



**SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE**
Regular Meeting — Friday, February 19, 2016 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

AGENDA

ITEM SUBJECT

1. Call To Order And Introductions.
2. Comments From The Public.
3. Approval Of November 20, 2015, Meeting Minutes.
4. Discussion And Action On The Internal Audit Of Non-Pooled Investment Funds For The Quarter Ended December 31, 2015.
5. Status Report On Member Positions.
6. Presentation Of The Sacramento County Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2016.
7. Discussion And Action On The Non-Pooled Funds Portfolio Report For The Quarter Ended December 31, 2015.
8. Discussion And Action On The Quarterly Report Of The Pooled Investment Fund For The Quarter Ended December 31, 2015, And Compliance With Investment Policy.
9. Overview Of Pooled Investment Fund Statistics From Various Jurisdictions For December 2015.
10. Form 700 Update.
11. Next Meeting Reminder - Friday, May 20, 2016.
12. Adjournment.

CALL TO ORDER AND INTRODUCTIONS.

NO WRITTEN REPORT

COMMENTS FROM THE PUBLIC.

NO WRITTEN REPORT

APPROVAL OF NOVEMBER 20, 2015, MEETING MINUTES.



SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE
Regular Meeting — Friday, November 20, 2015 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

MINUTES

PRESENT: Jeremy Edwards, Angelica Hernandez, Brandon Rose, Ronald Seaman, Julie Valverde, David Villanueva.

ABSENT: Gerardo Castillo, Chris Parker, Tamara Sanchez.

STAFF: Peggy Marti, Alan Matré, Dave Matuskey, Bernard Santo Domingo.

GUESTS: None.

1. CALL TO ORDER AND INTRODUCTIONS.

Chair Brandon Rose called the meeting to order at 9:02 a.m.

2. COMMENTS FROM THE PUBLIC.

There were no comments from the public.

3. APPROVAL OF AUGUST 21, 2015, MEETING MINUTES.

The minutes of the August 21, 2015, meeting were approved as amended on a motion made by Ronald Seaman, seconded by David Villanueva, and unanimously carried (6-0).

4. DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED INVESTMENT FUNDS FOR THE QUARTER ENDED SEPTEMBER 30, 2015.

Alan Matré reported for September 31, 2015, that 12 issues, one of which was new and none of which were external, were reviewed and no instances of non-compliance were found.

The Internal Audit Of Non-Pooled Investment Funds For The Quarter ended September 30, 2015, was accepted on a motion made by Ronald Seaman, seconded by Julie Valverde, and unanimously carried (6-0).

5. STATUS UPDATE ON MEMBER POSITIONS

Julie Valverde noted that the District 1 public member position is still open and that Supervisor Serna's office has a possible candidate for the position.

6. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE NON-POOLED FUNDS PORTFOLIO REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Bernard Santo Domingo presented the Quarterly Report of the Non-Pooled Funds Portfolio for the Quarter Ended September 30, 2015. He reported back to the committee on the appearance of balances in non-pooled funds related to matured debt issues, stating that past practice was to place all tax collections for some districts in a single non-pooled fund before redistributing the collections to the district's individual non-pooled funds. He stated that tax collections are now placed in the pooled fund until they are distributed to the individual non-pooled funds.

The Non-Pooled Funds Portfolio Reports For The Quarter Ended September 30, 2015, was accepted on a motion made by Angelica Hernandez, seconded by David Villanueva, and unanimously carried (6-0).

7. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED INVESTMENT FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2015, AND COMPLIANCE WITH INVESTMENT POLICY.

Bernard Santo Domingo presented the Quarterly Report Of The Non-Pooled Funds Portfolio For The Quarter ended September 30, 2015, and Compliance with Investment Policy. He stated that the Pooled Investment Fund was in compliance with the investment policy and California Government Code.

Bernard Santo Domingo provided his economic commentary. He noted that, with the still-improving employment numbers and inflation approaching its two percent target, market expectation is for the FOMC to raise rates at its December meeting, which would lead to an increase in pooled fund earnings.

The Quarterly Reports of the Pooled Investment Fund For The Quarter Ended September 30, 2015, were accepted on a motion made by Ronald Seaman, seconded by Julie Valverde, and unanimously carried (6-0).

8. OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS JURISDICTION FOR SEPTEMBER 2015

Bernard Santo Domingo presented the *Investment Fund Statistics Questionnaire Results – September 2015, Comparison of Various County Pooled Investment Funds and LAIF – 12-Month Yield Performance as of September 2015, and Overview of Pooled Investment Fund Statistics from Various Jurisdictions – Comparison of Yields and Average Weighted Maturities from December 31, 2014 – September 30, 2015.*

9. FORM 700 UPDATE.

Dave Matuskey notified the committee that training is being offered by the county on December 2, 2015, for Form 700 filers.

10. NEXT MEETING REMINDER.

Chair Brandon Rose reminded the committee that the next regular meeting of the Treasury Oversight Committee is scheduled for Friday, February 19, 2016, in the County Administration Center's Hearing Room One, Room 1487.

11. ADJOURNMENT.

The meeting was adjourned at 9:41 a.m.

Respectfully submitted:

Approved:

Dave Matuskey
Investment Officer

Brandon Rose, Chair
Treasury Oversight Committee

cc: Treasury Oversight Committee Members
Department of Finance Staff

DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED
INVESTMENT FUNDS FOR THE QUARTER ENDED DECEMBER 31, 2015.

COUNTY OF SACRAMENTO

Treasury Oversight Committee
Non-Pooled Investments
Agreed-Upon Procedures Report

For the Quarter Ended December 31, 2015

Audit Staff:

Alan A. Matré, C.P.A.
Zai Saeteurn

Chief of Audits
Senior Auditor

**COUNTY OF SACRAMENTO
TREASURY OVERSIGHT COMMITTEE
NON-POOLED INVESTMENTS
AGREED-UPON PROCEDURES REPORT
FOR THE QUARTER ENDED DECEMBER 31, 2015**

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Internal Services
Department of Finance
Auditor-Controller Division

Ben Lamera,
Assistant Auditor-Controller



County of Sacramento

Bradley J. Hudson,
County Executive

David Villanueva,
Chief Deputy County Executive

Ben Lamera,
Interim Director of Finance

January 19, 2016

The Honorable Board of Supervisors and the
Sacramento County Treasury Oversight Committee
County of Sacramento, California

We have performed the procedures enumerated below to a selected sample of the County of Sacramento, California, non-pooled investments, for the quarter ended December 31, 2015. These procedures were performed solely to verify that Treasury management complied with the investment requirements presented in Article 6, Sections 27130 through 27137, of the California Government Code, and the governing investment policy for the non-pooled investments, summarized in the accompanying Attachment I, for the quarter ended December 31, 2015. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

1. Evaluated and documented internal control procedures for investment and accounting of non-pooled investment funds.

Finding: No exceptions were noted as a result of our procedures.

2. Verified that the SunGard Financial Services, Inc., Advanced Portfolio System II non-pooled investment balances agreed with the custodian statements.

Finding: No exceptions were noted as a result of our procedures.

3. Reviewed the portfolio monitoring report for the selected investments and tested for accuracy.

Finding: No exceptions were noted as a result of our procedures.

4. Verified that investments are made in accordance with the governing investment policy. See Attachment I for Investment policy.

