



Department of Finance

JULIE VALVERDE, DIRECTOR OF FINANCE

POOLED INVESTMENT FUND

Monthly Review — September 2012

PORTFOLIO COMPLIANCE

Based on the Director of Finance Review Group Month-End Report, the entire portfolio was in *full compliance* with the Sacramento County Annual Investment Policy for the Pooled Investment Fund for Calendar Year 2012 and California Government Code.¹

PORTFOLIO STATISTICS

Portfolio's Month-End Balance	\$2,283,741,941
<i>Earned Income Yield for the Month</i>	<i>0.455%</i>
Weighted Average Maturity (Days)	279
Estimated Duration (Years)	0.754
Historical Book Value	\$2,280,244,459
Month-End Market Value	\$2,286,249,368
Percent of Market to Book Value	100.26%

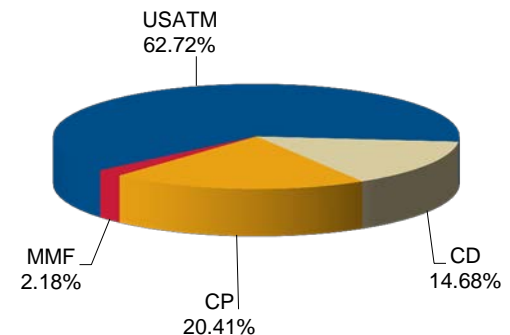
External third party Investment Manager(s) at month end:

State Treasurer's Office (LAIF)	\$50,000,000
---------------------------------	--------------

Investment Objectives

- **Safety of Principal**
- **Liquidity**
- **Public Trust**
- **Maximum Rate of Return**

Percentage Portfolio Structure by Asset Class²



PORTFOLIO STRUCTURE²

Investment Description	Portfolio at Cost	Yield at Month End
US Agency, Treasury & Municipal Notes (USATM):		
US Agency Notes	60.87%	0.594%
US Treasury Notes	0.00%	0.000%
Municipal Notes	1.85%	0.392%
Total USATM	62.72%	0.588%
Commercial Paper (CP)	20.41%	0.200%
Certificates of Deposit (CD)	14.68%	0.197%
LAIF/Money Market Funds (MMF)	2.18%	0.377%
Repurchase Agreements (REPO)	0.00%	0.000%

US Agency Notes Breakdown Percent of Portfolio at Cost²

FFCB Notes/Discount Notes	1.80%
FHLB Notes/Discount Notes	13.98%
FNMA Notes/Discount Notes	21.15%
FHLMC Notes/Discount Notes	23.94%
Total US Agency Notes	60.87%

¹ This monthly review complies with all of the elements required by California Government Code §53646(b), with the exception of a detailed listing of each investment. A complete copy of the *Quarterly Pooled Investment Fund Report*, including a detailed listing of each investment, is available on the Department of Finance, Investment Division Web page at <http://www.finance.sacounty.net/Investments/RptQuarterly.asp>.

