



CDIAC & CMTA

Investment Reporting

Bret Black

County of Kern

Principal Treasury Investment Officer

Rick Phillips

President & Chief Investment Officer

January 24, 2019

Disclosure

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Clearly Communicating Information to Your Audiences

- **Know Your Audiences:**
 - Governing Body
 - Management
 - Auditors
 - Rating Agencies
 - GFOA (CAFR)
 - Peers
 - Taxpayers
- **Be Completely Transparent**
- **Keep it Simple – Charts/Graphs/Tables**
- **Provide Details to the Appropriate Audiences**
- **Demonstrate How the Investment Portfolio is Meeting Objectives**

Reporting Fundamentals

"When performance is measured, performance improves. When performance is measured and reported, the rate of improvement accelerates." Thomas S. Monson



Sources: Google

Top 10 Common Mistakes of Investment Programs

- Not Having a Robust Cash Flow Schedule
- Having Too Much Liquidity (Opportunity Cost)
- Having Too Low of WAM/Duration (Too Many Callables)
- Benchmarking Incorrectly
- Thinking One Can Time the Market
- Not Amortizing
- Wrong Issuer Exposure (Concentration Risk/Foreign Issuers)
- Not Having the Right Number/Mix of Brokers
- Having Too Many Investment Positions
- Not Providing Transparent Reporting

The Foundation of an Investment Program – 53600.5



Model Investment Policy

Safety: Safety of principal is the foremost objective of the investment program. Investments of the (Local Agency) shall be undertaken in a manner that seeks to ensure the **preservation of capital** in the overall portfolio. To attain this objective, the (Local Agency) will diversify its investments by investing funds among a variety of securities with independent returns.

Liquidity: The (Local Agency's) investment portfolio will remain sufficiently liquid to enable the (Local Agency) **to meet all operating requirements which might be reasonably anticipated.**

Return on Investments: The (Local Agency's) investment portfolio shall have the objective of **attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles.** These measurements should be commensurate with the (Local Agency's) investment risk constraints identified in the Investment Policy and the **cash flow characteristics** of the portfolio.

Monthly Reporting Requirements



53607: The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and **shall make a monthly report of those transactions to the legislative body.** Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

Sample Excel Transaction Report

Trade Dt	SetDt	Side	Security	Cusip	Issuer	Price	Quantity	Coupon	Principal	Acc Int	YTM
3/8/13	3/14/13	Buy	FNMA 0 3/4 03/14/17	3135G0VM2	FNMA	99.87500000	25,000,000.00	0.750	24,968,750.00	0.00	0.778
3/14/13	3/14/13	Sell	CSCO 1.625 03/14/14	17275RAJ1	Cisco	101.23800000	(20,000,000.00)	1.625	(20,247,600.00)	0.00	1.374
3/19/13	3/26/13	Buy	MDT 1 3/8 04/01/18	585055BA3	Metronic	99.85000000	5,000,000.00	1.375	4,992,500.00	0.00	1.421
3/20/13	3/26/13	Buy	SYK 1.3 04/01/18	863667AD3	Stryker	99.56500000	20,000,000.00	1.300	19,913,000.00	722.22	1.357
3/20/13	3/21/13	Sell	T 2 04/30/16	912828QF0	US Treasury	104.91796875	(20,000,000.00)	2.000	(20,983,593.75)	155,801.10	0.385
3/28/13	4/1/13	Sell	T 1 3/4 03/31/14	912828KJ8	US Treasury	101.57031250	(60,000,000.00)	1.750	(60,942,187.50)	2,868.85	0.194
3/28/13	4/1/13	Buy	FNMA 0 1/2 09/28/15	3135G0NV1	FNMA	100.34780000	20,000,000.00	0.500	20,069,560.00	833.33	0.331
3/28/13	4/1/13	Buy	T 2 1/4 01/31/15	912828MH0	US Treasury	103.69921876	25,000,000.00	2.250	25,924,804.69	93,232.04	0.241

Sample Inv. Management Software Report

Portfolio Management Activity By Type February 1, 2013 through February 28, 2013

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	 Purchases or Deposits	Redemptions or Withdrawals 	Ending Balance
Federal Agency Non-Callables								
3133783D1	6193	FHLB		0.300	02/08/2013	0.00	9,988,800.00	
		Subtotal	189,559,960.00			0.00	9,988,800.00	179,571,160.00
Federal Agency Callables								
3134G3NZ9	6208	FHLMC		0.550	02/13/2013	0.00	19,960,000.00	
3134G3A91	6911	FHLMC		1.400	02/26/2013	19,910,000.00	0.00	
3135G0KK8	6310	FNMA		0.650	02/26/2013	0.00	20,000,000.00	
3136G1CM9	6882	FNMA		1.100	02/13/2013	20,000,000.00	0.00	
		Subtotal	199,935,000.00			39,910,000.00	39,960,000.00	199,885,000.00
Treasury Notes								
		Subtotal	59,874,218.75					59,874,218.75
Corporate Notes								
38141EB32	6903	Goldman Sachs		1.600	02/22/2013	2,018,000.00	0.00	
459200HK0	6887	IBM		1.250	02/08/2013	995,420.00	0.00	
24422ERW1	6888	John Deere		1.200	02/11/2013	2,997,810.00	0.00	
58933YAC9	6904	Merck		1.100	02/22/2013	1,996,160.00	0.00	
68389XAN5	6900	Oracle Corp		1.200	02/21/2013	3,984,400.00	0.00	
931142DA8	6770	Wal-Mart		1.625	02/22/2013	0.00	3,052,620.00	
		Subtotal	50,333,830.00			11,991,790.00	3,052,620.00	59,273,000.00
Corporate Floaters								
		Subtotal	3,000,000.00					3,000,000.00
Commercial Paper Discounts								
0556N0QD0	6905	BNP Paribas		0.150	02/20/2013	4,999,562.50	0.00	
06416JPT4	6732	Bank of Nova Scotia		0.210	02/27/2013	0.00	4,997,375.00	
0556N0P58	6828	BNP Paribas Fin		0.150	02/05/2013	0.00	4,999,708.33	
0556N0PL3	6885	BNP Paribas Fin		0.140	02/06/2013	4,999,727.78	0.00	
0556N0PL3	6885				02/20/2013	0.00	4,999,727.78	
89233GSM9	6886	Toyota		0.150	02/06/2013	4,997,833.33	0.00	
		Subtotal	19,986,625.00			14,997,123.61	14,996,811.11	19,986,937.50

Quarterly Reporting Requirements (Optional)

53646 (b) (1): The treasurer or chief fiscal officer **may** render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency.

If you do provide a quarterly report (which you should!), it must:

- Be Submitted within 30 days After the Quarter End
- Include: Investment Type, Issuer, Maturity Date, Par Amount, Dollar Amount Invested, Description of Funds Managed by an Outside Party (including Securities Lending), the Market Value and Source for Any Security Managed by an Outside Party that is Not a Local Agency or in LAIF
- State that the Portfolio is in Compliance with the Policy or Manner in which it is Out of Compliance
- State the Ability of the Entity to meet its Expenditure Requirements for the Next 6 Months or Explain Why it Cannot

Sample Report

CUSIP	Inv. Type Investment #	Fund	Issuer	Investment Class	Par Value Par Value	Maturity Date	YTM	Market Price	Market Date	Market Value Market Value	Dollar Amt Inv Book Value	Price Source Pricing Source
Time Certificates of Deposit												
SYSG130151	G130151	1000	Bank of the West	Fair	100,000.00	08/31/2013	0.120	100.000	02/28/2013	100,000.00	100,000.00	Bank of the West
SY8130531	G130531	1000	Heritage Bank	Fair	100,000.00	02/22/2014	0.400	100.000	02/28/2013	100,000.00	100,000.00	Heritage Bank
					Subtotal		0.260			200,000.00	200,000.00	
Negotiable Certificates of Deposit												
78009NKZ8	G130494	1000	Royal Bank of Canada	Fair	25,000,000.00	05/01/2013	0.100	100.005	02/28/2013	24,999,250.00	25,000,000.00	IDC
89112WFX9	G130422	1000	Toronto Dominion Bank	Amort	20,000,000.00	05/10/2013	0.200	100.004	02/28/2013	20,000,800.00	20,000,000.00	IDC
89112WRN9	G130438	1000	Toronto Dominion Bank	Fair	10,000,000.00	03/15/2013	0.170	100.000	02/28/2013	10,000,000.00	10,000,000.00	IDC
					Subtotal		0.149			55,000,050.00	55,000,000.00	
Commercial Paper Disc. -Amortizing												
06416JQ14	G130536	1000	Bank of Nova Scotia	Fair	10,000,000.00	03/01/2013	0.099	100.000	02/28/2013	10,000,000.00	10,000,000.00	IDC
06416JQ14	G130544	1000	Bank of Nova Scotia	Fair	20,000,000.00	03/01/2013	0.079	100.000	02/28/2013	20,000,000.00	20,000,000.00	IDC
19121ARN3	G130508	1000	Coca Cola Co	Fair	20,000,000.00	04/22/2013	0.100	99.973	02/28/2013	19,994,600.00	19,997,111.11	IDC
19416EQC4	G130539	1000	COLGATE-PALMOLIVE CO	Fair	10,000,000.00	03/12/2013	0.080	99.995	02/28/2013	9,999,500.00	9,999,755.56	IDC
36960LQ16	G130526	1000	General Electric Co	Fair	10,000,000.00	03/01/2013	0.100	100.000	02/28/2013	10,000,000.00	10,000,000.00	IDC
36959HQ42	G130545	1000	General Electric Cap Corp	Fair	25,000,000.00	03/04/2013	0.050	99.999	02/28/2013	24,999,750.00	24,999,895.83	IDC
43851TQU3	G130533	1000	HONEYWELL INTERNATIONAL	Fair	20,000,000.00	03/28/2013	0.100	99.988	02/28/2013	19,997,600.00	19,998,500.00	IDC
					Subtotal		0.083			114,991,450.00	114,995,262.50	
U.S. Agency Coupon Securities												
313380RJ8	G130384	1000	Federal Home Loan Bank	Fair	13,080,000.00	03/18/2013	0.130	100.000	02/28/2013	13,080,000.00	13,080,118.28	IDC
313372RK2	G130411	1000	Federal Home Loan Bank	Fair	20,000,000.00	03/27/2013	0.101	100.061	02/28/2013	20,012,200.00	20,012,970.79	IDC
313372RK2	G130416	1000	Federal Home Loan Bank	Fair	5,000,000.00	03/27/2013	0.079	100.061	02/28/2013	5,003,050.00	5,003,325.58	IDC
313372RK2	G130421	1000	Federal Home Loan Bank	Fair	20,135,000.00	03/27/2013	0.079	100.061	02/28/2013	20,147,282.35	20,148,386.77	IDC
313372RK2	G130426	1000	Federal Home Loan Bank	Fair	20,000,000.00	03/27/2013	0.090	100.061	02/28/2013	20,012,200.00	20,013,148.57	IDC
313379WT2	G130537	1000	Federal Home Loan Bank	Fair	13,000,000.00	03/25/2013	0.108	100.003	02/28/2013	13,000,390.00	13,000,710.07	IDC
3133XES91	GCP0086	1100	Federal Home Loan Bank	Fair	5,000,000.00	03/08/2013	0.223	100.094	02/28/2013	5,004,700.00	5,004,636.52	IDC
313372RK2	GCP0103	1100	Federal Home Loan Bank	Fair	5,000,000.00	03/27/2013	0.253	100.061	02/28/2013	5,003,050.00	5,002,690.03	IDC
313378S28	GCP0104	1100	Federal Home Loan Bank	Fair	5,000,000.00	03/21/2013	0.248	100.001	02/28/2013	4,999,950.00	4,999,858.19	IDC
					Subtotal		0.118			106,215,000.00	106,262,822.35	106,265,644.80

Market values of all securities are provided by the public agency's custodian

Sample Report: 6 Month's Liquidity

PROJECTED LIQUIDITY

County of San Diego Pooled Money Fund

As of November 30, 2018

(\$000)

	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Beginning Pool Book Balance	9,172,892	10,178,832	9,303,921	8,834,726	8,700,776	9,752,776
CASH FLOW ITEMS						
INFLOWS:						
Investment Inflows	1,454,250	900,000	647,135	570,000	315,000	610,000
Projected Credits/Deposits	2,534,785	784,504	800,385	1,075,050	2,258,700	757,234
	3,989,035	1,684,504	1,447,520	1,645,050	2,573,700	1,367,234
Outflows						
Investment Purchases	1,827,155	-	-	-	-	-
Projected Debits	1,528,845	1,659,415	1,269,580	1,209,000	1,206,700	1,671,952
	3,356,000	1,659,415	1,269,580	1,209,000	1,206,700	1,671,952
Net Cash Flows	1,005,940	(874,911)	(469,195)	(133,950)	1,052,000	(914,719)
MONTH END POOL BALANCE	10,178,832	9,303,921	8,834,726	8,700,776	9,752,776	8,838,057
PROJECTED MONTH END LIQUIDITY	\$ 962,326	\$ 987,415	\$ 1,165,355	\$ 1,601,405	\$ 2,968,405	\$ 2,663,686

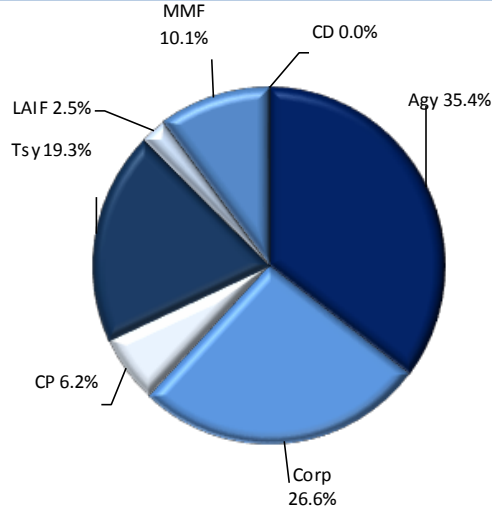
Note: The above is not meant to be a complete Cash Flow Statement. The data represents a subset of the main cash flow items and does not include accrued interest or other adjustment items.

The projected cash flows indicate sufficient liquidity to meet all scheduled expenditures for the next 6 months.

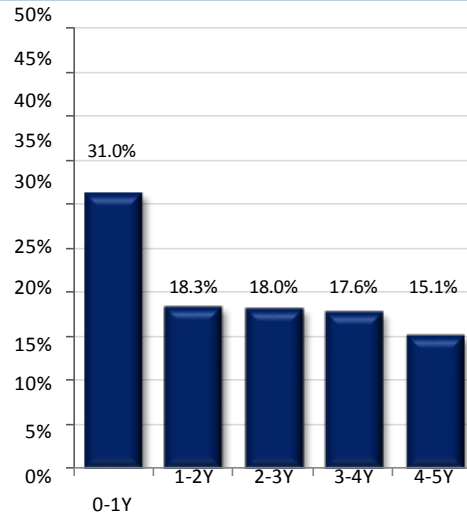
Sources: Entity's website

Recommended Additional Reports - Summary

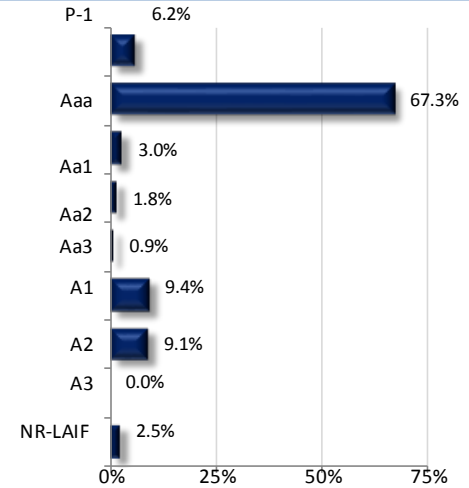
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (MOODY'S)



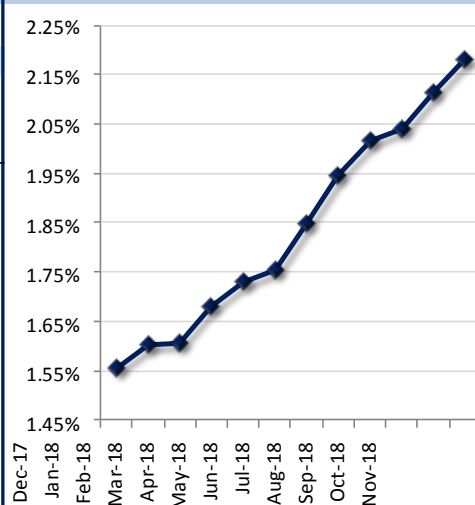
Per Book Value

ACCOUNT SUMMARY

Market Value	11/30/18	10/31/18
	\$557,207,127	\$523,375,179
Book Value	\$563,359,469	\$530,426,116
Variance	-\$6,152,342	-\$7,050,937
Par Value	\$565,004,241	\$531,831,126
Net Asset Value	\$98.908	\$98.671
Book Yield	2.18%	2.11%
Years to Maturity	2.01	2.05
Effective Duration	1.97	1.98

Per Book Value

MONTH-END PORTFOLIO BOOK YIELD



NR: Not Rated

TOP ISSUERS

Issuer	% Portfolio
U.S.Treasury	19.3%
FHLMC	10.6%
Wells Fargo Govt Inst MMF	9.4%
FHLB	8.9%
FNMA	8.0%
FFCB	7.8%
Toyota	3.5%
Apple	3.0%
Target	2.7%
Microsoft	2.5%
LAIF	2.5%
Disney	2.0%
Citibank	1.9%
Honda	1.8%
US Bank	1.8%

Per Book Value

*Book Value is Amortized

Recommended Additional Reports - Compliance

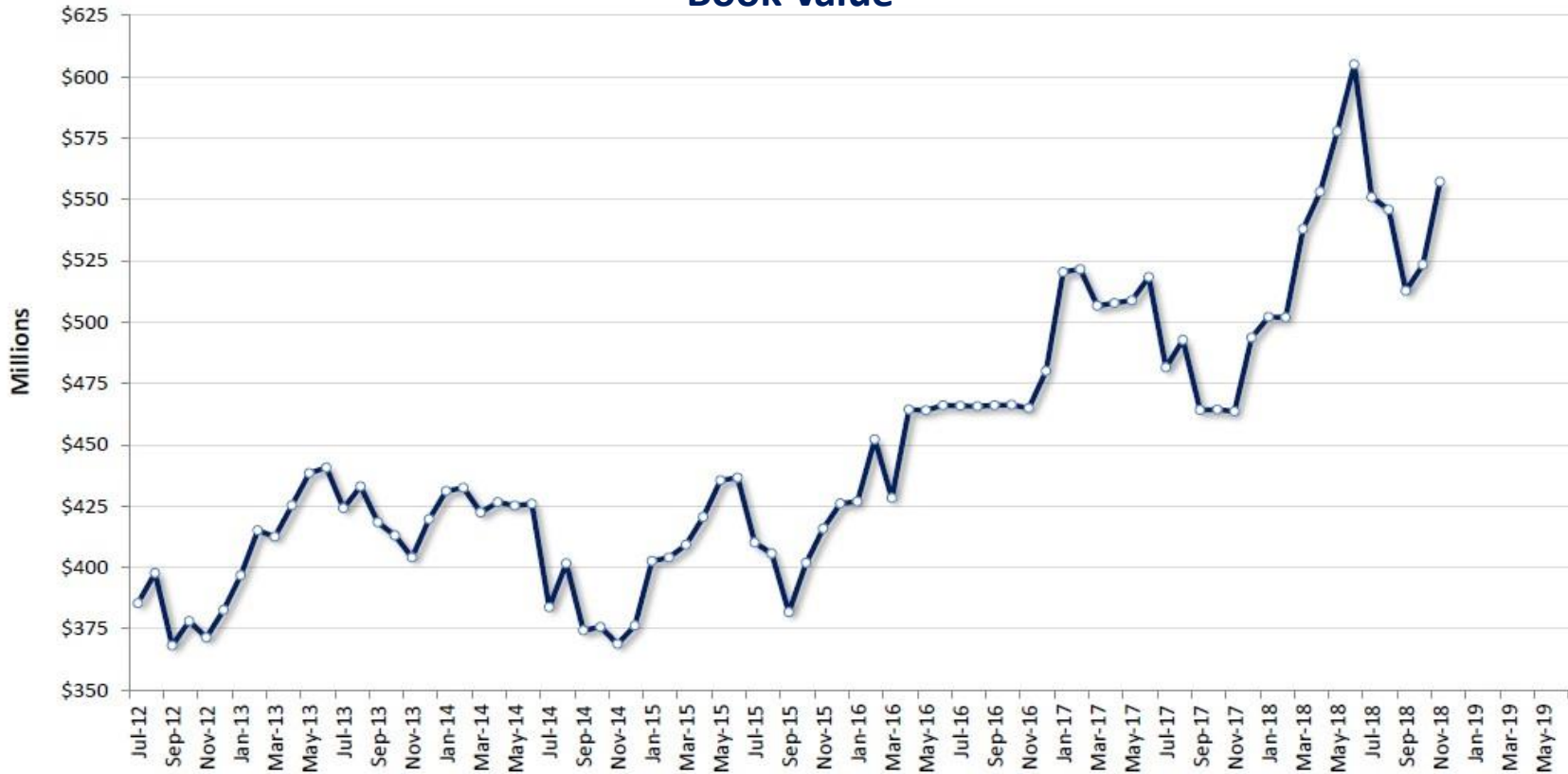
Item / Sector	Parameters	In Compliance
Weighted Average Maturity	Weighted Average Maturity (WAM) must be less than 3 years.	Yes: 2.01 Yrs
U.S. Treasuries	No limit, maximum maturity 5 years, 30% single issue limit.	Yes: 19.3%
U.S. Federal Agencies	No limit, 40% issuer limit, 10% single issue limit, maximum maturity 5 years.	Yes: 35.4%
Local Agency Investment Fund #1	\$50 million, per account (City has two accounts).	Yes: \$11.9 Mil
Local Agency Investment Fund #2	\$50 million, per account (City has two accounts).	Yes: \$1.9 Mil
Commercial Paper	25% limit, 5% per issuer, max maturity 270 days, rated A-1, P-1, or F1 by at least one NRSRO, issued by a domestic corporation; if company has long-term debt, needs to be rated A (S&P), A2 (Moody's), or A (Fitch) by one.	Yes: 6.2%
Corporate Bonds	30% limit, 5% per issuer, maximum maturity 5 years, issued by domestic corporations or depositories, rated A (S&P), A2 (Moody's), or A (Fitch), by at least two.	Yes: 26.6%
Money Market Funds	20% limit, 10% issuer limit, rated AAA-m or Aaa-mf by at least two (S&P, Moody's, or Fitch).	Yes: 10.1%
Negotiable Certificates of Deposit	25% limit, 5% per issuer, maximum maturity 365 days, issued by banks, savings and loans, or state-licensed branch of a foreign bank.	Yes: 0.0%
State of California Securities	20% limit, 5% per issuer, maximum maturity 5 years.	Yes: 0.0%
Other Municipal Securities	10% limit, 5% per issuer, maximum maturity 5 years.	Yes: 0.0%
Supranationals	20% limit, 10% issuer limit (IFC, IADB, and IBRD), maximum maturity 5 years, Aaa or AAA by at least two rating agencies.	Yes: 0.0%
Bankers' Acceptances	40% limit, 5% per issuer, maximum maturity 180 days.	Yes: 0.0%
Issuer Concentration	The aggregate issuer exposure to corporate bonds, commercial paper, negotiable CDs, and bankers' acceptances cannot exceed 5%.	Yes

Investment transactions were executed in accordance with the California State Government Code and the City's Investment Policy. The City believes the Investment Pool contains sufficient cash flow liquidity to meet the next six months of expected expenditures.

