Exhibit A

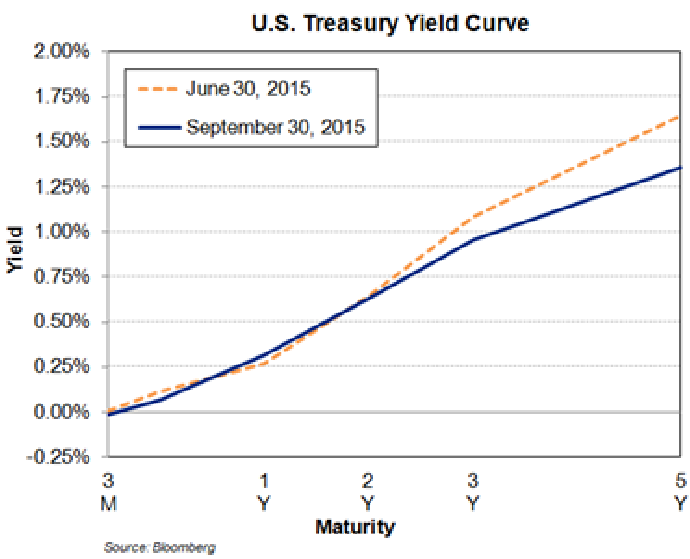
Investment Portfolio Review
Quarter Ending September 30, 2015

OVERVIEW – July 1, 2015 – September 30, 2015

During the July to September quarter, despite significant volatility, the 2-year Treasury yields ended September roughly at the same level as they were at the end of June. The yield of the County Pool remains higher than the yield of the S&P Government Investment Pool Index. At the mid-September Federal Open Market Committee (FOMC) meeting, the Federal Reserve decided to wait to raise interest rates until they are "reasonably confident that inflation will move back to its 2% objective."

INTEREST RATES DECREASED IN 2- TO 5-YEAR RANGE

- Yields on securities longer than one year decreased during the quarter as concerns over a global slowdown drove money into U.S. Treasuries
- Yields on corporate securities rose while yields on comparable U.S. Treasury notes remained relatively flat.



	6/30/15	9/30/15	Change
3 Month	0.01%	-0.02%	-0.03%
6 Month	0.11%	0.07%	-0.04%
1 Year	0.27%	0.31%	+0.04%
2 Year	0.65%	0.63%	-0.02%
3 Year	1.08%	0.96%	-0.12%
5 Year	1.65%	1.36%	-0.29%

The County Treasury outperformed 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 continue to seek safe havens from an uncertain world market. These issues have continued to keep yields low on Treasury bonds.

   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. In addition, the Treasurer continues to keep a high level of 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	Liquid Assets	US Treasuries	Federal Agencies	Commercial Paper
10%	35%	2%	53%	0%

3. Credit Risk – Approximately 90% 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 (10%) 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	AA-	A+	Not Rated (LAIF/MMF)	AAAm	Aaf/S1+ (CalTrust)
1%	57%	2%	3%	2%	11%	10%	14%

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 July to September quarter. The portfolio's average weighted maturity was 407 days, and large percentages (35%) of assets are held in immediately available funds.

PORTFOLIO CHARACTERISTICS

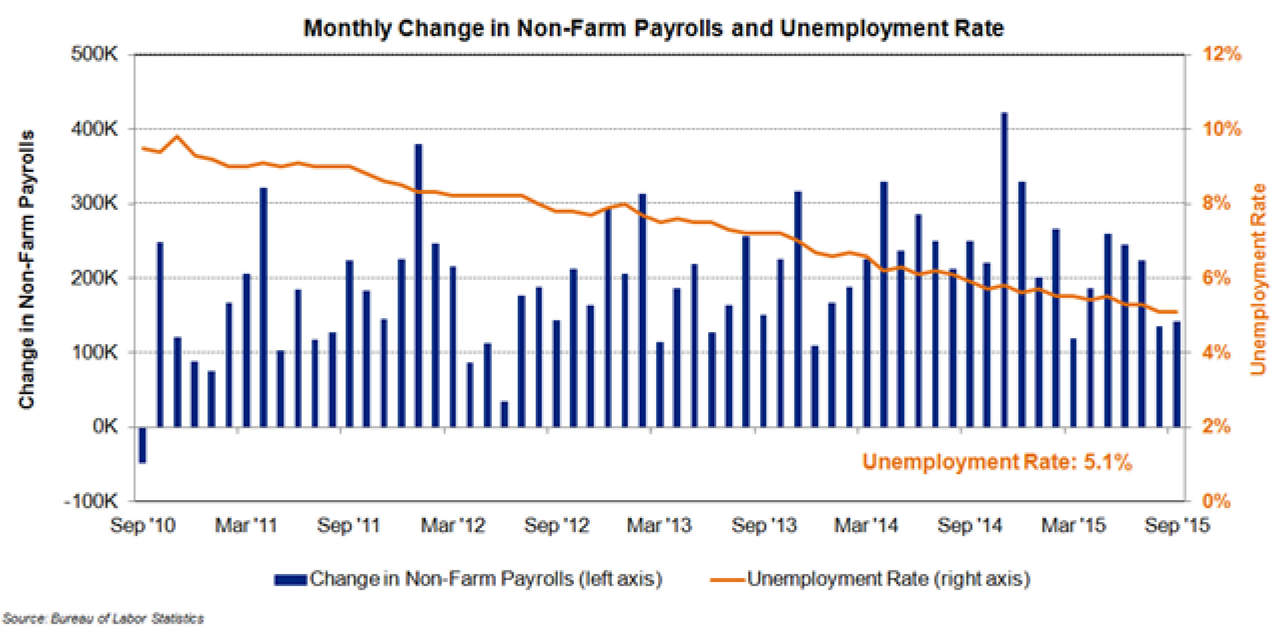
	June 30, 2015	September 30, 2015
Total Assets	$1,120,854,255	$983,156,386
Market Value	$1,120,818,419	$983,495,594
Days to Maturity	422	407
Yield	0.72%	0.69%
Estimated Earnings	$2,061,464	$1,755,644

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 Greece, and the recent stock market slump in the Chinese market, may dampen the FOMC's stated desire to increase rates before 2016. The portfolio remains in position to take advantage of an increasing rate environment.

U.S. ECONOMY GROWTH SLOWS DOWN

- The jobs reports in August and September showed signs of slowing growth as the number of jobs added came in under expectations. Total growth for the quarter ended September 30 was 501,000 jobs.
- The unemployment rate fell from 5.3% to 5.1% during the quarter.



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.