

TJPA Quarterly Investment Report

To: TJPA Board of Directors

From: Sara DeBord, Chief Financial Officer

Date: For the Quarter Ending March 31, 2018

Per the Board-approved TJPA Investment Policy, the primary objectives, in priority order, for the TJPA's investment activities are safety, liquidity, and then return on investment. The TJPA's permitted investment instruments are governed by California Government Code and the Investment Policy, as well as by financing agreements such as the TIFIA Loan Agreement. All cash is currently held in one of the following accounts:

- 1) Insured/collateralized checking accounts with U.S. Bank
 - Regular Checking
 - Payroll
 - Contractor Retention
- 2) City & County of San Francisco Pooled Investment Fund
- 3) California Local Agency Investment Fund (LAIF)
- 3) Trust accounts with U.S. Bank (formerly Deutsche Bank)
 - Construction Fund for deposit of land sales proceeds and prior bridge loan proceeds for construction
 - TIFIA Collateral Agency accounts for deposit and flow of net tax increment proceeds

The attached Investment & Earnings report identifies the balance in each of these accounts as of the end of the quarter. This report is sent to the Board within 30 days of each fiscal year quarter's end to comply with state government code reporting requirements. Each report is also posted on the TJPA website under Financial Documents to ensure public access to the information.

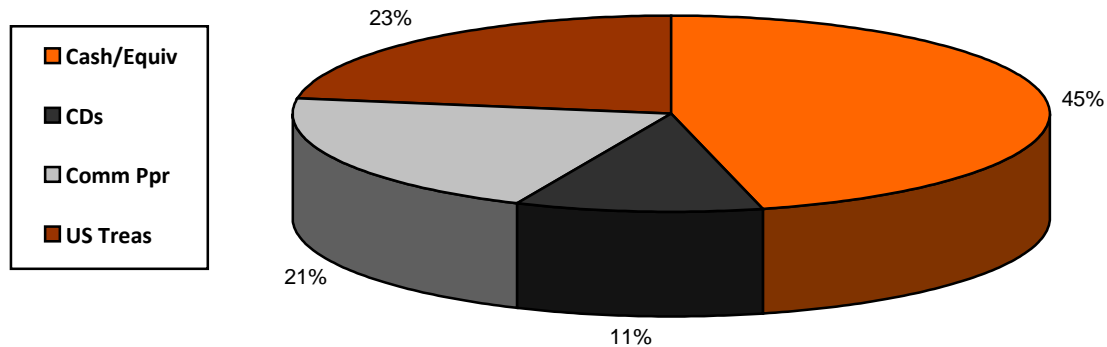
Due to the still low interest rate environment, and because any interest earned on federal funds would need to be remitted to FTA and/or FRA, the U.S. Bank regular checking and payroll accounts are currently set up with an earnings credit rate, meaning that any earnings offset bank fees, and unused 'earnings' in one month are rolled to the following month(s). Thus no interest earnings are reported in the investment report for the bank account. TJPA holds only the amount necessary for estimated upcoming cash disbursements in the regular checking account, and a fixed imprest amount in the payroll account. The contractor retention account is a 'small business' checking account that has a limited amount of activity and no fees.

TJPA has not been able to obtain the amounts earned on the \$10,025,941 in the City Treasurer's Pool due to implementation of the City's new financial system. The amount will be updated and posted once available. Interest earnings for LAIF were \$38,854, an annualized rate of return of 1.63% with an ending cash balance of \$9,518,112.

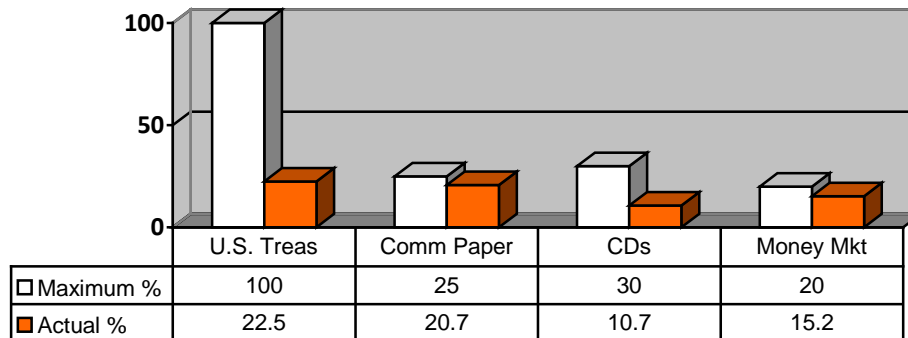
The TJPA has trust accounts with U.S. Bank for gross sales proceeds from former state parcels, bridge loan proceeds, and net tax increment revenues. TJPA generally follows conservative investment practices of buying and holding investments until maturity. At March 31, 2018, the TJPA trust accounts

collectively held \$39,163,000 (par value) of U.S. Treasury Bills and Notes, commercial paper, and certificates of deposit (CDs) that mature on a rolling basis, plus money market mutual funds balances totaling \$11,020,797 for projected upcoming disbursements in order to avoid penalties or losses for selling any investments before maturity. The proceeds of the U.S. Treasury investments, commercial paper and CDs that matured in April have been primarily reinvested in new U.S. Treasury investments and CDs with balances being transferred to the money market mutual funds for upcoming disbursements. The trust account investment earnings of \$169,482 reported for the quarter equals accrued interest for the period, plus amortization attributable to the period of discounts on U.S. Treasury Notes. Further details on investments are shown below and in the attached quarterly report.

