CITY OF CORVALLIS, OREGON

November 2014

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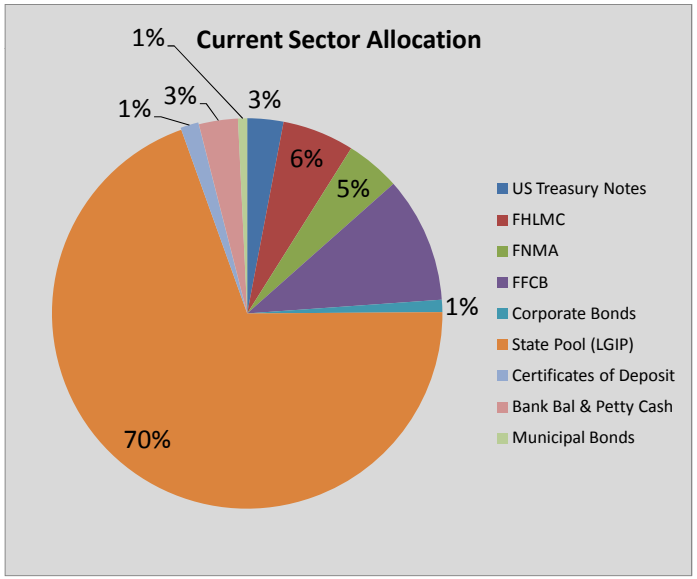
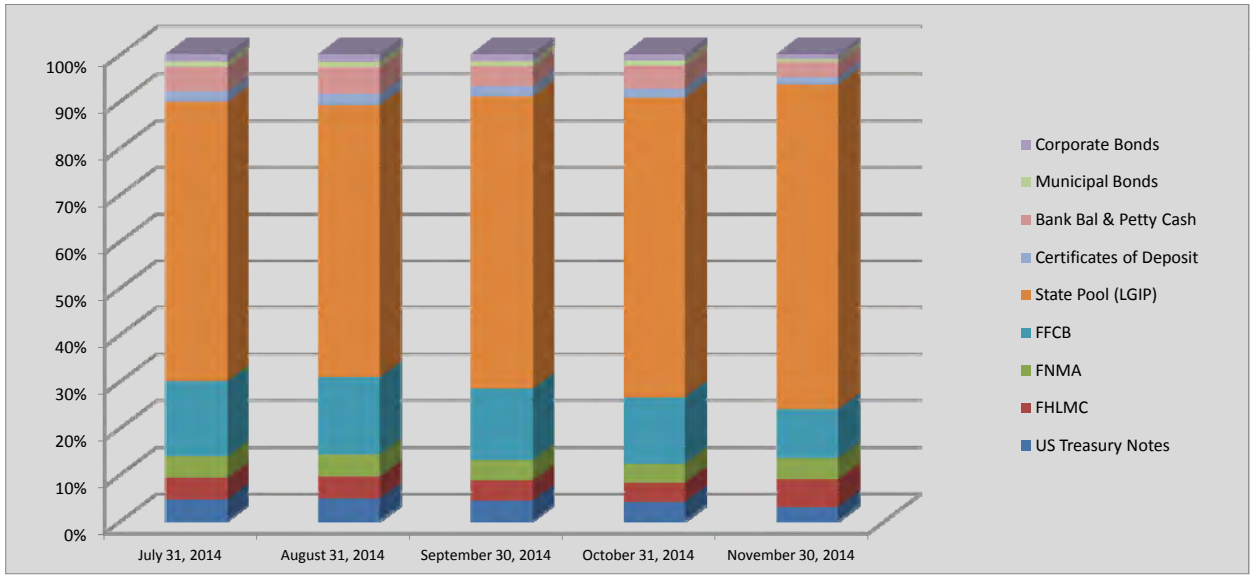
Total Asset Allocation Strategy
(Market Values)

Treasury yields in the short end of the curve remained low in November, as a stronger dollar and weaker economic data, including lower oil and gas prices, fueled fears that the US economy cannot hold up against a global slowdown. In the early part of November however, rates backed up enough to present a good opportunity for staff to purchase $3 million in agency securities to begin building the City's core portfolio to $20 million, as per ASC direction. This was particularly timely due to the growing total portfolio balance from November's $23.7 million in permanent rate and General Obligation debt property tax as well as local option levy receipts. It should be noted that as of November month end, the City had a very small amount ($4,260) in excess of the LGIP cap. Investment purchses will be made in December to offset that overage and bring the City back into compliance. There are no penalties, or risk/security of funds issues for this small/temporary overage that was brought on by higher than anticipated influx of property taxes - the City's auditors will be apprised of the situation, and the mitigating circumstances.