Securities' market values are derived from the City's custodian.

Recommended Additional Reports - History

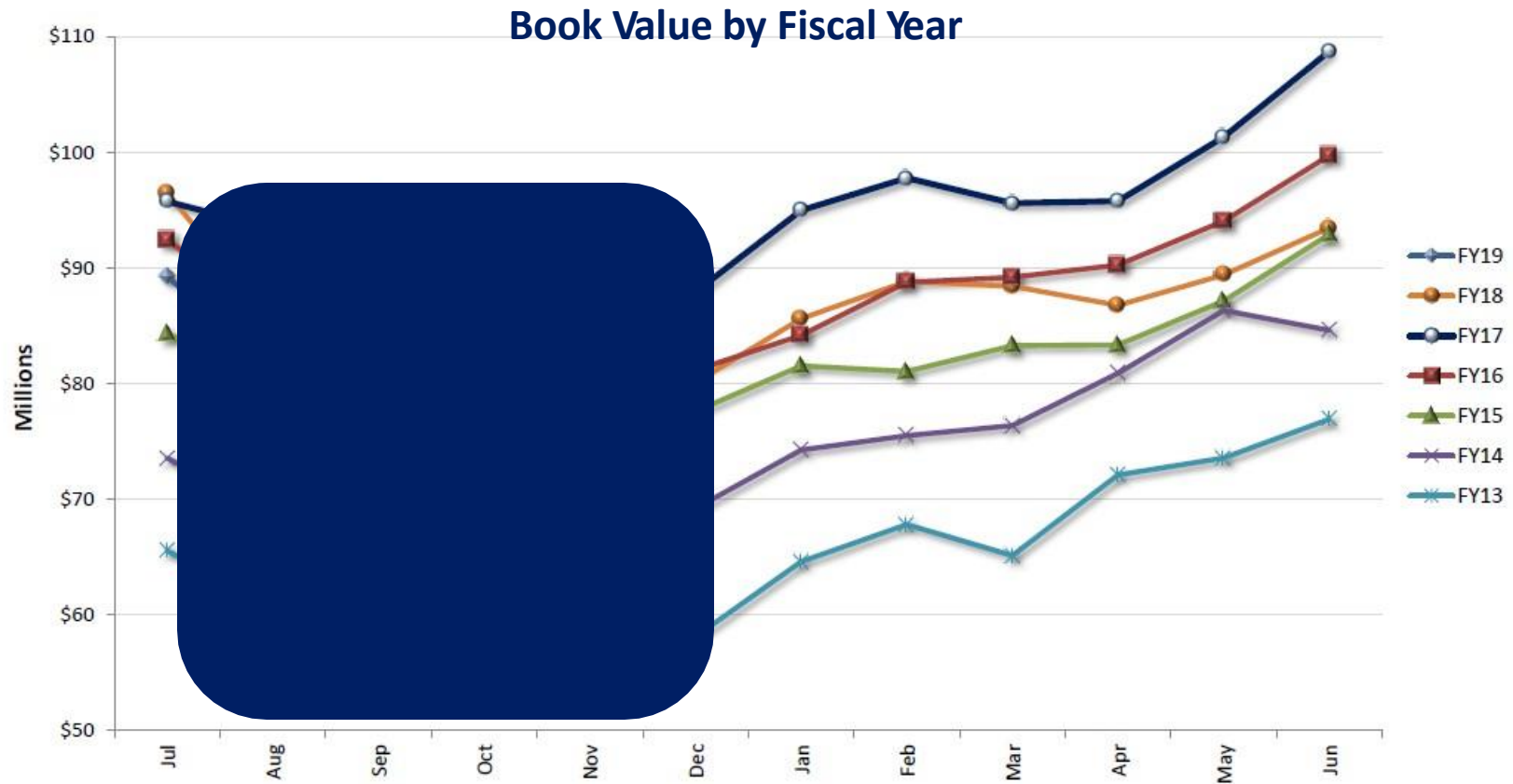
Book Value



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Average
FY 2014	\$424.1	\$433.1	\$418.4	\$413.0	\$404.1	\$419.7	\$431.2	\$432.5	\$422.4	\$426.7	\$425.2	\$426.0	\$423.0
FY 2015	\$383.8	\$401.7	\$374.4	\$375.7	\$368.8	\$376.3	\$402.6	\$404.1	\$409.3	\$420.6	\$435.6	\$436.6	\$399.1
FY 2016	\$410.1	\$405.7	\$381.7	\$401.9	\$415.9	\$426.1	\$426.8	\$452.2	\$428.3	\$464.4	\$464.1	\$466.1	\$428.6
FY 2017	\$465.9	\$465.7	\$466.2	\$466.3	\$465.0	\$480.1	\$520.5	\$521.5	\$506.7	\$507.8	\$508.9	\$518.5	\$491.1
FY 2018	\$481.6	\$492.8	\$464.1	\$464.4	\$463.6	\$493.7	\$502.1	\$501.9	\$538.0	\$553.1	\$577.7	\$605.1	\$511.5
FY 2019	\$550.9	\$545.8	\$512.7	\$523.4	\$557.2								\$538.0

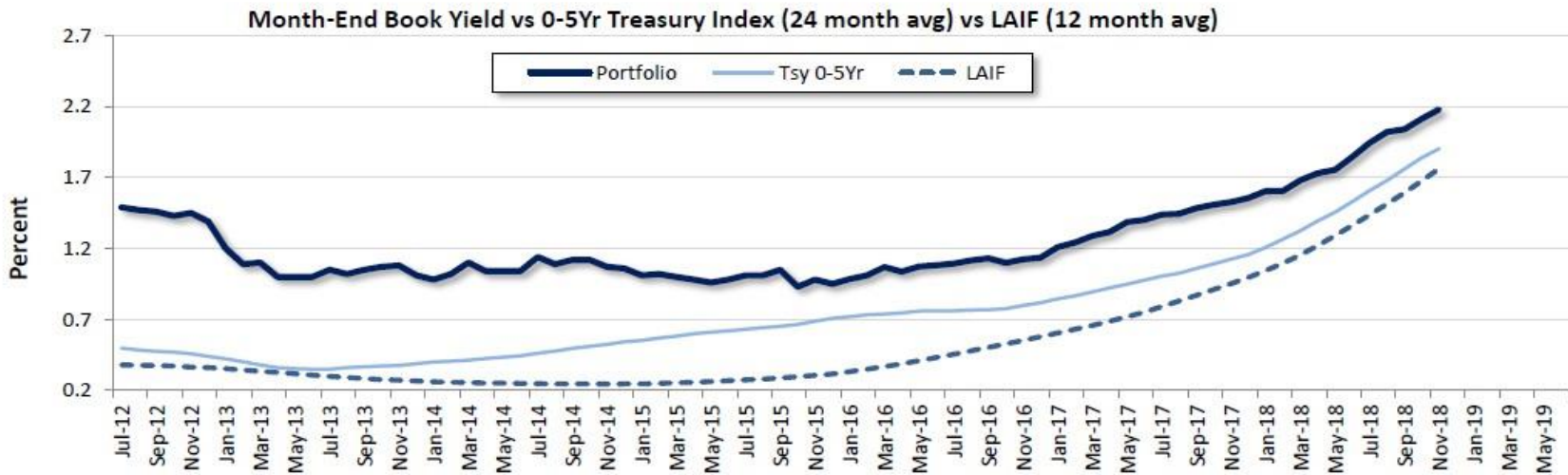
Figures in Millions. Month End Market Value

Recommended Additional Reports - History



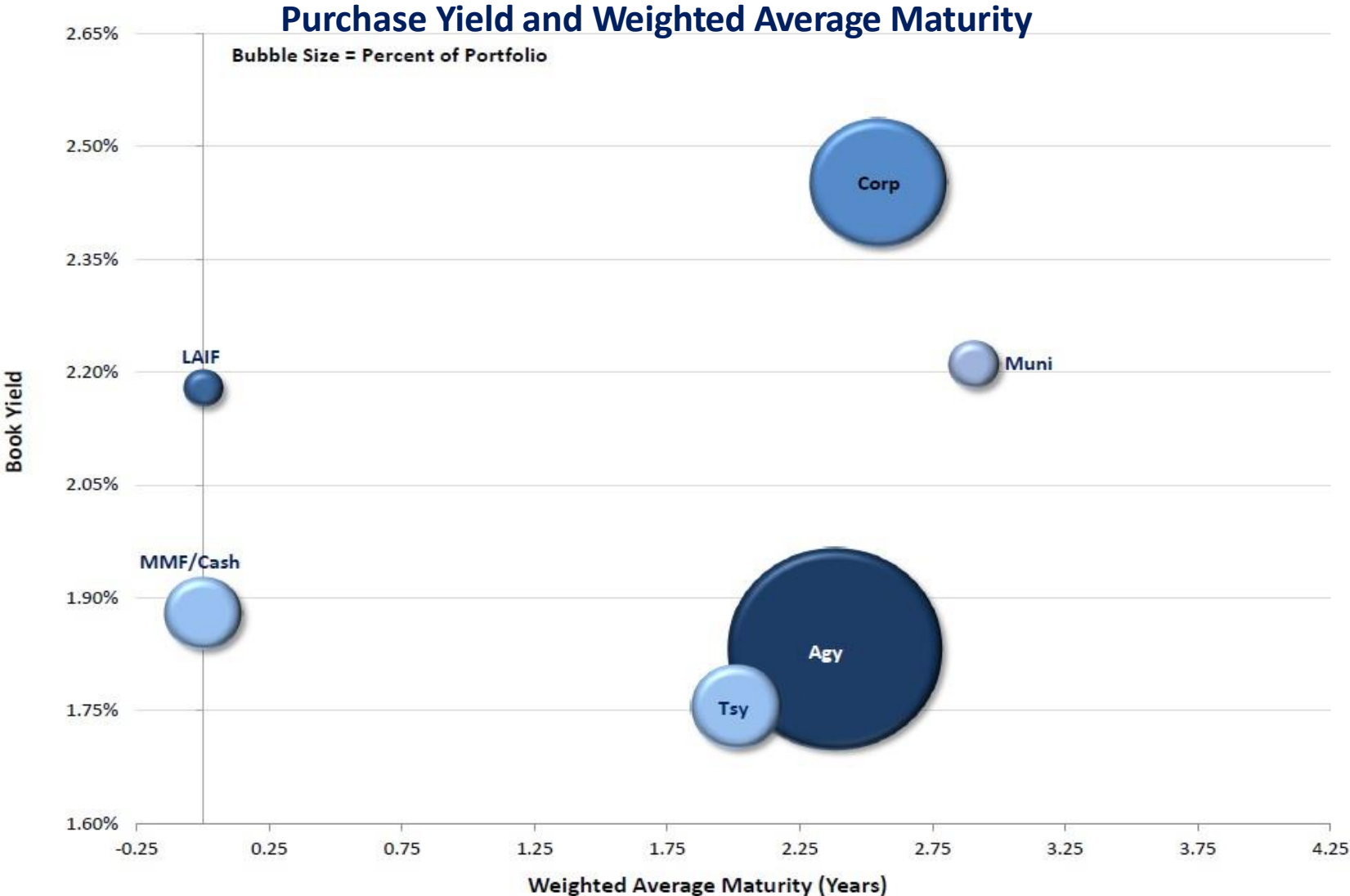
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2013	\$65.5	\$60.9	\$60.1	\$58.0	\$54.8	\$58.1	\$64.6	\$67.8	\$65.1	\$72.1	\$73.6	\$76.9
Fiscal Year 2014	\$73.5	\$68.8	\$66.3	\$63.8	\$62.1	\$69.2	\$74.2	\$75.5	\$76.3	\$80.9	\$86.3	\$84.6
Fiscal Year 2015	\$84.3	\$80.8	\$79.1	\$77.4	\$74.8	\$77.6	\$81.5	\$81.0	\$83.3	\$83.3	\$87.1	\$92.9
Fiscal Year 2016	\$92.4	\$85.6	\$87.1	\$83.8	\$78.3	\$81.2	\$84.2	\$88.7	\$89.2	\$90.2	\$94.0	\$99.7
Fiscal Year 2017	\$95.7	\$93.4	\$95.5	\$89.2	\$87.9	\$87.9	\$95.0	\$97.8	\$95.6	\$95.8	\$101.3	\$108.7
Fiscal Year 2018	\$96.5	\$85.3	\$84.5	\$82.0	\$80.1	\$80.1	\$85.6	\$88.8	\$88.4	\$86.8	\$89.4	\$93.4
Fiscal Year 2019	\$89.3	\$81.1	\$79.7	\$78.6	\$78.5							

Recommended Additional Reports - History



ICE BofAML Index: 0-5Yr Treasury Index

Recommended Additional Reports - Analysis

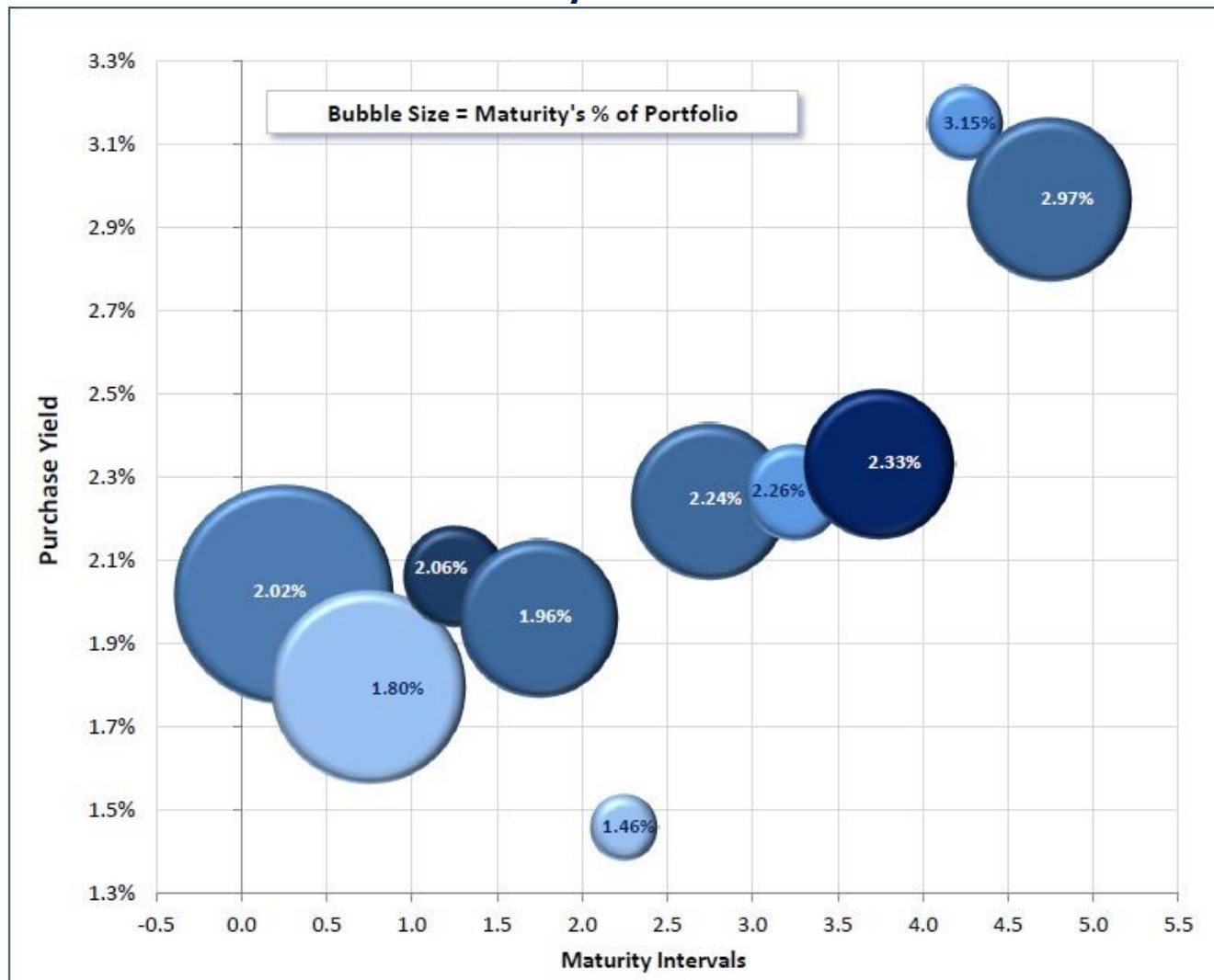


Recommended Additional Reports - Analysis

Purchase YTM Per 6-Month Maturity Intervals

Years	Purchase Yield	% of Portfolio*
0 to .5	2.02%	22.36%
.5 to 1.0	1.80%	17.53%
1.0 to 1.5	2.06%	4.79%
1.5 to 2.0	1.96%	11.69%
2.0 to 2.5	1.46%	2.14%
2.5 to 3.0	2.24%	11.45%
3.0 to 3.5	2.26%	4.44%
3.5 to 4.0	2.33%	10.52%
4.0 to 4.5	3.15%	2.63%
4.5 to 5.0	2.97%	12.46%

*Based on Book Value

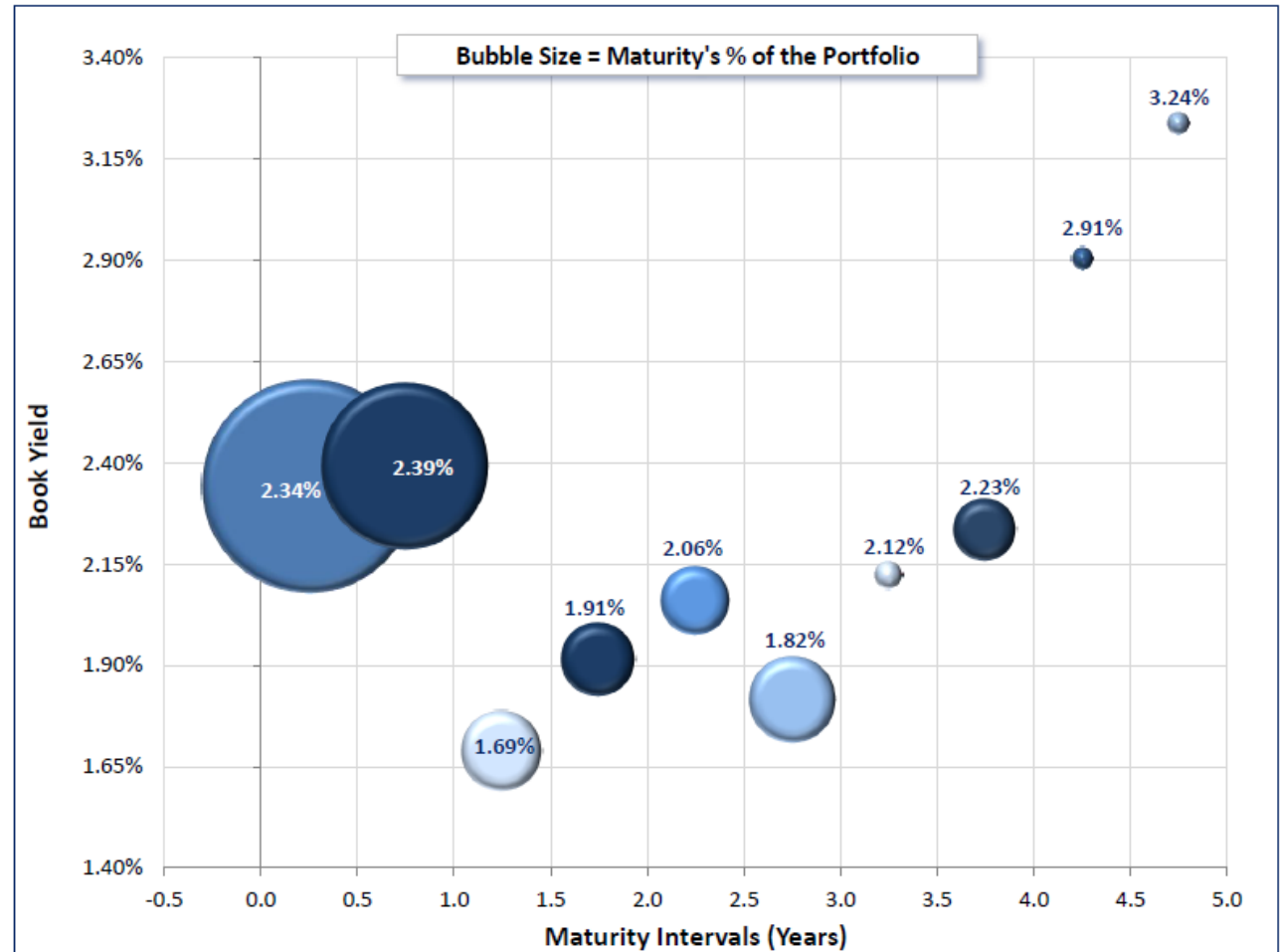


Recommended Additional Reports - Analysis

Purchase YTM Per 6-Month Maturity Intervals

Years	Book Yield	% of Portfolio*
0 to .5	2.34%	44.29%
.5 to 1.0	2.39%	26.96%
1.0 to 1.5	1.69%	6.31%
1.5 to 2.0	1.91%	5.25%
2.0 to 2.5	2.06%	4.66%
2.5 to 3.0	1.82%	7.22%
3.0 to 3.5	2.12%	0.71%
3.5 to 4.0	2.23%	3.73%
4.0 to 4.5	2.91%	0.44%
4.5 to 5.0+	3.24%	0.44%

