

# CMTA <sup>2023</sup> ANNUAL CONFERENCE

**FOR ALL** **FLAVORS OF** **FINANCE**  
TREASURY DEBT INVESTMENTS

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## Investment Program Check Up: Are There Cracks in the Foundation?

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## What you will need:

### Cash Flow

- Helps you determine how much cash is available to invest, if any

### Investment Policy

- Provides you with do's and don'ts with your idle cash
- Defines a market strategy to invest your idle cash

### Product Access

- Provided through Broker-Dealer relationships
- Investment Managers can also provide investment advice to meet your financial needs

### Recordkeeping

- Track your investments for safekeeping, accounting and audit functions
- Allows performance check-ins

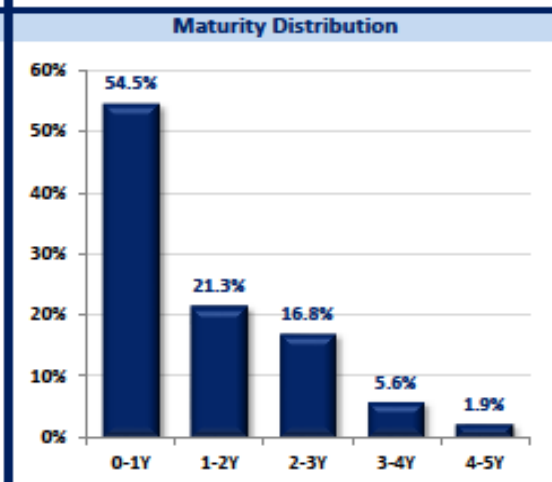
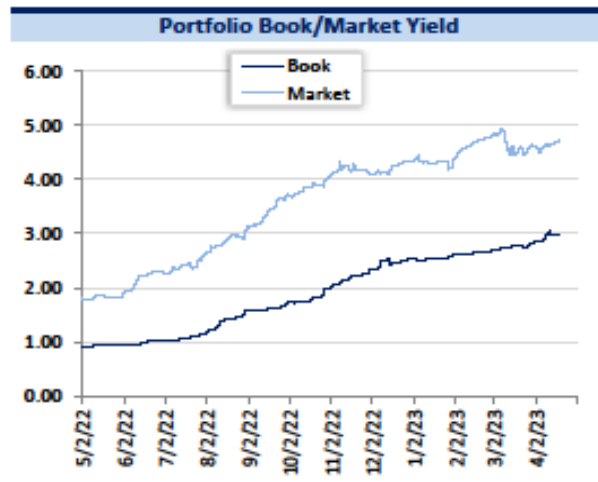
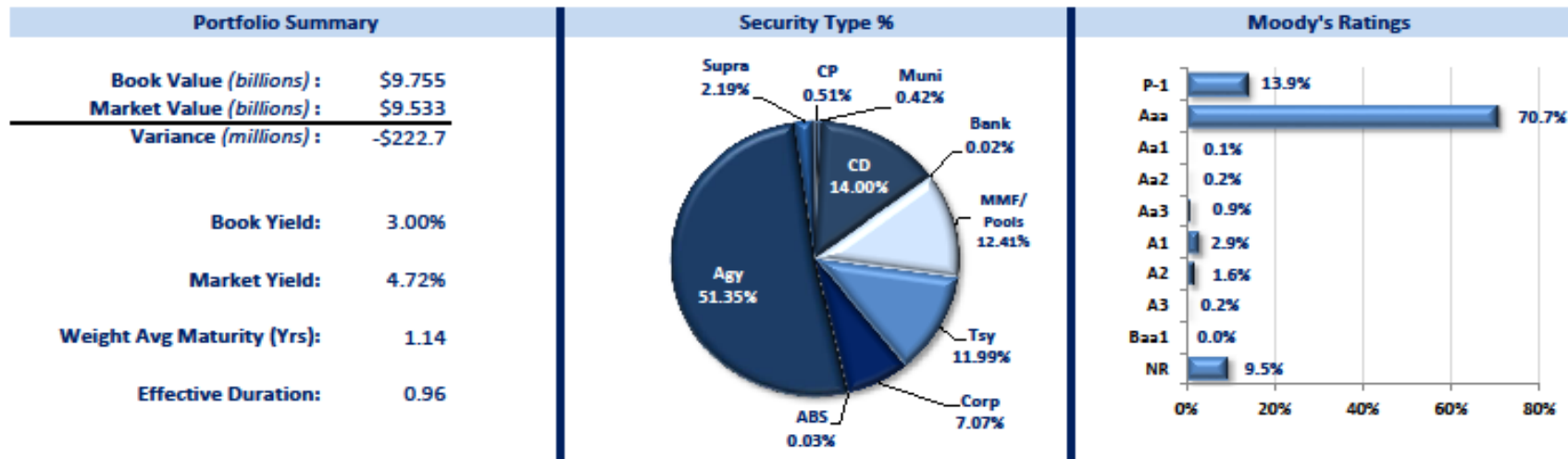


