,000.00	AA-	Aa3	04/11/17	04/17/17	474,781.50	1.97	4,219.58	474,885.93	467,826.55
GOLDMAN SACHS GROUP INC CORP NOTES DTD 01/23/2015 2.600% 04/23/2020	38148LAA4	360,000.00	BBB+	A3	11/01/17	11/03/17	362,714.40	2.28	4,108.00	361,732.28	356,365.80
UNILEVER CAPITAL CORP BONDS DTD 05/05/2017 1.800% 05/05/2020	904764AV9	750,000.00	A+	A1	05/02/17	05/05/17	747,607.50	1.91	5,475.00	748,711.75	735,567.00
INTEL CORP NOTES DTD 05/11/2017 1.850% 05/11/2020	458140AZ3	1,650,000.00	A+	A1	05/08/17	05/11/17	1,649,373.00	1.86	11,870.83	1,649,659.03	1,623,590.10
GENERAL DYNAMICS CORP DTD 05/11/2018 2.875% 05/11/2020	369550BA5	2,010,000.00	A+	A2	05/08/18	05/11/18	2,002,884.60	3.06	22,472.92	2,004,236.81	2,005,143.84
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BO4	1,530,000.00	A	A2	05/24/17	06/05/17	1,529,112.60	1.82	8,874.00	1,529,497.93	1,505,542.95
WALT DISNEY COMPANY CORP NOTES DTD 06/06/2017 1.800% 06/05/2020	25468PDU7	3,250,000.00	A+	A2	06/01/17	06/06/17	3,246,230.00	1.84	18,850.00	3,247,864.43	3,188,539.25
JOHN DEERE CAPITAL CORP NOTES DTD 06/22/2017 1.950% 06/22/2020	24422ETS8	665,000.00	A	A2	06/19/17	06/22/17	664,594.35	1.97	3,566.06	664,763.92	653,196.92
BRANCH BANKING & TRUST (CALLABLE) CORP DTD 06/29/2015 2.625% 06/29/2020	05531FAU7	2,275,000.00	A-	A2	03/17/17	03/22/17	2,295,952.75	2.33	15,261.46	2,286,145.43	2,254,763.88



Managed Account Detail of Securities Held

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CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	720,000.00	A+	A2	07/17/17	07/20/17	719,272.80	1.98	2,769.00	719,557.99	705,598.56
BNY MELLON CORP NOTE (CALLABLE) DTD 08/17/2015 2.600% 08/17/2020	06406HDD8	1,475,000.00	A	A1	02/16/18	02/21/18	1,467,757.75	2.81	4,687.22	1,469,493.80	1,463,362.25
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	2,430,000.00	A	A3	09/05/17	09/07/17	2,427,958.80	1.88	3,371.63	2,428,672.61	2,371,082.22
CITIGROUP INC CORP NOTES DTD 10/26/2015 2.650% 10/26/2020	172967KB6	2,100,000.00	BBB+	Baa1	09/22/17	09/26/17	2,123,352.00	2.27	23,960.42	2,115,864.45	2,072,700.00
AMERICAN EXPRESS CO CORP (CALLABLE) NOTE DTD 10/30/2017 2.200% 10/30/2020	025816BP3	1,500,000.00	BBB+	A3	10/23/17	10/30/17	1,498,050.00	2.25	13,841.67	1,498,634.06	1,468,350.00
JOHNSON & JOHNSON CORP NOTE DTD 11/10/2017 1.950% 11/10/2020	478160CH5	695,000.00	AAA	Aaa	11/08/17	11/10/17	694,256.35	1.99	5,308.06	694,472.89	680,953.36
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	910,000.00	A+	A1	11/06/17	11/13/17	909,918.10	2.05	7,151.08	909,941.71	888,560.40
VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 2.200% 12/14/2020	92826CAB8	825,000.00	A+	A1	08/25/17	08/30/17	834,075.00	1.85	5,394.58	831,067.00	810,724.20
JOHN DEERE CAPITAL CORP NOTES DTD 01/08/2018 2.350% 01/08/2021	24422ETZ2	610,000.00	A	A2	01/03/18	01/08/18	609,682.80	2.37	3,305.01	609,758.07	599,232.89
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	350,000.00	A-	A2	11/16/17	11/20/17	348,180.00	2.32	1,254.17	348,656.84	341,605.95
PACCAR FINANCIAL CORP NOTES DTD 02/27/2018 2.800% 03/01/2021	69371RN93	1,110,000.00	A+	A1	02/22/18	02/27/18	1,109,456.10	2.82	2,590.00	1,109,561.94	1,098,465.99
JOHN DEERE CAPITAL CORP NOTES DTD 03/13/2018 2.875% 03/12/2021	24422EUD9	1,625,000.00	A	A2	03/08/18	03/13/18	1,623,895.00	2.90	2,465.71	1,624,090.07	1,612,250.25
CATERPILLAR FINANCIAL SERVICES CORP NOTE DTD 03/15/2018 2.900% 03/15/2021	14913Q2G3	825,000.00	A	A3	03/12/18	03/15/18	824,554.50	2.92	1,063.33	824,632.55	819,155.70