Finding: No exceptions were noted as a result of our procedures.

5. Selected a sample of the non-pooled investments based on outstanding issues at July 1, 2015, plus any untested new issues since that date.

Finding: No exceptions were noted as a result of our procedures. See Schedule I for sample tested.

We were not engaged to, and did not perform an audit, the objectives of which would be the expression of an opinion on the non-pooled investments. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Supervisors, County Treasury Oversight Committee and the Treasury management and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

BEN LAMERA
INTERIM DIRECTOR OF FINANCE



By: Alan A. Matré, C.P.A.
Chief of Audits

**COUNTY OF SACRAMENTO
SUMMARY OF INVESTMENT REQUIREMENTS
AND NON-POOLED INVESTMENT POLICY**

The investment requirements presented in Article 6, Sections 27130 through 27137, of the California Government Code, and the Non-Pooled Investment Policy effective December 31, 2015 are as follows:

Article 6

- 27130** The Legislature finds and declares that local agencies, including school districts, should participate in reviewing the policies that guide the investment of those funds. The Legislature further finds and declares that by pooling deposits from local agencies and other participants, county treasuries operate in the public interest when they consolidate banking and investment activities, reduce duplication, achieve economies of scale, and carry out coherent and consolidated investment strategies. The Legislature further finds and declares that the creation of county treasury oversight committees will promote the public interest by involving depositors in the management of their funds and by enhancing the security and investment return on their funds by providing a more stable and predictable balance for investment by establishing criteria for the withdrawal of funds.
- 27131** (a) The board of supervisors in each county or city and county may, if the county or city and county is investing surplus funds, establish a county treasury oversight committee. The board of supervisors, in consultation with the county treasurer, shall determine the exact size of the committee, which shall consist of from 3 to 11 members, and the categories from which the members shall be represented, as specified in subdivisions (a) to (g), inclusive, of Section 27132. Members shall be nominated by the treasurer and confirmed by the board of supervisors.
- (b) In recognition of the state and local interests served by the action made optional in subdivision (a), the Legislature encourages local agencies to continue taking the action formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.
- 27132** The county treasury oversight committee, pursuant to Section 27131, shall consist of members appointed from the following:
- (a) The county treasurer.
- (b) The county auditor, auditor-controller, or finance director, as the case may be.
- (c) A representative appointed by the county board of supervisors.
- (d) The county superintendent of schools or his or her designee.
- (e) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the county.

**COUNTY OF SACRAMENTO
SUMMARY OF INVESTMENT REQUIREMENTS
AND NON-POOLED INVESTMENT POLICY**

- (f) A representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the county that are required or authorized to deposit funds in the county treasury.
 - (g) Up to five other members of the public.
 - (1) A majority of the other public members shall have expertise in, or an academic background in, public finance.
 - (2) The other public members shall be economically diverse and bipartisan in political registration.
- 27132.1** A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the committee.
- 27132.2** A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the committee.
- 27132.3** A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the committee or for one year after leaving the committee.
- 27132.4** Committee meetings shall be open to the public and subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).
- 27133** In any county that establishes a county treasury oversight committee pursuant to this article, the county treasurer shall annually prepare an investment policy that will be reviewed and monitored by the county treasury oversight committee. The investment policy shall include all of the following:
- (a) A list of securities or other instruments in which the county treasury may invest, according to law, including the maximum allowable percentage by type of security.
 - (b) The maximum term of any security purchased by the county treasury.
 - (c) The criteria for selecting security brokers and dealers from, to, or through whom the county treasury may purchase or sell securities or other instruments. The criteria shall prohibit the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the governing board of the local agency, or any candidate for those offices.

**COUNTY OF SACRAMENTO
SUMMARY OF INVESTMENT REQUIREMENTS
AND NON-POOLED INVESTMENT POLICY**

- (d) Limits on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business by any member of the county treasury oversight committee. These limits may be in addition to the limits set by a committee member's own agency, by state law, or by the Fair Political Practices Commission.
 - (e) A requirement that the county treasurer provide the county treasury oversight committee with an investment report as required by the board of supervisors.
 - (f) The manner of calculating and apportioning the costs, authorized by Section 27013, of investing, depositing, banking, auditing, reporting, or otherwise handling or managing funds.
 - (g) The terms and conditions under which local agencies and other entities that are not required to deposit their funds in the county treasury may deposit funds for investment purposes.
 - (h) Criteria for considering requests to withdraw funds from the county treasury, pursuant to Section 27136. The criteria shall include an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the county treasury.
- 27134** The county treasury oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with this article. The audit may include issues relating to the structure of the investment portfolio and risk.
- 27135** The costs of complying with this article shall be county charges and may be included with those charges enumerated under Section 27013.
- 27136**
- (a) Notwithstanding any other provision of law, any local agency, public agency, public entity, or public official that has funds on deposit in the county treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the county treasury pool, shall first submit the request for withdrawal to the county treasurer before withdrawing funds from the county treasury pool.
 - (b) The county treasurer shall evaluate each proposed withdrawal for its consistency with the criteria adopted pursuant to subdivision (h) of Section 27133. Prior to approving a withdrawal, the county treasurer shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the county treasury pool.
- 27137** Nothing in this article shall be construed to allow the county treasury oversight committee to direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the county treasury.

**COUNTY OF SACRAMENTO
SUMMARY OF INVESTMENT REQUIREMENTS
AND NON-POOLED INVESTMENT POLICY**

Non-Pooled Investment Policy

Non-Pooled Investments primarily consist of investments purchased with proceeds from Mello Roos Bonds (MR), Revenue Bonds (REV), General Obligation Bonds (GO), Assessment District Bonds (AD), Community Facilities District Bonds (CFD), Certificates of Participation Notes (COPs), and Tobacco Securitization Proceeds (TSP). The investment policy for the bonds is set forth in either the bond resolution, the bond indenture or by the bond insurer. The investment policy for the Tobacco Securitization Proceed is set forth in the Tobacco Securitization bond resolution and bond indenture.

The majority of the bond investments are limited to those authorized by California Government Code Section 53601 et seq. Any other authorized investments are indicated in the governing investment policy document. Following on page seven is a listing of selected issues that were tested.

**COUNTY OF SACRAMENTO
SAMPLE OF NON-POOLED INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2015**

<u>Issue</u> ⁽¹⁾	<u>Book Value</u> <u>12/31/15</u>	<u>% of Portfolio</u>
Sac City USD Series 2015 (GO)	\$ 89,946,897	17 %
Airport System 2009 C&D (REV)	56,791,356	11
Water Financing Authority (REV)	25,715,904	5
LAIF, STA Transport. Authority (SEP)	17,900,000	3
Los Rios CCD Elec 2008 B (GO)	12,045,848	2
<i>Robla SD, Series 2015 B (GO)</i>	<i>9,932,523</i>	<i>2</i>
2010 Refunding COPs (COP)	9,370,220	2
Airport System 2008 A (REV)	5,372,740	1
Metro Air Park 2004 A (MR)	2,123,609	<1
<i>Robla SD, Series 2015 I (GO)</i>	<i>1,970,001</i>	<i><1</i>
Total internally managed		
Non-Pooled Investments tested ⁽²⁾	<u>\$ 231,169,098</u>	<u>Approx. 44 %</u>

- (1) The selected sample of non-pooled investments for the quarter ended December 31, 2015 was selected based upon outstanding issues at July 1, 2015 plus any new issues since that date.
- (2) The total amount of internally managed non-pooled investments for the quarter ended December 31, 2015 was \$529,519,803.
- (3) The total amount of externally managed non-pooled investments for the quarter ended December 31, 2015 was \$15,838,611. There were no externally managed non-pooled investments selected for testing this quarter.

