



Staff Report

Date: August 9, 2018
To: Mayor Kuhl and Councilmembers
From: Joe Chinn, Town Manager
Subject: Investment Report for the Quarter Ended June 30, 2018

Recommendation

The Council accepts the investment report for quarter ended June 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 was \$121,609 which is \$58K more than received in the same period of the prior year. Investment income for all funds was \$158,955 which is \$77K 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>6/30/18</u>	<u>6/30/17</u>
LAIF	1.90%	.92%
CalTRUST:		
Money Market	1.99%	1.00%
Short Term Fund	2.11%	1.10%

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.

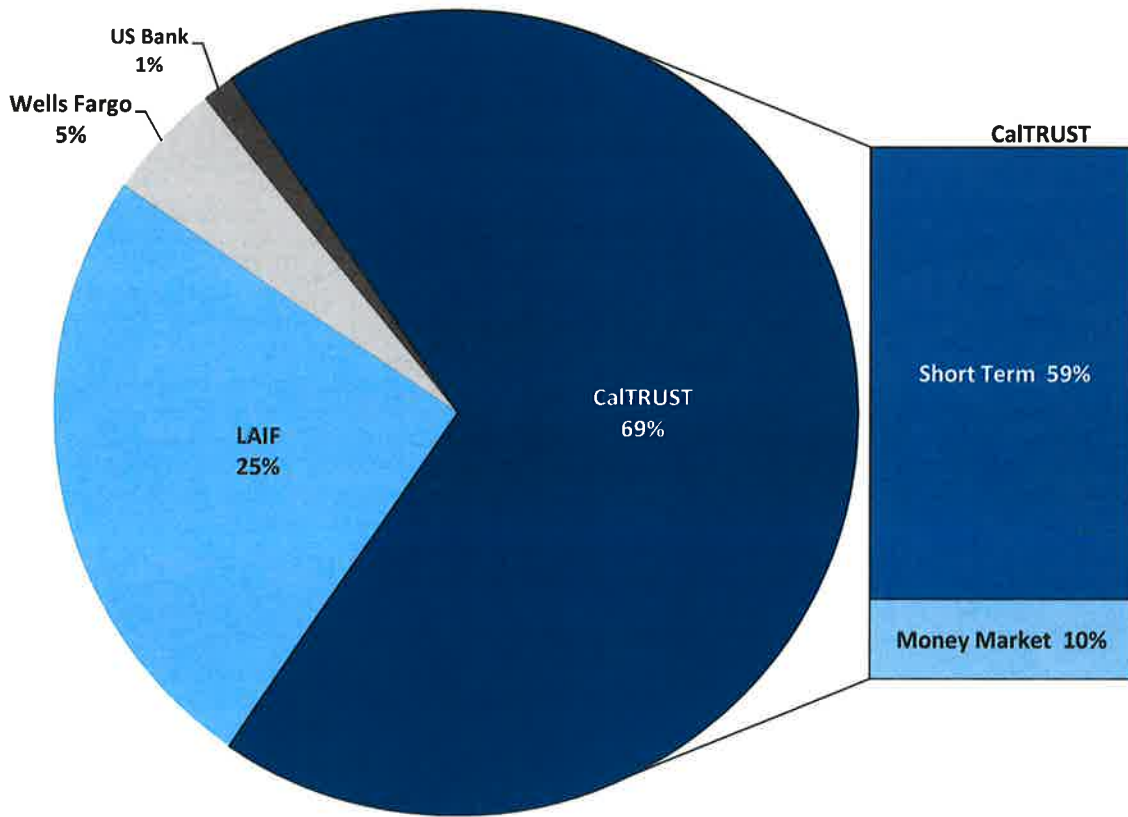
Environmental review (if applicable)

N/A

Attachments

- Summary of investment balances and graph
- CalTRUST statement 6/30/18
- CalTRUST short term fund statistics 6/30/18
- CalTRUST BlackRock TempFund Institutional Money Market Fund fact sheet 6/30/18
- LAIF statement 6/30/18
- LAIF performance report 6/30/18
- Wells Fargo Bank Statement 6/30/18
- US Bank Statement 6/30/18

