

MEMORANDUM

TO: City Council
 FROM: Tim McGallian, City Treasurer
 DATE: August 2, 2016
 SUBJECT: Treasurer’s Report: April 1 – June 30, 2016

The attached report presents the City’s investment portfolio as of the quarter ending March 31, 2016 and has been prepared in compliance with California Code Section 53646. Market values have been provided by PFM Asset Management on the attached detail.

The City’s strategy is to retain sufficient cash flow to manage day-to-day operations and have PFM focus on longer-term investment management. All investments are held by the City in safekeeping accounts through BNY Mellon and US Bank, except for investments held by trustees related to bond financings, which are held by BNY Mellon and Union Bank.

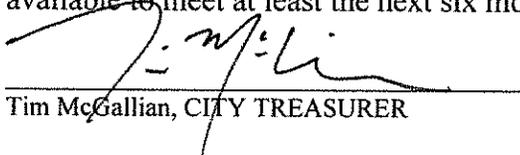
	City Managed		Trustee Account (Non-PFM)	PFM Managed Portfolio	Total Portfolio (Market Value)
	Cash/LAIF	Cal Trust			
Portfolio Balance	\$74,550,311	\$20,173,844	\$766,026	\$ 55,904,765	\$ 151,394,946
Effective Yield	0.54%	0.94%	0.26%	1.34%	0.89%
Avg. Weighted Maturity	1-day	398 & 712 days	1-day	2.34 Years	1.29 Years

A brief analysis of the British referendum to leave the European Union (EU) is included at the end of this report. PFM reports that the City is well-positioned for post-Brexit volatility.

Treasurer Certification:

I certify that these reports accurately reflect all pooled investments, are in compliance with California Government Code Section 53646 and are in conformity with the investment policy adopted by City Council, May 26, 2015.

As Treasurer of the City of Concord, and as mandated by the California Government Code Section 53646.b3, I hereby certify that sufficient investment liquidity and anticipated revenue are available to meet at least the next six month’s estimated expenditures.


 Tim McGallian, CITY TREASURER
 Date 7/15/2016

City of Concord
Investment Summary
as of June 30, 2016

Sector	Average Maturity	Par Amount	Adjusted Cost	Market Value	Coupon	Yield to Maturity
Cash Equivalents						
Cash on Hand*	1 Day	1,725,300.28	1,725,300.28	1,725,300.28	0.01%	0.01%
Portfolio Cash	1 Day	67,791.93	67,791.93	67,791.93	0.01%	0.01%
LAIF*	146 Days**	72,757,218.49	72,757,218.49	72,757,218.49	0.55%	0.55%
Cash Equivalents Subtotal	143 Days	74,550,310.70	74,550,310.70	74,550,310.70		0.54%
Other Investments						
CalTrust Short Term Fund	398 Days	4,500,000.00	4,956,481.13	4,956,481.13	0.73%	0.73%
CalTrust Medium Term Fund	712 Days	15,000,000.00	15,217,362.96	15,217,362.96	1.01%	1.01%
Other Investments Subtotal	635 Days	19,500,000.00	20,173,844.09	20,173,844.09		0.94%
Trusteed Accounts						
BNY-Trustee Accounts*	1 Day	237,131.27	237,131.27	237,131.27	0.49%	0.49%
Union Bank-Trustee Accounts*	1 Day	528,894.77	528,894.77	528,894.77	0.15%	0.15%
Trusteed Accounts Subtotal	1 Day	766,026.04	766,026.04	766,026.04		0.26%
PFM Managed Portfolio						
U.S. Treasuries	3.18 Years	16,989,000.00	17,210,846.20	17,431,859.27	1.58%	1.19%
Federal Agencies	2.41 Years	4,775,000.00	4,774,539.76	4,831,338.71	1.21%	1.24%
Federal Agency CMO	2.95 Years	1,679,756.53	1,687,005.55	1,690,156.10	1.30%	0.83%
Supranationals	2.87 Years	770,000.00	767,852.66	772,637.25	1.00%	1.10%
Municipal Obligations	1.57 Years	1,885,000.00	1,886,938.01	1,910,653.45	1.81%	1.75%
Commercial Paper	0.26 Years	2,200,000.00	2,194,835.19	2,196,199.50	0.00%	0.89%
Corporate Notes	2.64 Years	14,405,000.00	14,546,783.94	14,744,496.09	2.03%	1.75%
Certificates of Deposit	1.12 Years	12,300,000.00	12,299,293.87	12,327,424.30	1.26%	1.22%
PFM Managed Portfolio Subtotal	2.34 Years	55,003,756.53	55,368,095.18	55,904,764.67		1.34%
Total	1.29 Years	149,820,093.27	150,858,276.01	151,394,945.50		0.89%

Earnings Summary April 1, 2016 - June 30, 2016 (Accrual Basis)

