

**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**

- 1.5276% AVERAGE RATE OF RETURN FOR MONTH ENDING SEPTEMBER 30, 2017**
- 1.5276% AVERAGE RATE OF RETURN FOR QUARTER ENDING SEPTEMBER 30, 2017**
- 1.5276% AVERAGE RATE OF RETURN FOR FISCAL YEAR 2017-2018**
- X.XXX% OF FUNDS INVESTED (Effective June 2017, this information is no longer available)**

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**TREASURER'S ACTIVE BALANCE**

Treasurer's **ACTIVE ACCOUNT** balance vs. Bank of America and Wells Fargo Balance; differs by the amount of less **\$744,914.84**  
**See attached** to BofA and Wells Fargo statements reconciling items that were on deposit **09/30/2017** but not yet posted to **Treasurer's Balance**.

\* **weighted average**

## **Weighted Average Interest Rate**

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  
September 30, 2017**



**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	50,250,000.00	50,278,335.00	50,265,175.78	28.62	1.65	102
Commercial Paper - Discount	30,000,000.00	29,928,700.00	29,893,688.80	17.09	1.32	65
Managed Pool Accounts	42,425,451.06	42,425,451.06	42,425,451.06	24.16	1.13	1
Medium Term Notes	50,723,000.00	51,031,249.80	51,022,451.56	28.89	1.97	480
Money Market	2,083,355.72	2,083,355.72	2,083,355.72	1.19	0.00	1
Passbook Checking Accounts	85,571.86	85,571.86	85,571.86	0.05	0.00	1
<b>Total / Average</b>	<b>175,567,378.64</b>	<b>175,832,663.44</b>	<b>175,775,694.78</b>	<b>100.00</b>	<b>1.54</b>	<b>179</b>

\_\_\_\_\_/Mary Lou Andrade \_\_\_\_\_ 11-08-17

Mary Lou Andrade, Treasurer-Tax Collector 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: 9/30/2017

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	Days To Call/Maturity Duration To Maturity
<b>Certificate of Deposit - Negotiable</b>								
BK NOVA SCOTIA HOUSTON YCD Var. Negotiable CD 12/5		12/5/2016	13,000,000.00	100.09	13,011,830.00	7.4%	S&P-A+	66
06417GRA8	13,000,000.00	1.74	13,000,000.00	1.74	15,713.39	11,830.00	Moody's-Aa3	0
BK of Montreal Chicago FR YCD Var. Negotiable CD		5/3/2017	5,000,503.27	100.02	5,001,100.00	2.85%	S&P-A+	214
06427KXW2	5,000,000.00	1.43	5,000,334.59	1.43	5,574.06	765.41	Moody's-Aa3	0
BK of Montreal Chicago FR YCD Var. Negotiable CD 3		5/6/2016	4,008,232.17	99.99	3,999,520.00	2.28%	S&P-A+	167
06427EYK1	4,000,000.00	2.02	4,002,194.44	2.02	3,128.22	-2,674.44	Moody's-Aa3	0
Credit Agricole CIB NY YCD Var. Negotiable CD 7/1		4/5/2017	7,264,896.66	100.16	7,261,745.00	4.13%	S&P-A1	286
22532XFB9	7,250,000.00	1.86	7,261,718.28	1.86	29,647.77	26.72	S&P-A	0
Credit Suisse NY FR YCD Var. Negotiable CD 10/26/		4/27/2017	9,002,250.00	100.03	9,002,250.00	5.12%	S&P-A	26
22549V4V2	9,000,000.00	1.49	9,000,370.88	1.49	1,488.33	1,879.12	Moody's-A1	0
Natixis NY FR YCD Var. Negotiable CD 10/31/2017		3/31/2017	3,001,231.37	100.03	3,000,810.00	1.71%	S&P-A2	31
63873NCG4	3,000,000.00	1.56	3,000,178.38	1.56	0.00	631.62	Moody's-A	0
Norinchukin BK NY FR YCD Var. Negotiable CD 10/13		4/18/2017	9,002,250.00	100.01	9,001,080.00	5.12%	S&P-A1	13
65602UQY7	9,000,000.00	1.49	9,000,379.21	1.49	6,315.97	700.79	Moody's-P1	0
<b>Sub Total Certificate of Deposit - Negotiable</b>	<b>50,250,000.00</b>	<b>1.65</b>	<b>50,279,363.47</b>	<b>1.65</b>	<b>50,278,335.00</b>	<b>28.61%</b>		<b>102</b>
			<b>50,265,175.78</b>		<b>61,867.74</b>	<b>13,159.22</b>		<b>0</b>
<b>Commercial Paper - Discount</b>								
Anglesea Funding CP 0 10/3/2017		7/7/2017	9,968,222.20	100.00	9,999,700.00	5.68%	S&P-A1	3
0347M2X35	10,000,000.00	1.33	9,968,222.20	0.37	0.00	31,477.80	Moody's-P1	0.01
Chesham Financial LTD CP 0 1/4/2018		9/22/2017	9,962,444.40	99.65	9,964,500.00	5.67%	S&P-A1	96
16536JA49	10,000,000.00	1.33	9,962,444.40	1.37	0.00	2,055.60	Moody's-P1	0.26
Mitsubishi UFG T&B CP 0 1/4/2018		9/22/2017	9,963,022.20	99.65	9,964,500.00	5.67%	S&P-A1	96
60682XA48	10,000,000.00	1.31	9,963,022.20	1.37	0.00	1,477.80	Moody's-P1	0.26



