



Agenda Item #:

#6

# Staff Report

## City of Manhattan Beach

**TO:** Members of the Finance Subcommittee

**THROUGH:** Steve S. Charelian, Finance Director

**FROM:** Henry Mitzner, Controller  
Libby Bretthauer, Financial Analyst

**DATE:** September 26, 2019

**SUBJECT:** Investment Portfolio for August 2019

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### RECOMMENDATION:

Staff recommends that the Finance Subcommittee accepts the status report on the City's investment portfolio as of August 31, 2019.

### FISCAL IMPLICATION:

There are no fiscal implications associated with the recommended action. As of August 31, 2019, the City's investment portfolio totaled \$114.2 million in book value (\$114.7 million par value).

### DISCUSSION:

Since the last update as of May 2019, the City's investment portfolio has decreased \$13.0 million in par value due to a \$7.0 million decrease in investments (purchases less redemptions) and a \$6.0 million decrease in investment in the Local Agency Investment Fund (LAIF). Consistent with prior years, expenditures outpaced revenues in the summer months. However, Property Taxes received during the months of December, January, April and May will offset summer months when normal operating activities (warrants and payroll coverage) cause the City to operate at a deficit.

Since October 2017 the City has deposited \$1.0 million into the PARS Pension Rate Stabilization Trust Fund as approved by the City Council. This balance, plus the gains and losses received on the fund, is presented with each monthly Portfolio Report below the total Treasurer's Balance (page 10).

### Activity

The following purchase and redemption activity took place between June 1, 2019 and

August 31, 2019:

**RECENT ACTIVITY**

<b>Security</b>	<b>Date of Activity</b>	<b>Maturity Date</b>	<b>Purchase (Par)</b>	<b>Maturing/Call</b>	<b>YTM</b>
FHLMC - 2.22% Coupon	6/28/2019	6/26/2024	1,000,000		2.220%
FHLMC - 2.375% Coupon	6/28/2019	6/27/2024	1,000,000		2.375%
MTN - 2% Coupon	7/1/2019	8/8/2023	1,000,000		2.025%
FHLMC - 2.35% Coupon	7/3/2019	1/3/2023	1,000,000		2.350%
<b>Total Purchases</b>			<b>\$4,000,000</b>		<b>2.243%</b>
Matured: MTN - 4.2% Coupon	6/3/2019	6/1/2019		1,000,000	1.783%
Matured: MTN - 1.375% Coupon	7/12/2019	7/12/2019		1,000,000	1.992%
Matured: FHLMC - 1.25% Coupon	8/1/2019	8/1/2019		2,000,000	1.788%
Matured: MTN - 6% Coupon	8/7/2019	8/7/2019		1,000,000	1.720%
Matured: MTN - 1.1% Coupon	8/8/2019	8/8/2019		1,000,000	1.110%
Called: FFCB - 2.32% Coupon	8/14/2019	12/29/2021		1,000,000	2.320%
Called: FHLB - 2.16% Coupon	8/24/2019	8/24/2022		2,000,000	2.160%
Called: FHLMC - 2.35% Coupon	8/22/2019	11/22/2022		2,000,000	2.350%
<b>Total Maturing/Calls</b>				<b>\$11,000,000</b>	<b>1.956%</b>

*FFCB = Federal Farm Credit Bank; FHLB = Federal Home Loan Bank; FHLMC = Federal Home Loan Mortgage Corporation (Freddie Mac); FNMA = Federal National Mortgage Association (Fannie Mae); MTN = Corporate Medium Term Note*

Average Yield to Maturity on the City's portfolio book value slightly decreased to 2.227% in August from 2.241% in May. During this time frame, one corporate security and three government agency securities totaling \$4.0 million were purchased. Maturing securities included four corporate securities and one government agency security. In addition, three government agency securities were called before their maturity date.

Market conditions and investment opportunities are monitored regularly in accordance with the City's Investment Policy. Efforts are made to ensure the portfolio is well-balanced for the safety of principal by investing in high-grade securities diversified in origin and maturity date.

Attachment: Investment Portfolio as of August 31, 2019

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Summary**  
**August 1, 2019 through August 31, 2019**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LAIF	33,200,000.00	33,200,000.00	33,200,000.00	29.08	1	1	2.309	2.341
Medium Term Notes	17,500,000.00	17,689,405.00	17,371,801.48	15.21	1,408	806	2.372	2.405
Federal Agency Issues - Coupon	51,000,000.00	51,359,370.00	50,827,688.21	44.51	1,466	694	2.008	2.036
Treasury Securities - Coupon	13,000,000.00	13,154,010.00	12,783,316.60	11.20	1,354	1,067	2.413	2.446
<b>Investments</b>	<b>114,700,000.00</b>	<b>115,402,785.00</b>	<b>114,182,806.29</b>	<b>100.00%</b>	<b>1,019</b>	<b>551</b>	<b>2.196</b>	<b>2.227</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	2,839,880.16	2,839,880.16	2,839,880.16		1	1	0.000	0.000
<b>Total Cash and Investments</b>	<b>117,539,880.16</b>	<b>118,242,665.16</b>	<b>117,022,686.45</b>		<b>1,019</b>	<b>551</b>	<b>2.196</b>	<b>2.227</b>
<b>Total Earnings</b>								
	<b>August 31</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>					
Current Year		192,596.02	405,726.61					

  
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 STEVE S. CHARELIAN, FINANCE DIRECTOR

