

# RAMIREZ ASSET MANAGEMENT

2Q 2018

## RAMIREZ BOND PROCEEDS MANAGEMENT OVERVIEW

### Strategy Information:

#### Portfolio Managers:

Samuel A. Ramirez Jr.  
President and CEO

Louis Sarno  
Managing Director

Helen Yee, CFA  
Senior Vice President

### Program Overview

- ✓ The Ramirez Bond Proceeds Management Program prioritizes preservation of principal and maintaining of liquidity, while maximizing the value of a public entity's investment portfolios.
- ✓ Since January 2009, RAM has managed public entity investment mandates for Liability Driven Investments, Operating Funds, Capitalized Interest Funds, Reserve Funds, among others, of over \$3.6 billion par amount.
- ✓ RAM provides efficient management of funds utilizing U.S. Government-backed securities, while incorporating yield advantaged asset classes (Municipals, Corporates, and Securitized Product) where appropriate.
- ✓ Ramirez Bond Proceeds Management clients are benchmarked to various Bank of America/Merrill Lynch ("BAML") U.S. Treasury indices, that generate a baseline of returns for liquidity-based investment programs.
- ✓ Benchmarks are customized to the average maturity of the fund's intended liabilities and may change if funds are drawn down over time.

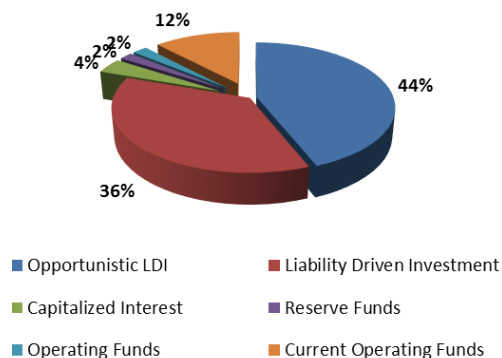
### Key Takeaways:

Prioritize quality and liquidity, with sector & maturity exposures customized to client investment objectives

Structured as separate accounts designed to provide liquidity while seeking to outperform selected benchmarks.

### Bond Proceeds Management Experience<sup>1</sup>

Investment Strategy	Assets: (\$USD Millions)
Opportunistic LDI	1,812.00
Liability Driven Investment	1,500.00
Capitalized Interest	154.14
Reserve Funds	75.00
Operating Funds	73.51
Current Operating Funds	493.37
<b>Total Bond Proceeds Experience</b>	<b>4,120.02</b>



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### Bond Proceeds Management Investment Process

- ✓ RAM seeks to maximize net earnings on tax-exempt bond proceeds within our client's unique legal and liquidity parameters
- ✓ To that end, RAM undertakes the following steps in creating a tailored Bond Proceeds Investment Program for our clients:
  - I. Developing an understanding of the established investment policies, indenture structures, reporting procedures, and tax implications
  - II. Identify liquidity constraints and investment objectives to create a framework for a comprehensive investment strategy, including duration/maturity positioning and sector allocation
    - Review all relevant policies, statutes, or bond documents to determine the legal framework for investment
  - IV. Understand the sources and expected use of sale proceeds, the calculated arbitrage yield, any yield restrictions, or existing arbitrage rebate liability
  - V. Construct a portfolio according to the unique circumstances of each client, and ensure best execution on all transactions
  - VI. Produce and retain comprehensive books and records, including tax-lot accounting, income calculations, portfolio valuations, among others, in compliance with our clients' required reporting cycles<sup>2</sup>

(1) Completed Bond Proceeds Mandates are valued at the full value of the account at inception. (2) Ramirez Asset Management utilizes the Clearwater Analytics system to generate Accounting, Compliance, Risk, and Performance reporting for our clients, backed by an SSAE SOC I Type II report issued twice a year. Records are retained electronically and can be retrieved by RAM or the client's designees.

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Our Clients' Success is Essential to Ours  
Integrity • Experience • Teamwork • Performance



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