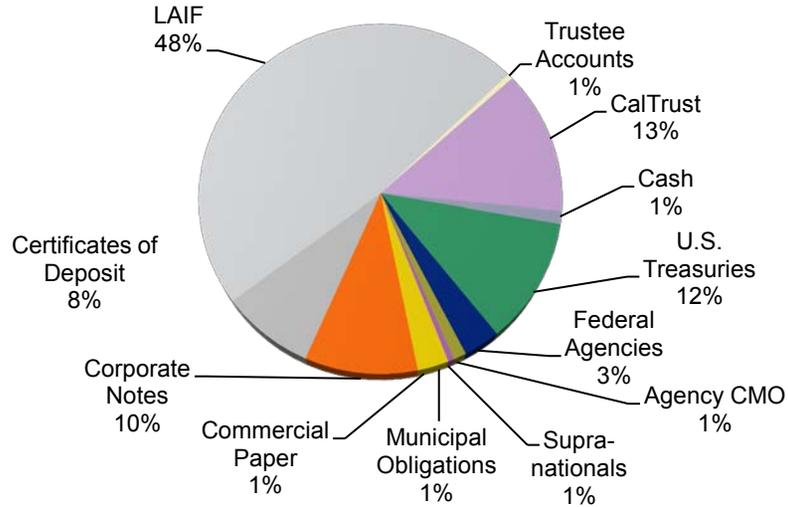
Portfolio Securities	
Ending Amortized Value of Securities	55,368,095.18
Ending Accrued Interest	207,169.67
Plus Proceeds from Sales	8,353,138.82
Plus Proceeds of Maturities/Calls/Principal Payments	708,425.26
Plus Coupons Received	182,637.34
Less Cost of New Purchases	(9,229,974.33)
Less Beginning Amortized Value of Securities	(55,189,062.24)
Less Beginning Accrued Interest	(181,415.08)
Portfolio Securities Subtotal	219,014.62
LAIF	
LAIF Subtotal	\$89,303.24
CalTrust	
CalTrust Subtotal	\$46,353.14
Grand Total	354,671.00

*Values provided by the City of Concord

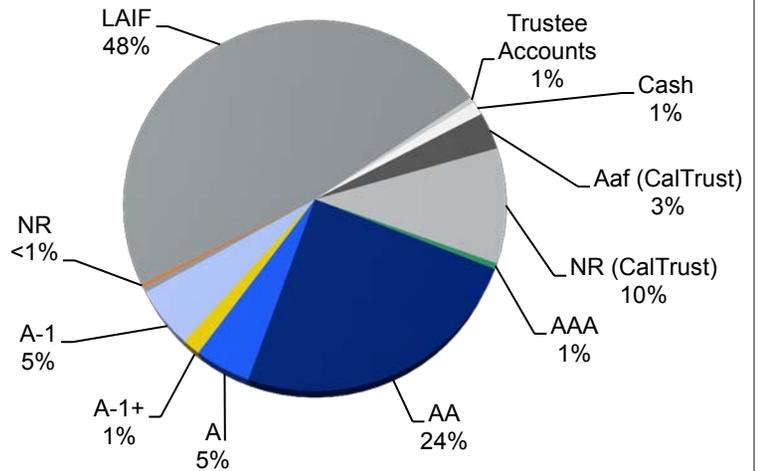
**Funds invested in LAIF can be withdrawn at par.