Reporting period 08/01/2019-08/31/2019

Run Date: 09/18/2019 - 16:59

Portfolio CITY  
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**CITY OF MANHATTAN BEACH  
Portfolio Management  
Portfolio Details - Investments  
August 31, 2019**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM	365 Days to Maturity
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LAIF	3000	Local Agency Invest Fund	07/01/2018	33,200,000.00	33,200,000.00	33,200,000.00			2.341	1
<b>Medium Term Notes</b>										
Subtotal and Average										
				33,200,000.00	33,200,000.00	33,200,000.00			2.341	1

48125LRG9	MTN0081	JP MORGAN CHASE	05/24/2017	1,000,000.00	999,700.00	997,660.00		A+	1.770	22
22160KAF2	MTN0080	COSTCO COMPANIES	12/30/2015	1,000,000.00	998,590.00	993,880.00		A+	1.700	105
30231GAG7	MTN0077	EXXON MOBIL CORPORATION	08/21/2015	1,000,000.00	999,950.00	995,330.00		AA+	2.020	187
478160CH5	MTN0095	Johnson & Johnson	01/25/2018	2,000,000.00	2,003,360.00	1,994,206.79		AAA	2.167	436
742718EN5	MTN0090	Procter & Gamble	03/15/2017	1,000,000.00	1,000,720.00	990,350.00		AA-	2.110	520
717081DX8	MTN0097	Pfizer Inc	04/23/2018	1,000,000.00	1,002,880.00	984,787.41		AA	2.709	641
904764AT4	MTN0086	UNILEVER CAPITAL	10/18/2016	500,000.00	495,315.00	495,980.00		A+	1.550	696
084670BC1	MTN0094	BERKSHIRE HATHWY	11/03/2017	1,000,000.00	1,035,070.00	1,034,571.04		AA	2.148	714
191216BY5	MTN0085	COCA-COLA CO	10/18/2016	1,000,000.00	999,090.00	997,190.00		AA	1.610	731
911312BC9	MTN0100	United Parcel Service	10/04/2018	1,000,000.00	1,010,710.00	975,731.18		A+	3.193	988
22160KAK1	MTN0102	COSTCO COMPANIES	05/13/2019	1,000,000.00	1,013,000.00	994,226.00		A+	2.500	990
037833DC1	MTN0086	APPLE INC	04/23/2018	1,000,000.00	1,008,890.00	971,445.14		AA+	3.060	1,107
68389XAP0	MTN0103	ORACLE CORP	05/13/2019	1,000,000.00	1,017,970.00	995,436.00		A+	2.640	1,140
037833AK6	MTN0088	APPLE INC	05/22/2018	1,000,000.00	1,021,060.00	969,019.56		AA+	3.298	1,340
594918BQ6	MTN0104	MICROSOF CORP	07/01/2019	1,000,000.00	1,012,550.00	999,000.00		AAA	2.025	1,437
89236TFN0	MTN0099	TOYOTA MOTOR CREDIT	09/21/2018	1,000,000.00	1,058,510.00	999,500.00		AA-	3.461	1,480
89236TDK8	MTN0101	TOYOTA MOTOR CREDIT	03/26/2019	1,000,000.00	1,012,040.00	983,888.36		AA-	2.634	1,508
<b>Subtotal and Average</b>										
				17,500,000.00	17,689,405.00	17,371,801.48			2.405	806

**Federal Agency Issues - Coupon**

3134GBB9	FAC0263	Federal Home Loan Mortgage	08/11/2017	2,000,000.00	1,999,440.00	2,000,000.00		AA+	1.500	19
3134GP53	FAC0245	Federal Home Loan Mortgage	03/17/2016	1,000,000.00	999,810.00	1,001,685.01		AA+	1.364	38
3135G0ZY2	FAC0231	Fannie Mae	02/20/2015	2,000,000.00	1,998,620.00	2,000,930.79		AA+	1.642	86
3133EGW92	FAC0255	FED FARM CR BK	12/28/2016	1,000,000.00	998,650.00	997,682.00		AA+	1.580	109
880591EV0	FAC0274	Tennessee Valley Authority	05/12/2018	2,000,000.00	2,003,100.00	1,995,438.07		AA+	2.568	196
3134G3K58	FAC0260	Federal Home Loan Mortgage	05/22/2017	1,000,000.00	997,750.00	999,850.00		AA+	1.505	200
3133EEW55	FAC0236	FED FARM CR BK	06/19/2015	2,000,000.00	1,999,140.00	2,001,898.00		AA+	1.780	288
3136G4EK5	FAC0254	Fannie Mae	10/28/2016	2,000,000.00	1,990,200.00	1,996,000.00		AA+	1.255	331
3130ADP98	FAC0270	Federal Home Loan Bank	01/30/2018	2,000,000.00	2,000,200.00	2,000,000.00		AA+	2.170	333
3135G0T60	FAC0267	Fannie Mae	01/10/2018	2,000,000.00	1,994,660.00	1,988,444.13		AA+	1.978	333
3130ACE26	FAC0273	Federal Home Loan Bank	05/21/2018	2,000,000.00	1,992,300.00	1,970,128.39		AA+	2.564	393
3136G0X55	FAC0246	Fannie Mae	03/17/2016	1,000,000.00	998,030.00	995,550.00		AA+	1.600	425