**SUMMARY OF ALLOWABLE INVESTMENTS**

AUTHORIZED INVESTMENTS	MAXIMUM % HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	CREDIT QUALITY
US Treasury Obligations	100%	N/A	5 years with 25% allowed to 10 years	N/A
Federal Agencies	100%	Max issuer 100%	5 years with 25% allowed to 10 years	N/A
Money-Market Mutual Funds	20%	Max 10% issuer, must maintain constant NAV	Daily Liquidity	AAA rated from at least 2 NRSROs
Commercial Paper	25%	Max issuer 10%, combined with corporates and CP	270 days	A-1 equivalent or better by 2 NRSROs
Negotiable CDs	30%	Max issuer 10%, combined with corporates and CP	1 year	A-1 equivalent or better by 2 NRSROs
Medium Term Corporate Notes	30%	Max issuer 10%, combined with corporates and CP	5 years	A equivalent or better by 2 NRSROs
Asset-Backed Securities	20%	Max issuer 5%, equipment leased-backed certificate, consumer receivable pass-throughs, consumer receivables-backed bonds	5 years	AA equivalent or better by 2 NRSROs
State and Local Government Bonds	20%	Max issuer 5%	5 years	A equivalent or better by 1 NRSROs
Repurchase Agreements (REPO)	20%	Collateral to be US Government or Federal Agency with max maturity of 5 years. 102% of funds borrowed and marked-to-market daily	180 days	N/A
Reverse Repurchase Agreements (Reverse REPO)	20%	Prior approval of the Board of Supervisors	180 days	N/A
Banker's Acceptances	30%	Drawn on and accepted by a commercial bank	180 days	A-1 equivalent or better by 2 NRSROs
Supranational	30%	Max 15% issuer, Senior unsecured unsubordinated or guaranteed by IBRD, IFC, or IADB	5 years	AA equivalent or better by 2 NRSROs
LAIF	State Limit	Per LAIF	Daily Liquidity	N/A
CalTRUST	2X LAIF	Per CalTRUST	Daily Liquidity	N/A
CAMP	2X LAIF	Per CAMP	Daily Liquidity	N/A
Collateralized/FDIC Insured Time Deposits	30%	Refer to page 8	5 years	N/A
Collateralized Money Market Bank Accounts	30%	Refer to page 8	Daily Liquidity	N/A



# Alameda County Summary



### Top 15 Issuers Allocation

FHLB	28.6%
U.S. Treasury	12.0%
FHLMC	9.7%
FNMA	6.4%
Toronto Dom Bk	4.8%
Natixis	4.1%
FAMCA	3.7%
Western Asset MMF	3.6%
Northern MMF	3.4%
FFCB	2.8%
BMO	2.5%
State Street MMF	2.2%
Royal Bank Can.	1.5%
IBRD	1.3%
Federate Gov't MMF	1.3%