Investment Balances June 30, 2018		
CalTRUST short term	\$ 7,544,927.99	59%
CalTRUST BlackRock money market	1,329,563.65	10%
Total CalTRUST	8,874,491.64	69%
LAIF	3,217,901.89	25%
Wells Fargo	606,993.72	5%
US Bank	168,562.30	1%
	<u>\$ 12,867,949.55</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

06/01/2018 through 06/30/2018

SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Jun 30 (\$)	Value on Jun 30 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
TOWN OF ROSS						
CalTRUST Short Term Fund		753,739.060	10.01	7,544,927.99	7,553,995.49	(9,067.50)
BlackRock TempFund		1,329,032.042	1.0004	1,329,563.65	1,329,510.24	53.41
Portfolios Total value as of 06/30/2018				8,874,491.64		

DETAIL OF TRANSACTION ACTIVITY

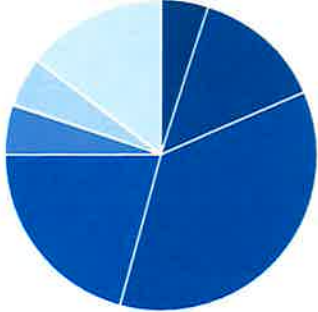
Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
CalTRUST Short Term Fund		TOWN OF ROSS		Account Number: 2000000000				
Beginning Balance	06/01/2018			752,530.962	10.01	7,532,834.93		
Accrual Income Div Reinvestment	06/29/2018	12,093.06	1,208.098	753,739.060	10.01	7,544,927.99	0.00	0.00
Unrealized Gain/(Loss)						0.00		
Closing Balance as of	Jun 30			753,739.060	10.01	7,544,927.99		
BlackRock TempFund		TOWN OF ROSS		Account Number: 2000000000				
Beginning Balance	06/01/2018			1,326,870.147	1.0004	1,327,400.90		
Accrual Income Div Reinvestment	06/29/2018	2,162.76	2,161.895	1,329,032.042	1.0004	1,329,563.65	0.00	0.00
Unrealized Gain/(Loss)						0.00		
Closing Balance as of	Jun 30			1,329,032.042	1.0004	1,329,563.65		

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 Total Return	CalTRUST Short Term Yield	LAIF Yield
Market Value	\$1,531,233,108.44	N/A	One Month	0.17%	0.17%	0.15%
NAV per Share	\$10.01	N/A	Three Month	0.58%	0.48%	0.44%
Yield	2.11%	1.90%	Six Month	0.86%	0.86%	0.79%
Period Total Return	0.17%	0.15%	One Year*	1.41%	1.48%	1.37%
Effective Duration	0.40 yrs	N/A	Two Year*	1.10%	1.20%	1.06%
Average Maturity	0.95 yrs	0.50 yrs	Three Year*	0.95%	1.00%	0.85%
			Five Year*	0.76%	0.76%	0.61%
			Ten Year*	0.83%	0.78%	0.71%
			Since Inception*	1.71%	1.69%	1.61%

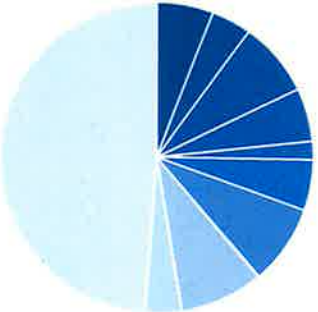
*Annualized

Portfolio Sector Breakdown



- AGENCY BONDS-4.9%
- ASSET BACKED SECURITIES-13.6%
- BOND-35.8%
- CERTIFICATE OF DEPOSIT-20.7%
- COMMERCIAL MORTGAGE OBLIGATIONS-0.0%
- COMMERCIAL PAPER-5.1%
- MONEY MARKET FUNDS-0.1%
- MUNICIPAL BOND-5.1%
- U.S. GOVERNMENT-14.8%

Portfolio Quality Breakdown



- A 5.8%
- A- 4.2%
- A+ 7.9%
- A-1 5.5%
- AA 1.9%
- AA- 5.2%
- AA+ 8.2%
- AA1 0.1%
- AAA 8.6%
- BBB+ 3.8%
- NR 48.8%

TempFund (Institutional Shares)