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**August 31, 2019**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>LAIF</b>											
SYS3000	3000	Local Agency Invest. Fund	07/01/2018	33,200,000.00	33,200,000.00	33,200,000.00	2.341		2.341	1	
<b>Subtotal and Average</b>				<b>33,200,000.00</b>	<b>33,200,000.00</b>	<b>33,200,000.00</b>			<b>2.341</b>	<b>1</b>	
<b>Medium Term Notes</b>											
48125LRG9	MTN0091	JP MORGAN CHASE	05/24/2017	1,000,000.00	999,700.00	997,260.00	1.650	A+	1.770	22	09/23/2019
22160KAF2	MTN0080	COSTCO COMPANIES	12/30/2015	1,000,000.00	998,590.00	993,880.00	1.700	A+	1.861	105	12/15/2019
30231GAG7	MTN0077	EXXON MOBIL CORPORATION	08/21/2015	1,000,000.00	999,950.00	995,330.00	1.912	AA+	2.020	187	03/06/2020
478160CH5	MTN0095	Johnson & Johnson	01/25/2018	2,000,000.00	2,003,360.00	1,994,206.79	1.950	AAA	2.167	436	11/10/2020
742718EN5	MTN0090	Procter & Gamble	03/15/2017	1,000,000.00	1,000,720.00	990,350.00	1.850	AA-	2.110	520	02/02/2021
717081DX8	MTN0097	Pfizer Inc	04/23/2018	1,000,000.00	1,002,880.00	984,787.41	1.950	AA	2.709	641	06/03/2021
904764AT4	MTN0086	UNILEVER CAPITAL	10/18/2016	500,000.00	495,315.00	495,980.00	1.375	A+	1.550	696	07/28/2021
084670BC1	MTN0094	BERKSHIRE HATHWAY	11/03/2017	1,000,000.00	1,035,070.00	1,034,571.04	3.750	AA	2.148	714	08/15/2021
191216BY5	MTN0085	COCA-COLA CO	10/18/2016	1,000,000.00	999,090.00	997,190.00	1.550	A+	1.610	731	09/01/2021
911312BC9	MTN0100	United Parcel Service	10/04/2018	1,000,000.00	1,010,710.00	975,731.18	2.350	A+	3.193	988	05/16/2022
22160KAK1	MTN0102	COSTCO COMPANIES	05/13/2019	1,000,000.00	1,013,000.00	994,226.00	2.300	A+	2.500	990	05/18/2022
037833DC1	MTN0096	APPLE INC	04/23/2018	1,000,000.00	1,008,890.00	971,445.14	2.100	AA+	3.060	1,107	09/12/2022
68389XAP0	MTN0103	ORACLE CORP	05/13/2019	1,000,000.00	1,017,970.00	995,436.00	2.500	A+	2.640	1,140	10/15/2022
037833AK6	MTN0098	APPLE INC	05/22/2018	1,000,000.00	1,021,060.00	969,019.56	2.400	AA+	3.298	1,340	05/03/2023
594918BQ6	MTN0104	MICROSOFT CORP	07/01/2019	1,000,000.00	1,012,550.00	999,000.00	2.000	AAA	2.025	1,437	08/08/2023
89236TFN0	MTN0099	TOYOTA MOTOR CREDIT	09/21/2018	1,000,000.00	1,058,510.00	999,500.00	3.450	AA-	3.461	1,480	09/20/2023
89236TDK8	MTN0101	TOYOTA MOTOR CREDIT	03/26/2019	1,000,000.00	1,012,040.00	983,888.36	2.250	AA-	2.634	1,508	10/18/2023
<b>Subtotal and Average</b>				<b>17,500,000.00</b>	<b>17,689,405.00</b>	<b>17,371,801.48</b>			<b>2.405</b>	<b>806</b>	
<b>Federal Agency Issues - Coupon</b>											
3134GBSB9	FAC0263	Federal Home Loan Mortgage	08/11/2017	2,000,000.00	1,999,440.00	2,000,000.00	1.500	AA+	1.500	19	09/20/2019
3134G3P53	FAC0245	Federal Home Loan Mortgage	03/17/2016	1,000,000.00	999,810.00	1,001,685.01	2.000	AA+	1.364	38	10/09/2019
3135G0ZY2	FAC0231	Fannie Mae	02/20/2015	2,000,000.00	1,998,620.00	2,000,930.79	1.750	AA+	1.642	86	11/26/2019
3133EGW92	FAC0255	FED FARM CR BK	12/28/2016	1,000,000.00	998,650.00	997,682.00	1.500	AA+	1.580	109	12/19/2019
880591EV0	FAC0274	Tennessee Valley Authority	05/21/2018	2,000,000.00	2,003,100.00	1,995,438.07	2.250	AA+	2.568	196	03/15/2020
3134G3K58	FAC0260	Federal Home Loan Mortgage	05/22/2017	1,000,000.00	997,750.00	999,850.00	1.500	AA+	1.505	200	03/19/2020
3133EEW55	FAC0236	FED FARM CR BK	06/19/2015	2,000,000.00	1,999,140.00	2,001,898.00	1.800	AA+	1.780	288	06/15/2020
3136G4EK5	FAC0254	Fannie Mae	10/28/2016	2,000,000.00	1,990,200.00	1,996,000.00	1.200	AA+	1.255	331	07/28/2020
3130ADF98	FAC0270	Federal Home Loan Bank	01/30/2018	2,000,000.00	2,000,200.00	2,000,000.00	2.170	AA+	2.170	333	07/30/2020
3135G0T60	FAC0267	Fannie Mae	01/10/2018	2,000,000.00	1,994,660.00	1,988,444.13	1.500	AA+	1.978	333	07/30/2020
3130ACE26	FAC0273	Federal Home Loan Bank	05/21/2018	2,000,000.00	1,992,300.00	1,970,128.39	1.375	AA+	2.564	393	09/28/2020
3136G0X55	FAC0246	Fannie Mae	03/17/2016	1,000,000.00	998,030.00	995,550.00	1.500	AA+	1.600	425	10/30/2020

