



THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION AND
THE CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION PRESENT
**Advanced Public Funds Investing: The Analytics of
Investment Selection**



January 22-23, 2025
Crowne Plaza Costa Mesa Orange County
3131 Bristol Street
Costa Mesa, California 92626

AGENDA

This two-day seminar builds from the fundamentals of public funds investing to cover more advanced concepts underlying sound public portfolio decision-making. The program will focus on identifying the risks and understanding the features of each of the permissible investment securities in the context of investment strategies. The program will conclude by providing a tutorial of various investment database tools.

Day 1 | January 22, 2025

- 8:00 AM** **Registration**
Complimentary continental breakfast
- 8:30 AM** **Welcome and Opening Remarks**

SESSION ONE

8:45 AM Portfolio Management Principles

This session will provide a foundational framework for an agency's investment program to meet its primary investing objectives: safety of principal, sufficient liquidity, and earning a market rate of investment income. This session will also discuss the more granular considerations of the prudent investor for an agency portfolio manager and how different strategies can support an agency's portfolio objectives as market and fiscal conditions change. After completing this session, a successful learner will be able to:

- Establish an understanding of the prudent investor standard of care
- Recognize the core considerations when creating an investment policy
- Recognize the differences between various investment strategies and their suitability for an agency's specific investment portfolio
- Identify the considerations for what comprises a responsible amount of interest rate risk and credit risk for a public agency

Ben Finkelstein, CFA, Managing Director, Robert W. Baird & Co.

CPE: 1.4

Program Level: Basic

Prerequisites: None

Field of Study: Finance

Advanced Preparation: None

Delivery Method: Group Live

10:00 AM Break

SESSION TWO

10:15 AM Duration and Asset/Liability Management (ALM): Practical Approach Theory and Case Study

Creating an appropriate investment strategy to best meet an agency's investment policies and goals is often challenging especially when considering all of the different possible investment options available. This session covers the building blocks of an investment strategy utilizing the framework of ALM, which centers around the timing and magnitude of cash flows. Speakers will discuss the importance of focusing on utilizing immunization techniques as well as cash-flow matching strategies to optimize portfolio duration, assign approximate maturity buckets, and apply risk/reward preferences to sector allocations. After completing this session, a successful learner will be able to:

- Recognize the value in developing an investment strategy using a "bottom-up" approach
- Summarize why investment and portfolio duration should be key considerations for the framework
- Use the ALM framework to model cash flow and apply appropriate strategies for optimizing portfolio duration for a public agency portfolio through the application of a relevant case study

Jason Klinghoffer, CFA, Principal, MaxQ Analytics

Hubie White, CFA, CTP, Chief Investment Officer, City and County of San Francisco

CPE: 2.0
Program Level: Advanced
Prerequisites: Three years of treasury, finance, or capital markets education and/or experience.
Field of Study: Finance
Advanced Preparation: None
Delivery Method: Group Live

12:00 PM Luncheon

SESSION THREE

1:00 PM Understanding and Managing Risk in Public Investing

This session will provide a detailed explanation and analytical basis for understanding the types of risks that public agencies face when investing public funds and discuss how an investment policy can aid public agencies in managing those risks.

- Establish an understanding of risk, including the essential concepts and terminology related to public funds investing
- Describe the different types of risks that public agencies face when investing public funds
- Identify relevant risks to the investment of public funds

Rick Philips, Chief Investment Strategist, Meeder Public Funds

CPE: 1.8
Program Level: Intermediate
Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.
Field of Study: Specialized Knowledge
Advanced Preparation: None
Delivery Method: Group Live

2:30 PM Break

SESSION FOUR

2:45 PM Investment Options: Liquidity Funds

This session will include a detailed analysis of investment options considered to be more liquid, such as pooled money accounts, money market funds, and California's Local Agency Investment Fund (LAIF). The speakers will include discussion of fund and risk attributes and accounting practices used in these vehicles. Additionally, there will be discussion of how your liquidity vehicle could perform through various economic and market cycles. After completing this session, a successful learner will be able to:

- Recognize the type of liquidity needed to accomplish the three primary objectives for a public agency portfolio
- Understand the tension and tradeoffs of investing for higher liquidity vs. higher yield
- Identify the advantages and disadvantages of the different types of structures that offer more or less liquidity

- Analyze the key strategy attributes in order to avoid challenges through various market environments and support an agency's cash flow needs

Will Goldthwait, Client Portfolio Manager, State Street Global Advisors
Matt Paulin, Director of Finance and Treasurer, City of Elk Grove

CPE: 1.4

Program Level: Intermediate

Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.