**City of Concord
Investment Summary
as of June 30, 2016**

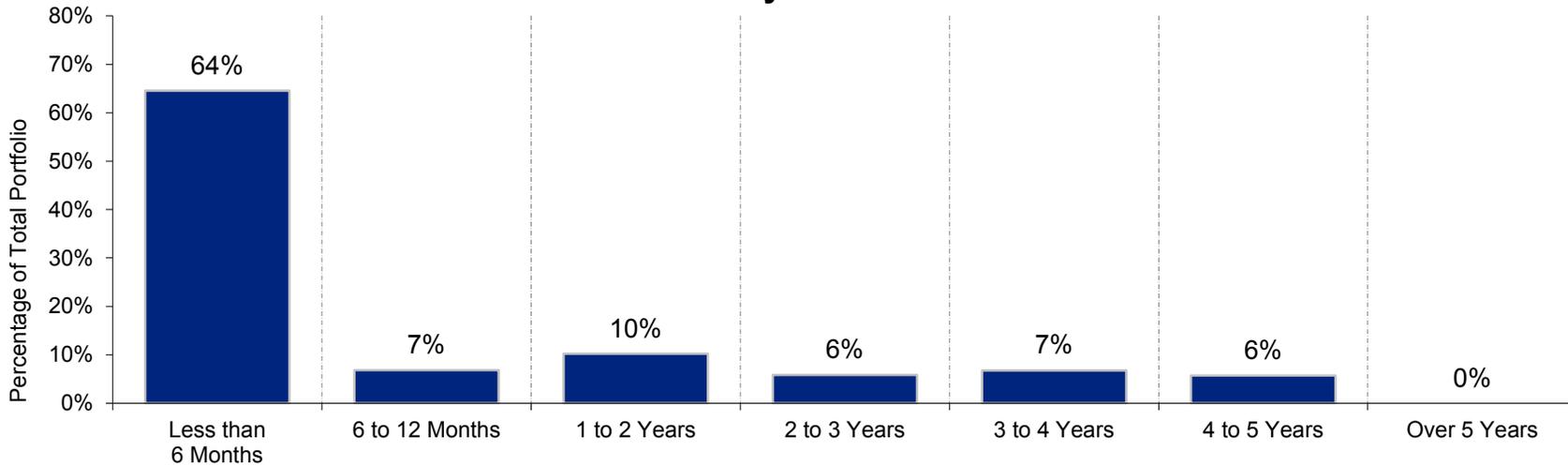
Sector Breakdown



Credit Quality



Maturity Distribution



City of Concord
Investment Detail
as of June 30, 2016

Issuer	S&P Rating	Coupon	Maturity	Purchased	Days to Maturity	Par Amount	Adjusted Cost	Market Value	Yield to Maturity
Operating Funds									
Cash Equivalents									
Cash on Hand	NR	0.01%	7/1/2016	6/30/2016	1	1,725,300.28	1,725,300.28	1,725,300.28	0.01%
Portfolio Cash Account	NR	0.01%	7/1/2016	6/30/2016	1	67,791.93	67,791.93	67,791.93	0.01%
LAIIF-City of Concord*	NR	0.55%	7/1/2016	6/30/2016	146	40,331,039.82	40,331,039.82	40,331,039.82	0.55%
LAIIF-Sewer Enterprise District*	NR	0.55%	7/1/2016	6/30/2016	146	32,426,178.67	32,426,178.67	32,426,178.67	0.55%
Cash Equivalents Subtotal					143	74,550,310.70	74,550,310.70	74,550,310.70	0.54%
U.S. Treasuries									
U.S. Treasury	AA+	1.00%	3/31/2017	3/3/2014	274	495,000.00	495,986.73	496,837.44	0.73%
U.S. Treasury	AA+	1.00%	3/31/2017	3/21/2014	274	725,000.00	725,417.47	727,691.20	0.92%
U.S. Treasury	AA+	0.88%	4/30/2017	3/27/2015	304	1,500,000.00	1,502,640.38	1,504,557.00	0.66%
U.S. Treasury	AA+	2.50%	6/30/2017	12/9/2014	365	525,000.00	533,232.57	535,151.40	0.92%
U.S. Treasury	AA+	1.38%	7/31/2018	2/4/2015	761	2,300,000.00	2,321,479.10	2,336,116.90	0.92%
U.S. Treasury	AA+	1.25%	11/30/2018	6/3/2014	883	520,000.00	518,016.69	527,414.16	1.41%
U.S. Treasury	AA+	1.00%	9/30/2019	2/27/2015	1,187	750,000.00	740,014.10	755,595.75	1.42%
U.S. Treasury	AA+	1.25%	2/29/2020	9/3/2015	1,339	750,000.00	744,204.13	761,191.50	1.47%
U.S. Treasury	AA+	1.25%	2/29/2020	10/9/2015	1,339	500,000.00	499,035.41	507,461.00	1.30%
U.S. Treasury	AA+	1.25%	2/29/2020	11/9/2015	1,339	1,050,000.00	1,038,782.34	1,065,668.10	1.55%
U.S. Treasury	AA+	1.38%	3/31/2020	6/27/2016	1,370	150,000.00	151,834.61	152,835.90	1.04%
U.S. Treasury	AA+	1.38%	3/31/2020	6/27/2016	1,370	210,000.00	212,666.62	213,970.26	1.03%
U.S. Treasury	AA+	1.38%	3/31/2020	6/28/2016	1,370	464,000.00	469,263.15	472,772.38	1.07%
U.S. Treasury	AA+	2.00%	7/31/2020	12/4/2015	1,492	800,000.00	813,294.13	834,906.40	1.58%
U.S. Treasury	AA+	2.13%	8/31/2020	12/30/2015	1,523	1,200,000.00	1,218,621.61	1,258,593.60	1.74%
U.S. Treasury	AA+	1.75%	10/31/2020	2/3/2016	1,584	490,000.00	498,317.58	506,480.17	1.35%
U.S. Treasury	AA+	2.63%	11/15/2020	5/2/2016	1,599	260,000.00	274,837.51	278,565.56	1.28%
U.S. Treasury	AA+	2.63%	11/15/2020	5/6/2016	1,599	1,050,000.00	1,112,993.75	1,124,976.30	1.21%
U.S. Treasury	AA+	2.00%	11/30/2020	3/4/2016	1,614	1,000,000.00	1,026,661.47	1,044,961.00	1.38%
U.S. Treasury	AA+	2.38%	12/31/2020	3/31/2016	1,645	1,000,000.00	1,047,646.69	1,061,562.00	1.28%
U.S. Treasury	AA+	1.25%	3/31/2021	6/29/2016	1,735	1,250,000.00	1,265,900.16	1,264,551.25	0.98%
U.S. Treasuries Subtotal					1,161	16,989,000.00	17,210,846.20	17,431,859.27	1.19%
Federal Agencies									
Federal Home Loan Mortgage Corporation	AA+	1.00%	6/29/2017	8/13/2014	364	225,000.00	225,091.96	225,915.30	0.96%
Federal National Mortgage Association	AA+	0.88%	5/21/2018	5/23/2013	690	700,000.00	697,796.97	702,770.60	1.04%
Federal National Mortgage Association	AA+	0.88%	5/21/2018	5/31/2013	690	750,000.00	745,605.20	752,968.50	1.19%
Federal National Mortgage Association	AA+	1.63%	11/27/2018	6/19/2014	880	200,000.00	200,003.69	204,257.40	1.62%
Federal National Mortgage Association	AA+	1.63%	11/27/2018	10/23/2014	880	575,000.00	578,247.78	587,240.03	1.39%
Federal National Mortgage Association	AA+	1.00%	2/26/2019	2/23/2016	971	1,375,000.00	1,372,133.11	1,381,765.00	1.08%
Federal Home Loan Mortgage Corporation	AA+	1.75%	5/30/2019	12/3/2014	1,064	475,000.00	478,541.20	488,061.08	1.49%
Federal National Mortgage Association	AA+	1.75%	11/26/2019	12/3/2014	1,244	475,000.00	477,119.85	488,360.80	1.61%
Federal Agencies Subtotal					880	4,775,000.00	4,774,539.76	4,831,338.71	1.24%

