

**TREASURER-TAX COLLECTOR  
PUBLIC ADMINISTRATOR  
COUNTY OF SAN BENITO**



Memorandum

To: **Joe Paul Gonzalez, County Auditor**

From: **Mary Lou Andrade**  
Treasurer-Tax Collector  
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**EARNINGS RATE OF RETURN ON POOLED INVESTMENTS**

**1.2345% AVERAGE RATE OF RETURN FOR MONTH ENDING DECEMBER 31, 2016**

**1.1095% AVERAGE RATE OF RETURN FOR QUARTER ENDING DECEMBER 31, 2016**

**1.0317% AVERAGE RATE OF RETURN FOR FISCAL YEAR 2016-2017**

**94.79% OF FUNDS INVESTED**

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**TREASURER'S ACTIVE BALANCE**

Treasurer's **ACTIVE ACCOUNT** balance vs. Bank of America Balance; differs by the amount of less **\$11,820,534.84**

**See attached BofA statement reconciling items that were on deposit 12/31/2016 but not yet posted to Treasurer's Balance.**

\* weighted average

## **Weighted Average Interest Rate – this rate is listed under “YTM @ Cost” in the Portfolio Management Summary Page**

“The weighted average differs from an average in that a weighted average shows a percentage that depends on the variables of both the dollar amount of interest earned and the actual interest rate paid.

The average interest rate percentage is not an accurate measure of the interest rate paid over the month because it doesn’t take the amount of interest earned into consideration.

For example if we had two investments, and one earned \$10.00 of interest at 1.20% and the other earned \$75,000.00 of interest at 3.09% the average rate would be 2.15%. This is not an accurate reflection, because the majority of the earnings were at 3.09%. The weighted average of 3.0897% would more correctly represent the interest rate for the period.

Conversely, if the numbers in the example were switched to the \$10.00 earned at 3.09% and the \$75,000.00 at 1.20%, the weighted average would be 1.2003%.”



## SAN BENITO COUNTY PORTFOLIO MANAGEMENT SUMMARY December 31, 2016

STATEMENT OF COMPLIANCE AND AVAILABILITY: I hereby declare, that to the best of knowledge, all investments held within the County Investment Pool meet the requisites of the government codes and the terms of the County Investment Policy and are valued currently within this report. Market valuations are provided by the County's Custody / Safekeeping Bank, Union Bank. Furthermore, the Investment Portfolio is structured in such a way that sufficient cash shall be available to meet the normal, projected cash needs of the County and the Investment Pool participants during the next six months.

Asset Class	Face Amount/Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
Certificate of Deposit - Negotiable	50,500,000.00	50,507,568.00	50,513,931.57	29.54	1.33	210
Commercial Paper - Discount	10,000,000.00	10,000,000.00	9,976,233.30	5.85	0.95	6
Managed Pool Accounts	52,942,736.82	52,942,736.82	52,942,736.82	30.97	0.72	1
Medium Term Notes	48,525,000.00	48,574,207.25	48,552,167.75	28.38	1.33	164
Money Market	5,472,189.01	5,472,189.01	5,472,189.01	3.20	0.00	1
Passbook Checking Accounts	3,524,096.50	3,524,096.50	3,524,096.50	2.06	0.00	1
<b>Total / Average</b>	<b>170,964,022.33</b>	<b>171,020,797.58</b>	<b>170,981,354.95</b>	<b>100.00</b>	<b>1.05</b>	<b>109</b>

