



City of Brentwood



Investment Performance Review
Fourth Quarter 2015

Monique Spyke, Director
PFM Asset Management LLC
50 California Street, Suite 2300
San Francisco, CA 94111
415-982-5544

Summary

- The Federal Open Market Committee (FOMC) increased the target federal funds rate by 25 basis points (bps) (0.25%) at its December meeting — its first rate hike since 2006. In doing so, the FOMC stressed its intention to normalize rates at a gradual pace.
- The year ended with strong job growth momentum as the economy added 292,000 new jobs in December. This brought the 2015 tally to 2.65 million new jobs in total — enough to shrink the unemployment rate to 5%. Wage inflation edged up modestly, suggesting a chance for future inflation.
- While the Federal Reserve (Fed) took the first step to normalize interest rates, other central banks have continued to implement accommodative monetary policies. The European Central Bank (ECB) extended its monetary easing policy through the first quarter of 2017 and cut its deposit rate further into negative territory (-0.3%). The Bank of Japan (BOJ) and People's Bank of China (PBOC) also remain accommodative.

Economic Snapshot

- U.S. gross domestic product (GDP) expanded at a 2% rate in the third quarter, down from the second quarter due to a reduction in inventory accumulation.
- In a year-end bipartisan negotiation, Congress passed a \$1.1 trillion spending and tax budget, which also lifted the 40-year ban on U.S. crude oil exports.
- Global commodity prices continued to fall, increasing concerns over global growth and the sustainability of producers within the energy sector. Headlining this rout were oil prices, which continued to slide, sinking to less than \$35 per barrel in December — the lowest level since February 2009.
- China continued to allow the yuan to weaken, ending the year at its lowest level versus the U.S. dollar in nearly six years. The Chinese economy continued to slow — stoking market concern over the world's second-largest economy — though it is expected to meet its major economic targets for the year.

Interest Rates

- The new target range for the federal funds rate, as established by the FOMC, is 25 to 50 bps, ending the FOMC's seven-year "zero interest rate policy."
- Interest rates across the curve moved up significantly throughout the quarter, with the 10-year rising approximately 23 bps to 2.27% and the two-year moving almost 42 bps to 1.05%.
- On the shorter end, 12-month Treasury bills ticked up approximately 30 bps to 0.60%.

Sector Performance

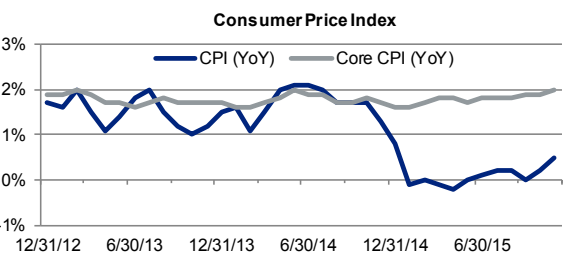
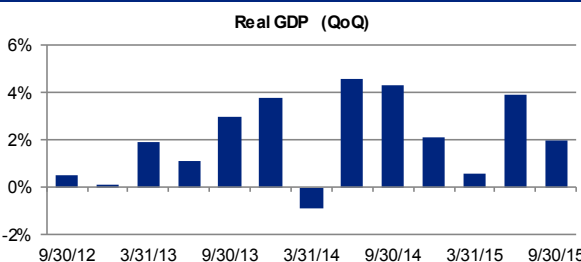
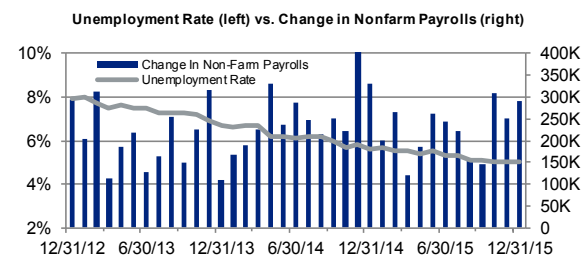
- U.S. Treasury benchmark returns were negative for all but the shortest maturities (six months and under), as rates rose across the curve. While the rate increase was less pronounced for longer maturities, their extended durations — and accompanying sensitivity to changes in rates — caused their performance to trail the greatest.
- Non-callable federal agency securities performed in line with comparable maturity Treasuries; callable securities modestly outperformed as their incremental yield helped as rates rose.
- Corporate yield spreads reversed the prior quarter's widening, which helped the sector to outperform government-related sectors; however, absolute return was still negative. A-rated issuers were the best-performing quality category.
- Mortgage-backed securities (MBS) were among the strongest-performing sectors in the fourth quarter, aided by slowly rising long-term rates, which helped to slow prepayments; this was particularly true for higher coupon issues. MBS joined municipals as the lone sectors to produce positive performance for the quarter.

Economic Snapshot

Labor Market	Latest	Sep 2015	Dec 2014	
Unemployment Rate	Dec'15	5.0%	5.1%	5.6%
Change In Non-Farm Payrolls	Dec'15	292,000	145,000	329,000
Average Hourly Earnings (YoY)	Dec'15	2.5%	2.3%	1.8%
Personal Income (YoY)	Nov15	4.4%	4.6%	5.2%
Initial Jobless Claims (week)	1/1/16	277,000	276,000	293,000

Growth	Latest	Sep 2015	Dec 2014	
Real GDP (QoQ SAAR)	2015Q3	2.0%	3.9% ¹	4.3% ²
GDP Personal Consumption (QoQ SAAR)	2015Q3	3.0%	3.6% ¹	3.5% ²
Retail Sales (YoY)	Nov15	1.4%	2.2%	3.3%
ISM Manufacturing Survey (month)	Dec'15	48.2	50.2	55.1
Existing Home Sales SAAR (month)	Nov15	4.76 mil.	5.55 mil.	5.07 mil.

