

TJPA Quarterly Investment Report

To: TJPA Board of Directors

From: Mark Zabaneh, Executive Director

Date: For the Quarter Ending September 30, 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
 - Operating
- 2) City & County of San Francisco Pooled Investment Fund
- 3) California Local Agency Investment Fund (LAIF)
- 4) Trust accounts with U.S. Bank (formerly Deutsche Bank)
 - Construction Fund for deposit of land sales proceeds and prior bridge loan proceeds
 - 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.

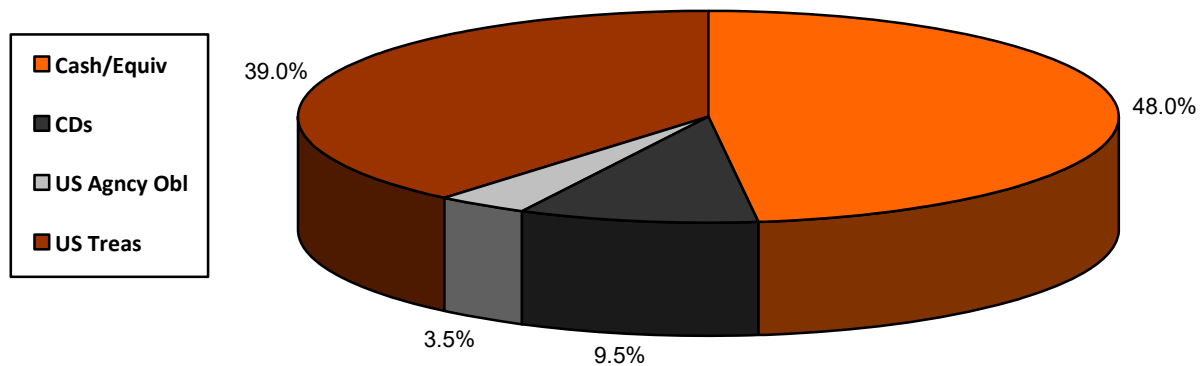
Due to the still low interest rate environment, and because any interest earned on federal funds would need to be remitted to FTA, the U.S. Bank accounts are currently set up with an earnings credit rate, meaning that any earnings offset bank fees, and unused 'earnings' in one month are rolled to the following month(s). Thus, no interest earnings are reported in the investment report for the bank account. The balances of all accounts are combined to calculate the earnings. 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. The operating account was opened this quarter and will be utilized by TJPA and the asset manager for deposit of rents and payment of various operating expenses.

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 \$61,137; the ending cash balance is \$11,312,799.

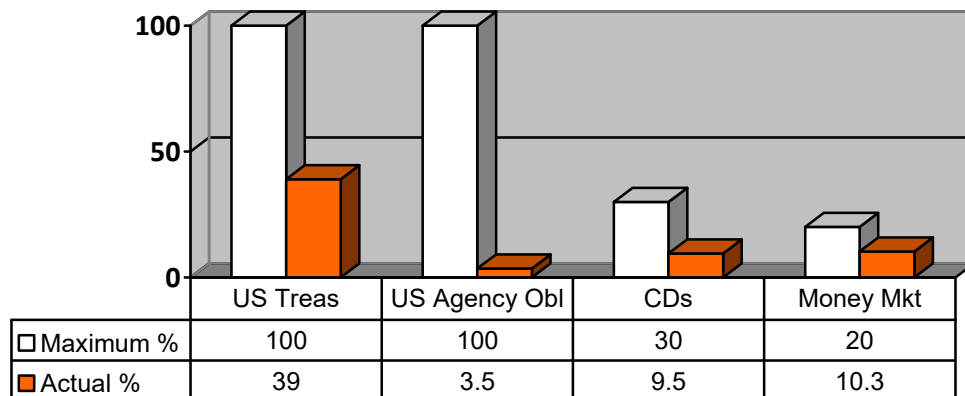
The TJPA has trust accounts with U.S. Bank for gross sales proceeds from former state parcels, bridge loan proceeds, and net tax increment revenues. TJPA generally follows conservative investment

practices of buying and holding investments until maturities, which are laddered. At September 30, 2018, the TJPA trust accounts collectively held \$29,308,000 (par value) of U.S. Treasury Bills and Notes, U.S Agency Obligations, and certificates of deposit (CDs) that mature on a rolling basis, plus money market mutual funds balances totaling \$5,844,725 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 and CDs that mature in October will primarily be 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 \$201,642 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 September 30



Compliance with Investment Policy Percentages at September 30



The portfolio overall is in compliance with the TJPA Investment Policy. 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 September, not including pooled investments or money market funds.