Treasury Report Glossary of Terms

Sector	YTM @ Settlement	July 31, 2014	August 31, 2014	September 30, 2014	October 31, 2014	November 30, 2014	Change From Last Month*
US Treasury Notes	0.67%	$2,005,000	$2,009,060	$2,005,320	$2,011,400	$2,014,060	**$2,660**
FHLMC	1.13%	1,995,640	1,998,920	1,991,780	2,003,440	3,993,320	**1,989,880**
FNMA	1.07%	2,033,760	2,031,640	2,030,100	2,027,660	3,040,890	**1,013,230**
FFCB	0.67%	7,001,610	7,010,340	6,988,240	6,996,540	6,999,410	**2,870**
Corporate Bonds	0.70%	680,373	679,685	678,692	678,510	679,104	**594**
State Pool (LGIP)	0.53%	26,113,592	24,709,309	28,805,526	31,567,878	46,805,848	**15,237,970**
Certificates of Deposit	1.00%	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	**0**
Bank Bal & Petty Cash	0.20%	2,281,524	2,448,092	1,959,452	2,422,347	2,177,109	**(245,238)**
Municipal Bonds	0.88%	501,050	501,630	500,790	501,800	501,730	**(70)**
Total	0.59%	**$43,612,549**	**$42,388,676**	**$45,959,900**	**$49,209,576**	**$67,211,471**	**$18,001,895**





Policy Compliance Report
(Market Values)

Overall Portfolio Structure

	Investment Strategy Range Low	Investment Strategy Range High	Market Value	Neutral Allocation	Actual Allocation	Position
Liquid Component	$5,000,000	$20,000,000	$48,982,957	60.00%	**72.88%**	12.88%
Investment Component (Core)	$15,000,000	$20,000,000	$18,228,514	40.00%	**27.12%**	-12.88%
Total			$67,211,471			

	Policy Requirement	Actual Portfolio	Within Limits
Under 30 Days	> 10%	73%	Yes
Under 1 Year	> 25%	76%	Yes
Under 5 Years	100%	100%	Yes
WAM	< 1.5 Years	0.55	Yes

Asset Allocation Compliance

	Policy Maximum Allocation	Per Issuer Restriction	Current Portfolio Allocation	Market Value	Policy Maximum Maturity	Amount Available to Invest	Within Limits
US Treasury Notes	100%		3.00%	$2,014,060	5 Years	$65,197,411	Yes
Federal Agency and Agency Sponsored	100%	40%	20.88%	$14,033,620	5 Years	$53,177,851	Yes
CDs/ Bank Deposits/ Savings (OST Qualified Institutions)	25%	15%	4.73%	$3,177,109		$13,625,759	Yes
Bankers Acceptances	10%		0.00%	$0		$6,721,147	Yes
Commercial Paper (A-1/P-1)	10%	5%	0.00%	$0	120 Days	$6,721,147	Yes
Corporate Bonds (Aa3/AA-)	10%	5%	1.01%	$679,104	5 Years	$6,042,043	Yes
Municipal Obligations (OR,WA, AA or better)	10%	5%	0.75%	$501,730	5 Years	$6,219,417	Yes
State Pool (LGIP)	ORS Maximum or 100%		69.64%	$46,805,848	N/A	($4,260)	No
Total			100.00%	$67,211,471			

ORS Maximum as of 9/19/2014 $46,801,588

***Investment Policy Note:** Section 5.03.102 states "Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need to be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained."

