



DATE: March 1, 2021
TO: Mayor and City Council
FROM: Steve Groom, Finance Director
RE: February 2021 Investment Transactions

The investment transactions for February 2021 were:

Matured:

- None

Called:

- None

Purchased:

- None

The focus of investments now is to fill maturity gaps in a shortened (3-year maturity horizon) ladder to minimize reinvestment risk subject to rates at any one point in time and hedging against further decreasing rate exposure.

Options considered. During the current market volatility, the range of investment options for 1- to 3- year maturities during February fluctuated slightly, as the Treasury yield curve ranged between 0.06% to 0.34%. The 3-year area of the yield curve hovered between 0.17% and 0.24% then rose 10 basis points only in the last 2 days of the month. Treasuries and agencies that benchmark their yield off Treasuries are the city's primary investments outside the State Treasurers' Local Government Investment Pool. CDs range from 0.05% to 0.15%. The LGIP has an average weighted maturity of about 45 days, and its yield was 0.12307% at 2/28.

This monthly report of all investment transactions complies with RCW 35.39.032 ("The responsible official or committee shall make a monthly report of all investment transactions to the city legislative authority").