Exhibit A

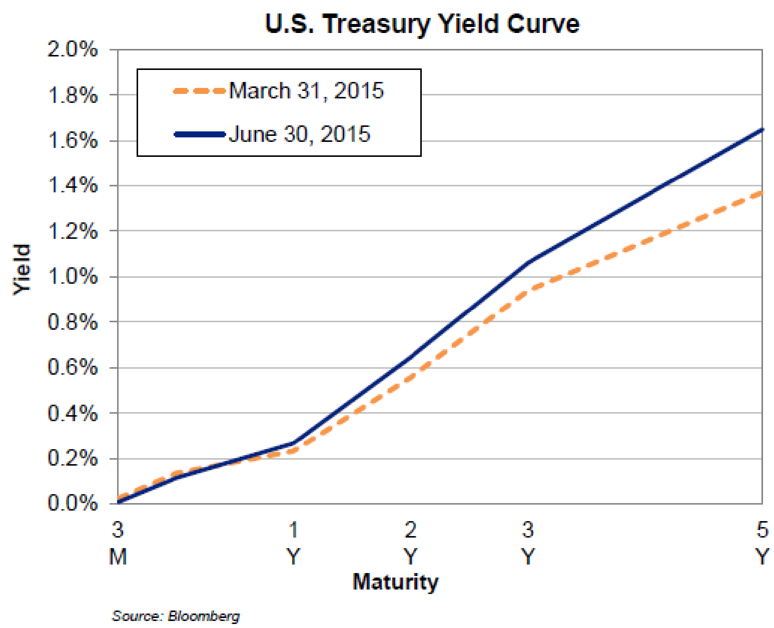
Investment Portfolio Review
Quarter Ending June 30, 2015

OVERVIEW – April 1, 2015 – June 30, 2015

During the April to June quarter, interest rates moved slightly higher with Treasury yields remaining essentially flat up to one year maturities and increasing in the 2- to 5-year range. The annualized rate of increase remained essentially flat except for 2-year maturities. At the June Federal Open Market Committee (FOMC) meeting the median projection for the fed funds rate would be between 0.50% and 0.75% by the end of 2015 with a slower rate of increases over the next two years.

INTEREST RATES INCREASED IN 2- TO 5-YEAR RANGE

- Yields for securities 1 year and under were mostly unchanged while yields for maturities longer than 1 year had sizeable increases.
- The steep shape of the yield curve continues to provide valuable opportunities to "roll-down" the yield curve.



	3/31/15	6/30/15
3 Month	0.02%	0.01%
6 Month	0.14%	0.11%
1 Year	0.23%	0.27%
2 Year	0.56%	0.65%
3 Year	0.94%	1.06%
5 Year	1.37%	1.65%

The County Treasury outperformed or matched all of the portfolio benchmarks this quarter. Our consistent investment strategy ladders short term debt to provide liquidity and takes advantage of available higher rates by buying small amounts of longer term corporate and non callable securities, while maintaining positions in currently held callable debt structures. The following indicators reflect key aspects of the County's investment portfolio in light of the above noted conditions:

1. Market Access – Access to U.S. Treasuries and Agency debt has been plentiful, but yields have continued to remain low as investors seek safe havens from an uncertain world market. These issues have continued to keep yields low on Treasury bonds from April through June.

During the quarter, the majority of County investment purchases continue to be in U.S. Treasury and Agency markets with a continued small position in shorter term, highly rated (AA or better) Corporate bonds, Certificates of Deposits and highly rated (A1, P1), short term Commercial Paper. In addition, the Treasurer continues to keep a high level of overnight liquid assets, reflecting the need to maintain increased levels of available cash to ensure the ability to meet all cash flow needs.

2. Diversification - The Monterey County Treasurer's portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the table below:

Portfolio Asset Composition				
Corporate Assets	Overnight Liquid Assets	US Treasuries	Federal Agencies	Commercial Paper
8.52%	38.74%	1.78%	50.07%	0.89%

- Total may not equal 100% due to rounding

3. Credit Risk – Approximately 91% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (8.52%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or are guaranteed by the U.S. Treasury.

