City of Galveston, Texas

Review of Investment Performance
Quarter Ended June 30, 2016

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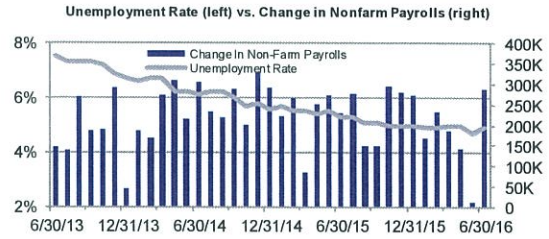
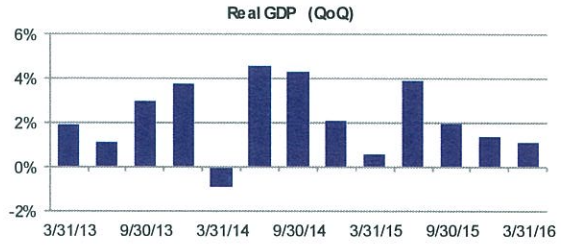
Economic Snapshot

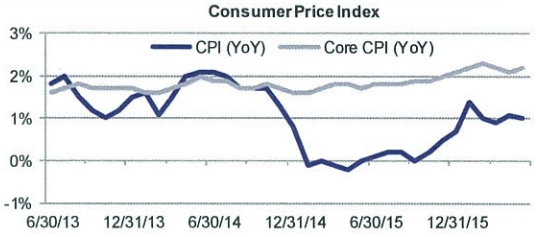
Labor Market		Latest	Mar 2016	Jun 2015
Unemployment Rate	Jun'16	4.9%	5.0%	5.3%
Change In Non-Farm Payrolls	Jun'16	287,000	186,000	228,000
Average Hourly Earnings (YoY)	Jun'16	2.6%	2.3%	2.0%
Personal Income (YoY)	May'16	4.0%	4.6%	4.6%
Initial Jobless Claims (week)	7/1/16	254,000	276,000	280,000



Growth				
Real GDP (QoQ SAAR)	2016Q1	1.1%	1.4%[1]	0.6%[2]
GDP Personal Consumption (QoQ SAAR)	2016Q1	1.5%	2.4%[1]	1.8%[2]
Retail Sales (YoY)	May'16	2.5%	1.7%	2.1%
ISM Manufacturing Survey (month)	Jun'16	53.2	51.8	53.1
Existing Home Sales SAAR (month)	May'16	5.53 mil.	5.36 mil.	5.41 mil.



Inflation / Prices				
Personal Consumption Expenditures (YoY)	May'16	0.9%	0.8%	0.3%
Consumer Price Index (YoY)	May'16	1.0%	0.9%	0.1%
Consumer Price Index Core (YoY)	May'16	2.2%	2.2%	1.8%
Crude Oil Futures (WTI, per barrel)	Jun 30	$48.33	$38.34	$59.47
Gold Futures (oz.)	Jun 30	$1,321	$1,234	$1,172

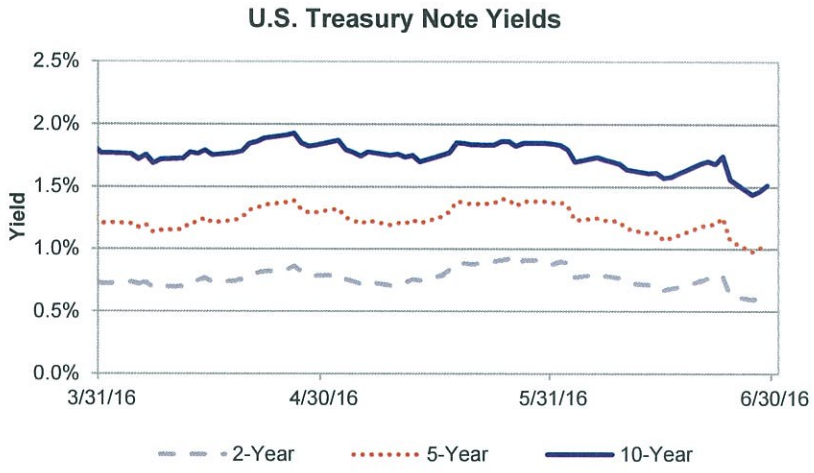


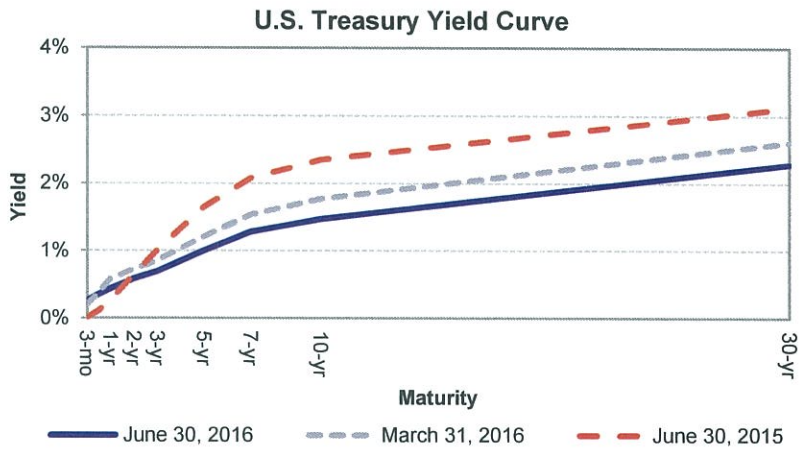
1. Data as of Fourth Quarter 2015 *2. Data as of First Quarter 2015*