s/Mary Lou Andrade

Mary Lou Andrade, Treasurer-Tax Collector

2-17-2017

Date

## Addendum

### Legal Pool Investments\*

Investment Type	Max.% of Portfolio	Max. Maturity	Quality Requirements
a) Bonds issued by a local agency	None	None	None
b) Treasury obligations	None	None	None
c) State of California Obligations	None	None	None
d) Obligation of Calif. local agency	None	None	None
e) Obligations issued by Federal Agencies, and U.S. Government sponsored enterprises.	None	None	None
f) Bankers Acceptances	40%	180 days max	None
g) Commercial Paper	40%	270 days max.	U.S. entity with credit enhancements resulting in paper rating A1/P1 or better; with \$500MM in assets; A or higher long term rating if any; max. 10% of portfolio per issuer
h) Negotiable C.D.s	30%	5 years	None
i) Repurchase Agreements	None	1 year	Collateral must be a legal investment
Reverse Repurchase Agreements	20% of base	92 days maximum, or to maturity	None
j) Medium Term Note	30%	5 years	U.S. Corporations, or Banks licensed within any State of the U.S., "A" or better rating by major rating service.
k) Mutual Funds	20%, 10% per fund	NA	A defined money market fund: or invest only in a-j, m,n, of this list, as restricted; Highest letter and number ranking of 2 of 3 rating services; or a SEC Registered Advisor with 5 Yrs. experience, managing assets of \$500MM or more; No load.
l) Investments as permitted by provision in agreements of indebtedness	As per bond documentation	NA	Not contrary to 53601 & 53635 and other pertinent law.
m) Asset secured indebtedness	None	None	As required by 53652
n) Collateralized Mortgage obligations	20%	5 years	Issuer must be rated "A" minimum, security must be "AA" by national rating service.
o) Contracted Non-Neg. Time Deposits	None	None	None
p) Sec. 53635.8 Deposited Pooled sm CDs	30%	None	Insured as to principle and interest

*These tables are not meant to be a replacement for the Government Code. Involved parties should obtain a valid, updated copy of the pertinent Code sections to fully understand all the details included within these Codes.*

**\*Other Temporary Constraints & Restrictions may be in effect on these permitted investments.**

*This page has been added as a guide. The law states that all required percentages included within investment related sections of the Government Codes are only binding on the day the investment is purchased and that future changes in the size of the portfolio do not require the Treasurer to readjust the total percentage of each security type within the portfolio to reflect the change in size. Neither is it necessary to sell an investment when changes occur such that the security no longer meets the minimum requirements of the Codes, or the Codes are changed such as to no longer include certain current holdings. The Treasurer shall weigh the change in risk and determine whether or not a security should be sold or retained within the Portfolio after a change in conditions or the Codes result in a particular security no longer meeting existing or new regulations.*



## San Benito County Portfolio Holdings by Asset Class Report Group: San Benito County

Date: 12/31/2016

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
<b>Certificate of Deposit - Negotiable</b>								
Abbey National YCD Var. Negotiable CD 1/17/2017		1/17/2014	5,000,000.00	100.00	5,000,000.00	2.92%	S&P-A	17
00279HR40	5,000,000.00	1.31	5,000,000.00	1.31	13,645.83	0.00	Moody's-A2	0
Bank of Montreal Chicago YCD Var. Negotiable CD 9/		2/23/2016	1,999,702.68	100.16	2,003,280.00	1.17%	S&P-A+	244
06427EBW0	2,000,000.00	1.41	1,999,853.48	1.41	2,351.12	3,426.52	Moody's-Aa3	0
Bank of Nova Scotia Houston FR YCD Var. Negotiable		4/18/2016	1,999,134.75	100.08	2,001,580.00	1.17%	Moody's-Aa3	54
06417HE36	2,000,000.00	1.20	1,999,752.39	1.20	2,333.00	1,827.61	None	0
BK NOVA SCOTIA HOUSTON YCD Var. Negotiable CD 12/5		12/5/2016	13,000,000.00	99.99	12,998,830.00	7.6%	S&P-A+	339
06417GRA8	13,000,000.00	1.15	13,000,000.00	1.15	10,745.58	-1,170.00	Moody's-Aa3	0
BK of Montreal Chicago FR YCD Var. Negotiable CD 3		5/6/2016	4,008,232.17	99.97	3,998,800.00	2.34%	S&P-A+	440
06427EYK1	4,000,000.00	1.67	4,005,516.40	1.67	2,783.98	-6,716.40	Moody's-Aa3	0
Credit Suisse NY FR YCD Var. Negotiable CD 5/3/201		4/29/2016	5,000,000.00	100.00	5,000,000.00	2.92%	S&P-A	123
22549VV83	5,000,000.00	1.48	5,000,000.00	1.48	11,929.79	0.00	Moody's-A1	0
Nordia Bank, NY Var. Negotiable CD 1/30/2017		1/30/2014	3,000,904.03	100.03	3,000,903.00	1.75%	S&P-AA-	30
65558EYK8	3,000,000.00	1.20	3,000,075.06	1.20	6,086.43	827.94	Moody's-Aa3	0
STANDARD CHARTER NY YCD Var. Negotiable CD 9/19/2		12/19/2016	10,004,470.00	99.99	9,998,700.00	5.85%	Moody's-Aa3	262
85325TPU3	10,000,000.00	1.43	10,004,470.00	1.43	4,754.07	-5,770.00	S&P-A1	0
Sumitomo Mitsubishi NY YCD Var. Negotiable CD 4/7/		11/28/2016	3,503,885.00	100.11	3,503,885.00	2.05%	S&P-A	97
86563YGN7	3,500,000.00	1.35	3,502,988.46	1.35	3,154.53	896.54	Moody's-A	0
Wells Fargo FR YCD Var. Negotiable CD 2/3/2017		6/29/2016	3,003,036.90	100.05	3,001,590.00	1.76%	S&P-AA-	34
94988EQA9	3,000,000.00	1.24	3,001,275.78	1.24	5,997.88	314.22	None	0
<b>Sub Total Certificate of Deposit - Negotiable</b>	<b>50,500,000.00</b>	<b>1.33</b>	<b>50,519,365.53</b>	<b>1.33</b>	<b>50,507,568.00</b>	<b>29.53%</b>		<b>210</b>
			<b>50,513,931.57</b>		<b>63,782.21</b>	<b>-6,363.57</b>		<b>0</b>