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**August 31, 2019**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Issues - Coupon</b>											
3134G9E52	FAC0250	Federal Home Loan Mortgage	07/05/2016	1,000,000.00	996,580.00	1,000,000.00	1.330	AA+	1.330	486	12/30/2020
3135G0J20	FAC0256	Fannie Mae	12/28/2016	1,000,000.00	996,810.00	990,896.08	1.375	AA+	1.917	544	02/26/2021
3130A8BQ5	FAC0248	Federal Home Loan Bank	06/15/2016	2,000,000.00	2,000,000.00	2,000,000.00	1.690	AA+	1.690	561	03/15/2021
3130A8NT6	FAC0251	Federal Home Loan Bank	07/13/2016	2,000,000.00	1,992,700.00	2,000,000.00	1.480	AA+	1.480	681	07/13/2021
3134G9M79	FAC0258	Federal Home Loan Mortgage	03/13/2017	2,000,000.00	2,011,340.00	1,992,298.13	1.875	AA+	2.076	694	07/26/2021
3137EAEC9	FAC0269	Federal Home Loan Mortgage	01/25/2018	2,000,000.00	1,985,540.00	1,953,676.13	1.125	AA+	2.154	711	08/12/2021
3136G36C4	FAC0252	Fannie Mae	09/29/2016	2,000,000.00	1,996,320.00	2,000,000.00	1.600	AA+	1.600	759	09/29/2021
3133EGYB5	FAC0253	FED FARM CR BK	10/14/2016	2,000,000.00	1,992,760.00	1,999,000.00	1.540	AA+	1.550	772	10/12/2021
3130AC3B8	FAC0264	Federal Home Loan Bank	08/16/2017	1,000,000.00	1,000,960.00	1,000,000.00	2.000	AA+	2.000	899	02/16/2022
3133EHCT8	FAC0259	FED FARM CR BK	05/22/2017	1,000,000.00	1,015,440.00	1,007,083.24	2.150	AA+	1.894	926	03/15/2022
3135G0T45	FAC0261	Fannie Mae	05/22/2017	1,000,000.00	1,010,130.00	1,001,150.00	1.875	AA+	1.850	947	04/05/2022
880591EN8	FAC0277	Tennessee Valley Authority	12/12/2018	2,000,000.00	2,014,560.00	1,942,517.01	1.875	AA+	2.793	1,079	08/15/2022
880591EN8	FAC0279	Tennessee Valley Authority	02/14/2019	1,000,000.00	1,007,280.00	979,650.08	1.875	AA+	2.493	1,079	08/15/2022
3130A3KM5	FAC0268	Federal Home Loan Bank	01/10/2018	2,000,000.00	2,061,760.00	2,010,332.24	2.500	AA+	2.357	1,195	12/09/2022
3134GTXR9	FAC0282	Federal Home Loan Mortgage	07/03/2019	1,000,000.00	1,000,370.00	1,000,000.00	2.350	AA+	2.350	1,220	01/03/2023
3133EJDE6	FAC0271	FED FARM CR BK	02/16/2018	2,000,000.00	2,073,760.00	1,991,902.80	2.570	AA+	2.708	1,264	02/16/2023
3133EJSD2	FAC0276	FED FARM CR BK	10/02/2018	2,000,000.00	2,105,160.00	1,990,360.00	2.890	AA+	3.000	1,387	06/19/2023
3133EJK57	FAC0278	FED FARM CR BK	12/12/2018	2,000,000.00	2,122,120.00	2,021,216.11	3.080	AA+	2.840	1,422	07/24/2023
3134GTXP3	FAC0280	Federal Home Loan Mortgage	06/28/2019	1,000,000.00	1,002,980.00	1,000,000.00	2.220	AA+	2.220	1,760	06/26/2024
3134GTXN8	FAC0281	Federal Home Loan Mortgage	06/28/2019	1,000,000.00	1,000,900.00	1,000,000.00	2.375	AA+	2.375	1,761	06/27/2024
<b>Subtotal and Average</b>				<b>51,000,000.00</b>	<b>51,359,370.00</b>	<b>50,827,688.21</b>			<b>2.036</b>	<b>694</b>	
<b>Treasury Securities - Coupon</b>											
912828NT3	UST0025	US TREASURY	05/21/2018	1,000,000.00	1,007,580.00	1,000,312.50	2.625		2.610	349	08/15/2020
912828V1	UST0026	US TREASURY	05/21/2018	1,000,000.00	996,170.00	985,697.23	1.375		2.529	380	09/15/2020
912828D72	UST0023	US TREASURY	02/16/2018	1,000,000.00	1,009,220.00	990,141.79	2.000		2.439	730	08/31/2021
912828F21	UST0024	US TREASURY	02/16/2018	1,000,000.00	1,012,340.00	992,048.77	2.125		2.478	760	09/30/2021
912828XQ8	UST0027	US TREASURY	12/12/2018	2,000,000.00	2,032,340.00	1,957,601.22	2.000		2.681	1,064	07/31/2022
912828XQ8	UST0028	US TREASURY	02/14/2019	1,000,000.00	1,016,170.00	985,326.10	2.000		2.510	1,064	07/31/2022
912828L57	UST0031	US TREASURY	03/25/2019	1,000,000.00	1,009,490.00	984,536.81	1.750		2.201	1,125	09/30/2022
9128283C2	UST0032	US TREASURY	03/25/2019	1,000,000.00	1,017,420.00	991,406.25	2.000		2.250	1,156	10/31/2022
912828S92	UST0029	US TREASURY	02/14/2019	1,000,000.00	993,200.00	951,261.08	1.250		2.525	1,429	07/31/2023
912828D1	UST0030	US TREASURY	02/14/2019	1,000,000.00	998,360.00	955,258.29	1.375		2.432	1,460	08/31/2023
912828W48	UST0033	US TREASURY	05/13/2019	1,000,000.00	1,030,550.00	995,039.06	2.125		2.234	1,642	02/29/2024
912828W71	UST0034	US TREASURY	05/13/2019	1,000,000.00	1,031,170.00	994,687.50	2.125		2.240	1,673	03/31/2024