*Based on Book Value



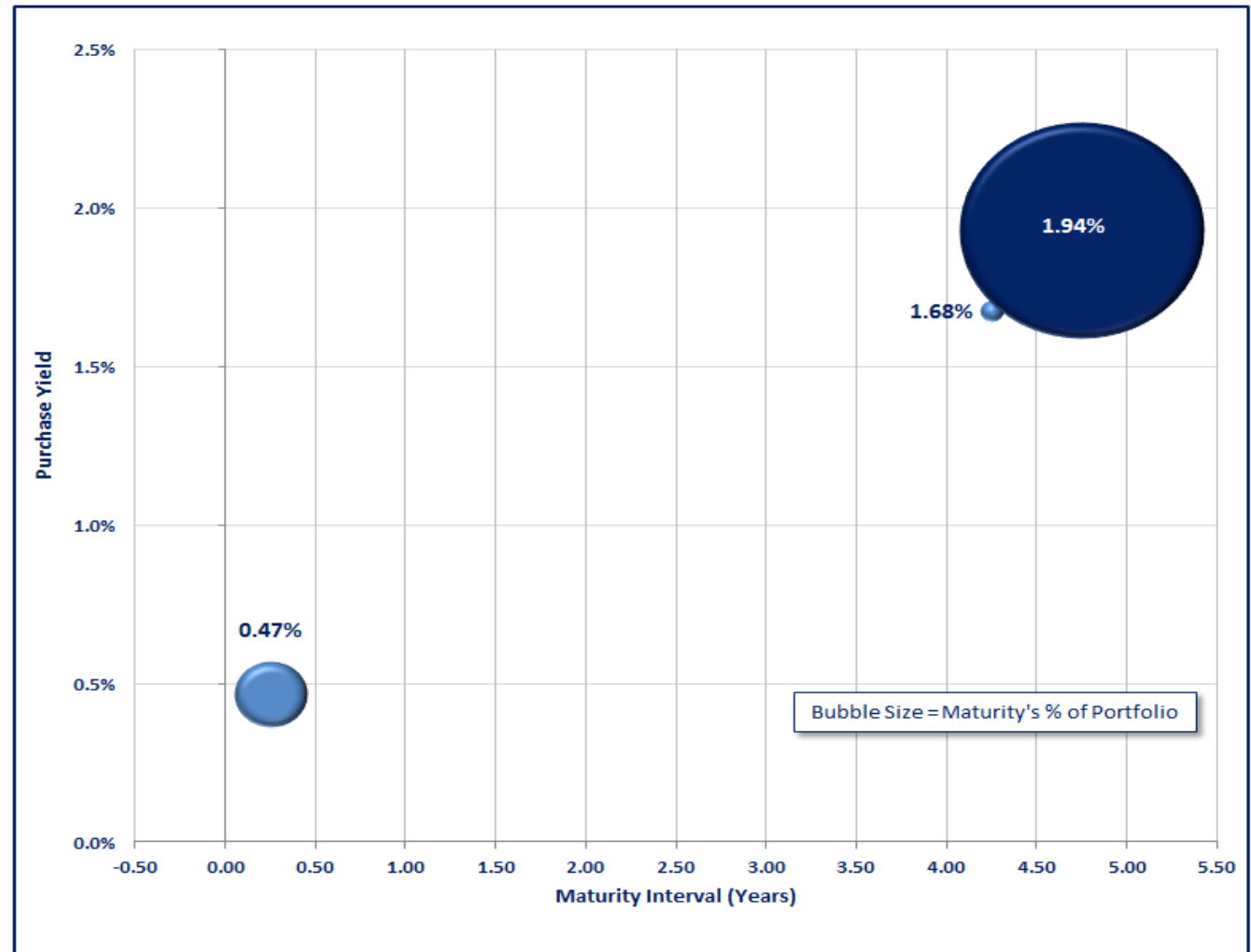
Recommended Additional Reports - Analysis



Purchase YTM Per 6-Month Maturity Intervals

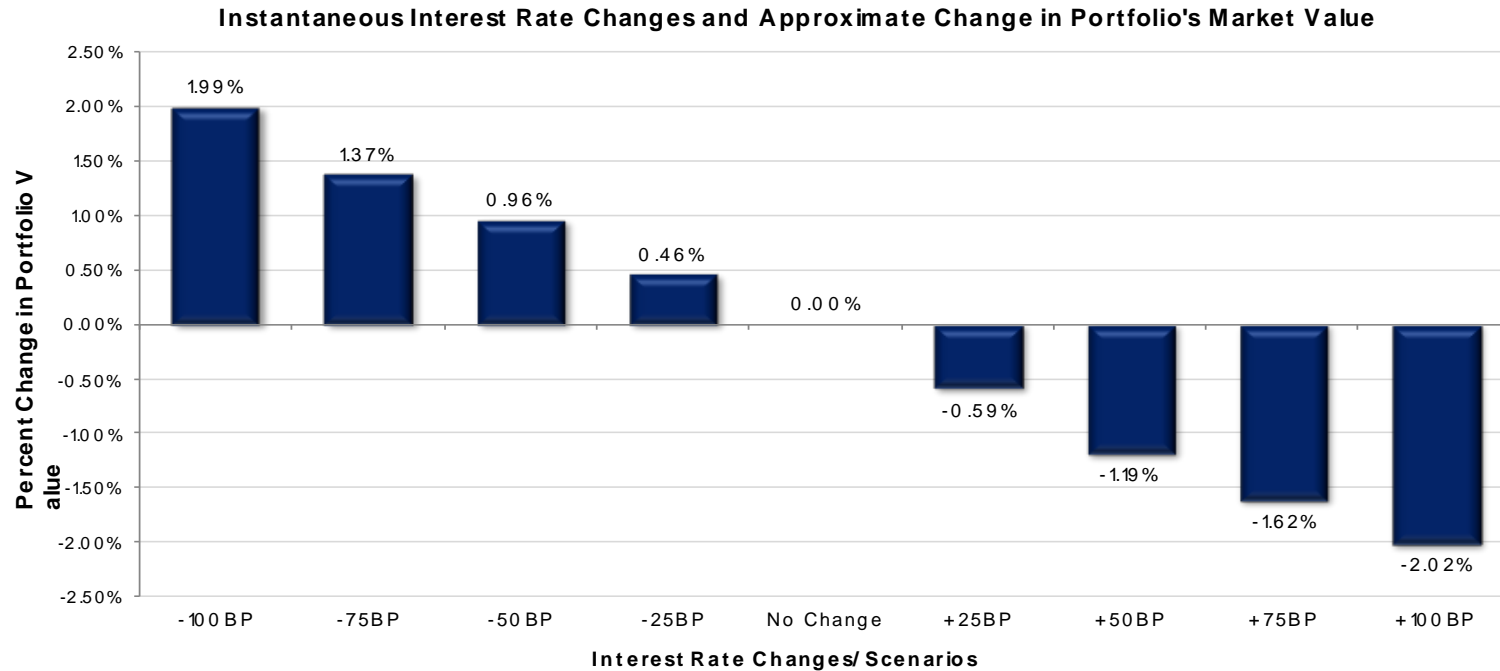
Years	Purchase Yield	% of Portfolio*
0 to .5	0.47%	8.14%
.5 to 1.0	0.00	0.00%
1.0 to 1.5	0.00	0.00%
1.5 to 2.0	0.00	0.00%
2.0 to 2.5	0.00	0.00%
2.5 to 3.0	0.00	0.00%
3.0 to 3.5	0.00	0.00%
3.5 to 4.0	0.00	0.00%
4.0 to 4.5	1.68%	0.77%
4.5 to 5.0+	1.94%	91.09%
Total	1.82%	100.0%

*Based on Bloomberg Market Value



Recommended Additional Reports - Analysis

Interest Rate Shock Analysis



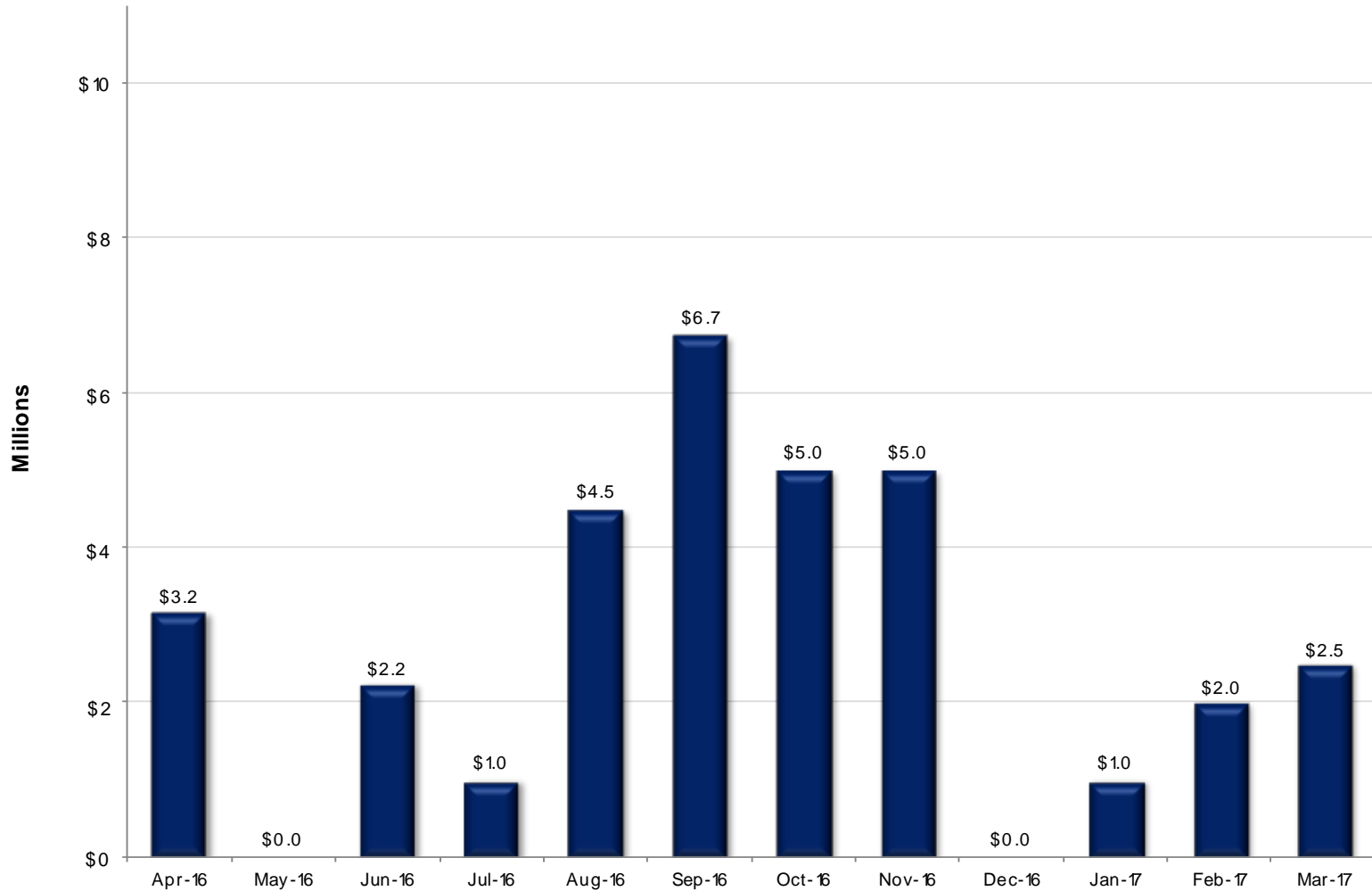
Interest Rate Chang	Portfolio Value	Value Change	Percent Change
-100 Basis Points	\$101,990,000	\$1,990,000	1.99%
-75 Basis Points	\$101,373,100	\$1,373,100	1.37%
-50 Basis Points	\$100,955,200	\$955,200	0.96%
-25 Basis Points	\$100,457,700	\$457,700	0.46%
No Change	\$100,000,000	\$0	0.00%
+25 Basis Points	\$99,414,200	-\$585,800	-0.59%
+50 Basis Points	\$98,808,200	-\$1,191,800	-1.19%
+75 Basis Points	\$98,384,000	-\$1,616,000	-1.62%
+100 Basis Points	\$97,980,000	-\$2,020,000	-2.02%

?

What's the approximate duration of this portfolio?

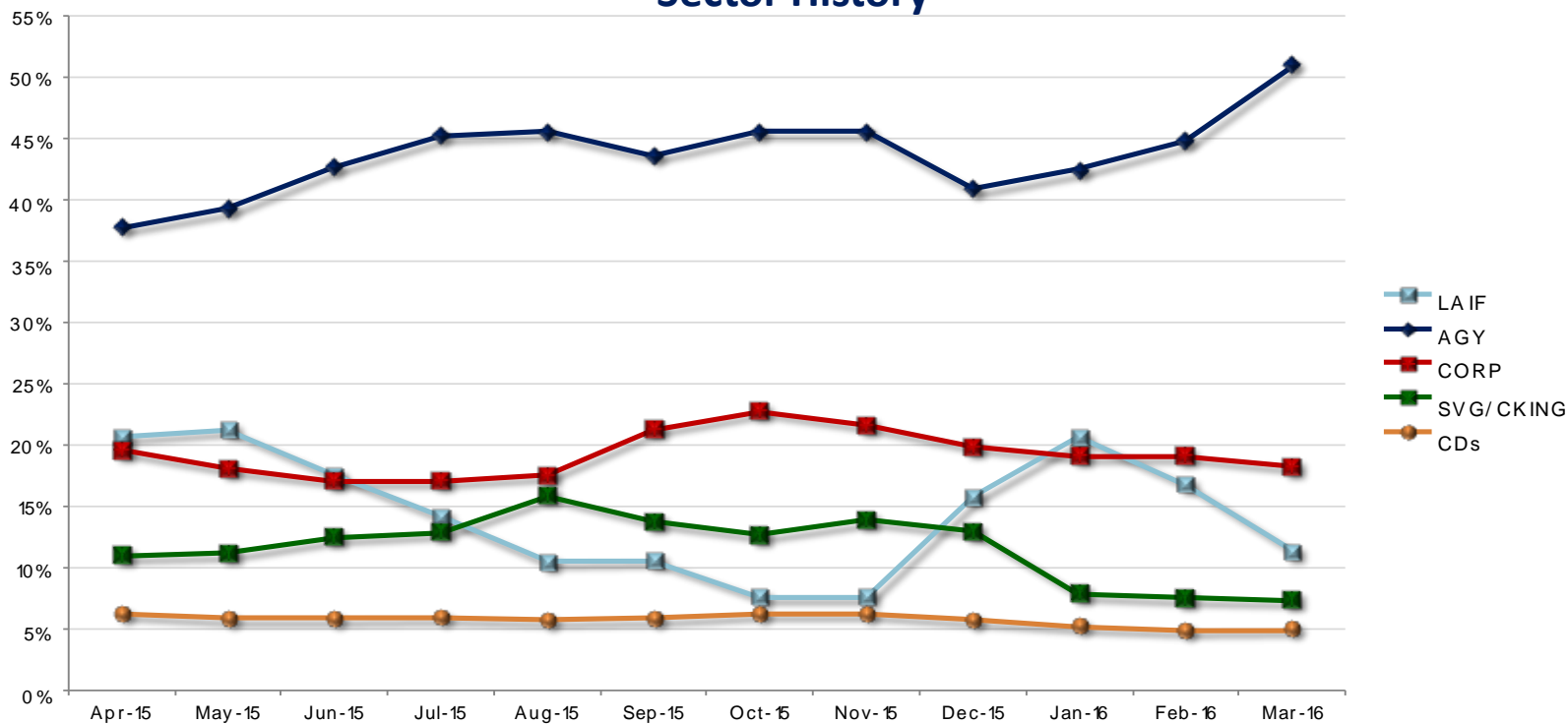
Recommended Additional Reports – Cash Flow

Next Twelve Month Maturities



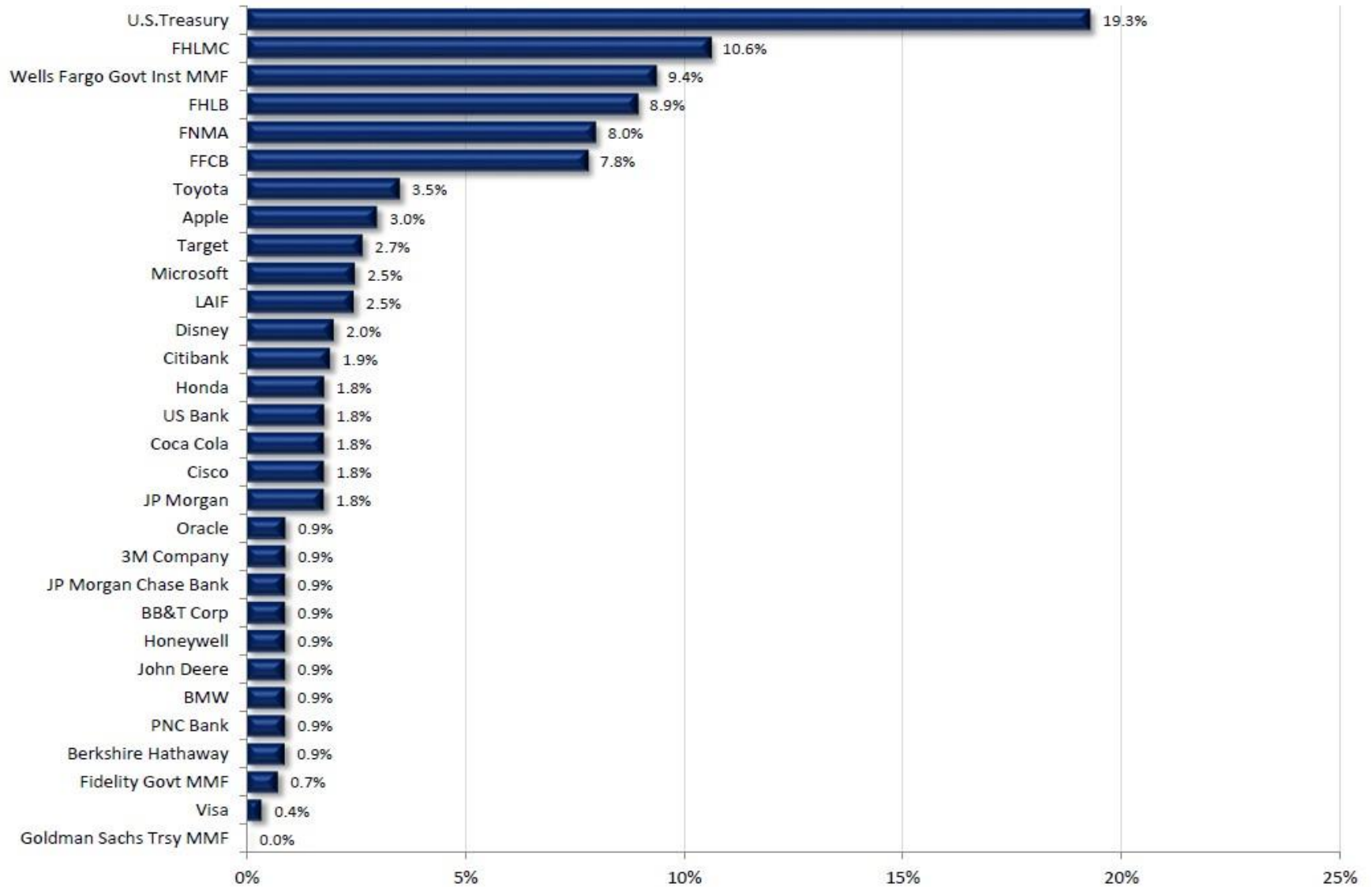
Recommended Additional Reports - History

