

Office of the City Manager

INFORMATION CALENDAR
October 29, 2013

To: Honorable Mayor and Members of the City Council

From: ( ) Christine Daniel, City Manager

Submitted by: Robert Hicks, Director, Finance Department

Subject: Investment Report: Quarter Ended June 30, 2013

## **SUMMARY**

The City's investment policies require a quarterly report be submitted to the City Council on the status of the investment portfolio. The report includes all investments managed by the City of Berkeley and provides information on the values (par, book, and market), term, and yield of each security.

- The return on pooled investments for the quarter ended June 30, 2013 was 1.238% or .988% more than the .25% earned by the State Local Agency Investment Fund (State LAIF), which is the benchmark for investment performance used by the City. The return on pooled investments of 1.238% for the quarter ended June 30, 2013 was .386% less than the rate of 1.624% earned in the March 31, 2013 quarter.
- The return on Retiree Medical Trust Fund (Miscellaneous Plan) investments was 5.102% for the quarter ended June 30, 2013. That return was 1.898% lower than the average 7% return the City's actuary determined the City needed to earn on investments to fund the plan at the 70% level. However, the cumulative average return for the plan since inception is 7.47% (including the FY 2013 rate earned YTD). This rate will continue to drop slightly in the next few quarters as staff reinvests the proceeds of maturing securities at lower interest rates.

### **CURRENT SITUATION AND ITS EFFECTS**

Attached is a quarterly report on the status of the City's investment portfolio. The report includes all investments managed by the City of Berkeley and provides information on the values (par, book, and market), term, and yield of each security.

Summary information by type of security and detailed information on each security is provided on Attachment 1 page A-2. An evaluation of portfolio performance this accounting period compared to the previous two accounting periods is also included on Attachment I page A-1.

## A. Portfolio Results

## 1. Liquidity of Portfolio:

The average investment in the pooled portfolio matured in 875 days as of June 30, 2013. That represented an increase of 449 days from the 426 days as of March 31, 2013.

## 2. <u>Comparison of Results to Performance Measures – Pooled investments:</u> Quarter Ended June 30, 2013

The City's yield on investments for the quarter ended June 30, 2013 was 1.238%, a decrease of 38.6 basis points (0.386%) from the 1.624% earned during the quarter ended March 31, 2013. The long-term rate earned during the quarter was 2.057%, and the short-term rate was .3%. The average yield on a 90-day Treasury bill at the end of the quarter ended June 30, 2013 was .05%, down from the .09% at the end of the previous quarter.

As summarized in Table 1, staff's results exceeded the performance measure for the quarter by 98.8 basis points (.988%). Staff exceeded the performance measure in April by 103.4 basis points (1.034%); in May by 87.4 basis points (.874%); and, in June by 105.6 basis points (1.056%). The performance measure for the return on investments is that the rate of return of the portfolio is above the rate earned by State LAIF.

Table 1

Quarter En	ded June 30	, 2013	
Period	City	State LAIF	Difference
April 2013	1.298%	.264%	1.034%
May 2013	1.119	.245%	.874%
June 2013	1.30%	.244%	1.056%
April 1 through June 30, 2013	1.238%	.250%	.988%

## 3. Investment Results-Retiree Health Insurance Funds:

Average interest rates earned on the retiree health insurance trust funds for the quarter ended June 30, 2013 compared to the quarter ended March 31, 2013 were as follows:

Table 2

EARNED INTEREST RATES For Quarter Ended 3/31/2013 Compare	_	3
Fund	3/31/13	6/30/13
Retiree Medical Trust Fund (Miscellaneous	5.651%	5.651%
Employees)		
Fire Retiree Medical Trust Fund	5.863%	5.920%
Police Retiree Medical Trust Fund	6.020%	5.863%

Investment Report: Quarter Ended June 30, 2013

The rates earned on these plans will continue to drop slightly over the next few quarters as staff reinvests the proceeds of maturing securities at lower rates.

Details related to retiree health trust fund investments are in Attachment 1, Exhibits B, C and D of this report.

## B. Discussion of Interest Rate Environment and Outlook (The Fed's Statement)

"Information received since the Federal Reserve Board's Federal Open Market Committee held a meeting in June suggests that economic activity expanded at a modest pace during the first half of the year. Labor market conditions have shown further improvement in recent months, on balance, but the unemployment rate remains elevated. Household spending and business fixed investment advanced, and the housing sector has been strengthening, but mortgage rates have risen somewhat and fiscal policy is restraining economic growth. Partly reflecting transitory influences, inflation has been running below the Committee's longer-run objective, but longer-term inflation expectations have remained stable."

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with appropriate policy accommodation, economic growth will pick up from its recent pace and the unemployment rate will gradually decline towards levels the Committee judges consistent with its dual mandate. The Committee sees the downside risks to the outlook for the economy and the labor market as having diminished since the fall. The Committee recognizes that inflation persistently below its 2 percent objective could pose risks to economic performance, but it anticipates that inflation will move toward its objective over the medium term.

To support a stronger economic recovery and to help ensure that inflation, over time, is at the rate most consistent with its dual mandate, the Committee decided to continue purchasing additional agency mortgage-backed securities at a pace of \$40 billion per month and longer-term Treasury securities at a pace of \$45 billion per month. The Committee is maintaining its existing policy of reinvesting principal payments from its holding of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction. Taken together, these actions should maintain downward pressure on longer-term interest rates, support mortgage markets, and help to make broader financial conditions more accommodative.

To support continued progress toward maximum employment and price stability, the Committee reaffirmed its view that a highly accommodative stance of monetary policy will remain appropriate for a considerable time after the asset purchase program ends and the economic recovery strengthens. In particular, the Committee decided today to keep the target range for the Federal Funds rate at zero% to .25% and currently anticipates that this exceptionally low rate for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than

Investment Report: Quarter Ended June 30, 2013

a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored. In determining how long to maintain a highly accommodative stance of monetary policy, the Committee will also consider other information, including additional measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments.

In the current interest rate environment, staff expects returns in FY 2014 to about the same as the returns earned in FY 2013, as some long-term securities will mature and be invested at much lower rates. However, the lower rate earned is expected to be higher than the City's benchmark (State LAIF) and the rate earned by other cities in California, a sample of which is reflected in table 3 below:

Table 3

-	ornia Cities – Earned Interest Rates rter Ending June 30, 2013
City	Rates Earned
San Jose	.559%
Oakland	.30%
Hayward	.387%
San Francisco	.803%
Sacramento	1.11%
Sunnyvale	.53%
Santa Monica	.567%
Los Angeles	.893%
Berkeley	1.238%
Palo Alto *	2.29%

<sup>\*</sup>Investment policies allow maturities out to 10 year, so higher rates were locked in longer; the other cities' maximum maturity is 5 years.

