

**To** Randy Dodd and Eva Edge, Tulare Local Healthcare District

**From** Steven Gortler, Bud Levine and Rob Pankratz, Wulff, Hansen & Co.

**Date** July 11, 2024

**Subject** Quarterly Portfolio Earnings: April 1, 2024 through June 30, 2024

During the period from April 1, 2024 through June 30, 2024, the District held the following U.S. Treasury securities in its portfolio during all or a portion of the period:

CUSIP Number	Purchase Date	Face Value	Coupon Rate	Price	Discount	Principal Cost	Accrued Interest*	Total Cost	Final Maturity	Yield to Maturity
912797HS9	Feb. 29, 2024	334,400	-	98.674	4,436	329,964	0	329,964	May 30, 2024	5.41%
912828XT2	Aug. 29, 2023	1,547,000	2.000%	97.547	37,950	1,509,050	7,608	1,516,658	May 31, 2024	5.36%
912797KC0	Feb. 29, 2024	338,500	-	97.510	8,429	330,071	0	330,071	Aug. 22, 2024	5.34%
91282CFG1	Aug. 29, 2023	1,556,000	3.250%	98.016	30,877	1,525,123	25,010	1,550,133	Aug. 31, 2024	5.30%
91282CFX4	Nov. 30, 2023	1,764,000	4.500%	99.198	14,145	1,749,855	0	1,749,855	Nov. 30, 2024	5.33%
91282CGN5	Feb. 29, 2024	1,806,500	4.625%	99.617	6,916	1,799,584	0	1,799,584	Feb. 28, 2025	5.02%
912828ZT0	May 31, 2024	2,036,000	0.250%	95.281	96,079	1,939,921	0	1,939,921	May 31, 2025	5.15%

All dollar amounts are rounded to the nearest dollar.

\* Accrued interest paid by District to Winning Bidder.

### Quarterly Book Earnings

During the period from April 1, 2024 through June 30, 2024, the District's portfolio of U.S. Treasury securities had book earnings of **\$96,129** which is equivalent to an annualized book yield of **5.30%**. By comparison, during the same period the average daily yield paid on deposits in the Local Agency Investment Fund (LAIF) was **4.36%**.

Quarterly book earnings of **\$96,129** included the following:

- **\$59,584** of interest earnings, plus
- **\$36,545** of accreted discount.

## **Fees**

The book earnings shown above do not take into account any fees that were incurred by the District for services provided by the Municipal Advisor, Bidding Agent / Registered Investment Advisor or Custodian Bank. The total of such fees incurred by the District during the period equaled approximately **\$3,262**.

## **Next Steps**

The District does not need to take any further action at this time. This report is informational only.

The next scheduled maturity of Treasury securities in the District's portfolio will occur on August 22/31, 2024. Prior to the maturity of each Treasury security in the District's portfolio, the Wulff Hansen team will assist the District in evaluating its expected cash flow requirements and liquidity needs, and its potential reinvestment options.

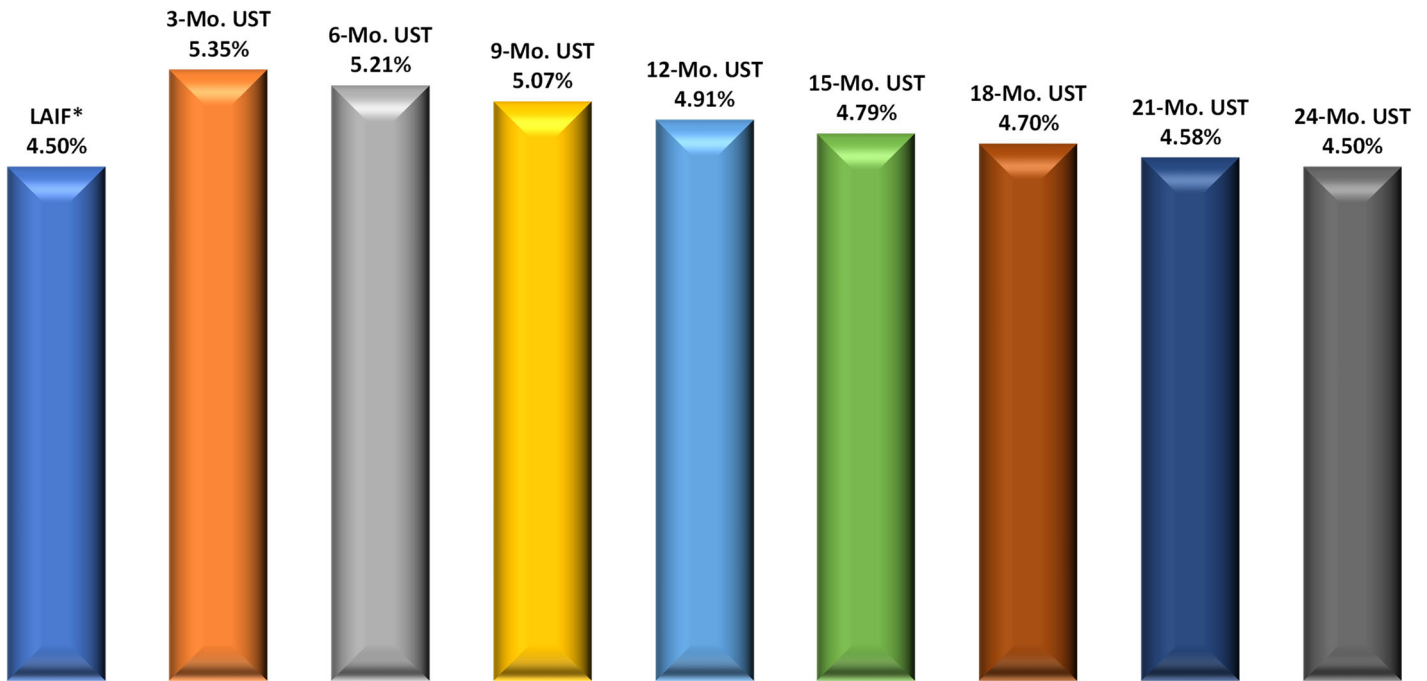
Meanwhile, all of the Treasury securities in the District's portfolio are held in trust for the District by its Custodian Bank. The scheduled payment of interest and principal on each security will be automatically credited to the District's custody account upon receipt, and the District will continue to receive monthly account statements from the Custodian Bank.

## **Invest Additional Funds**

Depending on the District's cash balances and its expected future cash flow requirements and liquidity needs, the District may wish to consider investing additional funds in one or more U.S. Treasury securities, in order to earn additional interest income. If so, the Wulff Hansen team can help arrange for any such additional investment. Please note however that such additional investment would incur additional compensation to Municipal Advisor, based on its current fee schedule, and therefore Municipal Advisor would have an incentive to recommend such an additional investment. For your reference, the current U.S. Treasury yield curve is as follows:

### Estimated Yield Curve as of July 11, 2024

(Data Sources: U.S. Treasury Department and California State Treasurer's Office)



\* LAIF rate as of July 10, 2024

#### Liquidity Securities

If the District ever needs immediate access to some or all of its invested funds due to a large unanticipated financial obligation or emergency situation, then the Wulff Hansen team can help arrange for the prompt liquidation of one or more Treasury securities in the District's portfolio.

The market value of the District's portfolio – as opposed to its face value – typically fluctuates over time as interest rates change. According to the most recent monthly custody account statement, the estimated market value of the Treasury securities in the District's portfolio on June 30, 2024 was **\$7,390,283**.