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

Source: Bloomberg

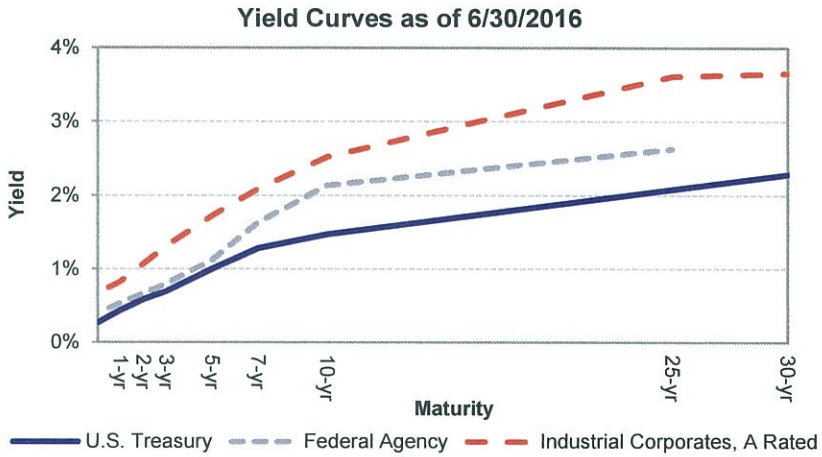
Interest Rate Overview





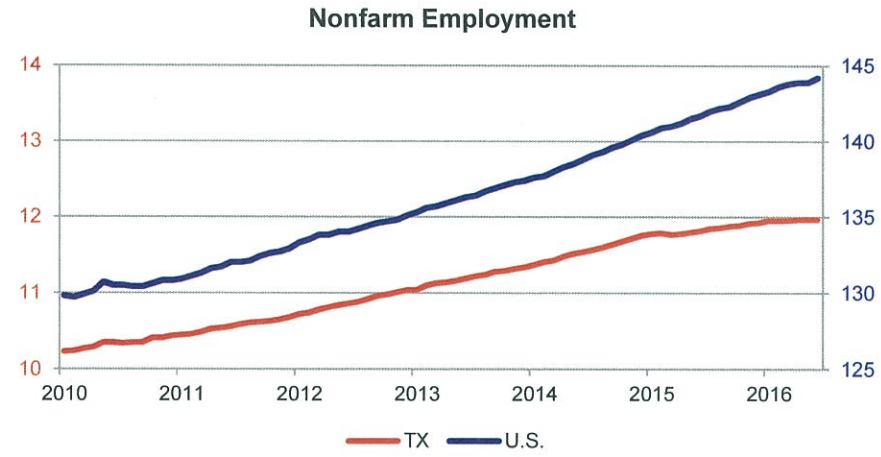
U.S. Treasury Yields

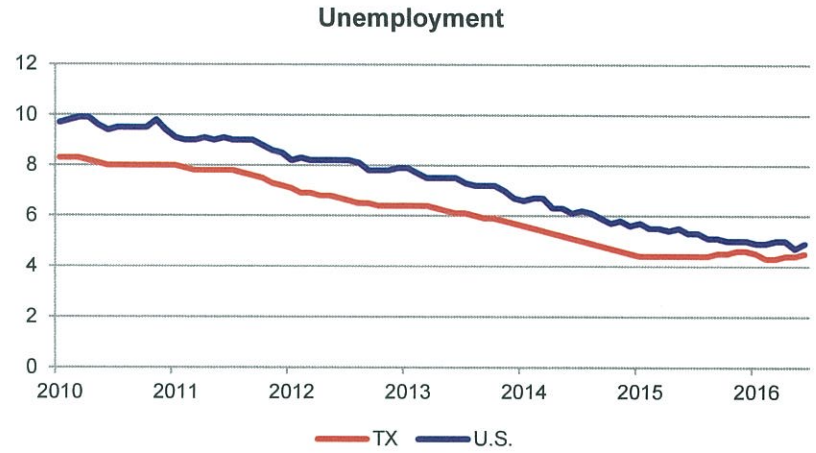
Maturity	6/30/16	3/31/16	Change over Quarter	6/30/15	Change over Year
3-month	0.26%	0.20%	0.06%	0.01%	0.25%
1-year	0.44%	0.58%	(0.14%)	0.27%	0.17%
2-year	0.58%	0.72%	(0.14%)	0.65%	(0.07%)
5-year	1.00%	1.21%	(0.21%)	1.65%	(0.65%)
10-year	1.47%	1.77%	(0.30%)	2.35%	(0.88%)
30-year	2.29%	2.61%	(0.32%)	3.12%	(0.83%)