The City's investment strategy will continue to focus on (1) locking in reasonable rates on long-term investments, when opportunities present themselves and (2) matching of investment maturities to cash flow.

## **BACKGROUND**

### Pooled Investments

Short-term cash is invested primarily in government sponsored enterprises (referred to as Federal Agency) discount notes and commercial paper. Additional cash is invested in a money market fund or over night securities to meet the liquidity needs of the City. Pooled investments are also made in medium term corporate notes, treasury coupon securities, and federal agency coupon securities for periods of one to five years.

Investment Report: Quarter Ended June 30, 2013

In some cases, the City may have investments with a current market value that is greater or less than the recorded cost. These changes in market value are due to fluctuations in the market and have no effect on yield, as the City does not intend to sell securities prior to maturity.

## Retiree Health Trust Fund Investments

The City agreed to provide retiree Health insurance coverage for fire, police and miscellaneous employees under certain terms and conditions. An actuarial study commissioned by the City determined that, in addition to City Contributions, an average rate of return of 7% on miscellaneous employees trust fund assets invested must be achieved to fund the retiree health benefit at the desired 70% level. City Finance Department staff manages these investment portfolios.

### **CONTACT PERSON**

Robert Hicks, Director, Finance Department, 981-7300

## **ATTACHMENTS**

1: Portfolio Evaluation Quarter Ended June 30, 2013

Exhibit A: Pooled Investments Selected Funds

Exhibit B: Miscellaneous Employees Retiree Medical Trust Fund

Exhibit C: Fire Medical Trust Fund Exhibit D: Police Medical Trust Fund

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## PORTFOLIO EVALUATION Quarter Ended June 30, 2013

DESCRIPTION	June 2013		March 2013	i	December 2012	8	ieptember 2012	1
	.,							
TOTAL PORTFOLIO:								
POOLED INVESTMENTS	\$199,949,267		\$189,043,179		\$189,414,469		\$160,797,592	
RETIREE HEALTH TRUST FUND INVESTMENTS	\$25,957,653	<del></del>	\$25,346,256		\$25,097,009		\$24,026,982	
TOTAL INVESTMENTS	\$225,906,921	-	\$214,389,435		\$214,511,478		\$184,824,574	
AVERAGE LIFE OF PORTFOLIO:								
POOLED INVESTMENTS	875 days		426 days		471 days		524 days	
RETIREE HEALTH TRUST FUND INVESTMENTS	5,827 years		5,995 years		6,239 years		б.480 years	
CITY - WEIGHTED YIELD		•						
POOLED INVESTMENTS	1.238%		1.624%		2.040%		1,818%	
RETIREE HEALTH TRUST INVESTMENTS	5.334%		6.088%		5.852%		5.957%	
PRIME RATE AT END OF PERIOD	3.25%		3.25%		3.25%		3.25%	
90 DAY CD RATE	0.19%		0.21%		0.24%		0.24%	
90 DAY TREASURY BILL RATE	0,05%		0,09%		0.07%		0.11%	
2 YEAR TREASURY NOTE RATE	. 0,33%		0.26%		0,27%		0,26%	
TOTAL INVESTMENTS MATURING WITHIN 1 TO 365 DAYS	\$90,633,969	40.12%	\$137,826,338	64,29%	\$132,635,820	61.83%	\$106,588,656	57,67%
TOTAL INVESTMENTS MATURING WITHIN 1 TO 3 YEARS	\$44,027,195	19.49%	\$27,481,987	12.82%	\$27,436,636	12.79%	\$15,777,250	8.54%
TOTAL INVESTMENTS MATURING WITHIN 3 TO 5 YEARS	\$66,368,679	29,38%	\$26,632,931	12,42%	\$31,021,279	14,46%	\$39,268,485	21,25%
TOTAL INVESTMENTS MATURING WITHIN 5 TO 10 YEARS	\$24,877,078	11.01%	\$22,448,178	10.47%	\$23,417,742	10.92%	\$23,190,183	12,55%
TOTAL INVESTMENTS MATURING OVER 10 YEARS	\$0	0,00%	\$0	0,00%	\$0	9,00%	\$0	0,00%
TOTAL	\$225,906,921	100.00%	\$214,389,435	100.00%	\$214,511,478	100.00%	\$184,824,574	100.00%



# Pooled Investments Selected Funds Investments by Issuer Active Investments As of June 30, 2013

		808		2.917	53,573,580.00		52,600,803,82		n Notes	Total Medium Term Notes	Total
		639		2,398	5,244,650.00		5,212,331.75	Subtotal and Average			
		639	04/01/2015	2.398	5,244,650.00	4,500	5,212,131.75	Heid	Medium Term Notes	1,4286	060516281
										Bank of America Corporation	Bank of Ameri
		1,249		3.102	6,500,730.00		6,248,047.53	Subtotal and Average			
		1,660	1.537 01/16/2016	1.537	975,330.00	1.500	998,382.97	Heis	Medium Term Notes	14292	949748FG0
		1,172	09/15/2016	3,400	5,525,400.00	5.125	5,249,664.56	Heir	Medium Term Notes	14207	949745JE2
							·			mpany	Wells Fargo Company
		836		3.343	16,057,050.00		15,637,568.09	Subtotal and Average	***************************************		
		836	10/15/2015	3,430	5,352,250.00	5.375	5,203,007.82	Held	Medium Term Notes	14189	617465BR9
		836	10/35/2015	3.300	10,704,700.00	5.375	10,434,560.27	Held	Medium Term Notes	14187	61746SBR9
										Morgan Stanley DW DTC#0015	Morgan Stanle
		. 980		2.102	10,544,450.00		10,381,248.44	Subtotal and Average			
		1,078	06/30/2016	3,230	5,574,950.00	5.875	5,358,212.84	Held	Medium Term Notes	14221	48121CN7
		836	10/15/2015	0.899	2,484,750.00	1.100	2,511,517.80		Medium Term Notes	14299	46623EIR1
		336	10/15/2015	0.859	2,484,750.00	1.100	2,511,517.80		Medium Term Notes	14298	46623EJR1
A٠										50	JP Worgan Chase
2		571		2.700	5,153,600.00		5,052,707.43	Subtotal and Average			
		871	05/03/2015	2,700	5,153,600.00	3.300	5,052,707.43	Held	Medium Term Notes	14284	38141GGTS
										sGP	Goldman Sachs GP
		493		2.398	10,073,100.00		10,069,100.58	Subtotal and Average			
		196	201/2013	COR.C	5,084,700,00	5.230	4,255,115,41	गद्धा	MEGIDIN LESING MOLECT	74100	0037400000
		į		3	*	1		i.		1000	
		875	04/01/2013	6.050	5,011,400.00	1.600	5,075,987.17	Held	Wedium Term Notes	14300	381416832
										•	Goldman Sachs
ate Collateral	Call Date	Days to Maturity	Maturity Date	YTM/C 365	Market Value	Current Rate	Book Value	Investment Class	. Security Type	investment#	CUSIP