Institutional | Prime | Floating Net Asset Value

www.blackrock.com/cash

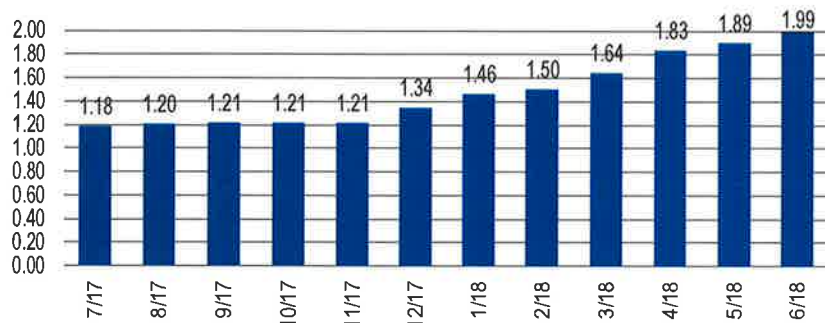
Investment Objective

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 US government or its agencies, and fully collateralized repurchase agreements.

Performance (30-Day Yield %)*,1



7-day SEC yield as of 6/30/18 was 2.06%²

* Sources: BlackRock, Inc. and BNY Mellon.

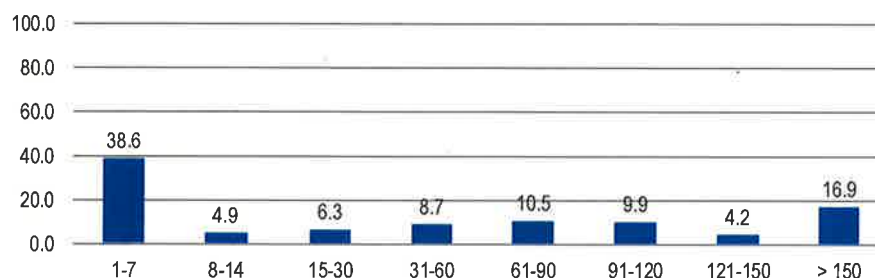
The investment advisor and/or other service providers for the BlackRock TempFund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expenses are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements 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 2.01%.

% Net Total Return³ (Period Ending 6/30/18)

1 Year	3 Years	5 Years	10 Years
1.47	0.84	0.53	0.49

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 to obtain performance data current to the most recent month-end.

% Maturity Distribution

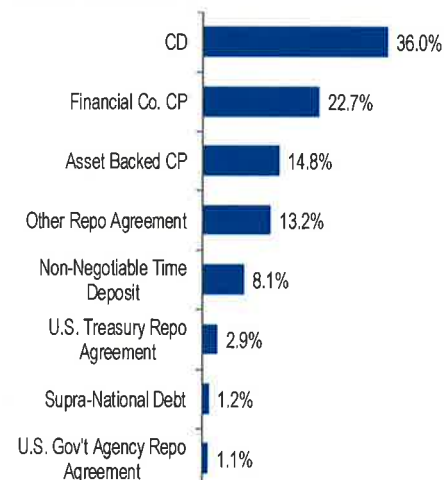


Fund Details

Symbol	TMPXX
Size	\$11,312.7 million
Inception	October 10, 1973
Minimum Investment	\$3 million
Trading Deadline	8am/12pm/3pm (ET)
Weighted Average Maturity (WAM) ⁴	27 days
Weighted Average Life (WAL) ⁵	69 days
Standard and Poor's	AAAm
Moody's	Aaa-mf
Gross Expense Ratio †	0.22%
Net Expense Ratio †	0.18%
CUSIP #	09248U619
Portfolio #	24

† 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%[†]



† Does not reflect other receivables and payables.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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. 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.

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¹ 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. ²The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. ³The fund's current yield more closely reflects the current earnings of the fund than the total net return quotations. ⁴ 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. ⁵Weighted 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 June 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/quest/article/-/view/sourceld/504352;

Moody's - https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

Prepared by BlackRock Investments, LLC, member FINRA

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BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

ROSS

Account Number

As of 07/13/2018, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2018.