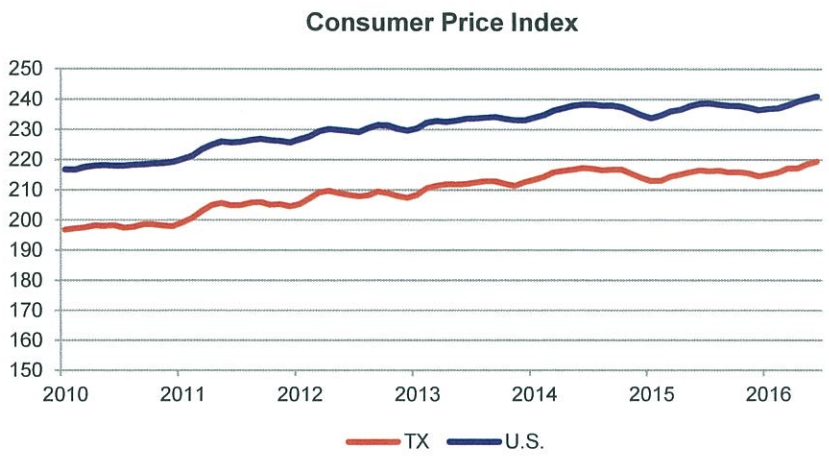


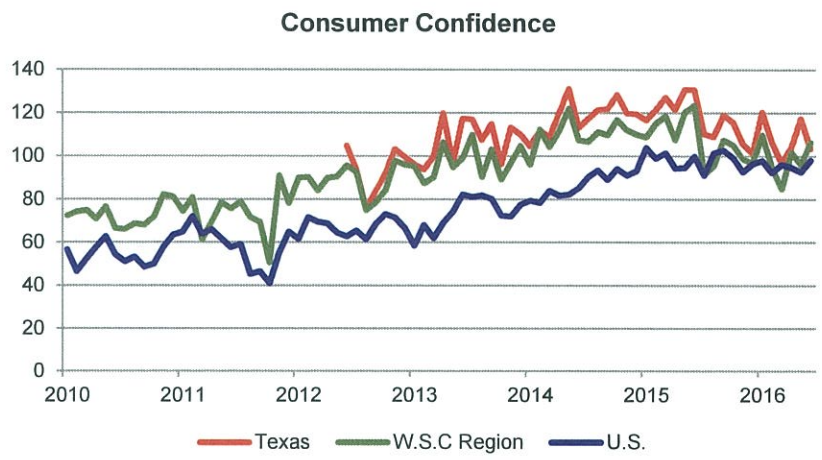
Source: Bloomberg

Texas Economic Indicators









Source: Texas Workforce Commission; U.S. Bureau of Labor Statistics; The Conference Board

Portfolio Summary

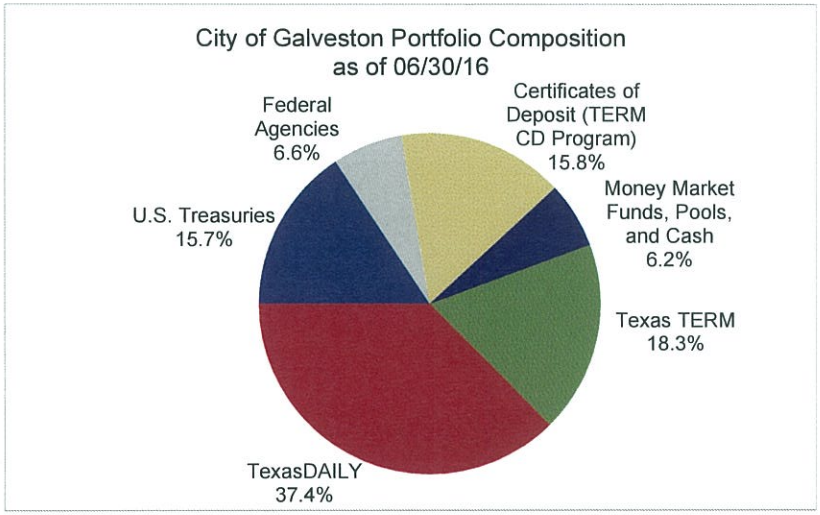
Combined Funds	June 30, 2016	March 31, 2016	Change
Combined Funds (Market Value)	**$98,402,862.62**	$105,777,910.13	($7,375,047.51)
Combined Funds (Book Value)	**$98,304,314.25**	$105,711,854.80	($7,407,540.55)
Unrealized Gain/ Loss	**$98,548.37**	$66,055.33	$32,493.04
Accrued Interest	**$31,513.78**	$61,451.42	($29,937.64)
Portfolio WAM	**151 days**	175 days	

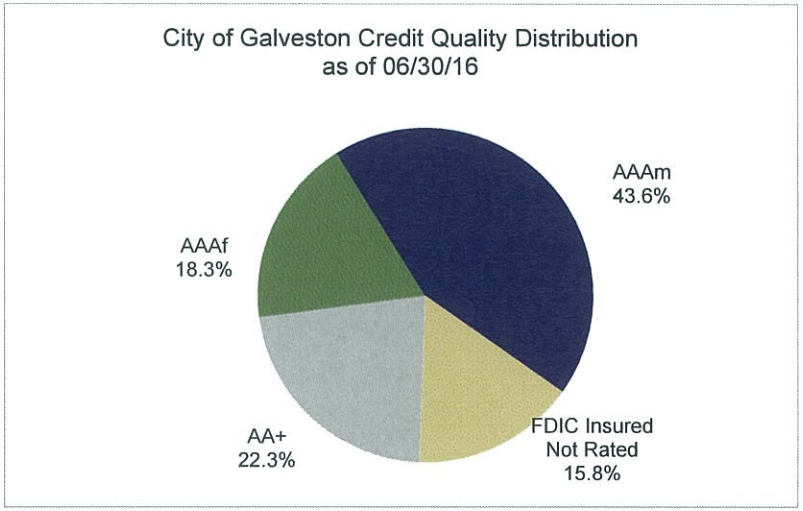
Combined Funds

- The portfolio is primarily invested in U.S. Treasury, Federal Agency securities, and FDIC Insured Certificates of Deposit with pool and bank deposits. Overall, the portfolio provides significant liquidity and maintains a high credit quality.
- The portfolio complies with Texas statutes and the City's investment policy.
- Bank Account / Pool Balances (as of 06/30/2016):
  - TexasDAILY: $36,784,668.99
  - Frost Sweep: $ 4,436,000.00
  - Tex Pool: $ 1,701,581.40
- PFMAM continues to monitor the market for opportunities to invest current pool balances in securities with longer maturities.
- We will continue to work closely with the City to make investment recommendations based on the City's cash flow needs and liquidity requirements.