# Pooled Investments Selected Funds Investments by Issuer Active Investments As of June 30, 2013

	20	808		2.917	53,573,580.00		52,600,803.82		m Notes	Total Medium Term Notes	Total
	9	629		2.398	5,244,650,00		5,212,131.75	Subtotal and Average			
	100	5 639	04/01/2015	2.398	5,244,650.00	4.500	5,212,131.75	Held	Medium Term Notes	14286	060516E81
										a Corporation	Bank of America Corporation
	9	1,249		3.102	6,500,730.00		6,248,047.53	Subtobal and Average			
	۱۵	1,660	01/18/2016	1.537	975,330.00	1.500	998,382.97	Held	Medium Term Notes	14292	94974BFG0
	12		09/15/2016	3,400	5,525,400.00	5,125	5,249,664.56	Heid	Medium Term Notes	14207	949746E2
										mpany	Wells Fargo Company
	5	236		3,349	16,057,050.00		15,637,568.09	Subtotal and Average			
	i ca	836	10/15/2015	3.430	5,352,350.00	5.375	5,203,007.82	Held	Medium Term Notes	14189	61746SBR9
	ø	836	10/15/2015	3.300	10,704,700.00	5.375	10,434,560.27	. Held	Medium Term Notes	14187	61746SBR9
										Morgan Stanley DW DTC#0015	Morgan Stanie
	1	960		2,102	10,504,050.00		10,381,248.44	Subpotal and Average			
		1,078	06/30/2016	3.230	5,574,950.00	5.875	5,356,212.84	Held	Medium Term Notes	14221	48122CIN7
		953	10/15/2015	0.899	2,484,750.00	1.100	2,511,517.80		Medium Term Notes	14299	46623EJR1
	3,	836	10/15/2015	668.0	2,484,750.00	1.100	2,511,517,80		Medium Term Notes	14298	46623EJK1
										¥	JP Morgan Chase
c.	,	671		2,700	5,153,690.30		5,052,707.43	Subtatal and Average			
	3	571	05/03/2015	2,700	5,153,600.00	3,300	5,052,707.43	Heid	Medium Term Notes	3,4284	38141GGT5
										ę	Goldman Sachs GP
	1	493		2.398	10,673,100,00		10,082,082,58	Subtotal and Average			
	•	106	10/15/2013	5.800	5,061,700.00	5.250	4,999,113,41	Held	Wedism Term Notes	14100	38141GDQ4
	7.	875	04/01/2013	6.050	5,011,490.00	1,600	5,075,987.17	Held	Medium Term Notes	14300	381416832
											Goldman Sachs
te Collaterai	Call Date	Days to Maturity	Maturity Date	YTM/C 365	Market Value	Current Rate	Book Value	investment Class	Security Type	Investment #	CUSIP



## Pooled Investments Selected Funds investments by issuer Active Investments As of June 30, 2013

						199,949,267.12	Total Cash and Investments			
						(583,343.55)	Decrease in Market Value of Securities			
						6,931,893.48	Balance of Checking and Other Bank Account			
	875		1.308	193,017,373.64		193,600,717.19	Total and Average			
	1		0.002	70,571,684.79		70,571,684.79	Subcruit and Average			
			0.002	25,000,000.00	0.003	25,000,000.00	•	Fidelity Money Market-Trans	14190	SYS14190
			0.002	45,571,684.79	0.003	45,571,684.79		Fidelity Money Market-Regular	14255	SY\$14,265
									8	Fidelity investments
	1,377		2.057	122,445,688.85		123,029,032.40		Total investments and Average		
	1,769		2.280	15,042,658.85	744 <del> </del>	15,428,228.58	Subtotal and Average			
	1,005	4/1/2016	1.301	1,426,056.45	3,000	1,427,258.54	Held	Shasta Joint Powers Financing	14290	820169046
	1,796	6/1/2018	1.300	1,104,570.00	4,000	1,128,039,67	Held	SCA St. Public Works Lease Rev	14297	13068LFXS
	1,370	4/1/2017	1,401	1,520,882.40	3.000	1,539,444.75	rielo.	Shasta Joint Powers Financing	14289	820169DK3
	2,358	12/15/2019	3.267	4,769,150.00	3.267	5,000,000,00	Held	Oakland CA Pension Obligation	14282	672319CA6
	1,993	12/15/2018	2.817	2,887,389.60	2.817	3,000,000.00	Held	Oakland CA Pension Obligation	14281	6723198Z2
	1,188	10/1/2016	1.471	3,334,620.00	5.000	3,333,475.62	Held	Miami Dade County Fl Aviation	14288	59933FA73
										Municipal Bonds
	1,811		1.173	53,829,450.00		55,000,000.00	Subtotal and Average			
	1,806	6/11/2018	0.750	4,886,400.00	0.750	5,000,000,00	Held	Federal Vistional Mortgage Assoc	14304	3136G1MZ9
۵	1,821	6/26/2018	1.800	9,886,800.00	1.800	10,000,000,00	Held	Federal Home Loan Bank Board	14307	313383LN9
·Δ	1,814	6/19/2018	1.625	4,907,550.00	1.625	5,000,000.00	H eda	Federal Home Loan Bank Board	14305	313383HX2
	1,821	6/26/2018	1,400	4,903,000.00	1.400	5,000,000.00	Held	Federal Home Loan Bank Board	14306	313464767
	1,508	6/13/2018	0.200	4,875,550.00	0.800	00.000,000,2	Held	Federal National Mortgage Assoc	14303	3136G1MY2
	1,789	5/15/2018	1.116	4,871,650.00	0.700	5,000,000.00	Held	Federal National Mortgage Assoc	14302	3136G1ML0
	2,144	5/15/2019	1,406	4,210,500.00	1,000	5,000,000.00	Held	Federal National Mortgage Assoc	14301	3136G1LL1
	1,764	4/30/2018	0.750	4,869,500.00	0.750	5,000,000.00	Heid	Federal National Mortgage Assoc	14295	313661K99
	1,577	10/25/2017	0.700	4,939,400.00	0.700	3,000,000.00	Held	Federal National Mortgage Assoc	14287	3136GON72
	1,759	4/25/2018	0.750	4,899,100.00	0.750	5,000,000.00	Held .	Federal Home toan Bank Board	14296	313382PM9
								unites	Coupon Sec	Federal Agency Coupon Securities
Call Date Collateral	Days to Maturity Call	Maturity Date I	YTM/C 365	Market Value	Current Rate	Book Value	YTM/C Maturity Days to CUSIP Investment # Security Type Investment Class Book Value Current Rate Market Value 365 Date Maturity Call Date Collaberal	Security Type	investment #	CUSIP in