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For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	1,355,000.00	A	A2	02/21/18	02/26/18	1,353,495.95	2.94	1,746.44	1,353,793.28	1,345,569.20
UNILEVER CAPITAL CORP NOTES DTD 03/22/2018 2.750% 03/22/2021	904764AZ0	2,750,000.00	A+	A1	03/19/18	03/22/18	2,735,947.50	2.93	1,890.63	2,738,319.82	2,723,501.00
UNITED PARCEL SERVICE CORPORATE BOND DTD 11/14/2017 2.050% 04/01/2021	911312BP0	1,935,000.00	A+	A1	11/09/17	11/14/17	1,931,942.70	2.10	19,833.75	1,932,704.43	1,884,241.08
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	235,000.00	AA-	Aa3	04/11/18	04/13/18	235,119.85	2.93	3,235.17	235,101.88	233,923.00
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	585,000.00	AA-	Aa3	04/11/18	04/13/18	585,269.10	2.93	8,053.50	585,228.75	582,318.95
TOYOTA MOTOR CREDIT CORP NOTES DTD 04/13/2018 2.950% 04/13/2021	89236TEU5	1,950,000.00	AA-	Aa3	04/10/18	04/13/18	1,949,220.00	2.96	26,845.00	1,949,336.92	1,941,063.15
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 02/19/2016 2.500% 04/15/2021	06406FAA1	1,705,000.00	A	A1	02/16/18	02/21/18	1,682,852.05	2.93	19,654.86	1,687,019.77	1,674,107.11
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	1,800,000.00	BBB+	A3	02/13/18	02/15/18	1,769,760.00	3.06	20,000.00	1,775,530.22	1,758,700.80
HERSHEY COMPANY CORP NOTES DTD 05/10/2018 3.100% 05/15/2021	427866BA5	1,240,000.00	A	A1	05/03/18	05/10/18	1,239,144.40	3.12	15,055.67	1,239,254.00	1,239,527.56
CHARLES SCHWAB CORP NOTES DTD 05/22/2018 3.250% 05/21/2021	808513AW5	1,575,000.00	A	A2	05/17/18	05/22/18	1,574,952.75	3.25	18,342.19	1,574,957.49	1,575,195.30
WAL-MART STORES INC CORP NOTES DTD 06/27/2018 3.125% 06/23/2021	931142EJ8	2,315,000.00	AA	Aa2	06/20/18	06/27/18	2,314,884.25	3.13	18,889.76	2,314,891.26	2,319,643.89
3M COMPANY DTD 09/14/2018 3.000% 09/14/2021	88579YBA8	815,000.00	AA-	A1	09/11/18	09/14/18	813,329.25	3.07	1,154.58	813,354.56	813,615.32
PFIZER INC CORP NOTE DTD 09/07/2018 3.000% 09/15/2021	717081EM1	2,050,000.00	AA	A1	09/04/18	09/07/18	2,047,232.50	3.05	4,100.00	2,047,292.40	2,049,544.90