Policy : April 2014

City of Corvallis
Portfolio Holdings by Security Type
All Portfolios

Date: 11/30/2014

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Cash								
Petty Cash Cash		3/31/2014	9,540.00	100.00	9,540.00	0.01%	NR	1
CASH	9,540.00	0.00	9,540.00	0.00		0.00	NR	0
			9,540.00		**9,540.00**	**0.01%**		**1**
Sub Total Cash	**9,540.00**	**0.00**	**9,540.00**	**0.00**		**0.00**		**0**
Certificate Of Deposit								
OSU Federal 0.995 4/19/2016		4/19/2013	1,000,000.00	100.00	1,000,000.00	1.49%	NR	506
CDOSU	1,000,000.00	1.00	1,000,000.00	1.00	0.00	0.00	NR	1.38
			1,000,000.00		**1,000,000.00**	**1.49%**		**506**
Sub Total Certificate Of Deposit	**1,000,000.00**	**1.00**	**1,000,000.00**	**1.00**	**0.00**	**0.00**		**1.38**
Corporate Bond								
General Electric 1 12/11/2015-13		11/19/2013	679,137.75	100.61	679,104.00	1.01%	Moodys-Aa3	376
36962G6M1	675,000.00	0.70	677,068.88	0.41	3,168.75	2,035.12	S&P-AA+	1.02
			679,137.75		**679,104.00**	**1.01%**		**376**
Sub Total Corporate Bond	**675,000.00**	**0.70**	**677,068.88**	**0.41**	**3,168.75**	**2,035.12**		**1.02**
FFCB Bond								
FFCB 0.55 8/26/2016-13		11/26/2012	2,995,950.00	99.77	2,993,070.00	4.46%	Moodys-Aaa	635
3133EC3F9	3,000,000.00	0.59	2,998,121.44	0.68	4,308.33	-5,051.44	S&P-AA+	1.73
FFCB 0.68 9/26/2016-12		9/26/2012	1,997,500.00	99.98	1,999,660.00	2.98%	Moodys-Aaa	666
3133EA2D9	2,000,000.00	0.71	1,998,860.37	0.69	2,417.78	799.63	S&P-AA+	1.81
FFCB 0.75 6/14/2016		6/29/2012	1,999,640.00	100.33	2,006,680.00	2.98%	Moodys-Aaa	562
3133EAUH9	2,000,000.00	0.76	1,999,860.08	0.53	6,916.67	6,819.92	S&P-AA+	1.53
			6,993,090.00		**6,999,410.00**	**10.42%**		**623**
Sub Total FFCB Bond	**7,000,000.00**	**0.67**	**6,996,841.89**	**0.64**	**13,642.78**	**2,568.11**		**1.7**
FHLMC Bond								
FHLMC 0.875 3/7/2018		11/7/2014	1,976,820.00	99.24	1,984,780.00	2.94%	Moodys-Aaa	1193
3137EADP1	2,000,000.00	1.23	1,977,258.44	1.11	4,034.72	7,521.56	S&P-AA+	3.22

City of Corvallis
Portfolio Holdings by Security Type
All Portfolios

Date: 11/30/2014

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
FHLMC 1 7/28/2017		12/12/2013	1,997,494.00	100.43	2,008,540.00	2.97%	Moodys-Aaa	971
3137EADJ5	2,000,000.00	1.04	1,998,162.14	0.84	6,777.78	10,377.86	S&P-AA+	2.62
			3,974,314.00		**3,993,320.00**	**5.91%**		**1081**
Sub Total FHLMC Bond	**4,000,000.00**	**1.13**	**3,975,420.58**	**0.97**	**10,812.50**	**17,899.42**		**2.92**
FNMA Bond								
FNMA 1.625 10/26/2015		1/17/2012	2,060,564.00	101.26	2,025,140.00	3%	Moodys-Aaa	330
31398A4M1	2,000,000.00	0.81	2,014,503.72	0.24	3,069.44	10,636.28	S&P-AA+	0.9
FNMA 1.875 2/19/2019		11/7/2014	1,011,460.00	101.58	1,015,750.00	1.51%	Moodys-Aaa	1542
3135G0ZA4	1,000,000.00	1.60	1,011,291.58	1.49	5,260.42	4,458.42	S&P-AA+	4.06
			3,072,024.00		**3,040,890.00**	**4.51%**		**735**
Sub Total FNMA Bond	**3,000,000.00**	**1.07**	**3,025,795.30**	**0.65**	**8,329.86**	**15,094.70**		**1.96**
Local Government Investment Pool								
State of Oregon LGIP		3/31/2014	46,805,848.33	100.00	46,805,848.33	69.69%	NR	1
LGIP4031	46,805,848.33	0.53	46,805,848.33	0.53		0.00	NR	0
			46,805,848.33		**46,805,848.33**	**69.69%**		**1**
Sub Total Local Government Investment Pool	**46,805,848.33**	**0.53**	**46,805,848.33**	**0.53**		**0.00**		**0**
Money Market								
OSU Federal Savings MM		3/31/2014	1,353.85	100.00	1,353.85	0%	NR	1
MM2461	1,353.85	0.04	1,353.85	0.04		0.00	NR	0
Wells Fargo Bank MM		3/31/2014	2,166,215.28	100.00	2,166,215.28	3.23%	NR	1
MM5892	2,166,215.28	0.20	2,166,215.28	0.20		0.00	NR	0
			2,167,569.13		**2,167,569.13**	**3.23%**		**1**
Sub Total Money Market	**2,167,569.13**	**0.20**	**2,167,569.13**	**0.20**		**0.00**		**0**
Municipal Bond								
Polk Marion & Benton Countys 0.881 6/15/2016		2/13/2013	500,075.00	100.35	501,730.00	0.74%	NR	563
731418KU2	500,000.00	0.88	500,034.67	0.66	2,018.96	1,695.33	S&P-AA+	1.53
			500,075.00		**501,730.00**	**0.74%**		**563**
Sub Total Municipal Bond	**500,000.00**	**0.88**	**500,034.67**	**0.66**	**2,018.96**	**1,695.33**		**1.53**