**CITY OF MANHATTAN BEACH**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**August 31, 2019**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Subtotal and Average</b>				13,000,000.00	13,154,010.00	12,783,316.60			2.446	1,067
<b>Total and Average</b>				114,700,000.00	115,402,785.00	114,182,806.29			2.227	551

**CITY OF MANHATTAN BEACH  
Portfolio Management  
Portfolio Details - Cash  
August 31, 2019**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity
<b>Money Market Fund</b>										
SYS39903-39902	39901	UNION BANK	07/01/2018	2,839,880.16	2,839,880.16	2,839,880.16			0.000	1
<b>Subtotal and Average</b>										1
<b>Total Cash and Investments</b>				<b>117,539,880.16</b>	<b>118,242,665.16</b>	<b>117,022,686.45</b>			<b>2.227</b>	<b>551</b>



**City of Manhattan Beach**  
**Investment Portfolio Summary**  
*As of August 31, 2019*

<b>PORTFOLIO PROFILE</b>	<b>Aug 31, 2019</b>	<b>Jul 31, 2019</b>	<b>Jun 30, 2019</b>	<b>May 31, 2019</b>	<b>Apr 30, 2019</b>
Total Book Value (Excluding Trust Funds)	\$114,182,806	\$116,186,330	\$122,187,099	\$127,132,812	\$121,154,250
Increase/(Decrease) from Prior Period	(2,003,524)	(6,000,769)	(4,945,713)	5,978,562	6,000,290
Percentage Change	(1.7%)	(4.9%)	(3.9%)	4.9%	5.2%
Average Yield to Maturity (365 Days)	2.227%	2.209%	2.230%	2.241%	2.216%
Increase/(Decrease) from Prior Period	0.018%	(0.022%)	(0.011%)	0.025%	0.023%

**PORTFOLIO ALLOCATIONS**

<b>By Security</b>	<b>Value (Par)</b>	<b>Percent</b>	<b>Par YTM</b>	<b>Time Horizon</b>	<b>Percent</b>
LAIF*	\$33,200,000	28.95%	2.341%	Next 12 months	47%
Medium Term Notes	17,500,000	15.3%	2.405%	Months 13-24	18%
Federal Agencies	51,000,000	44.5%	2.036%	Months 25-36	15%
U.S. Treasuries	13,000,000	11.3%	2.446%	Months 37-48	15%
<b>Total</b>	<b>\$114,700,000</b>	<b>100.0%</b>	<b>2.227%</b>	Months 49-60	5%
				<b>Total</b>	<b>100.0%</b>

\*LAIF YTM as of August 31, 2019

**RECENT ACTIVITY**

<b>Security</b>	<b>Date of Activity</b>	<b>Maturity Date</b>	<b>Purchase (Par)</b>	<b>Maturing/Call</b>	<b>YTM</b>
FHLMC - 2.22% Coupon	6/28/2019	6/26/2024	1,000,000		2.220%
FHLMC - 2.375% Coupon	6/28/2019	6/27/2024	1,000,000		2.375%
MTN - 2% Coupon	7/1/2019	8/8/2023	1,000,000		2.025%
FHLMC - 2.35% Coupon	7/3/2019	1/3/2023	1,000,000		2.350%
<b>Total Purchases</b>			<b>\$4,000,000</b>		<b>2.243%</b>
Matured: MTN - 4.2% Coupon	6/3/2019	6/1/2019		1,000,000	1.783%
Matured: MTN - 1.375% Coupon	7/12/2019	7/12/2019		1,000,000	1.992%
Matured: FHLMC - 1.25% Coupon	8/1/2019	8/1/2019		2,000,000	1.788%
Matured: MTN - 6% Coupon	8/7/2019	8/7/2019		1,000,000	1.720%
Matured: MTN - 1.1% Coupon	8/8/2019	8/8/2019		1,000,000	1.110%
Called: FFCB - 2.32% Coupon	8/14/2019	12/29/2021		1,000,000	2.320%
Called: FHLC - 2.16% Coupon	8/24/2019	8/24/2022		2,000,000	2.160%
Called: FHLMC - 2.35% Coupon	8/22/2019	11/22/2022		2,000,000	2.350%
<b>Total Maturing/Calls</b>				<b>\$11,000,000</b>	<b>1.956%</b>