² Percentages may not add up to totals due to rounding error

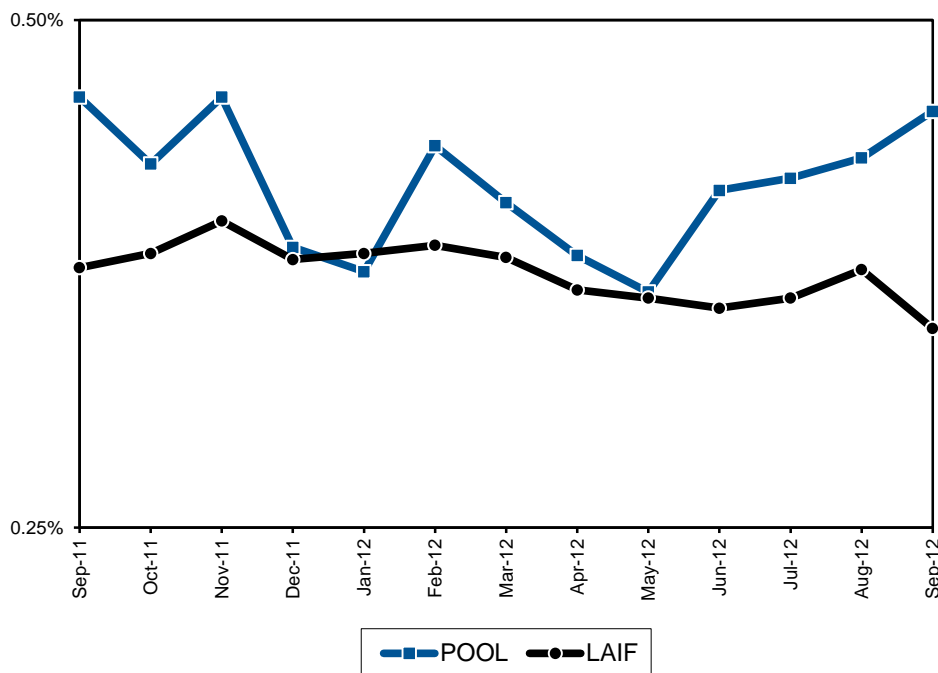
YIELD HISTORY

The earned interest yield history represents gross yields; **costs have not been deducted**. The estimated investment management costs in the prior year were approximately 10 basis points or 0.10%. The quarterly apportionment of earnings to participating funds will be made on a **cash basis** (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund's cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the pool will be converted to an accrual basis for the fourth quarter earnings' allocation.

YIELD TRENDS³

Earned Interest Yield Over Last 12 Months

Earned Income Yield History		
MONTH	POOL	LAIF
Sep-11	0.46%	0.38%
Oct-11	0.43%	0.39%
Nov-11	0.46%	0.40%
Dec-11	0.39%	0.38%
Jan-12	0.38%	0.39%
Feb-12	0.44%	0.39%
Mar-12	0.41%	0.38%
Apr-12	0.38%	0.37%
May-12	0.37%	0.36%
Jun-12	0.42%	0.36%
Jul-12	0.42%	0.36%
Aug-12	0.43%	0.38%
Sep-12	0.46%	0.35%



CASH FLOW PROJECTION

The Pooled Investment Fund cash requirements are based on a 14-month historical cash flow model. The model has been adjusted for expected non-reoccurring participant liquidity needs. This projection, updated on October 10, 2012, is sufficient to meet cash flow expenditures for the next six months.

Month	Beginning Bank Balance	Receipts & Maturities	Disbursements	Difference	Less Investments Beyond 1 year	Funds Available to Invest for Future Cash Flow Needs ⁴
<i>Dollar amounts represented in millions</i>						
Oct	5.0	\$1,120.2	\$652.6	\$467.6	\$35.0	\$432.6
Nov	5.0	\$1,175.4	\$557.5	\$617.9	\$35.0	\$582.9
Dec	5.0	\$1,078.4	\$573.0	\$505.4	\$35.0	\$470.4
Jan	5.0	\$671.8	\$783.9	(\$112.1)	\$35.0	(\$147.1)
Feb	5.0	\$453.9	\$500.2	(\$46.3)	\$35.0	(\$81.3)
Mar	5.0	\$534.8	\$526.3	\$8.5	\$35.0	(\$26.5)

If you have any questions about the Pooled Investment Fund, please call Chief Investment Officer Bernard Santo Domingo at (916) 874-7320 or Investment Officer Dave Matuskey at (916) 874-4251.

³ The earned income yield is the total net earnings divided by the average daily portfolio balance multiplied by 365 and then divided by the actual number of days in the month. The reported yield fluctuates based upon the number of days in the month, thus resulting in the anomaly of higher yields being reported for months with fewer days. February's yield is a prime example of such an anomaly.

⁴ Any excess net cash flow amounts in this column will be used to fund the negative cash flow positions in later months.