



MICHAEL BAUMGARTNER

THE TREASURER OF SPOKANE COUNTY

**For Immediate Release:
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Spokane Treasurer Makes First Investment in Corporate Debt Securities; Looks to Add More in Future.

Spokane County, WA - Michael Baumgartner, the Treasurer of Spokane County, announced today that the Spokane County Investment Pool (SCIP) for the first time in its history had invested in corporate debt securities, with a \$33mm combined purchase of Microsoft, Apple, and Toyota debt instruments.

"It's important that we diversify the holdings of the SCIP Core investment fund," said Baumgartner. "High-grade corporate bonds tend to provide a significantly higher rate of return than US Treasury and Federal Agency notes and bonds. Corporates have made up approximately 15% to 20% of King County's investment pool in recent years. We are starting small, but I would eventually like to see the SCIP have a similar mix. Every dollar our fund earns is a dollar in savings for taxpayers. Had our fund held 20% in high grade corporates the last three years by our calculation the fund would have earned an additional \$3 million."

The transactions were part of the reinvestment of \$60 million of maturing US Treasury obligations. The day's purchases also included \$20mm in Inter-American Development Bank bonds.

The Spokane County Investment Pool consists of approximately \$1.4 billion in cash reserves of regional governments including school and fire districts. Spokane County government itself consists of just 3% of the total pool holdings. The Treasurer of Spokane County is authorized by statute and local policy to make pooled investments on behalf of participating districts. Over \$13 million in returns has been realized by the SCIP year to date in 2019.

"Transparency is paramount when investing the public's funds. Our Treasurer's office is making a determined effort to increase public awareness and understanding of how the public's funds are being collected, safeguarded, and invested," added Baumgartner

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Spokane County Investment Pool Transaction Summary July 31st, 2019



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Issuer	Par Value	Coupon	Maturity Date	Book Yield
Toyota Motor Credit Corp.	\$20mm	0.000	4/24/2020	2.151
Inter-American Dev. Bank	\$20mm	1.625	5/12/2020	2.130
US Treasury	\$7mm	1.75	11/15/2020	1.940
Microsoft Corp.	\$5mm	2.375	2/12/2022	2.000
Apple Inc.	\$8mm	2.300	5/11/2022	2.070
	Total: \$60mm			



This transaction reinvested \$60mm of maturing securities into corporates, supranationals and US Treasuries, further diversifying the portfolio and increasing the yield and effective duration.