Portfolio Investments at March 31



Compliance with Investment Policy Percentages at March 31



The portfolio overall is in compliance with the TJPA Investment Policy. The Abbey National commercial paper investment equaled 11%, greater than the 10% allowed per issuer for commercial paper; however, it was in compliance at the time of purchase, and the percentage increased following disbursements. As noted above, TJPA generally holds investments until maturity.

The Monthly Investment Transaction Report is concurrently being provided to the Board. It shows purchases and maturities of investments for the month of March, not including pooled investments or money market funds. The proceeds of the U.S. Treasury Note that matured March 31 (a Saturday) are included in the monthly report, whereas the investment is shown as a still held investment in the quarterly report in order to facilitate reconciliation with account statements.

Transbay Joint Powers Authority
Investment & Interest Earnings Report¹
Fiscal Year 2018 3rd Quarter (ending March 31, 2018)

Summary of Deposit and Investment Accounts

Depository / Investment Type	Balance (Carrying Value)	3rd Quarter Interest ²	Annualized Rate of Return
San Francisco Treasurer Pooled Investment Fund	\$ 10,025,941	\$ -	-
State Local Agency Investment Fund (LAIF)	\$ 9,518,112	\$ 38,854	1.63%
U.S. Bank / All Checking Accounts	\$ 2,832,423	\$ -	-
U.S. Bank / All Trust Accounts	\$ 50,085,238	\$ 169,482	1.35%
Total Portfolio	\$ 72,461,714		