Sector History

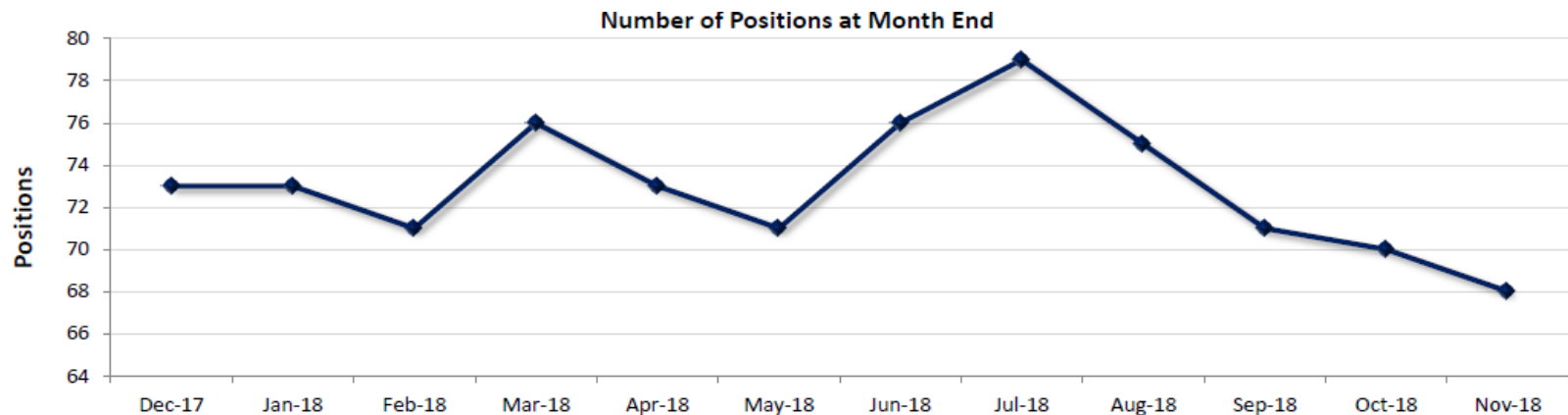


Sector	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Agency	37.8%	39.3%	42.7%	45.3%	45.6%	43.7%	45.6%	45.6%	40.9%	42.5%	44.8%	51.1%
Corporate	19.6%	18.1%	17.1%	17.1%	17.6%	21.3%	22.8%	21.6%	19.9%	19.1%	19.1%	18.2%
Treasury	4.6%	4.2%	4.2%	4.5%	4.6%	4.7%	5.0%	5.0%	4.6%	4.5%	6.7%	6.8%
Certificates of Deposit	6.3%	5.9%	5.9%	6.0%	5.8%	5.9%	6.3%	6.3%	5.8%	5.3%	5.0%	5.1%
Savings/Checking	11.0%	11.2%	12.5%	12.9%	15.9%	13.8%	12.7%	13.9%	13.0%	7.9%	7.6%	7.4%
LAIF	20.7%	21.3%	17.6%	14.2%	10.5%	10.6%	7.6%	7.6%	15.8%	20.7%	16.8%	11.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

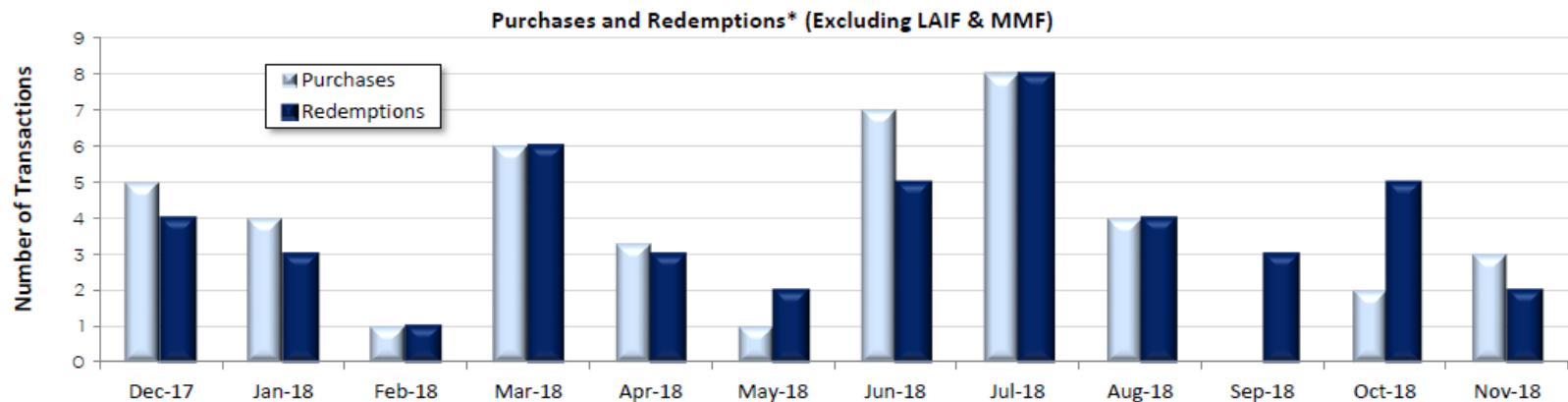
Recommended Additional Reports - Issuers



Recommended Additional Reports - Activity



	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Positions	73	73	71	76	73	71	76	79	75	71	70	68



*Redemptions include maturities, calls, and sells (excluding paydowns)

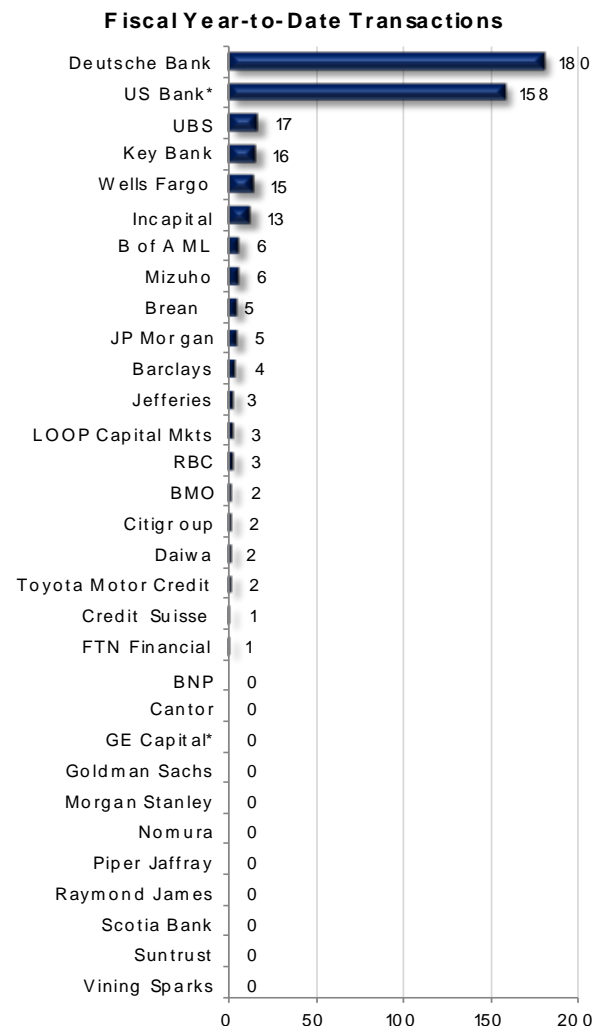
	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Purchases	5	4	1	6	3	1	7	8	4	0	2	3
Redemptions	4	3	1	6	3	2	5	8	4	3	5	2
Total Transactions	9	7	2	12	6	3	12	16	8	3	7	5

Recommended Additional Reports - Activity

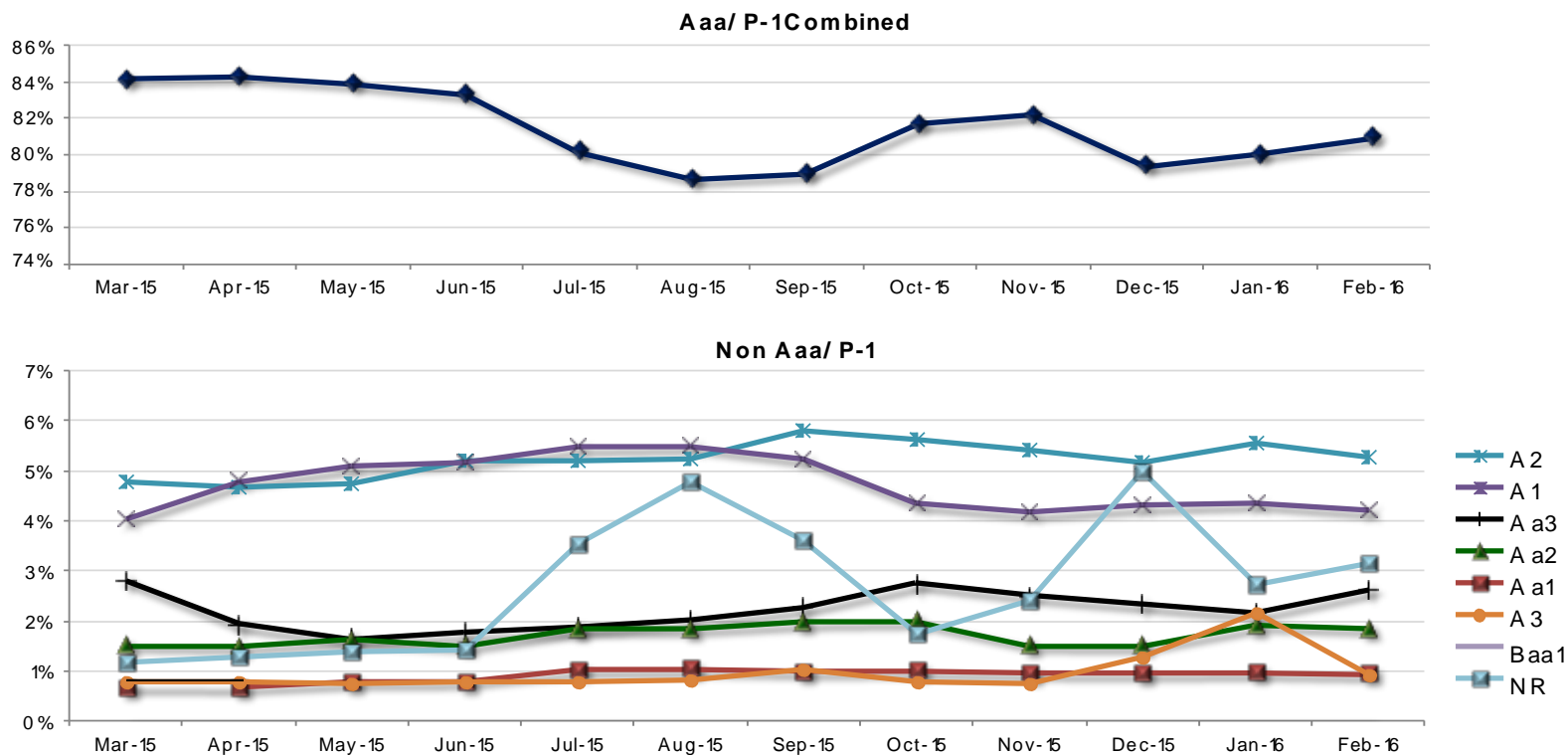
Transactions by Dealer

Dealer	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Deutsche Bank	22	23	20	23	23	28	20	21					180
US Bank*	22	18	21	19	19	21	18	20					158
UBS	2			1	1	13							17
Key Bank	1		1	6	5	1		2					16
Wells Fargo	2	1		2	3	5		2					15
Incapital	2			1	1	5		4					13
B of A ML			1	1		2		2					6
Mizuho		1			1	3	1						6
Brean	1	1				2	1						5
JP Morgan				1	2			2					5
Barclays	1			1	2								4
Jefferies	1	1					1						3
LOOP Capital Mkts						3							3
RBC	1		1			1							3
BMO					1	1							2
Citigroup					1			1					2
Daiwa				1		1							2
Toyota Motor Credit					2								2
Credit Suisse				1									1
FTN Financial								1					1
BNP													0
Cantor													0
GE Capital*													0
Goldman Sachs													0
Morgan Stanley													0
Nomura													0
Piper Jaffray													0
Raymond James													0
Scotia Bank													0
Suntrust													0
Vining Sparks													0
Total	55	45	44	57	61	86	41	55	0	0	0	0	444

*Direct Issuers



Recommended Additional Reports - Ratings



Types	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Aaa/ P-1	84.2%	84.4%	83.9%	83.4%	80.3%	78.8%	79.1%	81.7%	82.3%	79.5%	80.1%	81.0%
Aa1	0.7%	0.7%	0.8%	0.8%	1.0%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%
Aa2	1.5%	1.5%	1.6%	1.5%	1.8%	1.9%	2.0%	2.0%	1.5%	1.5%	1.9%	1.9%
Aa3	2.8%	1.9%	1.6%	1.8%	1.9%	2.0%	2.3%	2.7%	2.5%	2.3%	2.2%	2.6%
A1	4.0%	4.8%	5.1%	5.2%	5.5%	5.5%	5.2%	4.3%	4.2%	4.3%	4.4%	4.2%
A2	4.8%	4.7%	4.8%	5.2%	5.2%	5.2%	5.8%	5.6%	5.4%	5.2%	5.5%	5.3%
A3	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	1.0%	0.8%	0.7%	1.3%	2.2%	0.9%
NR-Not Rated	1.2%	1.3%	1.4%	1.4%	3.5%	4.8%	3.6%	1.7%	2.4%	5.0%	2.7%	3.2%
Baa1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

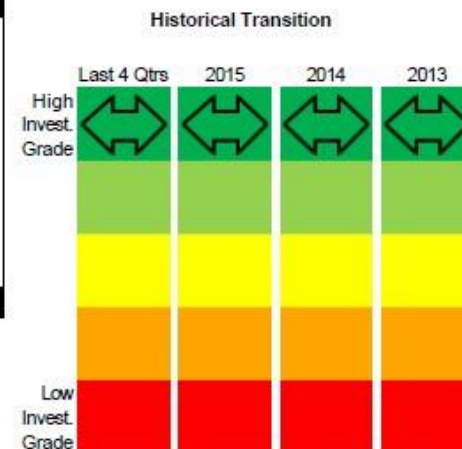
Recommended Additional Reports - Analysis

Descriptive Information		Last 4 Qtrs	2015	2014	2013	2012	Relative Credit Performance - Most Recent Period		
CUSIP	94974BFG0	Key Credit Metrics					Pct Ranking vs Peer Group		
Issuer	Wells Fargo & Co	3-Yr Average Pre-Provision Net Revenue/ RWA (%)	2.80	2.83	3.03	3.11	3.29	90%	1
Ticker	WFC	Tier 1 CET Common Ratio (%)	10.82	11.07	11.04	10.72	10.03	50%	3
Sector	Financial	NPA+ Loans 90PD/ Tang Common Equity + LLR (%)	16.14	28.88	35.51	45.46	52.93	20%	4
Subgroup	Bank - Domestic	Reliance on Wholesale Funding (3-yr Avg)	26.38	24.06	22.08	21.35	20.44	20%	4
Peer Group	Bank - Domestic	Efficiency Ratio (%)	57.10	56.95	57.01	56.35	56.35	80%	1
Maturity	01/16/2018	Liquidity Ratio (%)	39.07	37.76	37.78	35.26	28.54	20%	4
Issue Date	12/26/2012	Earnings Stability Ratio (3-yr Avg) (%)	97.72	96.72	95.71	95.28	95.24	80%	1
Coupon	1.500	ROAE (%)	11.47	12.02	12.83	13.36	12.60	80%	1
Currency	USD	Total Assets (\$000)	1,889,235,000	1,787,632,000	1,687,155,000	1,527,015,000	1,422,968,000	60%	2
Amt		Tier 1 Common Capital (\$000)	169,287,000	164,584,000	154,666,000	140,735,000	126,607,000	90%	1
Outstanding	\$2,100,000,000	Financials(\$000)					Rank vs Peers		
		Total Loans & Leases	974,706,000	931,918,000	877,996,000	839,988,000	841,894,000	90%	1
		Total Deposits	1,245,866,000	1,223,559,000	1,168,708,000	1,079,531,000	1,003,205,000	100%	1
		Risk-Weighted Assets	1,354,621,610	1,303,142,460	1,242,544,700	1,141,514,100	1,077,149,700	90%	1
		Total Liquid Assets	675,776,000	641,154,000	595,738,000	500,772,000	399,311,000	100%	1
		Loans/Deposits (%)	78.24	76.16	75.13	77.81	83.92	90%	1
		NPAs/Total Loans (%)	2.71	2.84	3.44	4.10	4.62		
		Net Interest Margin (NIM) (%)	2.85	2.84	2.99	3.26	3.61		
		Yield/ Cost Spread (%)	2.74	2.73	2.88	3.12	3.43		
		Net NonCore Funding Dependence (%)	11.66	8.51	7.70	6.37	8.71		

All Pricing as of:
11/14/2016
All Financials as of:
09/27/2016

Market Monitor - Debt Performance					Market Monitor - Equity Performance				
Issuer 5-yr OAS	OAS(bps)	Diff(bps)	SD	SDs +/-	Issuer Eqy	1Yr(%)	Diff.	Sharpe	Diff.
Peer Group Avg	83	-15	30.5	-0.48	Peer Group Avg	0.31	-19.39	0.69	-0.68
Issuer Rank Avg	98	14	32.5	0.42	Issuer Rank Avg	43.87	-43.56	1.55	-1.54
IG Index Avg	70	-39	135.8	-0.29	IG Index Avg	13.40	-13.09	0.49	-0.48
					S&P Index	9.23	-8.92	0.58	-0.57
5-yr CDS	CDS(bps)	Diff(bps)	SD	SDs +/-					
Peer Group Avg	52	-10	18.2	-0.55					
Issuer Rank Avg	62	-38	86.2	-0.46					
IG Index Avg	90	-40							

5-yr Issuer OAS vs Peer Group



Standard of Prudence

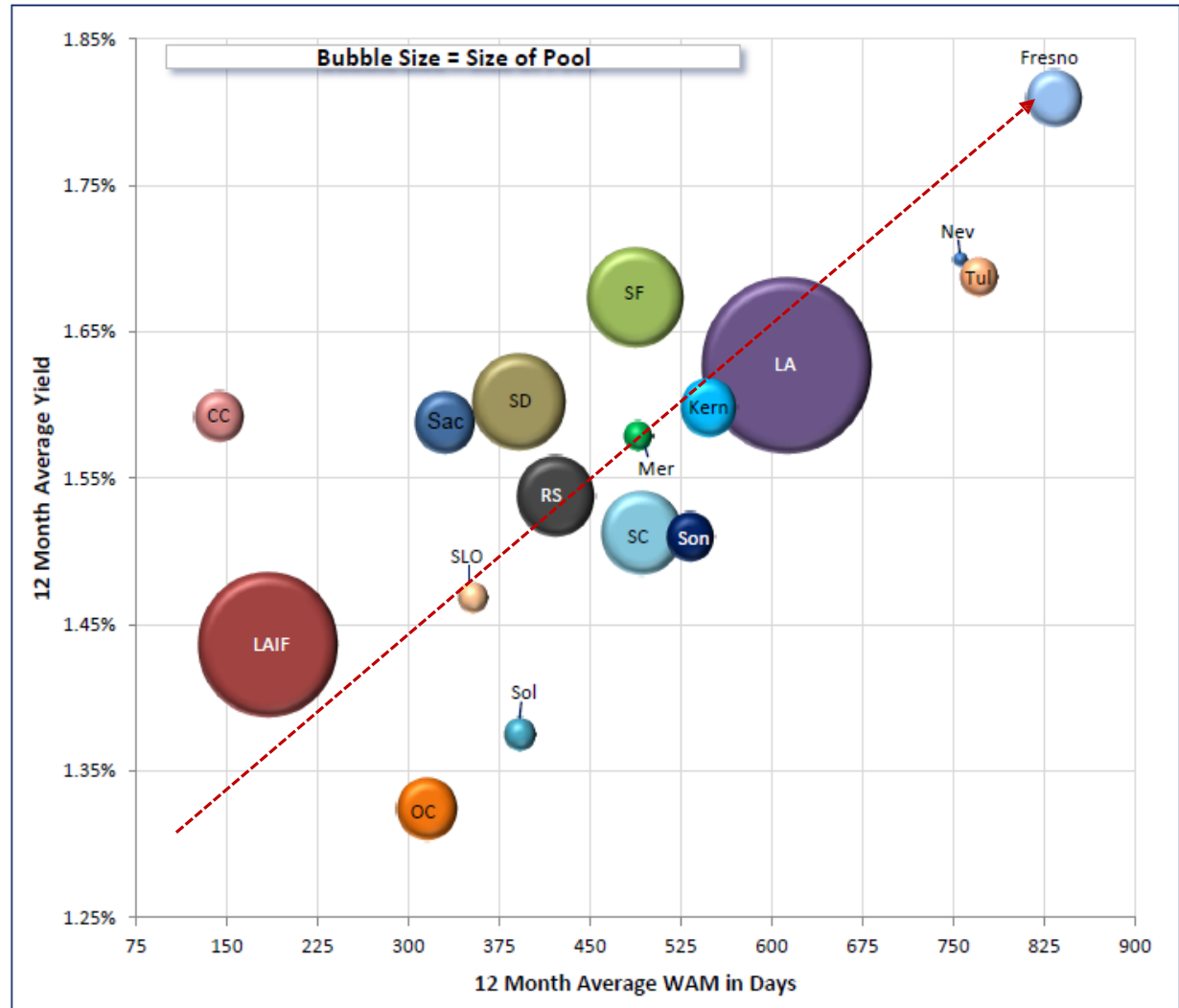
53600.3:

“Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore **fiduciaries subject to the prudent investor standard**. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that **a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims**, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

Standard of Prudence: “Like Capacity”

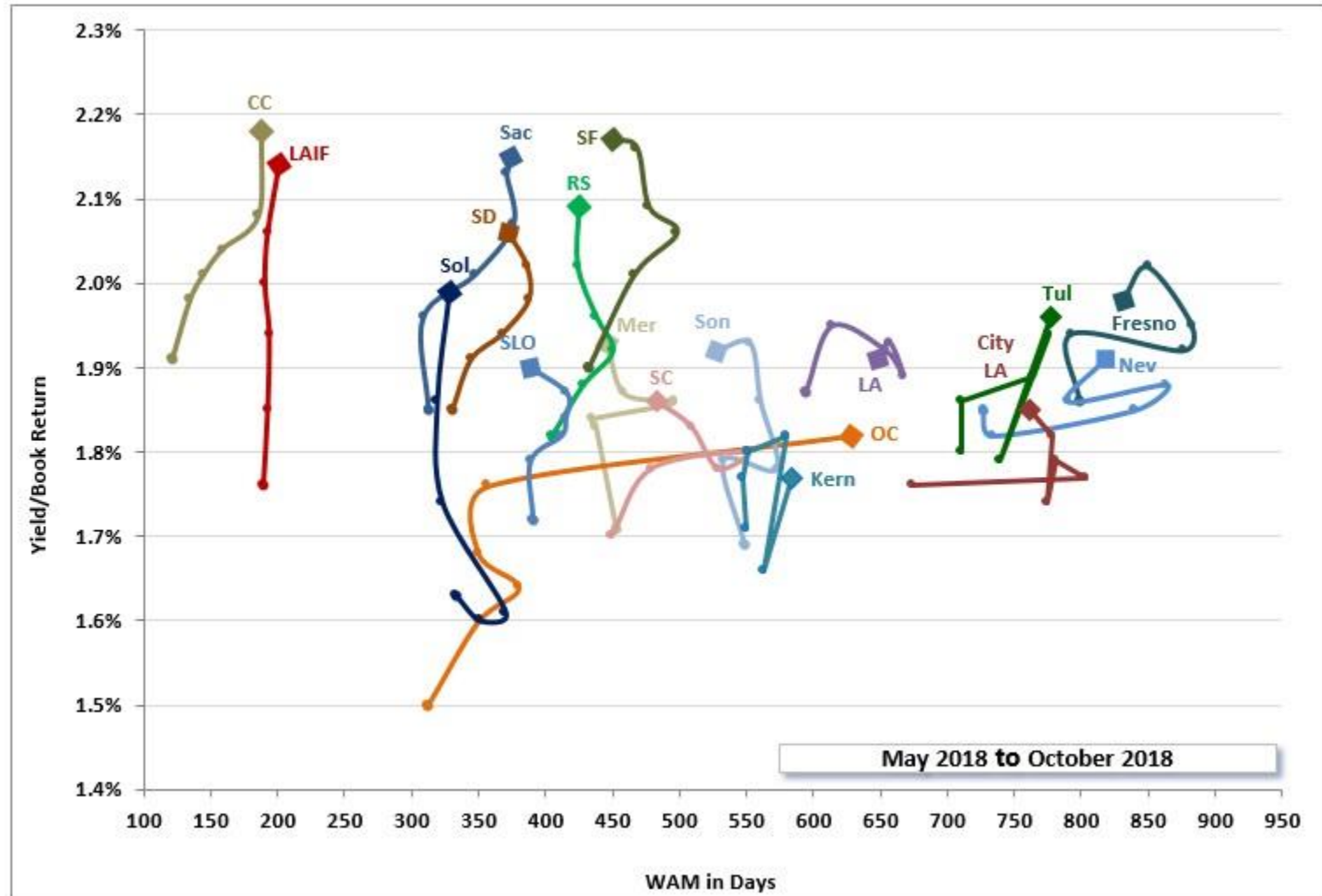
County	Amount Billions	WAM in Days	Yield
Sac: Sacramento	\$ 3.79	330	1.59%
LAIF	\$ 20.67	185	1.44%
CC: Contra Costa	\$ 2.64	144	1.59%
Fresno	\$ 3.33	834	1.81%
LA: Los Angeles	\$ 30.51	613	1.63%
Mer: Merced	\$ 0.87	490	1.58%
Nev: Nevada	\$ 0.19	756	1.70%
OC: Orange	\$ 3.96	316	1.32%
RS: Riverside	\$ 6.50	422	1.54%
SD: San Diego	\$ 9.13	392	1.60%
SF: San Francisco	\$ 9.84	488	1.67%
SLO: San Luis Obispo	\$ 0.93	354	1.47%
Sol: Solano	\$ 1.08	392	1.38%
Son: Sonoma	\$ 2.38	534	1.51%
Kern	\$ 3.36	549	1.60%
SC: Santa Clara	\$ 7.02	493	1.51%
Tul: Tulare	\$ 1.48	772	1.69%

Data as of: July 31, 2018



Sources: Entities' websites

Standard of Prudence: “Like Capacity”



Sources: Entities' websites

Additional Reports – Trade Packet

FHLB 3 12/28/23 Corp		1) Send (VCON)	97) Settings	Ticket
01/08/2019 09:26:02 Trade Date		01/08/19	09:26:02	
Trade Information				
Trader	RICK PHILLIPS			
At	FTN FINANCIAL MAIN STREET ADVISORS		CUSIP	3130AFKE6
			NYSE SYMB	N.A.
9) BUY	1000	M	of FHLB 3 12/28/23	
			Issuer	FED HOME LN B...
			Dated	12/28/18
Price	100.00000000	Yield	3.000000	to Worst
				12/28/19 @ 100
			Current Coupon	3.000000
Settlement	12/18/18			
Ratings	S&P AA+ Moody's Aaa Fitch N.A.			
Notes				
	NEXT CALL on 3/28/19 @ 100.00 * DISCRETE CALL W/ 5 DAYS NOTICE			
Trade Numbers				
View Amounts in	USD			
Principal		USD	1,000,000.00	
Accrued	(0 days)		0.00	
Total		USD	1,000,000.00	

Sources: Bloomberg

Additional Reports – Trade Packet

FHLB 3 12/28/23 Corp		Settings ▾	Page 1/12	Security Description: Structured Note
Data not provided by Bloom...		94) Notes	95) Buy	96) Sell
25) Bond Description		26) Issuer Description		
Pages	Issuer Information	Identifiers		
11) Bond Info	Issuer FEDERAL HOME LOAN BANK	ID Number	AW1744589	
12) Addtl Info	Industry Government Agencies	CUSIP	3130AFKE6	
13) Reg/Tax	Security Information	ISIN	US3130AFKE67	
14) Covenants	Mkt Iss US Domestic	Bond Ratings		
15) Guarantors	Country US	Currency	Moody's Aaa	
16) Bond Ratings	Rank Unsecured	Series	S&P AA+	
17) Identifiers	Coupon 3.000000	Type Step-U...	Composite AA+	
18) Exchanges	Cpn Freq S/A	Iss Price 100.00000	Issuance & Trading	
19) Inv Parties	Day Cnt 30/360	Maturity 12/28/2023	Amt Issued/Outstanding	
20) Fees, Restrict	CALL 03/28/19@100.00	Iss Sprd	USD	30,000.00 (M) /
21) Schedules	Calc Type (1311)MULTI-STEP CPN BND	Pricing Date 12/11/2018	USD	30,000.00 (M)
22) Coupons	Interest Accrual Date 12/28/2018	1st Settle Date 12/28/2018	Min Piece/Increment 100,000.00 / 5,000.00	
Quick Links	1st Coupon Date 06/28/2019	Par Amount 5,000.00	Book Runner BOSC,PJC,RJA	
32) ALLQ Pricing		Reporting	TRACE	
33) QRD Qt Recap				
34) TDH Trade Hist				
35) CACS Corp Action				
36) CF Prospectus				
37) CN Sec News				
38) HDS Holders				

Sources: Bloomberg

Additional Reports – Trade Packet

FHLB 3 12/28/23 Corp Settings Page 11/12 Security Description: Structured Note

Data not provided by Bloom... 94 Notes 95 Buy 96 Sell

25 Bond Description 26 Issuer Description

Pages Schedules

11) Bond Info
12) Addtl Info
13) Reg/Tax
14) Covenants
15) Guarantors
16) Bond Ratings
17) Identifiers
18) Exchanges
19) Inv Parties
20) Fees, Restrict

Schedules
Call Schedule
Discrete Call minimum 5 business days notice
May be called in full or part
Last Call Date 09/28/2023

Call Frequency Quarterly
Callable only on date(s) shown

	Date	Price
21) Schedules	03/28/2019	100.000
22) Coupons	06/28/2019	100.000
Quick Links	09/28/2019	100.000
32) ALLQ Pricing	12/28/2019	100.000
33) QRD Qt Recap	03/28/2020	100.000
34) TDH Trade Hist	06/28/2020	100.000
35) CACS Corp Action	09/28/2020	100.000
36) CF Prospectus	12/28/2020	100.000
37) CN Sec News	03/28/2021	100.000
38) HDS Holders	06/28/2021	100.000
66) Send Bond	09/28/2021	100.000

Sources: Bloomberg

Additional Reports – Trade Packet

FHLB 3 12/28/23 Corp Settings Page 12/12 Security Description: Structured Note

Data not provided by Bloom... 94) Notes 95) Buy 96) Sell

25) Bond Description 26) Issuer Description

Pages	Coupons			
11) Bond Info	Coupon Information			
12) Addtl Info	Issue Date	12/28/2018	First Coupon	Normal
13) Reg/Tax	1st Coupon Date	06/28/2019	Last Coupon	Normal
14) Covenants	Observation Index	N/A	Paying Index	N/A
15) Guarantors				
16) Bond Ratings				
17) Identifiers				
18) Exchanges				
19) Inv Parties				
20) Fees, Restrict				
21) Schedules				
22) Coupons				
23) Quick Links				
32) ALLQ Pricing				
33) QRD Qt Recap				
34) TDH Trade Hist				
35) CACS Corp Action				
36) CF Prospectus				
37) CN Sec News				
38) HDS Holders				

Sources: Bloomberg

Additional Reports – Trade Packet

912828V2 Govt			96) Export			97) Settings			Page 1/6 Historical Price Table		
T 2 ¼ 12/31/23						High	99-15+	on	01/03/19		
Range	01/08/2018	-	01/08/2019	Period	Daily	Low	95-31	on	11/08/18		
Market	Last Price	Last Yield To	Currency	USD	Average	97-09			2.792		
View	Price Table	Source	CBBT	Net Chg	- 27+			-0.86%			
Date	Last Price	Last Yiel...	Date	Last Price	Last Yiel...	Date	Last Price	Last Yiel...	Date	Last Price	Last Yiel...
Fr 01/11/19			Fr 12/21/18	98-02+	2.662	Fr 11/30/18	97-07¼	2.840			
Th 01/10/19			Th 12/20/18	97-29¾	2.693	Th 11/29/18	97-02	2.875			
We 01/09/19			We 12/19/18	98-05¼	2.642	We 11/28/18	96-31+	2.892			
Tu 01/08/19	98-17¾	2.561	Tu 12/18/18	98-01	2.671	Tu 11/27/18	96-28¼	2.913			
Mo 01/07/19	98-20¾	2.541	Mo 12/17/18	97-26	2.718	Mo 11/26/18	96-29	2.908			
Fr 01/04/19	98-26¼	2.503	Fr 12/14/18	97-20+	2.755	Fr 11/23/18	97-00¼	2.885			
Th 01/03/19 H	99-15+	2.360	Th 12/13/18	97-17	2.778	Th 11/22/18					
We 01/02/19	99-00+	2.461	We 12/12/18	97-15	2.791	We 11/21/18	96-28¼	2.911			
Tu 01/01/19			Tu 12/11/18	97-18+	2.767	Tu 11/20/18	96-28¾	2.907			
Mo 12/31/18	98-24¾	2.513	Mo 12/10/18	97-22+	2.740	Mo 11/19/18	96-31	2.892			
Fr 12/28/18	98-18¼	2.556	Fr 12/07/18	97-25¾	2.717	Fr 11/16/18	96-30¾	2.893			
Th 12/27/18	98-09	2.618	Th 12/06/18	97-16	2.782	Th 11/15/18	96-21¾	2.953			
We 12/26/18	98-00¾	2.674	We 12/05/18			We 11/14/18	96-19	2.971			
Tu 12/25/18			Tu 12/04/18	97-11¼	2.814	Tu 11/13/18	96-15	2.998			
Mo 12/24/18	98-11+	2.601	Mo 12/03/18	97-06¾	2.844	Mo 11/12/18					

Sources: Bloomberg

Additional Reports - GASB

NO. 144-A | MARCH 1997

Governmental Accounting Standards Series

Statement No. 31 of the Governmental Accounting Standards Board

Accounting and
Financial Reporting
for Certain Investments and
for External Investment Pools

MARK-TO-MARKET INFORMATION – INVESTMENT POOL PORTFOLIO

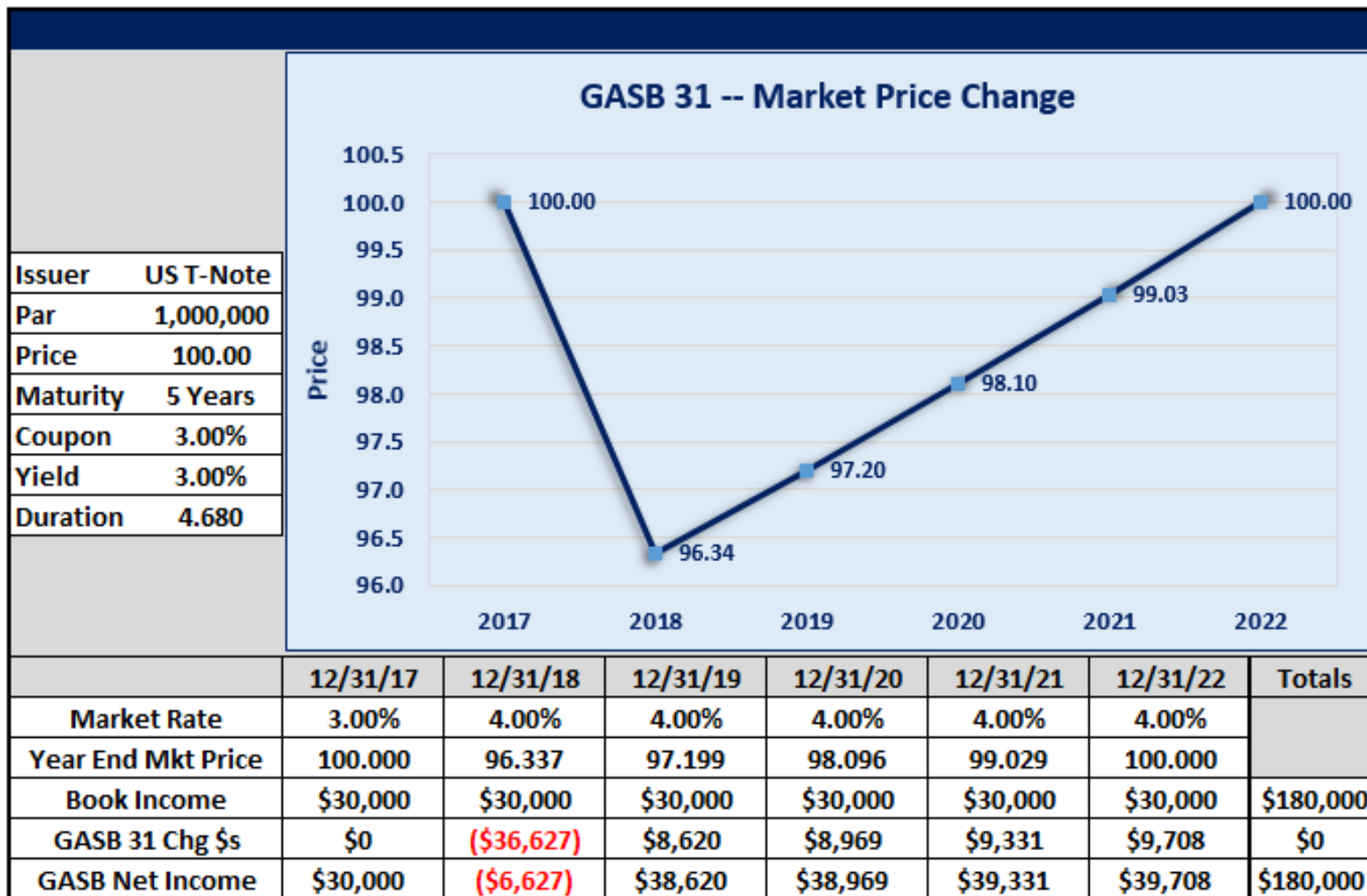
The Governmental Accounting Standards Board (GASB) Statement 31 requires governmental entities to report certain investments at “fair” or market value for annual financial reporting purposes. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Treasurer’s Office monitors the market value change on a monthly basis and reports the annual change in the City’s Comprehensive Annual Financial Report.

INVESTMENT POOL MARK-TO-MARKET FISCAL YEAR 2019 Y-T-D

DESCRIPTION	AMOUNT
Invested Value at September 30, 2018	765,480,859
Add: Proceeds of Investments Matured/Sold in FY19	205,373,125
Less: Cost of Investments Purchased in FY19	(190,716,291)
Add: Amortization Adjustment	(441,835)
Less: Invested Value at June 30, 2018	(782,137,645)
Change in Market Value of Investments	(2,441,787)

Sources: GASB

GASB 31



Sources: FTN Main Street

Additional Reports - GASB

NO. 347 | FEBRUARY 2015

Governmental Accounting Standards Series

Statement No. 72 of the
Governmental Accounting
Standards Board

Fair Value Measurement
and Application

Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities or offer same day liquidity at a price of par.

Level 2 of the fair value hierarchy are generally valued using a matrix pricing technique. Matrix pricing is the process of estimating the market price of a bond based on the quoted prices of more frequently traded comparable bonds.

Level 3 of the fair value hierarchy are generally used for assets where there are unobservable inputs.

Sources: GASB

Additional Reports - GASB

Investment by fair value level	6/30/2018	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Not Required to be leveled
Debt securities:				
U.S. agency securities	\$ 198,577	\$ 31,718	\$ 166,859	
U.S. treasury obligations	269,053	269,053		
Commercial paper	102,706		102,706	
Negotiable certificate of deposit	9,979		9,979	
Medium term corporate notes	127,204		127,204	
LAIF	45,471			\$ 45,471
Total investment measured at fair value	752,990	\$ 300,771	\$ 406,748	\$ 45,471
Investments measured at cost-based:				
Guaranteed investment contracts	16,832			
Flexible repurchase agreements	129,558			
Money Market Mutual Funds	232,719			
Total investment measured at cost-based	379,109			
Total pooled and bond trustee investments	\$1,132,099			

Additional Reports - GASB

NO. 355 | DECEMBER 2015

Governmental Accounting Standards Series

Statement No. 79 of the
Governmental Accounting
Standards Board

Certain External Investment Pools
and Pool Participants



LAIF Performance Report

Quarter Ending 09/30/18

Apportionment Rate:	2.16%
Earnings Ratio:	0.00005909460836489
Fair Value Factor:	0.997832404
Daily:	2.09%
Quarter to Date:	2.00%
Average Life:	193

Source: GASB, LAIF Website

Additional Reports – LAIF/Investment Pools

California Municipal Treasurers Investment Policy Certification Program and Application



10.0 Investment Pools/ Mutual Funds – Maximum Points - 5

If governmental sponsored pools and/or mutual funds are included in Authorized Investments, a section on investigation and due diligence must be included.

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

Not Required by California Code, but is a Best Practice

Source: CMTA website, Sample Investment Policy

Additional Reports - LAIF



LOCAL AGENCY INVESTMENT FUND

→ Program Description

The Local Agency Investment Fund (LAIF), is a voluntary program created by statute; began in 1977 as an investment alternative for California's local governments and special districts and it continues today under Treasurer Fiona Ma's administration. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code.

This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. This in-house management team is comprised of civil servants who have each worked for the State Treasurer's Office for an average of 20 years.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The State Treasurer, as Chairman, or his designated representative appoints two members qualified by training and experience in the field of investment or finance, and two members who are treasurers, finance or fiscal officers or business managers employed by any county, city or local district or municipal corporation of this state.

The term of each appointment is two years or at the pleasure of the appointing authority.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that our goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by Investment Division staff and reviewed by both the PMIB and the LIAB on an annual basis.

The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis and the resulting opinion is posted to the State Treasurer's Office website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investments and LAIF claims are audited on a daily basis by the State Controller's Office as well as an in-house audit process involving three separate divisions.

