

**Minutes (Draft) of the  
Cash Management Advisory Board  
May 6, 2016  
Via Telephone Conference Call**

**Attendees:**

William Desautelle, CMAB Member  
J. Victor Thompson, CMAB Member  
Lawrence Wilson, Assistant Treasurer, Cash Management  
Michael Terry, Principal Investment Officer, STIF  
Paul Coudert, Investment Officer, STIF  
Marc Gagnon, Securities Analyst, STIF  
Peter Gajowiak, Securities Analyst, STIF

**Minutes:**

Assistant Treasurer Lawrence Wilson called the meeting to order at 10:09 a.m.

The minutes of the January 27, 2016 meeting were approved unanimously.

Mr. Desautelle asked about the pending strategy changes that would allow for more exposure to certificates of deposit and commercial paper. Mr. Wilson stated that the changes would allow longer maturities but not greater concentrations of the securities. Mr. Terry stated that the goal was to buy securities of highly-rated companies with 30-day maturities versus 6-8 month maturities for agencies, which would allow STIF to shorten its WAM and lessen the exposure to likely increasing interest rates.

Mr. Desautelle expressed his concern about a weakening global economy and its effect on banks. Mr. Terry stated that due to heightened capital standards bank capital ratios generally are higher now than they have been in decades.

Mike Terry, Marc Gagnon and Peter Gajowiak responded to inquiries by Mr. Thompson regarding several of the holdings in the portfolio. Specifically, he asked about NSCC, Western Asset Management, and the FICA holdings.

Mr. Terry gave an overview of the current market and economic environment. Mr. Terry stated that STIF continues to model the likely effects of fed increases at various points in time to determine appropriate levels for term investments.

Mr. Coudert gave an overview of STIF's portfolio characteristics and performance. Mr. Coudert stated that for the period ending March 31, 2016, STIF earned an average annualized yield of 39 basis points versus 22 basis points for the iMoneyNet benchmark.

For the one year period ending March 31, 2016, STIF earned 23 basis points versus 10 basis points for the benchmark. According to Mr. Coudert, STIF's current yield is 31 basis points with an average life of 34 days, STIF's reserves total \$51.1 million, and approximately 65 percent of the portfolio is invested in securities with some sort of government support such as government backed repurchase agreements, agency securities, FDIC insured deposits, Federal Home Loan Bank letters of credit, and government money funds.

Mr. Coudert stated that the Extended Investment Portfolio has been open since December 30, 2015, and that the portfolio has \$310 million in assets earning 40 basis points with an average maturity of one day.

With no further business, Mr. Wilson adjourned the meeting at 10:54 a.m.