

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
STAFF BRIEFING

Item No. 7c
Date of Meeting February 25, 2014

DATE: February 5, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Craig J. Kerr, Treasury Manager
SUBJECT: 2013 Annual Treasury and Investment Portfolio Report

BACKGROUND

The purpose of this presentation is to provide a status report on the treasury function as well as an update on the 2013 investment results and discuss portfolio and treasury management initiatives. This report is required by Commission Resolution 3476, passed December 11, 2001, establishing the Port's in-house Treasury. Prior to the passage of Resolution No. 3476, King County served as the Port's Treasurer. During 2013, the Port's portfolio earned 0.69% against our benchmark, the Bank of America, Merrill Lynch 3-year Treasury Agency Index, of 0.35%. The Port's portfolio consists of safe, conservative investments that are primarily in Treasury notes and federal agency securities.

Port investment policy has a maximum maturity restriction of 10 years as well as established diversification limits for all types of securities the Port is allowed to buy under existing State statutes. In addition, the investment policy sets out a strategy standard with a 2.0 target duration plus or minus 50 basis points. Duration is a proxy for the average life of the portfolio security holdings, with a 2.0 duration translating into an average portfolio life of approximately 27 months.

Since the Port became its own treasurer in 2002, the investment performance, over time, has exceeded the benchmark by 73 basis points.

ATTACHMENTS TO THIS BRIEFING

- PowerPoint Presentation
- Current Port Investment Policy, Resolution No. 3663

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None