Fund Type

(COP) – Certificates of Participation	(GO) – General Obligation Bonds
(MR) – Mello Roos Bonds	(REV) – Revenue Bonds
(SEP) – Funds held for unique purposes	

Indicates new issue

STATUS REPORT ON MEMBER POSITIONS.



Internal Services

Department of Finance

Ben Lamera,
Interim Director of Finance

Navdeep S. Gill,
Interim County Executive

David Villanueva,
Chief Deputy County Executive

County of Sacramento

February 3, 2016

To: Treasury Oversight Committee

Subject: **POSITIONS ON THE TREASURY OVERSIGHT COMMITTEE**

Ex-Officio Members

On January 26, 2016, the Board of Supervisors ratified the appointment of Ben Lamera, Interim Director of Finance, to the Treasury Oversight Committee following the retirement of Julie Valverde.

Appointed Members

On June 9, 2015, Jaspreet Singh was removed from the First District public member position for non-attendance. The Clerk of the Board is still advertising the vacancy and has not received any applications.

Elected Members

The term for the Special Districts Representative expires on June 30, 2016. Requests for nominations will be sent to all special district pool participants in late February.

Sincerely,

Ben Lamera
Interim Director of Finance

PRESENTATION OF THE SACRAMENTO COUNTY ANNUAL INVESTMENT
POLICY OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2016.

APPROVED
BOARD OF SUPERVISORS

By RESO # 2015-0919, 2015-0920

DEC 08 2015

By Arlene Evans
Clerk of the Board

COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
December 8, 2015

To: Board of Supervisors
From: Department of Finance
Subject: Delegation Of Investment Authority To The Director Of Finance And Approval Of The Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2016

Supervisorial District: All

Contact: Bernard Santo Domingo, Chief Investment Officer, 874-7320

Overview

Since 1996, the Board has annually delegated to the Director of Finance, the authority to invest funds in the County Treasury, and to sell and exchange securities. The Board has also approved the Annual Investment Policy of the Pooled Investment Fund (Investment Policy) every year since 1987. The Investment Policy has been updated to reflect the current Fair Political Practices Commission dollar amount limit on gifts, honoraria, and gratuities that the Director of Finance, investment staff, and Treasury Oversight Committee members may receive in a calendar year.

Recommendations

1. Adopt the attached resolution renewing the delegation of authority to the Director of Finance to invest funds in the County Treasury and to sell and exchange securities; and
2. Adopt the attached resolution approving the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2016.

Measures/Evaluation

Investment performance and compliance is evaluated quarterly by the Treasury Oversight Committee and annually by external auditors.

Fiscal Impact

There is no fiscal impact to the General Fund.

BACKGROUND

Government Code Section 53607 allows the Board to annually delegate to the Director of Finance the authority to invest funds in the County Treasury and to sell and exchange securities. The Board serves as a fiduciary unless this authority is delegated. The Director of Finance has been delegated this authority annually since 1996.

Delegation Of Investment Authority To The Director Of Finance And Approval Of The Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2016

Page 2

Government Code Section 53646(a)(1) permits the Board to annually review and approve the County's investment policy at a public meeting. The Director of Finance has presented the Annual Investment Policy for the Pooled Investment Fund to the Board for review since 1987.

DISCUSSION

To comply with Government Code Section 53607, the Board must annually review and renew the delegation of authority to the Director of Finance to invest funds in the County Treasury and to sell and exchange securities. The Board would become the fiduciary if the authority was not delegated to the Director of Finance.

It is also recommended the Board approve the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2016. In 2005, Government Code Section 53646(a) (1) was amended to remove the 1996 mandate that the Board review and approve the Investment Policy. Approval of the Investment Policy has been requested from the Board since 1987 despite the removal of the mandate.

The Investment Policy has been updated to reflect the Fair Political Practices Commission's \$460 limit on gifts, honoraria, and gratuities that the Director of Finance, investment staff, and Treasury Oversight Committee members may receive in a calendar year. This is revised from \$440 in the prior calendar year and is on page 11 of Attachment 1. All other changes are clarifications and do not affect the intent of the policy.

MEASURES/EVALUATION

Investment performance and compliance is evaluated quarterly by the Treasury Oversight Committee and annually by external auditors. Monthly and quarterly reports are also provided to the Board.

FINANCIAL ANALYSIS

There is no fiscal impact to the General Fund.

Respectfully submitted,

JULIE VALVERDE, Director
Department of Finance

APPROVED:
BRADLEY J. HUDSON
County Executive

By: _____
DAVID VILLANUEVA,
Chief Deputy County Executive

Attachments:

- Resolution 1- Director Authority to Invest
- Resolution 2 - Approve Investment Policy
- Attachment 1- 2016 Investment Policy

RESOLUTION NO. 2015-0919

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO RENEWING THE AUTHORITY OF THE DIRECTOR OF FINANCE TO INVEST FUNDS

WHEREAS, the Board of Supervisors delegated authority to invest funds in the County Treasury to the Director of Finance on December 2, 2014, in accordance with Government Code Sections 27000.1 and 53607; and

WHEREAS, the authority to invest funds in the County Treasury, delegated to the Director of Finance, expires after one year under Government Code Sections 27000.1 and 53607 unless the Board of Supervisors reviews and renews the delegation of authority; and

WHEREAS, the Board of Supervisors has reviewed the delegation of authority to the Director of Finance to invest funds in the County Treasury and the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2016 and finds it to be reasonable and prudent;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors hereby renews the delegation of authority to the Director of Finance to invest funds in the County Treasury and to sell and exchange securities in accordance with the California Government Code and the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2016.

On a motion by Supervisor MacGlashan, seconded by Supervisor Kennedy, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 8th day of December, 2015, by the following vote, to wit:

AYES: Supervisors, Kennedy, MacGlashan, Nottoli, Peters, Serna

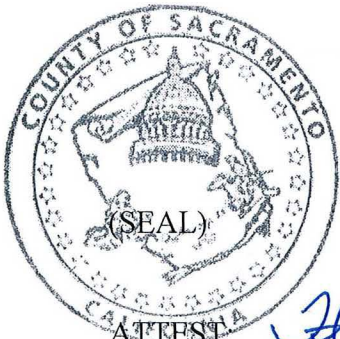
NOES: Supervisors, None

ABSENT: Supervisors, None

ABSTAIN: Supervisors, None

RECUSAL: Supervisors, None

(PER POLITICAL REFORM ACT (§ 18702.5.))



ATTEST:

Florence Evans
Clerk, Board of Supervisors

[Signature]
Chair of the Board of Supervisors
of Sacramento County, California

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chair of the Board of Supervisors, County of Sacramento on 12-8-15

By: *[Signature]*
Deputy Clerk, Board of Supervisors

FILED
BOARD OF SUPERVISORS

DEC 08 2015
Florence Evans
BY

CLERK OF THE BOARD

RESOLUTION NO. 2015-0920

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO APPROVING THE ANNUAL INVESTMENT POLICY OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2016

WHEREAS, the Board of Supervisors may annual review and approve the Annual Investment Policy of the Pooled Investment Fund under Government Code Section 53646(a)(1); and

WHEREAS, the Board of Supervisors has reviewed the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2016 and finds it to be reasonable and prudent;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors hereby approves the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2016.