## Pooled Investments Selected Funds Yield on Beginning Book Value April 1, 2013 - April 30, 2013 Sorted by Fund - Issuer Interest Earnings

City of Berkeley 2180 Milvia Street Berkeley, Berkeley, Ca 9470 (510)981-7339

									Ad	Adjusted Interest Earnings	mings
CUSIP	investment#	Fund	Security Type	Ending Par Value	Beginning Book Value		Maturity Current Almualized Date Rate Yield	Amualized Yřeld	Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Pooled	Fund: Pooled Investment-long term	term									
06051GEB1	14286	010	MTM	5,000,000.00	5,242,436.29	5,232,334.77 04/01/2016	4.500	2.007	18,750.00	-10,101.52	8,548,48
313382PM9	14296	010	FAC	6,000,000.00	0.00	5,000,000.00 04/25/2018	0.750	0.760	625,00	0.00	625,00
3136GON72	14287	010	FAC	5,000,000.00	5,000,000.00	5,000,000,00 10/25/2017	0.700	0.710	2,916,67	0.00	2,916,67
3136G1K99	14295	010	FAC	5,000,000.00	0.00	5,000,000.00 04/30/2018	0.750	0.760	104,17	0.00	104.17
38141GDQ4	14100	010	MTM	5,000,000.00	4,987,153.85	4,989,140,37 10/15/2013	5.250	\$.821	21,875,00	1,986.52	23,861,52
38141GGTS	14284	010	MTN	5,000,000.00	5,059,873.09	5,057,484,54 05/03/2018	3,300	2.732	13,750.00	-2,388.55	11,361,45
48121CJN7	14221	010	MIN	5,000,000.00	5,388,569.86	5,378,450.86 06/13/2010	5.875	3.242	24,479.17	-70,119.00	14,360.17
59333PA73	14288	030	MUN	3,000,000.00	3,359,127.59	3,350,576.93 10/01/2016	5,000	1.430	12,500,00	-8,550,66	3,949.34
61746SBR9	14187	010	NTW	10,000,000.00	10,482,024,37	10,466,203.01 10/15/2019	5,375	3,353	44,791.67	-15,821.36	
61748SBR9	14189	010	MTN	6,000,000.00	5,225,181.01	5,217,789.94 10/15/2018	5.375	3.494	22,395.83	-7,351,07	15,004,76
672319BZ2	14281	010	MUN	3,000,000.00	3,000,000.00	3,000,000.00 12/15/2018	2,817	2.856	7,042,60	0.00	
672319CA6	14282	010	MUN	5,000,000.00	5,000,000.00	5,000,000.00 12/15/2019	3.267	3.312	13,612.50	0.00	13,612.50
820169DJ6	14290	010	MUN	1,365,000.00	1,432,929.32	1,431,042,39 04/01/2016	3.000	1.295	3,412.50	-1,886.93	1,525.57
820169DK3	14289	210	MCN	1,455,000.00	1,546,074.40	1,543,197.85 04/01/2017	3.000	1.387	3,637,50	-1,876.55	1,780.95
949746JE2	14207	010	N.LW	5,000,000.00	5,269,135.80	5,262,645.39 09/15/2016	5,125	3.432	21,354.17	-6,490.41	14,863,76
94974BFG0	14292	010	MTN	1,000,000.00	998,293.96	998,323.63 01/16/2018	1.500	1.560	1,250.00	29.67	1,279.87

Data Updated: ~REPORT~: 07/31/2013 12:26 Run Date: 07/31/2013 - 12:26

SYS14265

14265

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72.PS

Subtotal

iotal

181,470,319.74 111,650,319.74 111,650,319.74

141,124,428.94

183,577,509.42

1.298 0.029

214,389.42

-62,609.86

151,779.56

79,134,629.40 79,134,629.40

111,650,319.74 111,660,319.74

0.003

0.029

1,892.74

1,892.74

90,0 0.00

1,892.74

1,892,74

Fund: Fidelity MM-Regular

Subtotal

69,820,000.00

61,989,799.54

71,927,189.68

1,250.00

1.560 3,432 1.387

2.887

212,496.58

-62,609.86

149,886.82 1,279.67 14,863,76 1,760.95

Portfolio BERK Report Ver. 7.3.3a IE (PRF\_IE) 7.2.0



## **Pooled Investments Selected Funds** Yield on Beginning Book Value May 1, 2013 - May 30, 2013 Sorted by Fund - Issuer Interest Earnings

City of Berkeley 2180 Milvia Street Berkeley, Berkeley, Ca 9470 (510)981-7339

										A03	Adjusted Interest Earnings	rnings
			Security	Ending	Beginning	Ending	Maturity	Current An	nualized	Interest	Amortization/	Interest: Amortization/ Adjusted Interest
CUSIP	Investment# Fund	Fund	Type	Par Value	Book Value	Book Value	Date	Date Rate Yield	Yield	Earned	Accretion	Accretion Earnings
Fund: Pooled	Fund: Pooled Investment-long term	term										
06051GEB1	14286	016	MTN	5,000,000.00	5,232,334.77	5,222.233.26 04	04/01/2015	4.500	2,011	18,750,00	-10.101.51	8.648.49