## San Benito County Portfolio Holdings by Asset Class Report Group: San Benito County

Date: 12/31/2016

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
<b>Commercial Paper - Discount</b>								
Anglesea Funding CP 0 1/6/2017		10/6/2016	9,976,233.30	100.00	10,000,000.00	5.83%	S&P-A1	6
0347M2N69	10,000,000.00	0.95	9,976,233.30	0.00	0.00	23,766.70	Moody's-P1	0
			<b>9,976,233.30</b>		<b>10,000,000.00</b>	<b>5.83%</b>		<b>6</b>
<b>Sub Total Commercial Paper - Discount</b>	<b>10,000,000.00</b>	<b>0.95</b>	<b>9,976,233.30</b>	<b>0.00</b>	<b>0.00</b>	<b>23,766.70</b>		<b>0</b>
<b>Managed Pool Accounts</b>								
CAMP LGIP		4/7/2014	3,800,000.00	100.00	3,800,000.00	2.22%	None	1
CAMP4500	3,800,000.00	0.66	3,800,000.00	0.66		0.00	None	0
LAIF LGIP		6/30/2013	49,142,736.82	100.00	49,142,736.82	28.74%	None	1
LAIF5000	49,142,736.82	0.72	49,142,736.82	0.72		0.00	None	0
			<b>52,942,736.82</b>		<b>52,942,736.82</b>	<b>30.96%</b>		<b>1</b>
<b>Sub Total Managed Pool Accounts</b>	<b>52,942,736.82</b>	<b>0.71</b>	<b>52,942,736.82</b>	<b>0.71</b>		<b>0.00</b>		<b>0</b>
<b>Medium Term Notes</b>								
AUST. & NZ BANKING GROUP Var. Corp 5/15/2018		1/27/2014	3,011,670.00	100.35	3,010,560.00	1.76%	Moody's-Aa2	500
05253JAD3	3,000,000.00	1.47	3,004,061.07	1.47	5,618.40	6,498.93	S&P-AA-	0
Bank of Montreal FR MTN Var. Corp 4/9/2018		9/20/2016	4,009,760.00	100.39	4,015,400.00	2.34%	Moody's-Aa3	464
06366RMT9	4,000,000.00	1.48	4,009,432.37	1.48	13,565.56	5,967.63	S&P-A+	0
BK of Tokyo-Mitsubishi MTN Var. Corp 3/10/2017		2/26/2016	3,849,310.85	100.03	3,851,001.00	2.25%	Moody's-A1	69
064255AT9	3,850,000.00	1.36	3,849,835.92	1.36	3,038.19	1,165.08	S&P-A+	0
Branch BK & Trust Bank Note MTN Var. Corp 5/23		4/10/2015	3,311,762.81	99.99	3,324,767.25	1.94%	S&P-A-	143
10513KAC8	3,325,000.00	1.22	3,321,904.48	1.22	4,281.26	2,862.77	Moody's-A2	0
Commonwealth BK Australia MTN Var. Corp 3/13/2017		6/29/2016	5,005,115.00	100.04	5,002,050.00	2.93%	Moody's-Aa2	72
2027AOGZ6	5,000,000.00	1.32	5,001,791.24	1.32	3,291.25	258.76	S&P-AA-	0
Credit Suisse New York Var. Corp 5/26/2017		12/21/2016	4,003,920.00	100.08	4,003,080.00	2.34%	S&P-A	146
22546QAM9	4,000,000.00	1.43	4,003,920.00	1.43	5,549.68	-840.00	Moody's-A1	0



