

Table of Contents

.....

<i>Introduction</i>	1
---------------------------	---

Chapter 1: Maximizing Opportunities with a Public Budget	3
---	----------

The Challenges Facing Government Financial Officers.....	4
The Importance of Good Stewardship	5
The Opportunities of the Marketplace.....	9

Chapter 2: Managing Safety, Liquidity, and Yield	15
---	-----------

Understanding Risk	15
Staying Liquid	17
What Goes Up	18
Taking a Disciplined Approach to Investing	19
Yield Curve — a Crystal Ball?.....	21
Just Like Buying a House	24
What’s Your Plan, Stan?.....	24

Chapter 3: Picking Investments to Match Your Strategy	27
--	-----------

Elements of a Good Strategy	27
The Safe Play: Barbell Strategy	30
The Moderate Play: Laddering	30
More Aggressive Investing: Matching	31
Duration Management	32
Benchmarks and the Market Rate of Return	34
Why You Want Longer-Term Investments.....	34
Putting Together the Plan	36

Chapter 4: Ten (Or So) Thoughts about Public Fund Investing	39
--	-----------

Recognizing Common Problems	40
Beware Negative Arbitrage	41
The Pot of Gold and the Reserve Fund	41
The Time Is Now	42
Seek (Advice) and You Will Find	42
Play the Field, Diversify.....	43
Stay Well-Informed	44
Some (Almost) Light Reading.....	44