City of Concord
Investment Detail
as of June 30, 2016

Issuer	S&P Rating	Coupon	Maturity	Purchased	Days to Maturity	Par Amount	Adjusted Cost	Market Value	Yield to Maturity
Federal Agency CMO									
Federal National Mortgage Association	AA+	1.55%	4/1/2018	4/30/2015	640	255,000.00	256,367.00	257,066.85	0.83%
Federal National Mortgage Association	AA+	0.64%	9/1/2018	3/31/2015	793	161,585.18	161,585.18	160,979.28	0.38%
Federal National Mortgage Association	AA+	1.90%	1/1/2019	11/30/2015	915	235,000.00	236,825.75	238,389.24	1.20%
Federal National Mortgage Association	AA+	1.65%	9/1/2019	10/30/2015	1,158	505,000.00	509,056.27	510,433.65	1.08%
Federal National Mortgage Association	AA+	0.77%	4/1/2020	9/30/2015	1,371	523,171.35	523,171.35	523,287.08	0.54%
Federal Agency CMO Subtotal					1,076	1,679,756.53	1,687,005.55	1,690,156.10	0.83%
Supranationals									
Inter-American Development Bank	AAA	1.00%	5/13/2019	4/12/2016	1,047	770,000.00	767,852.66	772,637.25	1.10%
Commercial Paper Subtotal					1,047	770,000.00	767,852.66	772,637.25	1.10%
Municipal Obligations									
California Earthquake Authority	NR	1.82%	7/1/2017	11/6/2014	366	295,000.00	295,000.00	297,357.05	1.82%
State of California	AA-	1.75%	11/1/2017	11/5/2013	489	1,090,000.00	1,091,328.58	1,102,753.00	1.66%
University of California	AA	1.90%	5/15/2018	4/10/2014	684	185,000.00	185,000.00	189,208.75	1.90%
State of Connecticut	AA-	1.97%	3/15/2019	3/25/2015	988	315,000.00	315,609.43	321,334.65	1.90%
Municipal Obligations Subtotal					573	1,885,000.00	1,886,938.01	1,910,653.45	1.75%
Corporate Notes									
John Deere Capital	A	1.13%	6/12/2017	6/12/2014	347	830,000.00	829,875.41	831,635.10	1.14%
HSBC USA	A	1.30%	6/23/2017	6/23/2014	358	350,000.00	349,824.25	349,375.25	1.35%
Caterpillar	A	1.25%	8/18/2017	8/20/2014	414	595,000.00	594,886.34	596,678.50	1.27%
IBM Corp	AA-	1.13%	2/6/2018	2/6/2015	586	1,375,000.00	1,372,748.37	1,380,918.00	1.23%
Exxon Mobil	AA+	1.31%	3/6/2018	3/6/2015	614	1,100,000.00	1,100,000.00	1,108,584.40	1.31%
Apple Inc	AA+	1.00%	5/3/2018	5/3/2013	672	585,000.00	584,192.73	586,439.69	1.08%
Berkshire Hathaway	AA	1.30%	5/15/2018	5/15/2013	684	470,000.00	469,895.85	472,956.77	1.31%
Bank of New York	A	1.60%	5/22/2018	5/29/2015	691	550,000.00	549,967.90	555,472.50	1.60%
Chevron Corp	AA-	1.72%	6/24/2018	6/24/2013	724	840,000.00	840,000.00	849,812.88	1.72%
Cisco Systems	AA-	2.13%	3/1/2019	9/4/2014	974	500,000.00	502,729.73	513,531.00	1.91%
Cisco Systems	AA-	2.13%	3/1/2019	9/4/2015	974	600,000.00	604,334.81	616,237.20	1.85%
Goldman Sachs Group Inc	BBB+	2.00%	4/25/2019	4/25/2016	1,029	75,000.00	74,803.91	75,769.43	2.10%
Goldman Sachs Group Inc	BBB+	2.00%	4/25/2019	4/26/2016	1,029	475,000.00	474,713.90	479,873.03	2.02%
Citigroup Inc	BBB+	2.05%	6/7/2019	6/9/2016	1,072	210,000.00	209,892.96	211,445.43	2.07%
American Honda Finance	A+	2.25%	8/15/2019	9/9/2014	1,141	1,100,000.00	1,098,680.67	1,135,805.00	2.29%
Burlington Northern	A	4.70%	10/1/2019	6/8/2016	1,188	275,000.00	303,034.74	304,075.48	1.48%