## San Benito County Portfolio Holdings by Asset Class Report Group: San Benito County

Date: 12/31/2016

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
JP MORGAN CHASE FR MTN Var. Corp 2/15/2017 46623EJZ3	5,000,000.00	7/25/2016 1.16	5,008,350.00 5,003,747.32	100.06 1.16	5,003,150.00 7,417.50	2.93% -597.32	Moody's-A3 S&P-A-	46 0
National Australia Bank FR MTN Var. Corp 6/30/201 6325C0CZ2	3,500,000.00	9/20/2016 1.28	3,500,983.50 3,500,632.50	100.05 1.28	3,501,645.00 124.27	2.05% 1,012.50	Moody's-Aa2 S&P-AA	181 0
Rabo Bank Ned. NY FR MTN Var. Corp 4/28/2017 21688AAB8	10,000,000.00	4/12/2016 1.22	10,008,300.00 10,003,964.83	100.07 1.22	10,006,500.00 21,695.82	5.85% 2,535.17	Moody's-Aa2 S&P-A+	118 0
Santander UK PLC MTN Var. Corp 3/13/2017 80283LAC7	2,000,000.00	4/18/2016 1.47	1,999,653.47 1,999,905.20	100.00 1.47	2,000,040.00 1,466.50	1.17% 134.80	Moody's-A1 S&P-A	72 0
UBS AG Stamford FR MTN Var. Corp 6/1/2017 90261XHM7	4,850,000.00	5/11/2016 1.49	4,856,305.00 4,852,972.82	100.12 1.49	4,856,014.00 6,024.79	2.84% 3,041.18	S&P-A Moody's-A1	152 0
			<b>48,565,130.63</b>		<b>48,574,207.25</b>	<b>28.4%</b>		<b>164</b>
<b>Sub Total Medium Term Notes</b>	<b>48,525,000.00</b>	<b>1.33</b>	<b>48,552,167.75</b>	<b>1.33</b>	<b>72,073.22</b>	<b>22,039.50</b>		<b>0</b>
<b>Money Market</b>								
Wells Fargo Cash CASH4454	5,472,189.01	10/31/2016 0.00	5,472,189.01 5,472,189.01	100.00 0.00	5,472,189.01 0.00	3.2% 0.00	None None	1 0
			<b>5,472,189.01</b>		<b>5,472,189.01</b>	<b>3.2%</b>		<b>1</b>
<b>Sub Total Money Market</b>	<b>5,472,189.01</b>	<b>0.00</b>	<b>5,472,189.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>
<b>Passbook Checking Accounts</b>								
Bank of America Cash CASH1283	3,524,096.50	6/30/2013 0.00	3,524,096.50 3,524,096.50	100.00 0.00	3,524,096.50 0.00	2.06% 0.00	None None	1 0
			<b>3,524,096.50</b>		<b>3,524,096.50</b>	<b>2.06%</b>		<b>1</b>
<b>Sub Total Passbook Checking Accounts</b>	<b>3,524,096.50</b>	<b>0.00</b>	<b>3,524,096.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0</b>
			<b>170,999,751.79</b>		<b>171,020,797.58</b>	<b>100.00%</b>		<b>109</b>
<b>TOTAL PORTFOLIO</b>	<b>170,964,022.33</b>	<b>1.05</b>	<b>170,981,354.95</b>	<b>0.99</b>	<b>135,855.43</b>	<b>39,442.63</b>		<b>0</b>