15,246.59 15,246.59											
168,259.11 15,246.56	0,00	15,246.59	0.186		81,650,319.74	111,650,319.74	81,650,319.74	Subtotal			
166,258.11	0,00	15,246.59	0,186	0.003_	81,650,319.74	111,650,319.74	81,650,319.74	RRP	950	14265	SYS14265
166,258.11	F									MM-Regular	Fund: Fidelity MM-Regular
	-68,059.00	234,317.11	2.381		93,097,295,68	71,927,189.68	90,820,000.00	Subtotal			
1,279.67	29.67	1,250,00	1.560	1.500	998,353.30 01/16/2018	998,323,63	1,000,000.00	MTN	010	14292	94974BFG0
14,863.75	-6,490.42	21,354.17	3.436	5.125	5,256,154,87 09/15/2016	5,262,645.39	5,000,000.00	MIN	010	14207	949748JE2
1,760,95	-1,876.55	3,637.50	1.388	3.000	1,541,321.30 04/01/2017	1,543,197.85	1,455,000.00	MUN	010	14289	820169DK3
1,525.58	-1,886.92	3,412.50	1.297	3,000	1,429,155.47 04/01/2016	1,431,042.39	1,365,000.00	MUN	010	14290	820169DJ6
13,612.50	0.00	13,612,50	3.312	3.267	5,000,000.00 12/15/2019	5,000,000.00	5,000,000.00	MUN	010	14282	672319CA6
7,042.50	0.00	7,042.50	2.856	2.817	3,000,000.00 12/15/2018	3,000,000.00	3,000,000.00	MUN	010	14281	672319BZ2
15,004,77	-7,391.06	22,395,83	3,499	5.375	5,210,398.88 10/15/2016	5,217,789.94	5,000,000.00	NIIN	010	14189	61746SBR9
28,970.30	-15,821.37	44,781,67	3,388	5.375	10,450,381,64 10/16/2015	10,466,203.01	10,000,000.00	MIN	010	14187	61746SBR9
3,949.35	-8,550.65	12,500.00	1,434	5,000	3,342,026.28 10/01/2016	3,350,576.83	3,000,000.00	MUM	010	14288	59333PA73
1,810.92	405.36	2,216,28	0.907	1.100	2,511,937,14 10/15/2015	0.00	2,500,000,00	MILN	010	14299	46623EJR1
1,808,92	-405_36	2,215.28	0.907	1.100	2,511,937.14 10/15/2015	0.00	2,500,000.00	MTN	010	14298	46623EJR1
	-10,119.01	24,479.17	3.248	5.875	5,368,331.85 06/13/2016	5,378,450.86	5,000,000,00	MTN	010	14221	48121CJN7
	-2,388.56	13,750.00	2.733	3.300	5,055,095.98 05/03/2015	5,057,484,54	5,000,000.00	MTN	010	14284	38141GGT5
	-2,468.26	6,222.22	0.963	1,600	5,078,631.74 11/23/2015	0,00	5,000,000.00	MTN	010	14300	38141E832
23,861.52	1,986.52	21,875.00	5,819	5,250	4,991,126.89 10/15/2013	4,989,140.37	5,000,000,00	MTN	010	14100	38141GDQ4
194.44	0.00	194,44	0.710	0.700	5,000,000.00 05/25/2018	0.00	5,000,000.00	FAC	010	14302	3136G1ML0
2,222.22	0.00	2,222.22	1.014	1.000	5,000,000.00 05/15/2019	0.00	5,000,000.00	FAC	010	14301	3138G1LL1
3,020.83	0.00	3,020.83	0.735	0.750	5,000,000.00 04/30/2018	5,000,000,00	5,000,000.00	FAC	010	14295	3135G1K99
2,916.67	0.00	2,916.67	0.710	0.700	5,000,000.00 10/25/2017	5,000,000.00	5,000,000.00	FAC	010	14287	3136GON72
3,125.00	0.00	3,125.00	0.760	0.750	6,000,000.00 04/25/2018	5,000,000.00	5,000,000.00	FAC	010	14296	313382PM9
1,163.17	-2,170.16	3,333.33	1.250	4,000	1,130,209.84 06/01/2018	0.00	1,000,000.00	MUN	010	14297	13058LFX8
8,648.49	-10,101.51	18,750.00	2,011	4.500	5,222,233.26 04/01/2015	5,232,334.77	5,000,000.00	MTN	010	14286	06051GEB1
									ng term	Fund: Pooled Investment-long term	Fund: Pooled

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## Pooled Investments Selected Funds Yield on Beginning Book Value June 1, 2013 - June 30, 2013 Sorted by Fund - Issuer Interest Earnings

City of Berkeley 2180 Milvia Street Berkeley, Berkeley, Ca 9470 (510)981-7339

Adjusted Interest Earnings

		840.040.00			100 000 000 00	25 207 207 20	400 000 000 00	n transact			
1,279.67	29.67	1,250.00	1.559	1,500	998,382.97 01/16/2018	998,353.30	1,000,000,00	MTN	010	14282	94974BFG0
14,863.76	-5,490,41	21,354.17	3,441	5.128	5,249,664.56 09/15/2016	5,256,154,97	5,000,000.00	MIN	010	14207	949746JE2
1,760.95	-1,876,55	3,637.50	1.390	3.000	1,539,444,75 04/01/2017	1,541,321,30	1,455,000.00	MON	010	14289	820169DK3
1,625.57	-1,886,93	3,412.50	1.299	3,000	1,427,268.54 04/01/2016	1,429,155,47	1,365,000.00	MUN	010	14290	820169DJ6
13,612,50	0.00	13,612.50	3.312	3,267	5,000,000.00 12/15/2018	5,000,000.00	5,000,000,00	MUN	010	14282	672319CA6
7,042.50	0.00	7,042.50	2.856	2.817	3,000,000.00 12/15/2018	3,000,000,00	3,000,000,00	MUN	010	14281	672319BZ2
15,004.77	-7,391.06	22,395.83	3,504	5.375	5,203,007.82 10/15/2015	5,210,398.88	5,000,000.00	NIN	010	14189	61746SBR9
28,970.30	-15,821.37	44,791.67	3.373	5.375	10,434,560.27 10/15/2015	10,450,381.64	10,000,000.00	NIM	010	14187	61746SBR9
3,949.34	-8,550.66	12,500.00	1.438	5.000	3,333,475.62 10/01/2016	3,342,026.28	3,000,000,00	MUN	010	14288	59333PA73
1,872,33	-419.34	2,291.67	0.907	1,100	2,511,517.80 10/15/2015	2,511,937.14	2,500,000.00	NIM	010	14299	46623EJR1
1,872.33	419.34	2,291.67	0.907	1,100	2,511,517.80 10/15/2015	2,511,937.14	2,500,000.00	MIM	010	14298	46623EJR1
14,360.16	-10,119.01	24,479.17	3.255	5.875	5,358,212.84 06/15/2016	5,368,331.86	5,000,000.00	MTN.	010	14221	48121CJN7
11,361,45	-2,388.55	13,750.00	2.734	3,300	5,052,707.43 05/03/2015	5,055,085.88	5,000,000.00	MTN	010	14284	38141GGT5
4,022.10	-2,644.57	6,886,67	0.984	1.600	5,075,987.17 11/23/2015	5,078,631.74	5,000,000.00	MIN	010	14300	38141EB32
23,861.52	1,988.52	21,875.00	5.817	5.250	4,893,113.41 10/15/2013	4,991,126.89	5,000,000.00	MIN	010	14100	38141GDQ4
2,083,33	0.00	2,083.33	0.760	0.750	5,000,000.00 06/11/2018	0.00	5,000,000.00	FAC	010	14304	3136G1MZ9
2,000.00	0.00	2,000.00	0.811	0.800	5,000,000.00 06/13/2018	0.00	5,000,000.00	FAC	010	14303	3136G1MY2
2,916.67	0.00	2,916.67	0.710	0.700	5,000,000.00 05/25/2018	5,000,000.00	5,000,000.00	FAC	010	14302	3136G1ML0
4,198.87	0.00	4,166.67	1,014	1.000	5,000,000.00 05/15/2019	5,000,000.00	5,000,000.00	FAC	010	14301	3136G1LL1
3,125.00	0.00	3,125.00	0.760	0.750	5,000,000.00 04/30/2018	5,000,000,00	5,000,000.00	FAC	010	14295	3136G1K99
2,916.67	0,00	2,916.67	0.710	0.700	5,000,000.00 10/25/2017	5,000,000,00	5,000,000.00	FAC	010	14287	3136GON72
972.22	0,00	972.22	1.419	1.400	5.000,000.00 06/26/2018	0.00	5,000,000.00	FAC	010	14306	313464767
2,500.00	0,00	2,500.00	1.825	1.800	10,000,000,00 06/26/2018	0.00	10,000,000.00	FAC	010	14307	313383LN9
2,708.33	0,00	2,708.33	1.648	1.625	5,000,000.00 06/19/2018	0.00	5,000,000.00	FAC	010	14305	313383HX2
3,125,00	0.00	3,125.00	0.760	0.750	5,000,000.00 04/25/2018	5,000,000,00	5,000,000.00	FAC	010	14296	313382PM9
1,163.16	-2,170.17	3,333,33	1.252	4,000	1,128,039,67 06/01/2018	1,130,209.84	1,000,000,00	NON	010	14297	13068LFX8
8,648,49	-10,101.51	18,750.00	2.015	4,500	5,212,131.75 04/01/2015	5,222,233.26	5,000,000.00	MTM	010	14288	06051GEB1
									term	Fund: Pooled Investment-long term	Fund: Pooled
								- 2 Y - 1	***************************************		
Adjusted Interest	Amortization/ Accretion	interest Famed	noualized Yield	Current Annualized	Ending Maturity	Beginning Book Value	Ending Par Value	Security Type	Fund	investment#	CUSIP
			-								