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	1,230,000.00	A-	A3	09/22/17	09/26/17	1,228,032.00	2.37	14,317.20	1,228,510.11	1,203,374.19
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	2,020,000.00	A-	A3	09/13/17	09/18/17	2,020,000.00	2.33	23,512.80	2,020,000.00	1,976,273.06
Security Type Sub-Total		75,119,000.00					75,063,431.54	2.37	471,901.23	75,063,487.75	74,233,987.67
Certificate of Deposit											
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	6,500,000.00	A-1	P-1	05/03/17	05/04/17	6,500,000.00	2.05	55,890.97	6,500,000.00	6,483,347.00
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	6,675,000.00	A-1	P-1	08/03/17	08/04/17	6,672,396.75	1.85	20,470.00	6,673,909.37	6,631,746.00
MUFG BANK LTD/NY CERT DEPOS DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	3,250,000.00	A-1	P-1	09/25/17	09/27/17	3,250,000.00	2.07	1,121.25	3,250,000.00	3,223,314.25
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	3,250,000.00	A	A1	02/07/18	02/08/18	3,250,000.00	2.67	56,162.71	3,250,000.00	3,248,553.75
NORDEA BANK AB NY CD DTD 02/22/2018 2.720% 02/20/2020	65590ASN7	3,250,000.00	AA-	Aa3	02/20/18	02/22/18	3,250,000.00	2.72	10,067.78	3,250,000.00	3,236,574.25
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	3,250,000.00	A+	Aa2	03/02/18	03/06/18	3,250,000.00	2.93	7,068.75	3,250,000.00	3,257,780.50
CREDIT AGRICOLE CIB NY FLT CERT DEPOS DTD 04/10/2018 2.801% 04/10/2020	22532XHT8	3,250,000.00	A	A1	04/06/18	04/10/18	3,250,000.00	2.85	20,991.35	3,250,000.00	3,256,240.00
CANADIAN IMP BK COMM NY FLT CERT DEPOS DTD 04/10/2018 2.731% 04/10/2020	13606BVF0	3,250,000.00	A+	Aa2	04/06/18	04/10/18	3,250,000.00	2.78	20,466.83	3,250,000.00	3,258,212.75
BANK OF NOVA SCOTIA HOUSTON CD DTD 06/07/2018 3.080% 06/05/2020	06417GU22	3,350,000.00	A+	Aa2	06/05/18	06/07/18	3,348,727.00	3.10	32,673.67	3,348,922.41	3,366,177.15
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/03/2018 3.190% 08/03/2020	06370REU9	3,350,000.00	A+	Aa2	08/01/18	08/03/18	3,350,000.00	3.23	17,513.99	3,350,000.00	3,345,701.95



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA (PFM)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	5,990,000.00	AA-	Aa3	08/03/17	08/07/17	5,990,000.00	2.05	18,419.25	5,990,000.00	5,904,019.54
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	3,250,000.00	AA-	Aa2	11/16/17	11/17/17	3,250,000.00	2.30	28,280.42	3,250,000.00	3,186,036.75
ROYAL BANK OF CANADA NY CD DTD 06/08/2018 3.240% 06/07/2021	78012UEE1	4,200,000.00	AA-	Aa2	06/07/18	06/08/18	4,200,000.00	3.24	42,714.00	4,200,000.00	4,222,612.80
Security Type Sub-Total		52,815,000.00					52,811,123.75	2.51	331,840.97	52,812,831.78	52,620,316.69
Managed Account Sub-Total		337,475,594.50					336,632,308.90	2.06	1,562,414.48	336,826,640.53	332,904,855.21
Securities Sub-Total		\$337,475,594.50					\$336,632,308.90	2.06%	\$1,562,414.48	\$336,826,640.53	\$332,904,855.21
Accrued Interest											\$1,562,414.48
Total Investments											\$334,467,269.69



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

CITY OF SANTA ROSA

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit - FDIC Insured											
EXCHANGE BANK (FDIC-INSURED) CD DTD 12/20/2017 1.070% 12/20/2018	RE1292151	245,000.00	NR	NR	12/20/17	12/20/17	245,000.00	1.07	2,048.49	245,000.00	243,459.62
POPPY BANK (FIRST COMM) FDIC-INSURED CD DTD 12/20/2017 1.350% 12/20/2018	RE1292169	245,000.00	NR	NR	12/20/17	12/20/17	245,000.00	1.35	2,584.55	245,000.00	243,757.43
COMMUNITY FIRST CREDIT (FDIC-INSURED) CD DTD 12/23/2017 1.260% 12/23/2018	RE1292177	245,000.00	NR	NR	12/23/17	12/23/17	245,000.00	1.26	2,386.94	245,000.00	243,603.37
SUMMIT STATE BANK (FDIC) CD DTD 01/15/2018 1.600% 01/15/2019	RE1064931	245,000.00	NR	NR	01/15/18	01/15/18	245,000.00	1.59	2,790.87	245,000.00	243,654.75
Security Type Sub-Total		980,000.00					980,000.00	1.32	9,810.85	980,000.00	974,475.17
Managed Account Sub-Total		980,000.00					980,000.00	1.32	9,810.85	980,000.00	974,475.17
Securities Sub-Total		\$980,000.00					\$980,000.00	1.32%	\$9,810.85	\$980,000.00	\$974,475.17
Accrued Interest											\$9,810.85
Total Investments											\$984,286.02



