

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.: 7c
Date of Meeting: March 6, 2012

DATE: February 10, 2012
TO: Tay Yoshitani, Chief Executive Officer
FROM: Craig J. Kerr, Treasury Manager
SUBJECT: 2011 Annual Treasury and Investment Portfolio Report

BACKGROUND:

The purpose of this presentation is to provide a status report of the 2011 investment results and discuss portfolio initiatives. During 2011, the Port's portfolio earned 1.67% against our benchmark, the Bank of America, Merrill Lynch 3-year Treasury Agency Index, of 0.48%. The Port's portfolio consists of safe, conservative investments that are primarily invested in Treasury notes and federal agency securities.

Port investment policy has a 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 for 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 2.0 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 96 basis points.

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

PowerPoint Presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.