Run Date: 07/31/2013 - 12:28 Data Updated: ~REPORT~: 07/31/2013 12:28

NT N Subtotal

120,820,000.00 1,000,000.00

93,097,295.68

123,029,032.40

1.559 2.127

1,250.00

-68,263.28 29.67

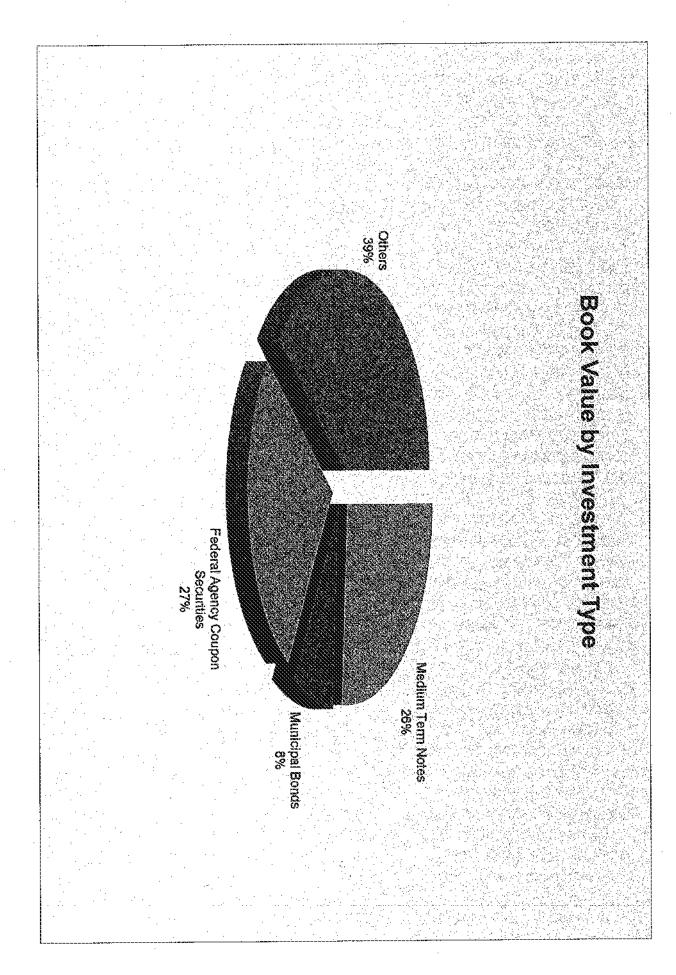
181,684.79 1,279.67

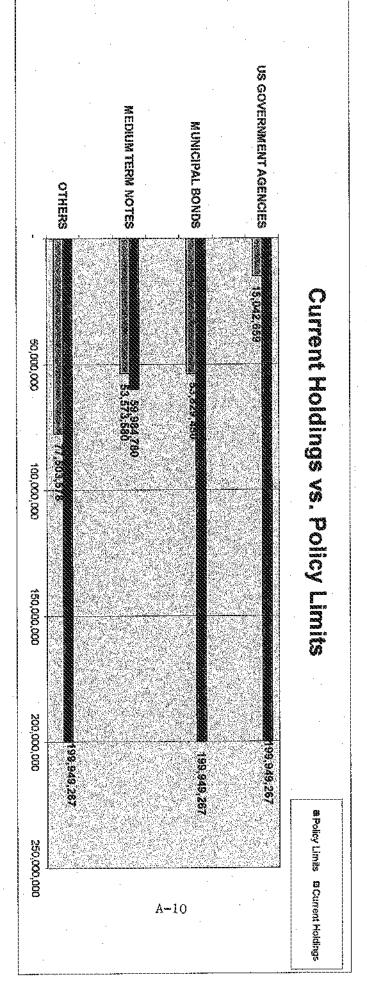
Pooled Investments Selected Funds Interest Earnings June 1, 2013 - June 30, 2013

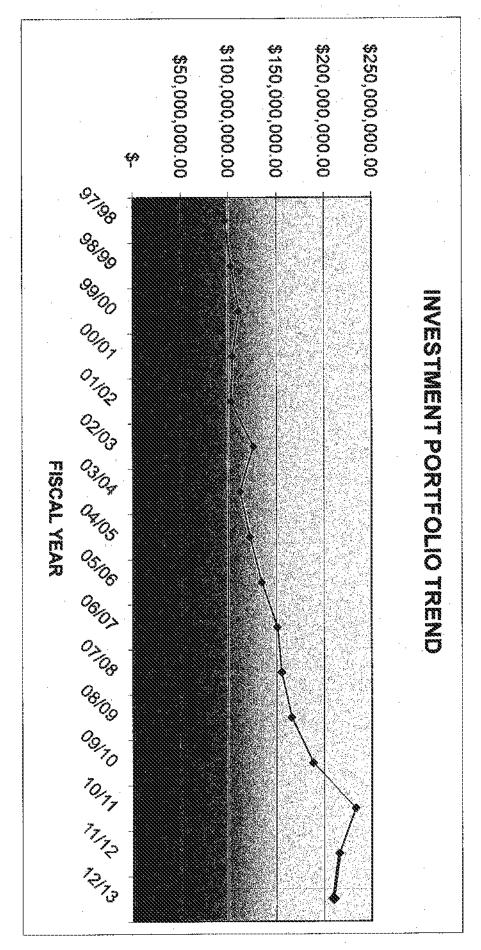
Page 2

				C0000 40000	DOOR Y SEED		- 4		to the Control of the Control
Earned Accretion Samino	Yield	Date Y	Date	Book Value	Proof Value	Par Value	Type	1	Investment #
Interest Amontization Adjusted Interes	ized int	Current Annuali	Maturity	Ending	Seginning	Ending	Security		

