



**Agenda Item No. 10b.**

**Staff Report**

**Date:** November 8, 2018  
**To:** Mayor Kuhl and Councilmembers  
**From:** Joe Chinn, Town Manager  
**Subject:** Investment Report for the Quarter Ended September 30, 2018

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**Recommendation**

The Council accepts the investment report for quarter ended September 30, 2018.

**Background and discussion**

This report is provided as required by the investment policy approved by the Council on December 14, 2017. Current investments are consistent with the investment policy and are allowable under current California law. Investments are selected to meet the priority principals of the policy: safety, liquidity, and yield in respective order. Sufficient liquidity exists to fund operating and capital project requirements for the next six months.

Investment income for the operating fund for the quarter ended September 30, 2018 was \$44,373, which is \$19K more than received in the same period of the prior year. Investment income for all funds was \$59,620, which is \$27K more than received in the prior year. The reason for the increase in investment income is interest rates have significantly increased in the LAIF and CalTRUST accounts from the prior year. The reported yields for the Town funds were:

	<u>9/30/18</u>	<u>9/30/17</u>
LAIF	2.16%	1.07%
CalTRUST:		
Money Market	2.09%	1.20%
Short Term Fund	2.27%	1.23%

Cash in Wells Fargo and US Bank is for day-to-day operations and there is no return on these funds.

**Fiscal, resource and timeline impacts**

No financial impact from accepting this report.

**Alternative actions**

No alternative actions are suggested.

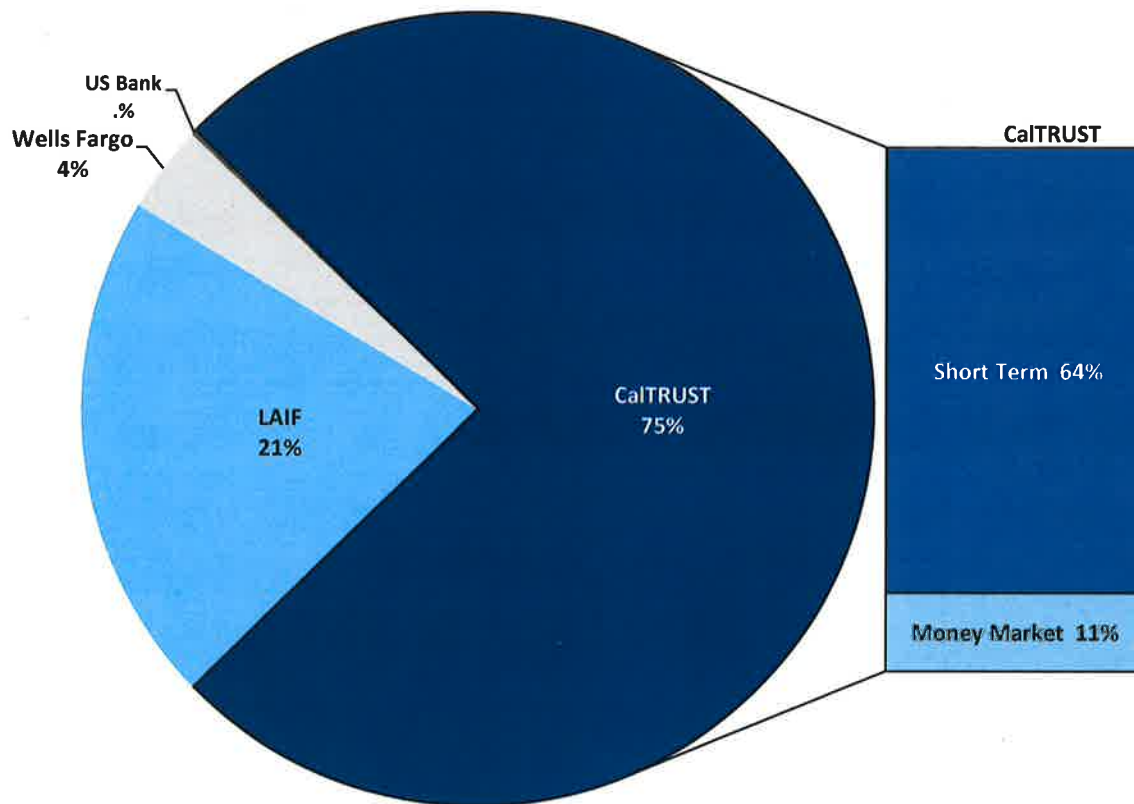
**Environmental review (if applicable)**