City of Corvallis
Portfolio Holdings by Security Type
All Portfolios

Date: 11/30/2014

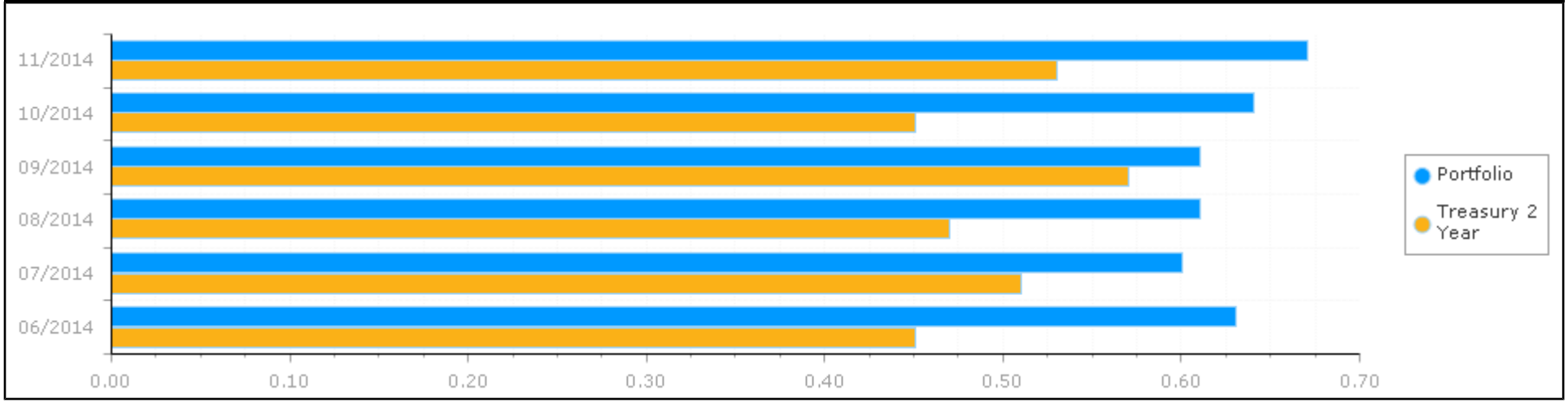
Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Treasury Note								
T-Note 0.875 12/31/2016		12/12/2013	2,012,265.62	100.70	2,014,060.00	2.99%	Moodys-Aaa	762
912828RX0	2,000,000.00	0.67	2,008,382.42	0.54	7,275.82	5,677.58	S&P-AA+	2.06
			2,012,265.62		**2,014,060.00**	**2.99%**		**762**
Sub Total Treasury Note	**2,000,000.00**	**0.67**	**2,008,382.42**	**0.54**	**7,275.82**	**5,677.58**		**2.06**
			67,213,863.83		**67,211,471.46**	**100.00%**		**201**
TOTAL PORTFOLIO	**67,157,957.46**	**0.61**	**67,166,501.20**	**0.57**	**45,248.67**	**44,970.26**		**0.54**

