

In Collaboration with



The California Municipal Treasurers Association

Presents

Advanced Public Funds Investing: The Analytics of Portfolio Selection and Decision-Making

January 15-16, 2020

DoubleTree by Hilton Claremont

555 W. Foothill Blvd.

Claremont, CA 91711

This interactive one-and-a-half day seminar provides an advanced discussion of portfolio management, including the more complex concepts underlying sound public portfolio analysis and decision-making. The seminar will cover assessing and adjusting liquidity, understanding risk, advanced analytics, and advanced investment analysis concepts. It will also include an investment portfolio case-study simulation to allow seminar participants to place concepts into practice. Following the workshop, participants will be able to translate the concepts learned into management of their portfolios.

Note: CDIAC and CMTA recommend that prior to attending this course participants view the presentations from the basic seminar and CDIAC's webinar series, The Public Fund Investment Portfolio posted on the CDIAC website: [seminar](#); [webinar](#).

DAY ONE **Wednesday, January 15, 2020**

8:00 AM **Registration and Continental Breakfast**

8:30 AM **Welcome and Opening Remarks**

SESSION ONE

8:40 AM **Economic Forecasts, Interest Rates and Current Hot Topics**

This session will provide insight on economic forecasting and the current interest rate, legislative and public fund investing environment.

Deborah M. Higgins, President, Higgins Capital Management

SESSION TWO

- 9:45 AM** **Accessing and Adjusting Portfolio Liquidity**
This session is designed to provide a more in-depth understanding of why cash managers may shorten or lengthen maturities in the investment portfolio to meet the portfolio liquidity objectives. The speaker will also explore how money market funds and investment pools can provide economies of scale in the local portfolio. Moreover, an explanation is provided with regard to investment accounting practices set forth by the fluctuating net asset value (NAV).

Hubert (Hubie) White, III, CFA, CTP, Investment Officer and Assistant Portfolio Manager, City and County of San Francisco

- 11:00 AM** **Break**

SESSION THREE

- 11:15 AM** **Understanding and Managing Risk in Public Investing**
This session will provide the detailed explanation and analytical basis for understanding the types of risk public agencies face when investing public funds, and discuss how an investment policy manages those risks.

Sarah Meacham, Managing Director, PFM Asset Management LLC

- 12:30 PM** **Luncheon for all Participants and Speakers**

SESSION FOUR

- 1:30 PM** **Advanced Concepts in Public Investment Analytics**
This session will provide an in-depth look at the key concepts that are required to analyze securities, such as the relationships between yield, duration, convexity, benchmarks, and option adjusted spread (OAS). These concepts and metrics are key to understanding the valuation of any security for the public investment portfolio. In addition, the speaker will examine how portfolio structures are created based on market conditions and investment policies and objectives.

Raymond E. Johnson, Market Specialist, Bloomberg L.P.

- 2:45 PM** **Break**

SESSION FIVE

- 3:00 PM** **Advanced Investment Analysis: Utilizing Callables, Bullets, Step-ups and Floaters**
This session will consider callable vs. bullet structures, compare spreads using the OAS and yield spread analysis, and the application of step-ups and floaters. In addition, there will be a discussion of securities and long-term and short-term

portfolio strategies that can be incorporated to mitigate the risks of the interest rate environment.

Rick Phillips, President and Chief Investment Officer, FHN Financial Main Street Advisors, LLC

SESSION SIX

4:15 PM Credit Analysis and the Public Agency Official

This session will detail the important credit analysis used by a local agency official when researching or analyzing any governmental or corporate security as defined in the investment policy. The discussion will include an overview of the use of Environmental, Social, and Governance (ESG) principles to evaluate an investment. Speakers will also discuss the process to determine the proper fit and allocation in a properly diversified public portfolio.

*David R. Carr, Assistant City Treasurer, City of Santa Monica
Kevin P. Webb, CFA, Piper Jaffray*

5:30 PM End of Day One and Complete Evaluation

5:45 PM Reception

DAY TWO **Thursday, January 16, 2020**

8:00 AM **Sign-in for Day Two, Continental Breakfast and Case-Study Group Seating**

8:30 AM **Welcome and Opening**

INTRODUCTION

8:35 AM **Overview of Day One and Introduction to Case Study**

This opening session will give an overview of day one and introduce the case study with a warm up exercise.

Christopher McCarry, Senior Vice President and Portfolio Strategist, Chandler Asset Management

Carlos Oblites, Senior Vice President and Portfolio Strategist, Chandler Asset Management

SESSION ONE

9:00 AM **Case Study: Portfolio Decision-Making**

The case study will give participants the chance to build and manage a portfolio. The case study will require participants to take into account the investment policy and portfolio objectives when selecting investments from a list of various securities and to account for the potential rise in rates. Each group will work through the analysis of the securities and portfolio and then present their investment decisions based on credit, price, yield, and convexity.

Christopher McCarry, Senior Vice President and Portfolio Strategist, Chandler Asset Management

Carlos Oblites, Senior Vice President and Portfolio Strategist, Chandler Asset Management

12:00 PM **End of Workshop and Complete Evaluation**