Field of Study: Finance

Advanced Preparation: None

Delivery Method: Group Live

4:00 PM Closing Remarks and Evaluation

Day 2 | January 23, 2025

8:00 AM Registration
Complimentary continental breakfast

8:20 AM Welcome and Opening Remarks

8:30 AM Economic Environment: Forecasts, Interest Rates and Hot Topics

This session will provide insight on economic forecasting and the current interest rate, legislative, and public fund investing environment. This session will include an overview of how the current economic, regulatory, and geopolitical landscape have affected financial markets and will explore possible future scenarios. In particular, the speaker will analyze the potential effects of changes of interest rates, the new presidential administration, and other forces that may lead to additional risks and opportunities for agencies to consider when investing public funds.

Peter Tchir, Head of Macro Strategy, Academy Securities

SESSION ONE

9:30 AM Advanced Investment Concepts

This session will explore key concepts that are required to analyze securities, such as the relationships between yield, duration, convexity, benchmarks, and option adjusted spread (OAS). The speaker will also examine how portfolio structures are created based on investment policies and objectives as well as how they may be affected by market conditions. After completing this session, a successful learner will be able to:

- Understand investment concepts that affect the valuation of securities in public investment portfolios
- Recognize different types of portfolio structure methodologies and understand the tradeoffs of each
- Identify the economic risks associated with different structures as interest rates decrease

- Analyze and compare various security structures using metrics including yield to call, yield to maturity, yield to worst, and others

Parth Bhatt, Chief Deputy Treasurer, County of San Bernardino, Professor of Finance, University of California, San Diego

CPE: 1.4

Program Level: Intermediate

Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.

Field of Study: Specialized Knowledge

Advanced Preparation: None

Delivery Method: Group Live

10:45 AM Break

SESSION TWO

11:00 AM Investment Options: Governmental Securities

This session will delve further into the role of federal and municipal bonds by exploring different structures and how market conditions may affect the liquidity, yield, and/or value of each option. This session will examine callable, bullet, step-up, and floater structures and their application. The speaker will also discuss how tools like option-adjusted spread (OAS) can be applied to compare securities with different coupon and redemption structures. After completing this session, a successful learner will be able to:

- Contextualize bond market terminology in applied settings
- Recognize how different securities and portfolio strategies can be incorporated to mitigate the risks of rising interest rates
- Contextualize the role of governmental securities in public agency portfolios and how they can be used to mitigate risks and support cash flow needs

Kevin Webb, CFA, Managing Director, Robert W. Baird & Co.

CPE: 1.2

Program Level: Intermediate

Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.

Field of Study: Specialized Knowledge

Advanced Preparation: None

Delivery Method: Group Live

12:00 PM Luncheon

SESSION THREE

1:00 PM Advanced Credit Analysis

This session will detail the most important credit analysis considerations public agency investors should be aware of when analyzing different securities. The speaker will also discuss how to determine the proper fit and allocation of securities with

different ratings in a properly diversified public portfolio. After completing this session, a successful learner will be able to:

- Identify the limitations in California government code for public investment portfolios related to credit ratings
- Recognize the tradeoffs of in-house and third-party credit analysis
- Identify and utilize different resources for in-house and third-party credit analysis

Ian Capule, CFA, Assistant Investment Officer, San Bernardino County

Robin Dixon, Investment Officer, San Bernardino County

CPE: 1.4

Program Level: Intermediate

Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.

Field of Study: Finance

Advanced Preparation: None

Delivery Method: Group Live

2:15 PM Break

SESSION FOUR

2:30 PM Investment Options: Negotiable Certificate of Deposits, Commercial Paper, Corporates, and Asset-backed Securities

This session will examine negotiable certificate of deposits, commercial paper, corporate bonds, and asset-backed securities. Speakers will walk through a case study that demonstrates how to create a diversified public portfolio that is aligned with the investment policy. After completing this session, a successful learner will be able to:

- Recognize how credit factors affect the value and volatility of different investment options
- Understand how pooled investments fit into a properly diversified portfolio

Carlos Oblites, Senior Portfolio and Investment Pool Strategist, Chandler Asset Management, Inc.

Marilou Tan, Assistant Treasurer-Tax Collector, Office of the Ventura County Treasurer-Tax Collector

CPE: 1.2

Program Level: Intermediate

Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.

Field of Study: Finance

Advanced Preparation: None

Delivery Method: Group Live

SESSION FIVE

3:30 PM Guided Tutorial for Bloomberg and Other Investment Databases

This session will walk through various investment databases, including Bloomberg and the Trade Reporting and Compliance Engine (TRACE). Speakers will provide a brief tutorial and share tips on how to extract information for different investments using these platforms. After completing this session, a successful learner will be able to:

- Analyze the information available through various investment databases
- Navigate through the different platforms for these investment tools
- Identify what information is available through broker/dealers and how to interpret that information

Vishal Thacker, Chief Investment Officer, County of Alameda

Hubie White, CFA, CTP, Chief Investment Officer, City and County of San Francisco

CPE: 1.2

Program Level: Intermediate

Prerequisites: Two years of treasury, finance, or capital markets education and/or experience.

Field of Study: Information Technology

Advanced Preparation: None

Delivery Method: Group Live

4:30 PM Closing Remarks and Evaluation



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