Transbay Joint Powers Authority
Investment & Interest Earnings Report¹
Fiscal Year 2019 1st Quarter (ending September 30, 2018)

Summary of Deposit and Investment Accounts

Depository / Investment Type	Balance (Carrying Value)	1st Quarter Interest ²	Annualized Rate of Return
San Francisco Treasurer Pooled Investment Fund	\$ 10,025,941	\$ -	-
State Local Agency Investment Fund (LAIF)	\$ 11,312,799	\$ 61,137	2.16%
U.S. Bank / All Checking Accounts	\$ 10,282,506	\$ -	-
U.S. Bank / All Trust Accounts	\$ 35,092,205	\$ 201,642	2.30%
Total Portfolio	\$ 66,713,451		

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	\$ 10,282,506	\$ 10,282,506	\$ 10,282,506					
Trust Accounts	\$ -	\$ -	\$ -					
Total Cash	\$ 10,282,506	\$ 10,282,506	\$ 10,282,506	15.4%				
Cash Equivalents								
City & County of San Francisco Treasurer's Pool	\$ 10,025,941	\$ 10,025,941	\$ 10,025,941	15.0%	n/a	n/a	n/a	
State Local Agency Investment Fund (LAIF)	\$ 11,312,799	\$ 11,312,799	\$ 11,312,799	17.0%	n/a	n/a	n/a	
Fidelity Institutional Money Market Treasury Portfolio	\$ 1,622,442	\$ 1,622,442	\$ 1,622,442	2.4%	n/a	n/a	n/a	
Federated Government Obligations Money Market Fund	\$ 1,237,005	\$ 1,237,005	\$ 1,237,005	1.9%	n/a	n/a	n/a	
First American Government Obligations Money Market Fund	\$ 1,634,787	\$ 1,634,787	\$ 1,634,787	2.5%	n/a	n/a	n/a	
Goldman Sachs Financial Square Government Fund	\$ 1,350,491	\$ 1,350,491	\$ 1,350,491	2.0%	n/a	n/a	n/a	
Total Cash Equivalents	\$ 27,183,464	\$ 27,183,464	\$ 27,183,464	40.7%				1
Certificates of Deposit								
Harborone Bank	\$ 250,000	\$ 250,000	\$ 249,995		5/4/2018	10/11/2018	1.75%	
Security Bank	\$ 250,000	\$ 250,000	\$ 249,990		4/11/2018	10/11/2018	1.80%	
United Community Bank	\$ 250,000	\$ 250,000	\$ 249,990		4/11/2018	10/11/2018	1.80%	
Washington Trust Co Bank	\$ 250,000	\$ 250,000	\$ 249,990		4/11/2018	10/12/2018	1.80%	
Bankwell Bank	\$ 250,000	\$ 250,000	\$ 249,985		4/12/2018	10/18/2018	1.75%	
FNCB Bank	\$ 250,000	\$ 250,000	\$ 249,978		4/18/2018	10/30/2018	1.75%	
Chemical Bank	\$ 250,000	\$ 250,000	\$ 249,978		4/30/2018	11/7/2018	1.80%	
Beal Bank	\$ 100,000	\$ 100,000	\$ 99,985		8/8/2018	11/8/2018	1.80%	
Bank of East Asia	\$ 250,000	\$ 250,000	\$ 249,975		8/8/2018	11/13/2018	1.85%	
Reading Co-Op Bank	\$ 250,000	\$ 250,000	\$ 249,968		8/10/2018	11/15/2018	1.85%	
Bank of China	\$ 250,000	\$ 250,000	\$ 249,995		8/8/2018	11/16/2018	1.95%	
First American Bank	\$ 250,000	\$ 250,000	\$ 249,960		8/17/2018	11/20/2018	1.85%	
