

*Integrity*  
*Fixed Income Management, LLC*

*Presents:*  
*The City of Sanibel*  
*Operating, Reserve, & Surplus Funds*  
*As of December 31, 2014*

# Investment Summary as of 12/31/2014

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- Total Portfolio Market Value of \$16,649,797

- Total Portfolio Market Value Return<sup>1</sup> :

- Fiscal Year to Date :

- \$32,140
    - 0.19%

- Inception to Date<sup>2</sup>:

- \$1,490,324
    - 1.66% Annualized

- Total Portfolio Yield to Maturity <sup>3</sup>: 1.1%

1) Principal and Income Returns, Gross of Investment Management and Custody Fees. Figure is inclusive of Realized and Unrealized gains or losses, interest received, and the change in accrued interest from the beginning of the measurement period. Figure does not include cash contributions or withdrawals to or from the portfolios. Past performance does not guarantee future results.

2) Inception Date is June 9, 2010

3) Yield to maturity on cost basis. Portfolio cost basis was \$16,694,215.38 as of December 31, 2014.

# Sanibel Investment Program Quarterly Summary

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	9/30/2014 - 12/31/2014
Beginning Principal Value	\$16,493,944.02
Beginning Accrued Interest	123,713.20
<b>Beginning Market Value</b>	<b>\$16,617,657.22</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(5,753.30)
Unrealized Gains/(Losses)	(58,593.67)
Interest	115,754.09
Change in Accrued Interest	(19,267.40)
Ending Principal Value	16,545,351.14
Ending Accrued Interest	104,445.80
<b>Ending Market Value</b>	<b>\$16,649,796.94</b>

# Projected Annual Income as of 12/31/2014

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Portfolio	Principal Cost Value *	Yield to Maturity on Amortized Cost  (Gross of Fees)	Projected Annual Income
Operating (0-1 Yr)	\$4,776,006.52	0.7%	\$33,432
Reserves (0-2 Yr)	\$6,488,403.86	0.9%	\$58,396
Surplus (3-5 Yr)	\$5,429,805.00	1.8%	\$97,736
<b>Total</b>	<b>\$16,694,215.38</b>	<b>1.1%</b>	<b>\$189,564</b>
Less Projected Custody and Mgmt Fees @ 0.175% of Market Value			(\$29,137)
<b>Projected Net Relationship Annual Income</b>			<b>\$160,427</b>

\* Principal Cost Value is calculated by taking the Total Portfolio Cost Value from the custodial statement and subtracting accrued income. Projected income assumes stable interest rates and does not take into consideration changes in principal value due to market interest rate changes.

# Operating Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Operating Fund	0.13%	0.13%	0.63%	0.74%	0.75%
Merrill Lynch 0-3 Month Treasury Bills Index	0.00%	0.00%	0.03%	0.05%	0.06%
Relative Performance	0.13%	0.13%	0.60%	0.69%	0.69%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Periods Longer Than One Year are Annualized

# Operating Portfolio Summary

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	9/30/2014 - 12/31/2014
Beginning Principal Value	\$4,737,115.74
Beginning Accrued Interest	25,952.31
<b>Beginning Market Value</b>	<b>4,763,068.05</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(673.00)
Unrealized Gains/(Losses)	(19,404.57)
Interest	20,726.60
Change in Accrued Interest	5,267.07
Ending Principal Value	4,737,764.77
Ending Accrued Interest	31,219.38
<b>Ending Market Value</b>	<b>\$4,768,984.15</b>

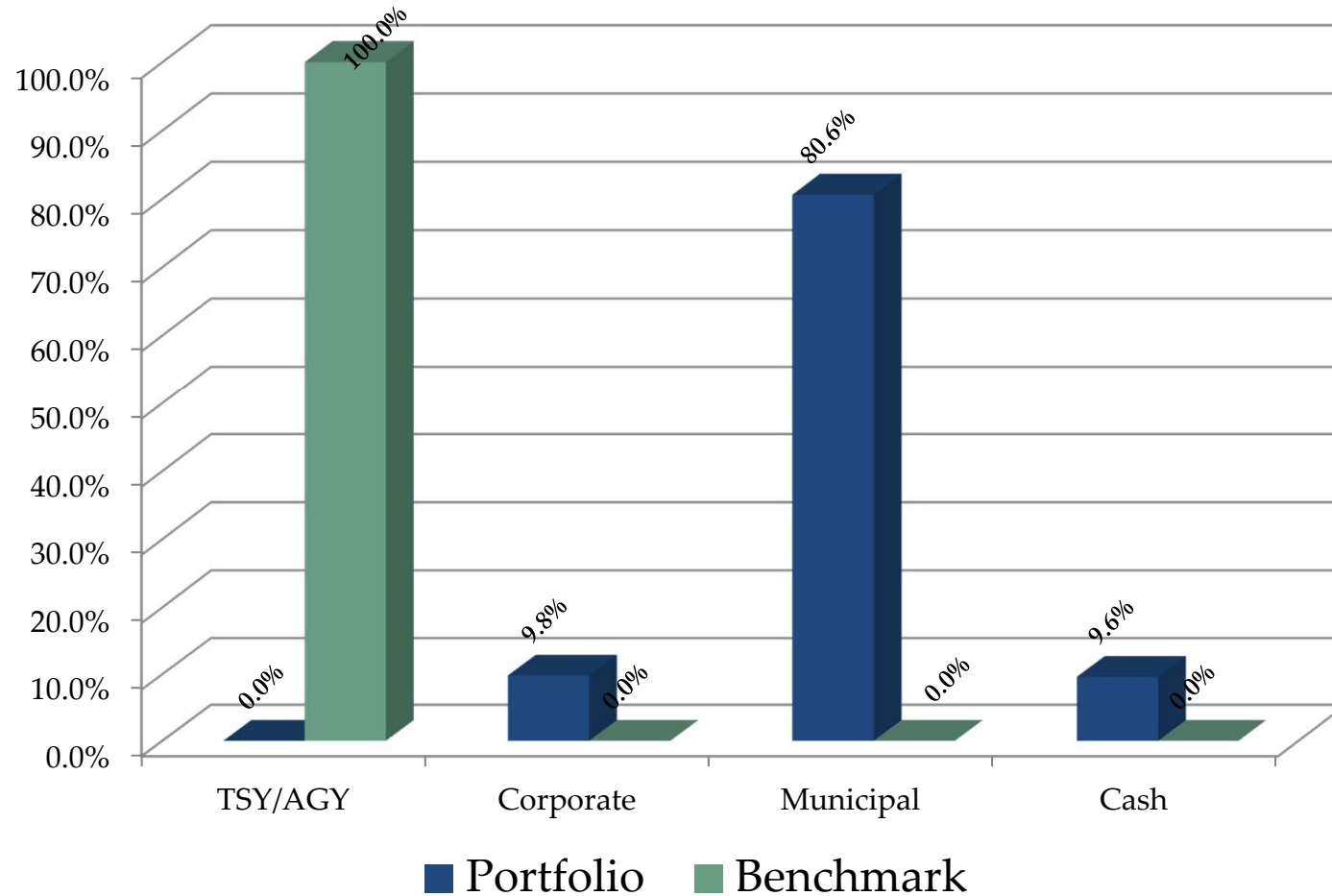
# Operating Portfolio Characteristics

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	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	0.7%	0.0%
Avg. Maturity	0.3	0.1
Effective Duration	0.2	0.1

