November 28, 2018

Submitted by: Alan Minuto, Controller-Treasurer

TO:
BOARD OF TRUSTEES, SANTA CLARA COUNTY SCHOOL DISTRICTS
BOARDS OF DIRECTORS, SANTA CLARA COUNTY SPECIAL PURPOSE DISTRICTS

FROM:
EMILY HARRISON, DIRECTOR OF FINANCE

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

**RECOMMENDATION**
Receive and file the September 30, 2018 Detailed Investment Portfolio Listing.

**DISCUSSION**
In compliance with the State of California Government Code as amended by Chapters 783 and 784, Statutes of 1995 and in compliance with County Policy, the Santa Clara County Treasury Investment Portfolio Report as of September 30, 2018 is submitted for your review and acceptance.

The attached detailed investment reports list each investment of the County Treasury Pool as well as individual reports for specific investment funds that each school district or special district has in the County Treasury. The reports include the respective purchase and maturity dates, par value, amortized cost, market value, and yield to maturity for each investment.

A summary of market value versus cost is provided below for Commingled Investments of the County Pool.

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Market Value</th>
<th>Increase (Decrease)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commingled Investments</td>
<td>$6,126,862,543</td>
<td>$6,064,553,473</td>
<td>($62,309,070)</td>
<td>(1.02%)</td>
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The yield of the pool on September 30, 2018 was 1.86%. As a comparison, on September 30, 2018 the yield of a 6-month Treasury Bill was 2.36%. A two-year Treasury Note was 2.81%. The State of California Local Agency Investment Fund (LAIF) yield was 2.00%.

Attached with the current investment strategy is a schedule that lists the average weighted maturities and yield for the Commingled Treasury Pool. Charts outlining investment concentration and distribution of bond maturities are provided for the Pool. Also included is a chart showing the one-year history of the Pool along with interest rates offered by selected comparable instruments.

Securities are purchased with the expectation that they will generally be held to maturity, hence unrealized gains or losses are not reflected in the yield calculations.

The market values of Pool securities were taken from pricing services provided by Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

Attachments:

September 2018 Quarterly Investment Summary