Inflation / Prices	Latest	Sep 2015	Dec 2014	
Personal Consumption Expenditures (YoY)	Nov15	0.4%	0.2%	0.8%
Consumer Price Index (YoY)	Nov15	0.5%	0.0%	0.8%
Consumer Price Index Core (YoY)	Nov15	2.0%	1.9%	1.6%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$37.04	\$45.09	\$53.27
Gold Futures (oz.)	Dec 31	\$1,060	\$1,116	\$1,184



1. Data as of Second Quarter 2015

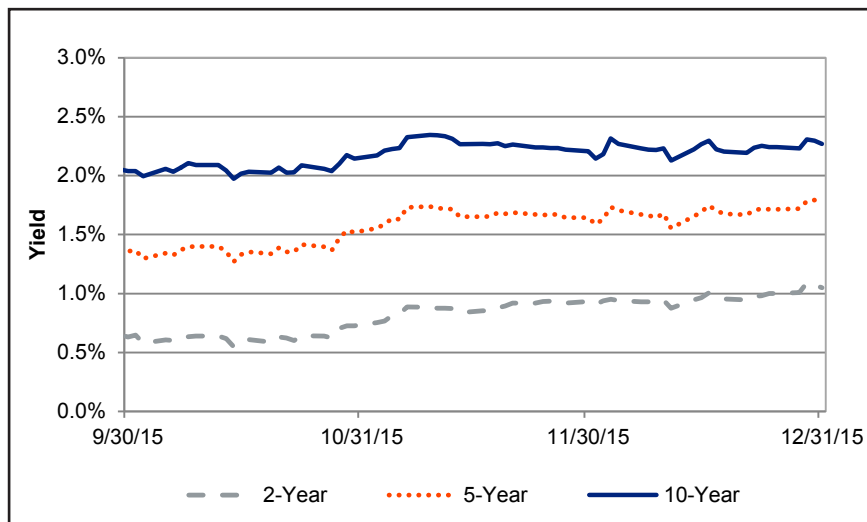
2. Data as of Third Quarter 2014

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

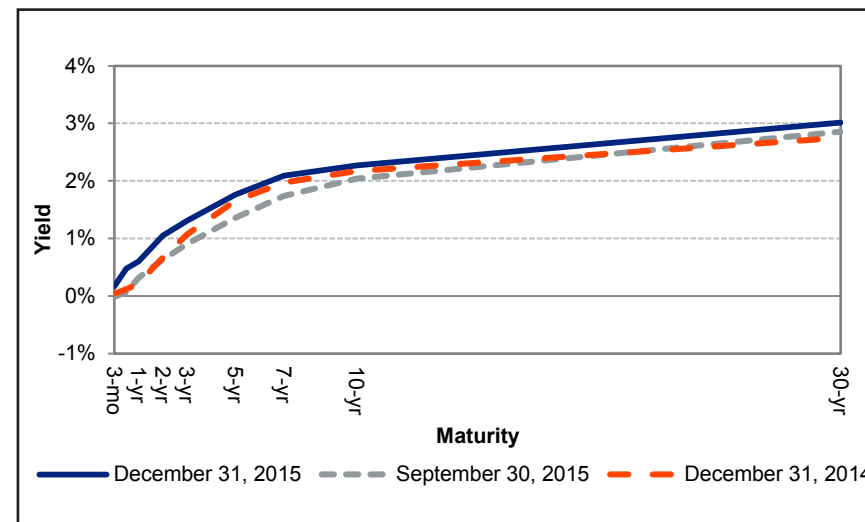
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



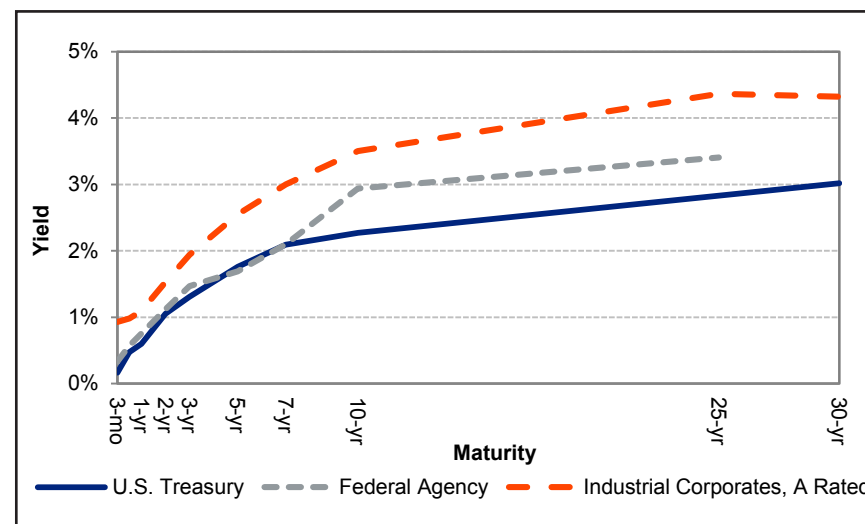
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	12/31/15	9/30/15	Change over Quarter	12/31/14	Change over Year
3-month	0.17%	(0.02%)	0.19%	0.04%	0.13%
1-year	0.60%	0.31%	0.29%	0.22%	0.38%
2-year	1.05%	0.63%	0.42%	0.67%	0.38%
5-year	1.76%	1.36%	0.40%	1.65%	0.11%
10-year	2.27%	2.04%	0.23%	2.17%	0.10%
30-year	3.02%	2.85%	0.17%	2.75%	0.27%