City of Corvallis
Total Rate of Return - Book Value by Month
All Portfolios

Begin Date: 6/30/2014, End Date: 11/30/2014

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 2 Year
6/30/2014	49,034,505.35	25,482.74	0.00	25,482.74	48,940,943.00	0.05	0.63	0.45
7/31/2014	47,318,857.49	23,641.04	0.00	23,641.04	47,174,533.43	0.05	0.60	0.51
8/31/2014	43,622,164.06	22,173.02	0.00	22,173.02	43,555,559.49	0.05	0.61	0.47
9/30/2014	42,385,071.83	21,585.34	0.00	21,585.34	42,476,381.92	0.05	0.61	0.57
10/31/2014	45,994,424.39	24,400.52	0.00	24,400.52	46,066,049.69	0.05	0.64	0.45
11/30/2014	49,212,596.68	28,815.73	0.00	28,815.73	51,977,041.82	0.06	0.67	0.53

Annualized TRR-BV



City of Corvallis
Projected Cash Flow by Month
All Portfolios

Begin Date: 11-2014, End Date: 04-2015

Date	CUSIP	Face Amount/Shares	Description	Principal Amount	Interest/Dividends	Total
11/30/2014	CDOSU	0.00	OSU Federal 0.995 4/19/2016	0.00	818.12	818.12
November, 2014				**0.00**	**818.12**	**818.12**
12/11/2014	36962G6M1	0.00	General Electric 1 12/11/2015-13	0.00	3,375.00	3,375.00
12/14/2014	3133EAUH9	0.00	FFCB 0.75 6/14/2016	0.00	7,500.00	7,500.00
12/15/2014	731418KU2	0.00	Polk Marion & Benton Countys 0.881 6/15/2016	0.00	2,202.50	2,202.50
12/31/2014	CDOSU	0.00	OSU Federal 0.995 4/19/2016	0.00	845.40	845.40
12/31/2014	912828RX0	0.00	T-Note 0.875 12/31/2016	0.00	8,750.00	8,750.00
December, 2014				**0.00**	**22,672.90**	**22,672.90**
1/28/2015	3137EADJ5	0.00	FHLMC 1 7/28/2017	0.00	10,000.00	10,000.00
1/31/2015	CDOSU	0.00	OSU Federal 0.995 4/19/2016	0.00	845.40	845.40
January, 2015				**0.00**	**10,845.40**	**10,845.40**
2/19/2015	3135G0ZA4	0.00	FNMA 1.875 2/19/2019	0.00	9,375.00	9,375.00
2/26/2015	3133EC3F9	0.00	FFCB 0.55 8/26/2016-13	0.00	8,250.00	8,250.00
2/28/2015	CDOSU	0.00	OSU Federal 0.995 4/19/2016	0.00	763.56	763.56
February, 2015				**0.00**	**18,388.56**	**18,388.56**
3/7/2015	3137EADP1	0.00	FHLMC 0.875 3/7/2018	0.00	8,750.00	8,750.00
3/26/2015	3133EA2D9	0.00	FFCB 0.68 9/26/2016-12	0.00	6,800.00	6,800.00
3/31/2015	CDOSU	0.00	OSU Federal 0.995 4/19/2016	0.00	845.40	845.40
March, 2015				**0.00**	**16,395.40**	**16,395.40**
4/26/2015	31398A4M1	0.00	FNMA 1.625 10/26/2015	0.00	16,250.00	16,250.00
4/30/2015	CDOSU	0.00	OSU Federal 0.995 4/19/2016	0.00	818.12	818.12
April, 2015				**0.00**	**17,068.12**	**17,068.12**
TOTAL				**0.00**	**86,188.50**	**86,188.50**