Composite Portfolio Composition and Credit Quality

Security Type[1]	June 30, 2016	% of Portfolio[2]	March 31, 2016	% of Portfolio[2]	Permitted by Investment Policy
U.S. Treasuries	**$15,474,101.53**	**15.7%**	$15,452,316.96	14.6%	90%
Federal Agencies	**$6,522,024.48**	**6.6%**	$7,547,643.59	7.1%	90%
Mortgage-Backed Securities	**$0.00**	**0.0%**	$0.00	0.0%	0%
Commercial Paper	**$0.00**	**0.0%**	$0.00	0.0%	35%
Certificates of Deposit (TERM CD Program)	**$15,516,000.00**	**15.8%**	$23,693,000.00	22.4%	50%
Bankers' Acceptances	**$0.00**	**0.0%**	$0.00	0.0%	0%
Repurchase Agreements	**$0.00**	**0.0%**	$0.00	0.0%	100%
Money Market Funds, Pools, and Cash	**$6,137,581.40**	**6.2%**	$7,690,110.45	7.3%	100%
Texas TERM	**$18,000,000.00**	**18.3%**	$29,000,000.00	27.4%	100%
TexasDAILY	**$36,784,668.99**	**37.4%**	$22,456,290.55	21.2%	100%
Totals	**$98,434,376.40**	**100.0%**	**$105,839,361.55**	**100.0%**	

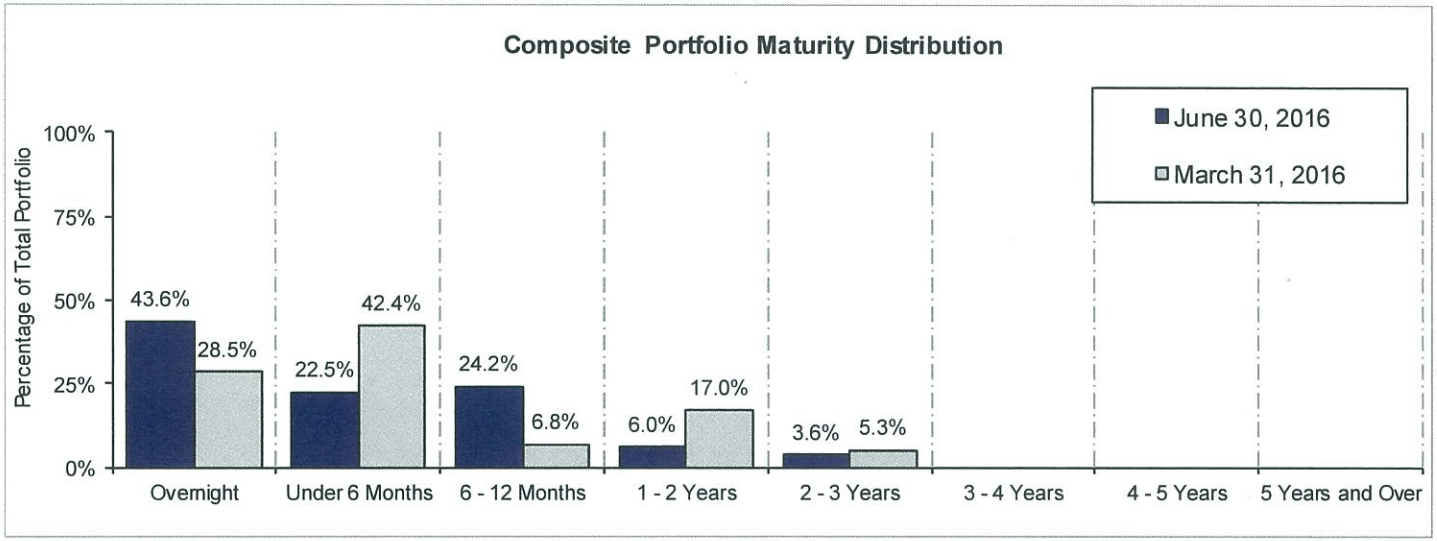




Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest
2. Percentages may not add up to 100% due to rounding.

Composite Portfolio Maturity Distribution

Maturity Distribution	June 30, 2016	March 31, 2016
Overnight	**$42,922,250.39**	$30,146,401.00
Under 6 Months	**22,186,427.81**	44,877,011.11
6 - 12 Months	**23,844,115.75**	7,203,876.33
1 - 2 Years	**5,893,265.85**	18,036,015.77
2 - 3 Years	**3,588,316.60**	5,576,057.34
3 - 4 Years	**0.00**	0.00
4 - 5 Years	**0.00**	0.00
5 Years and Over	**0.00**	0.00
	$98,434,376.40	**$105,839,361.55**