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Date: 9/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date		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
		YTM @ Cost							
<b>Sub Total Commercial Paper - Discount</b>	<b>30,000,000.00</b>	<b>1.32</b>		<b>29,893,688.80</b>	<b>1.03</b>	<b>29,928,700.00</b>	<b>17.02%</b>		<b>65</b>
<b>Managed Pool Accounts</b>									
CAMP LGIP		4/7/2014		22,830,428.99	100.00	22,830,428.99	13%	None	1
CAMP4500	22,830,428.99	1.15		22,830,428.99	1.15		0.00	None	0
LAIF LGIP		6/30/2013		19,400,000.00	100.00	19,400,000.00	11.04%	None	1
LAIF5000	19,400,000.00	1.11		19,400,000.00	1.11		0.00	None	0
Union Bank of California MM		6/30/2013		195,022.07	100.00	195,022.07	0.11%	None	1
MM3920	195,022.07	0.90		195,022.07	0.90		0.00	None	0
<b>Sub Total Managed Pool Accounts</b>	<b>42,425,451.06</b>	<b>1.13</b>		<b>42,425,451.06</b>	<b>1.13</b>	<b>42,425,451.06</b>	<b>24.15%</b>		<b>1</b>
<b>Medium Term Notes</b>									
AUST. & NZ BANKING GROUP Var. Corp 5/15/2018		1/27/2014		3,011,670.00	100.32	3,009,690.00	1.71%	Moody's-Aa2	227
05253JAD3	3,000,000.00	1.88		3,002,030.54	1.88	7,187.50	7,659.46	S&P-AA-	0
Australia New Zealand BK MTN Var. Corp 9/23/2019		8/15/2017		9,390,675.29	100.75	9,376,074.18	5.34%	S&P-AA-	723
05252ACCS8	9,306,000.00	1.99		9,386,380.96	1.99	3,597.88	-10,306.78	Moody's-Aa3	0
Bank of Montreal FR MTN Var. Corp 4/9/2018		9/20/2016		4,009,760.00	100.23	4,009,200.00	2.28%	Moody's-Aa3	191
06368RMT9	4,000,000.00	1.90		4,004,724.81	1.90	17,543.60	4,475.19	S&P-A+	0
Credit Suisse NY FR MTN Var. Corp 1/29/2018		3/29/2017		6,042,993.44	100.19	6,028,191.62	3.43%	S&P-A1	121
22546QAU1	6,017,000.00	2.00		6,032,630.04	2.00	21,024.61	-4,438.42	Moody's-A	0
HSBC BANK USA FR MTN Var. Corp 9/24/2018		3/13/2017		7,049,819.00	100.75	7,052,290.00	4%	S&P-A	359
40428HPK2	7,000,000.00	2.21		7,032,471.31	2.21	2,576.38	19,818.69	Moody's-A2	0
Mizuho Bank LTD MTN Var. Corp 11/17/2017		5/26/2017		3,000,570.00	100.03	3,000,780.00	1.71%	S&P-A1	48
60700AAW4	3,000,000.00	1.41		3,000,198.69	1.41	1,532.31	581.31	Moody's-A	0





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

Date: 9/30/2017

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
National Australia BK MTN Var. Corp 7/12/2021		8/9/2017	5,096,160.00	101.59	5,079,350.00	2.9%	Moody's-Aa3	1381
6325C0DF5	5,000,000.00	1.27	5,096,160.00	1.27	14,071.56	-16,810.00	S&P-AA-	0
UBS Stamford FR MTN Var. Corp 11/22/2017		3/29/2017	4,007,320.00	100.08	4,003,200.00	2.28%	Moody's-Aa3	53
90275DEJ5	4,000,000.00	1.77	4,001,814.62	1.77	1,178.02	1,385.38	S&P-A+	0
Wells Fargo FR Bank Note Var. Corp 5/24/2019		4/28/2017	9,478,255.00	100.77	9,472,474.00	5.39%	S&P-AA-	601
94988J5E3	9,400,000.00	2.44	9,466,040.59	2.44	23,609.63	6,433.41	Moody's-Aa2	0
<b>Sub Total Medium Term Notes</b>	<b>50,723,000.00</b>	<b>1.97</b>	<b>51,087,222.73</b>	<b>1.97</b>	<b>51,031,249.80</b>	<b>29.04%</b>		<b>482</b>
<b>Money Market</b>								
Wells Fargo Cash		10/31/2016	1,958,355.72	100.00	1,958,355.72	1.11%	None	1
CASH4454	1,958,355.72	0.00	1,958,355.72	0.00		0.00	None	0
<b>Sub Total Money Market</b>	<b>1,958,355.72</b>	<b>0.00</b>	<b>1,958,355.72</b>	<b>0.00</b>	<b>1,958,355.72</b>	<b>1.11%</b>		<b>1</b>
<b>Passbook Checking Accounts</b>								
Bank of America Cash		6/30/2013	85,571.86	100.00	85,571.86	0.05%	None	1
CASH1283	85,571.86	0.00	85,571.86	0.00		0.00	None	0
<b>Sub Total Passbook Checking Accounts</b>	<b>85,571.86</b>	<b>0.00</b>	<b>85,571.86</b>	<b>0.00</b>	<b>85,571.86</b>	<b>0.05%</b>		<b>1</b>
<b>TOTAL PORTFOLIO</b>	<b>175,442,378.64</b>	<b>1.54</b>	<b>175,729,653.64</b>	<b>1.49</b>	<b>175,707,663.44</b>	<b>100.00%</b>		<b>180</b>
			<b>175,650,694.78</b>		<b>154,189.23</b>	<b>56,968.66</b>		<b>0.03</b>