General Electric Capital Corp	AA+	5.50%	1/8/2020	3/25/2015	1,287	950,000.00	1,060,631.88	1,085,869.00	2.05%
JP Morgan Chase	A-	2.25%	1/23/2020	10/6/2015	1,302	700,000.00	695,796.62	709,627.10	2.43%
Wells Fargo & Co	A	2.15%	1/30/2020	3/27/2015	1,309	800,000.00	802,032.02	813,571.20	2.08%
Toyota Motor Credit Corp	AA-	2.15%	3/12/2020	3/27/2015	1,351	350,000.00	352,346.49	359,763.95	1.96%
JP Morgan Chase	A-	2.75%	6/23/2020	9/4/2015	1,454	400,000.00	401,665.92	412,172.80	2.64%
Bank of New York	A	2.05%	5/3/2021	5/20/2016	1,768	550,000.00	551,146.37	558,646.55	2.00%
American Express	A-	2.25%	5/5/2021	5/31/2016	1,770	300,000.00	299,315.91	305,322.00	2.30%
Branch Banking & Trust	A-	2.05%	5/10/2021	5/16/2016	1,775	275,000.00	274,822.96	279,028.48	2.06%
State Street	A	1.95%	5/19/2021	5/24/2016	1,784	150,000.00	149,444.20	151,885.35	2.03%
Corporate Notes Subtotal					962	14,405,000.00	14,546,783.94	14,744,496.09	1.75%

City of Concord
Investment Detail
as of June 30, 2016

Issuer	S&P Rating	Coupon	Maturity	Purchased	Days to Maturity	Par Amount	Adjusted Cost	Market Value	Yield to Maturity
Commercial Paper									
Bank of Tokyo Mitsubishi	A-1	0.00%	10/4/2016	4/4/2016	96	1,100,000.00	1,097,416.53	1,098,069.50	0.89%
BNP Paribas NY	A-1	0.00%	10/5/2016	4/5/2016	97	1,100,000.00	1,097,418.66	1,098,130.00	0.88%
Commercial Paper Subtotal					97	2,200,000.00	2,194,835.19	2,196,199.50	0.89%
Certificates of Deposit									
Canadian Imperial Bank NY	A-1	1.01%	4/6/2017	4/10/2015	280	1,100,000.00	1,100,000.00	1,100,253.00	1.01%
Rabobank Nederland NV NY	A-1	1.07%	4/21/2017	4/27/2015	295	1,300,000.00	1,300,000.00	1,299,844.00	1.07%
BMO Harris Bank	A-1	1.00%	4/24/2017	10/23/2015	298	1,100,000.00	1,100,000.00	1,102,084.50	1.01%
Nordea Bank NY	AA-	1.15%	5/26/2017	5/29/2015	330	1,100,000.00	1,100,000.00	1,100,550.00	1.15%
Toronto Dominion Bank NY	AA-	1.24%	6/16/2017	6/19/2015	351	1,100,000.00	1,100,000.00	1,102,981.00	1.25%
Svenska Handelsbanken NY	A-1+	1.07%	8/24/2017	11/24/2015	420	1,100,000.00	1,100,000.00	1,100,550.00	0.84%
US Bank NA	AA-	1.38%	9/11/2017	9/11/2014	438	1,100,000.00	1,099,293.87	1,103,682.80	1.41%
Bank of Nova Scotia Houston	A-1	1.56%	11/6/2017	11/9/2015	494	1,100,000.00	1,100,000.00	1,105,687.00	1.55%
Skandinaviska Enskilda NY	A-1	1.48%	11/16/2017	11/17/2015	504	1,100,000.00	1,100,000.00	1,101,166.00	1.48%
HSBC USA	A-1+	1.21%	11/17/2017	11/18/2015	505	1,100,000.00	1,100,000.00	1,102,051.50	0.97%
Royal Bank of Canada NY	AA-	1.70%	3/9/2018	3/15/2016	617	1,100,000.00	1,100,000.00	1,108,574.50	1.69%
Certificates of Deposit Subtotal					410	12,300,000.00	12,299,293.87	12,327,424.30	1.22%
Other Investments									
CalTrust Short Term Fund	AAf	0.73%	7/1/2016	6/30/2016	398	4,500,000.00	4,956,481.13	4,956,481.13	0.73%
CalTrust Medium Term Fund	NR	1.01%	7/1/2016	6/30/2016	712	15,000,000.00	15,217,362.96	15,217,362.96	1.01%
Other Investments Subtotal					635	19,500,000.00	20,173,844.09	20,173,844.09	0.94%
Operating Total					472	149,054,067.23	150,092,249.97	150,628,919.46	0.89%