N/A

**Attachments**

- Summary of investment balances and graph
- CalTRUST statement 9/30/18
- CalTRUST short term fund statistics 9/30/18
- CalTRUST BlackRock TempFund Institutional Money Market Fund fact sheet 9/30/18
- LAIF statement 9/30/18
- LAIF performance report 9/30/18
- Wells Fargo Bank Statement 9/30/18
- US Bank Statement 9/30/18

Investment Balances September 30, 2018		
CalTRUST short term	\$ 7,585,236.44	64%
CalTRUST BlackRock money market	1,336,519.60	11%
Total CalTRUST	8,921,756.04	75%
LAIF	2,482,551.14	21%
Wells Fargo	423,791.57	4%
US Bank	23,087.98	0%
	<u>\$ 11,851,186.73</u>	<u>100%</u>





CalTRUST  
 c/o Gemini Fund Services LLC  
 PO Box 541150  
 Omaha, NE 68154-9150  
 www.caltrust.org  
 Email: CalTRUSTSupport@thegeminicompanies.com  
 Fax: 402-963-9094  
 Phone: 833-CALTRUST (225-8787)

## Investment Account Summary

09/01/2018 through 09/30/2018

### SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Sep 30 (\$)	Value on Sep 30 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
<b>TOWN OF ROSS</b>						
CalTRUST Short Term Fund		757,765.878	10.01	7,585,236.44	7,594,317.71	(9,081.27)
BlackRock TempFund		1,335,985.208	1.0004	1,336,519.60	1,336,466.42	53.18
Portfolios Total value as of 09/30/2018				8,921,756.04		

### DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount In Shares	Balance In Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
<b>CalTRUST Short Term Fund</b>								
			<b>TOWN OF ROSS</b>			<b>Account Number: .</b>		
Beginning Balance	09/01/2018			756,494.656	10.02	7,580,076.45		
Accrual Income Div Reinvestment	09/28/2018	12,724.93	1,271.222	757,765.878	10.01	7,585,236.44	0.00	0.00
Unrealized Gain/(Loss)						(7,564.94)		
Closing Balance as of	Sep 30			757,765.878	10.01	7,585,236.44		
<b>BlackRock TempFund</b>								
			<b>TOWN OF ROSS</b>			<b>Account Number: .</b>		
Beginning Balance	09/01/2018			1,333,894.594	1.0005	1,334,361.44		
Accrual Income Div Reinvestment	09/28/2018	2,291.53	2,290.614	1,335,985.208	1.0004	1,336,519.60	0.00	0.00
Unrealized Gain/(Loss)						(133.37)		
Closing Balance as of	Sep 30			1,335,985.208	1.0004	1,336,519.60		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

	CalTRUST Short Term	LAIF		CalTRUST Short Term Net Total Return	CalTRUST Short Term Yield	LAIF Yield
Market Value	\$1,347,899,265.64	N/A	One Month	0.07%	0.18%	0.17%
NAV per Share	\$10.01	N/A	Three Month	0.53%	0.54%	0.51%
30 day SEC Yield	2.27%	2.09%	Six Month	1.11%	1.02%	0.95%
Period Net Total Return	0.07%	0.17%	One Year*	1.61%	1.72%	1.60%
Effective Duration	0.47 yrs	N/A	Two Year*	1.28%	1.38%	1.23%
Average Maturity	0.96 yrs	0.52 yrs	Three Year*	1.09%	1.14%	0.99%
Weighted Average Life	0.87 yrs	0.53 yrs	Five Year*	0.82%	0.85%	0.70%
			Ten Year*	0.87%	0.77%	0.69%
			Since Inception*	1.71%	1.70%	1.62%
			*Annualized			