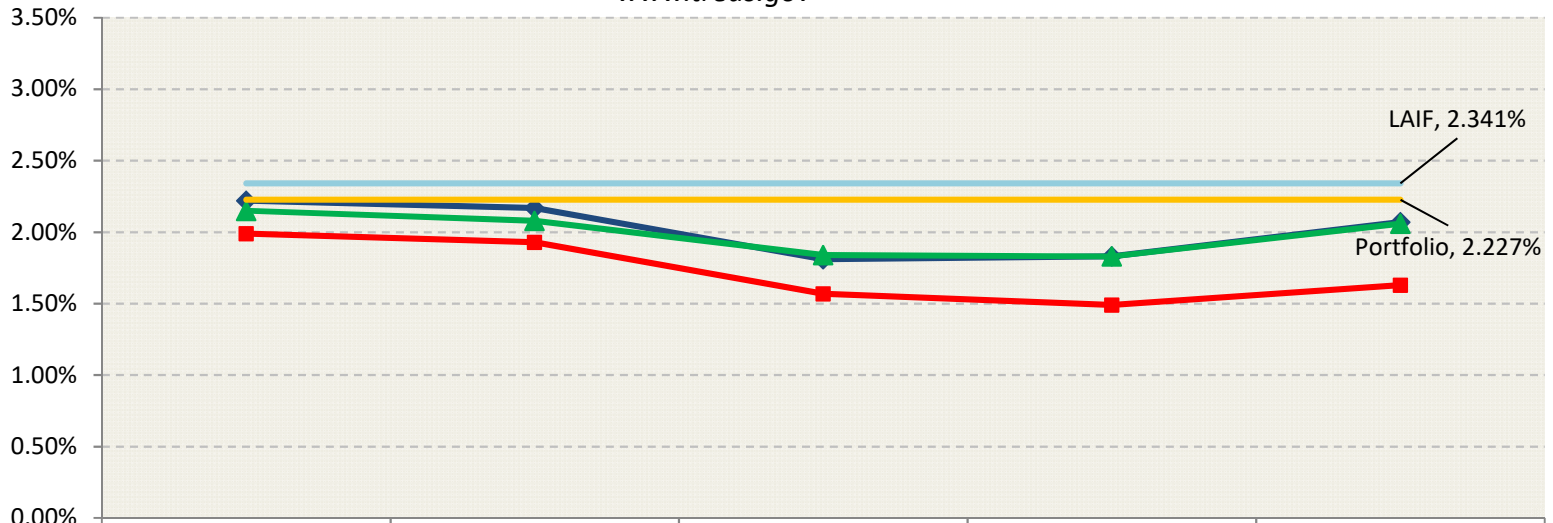
**City of Manhattan Beach**  
**Investment Portfolio Summary**  
*As of August 31, 2019*

<b>FUNDS HELD IN TRUST</b>	<b>Value</b>
Police/Fire Refunding Bonds	\$882
Marine Avenue Refunding Bonds	101
Metlox & Water/Wastewater Refunding Bonds	204
UUAD Assessment Refunding Bonds	1,460,417
PARS Investment Trust	1,069,645
<b>Total Funds Held in Trust</b>	<b>\$2,531,250</b>

*As of August 31, 2019*

**US Treasuries Yield Curve**

*www.treas.gov*



	3-Month	6-Month	2-Year	5-Year	10-Year
◆ June 2019	2.22%	2.17%	1.81%	1.83%	2.07%
▲ July 2019	2.15%	2.08%	1.84%	1.83%	2.06%
■ August 2019	1.99%	1.93%	1.57%	1.49%	1.63%

Monthly yields are interpolated by the Treasury from the daily yield curve.

**CITY OF MANHATTAN BEACH**

**Portfolio Maturity Structure**

September 2019 through August 2024

**HELD TO MATURITY**

**Rolling 60 Months**

Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt	Mth	Mat.	YTM	Inv	Call	Amt						
Sep 19	9/20/19	1.5%	FHLMC	9/20/17	\$2.0M	Sep 20	9/15/20	2.53%	T	nc	\$1.0M	Sep 21	9/1/21	1.61%	MTN	nc	\$1.0M	Sep 22	9/12/22	3.06%	MTN	MW: 7.5	\$1.0M	Sep 23	9/20/23	3.46%	MTN	nc	\$1.0M
	9/23/19	1.8%	MTN	8/23/19	\$1.0M		9/28/20	2.56%	FHLB	nc	\$2.0M		9/29/21	1.60%	FNMA	3/29/17	\$2.0M		9/30/22	2.20%	T	nc	\$1.0M						
9/30/21	2.48%	T	nc	\$1.0M	10/12/21	1.55%	FFCB	10/12/17	\$2.0M	10/31/22	2.25%		T	nc	\$1.0M	10/15/22	2.64%		MTN	MW: 12.5	\$1.0M								
Oct 19	10/9/19	1.4%	FHLMC	nc	\$1.0M	Oct 20	10/30/20	1.60%	FNMA	nc	\$1.0M	Oct 21	10/12/21	1.55%	FFCB	10/12/17	\$2.0M	Oct 22	10/31/22	2.25%	T	nc	\$1.0M	Oct 23	10/18/23	2.63%	MTN	nc	\$1.0M
Nov 19	11/26/19	1.6%	FNMA	nc	\$2.0M	Nov 20	11/10/20	2.17%	MTN	nc	\$2.0M	Nov 21						Nov 22						Nov 23					
Dec 19	12/15/19	1.9%	MTN	nc	\$1.0M	Dec 20	12/30/20	1.33%	FHLMC	12/30/16	\$1.0M	Dec 21						Dec 22	12/9/22	2.36%	FHLB	nc	\$2.0M	Dec 23					
	12/19/19	1.6%	FFCB	nc	\$1.0M		Jan 21						Jan 22						Jan 23	1/3/23	2.35%	FHLMC	10/3/19	\$1.0M	Jan 24				
Jan 20						Jan 21						Jan 22						Jan 23	1/3/23	2.35%	FHLMC	10/3/19	\$1.0M	Jan 24					
Feb 20						Feb 21	2/2/21	2.11%	MTN	MW: 10	\$1.0M	Feb 22	2/16/22	2.00%	FHLB	2/16/18	\$1.0M	Feb 23	2/16/23	2.71%	FFCB	nc	\$2.0M	Feb 24	2/29/24	2.23%	T	nc	\$1.0M
							2/26/21	1.92%	FNMA	nc	\$1.0M																		
Mar 20	3/6/20	2.0%	MTN	MW: 5	\$1.0M	Mar 21	3/15/21	1.69%	FHLB	3/15/17	\$2.0M	Mar 22	3/15/22	1.89%	FFCB	nc	\$1.0M	Mar 23						Mar 24	3/31/24	2.24%	T	nc	\$1.0M
	3/19/20	1.5%	FHLMC	nc	\$1.0M																								
	3/15/20	2.6%	TVA	nc	\$2.0M																								
Apr 20						Apr 21						Apr 22	4/5/22	1.85%	FNMA	nc	\$1.0M	Apr 23						Apr 24					
May 20						May 21						May 22	5/16/22	3.19%	MTN	MW: 10	\$1.0M	May 23	5/3/23	3.30%	MTN	MW: 15	\$1.0M	May 24					
												5/18/22	2.50%	MTN	MW: 10	\$1.0M													
Jun 20	6/15/20	1.8%	FFCB	nc	\$2.0M	Jun 21	6/3/21	2.71%	MTN	MW: 10	\$1.0M	Jun 22						Jun 23	6/19/23	3.00%	FFCB	nc	\$2.0M	Jun 24	6/26/24	2.22%	FHLMC	6/26/20	\$1.0M
																								6/27/24	2.38%	FHLMC	12/27/19	\$1.0M	
Jul 20	7/28/20	1.3%	FNMA	7/28/17	\$2.0M	Jul 21	7/13/21	1.48%	FHLB	1/13/17	\$2.0M	Jul 22	7/31/22	2.68%	T	nc	\$2.0M	Jul 23	7/24/23	2.84%	FFCB	nc	\$2.0M	Jul 24					
	7/30/20	2.0%	FNMA	nc	\$2.0M		7/26/21	2.08%	FHLMC	nc	\$2.0M		7/31/22	2.51%	T	nc	\$1.0M		7/31/23	2.53%	T	nc	\$1.0M						
	7/30/20	2.2%	FHLB	nc	\$2.0M		7/28/21	1.55%	MTN	nc	\$0.5M																		
Aug 20	8/15/20	2.6%	T	nc	\$1.0M	Aug 21	8/15/21	2.15%	MTN	nc	\$1.0M	Aug 22						Aug 23	8/31/23	2.43%	T	nc	\$1.0M	Aug 24					
					8/12/21		2.15%	FHLMC	nc	\$2.0M	8/15/22		2.79%	TVA	nc	\$2.0M	8/8/23		2.03%	MTN	MW:12.5	\$1.0M							
					8/31/21		2.44%	T	nc	\$1.0M	8/15/22		2.49%	TVA	nc	\$1.0M													
<b>Total By Year (excl LAIF)</b>					<b>\$21.0m</b>						<b>\$20.5m</b>						<b>\$17.0m</b>						<b>\$17.0m</b>						<b>\$6.0m</b>
<b>% of Total Securities (excl LAIF)</b>					<b>26%</b>						<b>25%</b>						<b>21%</b>						<b>21%</b>						<b>7%</b>
<b>% of Total Investments (incl LAIF)</b>					<b>47%</b>						<b>18%</b>						<b>15%</b>						<b>15%</b>						<b>5%</b>