Jonesboro State Bank	\$ 250,000	\$ 250,000	\$ 249,920		8/20/2018	12/6/2018	1.75%	
Homestreet Bank	\$ 250,000	\$ 250,000	\$ 249,918		4/6/2018	1/7/2019	1.85%	
Compass Bank	\$ 250,000	\$ 250,000	\$ 249,878		4/5/2018	2/8/2019	1.95%	
Dedham Institution of Savings	\$ 250,000	\$ 250,000	\$ 249,818		8/8/2018	2/11/2019	1.95%	
Bank of the Ozarks	\$ 250,000	\$ 250,000	\$ 249,775		8/10/2018	2/15/2019	1.90%	
KCB Bank	\$ 250,000	\$ 250,000	\$ 249,810		8/15/2018	3/15/2019	1.95%	
DMB Community Bank	\$ 250,000	\$ 250,000	\$ 249,725		8/15/2018	5/15/2019	1.95%	
Hometrust Bank	\$ 250,000	\$ 250,000	\$ 249,748		8/15/2018	6/10/2019	2.10%	
Planters Bank	\$ 250,000	\$ 250,000	\$ 249,765		8/9/2018	8/1/2019	2.15%	
Synchrony Bank	\$ 250,000	\$ 250,000	\$ 249,698		8/3/2018	8/23/2018	2.25%	
Total Certificates of Deposit	\$ 5,350,000	\$ 5,350,000	\$ 5,347,840	8.0%				87
U.S. Agency Obligations								
Federal Home Loan Bank Note	\$ 2,000,000	\$ 1,992,939	\$ 1,994,620		9/14/2018	11/15/2018	2.05%	
Total U.S. Agency Obligations	\$ 2,000,000	\$ 1,992,939	\$ 1,994,620	3.0%				46
U.S. Treasury Notes								
U.S. Treasury Note	\$ 5,231,000	\$ 5,220,861	\$ 5,225,455		9/4/2018	10/31/2018	2.00%	
U.S. Treasury Note	\$ 1,431,000	\$ 1,428,226	\$ 1,429,483		9/4/2018	10/31/2018	2.00%	
U.S. Treasury Note	\$ 2,000,000	\$ 1,996,327	\$ 1,997,880		9/7/2018	10/31/2018	2.00%	
U.S. Treasury Note	\$ 2,279,000	\$ 2,278,173	\$ 2,278,407		9/10/2018	10/31/2018	2.00%	
U.S. Treasury Note	\$ 2,250,000	\$ 2,246,205	\$ 2,246,625		9/17/2018	11/30/2018	2.08%	
U.S. Treasury Note	\$ 2,500,000	\$ 2,494,708	\$ 2,495,175		9/14/2018	12/15/2018	2.09%	
U.S. Treasury Note	\$ 999,000	\$ 994,251	\$ 996,572		6/4/2018	12/31/2018	2.09%	
U.S. Treasury Note	\$ 2,997,000	\$ 2,984,518	\$ 2,988,848		6/4/2018	1/31/2019	2.14%	
U.S. Treasury Note	\$ 2,271,000	\$ 2,261,272	\$ 2,262,030		9/4/2018	1/31/2019	2.19%	
Total U.S. Treasury Notes	\$ 21,958,000	\$ 21,904,541	\$ 21,920,476	32.8%				64
Total Investments	\$ 56,491,464	\$ 56,430,944	\$ 56,446,400					30
Total Portfolio	\$ 66,773,970	\$ 66,713,451	\$ 66,728,906					

¹ The TJPA investment portfolio is in compliance with the TJPA Investment Policy (California Government Code Section 53646(b)(2)). 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. CCSF interest for July 1, 2017 to September 30, 2018 not yet provided.

³ Source of Market Value is U.S. Bank portfolio statements issued for September 30, 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.