Yield Curves as of 9/30/15



Source: Bloomberg

BofA Merrill Lynch Index Returns

	As of 12/31/2015		Returns for Periods ended 12/31/2015		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.87	1.06%	(0.44%)	0.54%	0.51%
Federal Agency	1.73	1.14%	(0.37%)	0.69%	0.61%
U.S. Corporates, A-AAA rated	1.90	1.82%	(0.05%)	1.16%	1.22%
Agency MBS (0 to 3 years)	1.89	1.46%	0.98%	1.68%	1.20%
Municipals	1.84	0.96%	(0.08%)	0.76%	0.85%
1-5 Year Indices					
U.S. Treasury	2.70	1.29%	(0.66%)	0.98%	0.67%
Federal Agency	2.20	1.31%	(0.49%)	0.97%	0.76%
U.S. Corporates, A-AAA rated	2.71	2.13%	(0.16%)	1.52%	1.59%
Agency MBS (0 to 5 years)	3.35	2.23%	0.16%	1.22%	1.69%
Municipals	2.52	1.15%	0.08%	1.20%	1.24%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.19	1.77%	(0.93%)	0.83%	1.09%
Federal Agency	3.75	1.69%	(0.65%)	0.99%	1.05%
U.S. Corporates, A-AAA rated	6.64	3.08%	(0.09%)	0.67%	1.97%
Agency MBS (0 to 30 years)	4.53	2.63%	(0.06%)	1.46%	2.00%
Municipals	6.74	2.34%	1.72%	3.55%	3.35%

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices

Disclosures

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness, or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities. PFMAM is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. PFMAM's clients are state and local governments, non-profit corporations, pension funds, and similar institutional investors. www.pfm.com

© 2016 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.



Investment Report

Fourth Quarter 2015

Fixed Income
Management

Portfolio Summary

<u>Total Portfolio Value</u>	<u>December 31, 2015</u>	<u>September 30, 2015</u>
Market Value	\$191,738,981.86	\$177,404,100.72
Amortized Cost	\$192,405,530.64	\$176,804,963.88

PORTFOLIO RECAP

- PFMAM maintained a modestly defensive duration position for much of the quarter as rates trended higher. As rates approached the upper end of recent ranges ahead of the FOMC meeting, we extended the portfolio's duration from short of the benchmark's duration to a near-neutral position; this more closely aligned the portfolio duration with the duration of the performance benchmark.
- The yield relationship between U.S. Treasury and federal agency securities remained stable throughout the fourth quarter. Our relative value analysis of these sectors continued to favor investments in U.S. Treasuries. We sought opportunities to capture value when agencies came to market with new issues if they offered higher yields than secondary market securities with similar maturities.
- We continued to seek opportunities to reflect our favorable view of corporate credit in portfolios. When the new-issue market slowed considerably towards year end – a normal occurrence that was compounded by the impending FOMC rate decision – we looked for available supply in the secondary market and negotiable CD market. The reduction in new issuance supply, combined with economic growth, which favors corporate sector fundamentals, created strong demand for corporate securities and caused yield spreads to narrow for much of the quarter. This helped to generate strong performance for the sector.
- The mortgage-backed securities sector (MBS) produced strong performance during the quarter as the slow rise in long-term rates helped to mitigate prepayment risk (prepayments typically occur when mortgage holders exercise the option to refinance, which can hurt bondholders). We selectively added MBS issues that are expected to have limited sensitivity to interest rate volatility.

PORTFOLIO STRATEGY

- We maintain the outlook that the economy will continue to expand at a moderate pace in the intermediate term. We will continue to monitor any spillover effect that modest global growth and muted inflation may have on the U.S. economy. These factors will help justify the FOMC's stated intention to remain patient with the pace at which it raises the federal funds rate.
- Recent FOMC projections indicate that Committee members anticipate that three or four rate hikes may be appropriate in 2016 – projections that most market participants believe to be overstated. We believe that expectations for low inflation will limit this year's rate hikes to two or three, and that short term yields will trend only modestly higher in the near term. We expect long-term rates to remain within modest ranges, resulting in further flattening of the yield curve.
- Given the low likelihood that rates will move significantly higher in the near-term, we started the new quarter with duration positions closer to those of applicable benchmarks. Similarly, with the exception of attractive short-term credit securities, we will position the maturity distributions of portfolios to generally match the maturity distributions of benchmarks.
- Because of narrow yield spreads, federal agencies currently have limited appeal relative to comparable-maturity U.S. Treasuries. We will monitor the yield relationship between the two sectors and take advantage of opportunities that may arise – opportunities that are most likely to occur with new-issue securities.
- Our strategy continues to favor credit sectors, including corporates notes, commercial paper, negotiable CDs, and asset-backed securities. Although yield spreads narrowed in the fourth quarter and remain narrow, their superior income continues to benefit portfolios. The impact of slower global growth (particularly in emerging markets), interest rate uncertainty, and increased regulatory scrutiny will vary by each issuer's exposure to these market risks, underscoring the importance of fundamental issuer analysis and careful selection of issuers that we add to portfolios.