# Operating Portfolio Sector Distribution

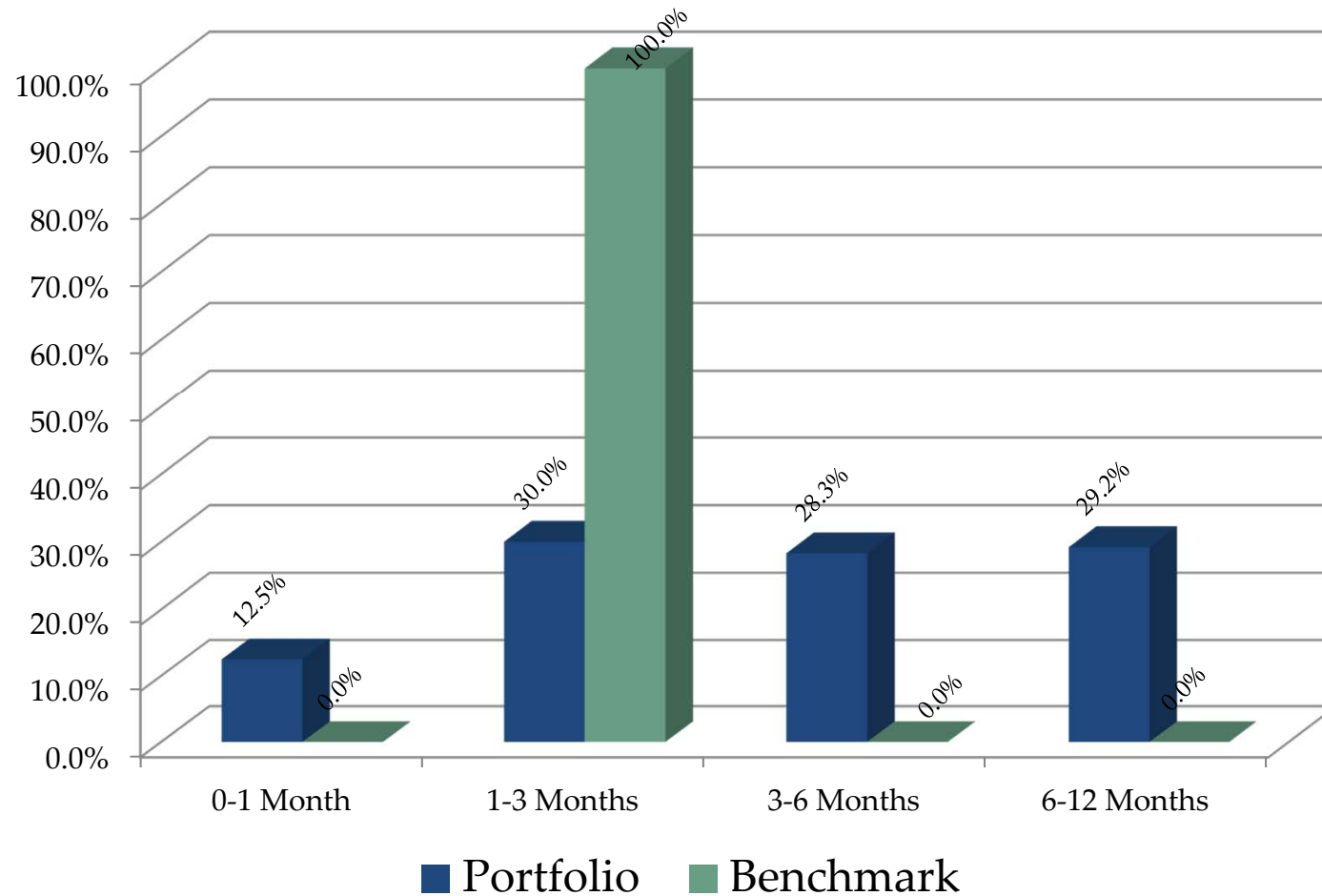
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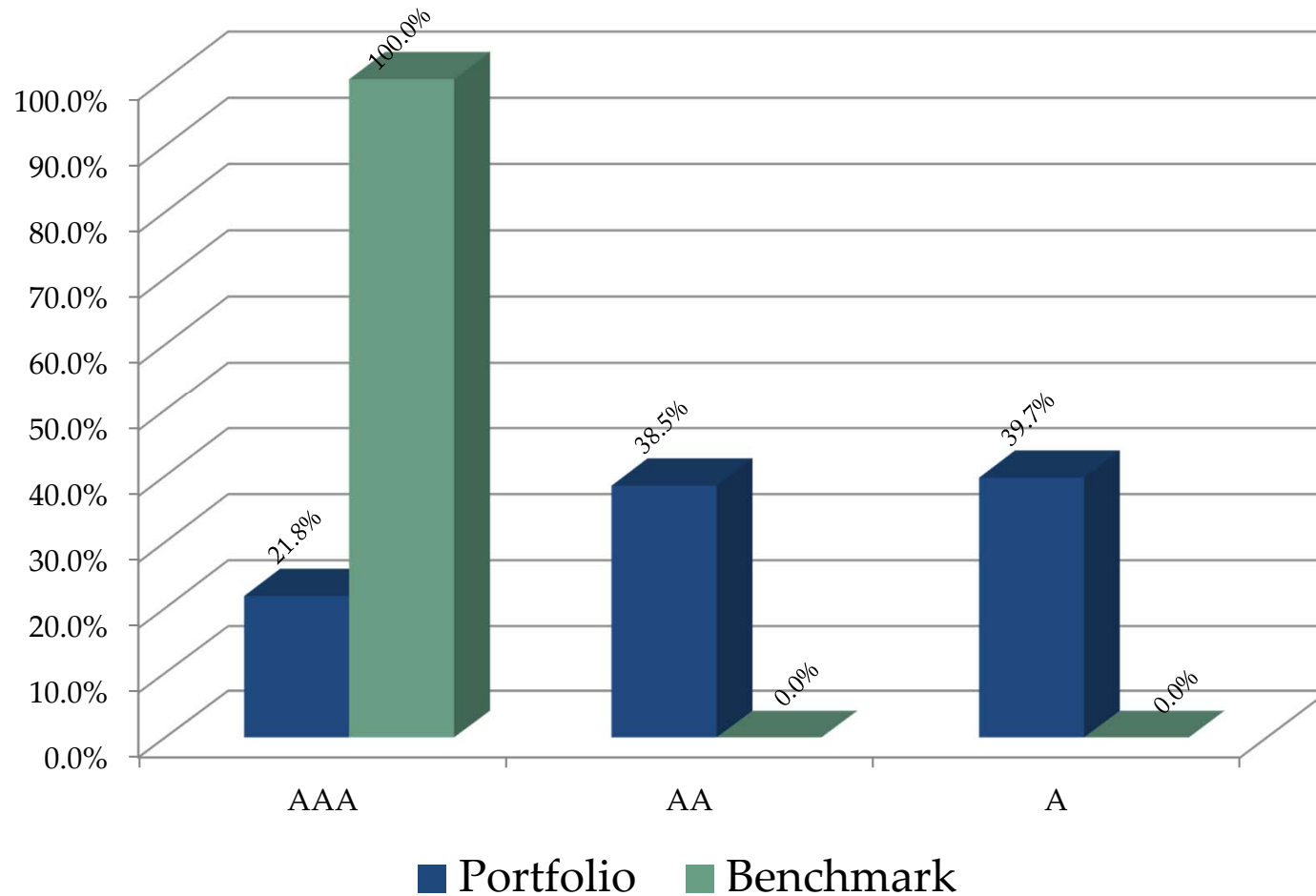
# Operating Portfolio Maturity Distribution