*Funds invested in LAIF can be withdrawn at par.

**City of Concord
Investment Detail
as of June 30, 2016**

Issuer	S&P Rating	Coupon	Maturity	Days to Maturity	Par Amount	Original Cost	Market Value	Current Yield
Funds Held in Trust								
Cash Equivalents								
BNY-ABAG 41 (Parking Struc 2001)	AAAm	0.49%	7/1/2016	1	237,130.27	237,130.27	237,130.27	0.49%
BNY-Concord Wastewater 2012	AAAm	0.49%	7/1/2016	1	1.00	1.00	1.00	0.49%
Blackrock Institutional Money Market Fund*	AAAm	0.15%	7/1/2016	1	528,894.77	528,894.77	528,894.77	0.15%
				1	766,026.04	766,026.04	766,026.04	0.26%
Total Funds Held in Trust				1	766,026.04	766,026.04	766,026.04	0.26%

*Values provided by the City of Concord

City of Concord
Transactions Detail
April 1, 2016 - June 30, 2016

Trade Date	Settle Date	Transaction	CUSIP	Issuer	Coupon	Maturity	Par Value	Yield to Maturity
Purchases								
4/1/2016	4/4/2016	Purchase	06538BK44	Bank of Tokyo Mitsubishi LTD N		10/4/2016	\$ 1,100,000.00	0.91%
4/5/2016	4/5/2016	Purchase	09659BK58	BNP Paribas NY		10/5/2016	\$ 1,100,000.00	0.90%
4/5/2016	4/12/2016	Purchase	458182DX7	Inter-American Development Ba	1.00%	5/13/2019	\$ 770,000.00	1.10%
4/20/2016	4/25/2016	Purchase	38141GVT8	Goldman Sachs Group Inc	2.00%	4/25/2019	\$ 75,000.00	2.10%
4/21/2016	4/26/2016	Purchase	38141GVT8	Goldman Sachs Group Inc	2.00%	4/25/2019	\$ 475,000.00	2.02%
5/2/2016	5/2/2016	Purchase	912828PC8	U.S. Treasury	2.63%	11/15/2020	\$ 650,000.00	1.28%
5/3/2016	5/6/2016	Purchase	912828PC8	U.S. Treasury	2.63%	11/15/2020	\$ 1,050,000.00	1.21%
5/10/2016	5/16/2016	Purchase	05531FAV5	Branch Banking & Trust	2.05%	5/10/2021	\$ 275,000.00	2.06%
5/17/2016	5/20/2016	Purchase	06406FAB9	Bank of New York	2.05%	5/3/2021	\$ 550,000.00	2.00%
5/19/2016	5/24/2016	Purchase	857477AV5	State Street	1.95%	5/19/2021	\$ 150,000.00	2.03%
5/25/2016	5/31/2016	Purchase	0258M0EB1	American Express	2.25%	5/5/2021	\$ 300,000.00	2.30%
6/2/2016	6/9/2016	Purchase	172967KS9	Citigroup Inc	2.05%	6/7/2019	\$ 210,000.00	2.07%
6/3/2016	6/8/2016	Purchase	12189TBC7	Burlington Northern	4.70%	10/1/2019	\$ 275,000.00	1.48%
6/22/2016	6/27/2016	Purchase	912828J84	U.S. Treasury	1.38%	3/31/2020	\$ 150,000.00	1.04%
6/22/2016	6/27/2016	Purchase	912828J84	U.S. Treasury	1.38%	3/31/2020	\$ 210,000.00	1.03%
6/23/2016	6/28/2016	Purchase	912828J84	U.S. Treasury	1.38%	3/31/2020	\$ 464,000.00	1.07%
6/27/2016	6/29/2016	Purchase	912828Q37	U.S. Treasury	1.25%	3/31/2021	\$ 1,250,000.00	0.98%
Maturities								
5/2/2016	5/2/2016	Maturity	68428LDJ0	Orange County, CA	0.78%	5/2/2016	\$ 690,000.00	
Sales								
4/4/2016	4/4/2016	Sell	912828MD9	U.S. Treasury	3.25%	12/31/2016	\$ 525,000.00	0.58%
4/4/2016	4/4/2016	Sell	912828MD9	U.S. Treasury	3.25%	12/31/2016	\$ 425,000.00	0.58%
4/4/2016	4/4/2016	Sell	912828SJ0	U.S. Treasury	0.88%	2/28/2017	\$ 115,000.00	0.61%
4/4/2016	4/5/2016	Sell	3130A2T97	FHLB	0.50%	9/28/2016	\$ 550,000.00	0.51%
4/5/2016	4/5/2016	Sell	912828SJ0	U.S. Treasury	0.88%	2/28/2017	\$ 550,000.00	0.58%
4/5/2016	4/12/2016	Sell	912828C65	U.S. Treasury	1.63%	3/31/2019	\$ 190,000.00	0.88%
4/5/2016	4/12/2016	Sell	912828C65	U.S. Treasury	1.63%	3/31/2019	\$ 565,000.00	0.88%
4/21/2016	4/25/2016	Sell	912828SJ0	U.S. Treasury	0.88%	2/28/2017	\$ 50,000.00	0.53%