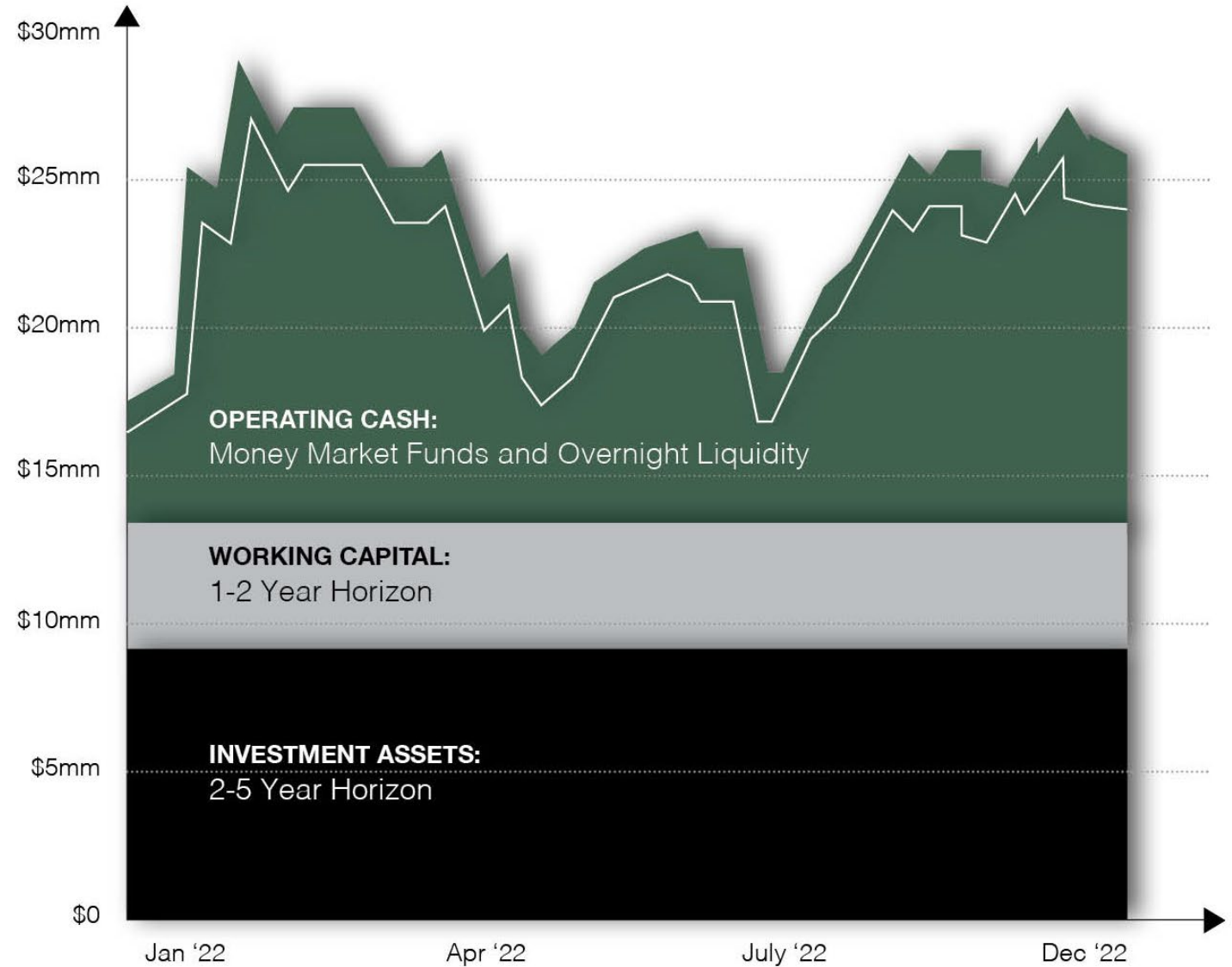
*Note:* This presentation is for informational purposes only. Figures provided have not been reconciled with custodial statements. Market yields and effective duration are calculated using Bloomberg. Book Values are not amortized  
 \*Yields, WAM and duration do not include cash

## Tips and Tricks

- Do not try to time the market
- Stick to your strategy
- Always be transparent
- Hire a consultant, if you can afford it
- Make your process boring, the markets will bring the excitement
- Have a business continuity plan
- In an age of infinite leverage, judgement is the most important skill
- Most people will overweight risk on a personal level
- Diversify!
- If you can't decide, the answer is NO

# Cash Flow & Investments

## Basic Approach



# Oversight & Compliance

## Securing Your Foundation

- Know Your Investment Policy
  - Annual reviews and updates
  - Identify who is responsible for compliance
  - Define how often you review for compliance
    - Define procedures for falling out of compliance
  - CMTA Investment Policy Certification Program
- Due Diligence
  - Requests for Proposals are your friend
  - Regularly review service providers (asset managers, brokers, custodian, etc)
- Don't get comfortable!

# Value Proposition of Custody Solutions

- Independent, third-party verification of all your securities and cash movements
- Independent pricing for all depository eligible securities
- Clear segregation of duties between all your service providers
- Custody solutions creates operational efficiencies for your team
- Ease of reconciliation between all your service providers
- Regulated by the Office of the Comptroller (OCC)
- SSAE 16/SOC-1 audit & controls

# Questions?

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