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# Operating Portfolio Quality Distribution

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# Operating Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CORPORATE BONDS</u>								
AGL CAPITAL CORP	4.95	1/15/2015	BBB+	A3	80,000	\$80,070	0.2%	1.7%
ABBVIE INC	1.2	11/6/2015	A	Baa1	50,000	\$50,147	0.7%	1.1%
BANK OF NY MELLON CORP	4.95	3/15/2015	A	A2	35,000	\$35,279	0.1%	0.7%
CITIGROUP INC	2.65	3/2/2015	A-	Baa2	75,000	\$75,221	0.7%	1.6%
GOLDMAN SACHS GROUP INC	5.125	1/15/2015	A-	Baa1	73,000	\$73,093	0.6%	1.5%
JPMORGAN CHASE & CO	4.75	3/1/2015	A	A3	85,000	\$85,486	0.8%	1.8%
PRUDENTIAL FINANCIAL INC	6.2	1/15/2015	A1	A+	35,000	\$35,063	0.6%	0.7%
WELLS FARGO BANK NA	4.75	2/9/2015	A+	A1	22,000	\$22,088	0.5%	0.5%
<i>Subtotal</i>						<i>\$456,447</i>		
<u>TAXABLE MUNICIPAL BONDS</u>								
ALLENTOWN PA SCH DIST	1.186	3/15/2015	A	NR	350,000	\$350,077	1.0%	7.3%
CINCINNATI OH ECON DEV REVENUE	1.04	11/1/2015	A+	Aa3	200,000	\$200,310	1.0%	4.2%
CLINTON PRAIRIE IN SCH CORP	0.75	1/15/2015	AA+	NR	270,000	\$270,008	1.1%	5.7%
COLORADO ST EDUCATNL & CU	4	6/1/2015	AA	A3	165,000	\$166,935	0.9%	3.5%
COLORADO ST DEPT OF CORRS	1.167	9/1/2015	AA-	Aa2	45,000	\$45,175	0.5%	0.9%
CMWLTH FING AUTH PA	4.18	6/1/2015	A+	A2	200,000	\$202,890	0.2%	4.3%
GRAND FORKS ND PUBLIC SCH	2.5	8/1/2015	NR	Aa2	275,000	\$277,998	1.0%	5.8%
HAMILTON AL	2	8/1/2015	A	NR	170,000	\$171,020	0.8%	3.6%
INDIANA ST BOND BANK REVENUE	3.234	2/1/2015	AA+	NR	65,000	\$65,145	-0.8%	1.4%
JASPER AL	2	3/1/2015	AA	A2	100,000	\$100,259	0.6%	2.1%
MICHIGAN ST	2.65	4/15/2015	AA-	Aa2	250,000	\$251,523	0.7%	5.3%
MOBILE CNTY AL	3.5	6/1/2015	AA	Aa2	185,000	\$187,026	0.9%	3.9%
NEW JERSEY ST SPORTS & EXPC	1.86	3/1/2015	A-	A3	300,000	\$300,498	2.7%	6.3%
N TEXAS ST MUNI WTR DIST W	3.18	9/1/2015	AAA	Aa2	250,000	\$253,980	0.7%	5.3%
PARKER CNTY TX	0.393	2/15/2015	AA	NR	250,000	\$249,968	0.6%	5.2%
PENNSYLVANIA ST COPS	2.75	4/1/2015	NR	A1	400,000	\$401,764	1.3%	8.4%
SOUTH CAROLINA ST PUBLIC S	4.27	1/1/2015	AA-	A1	75,000	\$75,000	0.2%	1.6%
ST UNIV OF IOWA IA	5	7/1/2015	AA-	Aa2	75,000	\$76,574	1.0%	1.6%
STRATFORD CT	1.519	8/15/2015	AA	A1	100,000	\$100,320	0.6%	2.1%
WASHINGTON ST	2.76	8/1/2015	AA+	Aa1	75,000	\$75,911	0.3%	1.6%
<i>Subtotal</i>						<i>\$3,822,381</i>		

# Operating Portfolio Holdings

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Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CASH AND CASH EQUIVALENTS</u>								
FDIC INSURED MONEY MARKET AT SYNOVUS BANK					249,000	\$249,000	0.2%	5.2%
FDIC INSURED MONEY MARKET AT AMERICAN MOMENTUM BANK					209,852	\$209,852	0.3%	4.4%
CASH					0	\$0		0.0%
PORTFOLIO ACCRUED INCOME						\$31,219		0.7%
PENDING TRADES						\$0		0.0%
Total Portfolio Value						\$4,768,984		

# Reserves Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Reserves Fund	0.09%	0.09%	0.84%	0.90%	0.99%
Merrill Lynch 0-1 Year Treasury Bills Index	(0.01%)	(0.01%)	0.11%	0.15%	0.21%
Relative Performance	0.10%	0.10%	0.73%	0.75%	0.78%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