Investment Report

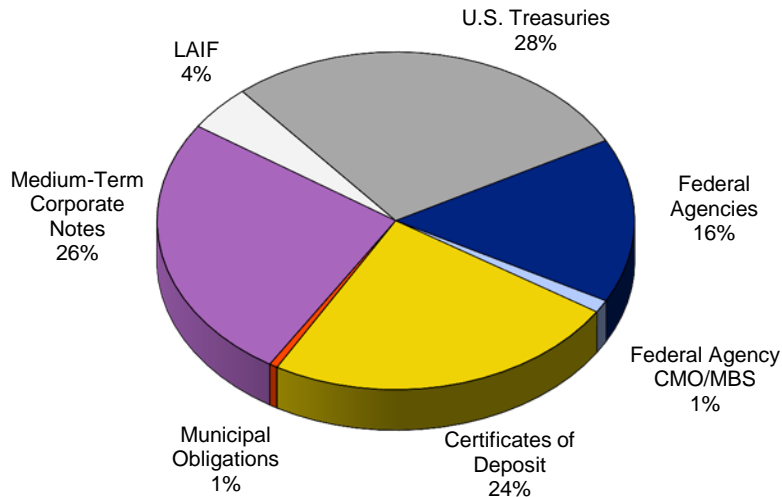
Fourth Quarter 2015

Fixed Income
Management

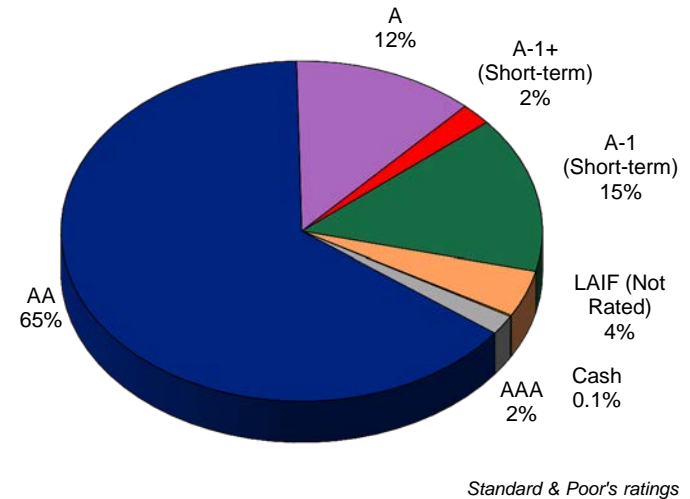
Portfolio Composition and Credit Quality Characteristics

<u>Security Type</u> ¹	<u>December 31, 2015</u>	<u>% of Portfolio</u>	<u>September 30, 2015</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasuries	\$54,053,107	28%	\$37,021,682	21%	100%
Federal Agencies	\$30,179,043	16%	\$37,652,898	21%	100%
Federal Agency CMO/MBS	\$2,310,728	1%	\$0	0%	20%
Certificates of Deposit	\$46,334,061	24%	\$38,525,841	22%	30%
Municipal Obligations	\$1,077,363	1%	\$4,120,758	2%	100%
Medium-Term Corporate Notes	\$49,034,001	26%	\$54,166,086	31%	30%
Money Market Fund/Cash	\$249,476	<1%	\$420,896	<1%	15%
LAIF	\$8,501,204	4%	\$5,495,938	3%	\$50 Million
Totals	\$191,738,982	100%	\$177,404,101	100%	

Portfolio Composition



Credit Quality Distribution



Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

Investment Report

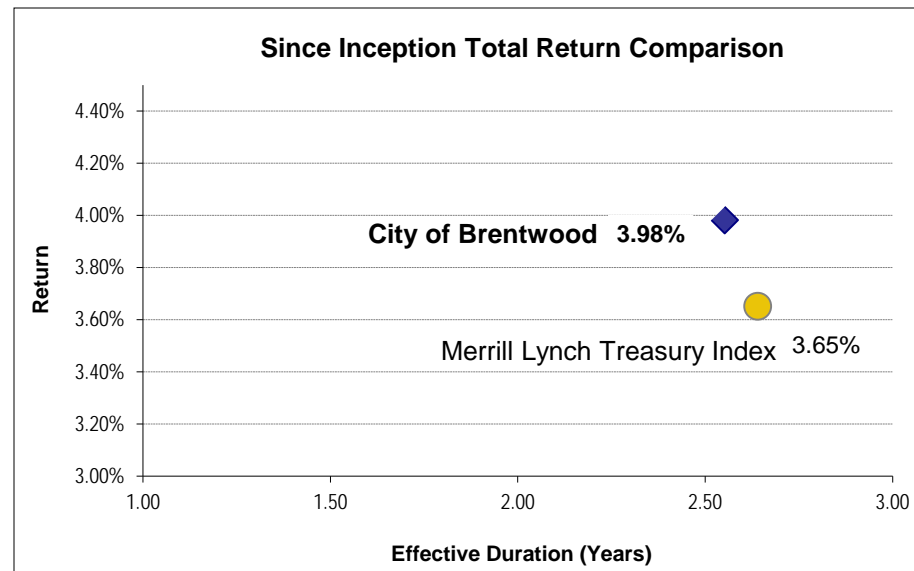
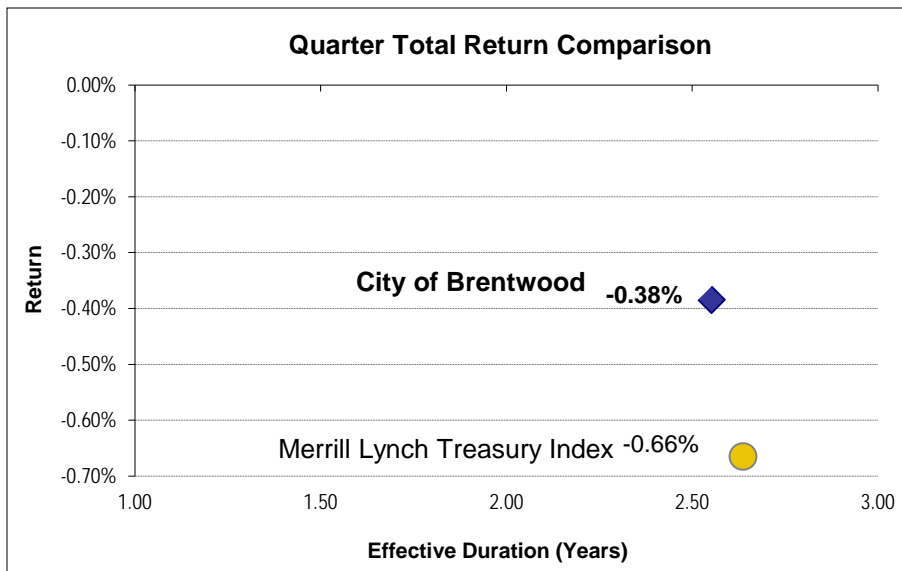
Fourth Quarter 2015