The portfolio credit composition is detailed in the table below:

	Portfolio Credit Composition					
AAA	AA+	AA-	A-1 (Short Term)	Not Rated (LAIF/BlackRock)	AAAm	Aaf/S1+ (CalTrust)
1%	55%	2%	1%	12%	14%	12%

4. Liquidity Risk – Liquidity risk, as measured by the ability of the County's Treasury to meet withdrawal demands on invested assets, was adequately managed during the April to June quarter. The portfolio's average weighted maturity was 422 days, and large percentages (38.74%) of assets are held in immediately available funds.

Exhibit A

PORTFOLIO CHARACTERISTICS

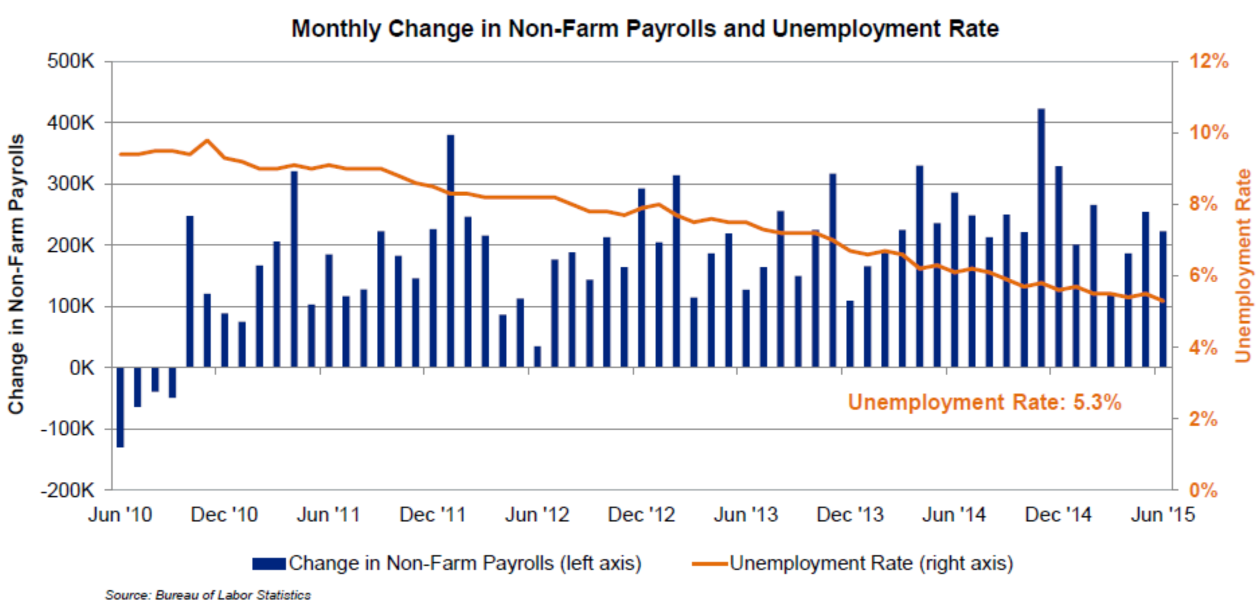
	March 31, 2015	June 30, 2015
Total Assets	$1,105,343,895	$1,120,854,255
Market Value	$1,106,386,623	$1,120,818,419
Days to Maturity	466	422
Yield	0.57%	0. 72%
Estimated Earnings	$1,528,658	$2,061,464

FUTURE STRATEGY

Ongoing improvement in employment data and housing starts are positive economic news. However, inflation remains relatively static. These mixed economic signals and the ongoing instability in the European Union may dampen the FOMC's stated desire to increase rates. The portfolio remains in position to take advantage of an increasing rate environment.

U.S. ECONOMY CONTINUES TO CREATE JOBS

- U.S. labor market added 664,000 jobs in the quarter, likely confirming hopes that the economy is performing well after a slow start to the year. The U.S. economy has added 2.9 million jobs over the past year.
- The unemployment rate fell to 5.3% in June, down from 5.5% in March, but the drop was due largely to a decline in labor force participation.



As long as the Federal Treasury continues to target short term rates at historically low levels, the returns on the investments in the County's pool will remain historically low. The portfolio is adequately positioned to take advantage of changing market conditions.