# Reserves Portfolio Summary

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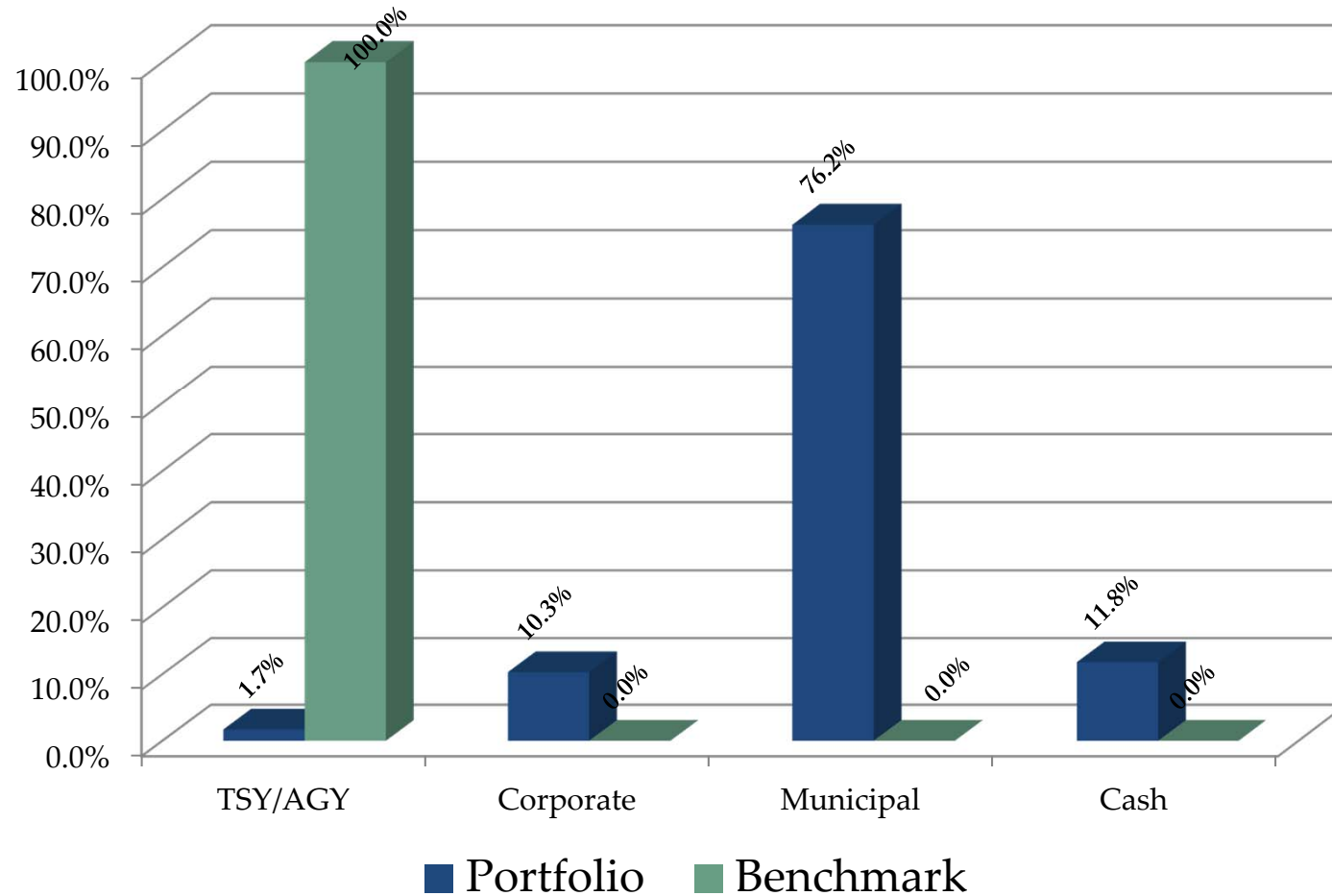
	9/30/2014 - 12/31/2014
Beginning Principal Value	\$6,406,513.33
Beginning Accrued Interest	50,309.09
<b>Beginning Market Value</b>	<b>6,456,822.42</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	(5,080.30)
Unrealized Gains/(Losses)	(23,086.95)
Interest	50,039.32
Change in Accrued Interest	(18,409.71)
Ending Principal Value	6,428,385.40
Ending Accrued Interest	31,899.38
<b>Ending Market Value</b>	<b>\$6,460,284.78</b>

# Reserves Portfolio Characteristics

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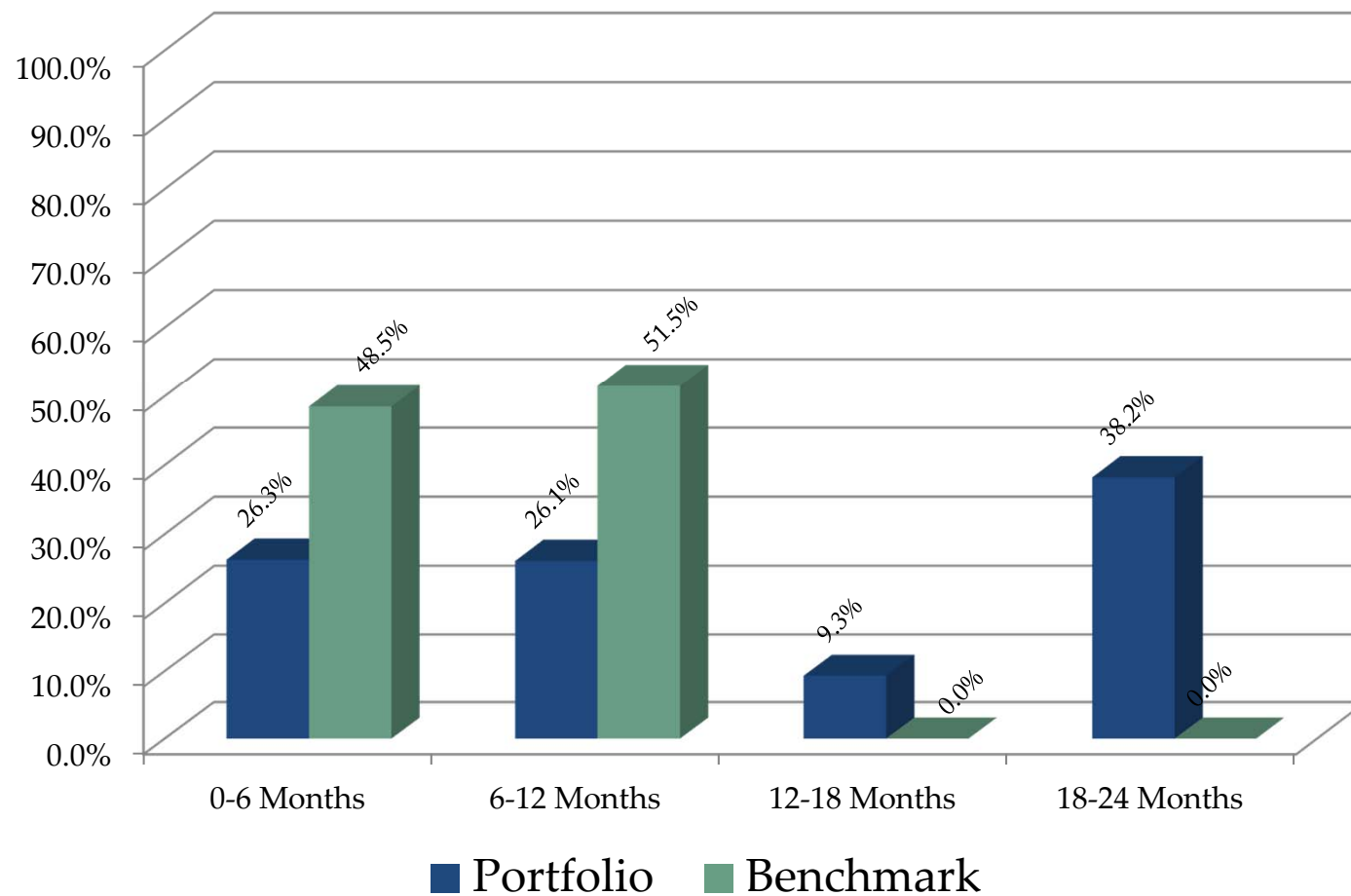
	Portfolio	Index
Avg. Quality	AA-	AAA
Yield to Amortized Cost	0.9%	0.2%
Avg. Maturity	1.0	0.4
Effective Duration	1.0	0.4