Fixed Income
Management

Portfolio Performance

Total Return ^{1,2,3,4,5}	Quarter Ended December 31, 2015	Past Year	Past 5 Years	Past 10 Years	Since Inception
City of Brentwood	-0.38%	1.04%	1.07%	2.81%	3.98%
Merrill Lynch Treasury Index	-0.66%	0.58%	0.71%	2.42%	3.65%

Effective Duration ^{4,5,6}	<u>December 31, 2015</u>	<u>September 30, 2015</u>	Yields	<u>December 31, 2015</u>	<u>September 30, 2015</u>
City of Brentwood	2.55	2.47	Yield at Market	1.46%	1.12%
Merrill Lynch Treasury Index	2.64	2.64	Yield on Cost	1.33%	1.24%



Notes:

1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
3. Merrill Lynch Indices provided by Bloomberg Financial Markets.
4. Includes money market fund/cash in performance and duration computations and excludes LAIF from performance, yield, and duration computations.
5. Short-term funds are not included in performance and duration calculations.
6. Merrill Lynch 9-12 Month U.S. Treasury Bill Index through March 31, 2001, Merrill Lynch 9-12 Month U.S. Treasury Note Index through June 30, 2002, Merrill Lynch 1-3 Year U.S. Treasury Note Index through March 31, 2015 and Merrill Lynch 1-5 Year U.S. Treasury Index beginning April 1, 2015. Inception date is December 31, 1992.

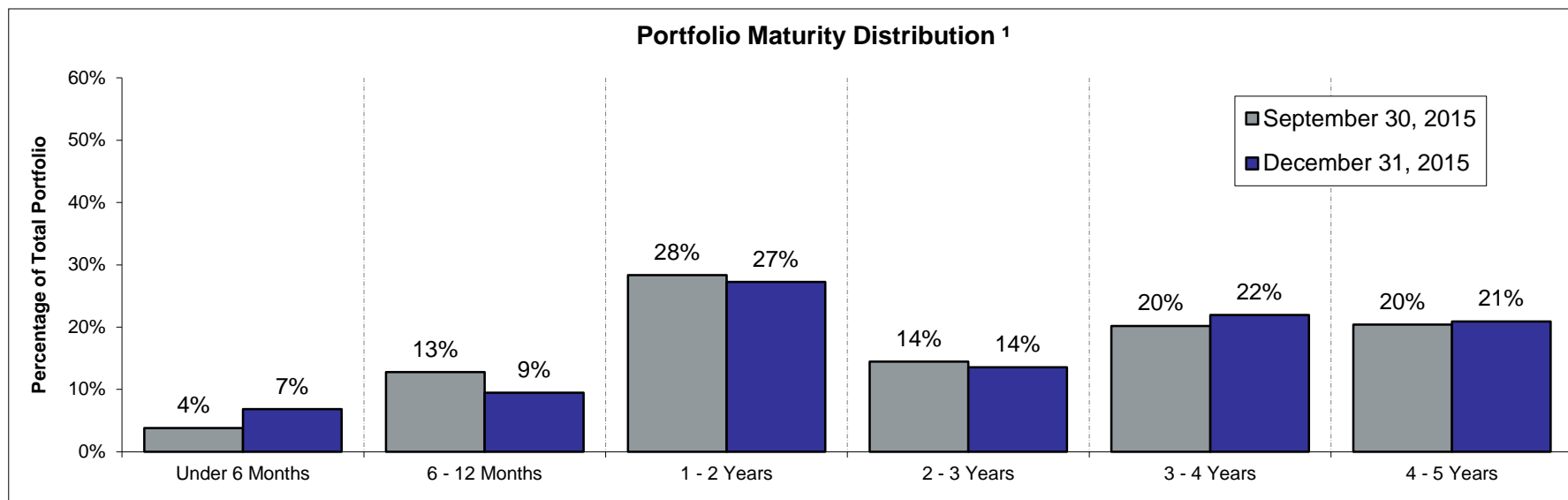
Investment Report

Fourth Quarter 2015

Fixed Income
Management

Portfolio Maturity Distribution

<u>Maturity Distribution</u> ¹	<u>December 31, 2015</u>	<u>September 30, 2015</u>
Under 6 Months	\$13,095,805	\$6,759,134
6 - 12 Months	\$18,187,003	\$22,697,151
1 - 2 Years	\$52,221,972	\$50,317,656
2 - 3 Years	\$26,023,634	\$25,672,765
3 - 4 Years	\$42,118,481	\$35,787,078
4 - 5 Years	\$40,092,086	\$36,170,317
Totals	\$191,738,982	\$177,404,101