TexasTERM Holdings

Settlement Date	Term Description	Investment Amount	Maturity Date	Value at Maturity	Rate
11/5/2015	TERM - TexasTERM DD 1216	$1,000,000.00	8/1/2016	$1,003,467.21	0.47%
12/7/2015	TERM - TexasTERM DD 1216	$10,000,000.00	9/2/2016	$10,047,950.82	0.65%
12/14/2015	TERM - TexasTERM DD 1216	$1,000,000.00	9/15/2016	$1,005,504.92	0.73%
6/7/2016	TERM - TexasTERM DD 1216	$1,000,000.00	12/30/2016	$1,004,402.19	0.78%
5/5/2016	TERM - TexasTERM EE 1217	$1,000,000.00	1/30/2017	$1,006,213.70	0.84%
5/10/2016	TERM - TexasTERM EE 1217	$1,000,000.00	2/3/2017	$1,006,190.68	0.84%
5/25/2016	TERM - TexasTERM EE 1217	$1,000,000.00	2/17/2017	$1,006,314.52	0.86%
6/1/2016	TERM - TexasTERM EE 1217	$1,000,000.00	2/24/2017	$1,006,094.25	0.83%
6/21/2016	TERM - TexasTERM EE 1217	$1,000,000.00	3/17/2017	$1,006,190.68	0.84%
	TexasTERM	**$18,000,000.00**		**$18,092,328.97**	**0.71%**
7/6/2015	CD - Pacific Commerce Bank, CA	$248,000.00	7/5/2016	$249,388.80	0.56%
7/6/2015	CD - Native American Bank (Formerly Of Browning, Mt), CO	$248,000.00	7/5/2016	$249,488.00	0.60%
7/6/2015	CD - Community West Bank N.A., CA	$248,000.00	7/5/2016	$249,438.40	0.58%
7/6/2015	CD - Farmers & Merchants Union Bank, WI	$248,000.00	7/5/2016	$249,612.00	0.65%
7/20/2015	CD - Kirkwood Bank Of Nevada, NV	$248,000.00	7/19/2016	$249,636.80	0.66%
7/21/2015	CD - Millbury National Bank, MA	$248,000.00	7/21/2016	$249,865.10	0.75%
7/30/2015	CD - First Bank Of Ohio, OH	$248,000.00	7/29/2016	$249,488.00	0.60%
7/30/2015	CD - Bar Harbor Savings & Loan Association, ME	$248,000.00	7/29/2016	$249,612.00	0.65%
7/30/2015	CD - Bank Of Kremlin (The), OK	$248,000.00	7/29/2016	$249,612.00	0.65%
7/30/2015	CD - Savoy Bank, NY	$248,000.00	7/29/2016	$249,860.00	0.75%
8/3/2015	CD - Unity National Bank Of Houston, TX	$248,000.00	8/2/2016	$249,488.00	0.60%
5/10/2016	CD - Royal Business Bank, CA	$248,000.00	8/8/2016	$248,428.05	0.70%
8/20/2015	CD - Citizens National Bank Meyersdale, PA	$248,000.00	8/19/2016	$249,760.80	0.71%
8/20/2015	CD - Southside Bank, TX	$248,000.00	8/19/2016	$249,537.60	0.62%
9/18/2015	CD - Valliance Bank, OK	$248,000.00	9/19/2016	$249,620.83	0.65%
9/18/2015	CD - Bank Of Glen Ullin, ND	$248,000.00	9/19/2016	$249,620.83	0.65%
9/21/2015	CD - Farmers State Bank Of Trimont, MN	$248,000.00	9/20/2016	$249,612.00	0.65%
9/22/2015	CD - Cit Bank, N.A. (Fka Onewest Bank, N.A.), CA	$247,000.00	9/21/2016	$249,593.50	1.05%
6/27/2016	CD - First Federal Savings Bank Of Boston, MA	$248,000.00	9/26/2016	$248,562.65	0.91%
11/9/2015	CD - First Capital Bank, TN	$248,000.00	10/4/2016	$249,681.64	0.75%
5/10/2016	CD - Landmark Community Bank, TN	$248,000.00	10/7/2016	$248,764.38	0.75%
11/2/2015	CD - Crestmark Bank, MI	$248,000.00	11/1/2016	$249,860.00	0.75%
11/2/2015	CD - Sonabank, VA	$248,000.00	11/1/2016	$249,736.00	0.70%
11/2/2015	CD - Plus International Bank, FL	$247,000.00	11/1/2016	$249,099.50	0.85%