# Reserves Portfolio Sector Distribution



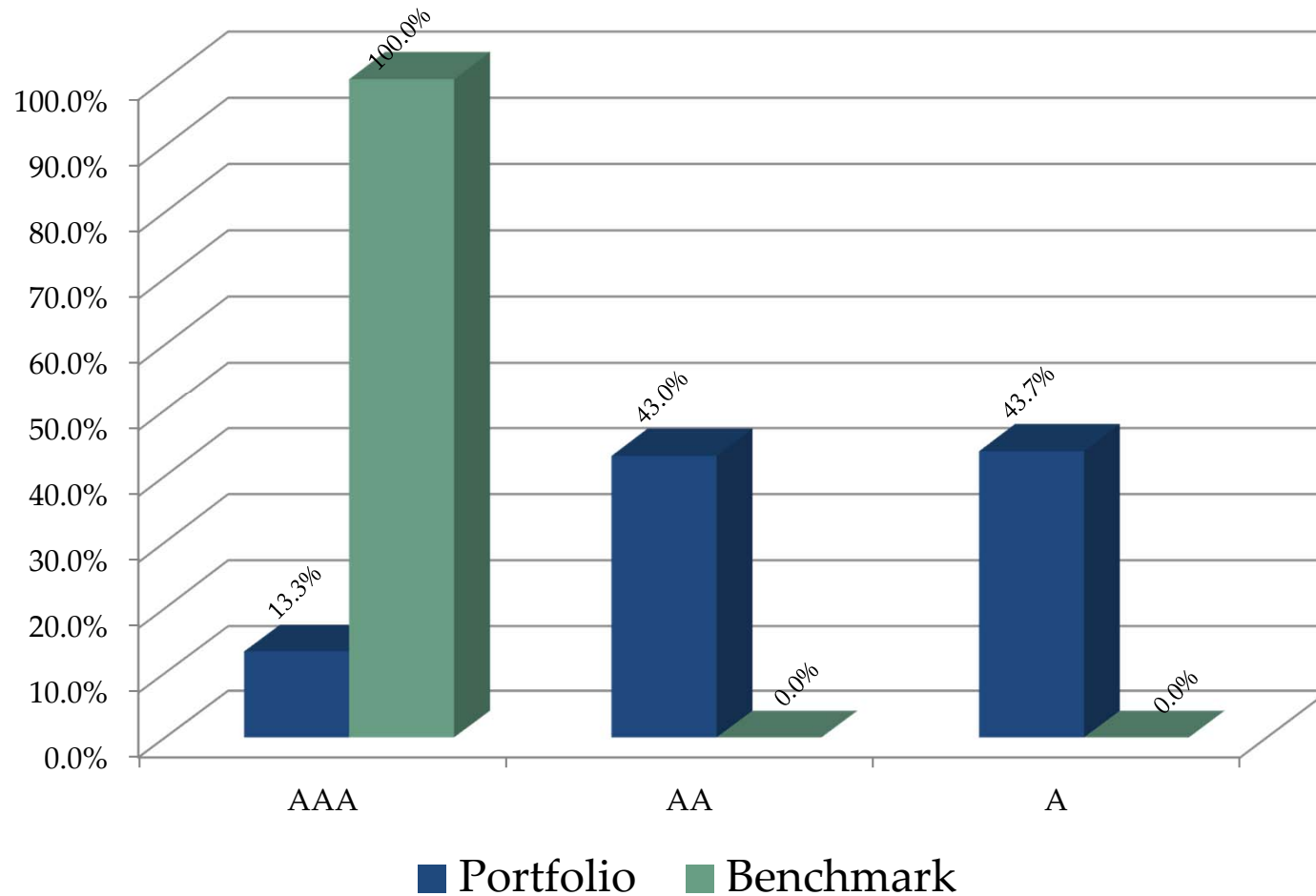


# Reserves Portfolio Maturity Distribution



# Reserves Portfolio Quality Distribution

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# Reserves Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>TAXABLE MUNICIPAL BONDS</u>								
ARIZONA BRD OF RGTS ST UNIV S	1.30	7/1/2015	AA	Aa3	100,000	\$100,329	0.7%	1.6%
ATLANTIC CITY NJ	3.10	12/15/2015	AA	NR	400,000	\$406,032	1.1%	6.3%
CINCINNATI OH ECON DEV REVE	1.25	11/1/2016	A+	Aa3	500,000	\$501,525	1.0%	7.8%
DALLAS-FORT WORTH TX INTER	2.89	11/1/2016	A+	A2	300,000	\$308,487	0.9%	4.8%
EFFINGHAM CNTY GA INDL DEV	2.25	4/1/2016	NR	Aa3	50,000	\$50,654	0.6%	0.8%
ELK MOUND WI AREA SCH DIST	4.10	4/1/2015	AA	NR	50,000	\$50,337	1.1%	0.8%
EVANSVILLE VANDERBURGH CNT	1.05	8/1/2015	AA-	NR	200,000	\$200,148	1.1%	3.1%
JOBSON OH BEVERAGE SYS STWD I	0.87	1/1/2015	AA	Aa3	525,000	\$525,000	0.9%	8.1%
KENTUCKY ST ASSET/LIABILITY C	3.93	4/1/2016	A+	Aa3	250,000	\$259,093	1.1%	4.0%
LANSING MI	4.50	5/1/2015	AA-	A1	100,000	\$100,969	2.1%	1.6%
LOUISIANA ST LOCAL GOVT ENVI	3.00	8/1/2015	NR	A3	250,000	\$253,338	0.7%	3.9%
LOUISVILLE KY REGL ARPT AUTH	0.77	7/1/2016	A+	NR	375,000	\$374,846	0.7%	5.8%
MAINE ST MUNI BOND BANK LIQ	1.07	6/1/2015	A+	A1	500,000	\$500,810	0.5%	7.8%
MET GOVT NASHVILLE & DAVIDS	1.46	7/1/2016	AA-	Aa3	100,000	\$100,343	0.6%	1.6%
MUNI ELEC AUTH OF GEORGIA	5.25	1/1/2015	A	A2	70,000	\$70,000	5.2%	1.1%
NEW BRIGHTON MN	2.40	2/1/2016	AA	NR	50,000	\$50,786	0.5%	0.8%
NEW ORLEANS LA	1.82	9/1/2016	A	A3	500,000	\$505,155	1.2%	7.8%
PHILADELPHIA PA ARPT REVENUE	5.00	6/15/2016	AA	A2	100,000	\$106,202	0.7%	1.6%
SAINT MARY PARISH LA SOL WST	2.00	3/1/2015	A-	NR	135,000	\$135,243	1.1%	2.1%
STRATFORD CT	1.52	8/15/2015	AA	A1	50,000	\$50,160	0.6%	0.8%
UNIV OF MASSACHUSETTS MA BL	0.77	11/1/2016	AA-	Aa2	250,000	\$248,633	0.9%	3.8%
<i>Subtotal</i>						<i>\$4,898,090</i>		
<u>US TREASURY BONDS</u>								
US TREASURY NOTE	0.38	10/31/2016	AA+	AAA	110,000	\$109,545	0.5%	1.7%
<i>Subtotal</i>						<i>\$109,545</i>		

