

In Collaboration with
The California Municipal Treasurers Association

Presents

**Advanced Public Funds Investing:
The Analytics of Portfolio Selection and
Decision-Making**

January 17-18, 2018
Carmel Mission Inn
3665 Rio Road
Carmel, CA 93923

This one and a half day seminar is designed to provide an advanced discussion of portfolio management, including the more complex concepts underlying sound public portfolio analysis and decision-making. The seminar will cover investment concepts, risk, and the permissible securities under California Government Code 53601. It will also include an investment portfolio case-study simulation to allow seminar participants to place concepts into practice.

Note: CDIAC and CMTA recommend that prior to attending this course participants view the presentation from the basic seminar and CDIACs webinar series, The Public Fund Investment Portfolio posted on the CDIAC website: [seminar](#); [webinar](#).

DAY ONE **Wednesday, January 17, 2018**

8:00 AM **Registration and Continental Breakfast**

8:30 AM **Welcome and Opening Remarks**

Mark Campbell, Executive Director, CDIAC

Rudolf Livingston, President, CMTA; Finance Director, City of Ojai

SESSION ONE

8:40 AM **Economic Forecasts, Interest Rates and Current Hot Topics**

This session will provide insight on economic forecasting and the current interest rate, legislative, and public fund investing environment.

Kevin Webb, CFA, Director, Cantor Fitzgerald

SESSION TWO

9:45 AM **Advanced Concepts in Public Investment Analytics**

This session will provide an in-depth look at the key concepts that are required to analyze securities, such as the relationships between yield, duration, convexity, benchmarks, and option adjusted spread (OAS). These concepts and metrics are key to understanding the valuation of any security for the public investment portfolio. In addition, the speaker will examine how portfolio structures are created based on market conditions and investment policies and objectives.

Ray Johnson, Applications Specialist, Bloomberg LP

11:00 AM **Break**

SESSION THREE

11:15 AM **Understanding and Managing Risk in Public Investing**

This session will provide the detailed explanation and analytical basis for understanding the types of risk public agencies face when investing public funds, and discuss how an investment policy manages those risks.

Ben Finkelstein, Managing Director, Cantor Fitzgerald

12:30 PM **Luncheon for all Participants and Speakers**

SESSION FOUR

1:30 PM **Accessing and Adjusting Portfolio Liquidity**

This session is designed to provide a more in-depth understanding of why cash managers may shorten or lengthen maturities in the investment portfolio to meet the portfolio liquidity objectives. The speaker will also explore how money market funds and investment pools can provide economies of scale in the local portfolio. Moreover, an explanation is provided with regard to investment accounting practices set forth by the fluctuating net asset value (NAV).

Hubert White, III, CFA, CTP, Investment Officer and Assistant Portfolio Manager, City and County of San Francisco

2:45 PM **Break**

SESSION FIVE

3:00 PM **Advanced Investment Analysis: Utilizing Callables, Bullets, Step-ups and Floaters**

This session will consider callable vs. bullet structures, compare spreads using the OAS and yield spread analysis, and the application of step-ups and floaters. In addition, there will be a discussion on securities and portfolio strategies that can be incorporated to mitigate the risks of rising interest rates.

Rick Phillips, President and Chief Investment Officer, FTN Financial Main Street

SESSION SIX

- 4:15 PM** **Credit Analysis and the Public Agency Official**
This session will detail the important credit analysis used by a local agency official when researching or analyzing any governmental or corporate security as defined in the investment policy. The speaker will also discuss the process to determine the proper fit and allocation in a properly diversified public portfolio.

*David Carr, Assistant City Treasurer, City of Santa Monica
Kevin Webb, CFA, Director, Cantor Fitzgerald*

- 5:30 PM** **End of Day One and Complete Evaluation**

- 5:45 PM** **Reception**

DAY TWO **Thursday, January 18, 2017**

8:00 AM **Sign-In For Day Two, Continental Breakfast and Case-Study Group Seating**

8:30 AM **Welcome and Opening**

INTRODUCTION

8:35 AM **Overview of Day One and Introduction to Case Study**

This opening session will give an overview of day one and introduce the case study with a warm up exercise.

Ned Connolly, Senior Vice President, Chandler Asset Management

SESSION ONE

9:00 AM **Case Study: Portfolio Decision-Making**

The case study will give participants the chance to build and manage a portfolio. The case study will require participants to take into account the investment policy and portfolio objectives when selecting investments from a list of various securities and to account for the potential rise in rates. Each group will work through the analysis of the securities and portfolio and then present their investment decisions based on credit, price, yield, and convexity.

Ned Connolly, Senior Vice President, Chandler Asset Management

Carlos Oblites, Senior Vice President, Portfolio Strategist, Chandler Asset Management

Jeff Probst, CFA, Vice President and Portfolio Manager, Chandler Asset Management

12:00 PM **End of Workshop and Complete Evaluation**