Portfolio Sector Breakdown

- AGENCY BONDS - 3.5%
- ASSET BACKED SECURITIES - 14.9%
- CORPORATE BONDS - 31.6%
- CERTIFICATE OF DEPOSIT - 12.1%
- COMMERCIAL MORTGAGE OBLIGATIONS - 0.0%
- COMMERCIAL PAPER - 3.1%
- MONEY MARKET FUNDS - 3.3%
- MUNICIPAL BOND - 4.8%
- U.S. GOVERNMENT - 26.7%

Rated AAF by S&P Global Ratings

## TempFund (Institutional Shares)

Institutional | Prime | Floating Net Asset Value

[www.blackrock.com/cash](http://www.blackrock.com/cash)

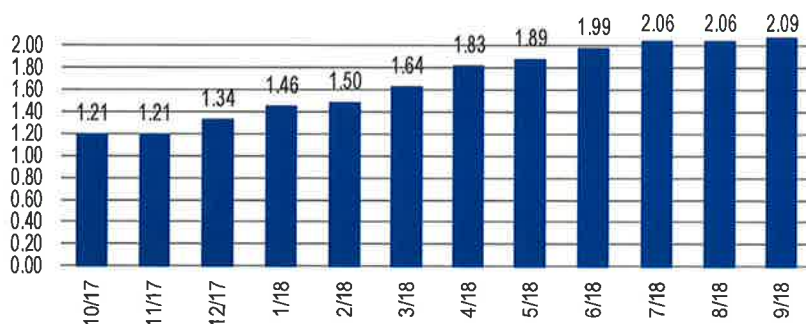
### Investment Objective

TempFund seeks as high a level of current income as is consistent with liquidity and stability of principal.

### Investment Policy

TempFund primarily invests in first-tier securities, which may include domestic and foreign corporate obligations, domestic bank obligations, securities issued or guaranteed by the U.S. Government or its agencies, and fully collateralized repurchase agreements.

### Performance (30-Day Yield %)\*<sup>1</sup>



7-day SEC yield as of 9/30/18 was 2.17%<sup>2</sup>

\* Sources: BlackRock, Inc. and BNY Mellon.

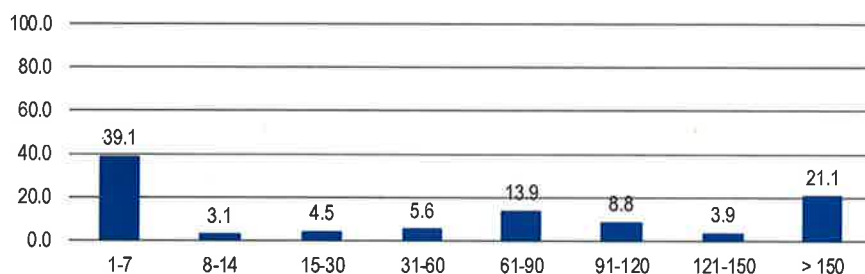
The investment advisor and/or other service providers for the BlackRock TempFund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expenses are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements can be discontinued at any time. Without such waivers and reimbursements, which were in effect for all or a portion of the period shown, the 7-day SEC yield would be 2.13%.

### % Net Total Return<sup>3</sup> (Period Ending 9/30/18)

1 Year	3 Years	5 Years	10 Years
1.70	1.01	0.63	0.47

Performance data represents past performance and does not guarantee future results. Yields will vary. Current performance may be lower or higher than the performance data quoted. Please call 800-441-7450 or log on to [www.blackrock.com/cash](http://www.blackrock.com/cash) to obtain performance data current to the most recent month-end.