City of Concord
Transactions Detail
April 1, 2016 - June 30, 2016

Trade Date	Settle Date	Transaction	CUSIP	Issuer	Coupon	Maturity	Par Value	Yield to Maturity
4/21/2016	4/26/2016	Sell	912828SJ0	U.S. Treasury	0.88%	2/28/2017	\$ 210,000.00	0.54%
4/21/2016	4/26/2016	Sell	912828SM3	U.S. Treasury	1.00%	3/31/2017	\$ 265,000.00	0.55%
5/4/2016	5/6/2016	Sell	3134G33C2	FHLMC	0.60%	1/3/2017	\$ 1,000,000.00	0.54%
5/4/2016	5/6/2016	Sell	912828SM3	U.S. Treasury	1.00%	3/31/2017	\$ 115,000.00	0.54%
5/10/2016	5/16/2016	Sell	912828PC8	U.S. Treasury	2.63%	11/15/2020	\$ 250,000.00	1.17%
5/17/2016	5/20/2016	Sell	06406HDB2	Bank of New York	1.60%	5/22/2018	\$ 550,000.00	1.20%
5/19/2016	5/24/2016	Sell	912828PC8	U.S. Treasury	2.63%	11/15/2020	\$ 140,000.00	1.34%
5/25/2016	5/31/2016	Sell	0258M0DR7	American Express	1.55%	9/22/2017	\$ 290,000.00	1.43%
6/2/2016	6/9/2016	Sell	912828C65	U.S. Treasury	1.63%	3/31/2019	\$ 235,000.00	1.02%
6/3/2016	6/8/2016	Sell	912828TR1	U.S. Treasury	1.00%	9/30/2019	\$ 300,000.00	0.98%
6/22/2016	6/27/2016	Sell	002824AZ3	Abbott Laboratories	2.00%	3/15/2020	\$ 150,000.00	1.83%
6/22/2016	6/27/2016	Sell	002824AZ3	Abbott Laboratories	2.00%	3/15/2020	\$ 210,000.00	1.81%
6/23/2016	6/28/2016	Sell	002824AZ3	Abbott Laboratories	2.00%	3/15/2020	\$ 465,000.00	1.85%
6/27/2016	6/29/2016	Sell	38147J2L5	Goldman Sachs Bank	0.90%	8/12/2016	\$ 1,100,000.00	1.07%
Paydowns								
4/1/2016	4/1/2016	Paydown	3136AMTM1	FNMA	0.64%	9/1/2018	\$ 156.72	
4/1/2016	4/1/2016	Paydown	3136AP3Z3	FNMA	0.77%	4/1/2020	\$ 2,341.75	
5/1/2016	5/1/2016	Paydown	3136AMTM1	FNMA	0.64%	9/1/2018	\$ 5,360.07	
5/1/2016	5/1/2016	Paydown	3136AP3Z3	FNMA	0.77%	4/1/2020	\$ 9,804.97	
6/1/2016	6/1/2016	Paydown	3136AMTM1	FNMA	0.64%	9/1/2018	\$ 155.84	
6/1/2016	6/1/2016	Paydown	3136AP3Z3	FNMA	0.77%	4/1/2020	\$ 605.91	