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2015**

CITY OF BRENTWOOD

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 01/03/2012 1.375% 12/31/2018	912828RY8	3,000,000.00	AA+	Aaa	12/28/15	12/30/15	3,001,523.44	1.36	113.32	3,001,521.09	3,002,226.00
US TREASURY NOTES DTD 02/29/2012 1.375% 02/28/2019	912828SH4	2,000,000.00	AA+	Aaa	02/26/15	02/27/15	2,002,968.75	1.34	9,292.58	2,002,358.24	1,998,672.00
US TREASURY NOTES DTD 02/29/2012 1.375% 02/28/2019	912828SH4	2,375,000.00	AA+	Aaa	03/26/15	03/27/15	2,384,091.80	1.27	11,034.94	2,382,361.41	2,373,423.00
US TREASURY NOTES DTD 02/29/2012 1.375% 02/28/2019	912828SH4	2,525,000.00	AA+	Aaa	02/24/15	02/25/15	2,522,336.91	1.40	11,731.89	2,522,887.81	2,523,323.40
US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019	912828D23	1,975,000.00	AA+	Aaa	02/19/15	02/24/15	1,989,503.91	1.44	5,466.52	1,986,634.07	1,986,494.50
US TREASURY NOTES DTD 04/30/2014 1.625% 04/30/2019	912828D23	4,150,000.00	AA+	Aaa	04/28/15	04/30/15	4,216,951.17	1.21	11,486.61	4,205,950.01	4,174,153.00
US TREASURY NOTES DTD 06/30/2014 1.625% 06/30/2019	912828WS5	1,055,000.00	AA+	Aaa	12/18/14	12/19/14	1,056,483.59	1.59	47.10	1,056,155.66	1,059,739.06
US TREASURY NOTES DTD 09/30/2014 1.750% 09/30/2019	912828F39	2,375,000.00	AA+	Aaa	03/26/15	03/27/15	2,410,810.55	1.40	10,560.96	2,404,892.84	2,391,050.25
US TREASURY NOTES DTD 09/30/2014 1.750% 09/30/2019	912828F39	4,800,000.00	AA+	Aaa	10/08/15	10/14/15	4,896,187.50	1.23	21,344.26	4,891,062.48	4,832,438.40
US TREASURY NOTES DTD 11/30/2012 1.000% 11/30/2019	912828UB4	2,000,000.00	AA+	Aaa	12/01/14	12/03/14	1,954,531.25	1.47	1,748.63	1,964,083.72	1,954,766.00
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UO1	2,800,000.00	AA+	Aaa	11/05/15	11/09/15	2,765,000.00	1.55	11,826.92	2,766,153.88	2,754,172.40
US TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	912828UO1	4,360,000.00	AA+	Aaa	04/28/15	04/30/15	4,332,579.69	1.38	18,416.21	4,336,303.71	4,288,639.88
US TREASURY NOTES DTD 05/17/2010 3.500% 05/15/2020	912828ND8	600,000.00	AA+	Aaa	05/28/15	05/29/15	657,070.31	1.50	2,711.54	650,490.84	645,046.80
US TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	912828VF4	5,500,000.00	AA+	Aaa	12/02/15	12/04/15	5,455,957.03	1.56	6,612.02	5,456,684.92	5,420,937.50



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2015**

CITY OF BRENTWOOD

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 07/01/2013 1.875% 06/30/2020	912828VJ6	4,500,000.00	AA+	Aaa	09/01/15	09/03/15	4,578,222.66	1.50	231.80	4,573,143.23	4,531,464.00
Security Type Sub-Total		44,015,000.00					44,224,218.56	1.40	122,625.30	44,200,683.91	43,936,546.19

Municipal Bond / Note											
UNIV OF CAL TXBL REV BONDS DTD 10/02/2013 0.907% 05/15/2016	91412GSX4	835,000.00	AA	Aa2	09/26/13	10/02/13	835,000.00	0.91	967.72	835,000.00	836,127.25
MS ST TXBL GO BONDS DTD 02/18/2015 1.090% 10/01/2017	605581FX0	240,000.00	AA	Aa2	02/04/15	02/18/15	240,000.00	1.09	654.00	240,000.00	239,613.60
Security Type Sub-Total		1,075,000.00					1,075,000.00	0.95	1,621.72	1,075,000.00	1,075,740.85

Federal Agency Collateralized Mortgage Obligation											
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSX1	750,000.00	AA+	Aaa	11/06/15	11/30/15	757,499.93	1.20	1,186.31	757,499.93	754,779.45
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	1,555,000.00	AA+	Aaa	10/07/15	10/30/15	1,570,571.61	1.08	2,132.94	1,569,795.90	1,552,629.25
Security Type Sub-Total		2,305,000.00					2,328,071.54	1.12	3,319.25	2,327,295.83	2,307,408.70

Federal Agency Bond / Note											
FHLB GLOBAL NOTES (CALLABLE) DTD 03/24/2015 0.840% 03/24/2017	3130A4OV7	3,600,000.00	AA+	Aaa	03/17/15	03/24/15	3,600,000.00	0.84	8,148.00	3,600,000.00	3,594,700.80
FNMA BENCHMARK NOTE DTD 09/01/2015 1.125% 10/19/2018	3135G0E58	4,725,000.00	AA+	Aaa	08/27/15	09/01/15	4,717,345.50	1.18	10,631.25	4,718,133.68	4,694,878.13
FANNIE MAE GLOBAL NOTES DTD 10/01/2013 1.625% 11/27/2018	3135G0YT4	1,940,000.00	AA+	Aaa	10/22/14	10/23/14	1,958,430.00	1.39	2,977.36	1,953,190.25	1,954,119.32
FANNIE MAE GLOBAL NOTES DTD 10/01/2013 1.625% 11/27/2018	3135G0YT4	2,500,000.00	AA+	Aaa	10/09/14	10/10/14	2,517,500.00	1.45	3,836.81	2,512,427.38	2,518,195.00
FREDDIE MAC NOTES DTD 04/16/2012 1.750% 05/30/2019	3137EADG1	2,000,000.00	AA+	Aaa	02/05/15	02/06/15	2,037,580.00	1.30	3,013.89	2,029,902.10	2,014,992.00