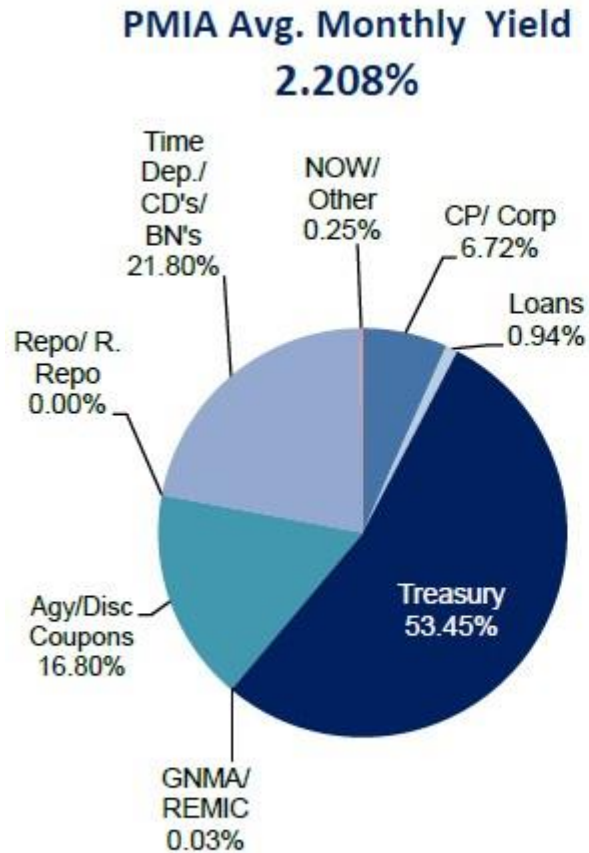
Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This Section states that "moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

During the 2002 legislative session, California Government Code Section 16429.4 was added to the LAIF's enabling legislation. This Section states that "the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency to withdraw its deposited moneys from the LAIF, upon demand, may not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

The LAIF has grown from 293 participants and \$468 million in 1977 to 2,376 participants and \$20.2 billion at the end of November 2018.

Source: LAIF Website

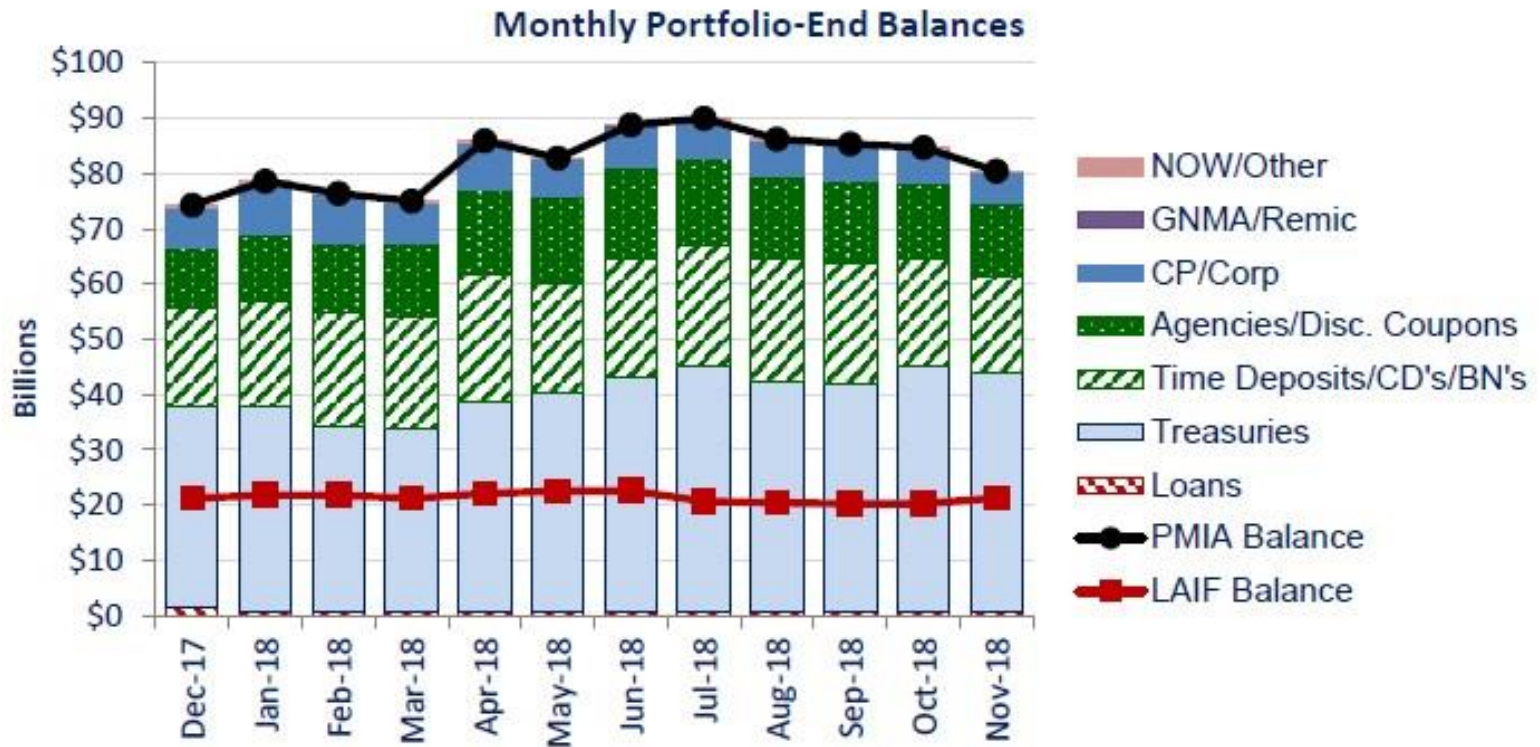
Additional Reports - LAIF



<u>Type of Security</u>	<u>Amount</u>	<u>% of Portfolio</u>
Government	(000's)	
Bills	\$17,834,332	22.17%
Bonds	\$0	0.00%
Notes	\$25,164,100	31.28%
Strips	\$0	0.00%
Total Government	\$42,998,432	53.45%
Federal Agency Coupons	\$3,358,671	4.18%
Certificates of Deposit	\$11,925,000	14.82%
Bank Notes	\$850,000	1.06%
Bankers' Acceptances	\$0	0.00%
Repurchase Agreements	\$0	0.00%
Fed. Agency Disc. Notes	\$10,159,748	12.63%
Time Deposits	\$4,762,240	5.92%
GNMA's	\$0	0.00%
Commercial Paper	\$5,407,676	6.72%
FHLMC/REMIC	\$25,686	0.03%
Corporate Bonds	\$0	0.00%
AB 55 Loans	\$758,137	0.94%
GF Loans	\$0	0.00%
NOW Accounts	\$0	0.00%
Other	\$200,000	0.25%
Reverse Repo	\$0	0.00%
Total	\$80,445,590	100.00%

Source: LAIF Website, FTN Main Street Calculations

Additional Reports - LAIF



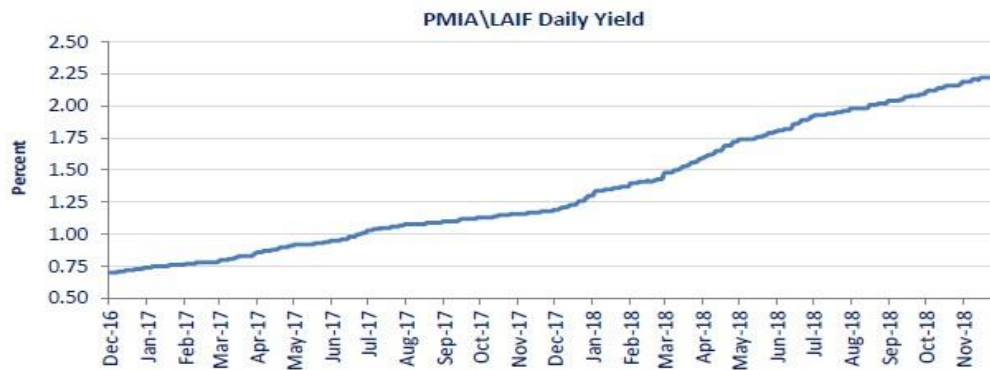
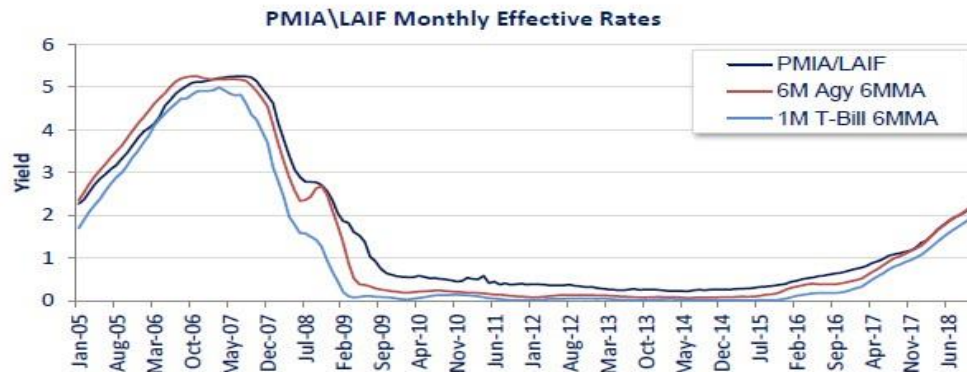
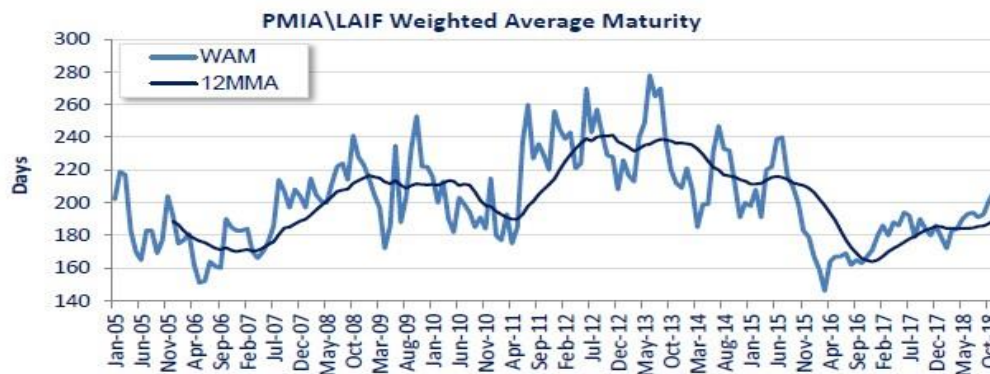
Weighed Avg Maturity
207

LAIF % of PMIA
26.43%

Loans % of PMIA
0.94%

Source: LAIF Website, FTN Main Street Calculations

Additional Reports - LAIF



Source: LAIF Website, FTN Main Street Calculations

Additional Reports - LAIF

Treasuries



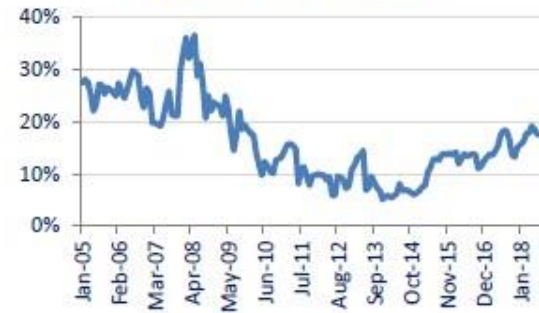
Loans



Time Deposits\CD's\BN's



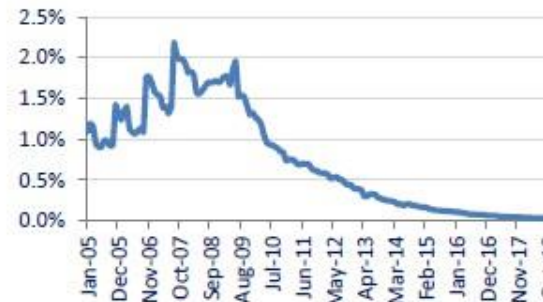
Agencies\Disc. Coupons



CP\Corp

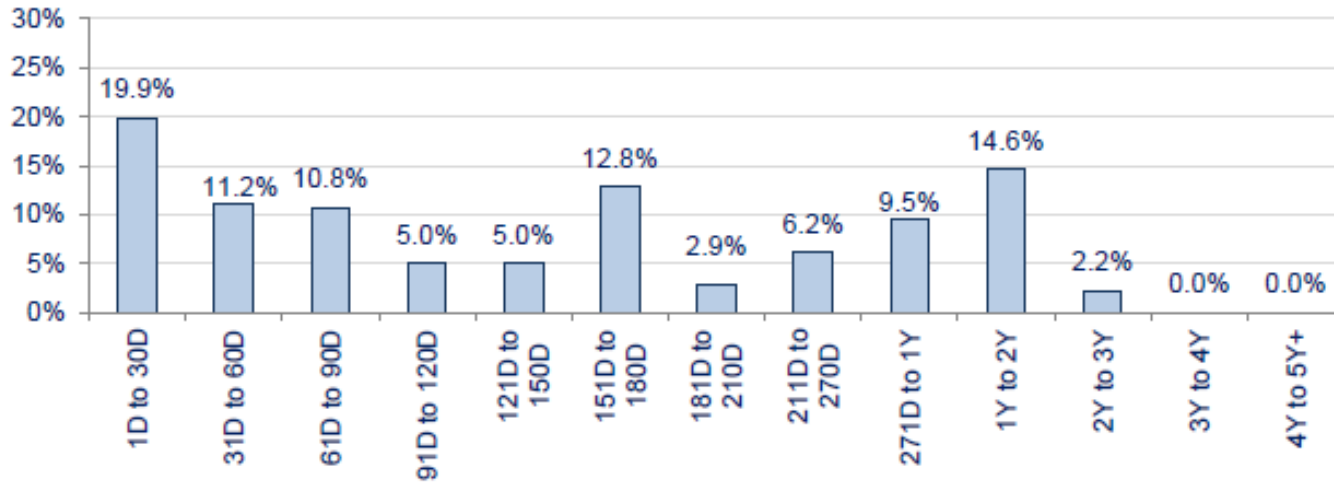


GNMA\Remic

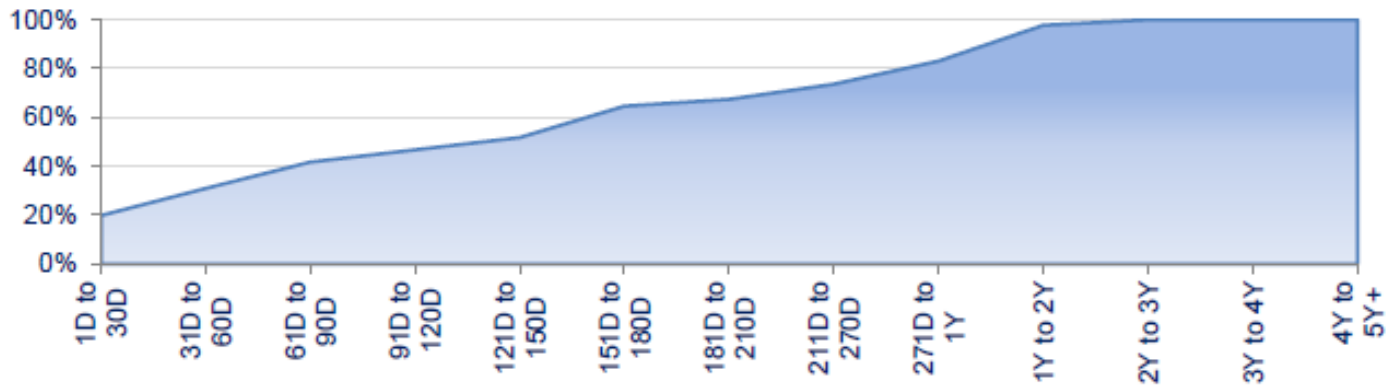


Additional Reports - LAIF

PMIA/LAIF % of Par Value Maturities by Date--As of 9/30/2018*

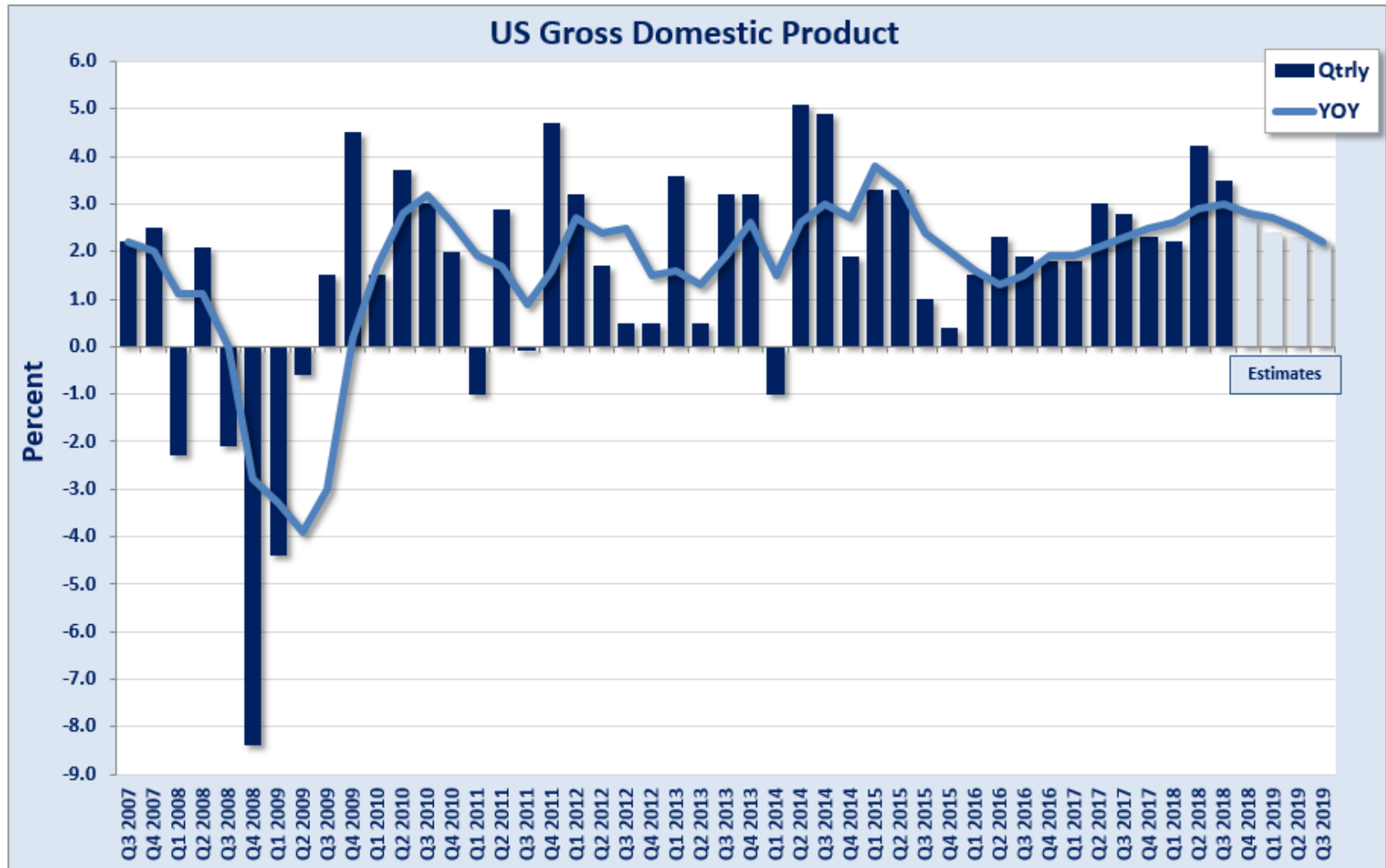


PMIA/LAIF Cumulative % of Par Value Maturities by Date--As of 9/30/2018*



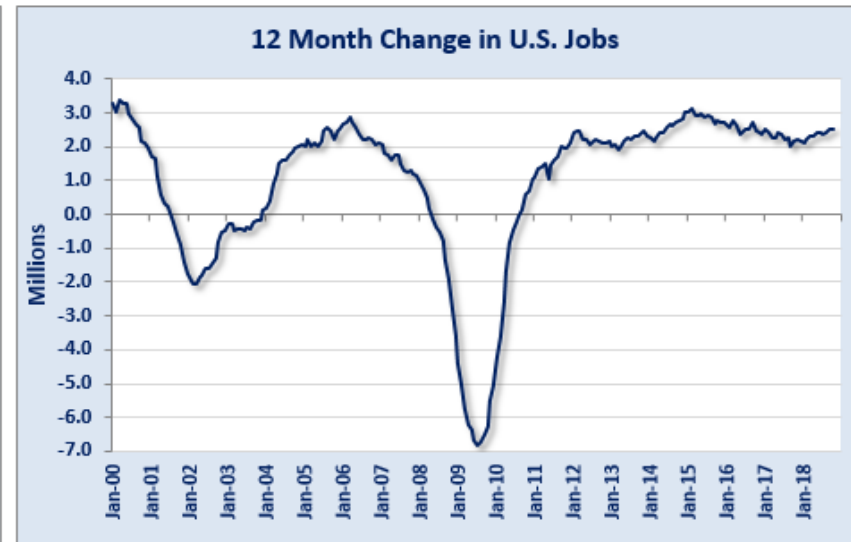
Source: LAIF Website, FTN Main Street Calculations