### % Maturity Distribution

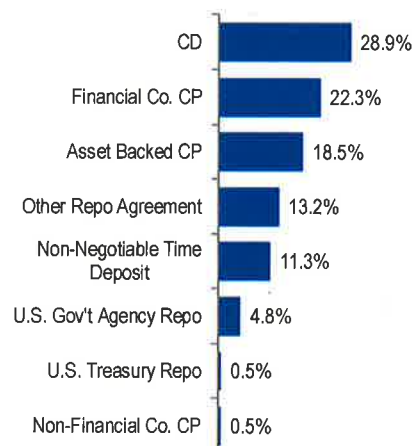


### Fund Details

Symbol	TMPXX
Size	\$13,090.0 million
Inception	October 10, 1973
Minimum Investment	\$3 million
Trading Deadline	8am/12pm/3pm (ET)
Weighted Average Maturity (WAM) <sup>4</sup>	32 days
Weighted Average Life (WAL) <sup>5</sup>	78 days
Standard and Poor's	AAAm
Moody's	Aaa-mf
Gross Expense Ratio <sup>†</sup>	0.22%
Net Expense Ratio <sup>†</sup>	0.18%
CUSIP #	09248U619
Portfolio #	24

<sup>†</sup> Expenses are as of the most current prospectus. Investment dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses are included in the Net. BlackRock may contractually agree to waive or reimburse certain fees and expenses until a specified date. Contractual waivers are terminable upon 90 days' notice by a majority of the funds non-interested trustees or by a vote of the majority of the outstanding voting securities of the fund. The investment advisor and/or other service providers may also voluntarily agree to waive certain fees and expenses which can be discontinued at any time without notice. When waivers or reimbursements are in place, the operating expenses are reduced and total returns to the shareholder in the fund increase. Please see the prospectus for additional information.

### Asset Allocation%<sup>‡</sup>



<sup>‡</sup> Does not reflect other receivables and payables.

## Important Notes

*You should consider the investment objectives, risks and expenses of the Funds carefully before investing. The Funds' prospectuses and, if available summary prospectuses, contain this and other information about the Funds and are available by calling our Client Service Center at 800-441-7450 or by visiting [www.blackrock.com/cash](http://www.blackrock.com/cash). Please read the prospectus carefully before investing.*

*You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.*

*This material is not intended to be a recommendation or advice by BlackRock. If this material were construed to be a recommendation by BlackRock, BlackRock would seek to rely on Department of Labor Regulation Section 2510.3-21(c)(1). As such, by providing this material to you, a plan fiduciary that is independent of BlackRock, BlackRock does not undertake to provide impartial investment advice or give advice in a fiduciary capacity. Further, BlackRock receives revenue in the form of advisory fees for our mutual funds and exchange traded funds and management fees for our collective investment trusts.*

*This material must be preceded or accompanied by a prospectus.*

<sup>1</sup> Average annualized 30-day yields are based on net investment income and distributed gains or losses for the period shown. Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. <sup>2</sup> The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. <sup>3</sup> The fund's current yield more closely reflects the current earnings of the fund than the total net return quotations. <sup>4</sup> Weighted Average Maturity: Calculated by the final maturity for a security and the interest rate reset date held in the portfolio. This is a way to measure a fund's sensitivity to potential interest rate changes. <sup>5</sup> Weighted Average Life: Measurement of a fund's sensitivity to a deteriorating credit environment; potential credit spread changes or tightening liquidity conditions. The WAL calculation is based on a security's stated final maturity date or, when relevant, the date of the demand feature when the fund may receive payment of principal and interest.