Texas TERM Holdings

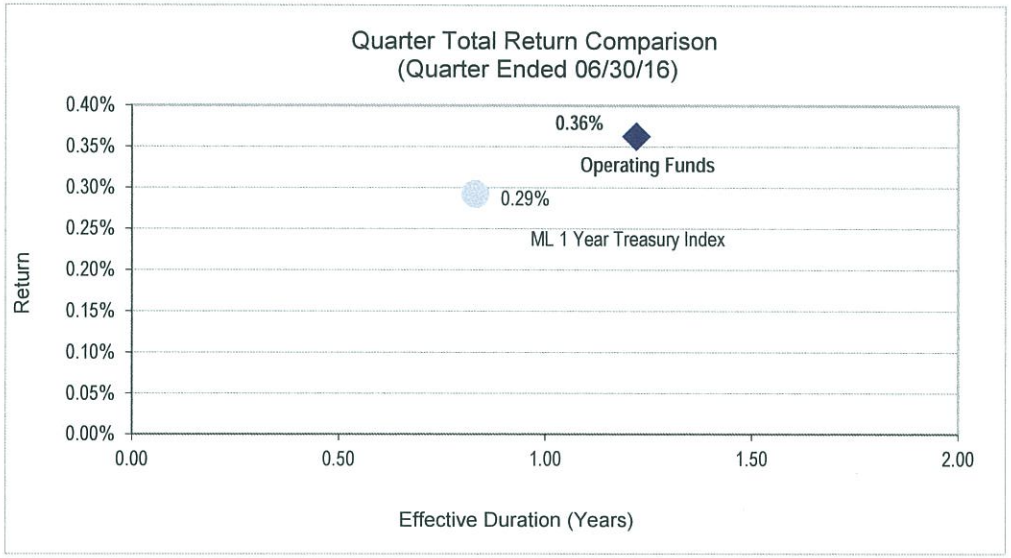
Settlement Date	Term Description	Investment Amount	Maturity Date	Value at Maturity	Rate
11/2/2015	CD - Valley National Bank, Ok, OK	$248,000.00	11/1/2016	$249,934.40	0.78%
11/30/2015	CD - Solera National Bank, CO	$247,000.00	11/29/2016	$249,099.50	0.85%
11/30/2015	CD - Us Metro Bank, CA	$248,000.00	11/29/2016	$249,909.60	0.77%
12/9/2015	CD - Pacific Alliance Bank, CA	$247,000.00	12/8/2016	$249,198.30	0.89%
12/9/2015	CD - Kansas State Bank Of Manhattan, KS	$247,000.00	12/8/2016	$249,371.20	0.96%
12/18/2015	CD - T Bank, TX	$247,000.00	12/19/2016	$249,607.71	1.05%
12/18/2015	CD - Prudential Savings Bank, PA	$247,000.00	12/19/2016	$249,483.53	1.00%
1/25/2016	CD - American National Bank Of Minnesota, MN	$247,000.00	1/25/2017	$249,600.61	1.05%
1/25/2016	CD - Industrial & Commercial Bank Of China Usa, NY	$247,000.00	1/25/2017	$249,476.77	1.00%
4/3/2014	CD - Bank Leumi Usa, NY	$242,000.00	4/3/2017	$249,266.63	1.00%
4/3/2014	CD - Continental Bank, UT	$246,000.00	4/3/2017	$249,693.37	0.50%
4/3/2014	CD - Providence Bank (Fka Community First Bank, IL	$243,000.00	4/3/2017	$249,566.99	0.90%
4/3/2014	CD - Great Midwest Bank,Ssb, WI	$243,000.00	4/3/2017	$249,202.16	0.85%
4/3/2014	CD - Citizens Trust Bank, GA	$247,000.00	4/3/2017	$249,966.71	0.40%
4/3/2014	CD - Dakota Community Bank & Trust, N.A., ND	$245,000.00	4/3/2017	$249,414.03	0.60%
4/3/2014	CD - Coatesville Savings Bank, PA	$242,000.00	4/3/2017	$249,266.63	1.00%
4/3/2014	CD - California Pacific Bank, CA	$246,000.00	4/3/2017	$249,693.37	0.50%
4/4/2014	CD - Sutton Bank, OH	$245,000.00	4/4/2017	$249,119.76	0.56%
4/4/2014	CD - Dmb Community Bank, WI	$245,000.00	4/4/2017	$249,414.03	0.60%
4/4/2014	CD - Mifflinburg Bank & Trust Company, PA	$245,000.00	4/4/2017	$249,046.19	0.55%
4/4/2014	CD - Stratford State Bank, WI	$245,000.00	4/4/2017	$249,119.76	0.56%
4/4/2014	CD - Fresno First Bank, CA	$245,000.00	4/4/2017	$249,119.76	0.56%
4/4/2014	CD - Farmers & Merchants State Bank, SD	$242,000.00	4/4/2017	$249,266.63	1.00%
4/4/2014	CD - First Central Bank, NE	$245,000.00	4/4/2017	$249,119.76	0.56%
4/4/2014	CD - Seaside National Bank & Trust, FL	$244,000.00	4/4/2017	$249,055.41	0.69%
4/4/2014	CD - Caldwell Bank & Trust Company, LA	$244,000.00	4/4/2017	$249,495.01	0.75%
4/10/2014	CD - First Utah Bank, UT	$244,000.00	4/11/2017	$249,206.69	0.71%
4/10/2014	CD - Wolverine Bank, Fsb, MI	$242,000.00	4/11/2017	$249,273.26	1.00%
4/10/2014	CD - Spring Bank (Formerly Checkspring Bank), NY	$242,000.00	4/11/2017	$249,273.26	1.00%
4/10/2014	CD - Centerbank, OH	$242,000.00	4/11/2017	$249,636.92	1.05%
4/10/2014	CD - City National Bank Of Taylor (The), TX	$243,000.00	4/11/2017	$249,572.98	0.90%
4/15/2014	CD - Community Resource Bank, MN	$245,000.00	4/17/2017	$249,790.59	0.65%
5/6/2016	CD - Affiliated Bank, TX	$247,000.00	4/21/2017	$249,486.92	1.05%
5/10/2016	CD - Pacific Western Bank (Acquired Security Pacific Bank, Los Angeles)	$247,000.00	5/10/2017	$249,470.00	1.00%
5/18/2016	CD - Bank Of The West, CA	$247,000.00	5/18/2017	$249,470.00	1.00%
5/18/2016	CD - Fieldpoint Private Bank & Trust, CT	$247,000.00	5/18/2017	$249,470.00	1.00%
5/18/2016	CD - Modern Bank, N.A., NY	$247,000.00	5/18/2017	$249,741.70	1.11%
6/23/2016	CD - First Home Bank, FL	$247,000.00	6/23/2017	$249,717.00	1.10%
6/27/2016	CD - Bank Of The Ozarks, AR	$247,000.00	6/27/2017	$249,445.30	0.99%
	Total TERM CD Program	**$15,516,000.00**		**$15,715,429.32**	**0.78%**

Operating Funds Portfolio Performance

Total Return[1,2,3,4,5]	Quarter Ended June 30, 2016	Last 12 Months	Last 3 Years	Last 5 Years	Since Inception
City Of Galveston Operating Funds	**0.36%**	**1.10%**	**0.67%**	**0.54%**	**0.51%**
Merrill Lynch 1 Year Treasury Index	0.29%	0.59%	0.38%	0.34%	0.37%