Additional Reports – Economic/Market



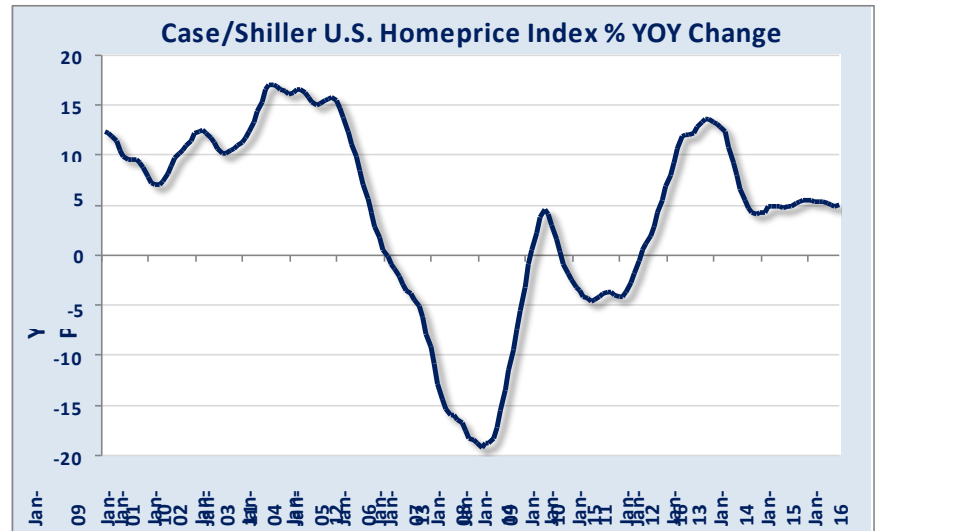
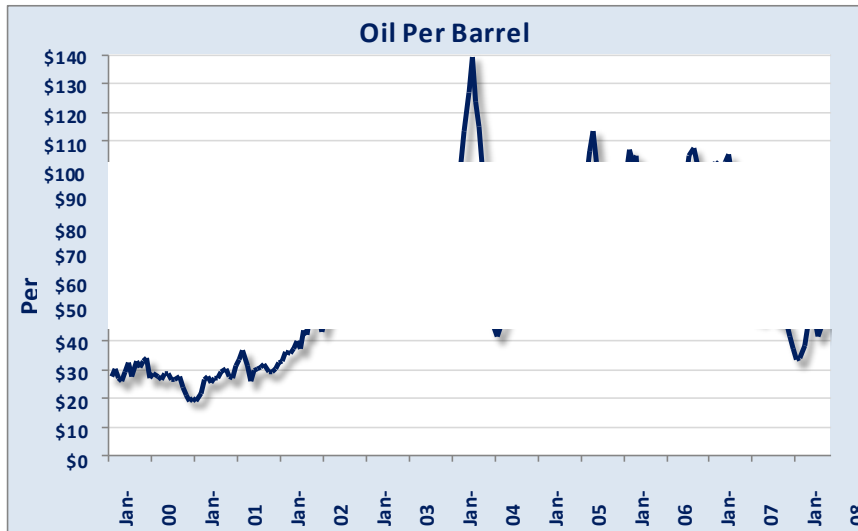
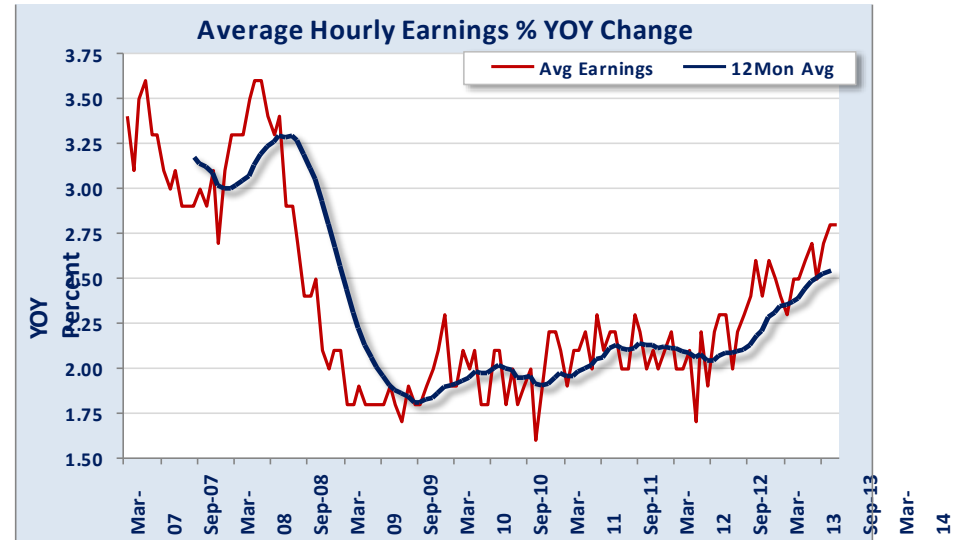
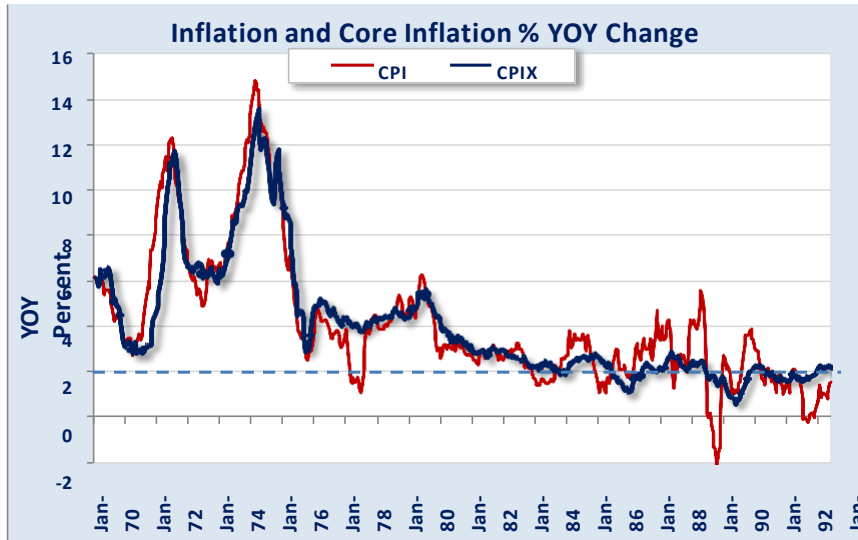
Source: Bloomberg

Additional Reports – Economic/Market



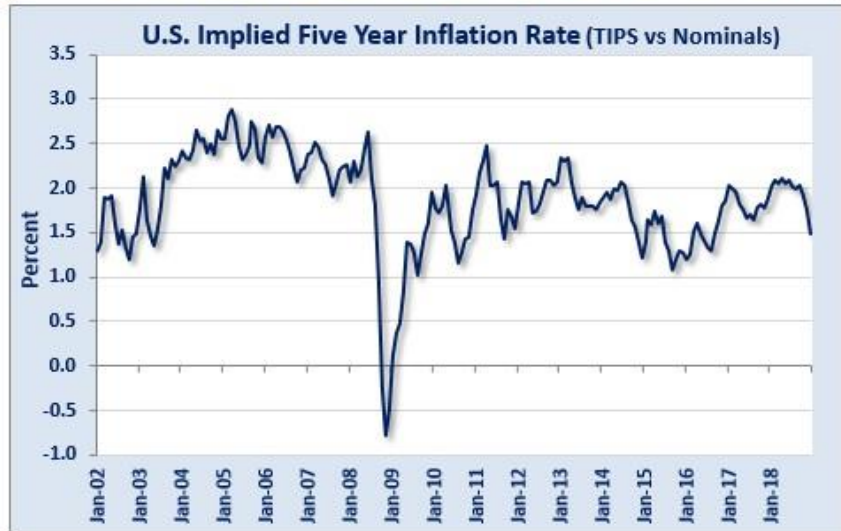
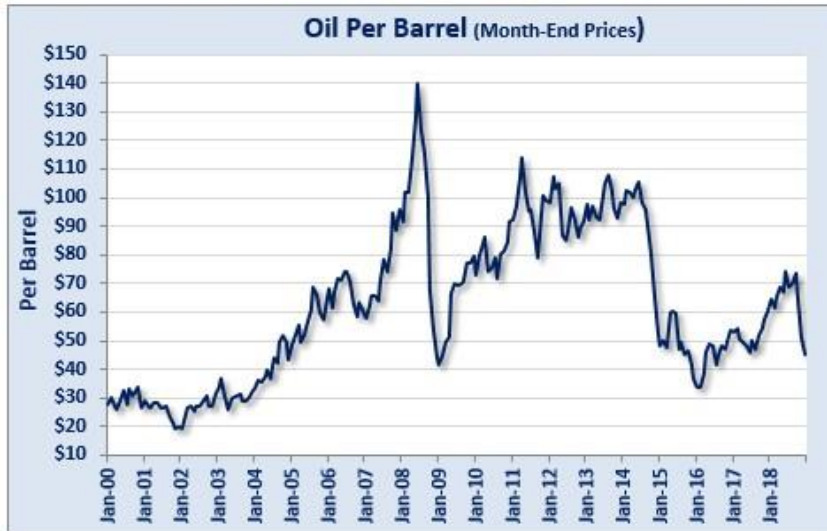
Source: Bloomberg

Additional Reports – Economic/Market



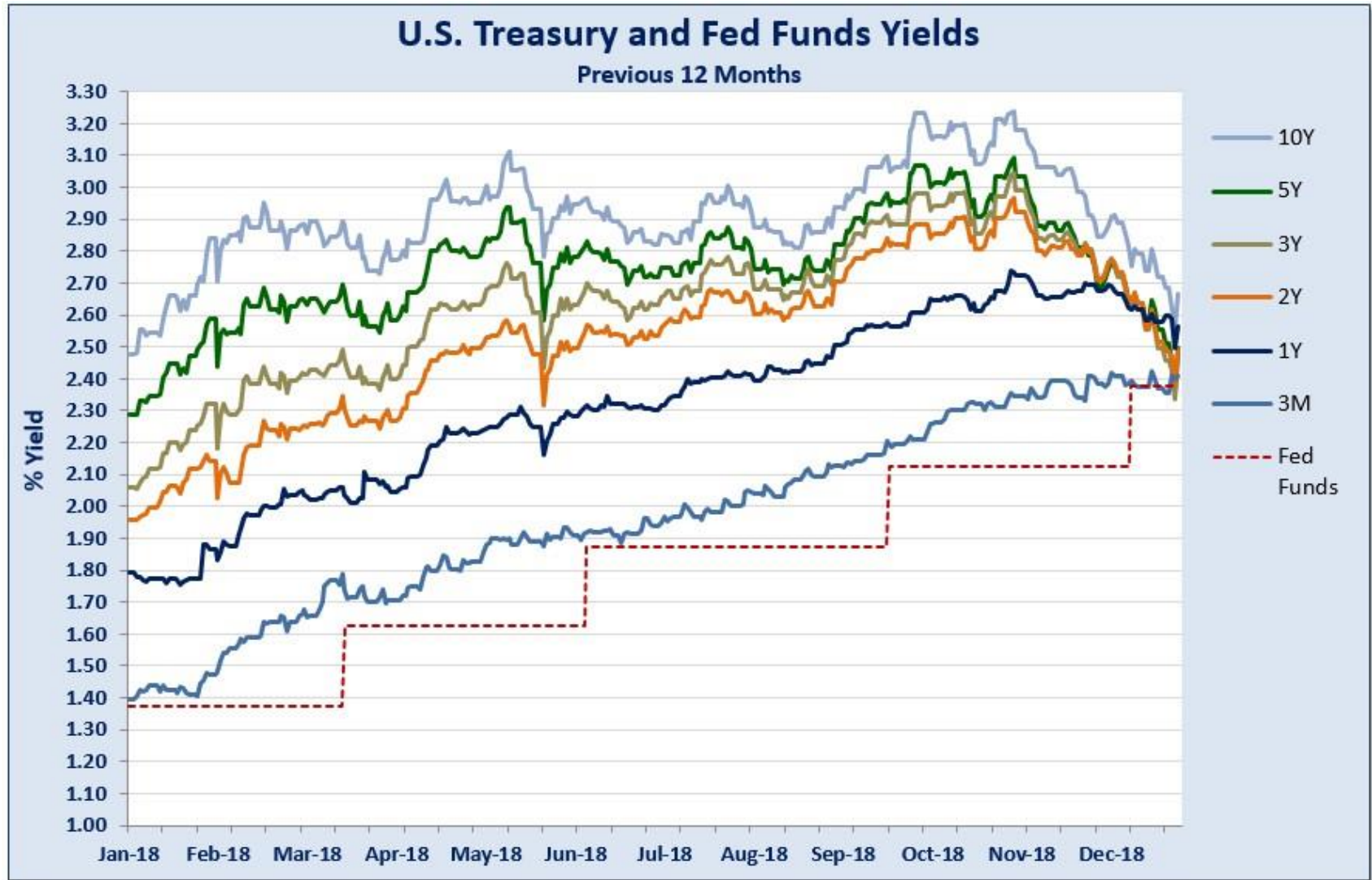
Source: Bloomberg

Additional Reports – Economic/Market



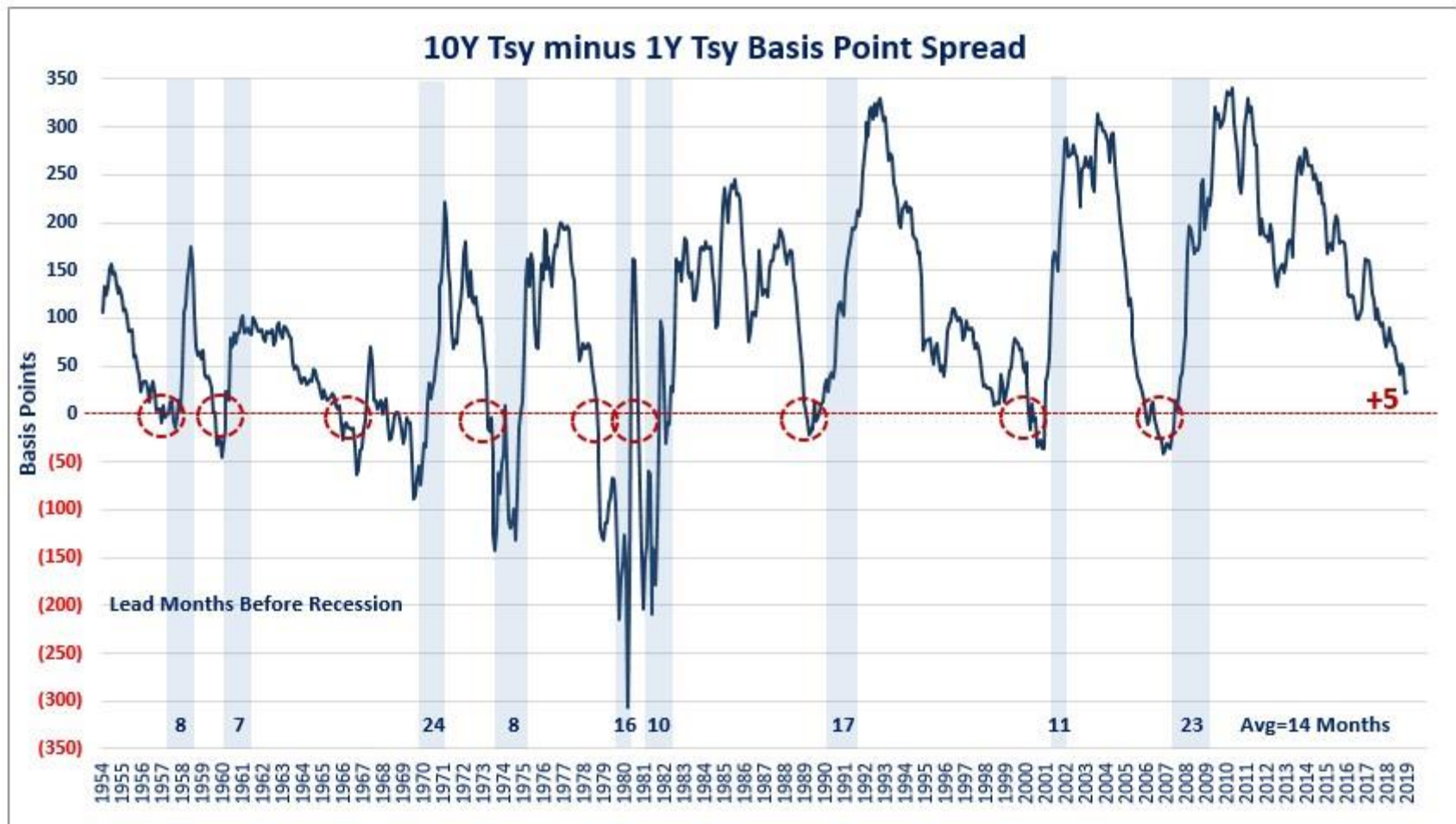
Source: Bloomberg

Additional Reports – Economic/Market



Source: Bloomberg

Additional Reports – Economic/Market

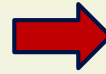


Gray bars indicate recession dates

Source: Bloomberg

Resources: Federal Reserve Econ. Data Base

☆ 10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity (T10Y2Y)