Total Securities	71%	\$81.5M
LAIF	29%	\$33.2M
<b>Total Investments</b>	<b>100%</b>	<b>\$114.7M</b>

Shaded rows indicate months with significant cash inflows.

# City of Manhattan Beach

## Investment Policy Compliance Chart

As of August 31, 2019

Instrument		% of Total	Dollar Compliance		Percentage Compliance		Term Compliance	
			Limit	Compliant?	Limit	Compliant?	Limit	Compliant?
Local Agency Investment Fund (LAIF)	\$33,200,000	28.9%	\$50,000,000	Yes	Temporary Suspension			
<b>Treasury Securities</b>								
US Treasury	\$13,000,000	11.3%					5 Years	Yes
<b>Total U.S. Treasuries (12)</b>		<b>\$13,000,000</b>	<b>11.3%</b>					
<b>Medium Term (Corporate) Notes</b>								
Costco	2,000,000	1.7%			5.0%	Yes	5 Years	Yes
<i>Total Consumer Staples Sector</i>		<i>\$2,000,000</i>	<i>1.7%</i>			<i>10.0%</i>	<i>Yes</i>	
Coca-Cola	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
Unilever Capital	500,000	0.4%			5.0%	Yes	5 Years	Yes
Proctor & Gamble	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
<i>Total Consumer Goods Sector</i>		<i>\$2,500,000</i>	<i>2.2%</i>			<i>10.0%</i>	<i>Yes</i>	
JP Morgan Chase	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
Berkshire Hathaway	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
Toyota Motor Credit	2,000,000	1.7%			5.0%	Yes	5 Years	Yes
<i>Total Financial Sector</i>		<i>\$4,000,000</i>	<i>3.5%</i>			<i>10.0%</i>	<i>Yes</i>	
Exxon Mobil	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
<i>Total Energy Sector</i>		<i>\$1,000,000</i>	<i>0.9%</i>			<i>10.0%</i>	<i>Yes</i>	
Pfizer Inc	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
Johnson & Johnson	2,000,000	1.7%			5.0%	Yes	5 Years	Yes
<i>Total Healthcare Sector</i>		<i>\$3,000,000</i>	<i>2.6%</i>			<i>10.0%</i>	<i>Yes</i>	
United Parcel Service	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
<i>Total Industrials Sector</i>		<i>\$1,000,000</i>	<i>0.9%</i>			<i>10.0%</i>	<i>Yes</i>	
Apple Inc	2,000,000	1.7%			5.0%	Yes	5 Years	Yes
Microsoft Corp	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
Oracle Corp	1,000,000	0.9%			5.0%	Yes	5 Years	Yes
<i>Total Technology Sector</i>		<i>\$4,000,000</i>	<i>3.5%</i>			<i>10.0%</i>	<i>Yes</i>	
<b>Total Medium Term Notes (17)</b>		<b>\$17,500,000</b>	<b>15.3%</b>			<b>20.0%</b>	<b>Yes</b>	
<b>Federal Agencies</b>								
Federal Home Loan Bank (FHLB)	\$11,000,000	9.6%			33.3%	Yes	5 Years	Yes
Federal Farm Credit (FFCB)	12,000,000	10.5%			33.3%	Yes	5 Years	Yes
Fannie Mae (FNMA)	11,000,000	9.6%			33.3%	Yes	5 Years	Yes
Freddie Mac (FHLMC)	12,000,000	10.5%			33.3%	Yes	5 Years	Yes
Tennessee Valley Authority (TVA)	5,000,000	4.4%			33.3%	Yes	5 Years	Yes
<b>Total Federal Agencies (32)</b>		<b>\$51,000,000</b>	<b>44.5%</b>			<b>60.0%</b>	<b>Yes</b>	
<b>Total Portfolio</b>	<b>\$114,700,000</b>	<b>100.0%</b>						