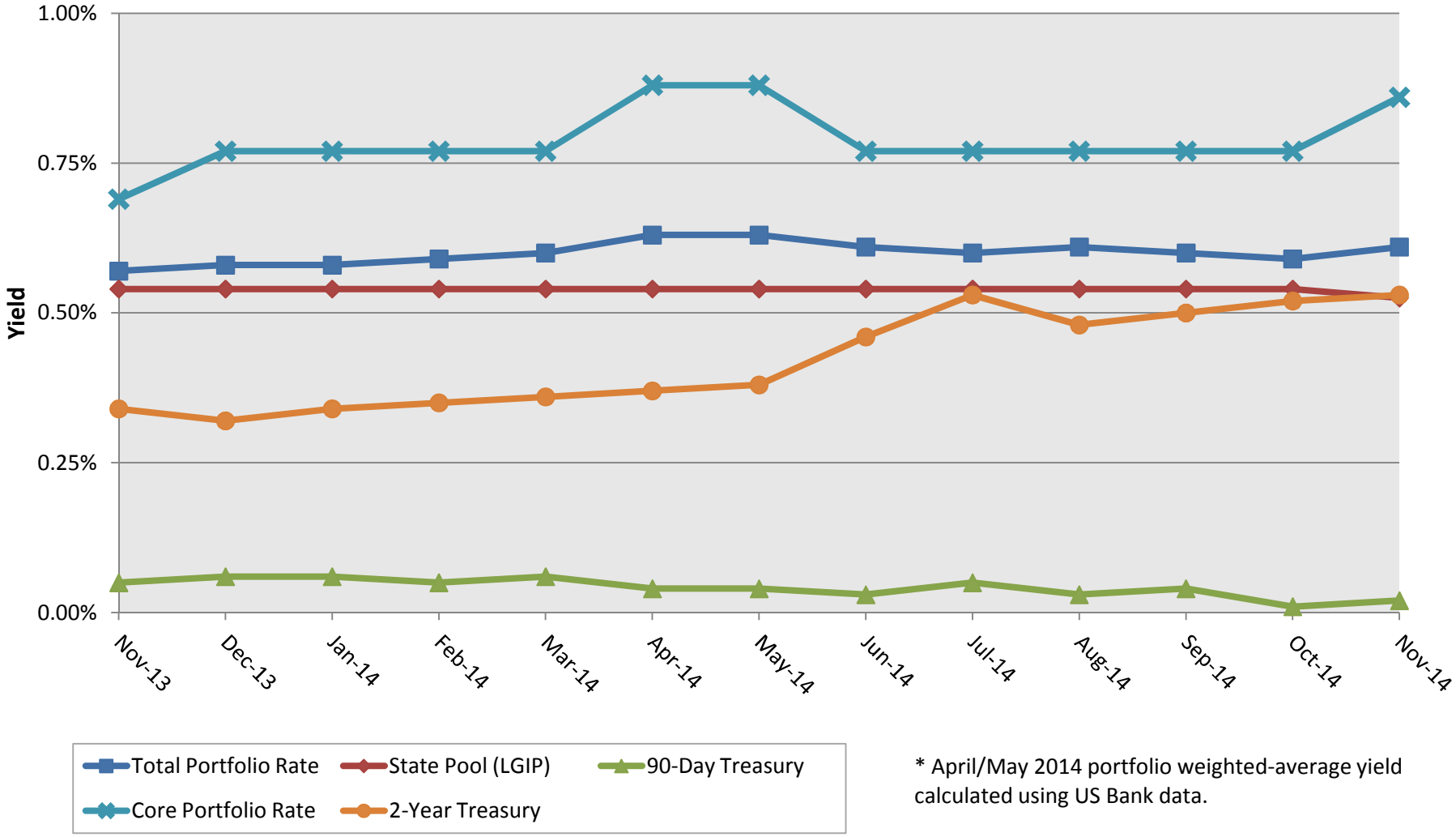
City of Corvallis- Cash & Investment Portfolio Balances by Fund