# Reserves Portfolio Holdings - continued

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<b><u>CORPORATE BONDS</u></b>								
ABBVIE INC	1.20	11/6/2015	A	Baa1	100,000	\$100,294	0.7%	1.6%
AMER EXPRESS CREDIT CO	2.75	9/15/2015	A-	A2	53,000	\$53,818	0.6%	0.8%
CITIGROUP INC	6.01	1/15/2015	A-	Baa2	75,000	\$75,107	0.6%	1.2%
COMERICA INC	3.00	9/16/2015	A-	A3	75,000	\$76,120	0.6%	1.2%
MORGAN STANLEY	5.38	10/15/2015	A-	Baa2	100,000	\$103,434	0.9%	1.6%
PRUDENTIAL FINANCIAL INC	3.88	1/14/2015	A	Baa1	100,000	\$100,116	0.9%	1.5%
ST JUDE MEDICAL INC	2.50	1/15/2016	A	Baa1	100,000	\$101,469	0.8%	1.6%
WELLS FARGO BANK NA	4.75	2/9/2015	A+	A1	45,000	\$45,179	1.0%	0.7%
<i>Subtotal</i>						<i>\$655,537</i>		
<b><u>CASH AND CASH EQUIVALENTS</u></b>								
FEDERATED PRIME OBLIGATIONS FUND					341,176	\$341,176	0.1%	5.3%
ALLY BANK CD	1.15	8/3/2015	NR	NR	247,000	\$248,008	1.1%	3.8%
GE CAPITAL BANK CD	1.35	8/24/2016	NR	NR	175,000	\$176,022	1.3%	2.7%
CASH					0	\$0	0.0%	0.0%
PORTFOLIO ACCRUED INCOME						\$31,899	0.0%	0.5%
PENDING TRADES						\$0		0.0%
TOTAL PORTFOLIO VALUE						\$6,460,285		

# Surplus Portfolio Performance – Gross of Fees

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	3 Months	Fiscal Year to Date	1 Year	3 Years	Inception to Date
City of Sanibel Surplus Fund	0.44%	0.44%	2.67%	2.00%	2.40%
Merrill Lynch 3-5 Year Treasury Index	0.93%	0.93%	2.14%	0.92%	2.43%
Relative Performance	-0.49%	-0.49%	0.53%	1.08%	-0.03%

Inception Date is June 9, 2010

Returns Reflect Principal and Income Returns

Returns Longer Than One Year are Annualized

# Surplus Portfolio Summary

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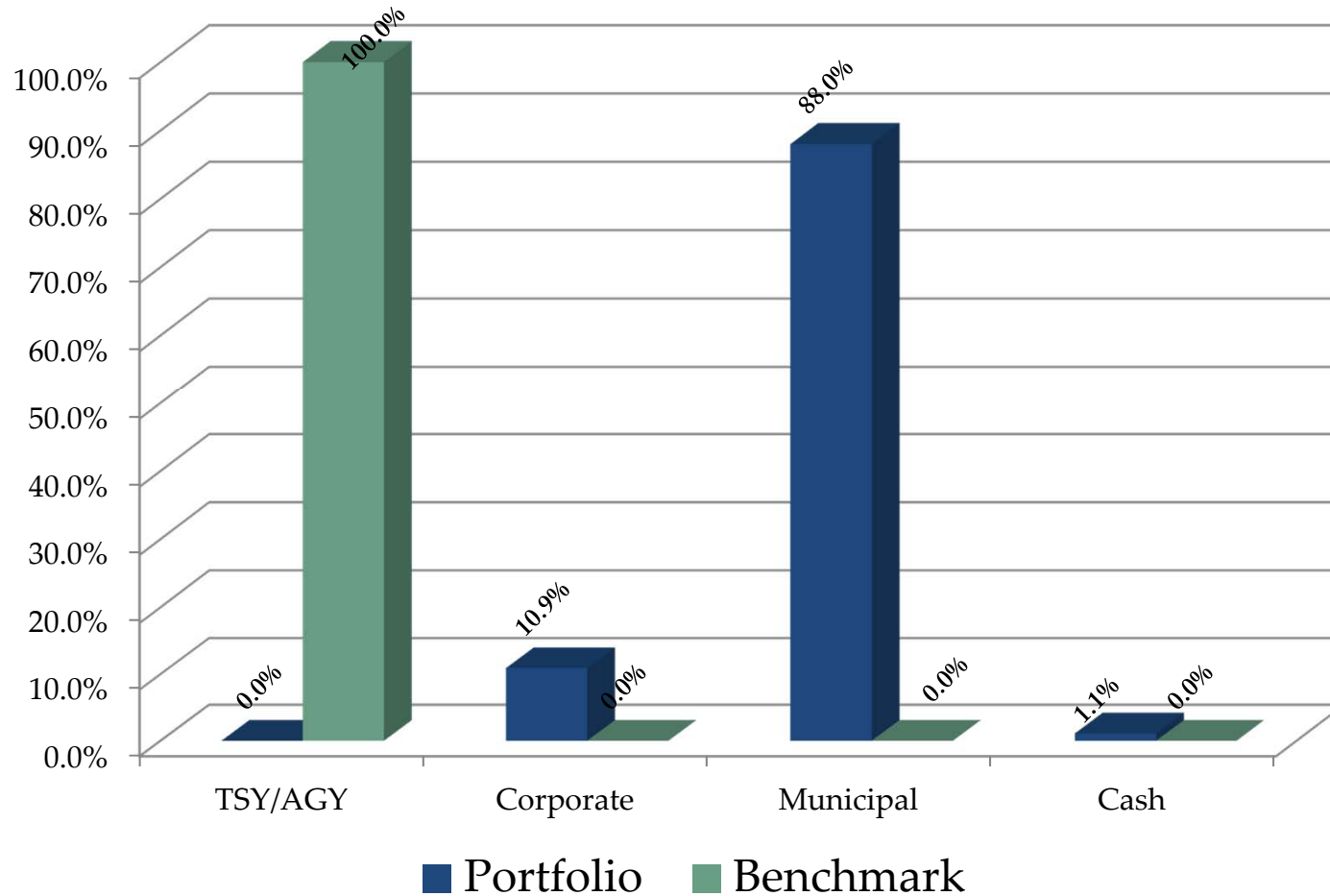
	9/30/2014 - 12/31/2014
Beginning Principal Value	5,350,314.95
Beginning Accrued Interest	47,451.80
<b>Beginning Market Value</b>	<b>5,397,766.75</b>
Contributions/Transfers	0.00
Withdrawals	0.00
Realized Gains/(Losses)	0.00
Unrealized Gains/(Losses)	(16,102.15)
Interest	44,988.17
Change in Accrued Interest	(6,124.76)
Ending Principal Value	5,379,200.97
Ending Accrued Interest	41,327.04
<b>Ending Market Value</b>	<b>\$5,420,528.01</b>