All portfolio information provided is as of September 30, 2018, unless otherwise noted, and is subject to change. Ratings by S&P and Moody's apply to the credit quality of a portfolio and are not a recommendation to buy, sell or hold securities of a Fund, are subject to change, and do not remove market risks associated with investments in the Fund. For complete information on the methodology used by each rating agency, please visit the following websites.

S&P - [http://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceld/504352](http://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceld/504352);

Moody's - [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

Prepared by BlackRock Investments, LLC, member FINRA

**FOR MORE INFORMATION: Visit [www.blackrock.com/cash](http://www.blackrock.com/cash) or email [cashmgmt@blackrock.com](mailto:cashmgmt@blackrock.com)**

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BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND  
REMITTANCE ADVICE

Agency Name

ROSS

Account Number

As of 10/15/2018, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2018.

Earnings Ratio		.00005909460836489
Interest Rate		2.16%
Dollar Day Total	\$	208,568,913.88
Quarter End Principal Balance	\$	2,482,551.14
Quarterly Interest Earned	\$	12,325.30





**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/17/18	2.07	1.99	187
09/18/18	2.07	1.99	188
09/19/18	2.08	1.99	188
09/20/18	2.08	1.99	188
09/21/18	2.08	1.99	187
09/22/18	2.08	1.99	187
09/23/18	2.08	1.99	187
09/24/18	2.08	2.00	189
09/25/18	2.08	2.00	188
09/26/18	2.09	2.00	190
09/27/18	2.09	2.00	192
09/28/18	2.09	2.00	193
09/29/18	2.09	2.00	193
09/30/18	2.09	2.00	193
10/01/18	2.11	2.11	205
10/02/18	2.11	2.11	205
10/03/18	2.12	2.11	206
10/04/18	2.12	2.12	206
10/05/18	2.12	2.12	205
10/06/18	2.12	2.12	205
10/07/18	2.12	2.12	205
10/08/18	2.12	2.12	202
10/09/18	2.12	2.12	202
10/10/18	2.13	2.12	202
10/11/18	2.14	2.12	203
10/12/18	2.14	2.12	202
10/13/18	2.14	2.12	202
10/14/18	2.14	2.13	202
10/15/18	2.14	2.13	200
10/16/18	2.15	2.13	198
10/17/18	2.15	2.13	198

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

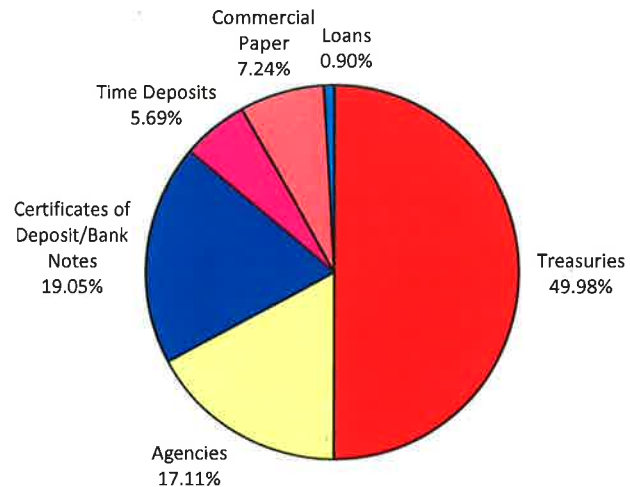
**Quarter Ending 09/30/18**

Apportionment Rate: 2.16%  
 Earnings Ratio: 0.00005909460836489  
 Fair Value Factor: 0.997832404  
 Daily: 2.09%  
 Quarter to Date: 2.00%  
 Average Life: 193

**PMIA Average Monthly  
Effective Yields**

**Sept 2018 2.063**  
 Aug 2018 1.998  
 July 2018 1.944

**Pooled Money Investment Account  
Portfolio Composition  
09/30/18  
\$88.3 billion**



Percentages may not total 100%, due to rounding.