On a motion by Supervisor MacGlashan, seconded by Supervisor Kennedy, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 8th day of December, 2015, by the following vote, to wit:

AYES: Supervisors, Kennedy, MacGlashan, Nottoli, Peters, Serna

NOES: Supervisors, None

ABSENT: Supervisors, None

ABSTAIN: Supervisors, None

RECUSAL: Supervisors, None

(PER POLITICAL REFORM ACT (§ 18702.5.))



ATTEST: Florence Evans
Clerk, Board of Supervisors

Chair of the Board of Supervisors
of Sacramento County, California

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chair of the Board of Supervisors, County of Sacramento on 12-8-15

By: SS Studdert
Deputy Clerk, Board of Supervisors

FILED
BOARD OF SUPERVISORS
DEC 08 2015
BY Florence Evans
CLERK OF THE BOARD



SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR ~~2015~~2016

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SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR ~~2015~~2016

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

D. Maximum Rate of Return

As the fourth objective, the Pooled Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified herein. For comparative purposes, the State of California Local Agency Investment Fund (LAIF) will be used as a performance benchmark. The Pooled Investment Fund quarterly performance benchmark target has been set at or above LAIF's yield. This benchmark was chosen because LAIF's portfolio structure is similar to the Pooled Investment Fund.

V. Pooled Investment Fund Investors

The Pooled Investment Fund investors are comprised of Sacramento County, school and community college districts, districts directed by the Board of Supervisors, and independent special districts whose treasurer is the Director of Finance. Any local agencies not included in this category are subject to California Government Code section 53684 and are referred to as outside investors.

VI. Implementation

In order to provide direction to those responsible for management of the Pooled Investment Fund, the Director of Finance has established this Policy and will provide it to the Oversight Committee and render it to legislative bodies of local agencies that participate in the Pooled Investment Fund. In accordance with California Government Code section 53646, et seq., the Board of Supervisors shall review and approve this Policy annually.

This Policy provides a detailed description of investment parameters used to implement the investment process and includes the following: investable funds; authorized instruments; prohibited investments; credit requirements; maximum maturities and concentrations; repurchase agreements; Community Reinvestment Act Program; criteria and qualifications of broker/dealers and direct issuers; investment guidelines, management style and strategy; Approved Lists; and calculation of yield and costs.

VII. Internal Controls

The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

Quarterly, the Director of Finance will provide the Oversight Committee with a copy of the Pooled Investment Fund activity and its compliance to the annual Policy and California Government Code.

Annually, the Oversight Committee shall cause an annual audit of the activities within the Pooled Investment Fund to be conducted to determine compliance to the Policy and California Government Code. This audit will include issues relating to the structure of the investment portfolio and risk.

All securities purchased, with the exception of time deposits, money market mutual funds, LAIF and Wells Fargo's overnight investment fund, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Director of Finance shall prepare an Investment Policy that will be forwarded to and monitored by the Oversight Committee and rendered to Boards of all local agency participants. The Board of Supervisors shall review and approve the Policy during public session. Quarterly, the Director of Finance shall provide the Oversight Committee a report of all investment activities of the Pooled Investment Fund to ensure compliance to the Policy. Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all bond proceeds.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall

include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch. In addition, domestic banks are limited to those with a Fitch Viability rating of a or better, without regard to modifiers. The Investment Group is granted the authority to specify approved California banks with Fitch Viability ratings of bbb+ but they must have a Support rating of 1 where appropriate. Foreign banks with domestic licensed offices must have a Fitch Sovereign rating of AAA and a Fitch Viability rating of a or better, without regard to modifiers; however, a foreign bank may have a rating of bbb+ but they must have a Support rating of 1. Domestic savings banks must be rated a or better, without regard to modifiers, or may have a rating of bbb+ but they must have a Support rating of 1.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	Banks — FDIC Insurance Coverage
	Credit Unions — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit to \$10 million Collateral is required	(Any 2 of 3 ratings) S&P: A-2 Moody's: P-2 Fitch: F-2

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate their commitment to meeting the community reinvestment lending and charitable activities, which are also required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor’s, Moody’s, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as Treasury and Agency securities, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations	5 years
Washington Supranational Obligations ¹	5 years
Municipal Notes	5 years
Registered State Warrants	5 years
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	180 days
CRA Bank Deposit/Certificates of Deposit	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations	180 days

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes	80%
Registered State Warrants	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations	30%
Negotiable Certificates of Deposit and CRA Bank Deposit/Certificates of Deposit	30%
Repurchase Agreements	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes	30%
Money Market Mutual Funds	20%
Collateralized Mortgage Obligations	20%
Local Agency Investment Fund (LAIF)	(per State limit) ²

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

¹ The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

² LAIF current maximum allowed is \$50 million.

No more than 10% of the portfolio, except Treasuries and Agencies, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the Approved Lists of the County and which meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be Treasuries or Agencies valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions which support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities which have been placed on the Approved List of

brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers which have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group, named by the Director of Finance, shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits which are consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost

accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Oversight Committee and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

Each quarter, the Director of Finance shall provide to the Board of Supervisors and interested parties a comprehensive report on the Pooled Investment Fund.

Annually, the Director of Finance shall provide to the Oversight Committee the Investment Policy. Additionally, the Director of Finance will render a copy of the Investment Policy to the legislative body of the local agencies that participate in the Pooled Investment Fund.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment

trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation was \$~~440-460~~ for the period January 1, ~~2013~~2015, to December 31, ~~2014~~2016. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings				
Rating Interpretation	Moody's	S&P	Fitch	Fitch Viability Rating
<i>Best-quality grade</i>	Aaa	AAA	AAA	aaa
<i>High-quality grade</i>	Aa1	AA+	AA+	aa+
	Aa2	AA	AA	aa
	Aa3	AA-	AA-	aa-
<i>Upper Medium Grade</i>	A1	A+	A+	a+
	A2	A	A	a
	A3	A-	A-	a-
<i>Medium Grade</i>	Baa1	BBB+	BBB+	bbb+
	Baa2	BBB	BBB	bbb
	Baa3	BBB-	BBB-	bbb-
<i>Speculative Grade</i>	Ba1	BB+	BB+	bb+
	Ba2	BB	BB	bb
	Ba3	BB-	BB-	bb-
<i>Low Grade</i>	B1	B+	B+	b+
	B2	B	B	b
	B3	B-	B-	b-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC	ccc
<i>In Poor Standing</i>	-	CCC	-	
	-	CCC-	-	
<i>Highly Speculative Default</i>	Ca	CC	CC	cc
	C	-	-	c
<i>Default</i>	-	-	DDD	f
	-	-	DD	f
	-	D	D	f

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings

Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3

Fitch Support Ratings

Rating	Interpretation
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.
5	A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

Appendix A

Fitch Sovereign Risk Ratings	
<i>Rating</i>	<i>Interpretation</i>
AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for timely payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative. 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	Highly speculative. 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	High default risk. Default is a real possibility.
CC	Very high levels of credit risk. Default of some kind appears probable.
C	Exceptionally high levels of credit risk. Default appears imminent or inevitable.
D	<p>Default. Indicates a default. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> • Failure to make payment of principal and/or interest under the contractual terms of the rated obligation; • The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or • The coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.



SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2016

*Approved by the
Sacramento County Board of Supervisors*

December 8, 2015
Resolution No. 2015-0920

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SACRAMENTO COUNTY

**Annual Investment Policy
of the Pooled Investment Fund**

CALENDAR YEAR 2016

I. Authority

Under the Sacramento County Charter, the Board of Supervisors established the position of Director of Finance and by ordinance will annually review and renew the Director of Finance's authority to invest and reinvest all the funds in the County Treasury.

II. Policy Statement

This Investment Policy (Policy) establishes cash management and investment guidelines for the Director of Finance, who is responsible for the stewardship of the Sacramento County Pooled Investment Fund. Each transaction and the entire portfolio must comply with California Government Code and this Policy. All portfolio activities will be judged by the standards of the Policy and its investment objectives. Activities that violate its spirit and intent will be considered contrary to the Policy.

III. Standard of Care

The Director of Finance is the Trustee of the Pooled Investment Fund and therefore, a fiduciary subject to the prudent investor standard. The Director of Finance, employees involved in the investment process, and members of the Sacramento County Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activities that could conflict with the management of the investment program. All individuals involved will be required to report all gifts and income in accordance with California state law. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the Director of Finance shall act with care, skill, prudence, and diligence to meet the aims of the investment objectives listed in Section IV, Investment Objectives.

IV. Investment Objectives

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance.

A. Safety of Principal

The preservation of principal is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

B. Liquidity

As a second objective, the Pooled Investment Fund should remain sufficiently flexible to enable the Director of Finance to meet all operating requirements that may be reasonably anticipated in any depositor's fund.

C. Public Trust

In managing the Pooled Investment Fund, the Director of Finance and the authorized investment traders should avoid any transactions that might impair public confidence in Sacramento County and the participating local agencies. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable income to be derived.

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The Director of Finance shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. To assist in implementation and internal controls, the Director of Finance has established an Investment Group and a Review Group.

The Investment Group, which is comprised of the Director of Finance and his/her designees, is responsible for maintenance of the investment guidelines and Approved Lists. These guidelines and lists can be altered daily, if needed, to adjust to the ever-changing financial markets. The guidelines can be more conservative or match the policy language. In no case can the guidelines override the Policy.

The Review Group, which is comprised of the Director of Finance and his/her designees, is responsible for the monthly review and appraisal of all the investments purchased by the Director of Finance and staff. This review includes bond proceeds, which are invested separately from the Pooled Investment Fund and are not governed by this Policy.

The Director of Finance shall establish a process for daily, monthly, quarterly, and annual review and monitoring of the Pooled Investment Fund activity. The following articles, in order of supremacy, govern the Pooled Investment Fund:

1. California Government Code
2. Annual Investment Policy
3. Current Investment Guidelines
4. Approved Lists (see page 9, Section IX.K)

The Director of Finance shall review the daily investment activity and corresponding bank balances.

Monthly, the Review Group shall review all investment activity and its compliance to the corresponding governing articles and investment objectives.

Quarterly, the Director of Finance will provide the Oversight Committee with a copy of the Pooled Investment Fund activity and its compliance to the annual Policy and California Government Code.

Annually, the Oversight Committee shall cause an annual audit of the activities within the Pooled Investment Fund to be conducted to determine compliance to the Policy and California Government Code. This audit will include issues relating to the structure of the investment portfolio and risk.

All securities purchased, with the exception of time deposits, money market mutual funds, LAIF and Wells Fargo's overnight investment fund, shall be delivered to the independent third-party custodian selected by the Director of Finance. This includes all collateral for repurchase agreements. All trades, where applicable, will be executed by delivery versus payment by the designated third-party custodian.

VIII. Sacramento County Treasury Oversight Committee

In accordance with California Government Code section 27130 et seq., the Board of Supervisors, in consultation with the Director of Finance, has created the Sacramento County Treasury Oversight Committee (Oversight Committee). Annually, the Director of Finance shall prepare an Investment Policy that will be forwarded to and monitored by the Oversight Committee and rendered to Boards of all local agency participants. The Board of Supervisors shall review and approve the Policy during public session. Quarterly, the Director of Finance shall provide the Oversight Committee a report of all investment activities of the Pooled Investment Fund to ensure compliance to the Policy. Annually, the Oversight Committee shall cause an audit to be conducted on the Pooled Investment Fund. The meetings of the Oversight Committee shall be open to the public and subject to the Ralph M. Brown Act.

A member of the Oversight Committee may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the Oversight Committee. A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the Sacramento County Board of Supervisors or governing board of any local agency that has deposited funds in the county treasury while a member of the Oversight Committee. Finally, a member may not secure employment with, or be employed by bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the Oversight Committee or for one year after leaving the committee.

The Oversight Committee is not allowed to direct individual investment decisions, select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the Department of Finance treasury and investment operations.

IX. Investment Parameters

A. Investable Funds

Total Investable Funds (TIF) for purposes of this Policy are all Pooled Investment Fund moneys that are available for investment at any one time, including the estimated bank account float. Included in TIF are funds of outside investors, if applicable, for which the Director of Finance provides investment services. Excluded from TIF are all bond proceeds.

The Cash Flow Horizon is the period in which the Pooled Investment Fund cash flow can be reasonably forecasted. This Policy establishes the Cash Flow Horizon to be one (1) year.

Once the Director of Finance has deemed that the cash flow forecast can be met, the Director of Finance may invest funds with maturities beyond one year. These securities will be referred to as the Core Portfolio.

B. Authorized Investments

Authorized investments shall match the general categories established by the California Government Code sections 53601 et seq. and 53635 et seq. Authorized investments shall

include, in accordance with California Government Code section 16429.1, investments into LAIF. Authorization for specific instruments within these general categories, as well as narrower portfolio concentration and maturity limits, will be established and maintained by the Investment Group as part of the Investment Guidelines. As the California Government Code is amended, this Policy shall likewise become amended.

C. Prohibited Investments

No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are any component companies in the Dow Jones U.S. Tobacco Index or the NYSE Arca Tobacco Index. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

D. Credit Requirements

Except for municipal obligations and Community Reinvestment Act (CRA) bank deposits and certificates of deposit, the issuer's short-term credit ratings shall be at or above A-1 by Standard & Poor's, P-1 by Moody's, and, if available, F1 by Fitch, and the issuer's long-term credit ratings shall be at or above A by Standard & Poor's, A2 by Moody's, and, if available, A by Fitch. There are no credit requirements for Registered State Warrants. All other municipal obligations shall be at or above a short-term rating of SP-1 by Standard & Poor's, MIG1 by Moody's, and, if available, F1 by Fitch. In addition, domestic banks are limited to those with a Fitch Viability rating of a or better, without regard to modifiers. The Investment Group is granted the authority to specify approved California banks with Fitch Viability ratings of bbb+ but they must have a Support rating of 1 where appropriate. Foreign banks with domestic licensed offices must have a Fitch Sovereign rating of AAA and a Fitch Viability rating of a or better, without regard to modifiers; however, a foreign bank may have a rating of bbb+ but they must have a Support rating of 1. Domestic savings banks must be rated a or better, without regard to modifiers, or may have a rating of bbb+ but they must have a Support rating of 1.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	Banks — FDIC Insurance Coverage
	Credit Unions — NCUSIF Insurance Coverage <i>Credit unions are limited to a maximum deposit of the NCUSIF-insured limit since they are not rated by nationally recognized rating agencies and are not required to provide collateral on public deposits.</i>
Over the FDIC- or NCUSIF-insured limit to \$10 million Collateral is required	(Any 2 of 3 ratings) S&P: A-2 Moody's: P-2 Fitch: F-2

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from each financial institution’s regulatory authority. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must place securities worth between 110% and 150% of the value of the deposit with the Federal Reserve Bank of San Francisco, the Home Loan Bank of San Francisco, or a trust bank.