		I i i i i i i i i i i i i i i i i i i i										
193,291,70	-68.263.28	261,554,98	1,299			168,600,717,19	170.260.245.25	166.391.684.79	Total			
11,506.91	0.00	0.183 11,606.91 0.00 11,606.91	0.183			45,571,684.79	77,162,949.57	Subtotal 45,571,584.79 77,162,949.57 45,571,684.7	Subtotal			
11,506.91	0,00	11,606.91 0.00	0.183	0,003		45,571,684,79	77,162,949.57	45,571,684.79 77,162,949.57 45,571,684.79	RRP -	040	14265	SYS14265
											MM-Regular	Fund: Fidelity MM-Regular
AND			TATALAN AND AND AND AND AND AND AND AND AND A	***************************************	***************							
Earnings	Accretion	camed	Yield	Xaite	Date	Book Value	Book Value	Par Value	Type	Fund	Investment# Fund	CUSIP
		1			,			9				









## Pooled investments Selected Funds As of June 30, 2013 Grouped by Fund Aging Report By Maturity Date

City of Berkeley 2180 Milvia Street Berkeley, Berkeley, Ca 9470 (510)981-7339

0.00	0.00	0.00%	0.00	0Payments	0 Maturities		(07/31/2013 - 08/29/2013)	( 07/31/2013	31 - 60 days	Aging Interval:
0.00	0.00	%00.0	0.00	0Payments	0 Maturities		( 07/29/2013 - 07/30/2013 )	(07/29/2013	29 - 30 days	Aging Interval:
0.00	0.00	0.00%	0.00	0 Payments	0 Maturities		07/28/2013 )	(07/22/2013 -	22 - 28 days	Aging Interval:
0.00	0.0.0	0.00%	0.00	0 Payments	0 Maturities		07/21/2013 )	(07/15/2013 -	15 - 21 days	Aging Interval:
0.00	00.0	0.00%	00.0	0Payments	0 Maturities		- 07/14/2013 )	( 07/08/2013	8 - 14 days	Aging Interval:
0.00	0.00	0.00%	00.0	0Payments	0 Waturdies		- 07/07/2013 )	( 07/02/2013	2 - 7 days	Aging interval:
0.00	0.00	%00.0	0.00	0 Payments	0 Maturities		(07/04/2013 - 07/04/2013)	(07/01/2013	1. 1 days	Aging Interval:
45,562,949.57	45,562,949.57	23.81%	45,562,949.57	0Payments	1 Maturities		( 06/30/2013 - 06/30/2013 )	( 06/30/2013 -	0 days	Aging interval:
				:					M-Regular	Fund: Fidelity MM-Regular
25,000,000.00	25,000,000.00	100.00		0 Payments	1 investments	Total for				
25,000,000.00	25,000,000.00	13.06%	25,000,000.00	0 Payments	1 Maturities		06/30/2013 - 06/30/2013 )	( 06/30/2013 -	0 days	Aging Interval:
									Fidelity MM Trans	Fund: Fidelity
124,838,202.26	123,031,307.86	100.00		0 Payments	27 Investments	Total for				
109,060,952.26	107,773,005.15	55.29%	105,820,960.00	0 Payments	24 Maturities		_	( 07/01/2015 -	731 days and after	Aging Interval:
10,558,850.00	10,265,255.52	5.23%	10,000,000,00	0 Payments	2 Maturities		06/30/2015 )	( 07/01/2014 -	366 - <i>7</i> 30 days	Aging Interval:
5,216,400.00	4,993,047.19	2.61%	5,000,000.00	0 Payments	1 Maturities		- 12/27/2013 )	( 09/29/2013 .	91 - 180 days	Aging Interval:
								<b>#</b>	Fund: Pooled Investment-long term	Fund: Pooled
Current Market Value	Current Book Value	Percent of Portfolio	Maturity Par Value							

Data Updated: ~REPORT~: 08/22/2013 15:06 Run Date: 08/22/2013 - 15:06

Portfolio BERK AG (PRF\_AG) 7.2.0 Report Var. 7.3.3a ĄP

# Data Updated: ~REPORT~: 08/22/2013 15:06 Run Date: 08/22/2013 - 15:06

Pooled Investments Selected Funds
Aging Report
Grouped by Fund
As of June 30, 2013

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Aging Interval: 181 - 365 days Aging Interval: 61 - 90 days Fund: Fidelity MM-Regular (12/28/2013 - 06/30/2014) (08/30/2013 - 09/28/2013) Total for 1 investments 0 Maturities 0 Maturities 0 Payments 0 Payments **0** Payments Maturity Percent Par Value of Portfolio 00.0 0.00 100.00 0.00% 0.00% 45,562,949.57 Current Book Value 0.00 0.00 Current Market Value 45,562,949.57 0.00 0.00

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AP
AG (PRS\_AG) 7.2.0
Report Ver. 7.3.3a

## EXHIBIT B

MISCELLANEOUS EMPLOYEES RETIREE MEDICAL TRUST FUND



## Retiree Medical Trust Fund Fund 941-947 - Retiree Medical Trust Fund Interest Earnings April 1, 2013 to June 30,2013

City of Berkeley 2.180 Milvie St. Berkeley, CA 94704 (510) 981-8359 Adjusted Interest Famings