# Surplus Portfolio Characteristics

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	Portfolio	Index
Avg. Quality	AA	AAA
Yield to Amortized Cost	1.8%	1.1%
Avg. Maturity	2.3	3.9
Effective Duration	2.2	3.8

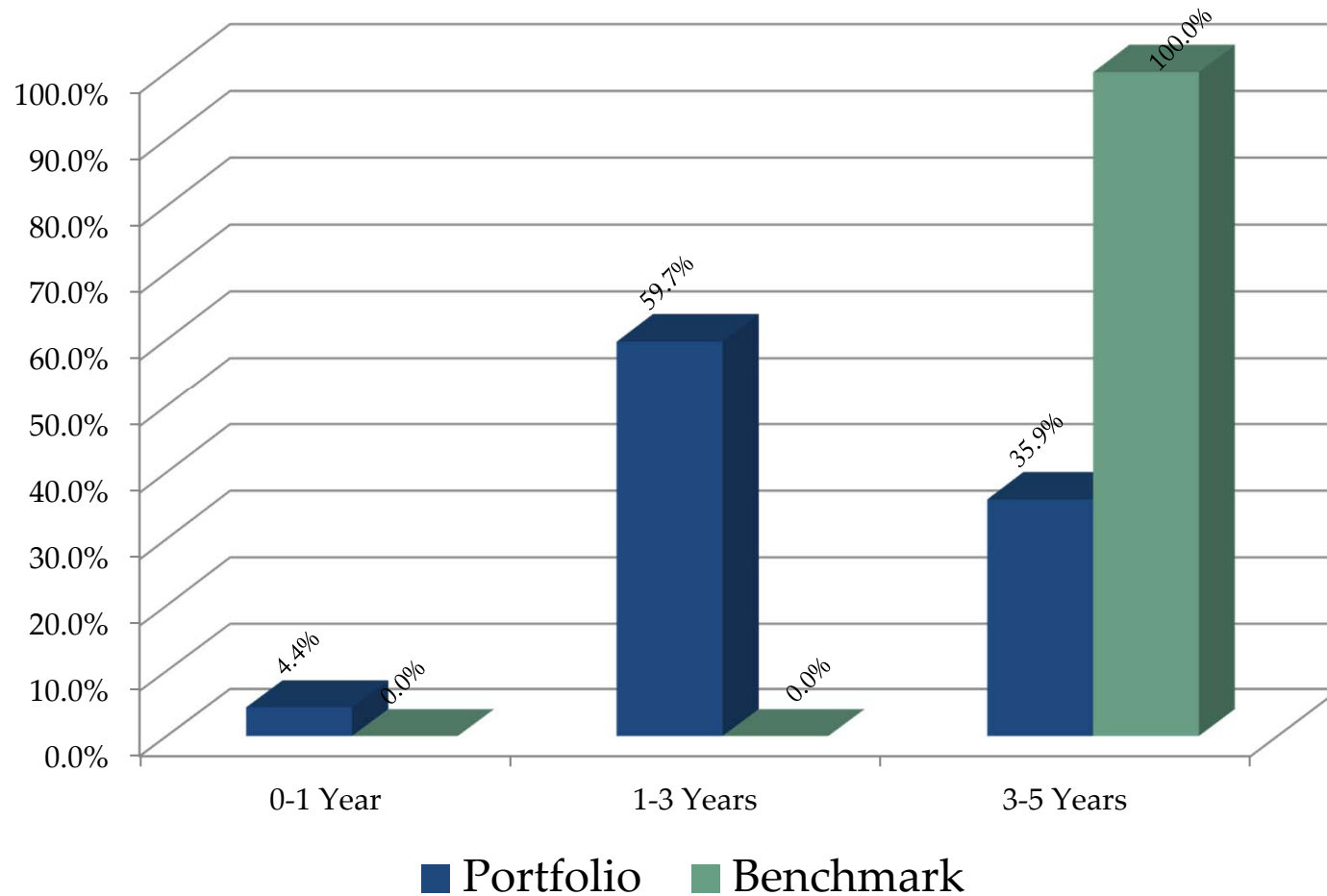
# Surplus Portfolio Sector Distribution





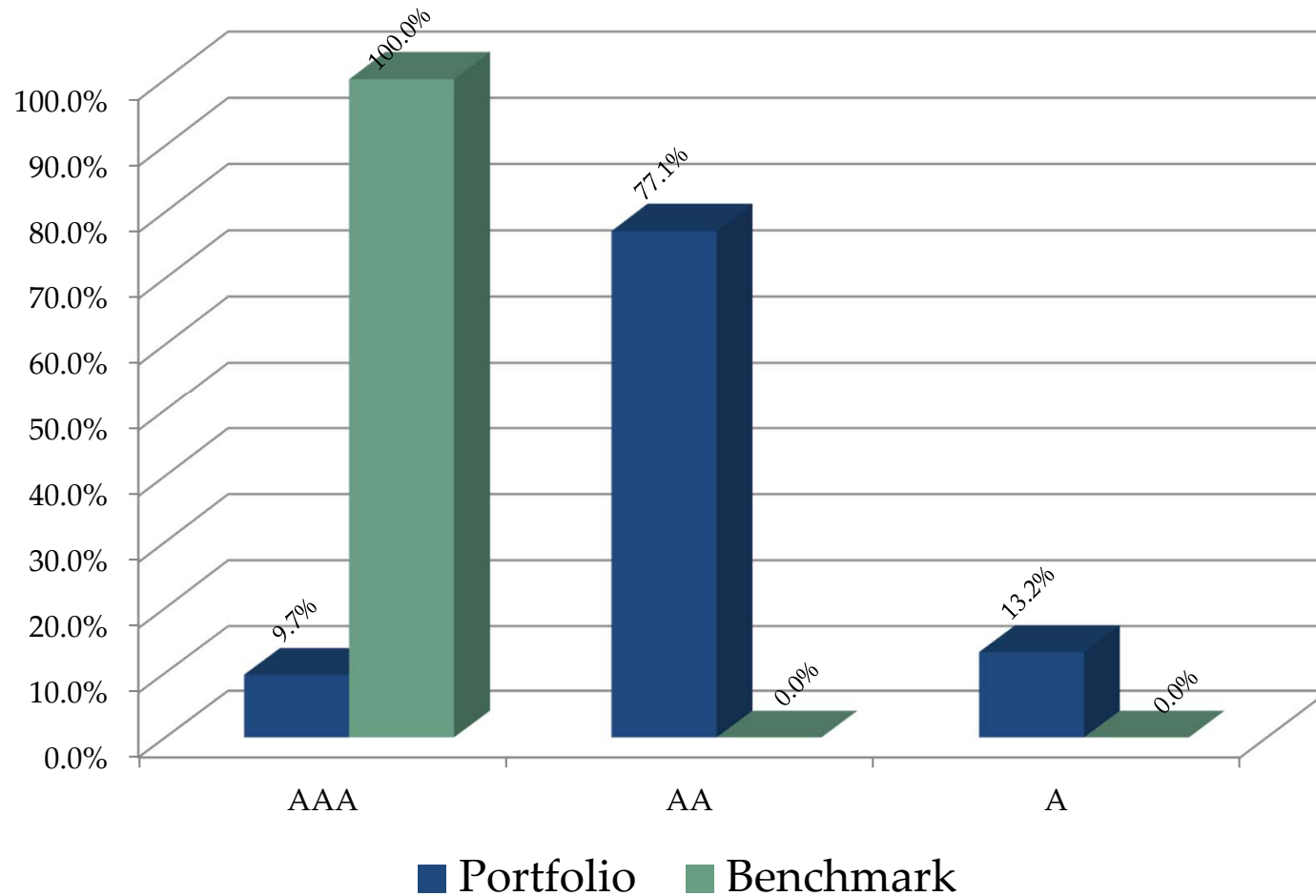
# Surplus Portfolio Maturity Distribution

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# Surplus Portfolio Quality Distribution

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# Surplus Portfolio Holdings

Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<b><u>CORPORATE BONDS</u></b>								
AMERICAN EXPRESS CO	6.15	8/28/2017	BBB+	A3	75,000	\$83,565	1.7%	1.5%
GENERAL ELEC CAP CORP	5.63	9/15/2017	AA+	A1	65,000	\$72,153	1.3%	1.3%
GOLDMAN SACHS GROUP INC	5.95	1/18/2018	A-	Baa1	85,000	\$94,432	1.9%	1.7%
HERSHEY COMPANY	5.45	9/1/2016	A	A1	90,000	\$96,769	0.1%	1.8%
LOEWS CORP	5.25	3/15/2016	A+	A2	90,000	\$94,568	1.0%	1.7%
CHARLES SCHWAB CORP	2.20	7/25/2018	A	A2	90,000	\$91,157	1.6%	1.7%
US BANCORP	2.20	11/15/2016	A+	A1	50,000	\$51,023	0.9%	
<i>Subtotal</i>						\$583,667		
<b><u>TAXABLE MUNICIPAL BONDS</u></b>								
ATLANTIC CITY NJ	3.10	12/15/2015	AA	NA	75,000	\$76,131	1.1%	1.4%
BUTLER CNTY OH WTRWKS RE	1.95	12/1/2018	NA	Aa3	165,000	\$165,061	1.5%	3.0%
CLINTON PRAIRIE IN SCH CORF	1.40	1/15/2017	AA+	NA	50,000	\$49,772	1.5%	0.9%
COLORADO RIVER TX MUNI W	2.63	1/1/2017	AA-	A1	100,000	\$102,774	0.8%	1.9%
COLORADO ST DEPT OF CORRS	1.69	9/1/2016	AA-	Aa2	250,000	\$252,548	1.0%	4.7%