Listing of Deposits and Investments

Investment Type	Par Value	Carrying Value/ Cost	Market Value ³	% of Portfolio	Purchase Date	Maturity Date	Yield	Wtd Avg Maturity (days) ⁴
Cash								
Checking Accounts	\$ 2,832,423	\$ 2,832,423	\$ 2,832,423					
Trust Accounts	\$ 304	\$ 304	\$ 304					
Total Cash	\$ 2,832,727	\$ 2,832,727	\$ 2,832,727	3.9%				
Cash Equivalents								
City & County of San Francisco Treasurer's Pool	\$ 10,025,941	\$ 10,025,941	\$ 10,025,941	13.8%	n/a	n/a	n/a	
State Local Agency Investment Fund (LAIF)	\$ 9,518,112	\$ 9,518,112	\$ 9,518,112	13.1%	n/a	n/a	n/a	
Fidelity Institutional Money Market Treasury Portfolio	\$ 5,556,414	\$ 5,556,414	\$ 5,556,414	7.7%	n/a	n/a	n/a	
Federated Government Obligations Money Market Fund	\$ 2,338,061	\$ 2,338,061	\$ 2,338,061	3.2%	n/a	n/a	n/a	
First American Government Obligations Money Market Fund	\$ 255,696	\$ 255,696	\$ 255,696	0.4%	n/a	n/a	n/a	
Goldman Sachs Financial Square Government Fund	\$ 2,870,626	\$ 2,870,626	\$ 2,870,626	4.0%	n/a	n/a	n/a	
Total Cash Equivalents	\$ 30,564,850	\$ 30,564,850	\$ 30,564,850	42.2%				1
Certificates of Deposit								
State Bank	\$ 250,000	\$ 250,000	\$ 249,983		10/11/2017	4/11/2018	1.25%	
BMO Harris Bank	\$ 250,000	\$ 250,000	\$ 249,980		10/13/2017	4/13/2018	1.25%	
ZB NA	\$ 250,000	\$ 250,000	\$ 249,958		7/18/2017	4/18/2018	1.30%	
Northpointe Bank	\$ 250,000	\$ 250,000	\$ 249,965		10/26/2017	4/26/2018	1.25%	
Hingham Inst for Savings	\$ 250,000	\$ 250,000	\$ 249,963		10/27/2017	4/27/2018	1.25%	
Sallie Mae Bank	\$ 250,000	\$ 250,000	\$ 249,998		2/8/2017	5/8/2018	1.45%	
Bank of East Asia	\$ 250,000	\$ 250,000	\$ 249,993		3/15/2018	5/15/2018	1.45%	
Wex Bank Midvale	\$ 250,000	\$ 250,000	\$ 249,933		10/18/2017	5/18/2018	1.30%	
First Savings	\$ 250,000	\$ 250,000	\$ 249,905		10/23/2017	5/23/2018	1.25%	
Citizens Bank	\$ 250,000	\$ 250,000	\$ 249,998		2/7/2018	6/7/2018	1.55%	
Bank of India	\$ 250,000	\$ 250,000	\$ 249,933		3/14/2018	6/13/2018	1.45%	
UMB Bank	\$ 250,000	\$ 250,000	\$ 249,930		3/14/2018	6/14/2018	1.45%	
Mabrey Bank	\$ 250,000	\$ 250,000	\$ 249,930		2/14/2018	6/14/2018	1.45%	
Luther Burbank	\$ 250,000	\$ 250,000	\$ 249,945		3/29/2018	6/29/2018	1.55%	
Mizrahi Tefahot Bank	\$ 250,000	\$ 250,000	\$ 249,978		3/29/2018	6/29/2018	1.60%	
Jonesboro St	\$ 250,000	\$ 250,000	\$ 249,895		2/8/2018	7/9/2018	1.50%	
Prospect Bank	\$ 250,000	\$ 250,000	\$ 249,923		3/13/2018	7/13/2018	1.55%	
Bank of Pontiac	\$ 250,000	\$ 250,000	\$ 249,915		2/14/2018	7/16/2018	1.55%	
1st Security Bank of WA	\$ 250,000	\$ 250,000	\$ 249,878		2/16/2018	7/16/2018	1.50%	
BNY Mellon	\$ 250,000	\$ 250,000	\$ 249,865		2/6/2018	8/6/2018	1.45%	
Berkshire Bank	\$ 250,000	\$ 250,000	\$ 249,820		2/6/2018	8/6/2018	1.50%	
Goldman Sachs Bank	\$ 250,000	\$ 250,000	\$ 249,818		2/7/2018	8/7/2018	1.50%	
Minnewest Bank	\$ 250,000	\$ 250,000	\$ 249,908		2/7/2018	8/7/2018	1.60%	
Cedar Rapids	\$ 250,000	\$ 250,000	\$ 249,863		2/9/2018	8/9/2018	1.55%	
Luana Savings	\$ 250,000	\$ 250,000	\$ 249,813		2/9/2018	8/9/2018	1.50%	
People Bank Deer Lodge	\$ 250,000	\$ 250,000	\$ 249,908		2/9/2018	8/9/2018	1.60%	
Sanford Inst for Savings	\$ 250,000	\$ 250,000	\$ 249,850		2/14/2018	8/14/2018	1.55%	
Peoples Bank of Holyoke MA	\$ 250,000	\$ 250,000	\$ 249,845		3/15/2018	8/15/2018	1.55%	
Paragon Bank	\$ 250,000	\$ 250,000	\$ 249,845		2/16/2018	8/16/2018	1.55%	
Eagle Bank & Tr Co	\$ 250,000	\$ 250,000	\$ 249,823		2/23/2018	8/23/2018	1.55%	
Bank of Rhode Island	\$ 250,000	\$ 250,000	\$ 249,863		3/29/2018	8/29/2018	1.60%	
Total Certificates of Deposit	\$ 7,750,000	\$ 7,750,000	\$ 7,747,215	10.7%				86
Commercial Paper								
Bayerische	\$ 7,019,000	\$ 6,999,932	\$ 7,015,912	9.7%	2/9/2018	4/10/2018	1.63%	
Abbey National	\$ 8,032,000	\$ 7,999,203	\$ 8,007,181	11.0%	3/15/2018	5/29/2018	1.96%	
Total Commercial Paper	\$ 15,051,000	\$ 14,999,134	\$ 15,023,093	20.7%				36
U.S. Treasury Notes								
U.S. Treasury Note	\$ 5,000,000	\$ 4,994,782	\$ 5,000,000		1/12/2018	3/31/2018	1.36%	
U.S. Treasury Note	\$ 7,014,000	\$ 6,990,545	\$ 6,993,589		3/15/2018	6/30/2018	1.76%	
U.S. Treasury Note	\$ 4,348,000	\$ 4,329,675	\$ 4,332,565		2/21/2018	7/31/2018	1.71%	
Total U.S. Treasury Notes	\$ 16,362,000	\$ 16,315,002	\$ 16,326,154	22.5%				71
Total Investments	\$ 69,727,850	\$ 69,628,986	\$ 69,661,311					34
Total Portfolio	\$ 72,560,577	\$ 72,461,714	\$ 72,494,039					

¹ The TJPA investment portfolio is in compliance with the TJPA Investment Policy (California Government Code Section 53646(b)(2)). **Abbey National commercial paper was in compliance (≤10%) at the time of purchase.**

TJPA has sufficient resources to cover expenditures for the next six months (CGC Section 53646(b)(3)).

² Investment interest reported as accrued interest for period, net of premium or discount amortization. Interest from CCSF for 1st-3rd Quarters not yet provided.

³ Source of Market Value is U.S. Bank portfolio statements issued for March 31, 2018. TJPA holds securities until maturity.

⁴ The calculation of Weighted Average Maturity for total investments assumes a maturity date of one day for investments without a maturity date.