				Beginning Book	Ending Book			Current	Current Annualized	interest	Amortization/	Amortization/ Adjusted Interest
CUSIP#	Investment #	Security Type	Ending Par Value	Value	Value	Maturity Date	Market Value	Rate	Yield	Earned	Accretion	Earnings
Goldman Sachs												
38141GER1	14102	Medium Term Notes	1,000,000.00	966,539.80	968,929.81	10/01/2016	1,140,350.00	5.750	7.000	14,375.00	2,390.01	16,765.01
38141EA25	14110	Medium Term Notes	3,000,000.00	3,022,076.02	3,021,136.17	02/15/2019	3,753,210.00	7.500	6.789	\$6,250.00	-939.85	55,310.15
Dean Witter												
2424VAM3	11061	Medium Term Notes	100,000,001	98,164.58	98,331.44	01/01/2016	112,980.00	6.750	7.907	1,687.50	166.86	1,854.36
2424VAM3	10301	Medium Term Notes	100,000.00	98,164.58	98,331,44	01/01/2016	112,980.00	6.750	7.772	1,687.50	166.86	1,854.36
Morgan Stanley	•											
61747WAF6	14224	Medium Term Notes	1,666,666.67	1,743,756.13	1,741,290.58	01/25/2021	1,925,987.19	5.750	5,000	23,958.33	-2,465.55	21,492.78
672319002	14283	Municipal Bonds	2,750,000.00	2,706,384.01.	2,707,636.54	12/15/2021	2,722,500.00	3.800	4,021	26,125.00	1,252.53	27,377.53
Savo Island Loan	Ę											
SYS10988	10988	Employee Medical Trust	462,000.00	462,000.00	462,000.00	09/01/2025	462,000.00	8,000	8.000	9,214.68	0.00	9,214.68
		Sub total	9,078,656.67	9,097,085.12	9,097,655.98		10,230,007.19		5.902	133,298,01	570.86	133,868.87
		Total	9,078,566.67	9,097,085.12	9,097,655.98		10,230,007.19			133,298.01	570.86	133,868.87
		Temporarily Invested with Pooled Cash and Investments	Pooled Cash and In	westments	4,493,086.00							
		Total Pooled Cash and Investments	ind investments	-	13,590,741.98				5.102			

Note: This summary does not include the increase in the fair value of investments.

## EXHIBIT C FIRE MEDICAL TRUST FUND



## Fire Retiree Medical Fund 949 - Fire Retiree Medical Interest Earnings April 1, 2013 to June 30,2013

City of Berkeley

2180 Milvia St. Berkeley, CA 94704

(510) 981-8339

			5.295				6,579,189.43	and investments	Total Pooled Cash and Investments			٠
							2,149,750.00	and investments	d with Pooled Cash	Temporarily invested with Pooled Cash and investments		
65,414.58	-2,753.13 65,414.58	5.920 68,167.71	5.920		5,133,628.26		4,429,439,43	4,432,192.56	4,327,666.67	Total		
65,414.58	-2,753.13	68,167.71	5,920	ì	5,133,628,26		4,429,439.43	4,432,192.56	4,327,666.67	Subtotal		
11,311.71	-3,147.67 11,311.71	14,459.38	6.204	8.750	888,932.63	11/1/2018	728,150.41	731,298.08	651,000.00	Medium Term Notes	14097	92343VAQ7
											n înc	Verizon Commitne
25,492.78	-2,465.55	23,958.33	4.944	5.750	1,925,975.63	1/25/2021	1,741,290.58	1,743,756.13	1,666,666.67	Medium Term Notes	14225	61747WAF6
											, A	Morgan Stanley
16,765.01	2,390.01 16,765.01	14,375.00	6.957	5.750	1,140,350.00	10/1/2016	968,929.81	966,539.80	1,000,000.00	Medium Term Notes	14103	38141GER1
15,845.08	470.08	15,375.00	6.416	6.150	1,178,370.00	4/1/2018	991,068.63	990,598.55	1,000,000.00	Medium Term Notes	14095	38141GFM1
											Š	Goldman Sachs
Earnings	Accretion	Earned	Yield	Rate	Market Value	Maturity Date	Book Value	Value	Ending Par Value	Security Type	investment #	CUSIP#
Interest	Amertization/	Interest	Current Annualized	Current				Beginning Book				
Adjusted												
SE Farnings	Adjusted interest Earnings		ŀ									

Note: This summary does not include the increase in the fair value of investments.

## EXHIBIT D

POLICE MEDICAL TRUST FUND



## Fund 950 - Fire Retiree Medical April 1, 2013 to June 30,2013 **Police Retiree Medical** Interest Earnings

City of Berkeley

2150 Milvia St.

Berkeley, CA 94704 (510) 981-8339

											e a a a a a a a a a a a a a a a a a a a
Earnings	Accretion	Eamed	Yield	Rate	Market Value	Maturity Date Market Value	Value	Value	Ending Far Value	Security Type	trivestment # Security Type Ending Par Value Value Waturity Date Market Value Rate Yield Earned Accretion Earnings
Interest	Amortization/	Interest	Current Annualized	Current			Ending Book	Beginning Book			
est Earnings Adjusted	Adjusted interest Farnings Adjusted										

				92343VAQ7	Verizon Comm inc.	61747WAF6	Morgan Stanley	24240VAM3	Dean Witter	38141GER1	38141GFM1	Goldman Sachs	CUSIF#													
				14098	າ ໃກເ.	14226	ę <b>y</b>	10309		14104	14096	ភ	investment #													
Tot	Temporarily invested with Pooled Cash and Investments	Total	Subtotal	Medium Term Notes		Medium Term Notes		Wedium Term Notes		Medium Term Notes	Medium Term Notes		Security Type													
Total Pooled Cash and Investments	h Pooled Cash an	Total 4,728,666.67 4,825,957.24	4,728,566.67	662,000.00		1,666,666.67		400,000.00		1,000,000.00	1,000,000.00		Ending Par Value													
	d investments	4,825,957.24	4,728,566.67 4,825,957.24	732,404.43		1,666,666.67 1,743,756.13		392,658.33		966,539.80	990,598.55		Value	Beginning Book												
5,787,720.76	963,854.00	4,823,866.76	4,823,866.76	729,251.99		1,741,290.58		393,325.75		968,929.81	991,068.63		Value	Ending Book												
	. ~	•	•	11/1/2018		1/25/2021		1/1/2016		10/1/2016	4/1/2018		Maturity Date													
	5,586,904.64	5,586,904.64	5,586,904.64	5,586,904.64	5,586,904.64	5,586,904.64		5,586,904.64		5,586,904.64		5,586,904.64		5,586,904.64		890,277.46		1,925,987.18		451,920.00		1,140,350.00	1,178,370.00		Market Value	
		4		ì	8.750		5.750		6.750		5.750	6.150		Rate	Current Annualized											
5.605		6.055	6.055	6.204		4,944		7.577		6.957	6.416		Yield	annualized												
		74,939.58	74,939.58	14,481.25		23,958.33		6,750.00		14,375.00	15,375.00		Earned	Interest												
		-2,090.48	-2,090.48	-3,152.44		-2,465.55		667.42		2,390.01	470.08	*	Accretion	Amortization/												
		72,849.10	72,849.10	11,328.81		21,492.78		7,417.42		16,765.01	15,845.08		Earnings	Interest												

Note: This summary does not include the increase in the fair value of investments.