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

SANTA ROSA FNTNGROVE 2011 A RESERVE FUND

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY N/B NOTES DTD 08/31/2017 1.250% 08/31/2019	9128282T6	311,000.00	AA+	Aaa	09/04/18	09/04/18	307,270.43	2.49	332.91	307,549.99	307,100.37
Security Type Sub-Total		311,000.00					307,270.43	2.49	332.91	307,549.99	307,100.37
Federal Agency Bond / Note											
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	297,000.00	AA+	Aaa	11/17/16	11/17/16	294,332.94	1.33	272.25	296,118.51	292,719.34
Security Type Sub-Total		297,000.00					294,332.94	1.33	272.25	296,118.51	292,719.34
Managed Account Sub-Total		608,000.00					601,603.37	1.92	605.16	603,668.50	599,819.71
Securities Sub-Total		\$608,000.00					\$601,603.37	1.92%	\$605.16	\$603,668.50	\$599,819.71
Accrued Interest											\$605.16
Total Investments											\$600,424.87



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

SANTA ROSA SKYHAWK 2011A RESERVE FUND

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 08/31/2018 2.625% 08/31/2020	9128284Y3	115,000.00	AA+	Aaa	09/04/18	09/04/18	114,955.08	2.65	258.51	114,956.75	114,586.69
Security Type Sub-Total		115,000.00					114,955.08	2.65	258.51	114,956.75	114,586.69
Federal Agency Bond / Note											
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	118,000.00	AA+	Aaa	11/17/16	11/17/16	116,940.36	1.33	108.17	117,649.78	116,299.27
Security Type Sub-Total		118,000.00					116,940.36	1.33	108.17	117,649.78	116,299.27
Managed Account Sub-Total		233,000.00					231,895.44	1.98	366.68	232,606.53	230,885.96
Securities Sub-Total		\$233,000.00					\$231,895.44	1.98%	\$366.68	\$232,606.53	\$230,885.96
Accrued Interest											\$366.68
Total Investments											\$231,252.64



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

SANTA ROSA WATER 2008 RSV AC

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
UNITED STATES TREASURY NOTES DTD 08/31/2018 2.625% 08/31/2020	9128284Y3	455,000.00	AA+	Aaa	09/04/18	09/04/18	454,822.27	2.65	1,022.81	454,828.90	453,364.73
Security Type Sub-Total		455,000.00					454,822.27	2.65	1,022.81	454,828.90	453,364.73
Federal Agency Bond / Note											
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	448,000.00	AA+	Aaa	11/17/16	11/17/16	443,976.96	1.33	410.67	446,670.34	441,542.98
Security Type Sub-Total		448,000.00					443,976.96	1.33	410.67	446,670.34	441,542.98
Managed Account Sub-Total		903,000.00					898,799.23	2.00	1,433.48	901,499.24	894,907.71
Securities Sub-Total		\$903,000.00					\$898,799.23	2.00%	\$1,433.48	\$901,499.24	\$894,907.71
Accrued Interest											\$1,433.48
Total Investments											\$896,341.19



Managed Account Detail of Securities Held

For the Month Ending **September 30, 2018**

SANTA ROSA WSTWTR REV BDS COM RES

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 08/31/2015 1.375% 08/31/2020	912828L32	1,350,000.00	AA+	Aaa	11/17/16	11/17/16	1,343,091.80	1.51	1,589.61	1,346,461.16	1,313,824.05
UNITED STATES TREASURY NOTES DTD 08/31/2018 2.625% 08/31/2020	9128284Y3	7,695,000.00	AA+	Aaa	09/04/18	09/04/18	7,691,994.14	2.65	17,297.81	7,692,106.30	7,667,344.17
Security Type Sub-Total		9,045,000.00					9,035,085.94	2.48	18,887.42	9,038,567.46	8,981,168.22
Federal Agency Bond / Note											
FREDDIE MAC NOTES DTD 07/19/2017 1.375% 08/15/2019	3137EAEH8	2,740,000.00	AA+	Aaa	09/11/17	09/12/17	2,741,041.20	1.35	4,814.03	2,740,478.65	2,711,438.24
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	1,250,000.00	AA+	Aaa	11/17/16	11/17/16	1,238,775.00	1.33	1,145.83	1,246,290.03	1,231,983.75
Security Type Sub-Total		3,990,000.00					3,979,816.20	1.35	5,959.86	3,986,768.68	3,943,421.99
Managed Account Sub-Total		13,035,000.00					13,014,902.14	2.13	24,847.28	13,025,336.14	12,924,590.21
Securities Sub-Total		\$13,035,000.00					\$13,014,902.14	2.13%	\$24,847.28	\$13,025,336.14	\$12,924,590.21
Accrued Interest											\$24,847.28
Total Investments											\$12,949,437.49