Since credit unions do not have Community Reinvestment Act performance ratings, they must demonstrate their commitment to meeting the community reinvestment lending and charitable activities, which are also required of banks.

All commercial paper and medium-term note issues must be issued by corporations operating within the United States and having total assets in excess of one billion dollars (\$1,000,000,000).

The Investment Group may raise these credit standards as part of the Investment Guidelines and Approved Lists. Appendix A provides a Comparison and Interpretation of Credit Ratings by Standard & Poor’s, Moody’s, and Fitch.

E. Maximum Maturities

Due to the nature of the invested funds, no investment with limited market liquidity should be used. Appropriate amounts of highly-liquid investments, such as Treasury and Agency securities, should be maintained to accommodate unforeseen withdrawals.

The maximum maturity, determined as the term from the date of ownership to the date of maturity, for each investment shall be established as follows:

U.S. Treasury and Agency Obligations	5 years
Washington Supranational Obligations ¹	5 years
Municipal Notes	5 years
Registered State Warrants	5 years
Bankers Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	180 days
CRA Bank Deposit/Certificates of Deposit	1 year
Repurchase Agreements	1 year
Reverse Repurchase Agreements	92 days
Medium-Term Corporate Notes	180 days
Collateralized Mortgage Obligations	180 days

The Investment Group may reduce these maturity limits to a shorter term as part of the Investment Guidelines and the Approved Lists.

The ultimate maximum maturity of any investment shall be five (5) years. The dollar-weighted average maturity of all securities shall be equal to or less than three (3) years.

F. Maximum Concentrations

No more than 80% of the portfolio may be invested in issues other than United States Treasuries and Government Agencies. The maximum allowable percentage for each type of security is set forth as follows:

U.S. Treasury and Agency Obligations	100%
Municipal Notes	80%
Registered State Warrants	80%
Bankers Acceptances	40%
Commercial Paper	40%
Washington Supranational Obligations	30%
Negotiable Certificates of Deposit and CRA Bank Deposit/Certificates of Deposit	30%
Repurchase Agreements	30%
Reverse Repurchase Agreements	20%
Medium-Term Corporate Notes	30%
Money Market Mutual Funds	20%
Collateralized Mortgage Obligations	20%
Local Agency Investment Fund (LAIF)	(per State limit) ²

The Investment Group may reduce these concentrations as part of the Investment Guidelines and the Approved Lists.

¹ The International Bank for Reconstruction and Development, International Finance Corporation, and Inter-American Development Bank.

² LAIF current maximum allowed is \$50 million.

No more than 10% of the portfolio, except Treasuries and Agencies, may be invested in securities of a single issuer including its related entities.

Where a percentage limitation is established above, for the purpose of determining investment compliance, that maximum percentage will be applied on the date of purchase.

G. Repurchase Agreements

Under California Government Code section 53601, paragraph (j) and section 53635, the Director of Finance may enter into Repurchase Agreements and Reverse Repurchase Agreements. The maximum maturity of a Repurchase Agreement shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of a reverse repurchase agreement may not be invested beyond the expiration of the agreement. The reverse repurchase agreement must be "matched to maturity" and meet all other requirements in the code.

All repurchase agreements must have an executed Sacramento County Master Repurchase Agreement on file with both the Director of Finance and the Broker/Dealer. Repurchase Agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the Approved Lists of the County and which meet the qualifications of the Policy, with a market value of 102%. Since the market value of the underlying securities is subject to daily market fluctuations, investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. Use of mortgage-backed securities for collateral is not permitted. Strictly for purposes of investing the daily excess bank balance, the collateral provided by the Sacramento County's depository bank can be Treasuries or Agencies valued at 110%, or mortgage-backed securities valued at 150%.

H. Community Reinvestment Act Program

The Director of Finance has allocated within the Pooled Investment Fund, a maximum of \$90 million for the Community Reinvestment Act Program to encourage community investment by financial institutions, which includes community banks and credit unions, and to acknowledge and reward local financial institutions which support the community's financial needs. The Director of Finance may increase this amount, as appropriate, while staying within the investment policy objectives and maximum maturity and concentration limits. The eligible banks and savings banks must have Community Reinvestment Act performance ratings of "satisfactory" or "outstanding" from each financial institution's regulatory authority. The minimum credit requirements are located on page 5 of Section IX.D.

I. Criteria and Qualifications of Brokers/Dealers and Direct Issuers

All transactions initiated on behalf of the Pooled Investment Fund and Sacramento County shall be executed through either government security dealers reporting as primary dealers to the Market Reports Division of the Federal Reserve Bank of New York or direct issuers that directly issue their own securities which have been placed on the Approved List of

brokers/dealers and direct issuers. Further, these firms must have an investment grade rating from at least two national rating services, if available.

Brokers/Dealers and direct issuers which have exceeded the political contribution limits, as contained in Rule G-37 of the Municipal Securities Rulemaking Board, within the preceding four-year period to the Director of Finance, any member of the Board of Supervisors, or any candidate for the Board of Supervisors, are prohibited from the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm must acknowledge receipt of such materials to qualify for the Approved List of brokers/dealers and direct issuers.

Each broker/dealer and direct issuer authorized to do business with Sacramento County shall, at least annually, supply the Director of Finance with audited financial statements.

J. Investment Guidelines, Management Style and Strategy

The Investment Group, named by the Director of Finance, shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits which are consistent with this Policy.

The Investment Group shall also issue a statement describing the investment management style and current strategy for the entire investment program. The management style and strategy can be changed to accommodate shifts in the financial markets, but at all times they must be consistent with this Policy and its objectives.

K. Approved Lists

The Investment Group, named by the Director of Finance, shall issue and maintain various Approved Lists. These lists are:

1. Approved Domestic Banks for all legal investments.
2. Approved Foreign Banks for all legal investments.
3. Approved Commercial Paper and Medium Term Note Issuers.
4. Approved Money Market Mutual Funds.
5. Approved Firms for Purchase or Sale of Securities (Brokers/Dealers and Direct Issuers).
6. Approved Banks / Credit Unions for the Community Reinvestment Act Program.

L. Calculation of Yield and Costs

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets; managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated by specific cost

accounting projects and charged to the Pooled Investment Fund on a quarterly basis throughout the fiscal year.

The Department of Finance will allocate the net interest earnings of the Pooled Investment Fund quarterly. The net interest earnings are allocated based upon the average daily cash balance of each Pooled Investment Fund participant.