**CITY OF MANHATTAN BEACH  
TREASURER'S REPORT  
August 31, 2019**

<b><u>Investments</u></b>	<b>Book Value</b>
LAIF	\$33,200,000.00
Medium Term Notes	17,371,801.48
Federal Agency Issues-Coupon	50,827,688.21
Treasury Securities	12,783,316.60
<b>Subtotal Investments</b>	<b><u>\$114,182,806.29</u></b>
<b><u>Demand Deposit/Petty Cash</u></b>	
Cash in Bank	\$2,839,880.16
Petty Cash	2,555.84
<b>Subtotal Demand Deposit</b>	<b><u>\$2,842,436.00</u></b>
<b>Subtotal City Cash &amp; Investments</b>	<b><u>\$117,025,242.29</u></b>
<b><u>Bond Funds Held in Trust</u></b>	
Police Fire Refunding	\$882.27
Marine Ave Park Refunding	101.44
Metlox & Water/Wastewater Refunding	203.66
Utility Assessment Districts	1,460,417.35
<b>Subtotal Bonds Held in Trust</b>	<b><u>\$1,461,604.72</u></b>
<b><u>Investment Trust Funds</u></b>	
PARS Pension Rate Stabilization Trust	1,069,645.26
<b>Treasurer's Balance</b>	<b><u>\$119,556,492.27</u></b>



**CALIFORNIA STATE TREASURER  
FIONA MA, CPA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
08/12/19	2.35	2.37	180
08/13/19	2.35	2.37	180
08/14/19	2.35	2.37	179
08/15/19	2.35	2.37	183
08/16/19	2.35	2.37	183
08/17/19	2.35	2.37	183
08/18/19	2.35	2.37	183
08/19/19	2.35	2.37	181
08/20/19	2.34	2.37	179
08/21/19	2.34	2.37	179
08/22/19	2.33	2.37	179
08/23/19	2.33	2.37	178
08/24/19	2.33	2.37	178
08/25/19	2.33	2.36	178
08/26/19	2.33	2.36	175
08/27/19	2.33	2.36	176
08/28/19	2.33	2.36	175
08/29/19	2.32	2.36	175
08/30/19	2.32	2.36	180
08/31/19	2.32	2.36	180
09/01/19	2.32	2.36	180
09/02/19	2.32	2.36	180
09/03/19	2.31	2.36	179
09/04/19	2.31	2.36	178
09/05/19	2.31	2.36	178
09/06/19	2.30	2.36	179
09/07/19	2.30	2.36	179
09/08/19	2.30	2.36	179
09/09/19	2.31	2.35	177
09/10/19	2.30	2.35	176
09/11/19	2.30	2.35	176

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

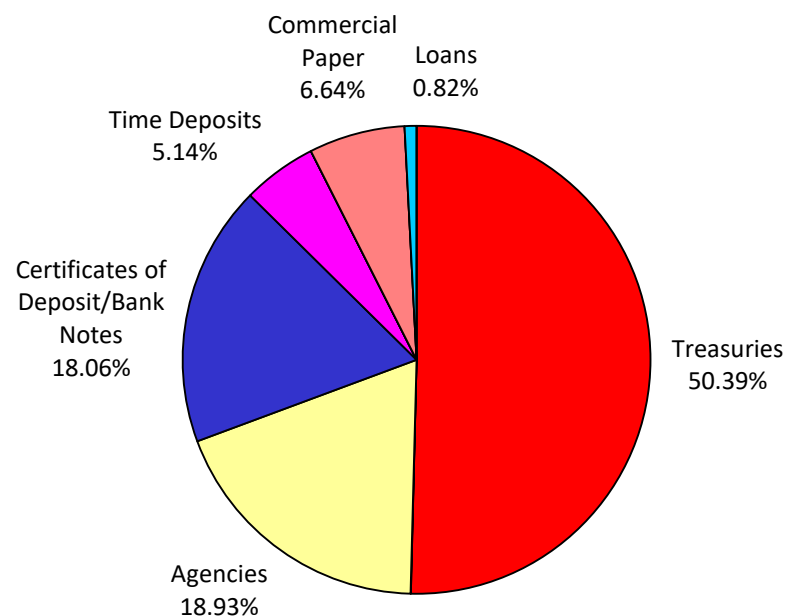
**Quarter Ending 06/30/19**

Apportionment Rate: 2.57  
 Earnings Ratio: .00007028813234525  
 Fair Value Factor: 1.001711790  
     Daily: 2.39%  
 Quarter to Date: 2.44%  
 Average Life: 173

**PMIA Average Monthly Effective Yields**

**Aug 2019 2.341**  
 July 2019 2.379  
 June 2019 2.428

**Pooled Money Investment Account  
Portfolio Composition  
08/31/19  
\$94.8 billion**



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1)

Based on data available as of 09/11/2019