



TIME
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“Public Funds Investing Made Easy”



CALIFORNIA MUNICIPAL TREASURERS ASSOCIATION

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A TYPICAL BOND

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,000,000	1.00%	\$5,000	10/15/18		04/15/20
		\$5,000	04/15/19		
		\$5,000	10/15/19		
		\$5,000	04/15/20	1.00%	\$1,000,000

Don't forget about interest on interest....

THIS BOND IS AT A DISCOUNT

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$990,012	.50%	\$2,500	10/15/18		04/15/20
		\$2,500	04/15/19		
		\$2,500	10/15/19		
		\$2,500	04/15/20	1.00%	\$1,000,000

THIS BOND IS AT A PREMIUM

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,039,500	3.00%	\$15,000	10/15/18		04/15/20
		\$15,000	04/15/19		
		\$15,000	10/15/19		
		\$15,000	04/15/20	1.00%	\$1,000,000

SELL THE BOND BEFORE MATURITY: NO RATE CHANGE

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,000,000	1.00%	\$5,000	10/15/18		04/15/20
					<i>RECEIVE</i>
Sell bond here	\$5,000	→ 04/15/19	1.00%	\$1,000,000
		\$5,000	10/15/19		
		\$5,000	4/15/20		

NOTE: Actual results may vary depending on original maturity of bond and length of holding period

SELL THE BOND BEFORE MATURITY: RATES WENT DOWN

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,000,000	1.00%	\$5,000	10/15/18		04/15/20
					<i>RECEIVE</i>
Sell bond here		\$5,000 →	04/15/19	.50%	\$1,004,980
		\$5,000	10/15/19		
		\$5,000	4/15/20		

SELL THE BOND BEFORE MATURITY: RATES WENT UP

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,000,000	1.00%	\$5,000	10/15/18		04/15/20
					<i>RECEIVE</i>
		Sell bond here	\$5,000 → 04/15/19	1.50%	\$995,050
			\$5,000		10/15/19
			\$5,000		4/15/20

A TYPICAL BOND THAT IS CALLABLE

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,000,000	1.00%	\$5,000	10/15/18		04/15/20
	Callable here	\$5,000 →	04/15/19	1.00%	
		\$5,000	10/15/19		
		\$5,000	04/15/20	1.00%	\$1,000,000

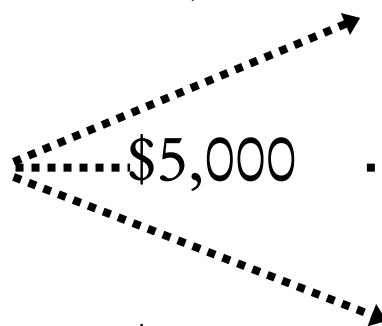
Yield to Call = 1.00%

Yield to Maturity = 1.00%

A TYPICAL BOND THAT IS CALLABLE WITH 3 CALL DATES

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,000,000	1.00%	\$5,000	10/15/18	1.00%	04/15/20
		\$5,000	04/15/19	1.00%	
		\$5,000	10/15/19	1.00%	
		\$5,000	04/15/20	1.00%	\$1,000,000

Callable here, here, and here.



Yield to Call = 1.00%

Yield to Maturity = 1.00%

A CALLABLE BOND PRICE IS AT A PREMIUM

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$1,022,370	3.00%	\$15,000	10/15/18		04/15/20
		Callable here	\$15,000 → 04/15/19	.75%	
		\$15,000	10/15/19		
		\$15,000	04/15/20	1.85%	\$1,000,000

Yield to Call = .75%

Yield to Maturity = 1.85%

A CALLABLE BOND PRICE IS AT A DISCOUNT

04/15/18	Coupon	Interest	Payments	Yield	Maturity
\$992,080	.50%	\$2,500	10/15/18		04/15/20
	Callable here \$2,500	→ 04/15/19	1.30%	
		\$2,500	10/15/19		
		\$2,500	04/15/20	.90%	\$1,000,000

Yield to Call = 1.30%

Yield to Maturity = .90%

THANK YOU!

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