Based on data available as of 10/17/2018

# State/Local Government Checking

2 ■ September 1, 2018 - September 30, 2018 ■ Page 1 of 7

WELLS  
FARGO

TOWN OF ROSS  
PO BOX 320  
ROSS CA 94957-0320

## Questions?

Available by phone 24 hours a day, 7 days a week:  
Telecommunications Relay Services calls accepted

**1-800-CALL-WELLS** (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: [wellsfargo.com/biz](http://wellsfargo.com/biz)

Write: Wells Fargo Bank, N.A. (114)  
P.O. Box 6995  
Portland, OR 97228-6995

## Your Business and Wells Fargo

Since August 2003, the Wells Fargo/Gallup Small Business Index has surveyed small business owners on current and future perceptions of their business financial situation. View the latest results at [wellsfargoworks.com](http://wellsfargoworks.com).

## Account options

A check mark in the box indicates you have these convenient services with your account(s). Go to [wellsfargo.com/biz](http://wellsfargo.com/biz) or call the number above if you have questions or if you would like to add new services.

Business Online Banking ☒  
Online Statements ☒  
Business Bill Pay ☒  
Business Spending Report ☒  
Overdraft Protection ☐

## Activity summary

Beginning balance on 9/1	\$761,766.72
Deposits/Credits	653,653.97
Withdrawals/Debits	- 991,629.12
<b>Ending balance on 9/30</b>	<b>\$423,791.57</b>

Average ledger balance this period	\$771,850.48
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Account number:

**TOWN OF ROSS**

*California account terms and conditions apply*

For Direct Deposit use

Routing Number (RTN): 1

For Wire Transfers use

Routing Number (RTN):

## Interest summary

Interest paid this statement	\$18.78
Average collected balance	\$761,723.54
Annual percentage yield earned	0.03%
Interest earned this statement period	\$18.78
Interest paid this year	\$30.94

## Interest withheld

Interest withheld this period	\$0.00
Interest withheld this year	\$2.91



P.O. Box 1800  
Saint Paul, Minnesota 55101-0800

5639 IMG S Y ST01

## Business Statement

Account Number:

Statement Period:

Sep 4, 2018

through

Sep 30, 2018

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ROSS RECREATION  
PO BOX 320  
ROSS CA 94957-0320



To Contact U.S. Bank

Commercial Customer

Service:

1-877-295-2509

U.S. Bank accepts Relay Calls

Internet:

usbank.com

## INFORMATION YOU SHOULD KNOW

Effective September 14th, 2018 the "Your Deposit Account Agreement" booklet will include a number of updates and may affect your rights. Starting September 14, you may pick up copies at your local branch, view copies at usbank.com, or call 1-800-USBANKS (1-800-872-2657) for a copy. Please see the [Additional Information Section](#) of this statement for the main updates that were made to "Your Deposit Account Agreement" booklet.

Effective November 12th, 2018 the "Your Deposit Account Agreement" booklet will include a number of updates and may affect your rights. Starting November 12th, you may pick up copies at your local branch, view copies at usbank.com, or call 1-800-USBANKS (1-800-872-2657) for a copy. The main updates that were made to "Your Deposit Account Agreement" booklet sections, and sub sections, include:

- Under sub section **Consumer Overdraft Protection** - additional language on overdraft protection advancement.
- Under sub section **Business Banking Overdraft Protection** - additional language on overdraft protection advancement.
- Removal of sub section **Returns at Merchants** and the daily limit.
- Update to the hours of operation for the U.S Bank Business Service Center.

## GOLD BUSINESS CHECKING

U.S. Bank National Association

Member FDIC

### Account Summary

Account Number

	# Items		
Beginning Balance on Sep 4		\$	279,305.52
Customer Deposits	3		11,342.00
Other Deposits	26		33,292.60
Other Withdrawals	5		300,852.14-
<b>Ending Balance on Sep 30, 2018</b>		<b>\$</b>	<b>23,087.98</b>