X. Reviewing, Monitoring and Reporting of the Portfolio

The Review Group will prepare and present to the Director of Finance at least monthly a comprehensive review and evaluation of the transactions, positions, performance of the Pooled Investment Fund and compliance to the California Government Code, Policy, and Investment Guidelines.

Quarterly, the Director of Finance will provide to the Oversight Committee and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. Pursuant to California Government Code section 53646, the report will list the type of investments, name of issuer, maturity date, par and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value, and the pricing source. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months.

Each quarter, the Director of Finance shall provide to the Board of Supervisors and interested parties a comprehensive report on the Pooled Investment Fund.

Annually, the Director of Finance shall provide to the Oversight Committee the Investment Policy. Additionally, the Director of Finance will render a copy of the Investment Policy to the legislative body of the local agencies that participate in the Pooled Investment Fund.

XI. Withdrawal Requests for Pooled Fund Investors

The Director of Finance will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Director of Finance at a one dollar net asset value. Any requests to withdraw funds for purposes other than immediate cash flow needs, such as for external investing, are subject to the consent of the Director of Finance. In accordance with California Government Code Sections 27133(h) and 27136, such requests for withdrawals must first be made in writing to the Director of Finance. When evaluating a request to withdraw funds, the Director of Finance will take into account the effect of a withdrawal on the stability and predictability of the Pooled Investment Fund and the interests of other depositors. Any withdrawal for such purposes will be at the market value of the Pooled Investment Fund on the date of the withdrawal.

XII. Limits on Honoraria, Gifts, and Gratuities

In accordance with California Government Code Section 27133(d), this Policy establishes limits for the Director of Finance; individuals responsible for management of the portfolios; and members of the Investment Group and Review Group who direct individual investment decisions, select individual investment advisors and broker/dealers, and conduct day-to-day investment

trading activity. The limits also apply to members of the Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar year from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the designated filing official and complete the appropriate State forms.

No individual may receive aggregate gifts, honoraria, and gratuities from any single source in a calendar year in excess of the amount specified in Section 18940.2(a) of Title 2, Division 6 of the California Code of Regulations. This limitation was \$460 for the period January 1, 2015, to December 31, 2016. Any violation must be reported to the State Fair Political Practices Commission.

XIII. Terms and Conditions for Outside Investors

Outside investors may invest in the Pooled Investment Fund through California Government Code Section 53684. Their deposits are subject to the consent of the Director of Finance. The legislative body of the local agency must approve the Sacramento County Pooled Investment Fund as an authorized investment and execute a Memorandum of Understanding. Any withdrawal of these deposits must be made in writing 30 days in advance and will be paid based upon the market value of the Pooled Investment Fund. If the Director of Finance considers it appropriate, the deposits may be returned at any time to the local agency.

Appendix A

Comparison and Interpretation of Credit Ratings

Long Term Debt & Individual Bank Ratings				
Rating Interpretation	Moody's	S&P	Fitch	Fitch Viability Rating
<i>Best-quality grade</i>	Aaa	AAA	AAA	aaa
<i>High-quality grade</i>	Aa1	AA+	AA+	aa+
	Aa2	AA	AA	aa
	Aa3	AA-	AA-	aa-
<i>Upper Medium Grade</i>	A1	A+	A+	a+
	A2	A	A	a
	A3	A-	A-	a-
<i>Medium Grade</i>	Baa1	BBB+	BBB+	bbb+
	Baa2	BBB	BBB	bbb
	Baa3	BBB-	BBB-	bbb-
<i>Speculative Grade</i>	Ba1	BB+	BB+	bb+
	Ba2	BB	BB	bb
	Ba3	BB-	BB-	bb-
<i>Low Grade</i>	B1	B+	B+	b+
	B2	B	B	b
	B3	B-	B-	b-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC	ccc
<i>In Poor Standing</i>	-	CCC	-	
	-	CCC-	-	
<i>Highly Speculative Default</i>	Ca	CC	CC	cc
	C	-	-	c
<i>Default</i>	-	-	DDD	f
	-	-	DD	f
	-	D	D	f

Short Term / Municipal Note Investment Grade Ratings			
Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	MIG-1	SP-1+/SP-1	F1+/F1
<i>Strong Capacity</i>	MIG-2	SP-2	F2
<i>Acceptable Capacity</i>	MIG-3	SP-3	F3

Appendix A

Short Term / Commercial Paper Investment Grade Ratings

Rating Interpretation	Moody's	S&P	Fitch
<i>Superior Capacity</i>	P-1	A-1+/A-1	F1+/F1
<i>Strong Capacity</i>	P-2	A-2	F2
<i>Acceptable Capacity</i>	P-3	A-3	F3

Fitch Support Ratings

Rating	Interpretation
1	A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
2	A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
3	A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
4	A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.
5	A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

Appendix A

Fitch Sovereign Risk Ratings	
<i>Rating</i>	<i>Interpretation</i>
AAA	Highest credit quality. 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality. 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for timely payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative. 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	Highly speculative. 'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	High default risk. Default is a real possibility.
CC	Very high levels of credit risk. Default of some kind appears probable.
C	Exceptionally high levels of credit risk. Default appears imminent or inevitable.
D	<p>Default. Indicates a default. Default generally is defined as one of the following:</p> <ul style="list-style-type: none"> • Failure to make payment of principal and/or interest under the contractual terms of the rated obligation; • The bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or • The coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.

DISCUSSION AND ACTION ON THE NON-POOLED FUNDS PORTFOLIO
REPORT FOR THE QUARTER ENDED DECEMBER 31, 2015.



COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE

NON-POOLED FUNDS PORTFOLIO REPORT

FOR QUARTER ENDED DECEMBER 31, 2015

**COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE**

NON-POOLED FUNDS PORTFOLIO REPORT

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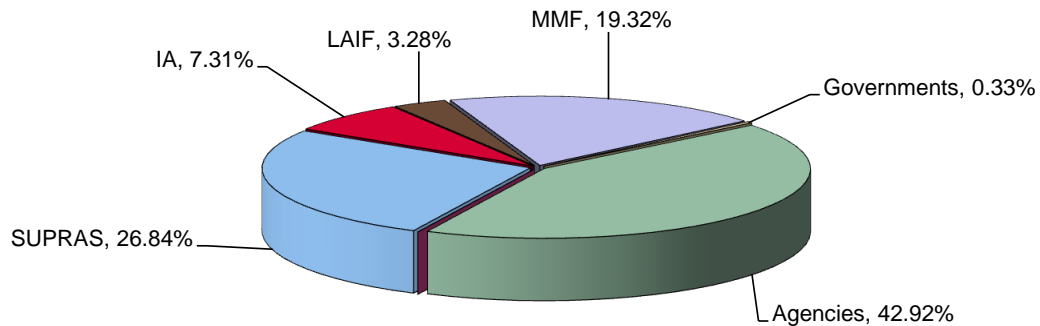
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COUNTY OF SACRAMENTO
Non-Pooled Funds - December 31, 2015