EVANSVILLE VANDERBURGH C	2.35	2/1/2018	AA-	NA	500,000	\$503,840	1.9%	9.3%
FAIRFAX CNTY VA	3.70	10/1/2016	AAA	Aaa	445,000	\$464,406	0.9%	8.6%
FORT LAUDERDALE FL SPL OBI	2.09	1/1/2017	AA-	A1	200,000	\$203,574	1.0%	3.8%
INDIANA ST BOND BANK REVEI	3.91	8/1/2016	AA+	NA	200,000	\$209,610	0.7%	3.9%
JOBSONIO BEVERAGE SYS STWI	1.12	1/1/2016	AA	Aa3	100,000	\$100,499	0.5%	1.9%
JOBSONIO BEVERAGE SYS STWI	1.57	1/1/2017	AA	Aa3	220,000	\$222,068	1.0%	4.1%
KENTUCKY ST ASSET/LIABILITY	1.41	4/1/2017	A+	Aa3	25,000	\$25,013	1.5%	0.5%
MARYLAND ST STADIUM AUTH	1.90	6/15/2018	AA+	Aa2	400,000	\$404,068	1.6%	7.5%
MISSISSIPPI ST LEASE REVENUE	3.00	4/15/2016	AA-	NA	200,000	\$206,276	0.7%	3.8%
NORTH ADAMS IN CMNTY SCH	1.65	1/15/2018	AA+	NA	115,000	\$114,259	1.4%	2.1%
NORTH CAROLINA ST ESTRN M	2.44	1/1/2017	A-	Baa1	50,000	\$50,617	1.4%	0.9%
PENNSYLVANIA ST COPS	3.20	4/1/2016	NA	A1	140,000	\$143,206	1.4%	2.6%
PENNSYLVANIA ST HGR EDUC	4.46	4/1/2017	A+	Aa3	300,000	\$316,797	1.1%	5.8%
TAMPA FL REVENUE	2.35	10/1/2016	NA	Aa2	580,000	\$587,871	1.0%	10.8%
WILMINGTON NC LTD OBLG R	4.60	6/1/2018	AA+	Aa2	500,000	\$538,485	1.7%	9.9%
<i>Subtotal</i>						\$4,736,875		

# Surplus Portfolio Holdings - continued

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Issuer	Coupon	Maturity	S&P Rating	Moody's Rating	Par Value	Market Value	Yield to Maturity	% of Portfolio
<u>CASH &amp; CASH EQUIVALENTS</u>								
FEDERATED PRIME OBLIGATIONS FUND					\$58,657	\$58,657	0.1%	1.1%
CASH					\$1	\$1		0.0%
PORTFOLIO ACCRUED INCOME						\$41,327		0.8%
PENDING TRADES						\$0		0.0%
TOTAL PORTFOLIO VALUE						\$5,420,528		