Duration	June 30, 2016	March 31, 2016	Yields	June 30, 2016	March 31, 2016
City Of Galveston Operating Funds	**1.22**	**1.46**	Yield at Market	**0.55%**	0.69%
Merrill Lynch 1 Year Treasury Index	0.83	0.91	Yield on Cost	**0.86%**	0.86%

Combined Funds Portfolio Yield[6] **0.62%**



Notes:

1. Performance on trade date basis, gross-of-fees, in accordance with the CFA Institute's Global Investment Performance Standards.
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. The total returns shown for periods longer than a year are the annualized returns for the stated period. Performance numbers for periods under a year are presented on a periodic basis.
4. Since inception performance is calculated from October 1, 2010 to present quarter end date.
5. Does not include money market funds or cash equivalents in yield, performance, or duration computations.
6. Weighted average yield at cost of Composite Portfolio. Includes Operating Funds, Reserve Funds, TexasTERM, TexasTERM CDs, TexasDAILY, TexPool, Frost Sweep Balances.

Managed Account Detail of Securities Held

For the Month Ending **June 30, 2016**

CITY OF GALVESTON OPERATING FUNDS - 30110000

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 0.875% 12/31/2016	912828RX0	1,470,000.00	AA+	Aaa	06/11/14	06/12/14	1,476,775.78	0.69	34.95	1,471,331.09	1,473,392.76
US TREASURY NOTES DTD 05/15/2014 0.875% 05/15/2017	912828WH9	1,500,000.00	AA+	Aaa	06/11/14	06/12/14	1,499,941.41	0.88	1,676.29	1,499,982.93	1,504,687.50
US TREASURY NOTES DTD 05/15/2014 0.875% 05/15/2017	912828WH9	2,000,000.00	AA+	Aaa	05/22/14	05/23/14	2,005,312.50	0.78	2,235.05	2,001,568.66	2,006,250.00
US TREASURY NOTES DTD 08/31/2012 0.625% 08/31/2017	912828TM2	1,365,000.00	AA+	Aaa	02/25/15	02/26/15	1,357,908.40	0.84	2,851.48	1,361,682.72	1,366,225.77
US TREASURY NOTES DTD 01/31/2013 0.875% 01/31/2018	912828UJ7	1,500,000.00	AA+	Aaa	02/25/15	02/26/15	1,495,957.03	0.97	5,480.77	1,497,802.23	1,506,972.00
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UZ1	2,000,000.00	AA+	Aaa	07/13/15	07/14/15	1,979,687.50	0.99	2,105.98	1,986,636.14	2,001,328.00
US TREASURY NOTES DTD 09/30/2011 1.375% 09/30/2018	912828RH5	2,000,000.00	AA+	Aaa	11/04/15	11/06/15	2,013,671.88	1.13	6,912.57	2,010,647.16	2,033,046.00
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	1,525,000.00	AA+	Aaa	12/02/15	12/07/15	1,525,953.13	1.23	1,614.58	1,525,775.75	1,546,743.45
Security Type Sub-Total		**13,360,000.00**					**13,355,207.63**	**0.95**	**22,911.67**	**13,355,426.68**	**13,438,645.48**
Federal Agency Bond / Note											
FHLMC NOTES DTD 08/16/2013 0.875% 10/14/2016	3137EADS5	1,250,000.00	AA+	Aaa	02/25/15	02/26/15	1,256,412.50	0.56	2,339.41	1,251,127.10	1,251,592.50
FHLB NOTES DTD 11/17/2014 0.625% 11/23/2016	3130A3J70	1,250,000.00	AA+	Aaa	02/25/15	02/26/15	1,250,725.00	0.59	824.65	1,250,165.13	1,250,671.25
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 05/04/2012 1.000% 06/21/2017	313379DD8	2,000,000.00	AA+	Aaa	07/13/15	07/14/15	2,009,860.00	0.74	555.56	2,004,969.70	2,007,794.00
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	2,000,000.00	AA+	Aaa	07/13/15	07/14/15	2,009,920.00	0.74	111.11	2,005,056.10	2,008,136.00
Security Type Sub-Total		**6,500,000.00**					**6,526,917.50**	**0.68**	**3,830.73**	**6,511,318.03**	**6,518,193.75**

Managed Account Detail of Securities Held

For the Month Ending **June 30, 2016**

CITY OF GALVESTON OPERATING FUNDS - 30110000

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
Managed Account Sub-Total		**19,860,000.00**					**19,882,125.13**	**0.86**	**26,742.40**	**19,866,744.71**	**19,956,839.23**
Securities Sub-Total		**$19,860,000.00**					**$19,882,125.13**	**0.86%**	**$26,742.40**	**$19,866,744.71**	**$19,956,839.23**
Accrued Interest											**$26,742.40**
Total Investments											**$19,983,581.63**

Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2016**

CITY OF GALVESTON OPERATING FUNDS - 30110000

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 01/03/2012 0.875% 12/31/2016	912828RX0	1,470,000.00	RBS_SEC		100.23	1,473,392.76	(3,383.02)	2,061.67	0.50	0.50	0.41
US TREASURY NOTES DTD 05/15/2014 0.875% 05/15/2017	912828WH9	1,500,000.00	MORGANST		100.31	1,504,687.50	4,746.09	4,704.57	0.87	0.87	0.52
US TREASURY NOTES DTD 05/15/2014 0.875% 05/15/2017	912828WH9	2,000,000.00	BARCLAYS		100.31	2,006,250.00	937.50	4,681.34	0.87	0.87	0.52
US TREASURY NOTES DTD 08/31/2012 0.625% 08/31/2017	912828TM2	1,365,000.00	MERRILL		100.09	1,366,225.77	8,317.37	4,543.05	1.16	1.16	0.55
US TREASURY NOTES DTD 01/31/2013 0.875% 01/31/2018	912828UJ7	1,500,000.00	CITIGRP		100.46	1,506,972.00	11,014.97	9,169.77	1.57	1.57	0.58
US TREASURY NOTES DTD 04/30/2013 0.625% 04/30/2018	912828UZ1	2,000,000.00	CITIGRP		100.07	2,001,328.00	21,640.50	14,691.86	1.82	1.82	0.59
US TREASURY NOTES DTD 09/30/2011 1.375% 09/30/2018	912828RH5	2,000,000.00	CITIGRP		101.65	2,033,046.00	19,374.12	22,398.84	2.21	2.21	0.63
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	1,525,000.00	BNP PARI		101.43	1,546,743.45	20,790.32	20,967.70	2.38	2.38	0.65
Security Type Sub-Total		**13,360,000.00**				**13,438,645.48**	**83,437.85**	**83,218.80**	**1.46**	**1.46**	**0.56**
Federal Agency Bond / Note											
FHLMC NOTES DTD 08/16/2013 0.875% 10/14/2016	3137EADS5	1,250,000.00	GOLDMAN		100.13	1,251,592.50	(4,820.00)	465.40	0.29	0.29	0.43
FHLB NOTES DTD 11/17/2014 0.625% 11/23/2016	3130A3J70	1,250,000.00	WELLSFAR		100.05	1,250,671.25	(53.75)	506.12	0.40	0.40	0.49
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 05/04/2012 1.000% 06/21/2017	313379DD8	2,000,000.00	BMO		100.39	2,007,794.00	(2,066.00)	2,824.30	0.97	0.97	0.60
FREDDIE MAC GLOBAL NOTES DTD 05/14/2012 1.000% 06/29/2017	3137EADH9	2,000,000.00	BNP PARI		100.41	2,008,136.00	(1,784.00)	3,079.90	0.99	0.99	0.59
Security Type Sub-Total		**6,500,000.00**				**6,518,193.75**	**(8,723.75)**	**6,875.72**	**0.74**	**0.74**	**0.54**
Managed Account Sub-Total		**19,860,000.00**				**19,956,839.23**	**74,714.10**	**90,094.52**	**1.22**	**1.22**	**0.55**

Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2016**

CITY OF GALVESTON OPERATING FUNDS - 30110000

Securities Sub-Total	**$19,860,000.00**	**$19,956,839.23**	**$74,714.10**	**$90,094.52**	**1.22**	**1.22**	**0.55%**
Accrued Interest		**$26,742.40**					
Total Investments		**$19,983,581.63**					

Managed Account Detail of Securities Held

For the Month Ending **June 30, 2016**

CITY OF GALVESTON RESERVE FUND - 30110200

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 05/15/2014 0.875% 05/15/2017	912828WH9	1,000,000.00	AA+	Aaa	05/22/14	05/23/14	1,002,656.25	0.78	1,117.53	1,000,784.33	1,003,125.00
US TREASURY NOTES DTD 01/31/2013 0.875% 01/31/2018	912828UJ7	1,000,000.00	AA+	Aaa	02/25/15	02/26/15	997,304.69	0.97	3,653.85	998,534.82	1,004,648.00
Security Type Sub-Total		**2,000,000.00**					**1,999,960.94**	**0.88**	**4,771.38**	**1,999,319.15**	**2,007,773.00**
Managed Account Sub-Total		**2,000,000.00**					**1,999,960.94**	**0.88**	**4,771.38**	**1,999,319.15**	**2,007,773.00**
Securities Sub-Total		**$2,000,000.00**					**$1,999,960.94**	**0.88%**	**$4,771.38**	**$1,999,319.15**	**$2,007,773.00**
Accrued Interest											**$4,771.38**
Total Investments											**$2,012,544.38**

Managed Account Fair Market Value & Analytics

For the Month Ending **June 30, 2016**

CITY OF GALVESTON RESERVE FUND - 30110200

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 05/15/2014 0.875% 05/15/2017	912828WH9	1,000,000.00	BARCLAYS		100.31	1,003,125.00	468.75	2,340.67	0.87	0.87	0.52
US TREASURY NOTES DTD 01/31/2013 0.875% 01/31/2018	912828UJ7	1,000,000.00	CITIGRP		100.46	1,004,648.00	7,343.31	6,113.18	1.57	1.57	0.58
Security Type Sub-Total		**2,000,000.00**				**2,007,773.00**	**7,812.06**	**8,453.85**	**1.22**	**1.22**	**0.55**
Managed Account Sub-Total		**2,000,000.00**				**2,007,773.00**	**7,812.06**	**8,453.85**	**1.22**	**1.22**	**0.55**
Securities Sub-Total		**$2,000,000.00**				**$2,007,773.00**	**$7,812.06**	**$8,453.85**	**1.22**	**1.22**	**0.55%**
Accrued Interest						**$4,771.38**					
Total Investments						**$2,012,544.38**					

Quarterly Investment Report
Certification

This report has been examined by the Investment Committee of the City of Galveston. Information presented in this report to the City Council represents an accurate description of the City's investment activity for the quarter ending June 30, 2016. This report meets all reporting requirements specified by the Public Funds Investment Act and the Investment Policy of the City of Galveston.

Michael W. Loftin	Brian Maxwell	Barry Baughier
Assist. City Manager Finance	City Manager	Sr. Managing Consultant
City of Galveston	City of Galveston	PFM Asset Management LLC

Dated: 8/2/16