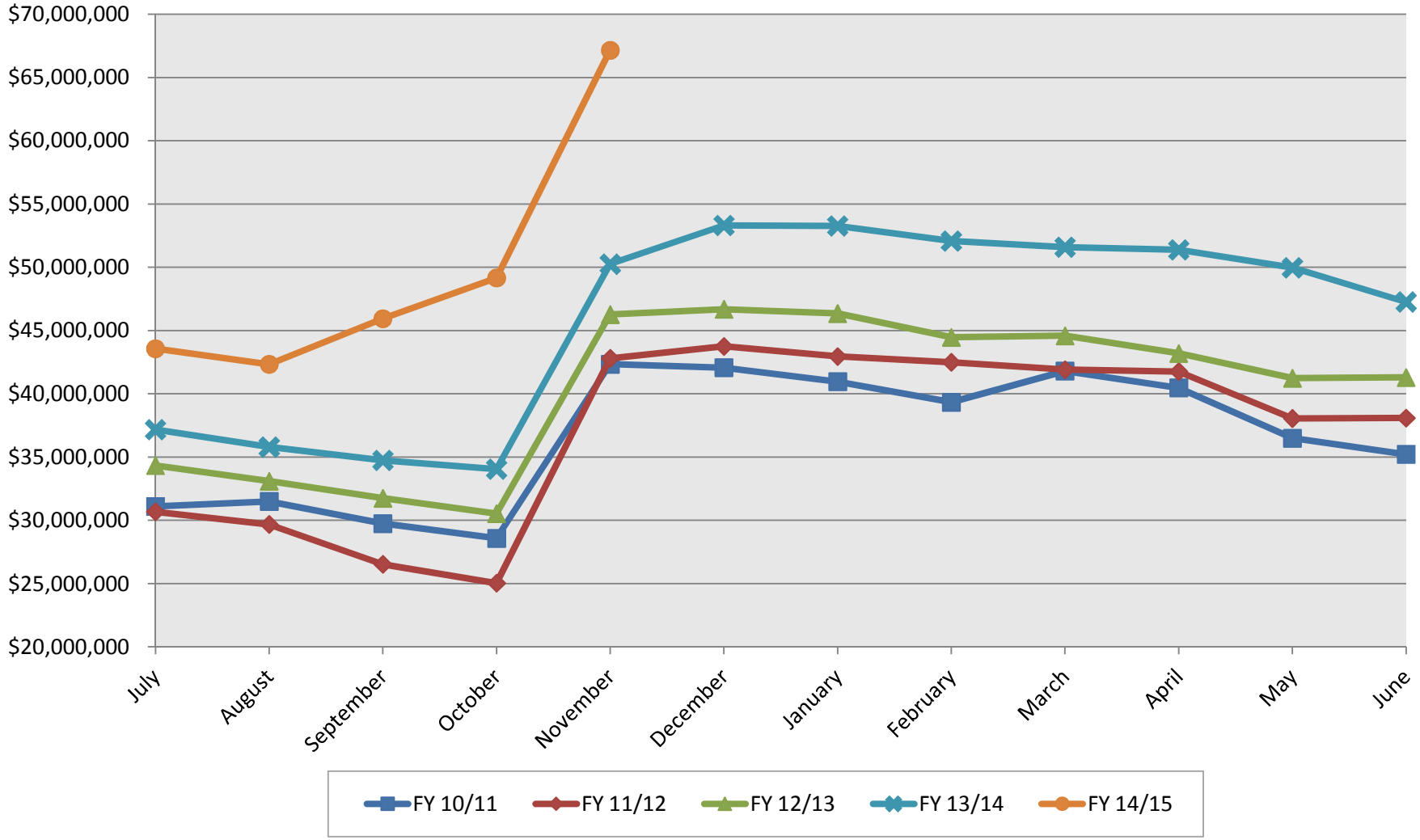
Fund Description	Balance at November 30, 2014
General	$ 18,783,068
Street	397,435
Street SDC	3,404,088
Parks SDC	4,181,699
9-1-1	615,783
Development Services	3,273,409
Community Development Revovling	(464,636)
Parking	800,634
Transit	1,835,010
Capital Improvement	3,932,745
General Obligation Debt Service	934,451
Pension Obligation Debt Service	991
Davidson Library	5,552
Water	2,665,222
Water SDC	7,025,865
Wastewater	845,469
Wastewater SDC	13,414,416
Storm Water	1,171,201
Storm Water SDC	189,867
Airport	499,488
Fleet Maintenance	88,050
Facility Maintenance	116,329
Technology & Communication	462,531
Administrative Services	545,664
Risk Management	592,605
Cash Items In-Transit (Payroll & A/P checks, etc.)	1,841,025
Total Cash Balance	**$ 67,157,957**

City of Corvallis

Total Portfolio vs. Benchmark

November 2013 - November 2014*



* April/May 2014 portfolio weighted-average yield calculated using US Bank data.

City of Corvallis
Cash & Investment Portfolio