DOWNLOAD

Observation:
Dec 2018: 0.16 (+ more)
Updated: Jan 3, 2019

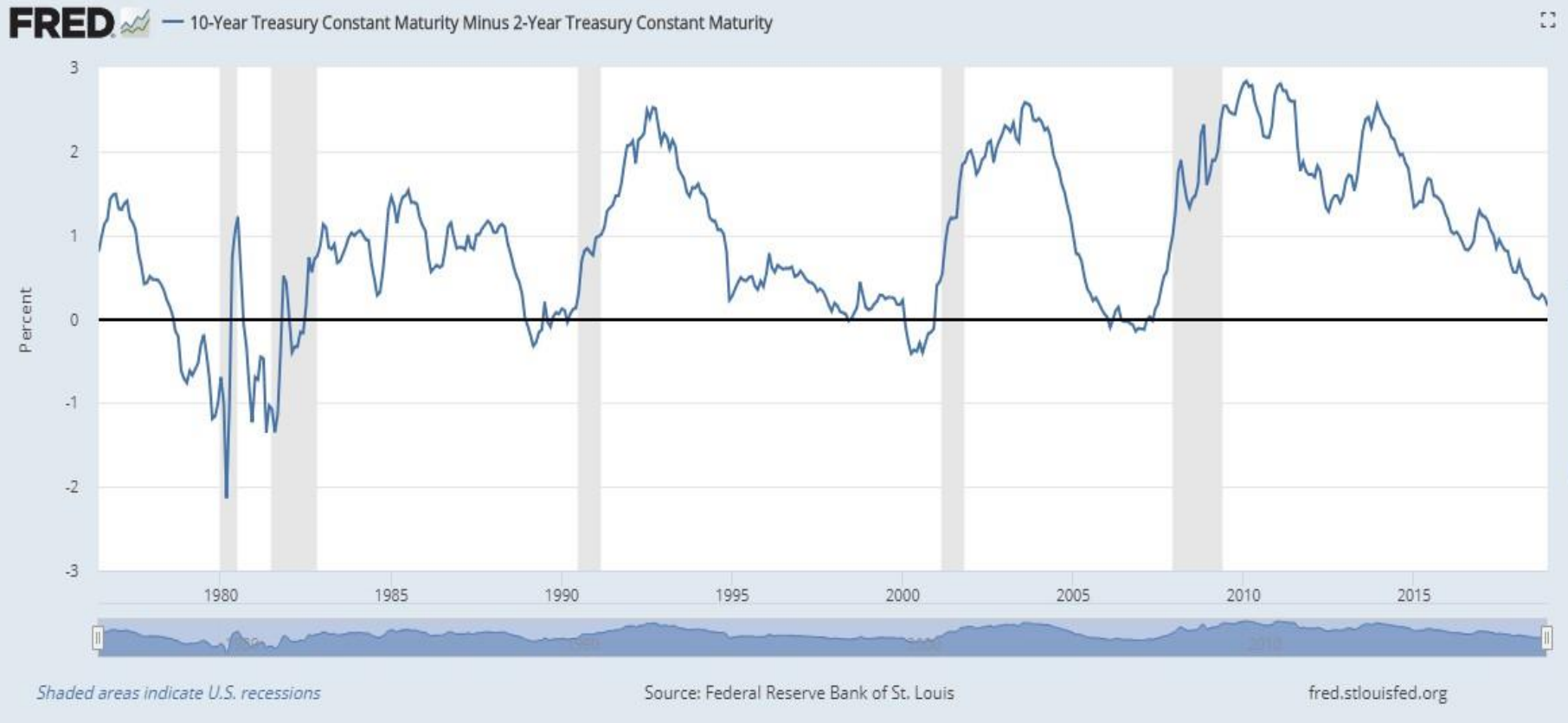
Units:
Percent,
Not Seasonally Adjusted

Frequency:
Monthly,
Average

1Y | 5Y | 10Y | Max

1976-06-01 to 2018-12-01

EDIT GRAPH



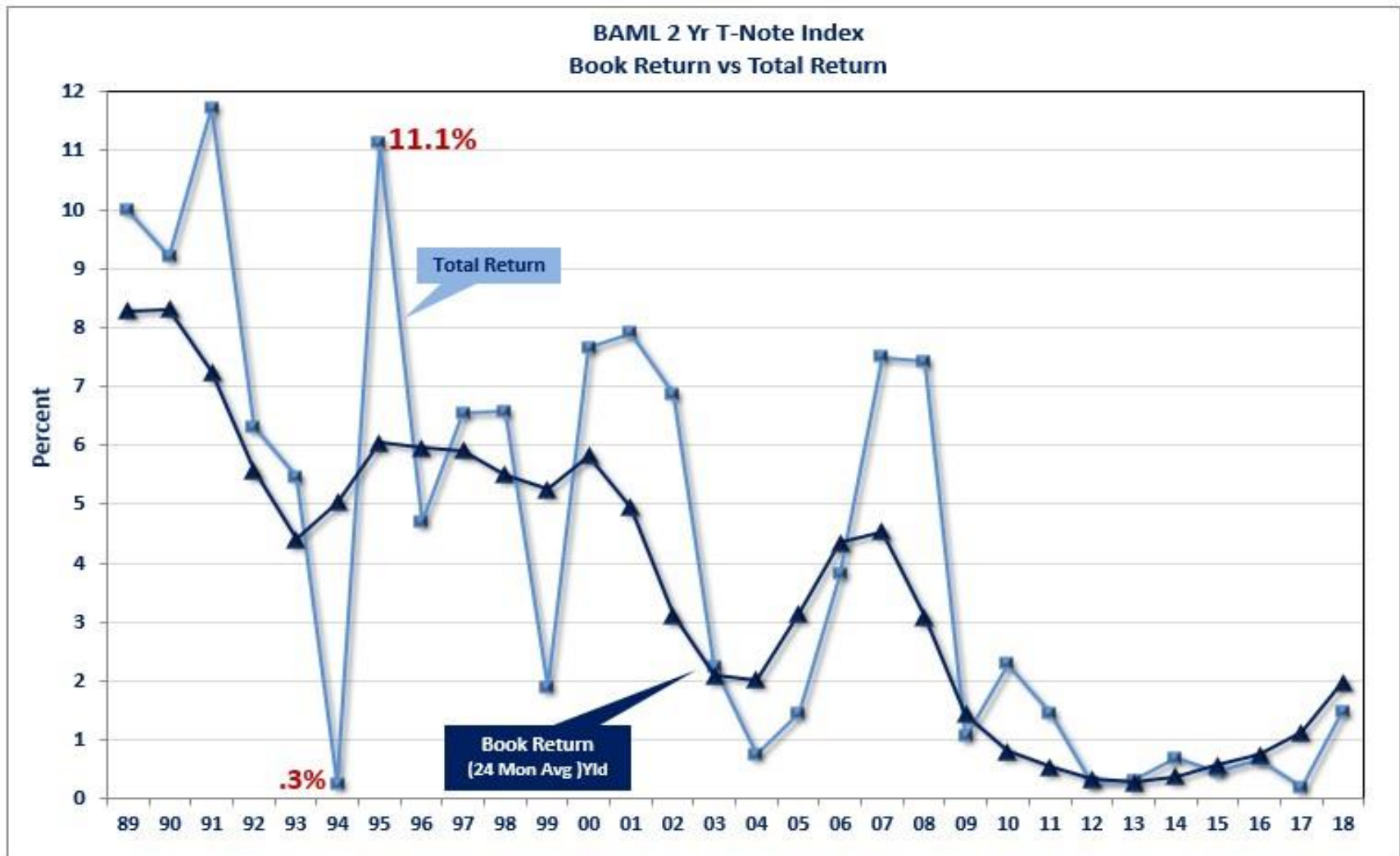
Sources: FRED

Performance Benchmarking

$$\text{Book Return} = \frac{\begin{aligned} &+ \text{ Accrued/Received Interest} \\ &+/- \text{ Amortization/Accretion or Premiums/Discounts} \\ &+/- \text{ Realized Gains/Losses} \end{aligned}}{\text{Average Daily Book Balance for the Period}}$$

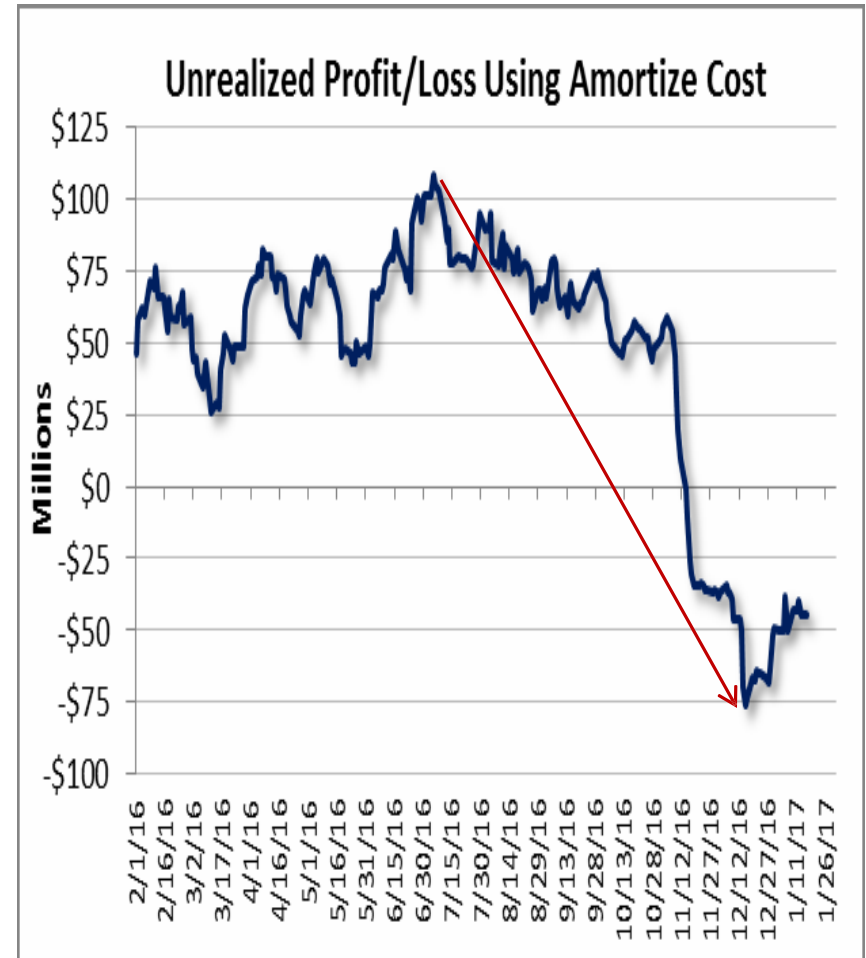
$$\text{Total Return} = \frac{\begin{aligned} &+ \text{ Accrued/Received Interest} \\ &+/- \text{ Realized Gains/Losses} \\ &+/- \text{ **Unrealized Gains/Losses**} \end{aligned}}{\text{Time Weighted Invested Market Value for the Period}}$$

Book Return vs. Total Return



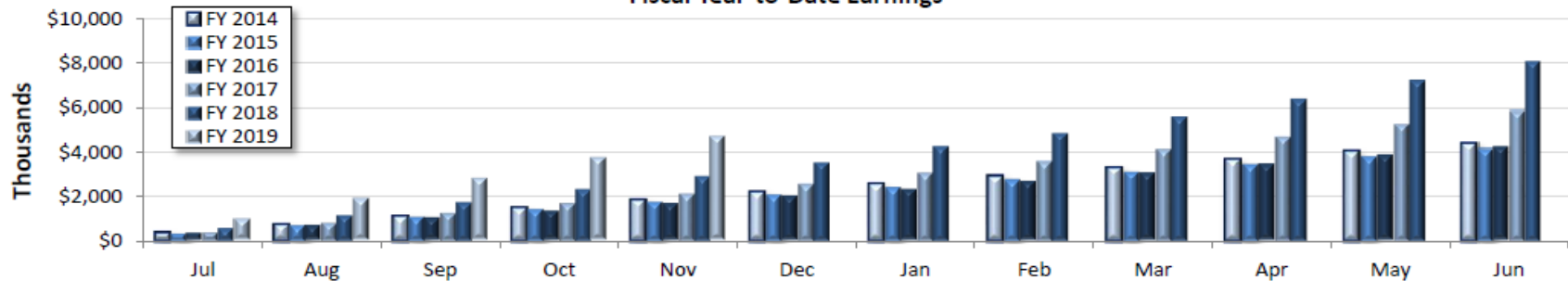
Source: Bloomberg

Real World Example



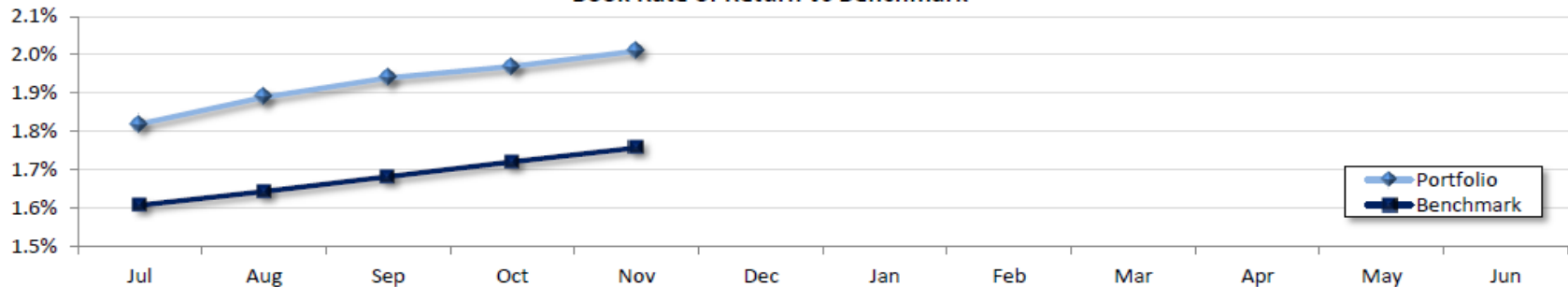
Recommended Additional Reports - Performance

Fiscal Year-to-Date Earnings



Fiscal YTD (\$000s)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2014	\$373.3	\$744.0	\$1,113.0	\$1,481.3	\$1,849.3	\$2,206.4	\$2,568.4	\$2,921.8	\$3,291.4	\$3,667.5	\$4,033.8	\$4,400.3
FY 2015	\$365.8	\$728.5	\$1,092.4	\$1,439.4	\$1,777.9	\$2,105.2	\$2,438.6	\$2,777.2	\$3,113.2	\$3,450.8	\$3,790.8	\$4,133.8
FY 2016	\$343.5	\$683.2	\$1,020.0	\$1,339.4	\$1,663.8	\$1,991.8	\$2,300.1	\$2,660.1	\$3,037.0	\$3,424.2	\$3,831.7	\$4,212.2
FY 2017	\$423.1	\$851.3	\$1,287.6	\$1,721.6	\$2,150.2	\$2,587.9	\$3,088.8	\$3,604.4	\$4,148.1	\$4,698.1	\$5,266.3	\$5,854.6
FY 2018	\$599.7	\$1,179.6	\$1,762.2	\$2,341.2	\$2,924.7	\$3,538.6	\$4,269.9	\$4,860.7	\$5,593.4	\$6,378.4	\$7,214.2	\$8,081.5
FY 2019	\$963.0	\$1,890.2	\$2,812.2	\$3,736.7	\$4,687.6							

Book Rate of Return vs Benchmark

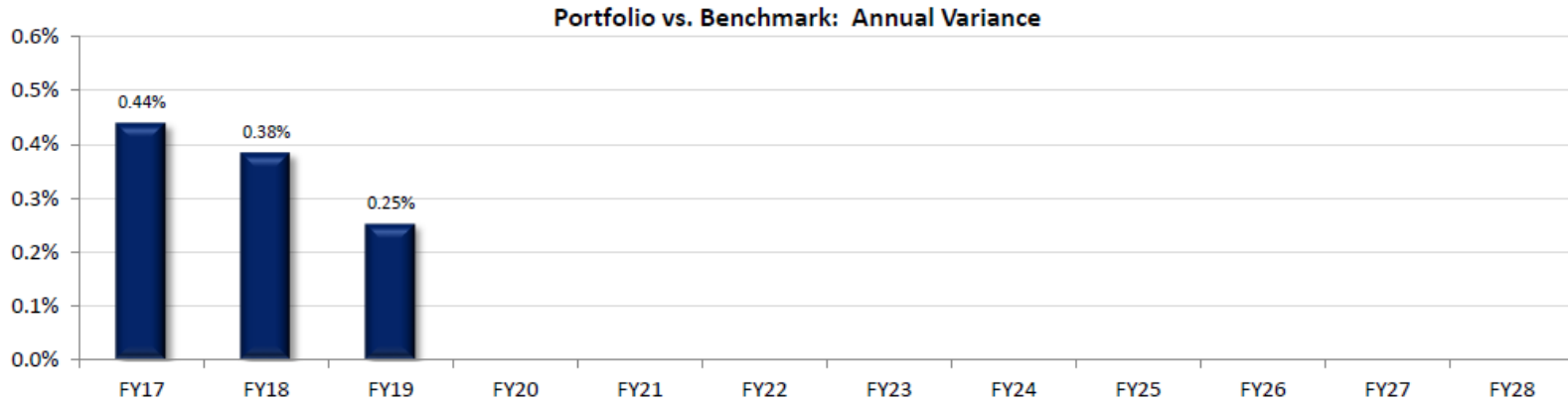
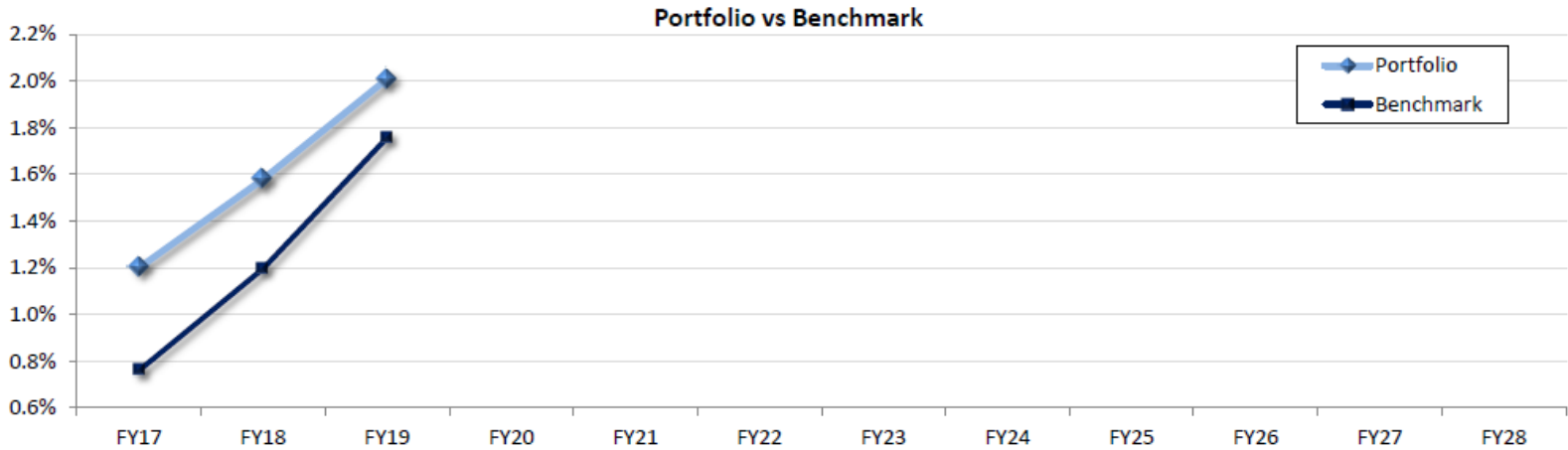


Fiscal YTD	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Book Rate of Rtn	1.82%	1.89%	1.94%	1.97%	2.01%							
Custom Benchmark*	1.61%	1.64%	1.68%	1.72%	1.76%							
Variance	0.21%	0.25%	0.26%	0.25%	0.25%							

*Benchmark: ICE BofAML 24 month moving average 0-5yr Treasury Index Thereafter--Average Builds Over the Fiscal Year Period.

Book return includes interest received/acrued, amortization of discounts/premiums, and realized gains/losses, and is a good measurement of income generated for the City's interest income budgeting process.

Recommended Additional Reports - Performance



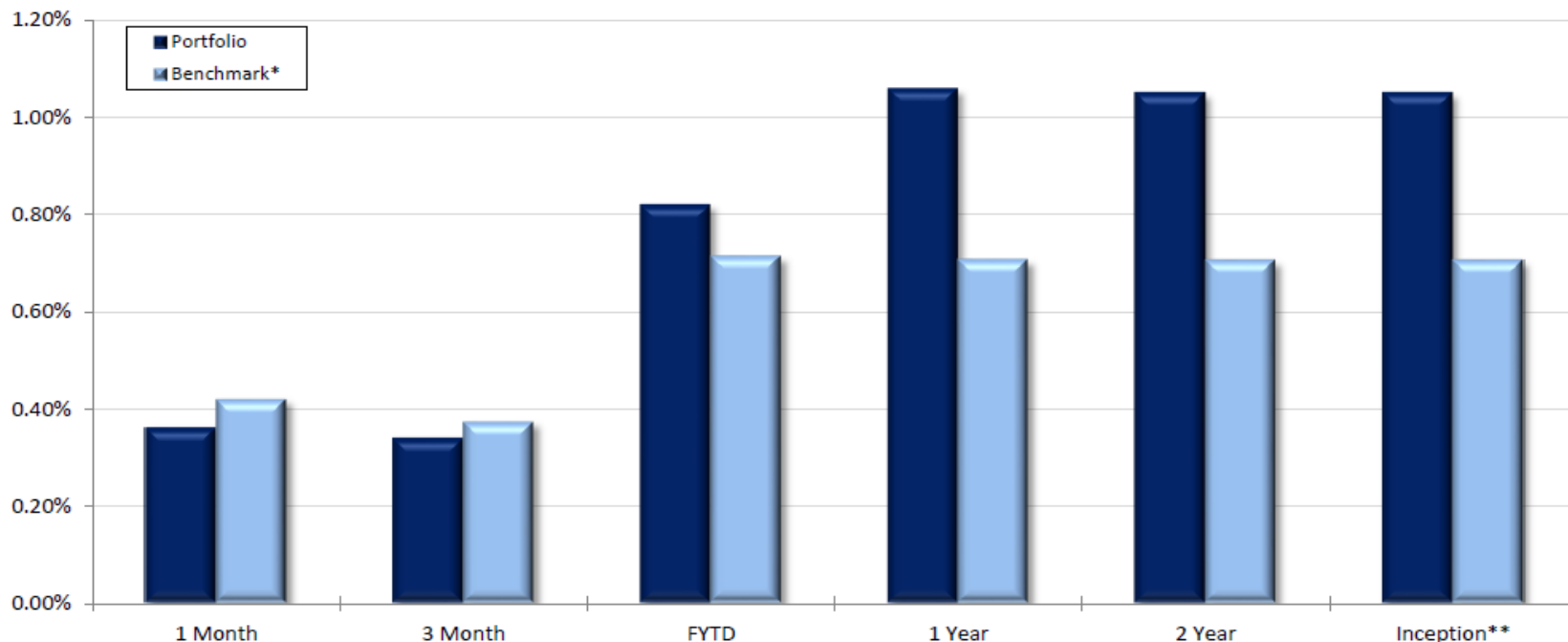
Fiscal YTD	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Portfolio	1.20%	1.58%	2.01%									
Benchmark	0.76%	1.20%	1.76%									
Variance	0.44%	0.38%	0.25%									

*Current Benchmark: ICE BAML 24 month moving average 0-5Yr Treasury Index--Average Builds Over the Fiscal Year Period

*Previous Benchmark to December 2017: ICE BAML 24 month moving average 1-3Yr Treasury Index--Average Builds Over the Fiscal Year Period

Recommended Additional Reports - Performance

Total Rate of Return



*Index: ICE BAML 0-5 Yr US Treasury Index

**Inception: December 2016

	1 Month	3 Month	FYTD	1 Year	2 Year	Inception
Portfolio	0.36%	0.34%	0.82%	1.06%	1.05%	1.05%
Benchmark*	0.42%	0.37%	0.71%	0.71%	0.70%	0.70%
Variance	-0.06%	-0.03%	0.11%	0.35%	0.34%	0.34%

Total return includes unrealized gains and losses in its calculation and is a good measurement of portfolio's risk/return compared to the market's risk/return. However, total return can be volatile with material changes of interest rates. Figures may not total due to rounding. The Wells banking sweep account is not included in the total return.



Thank You For Participating In: Fundamentals Of Public Funds Investing, Day 2

CDAIC Educational Resources:

- [Local Agency Investment Guide \(LAIG\)](#)
- [The Public Investment Portfolio Webinars: A Step-By-Step Examination of Public Investment Securities](#)
- [Upcoming Programs](#)
 - [Understanding Cash Flow and Cash Flow Forecasting Webinar](#)
February 21, 2019 | 10:00 am to 11:00 am | No Cost
 - [Understanding Benchmarking Webinar](#)
February 28, 2019 | 10:00 am to 11:30 am | No Cost
 - [Municipal Debt Essentials](#)
February 12-14, 2019 | Riverside, CA |
Public Officials: \$150 Per Day or \$375 For All Three Days; Private: \$350 Per Day Or \$975 For All Three Days

CMTA Educational Resources:

- [Investment Certification and Designation Programs \(CTC, CCMT, and Investment Policy Certification\)](#)
- [Annual Conference](#)
April 17-19, 2019 | Sheraton San Diego Hotel and Marina | See Website for Pricing
- [Lunch and Learn: The Speculation Miscalculation](#)
February 14, 2019 | Brea, CA | 11:30 am to 1:00 pm | No Cost | Lunch Courtesy of Manufacturers Bank

Prior To Leaving, Please Complete Your Evaluation