City of Concord
Operating Funds Compliance Report
as of June 30, 2016

Credit Quality

	Minimum Permitted Rating	Lowest Rated Security (S&P)	In Compliance?
U.S. Treasuries	N/A	AA+	Yes
Federal Agencies	N/A	AA+	Yes
Federal Agency CMO	N/A	AA+	Yes
Supranationals	"AA" Category by a NRSRO	AAA	Yes
Municipal Obligations	"A" Category by a NRSRO	NR*	Yes
Corporate Notes	"A" Category by a NRSRO	BBB+**	Yes
Commercial Paper	Highest Short-Term Category	A-1	Yes
Negotiable CDs	"A" Category by a NRSRO	A-1	Yes

*Rated A3 by Moody's

**Rated A- or better by Moody's or Fitch

Maturity Limits

	Maximum Permitted Maturity	Maximum Maturity	In Compliance?
U.S. Treasuries	5 Years	4.75 Years	Yes
Federal Agencies	5 Years	3.41 Years	Yes
Federal Agency CMO	5 Years	3.76 Years	Yes
Supranationals	5 Years	2.87 Years	Yes
Municipal Obligations	5 Years	2.71 Years	Yes
Corporate Notes	5 Years	4.89 Years	Yes
Commercial Paper	270 Days	0.27 Years	Yes
Negotiable CDs	5 Years	1.69 Years	Yes

Sector Allocations

	Maximum Allocation	Current Allocation	In Compliance?
U.S. Treasuries	100%	11.57%	Yes
Federal Agencies	100%	3.21%	Yes
Federal Agency CMO	20%	1.12%	Yes
Supranationals	30%	0.51%	Yes
Municipal Obligations	30%	1.27%	Yes
Corporate Notes	30%	9.79%	Yes
Commercial Paper	20%	1.46%	Yes
Negotiable CDs	30%	8.18%	Yes

Market Update for City of Concord

On June 23, 2016, the British referendum on whether to stay in or leave the European Union (“EU”), so called “Brexit,” concluded with a narrow majority of 52% voting in favor of leaving.

- The U.K. has been a member of the EU since 1973. The EU is an economic and political union of 28 member countries covering more than 500 million people. The main advantage is that it operates as a single market where goods, services, money and people move freely within it.
- The Brexit result was unexpected, and it triggered shockwaves through global markets.
- The situation remains fluid as there is no clear road-map for implementation. Britain must renegotiate its trade deals with EU and there exists much uncertainty with regard to the economic and political consequences.

POLICY REACTIONS

- Britain’s Prime Minister David Cameron announced his resignation.
- Key EU members urge Britain to exit the Union with haste.
- Major central banks promised support:
 - The Bank of England pledged an extra \$345 billion for the financial system.
 - The European Central Bank pledged to provide funding needed to calm market volatility.
- Emboldened nationalist parties in Europe call for similar referendums.

IMMEDIATE MARKET REACTIONS

- A “flight-to-quality” occurred as investors shed risk assets (e.g., equities) in favor of safe-haven investments.
- Significant equity market sell-off, mostly focused on Europe.
- Significant bond market rally:
 - U.S. 10-year yield touched lowest point since 2012 (1.40%).
 - Japan and German sovereign 10-year bond yields hit record lows.
 - UK sovereign 10-year yields fall below 1% for the first time.
- Modest widening of credit spreads, but generally offset by rate declines.
- The British pound fell to a 30-year-low vs. the U.S. dollar.
- S&P downgraded the credit rating of U.K. by 2 notches, from AAA to AA.

IMPLICATIONS FOR CITY OF CONCORD’S PORTFOLIO

- The City’s portfolio was well-positioned for post-Brexit volatility given its high overall credit quality and strong emphasis on highly-liquid securities.
- The portfolio’s disciplined investment strategy and thoughtful design, structure, and diversification benefited the portfolio through this volatility.
- The portfolio is comprised of high quality investments. As of June 30, 2016, U.S. Treasuries, Federal Agencies, and other government securities made up 48% of the portfolio. The remainder is in high quality negotiable CDs, commercial paper and corporate notes, well diversified across issuers.
- The portfolio’s duration is being managed in line with that of its benchmark, which should protect against performance deviations caused by unpredictable interest rate volatility.
- Declining interest rates following the Brexit resulted in unrealized market value gains for the portfolio. The portfolio’s return for June was a very strong 0.70% (unannualized). As of June 30, 2016 the portfolio’s unrealized gains total \$536,669.
- Given that there is no immediate end to the Brexit tunnel, uncertainty will continue to dominate markets. However, just two weeks after the vote, global stock markets, including those in the U.S., have stabilized. We will monitor developments as they occur and continue to evaluate and communicate the impact on the City’s portfolio.