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2015**

CITY OF BRENTWOOD

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 Bond / Note											
FREDDIE MAC GLOBAL NOTES DTD 07/30/2012 1.250% 08/01/2019	3137EADK2	2,565,000.00	AA+	Aaa	09/03/14	09/04/14	2,494,693.35	1.84	13,359.38	2,513,067.83	2,536,472.07
FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	2,000,000.00	AA+	Aaa	10/27/14	10/28/14	2,008,320.00	1.66	10,597.22	2,006,384.14	2,010,554.00
FNMA BENCHMARK NOTE DTD 11/07/2014 1.750% 11/26/2019	3135G0ZY2	1,500,000.00	AA+	Aaa	02/26/15	02/27/15	1,509,975.00	1.60	2,552.08	1,508,265.69	1,507,701.00
FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	2,055,000.00	AA+	Aaa	01/21/15	01/22/15	2,071,008.45	1.46	14,841.67	2,068,080.03	2,047,250.60
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	5,300,000.00	AA+	Aaa	07/01/15	07/06/15	5,223,150.00	1.81	1,987.50	5,230,393.88	5,234,004.40
FNMA BENCHMARK NOTES DTD 11/16/2015 1.875% 12/28/2020	3135G0H55	1,995,000.00	AA+	Aaa	12/28/15	12/29/15	1,995,857.85	1.87	311.72	1,995,856.93	1,993,918.71

Security Type Sub-Total		30,180,000.00					30,133,860.15	1.47	72,256.88	30,135,701.91	30,106,786.03
--------------------------------	--	----------------------	--	--	--	--	----------------------	-------------	------------------	----------------------	----------------------

Corporate Note

JPMORGAN CHASE & CO GLOBAL NOTES DTD 06/29/2011 3.150% 07/05/2016	46625HJA9	3,750,000.00	A-	A3	02/19/15	02/24/15	3,854,512.50	1.09	57,750.00	3,789,356.10	3,788,763.75
AMERICAN HONDA FINANCE GLOBAL NOTES DTD 10/10/2013 1.125% 10/07/2016	02665WAB7	835,000.00	A+	A1	10/03/13	10/10/13	832,094.20	1.24	2,191.88	834,245.35	835,668.84
BERKSHIRE HATHAWAY FIN (FLT) GLOBAL NT DTD 01/10/2014 0.471% 01/10/2017	084664CA7	1,300,000.00	AA	Aa2	01/06/14	01/10/14	1,300,000.00	0.39	1,390.82	1,300,000.00	1,299,422.80
TOYOTA MOTOR CREDIT CORPORATE NOTE DTD 05/22/2012 1.750% 05/22/2017	89233P6D3	1,950,000.00	AA-	Aa3	04/23/14	04/28/14	1,982,136.00	1.20	3,696.88	1,964,729.81	1,962,552.15
THE WALT DISNEY CORPORATION CORP NOTE DTD 06/02/2014 0.875% 05/30/2017	25468PCZ7	1,900,000.00	A	A2	05/28/14	06/02/14	1,896,580.00	0.94	1,431.60	1,898,373.35	1,896,266.50
HSBC USA INC DTD 06/23/2014 1.300% 06/23/2017	40434CAA3	1,325,000.00	A	A2	06/16/14	06/23/14	1,322,986.00	1.35	382.78	1,323,997.80	1,317,943.05



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2015**

CITY OF BRENTWOOD

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 GLOBAL NOTE DTD 07/15/2014 1.200% 07/14/2017	02665WAF8	820,000.00	A+	A1	07/08/14	07/15/14	818,843.80	1.25	4,564.67	819,402.05	816,381.34
CHEVRON CORP NOTE DTD 11/18/2014 1.345% 11/15/2017	166764AL4	1,760,000.00	AA	Aa1	11/10/14	11/18/14	1,760,000.00	1.35	3,024.76	1,760,000.00	1,754,461.28
TOYOTA MOTOR CREDIT CORP NOTE DTD 01/12/2015 1.450% 01/12/2018	89236TCA1	440,000.00	AA-	Aa3	01/07/15	01/12/15	439,397.20	1.50	2,995.06	439,589.08	439,163.12
IBM CORP NOTES DTD 02/06/2015 1.125% 02/06/2018	459200HZ7	4,500,000.00	AA-	Aa3	02/03/15	02/06/15	4,486,275.00	1.23	20,390.63	4,490,353.35	4,469,868.00
EXXON MOBIL CORP NOTES DTD 03/06/2015 1.305% 03/06/2018	30231GAL6	3,580,000.00	AAA	Aaa	03/04/15	03/06/15	3,580,000.00	1.31	14,924.13	3,580,000.00	3,574,311.38
AMERICAN HONDA FINANCE CORP NOTES DTD 03/13/2015 1.500% 03/13/2018	02665WAT8	1,540,000.00	A+	A1	03/10/15	03/13/15	1,537,936.40	1.55	6,930.00	1,538,477.73	1,528,708.72
CONOCOPHILLIPS COMPANY CORP NOTE DTD 05/18/2015 1.500% 05/15/2018	20826FAL0	785,000.00	A	A2	05/13/15	05/18/15	784,905.80	1.50	1,504.58	784,924.69	770,612.52
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 05/29/2015 1.600% 05/22/2018	06406HDB2	3,595,000.00	A	A1	05/22/15	05/29/15	3,594,676.45	1.60	6,231.33	3,594,735.77	3,581,554.70
CISCO SYSTEMS INC CORP NOTE DTD 06/17/2015 1.650% 06/15/2018	17275RAU6	1,510,000.00	AA-	A1	06/10/15	06/17/15	1,509,743.30	1.66	1,107.33	1,509,788.12	1,516,310.29
TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018	89236TCP8	900,000.00	AA-	Aa3	07/08/15	07/13/15	899,235.00	1.58	6,510.00	899,351.68	897,874.20
AMERICAN EXPRESS CREDIT CORP NOTES DTD 03/18/2014 2.125% 03/18/2019	0258M0DK2	2,000,000.00	A-	A2	10/26/15	10/29/15	2,017,300.00	1.86	12,159.72	2,016,451.20	1,999,806.00
WELLS FARGO & COMPANY DTD 04/22/2014 2.125% 04/22/2019	94974BFU9	3,300,000.00	A	A2	03/23/15	03/26/15	3,335,277.00	1.85	13,440.63	3,328,871.40	3,303,993.00
GENERAL ELECTRIC CAP CORP NOTES DTD 01/08/2010 5.500% 01/08/2020	36962G4J0	4,500,000.00	AA+	A1	03/20/15	03/25/15	5,203,485.00	2.05	118,937.50	5,095,488.38	5,047,069.50
APPLE INC DTD 02/09/2015 1.550% 02/07/2020	037833AX8	3,480,000.00	AA+	Aa1	02/23/15	02/26/15	3,434,864.40	1.83	21,276.33	3,442,321.24	3,421,873.56