Earnings Ratio		.00005216919081336
Interest Rate		1.90%
Dollar Day Total	\$	280,802,723.03
Quarter End Principal Balance	\$	3,217,901.89
Quarterly Interest Earned	\$	14,649.25



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
06/18/18	1.86	1.74	181
06/19/18	1.87	1.74	179
06/20/18	1.87	1.74	178
06/21/18	1.89	1.74	183
06/22/18	1.89	1.75	186
06/23/18	1.89	1.75	186
06/24/18	1.89	1.75	186
06/25/18	1.89	1.75	184
06/26/18	1.89	1.75	183
06/27/18	1.90	1.75	181
06/28/18	1.90	1.76	183
06/29/18	1.92	1.76	194
06/30/18	1.92	1.76	193
07/01/18	1.92	1.92	193
07/02/18	1.93	1.92	196
07/03/18	1.93	1.92	195
07/04/18	1.93	1.92	195
07/05/18	1.93	1.93	194
07/06/18	1.93	1.93	193
07/07/18	1.93	1.93	193
07/08/18	1.93	1.93	193
07/09/18	1.93	1.93	191
07/10/18	1.93	1.93	192
07/11/18	1.93	1.93	191
07/12/18	1.94	1.93	189
07/13/18	1.94	1.93	190
07/14/18	1.94	1.93	190
07/15/18	1.94	1.93	190
07/16/18	1.94	1.93	188
07/17/18	1.94	1.93	187
07/18/18	1.94	1.93	187

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

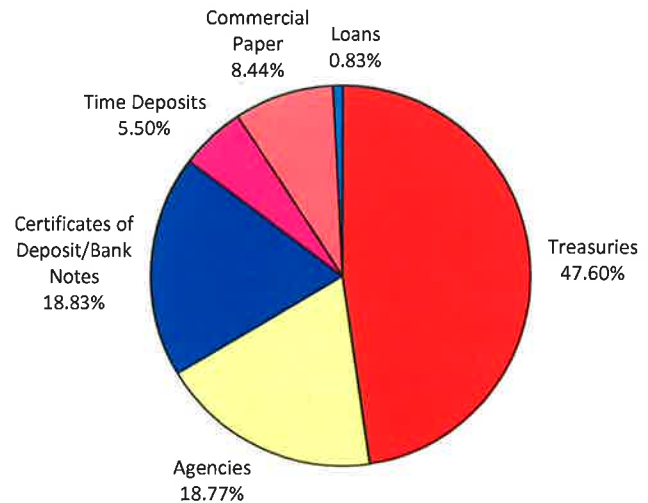
Quarter Ending 06/30/18

Apportionment Rate: 1.90%
 Earnings Ratio: 0.00005216919081336
 Fair Value Factor: 0.998126869
 Daily: 1.92%
 Quarter to Date: 1.76%
 Average Life: 193

PMIA Average Monthly Effective Yields

June 2018 1.854
 May 2018 1.755
 Apr 2018 1.661

**Pooled Money Investment Account
Portfolio Composition
06/30/18
\$88.8 billion**



Business Checking - Public Funds

■ June 1, 2018 - June 30, 2018 ■ Page 1 of 8



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

Write: Wells Fargo Bank, N.A. (114)

P.O. Box 6995

Portland, OR 97228-6995

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Online Statements
Business Bill Pay
Business Spending Report
Overdraft Protection



Activity summary

Beginning balance on 6/1	\$900,120.76
Deposits/Credits	536,029.89
Withdrawals/Debits	- 829,156.93
Ending balance on 6/30	\$606,993.72
Average ledger balance this period	\$682,774.35

Account number:

TOWN OF ROSS

California account terms and conditions apply

For Direct Deposit use

Routing Number (RTN):

For Wire Transfers use

Routing Number (RTN):



US BANK

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

5639 IMG S Y ST01

Account Number:

Statement Period:

Jun 1, 2018
through
Jun 30, 2018

Page 1 of 2

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ROSS RECREATION
PO BOX 320
ROSS CA 94957-0320



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Commercial Customer

Service:

1-877-295-2509

U.S. Bank accepts Relay Calls

Internet:

usbank.com

GOLD BUSINESS CHECKING

J.S. Bank National Association

Member FDIC

Account Number

Account Summary

	# Items	\$	
Beginning Balance on Jun 1			105,430.83
Customer Deposits	2		3,097.00
Other Deposits	29		61,567.80
Other Withdrawals	3		1,533.33-
Ending Balance on Jun 30, 2018		\$	168,562.30