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2015**

CITY OF BRENTWOOD

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											
ABBOTT LABORATORIES DTD 03/10/2015 2.000% 03/15/2020	002824AZ3	3,500,000.00	A+	A2	03/24/15	03/27/15	3,523,135.00	1.86	20,611.11	3,519,739.44	3,488,313.50
APPLE INC CORP NOTE DTD 05/13/2015 2.000% 05/06/2020	037833BD1	1,000,000.00	AA+	Aa1	05/06/15	05/13/15	998,450.00	2.03	2,666.67	998,638.92	998,964.00
Security Type Sub-Total		48,270,000.00					49,111,833.05	1.52	324,118.41	48,928,835.46	48,709,882.20
Certificate of Deposit											
CREDIT SUISSE NEW YORK CERT DEPOS DTD 08/11/2015 0.670% 05/06/2016	22549VX73	3,500,000.00	A-1	P-1	08/10/15	08/11/15	3,500,000.00	0.67	9,314.86	3,500,000.00	3,498,715.57
GOLDMAN SACHS BANK USA CD DTD 08/19/2014 0.900% 08/12/2016	38147J2L5	3,500,000.00	A-1	P-1	08/14/14	08/19/14	3,500,000.00	0.90	11,650.68	3,500,000.00	3,497,042.50
CANADIAN IMPERIAL BANK NY YCD DTD 04/10/2015 1.010% 04/06/2017	13606JYY9	4,700,000.00	A-1	P-1	04/06/15	04/10/15	4,700,000.00	1.01	11,208.19	4,700,000.00	4,677,322.50
RABOBANK NEDERLAND NV CERT DEPOS DTD 04/27/2015 1.070% 04/21/2017	21684BXH2	4,000,000.00	A-1	P-1	04/22/15	04/27/15	4,000,000.00	1.07	8,322.22	4,000,000.00	3,980,800.00
BMO HARRIS BANK NA CD DTD 10/23/2015 1.000% 04/24/2017	05574BFW5	4,320,000.00	A-1	Aa3	10/22/15	10/23/15	4,320,000.00	1.01	8,400.00	4,320,000.00	4,308,206.40
NORDEA BANK FINLAND NY CD DTD 05/29/2015 1.150% 05/26/2017	65558LFA5	4,800,000.00	AA-	Aa3	05/27/15	05/29/15	4,800,000.00	1.15	5,520.00	4,800,000.00	4,772,640.00
TORONTO DOMINION BANK NY YCD DTD 06/19/2015 1.240% 06/16/2017	89113ESN7	4,800,000.00	AA-	Aa1	06/16/15	06/19/15	4,800,000.00	1.25	32,240.00	4,800,000.00	4,789,104.00
SVENSKA HANDELSBANKEN NY FLT CERT DEPOS DTD 11/24/2015 0.832% 08/24/2017	86958DH54	4,000,000.00	A-1+	P-1	11/20/15	11/24/15	4,000,000.00	0.84	3,513.31	4,000,000.00	3,997,660.00
US BANK NA CINCINNATI (CALLABLE) CD DTD 09/11/2014 1.375% 09/11/2017	90333VPF1	4,350,000.00	AA-	A1	09/09/14	09/11/14	4,342,996.50	1.41	18,276.04	4,346,044.55	4,333,939.80
BANK OF NOVA SCOTIA HOUSTON YCD DTD 11/09/2015 1.560% 11/06/2017	06417GAS7	4,135,000.00	A-1	P-1	11/06/15	11/09/15	4,135,000.00	1.55	9,317.53	4,135,000.00	4,129,686.53



Managed Account Detail of Securities Held

For the Month Ending **December 31, 2015**

CITY OF BRENTWOOD

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											
SKANDINAVISKA ENSKILDA BANKEN NY CD DTD 11/17/2015 1.480% 11/16/2017	83050FBG5	4,240,000.00	A-1	P-1	11/16/15	11/17/15	4,240,000.00	1.48	7,844.00	4,240,000.00	4,223,336.80
Security Type Sub-Total		46,345,000.00					46,337,996.50	1.13	125,606.83	46,341,044.55	46,208,454.10
Managed Account Sub-Total		172,190,000.00					173,210,979.80	1.37	649,548.39	173,008,561.66	172,344,818.07
Securities Sub-Total		\$172,190,000.00					\$173,210,979.80	1.37%	\$649,548.39	\$173,008,561.66	\$172,344,818.07
Accrued Interest											\$649,548.39
Total Investments											\$172,994,366.46