Portfolio Sector Concentration Profile
ALL NON-POOLED FUNDS

Sector	Credit Quality	Dollar Amount At Cost	Percent
GOVERNMENTS	AA+/Aaa/AAA		
Treasury Bills		\$ -	0.00%
Treasury Notes		\$ -	0.00%
Treasury Bonds		\$ -	0.00%
SLGs		\$ 1,782,480.00	0.33%
SUBTOTAL		\$ 1,782,480.00	0.33%
AGENCIES	AA+/Aaa/AAA		
FHLB		\$ -	0.00%
FHLB Discount Notes		\$ 168,142,500.37	30.83%
FNMA		\$ 9,934,967.70	1.82%
FNMA Discount Notes		\$ 5,667,134.46	1.04%
FFCB		\$ -	0.00%
FFCB Discount Notes		\$ -	0.00%
FHLMC		\$ -	0.00%
FHLMC Discount Notes		\$ 50,318,475.53	9.23%
SUBTOTAL		\$ 234,063,078.06	42.92%
COMMERCIAL PAPER (CP)	A-1/P-1, or A-1/P-1/F1, or better	\$ -	0.00%
CERTIFICATE OF DEPOSIT (CD)	A-1/P-1, or A-1/P-1/F1, or better	\$ -	0.00%
WASHINGTON SUPRANATIONALS (SUPRAS)	AAA/Aaa/AAA	\$ 146,370,059.91	26.84%
INVESTMENT AGREEMENTS (IA)	Not Rated	\$ 39,887,197.40	7.31%
LOCAL AGENCY INVESTMENT FUND (LAIF)	Not Rated	\$ 17,900,000.00	3.28%
MONEY MARKET FUNDS (MMF)	AAA	\$ 105,355,598.31	19.32%
SWEEP	Not Rated	\$ -	0.00%
TOTAL		\$ 545,358,413.68	100.00%

A detailed listing of all Non-Pooled Funds is provided in Appendix A on page 2 of this report.



County of Sacramento Non-Pooled Investment Funds

As of December 31, 2015

Fund	Description	Type	Funded Date	Maturity Date	Amount Issued	Book Value	Bond/Note TIC/NIC
Fiscal Agent Trustee Funds							
5030-35	REG SAN 2000 C SWAP	REV	1/2/2003	12/1/2030	100,000,000	2,003,714.93	3.740%
5174-75	Robla SD, Series 2015 A	GO	2/18/2015	8/1/2044	6,400,000	4,127,189.55	3.603%
5183-85	San Juan USD, Elec 2012 B	GO	7/1/2014	8/1/2027	80,000,000	64,652,951.37	2.168%
5277	SASD Series 2015 Refunding	REV	5/5/2015	8/1/2035	45,435,000	5.27	3.392%
5340-45	2006 Public Facilities Projects	COP	5/11/2006	2/1/2036	40,860,000	1,688,598.00	4.708%
5391	SRCSA REF 2005	REV	9/7/2005	12/1/2023	61,220,000	1.56	4.414%
5410	Tobacco Settlement Ref 2005	TSP	12/6/2005	6/1/2045	255,486,288	1,372,747.14	5.807%
5450-54	SRCSA 2006	REV	7/20/2006	12/1/2036	338,960,000	10,828,909.21	4.746%
5455-57	SRCSA 2014A	REV	7/10/2014	12/1/2044	378,510,000	46,788,861.39	3.823%
5510-14	Water Financing Authority	REV	5/9/2007	6/1/2039	413,420,000	25,715,904.39	4.260%
5520-23	Metro Air Park 2007B	MR	12/14/2007	8/1/2034	40,200,000	3,059,436.45	6.886%
5600-02	SRCSA REF 2007	REV	3/1/2007	12/1/2035	443,365,000	2,729.52	4.165%
5630-33	Airport System 2008 A	REV	5/1/2008	7/1/2041	169,575,000	5,372,739.97	5.353%
5645	Natomas USD, Series 2015	GO	7/30/2015	8/1/2040	69,500,000	29,327,134.30	3.938%
5690-91	San Juan USD, Series 2013	GO	2/21/2013	8/1/2038	50,000,000	4,148,322.33	3.166%
5693-95	San Juan USD, Series 2014	GO	7/1/2014	8/1/2032	25,925,000	15,728,122.77	3.497%
5760-65	Airport System 2008 B-C	REV	5/1/2008	7/1/2039	326,620,000	9,057,924.13	5.353%
5770-73	Airport System 2008 D-E	REV	5/1/2008	7/1/2026	89,430,000	3,945,361.78	5.161%
5800-07	Airport System 2009 A&B	REV	7/28/2009	7/1/2041	201,800,000	18,153,601.89	5.473%
5810-15	Airport System 2009 C&D	REV	7/28/2009	7/1/2041	278,250,000	56,791,356.35	6.010%
5830-34	2010 Refunding COPs	COP	3/12/2010	2/1/2030	126,105,000	9,370,220.17	5.097%
5860-63	SASD Series 2010 A&B	REV	8/11/2010	8/1/2040	126,620,000	3.84	4.069%
5870-74	Airport System 2010	REV	8/25/2010	7/1/2040	128,300,000	12,944,569.98	4.744%
5890-92	San Juan USD, Series 2011	GO	6/10/2011	6/1/2026	10,600,000	1,817,738.22	5.336%
5955	Folsom USD SFID 4, 2012	GO	8/13/2015	10/1/2040	30,000,000	18,637,945.37	3.713%
5980	Folsom USD SFID 5, 2014A	GO	8/13/2015	10/1/2040	40,000,000	36,237,116.71	3.713%
6080-82	Los Rios CCD Elec 2008 B	GO	6/27/2013	8/1/2038	60,000,000	12,045,847.62	4.109%
6303-04	Robla SD, Series 2015 B	GO	11/5/2015	8/1/2045	10,100,000	9,932,523.06	4.015%
6305-06	Robla SD, Series 2015 I	GO	11/4/2015	8/1/2037	2,000,000	1,970,001.36	4.072%
6310-12	Sac City USD Series 2015	GO	6/4/2015	8/1/2040	90,000,000	89,946,896.84	3.672%
6350-55	Public Facilities, 94 (Coroner)	REV	10/25/1994	10/1/2024	89,500,000	6,463,075.00	6.494%
6440-00	LAIF, STA Transport. Authority	SEP	11/15/1995	n/a	n/a	17,900,000.00	n/a
6581-84	Elliott Ranch Refunding	MR	8/13/1997	9/1/2021	21,415,000	2,565,527.43	6.231%
6600-04	Laguna Creek Refunding	MR	12/30/1997	12/1/2020	31,980,000	3,602,336.45	5.751%
6680-86	Metro Air Park	MR	12/30/1998	12/1/2021	5,310,000	169,968.69	7.000%
6890-92	Tobacco Settlement 01A/B	TSP	8/23/2001	6/1/2027	193,405,888	1,026,810.86	n/a
6980-84	Metro Air Park 2004 A	MR	4/8/2004	8/1/2034	63,460,000	2,123,608.83	6.890%
Book Value Subtotal Of Fiscal Agent Trustee Funds:						\$529,519,802.73	
Other Separate Trustees							
5410	Tobacco Securitization Authority 2005 Refunding						
	Collection Account		12/6/2005	6/1/2045		33.16	
	Operating Account		12/6/2005	6/1/2045		84,333.47	
	Sr Debt Service Account		12/6/2005	6/1/2045		419.73	
	Sr Liquidity Reserve Account		12/6/2005	6/1/2045		15,751,224.26	
	Sr Turbo Redemption Account		12/6/2005	6/1/2045		2,600.33	
	Subtotal					15,838,610.95	
Book Value Subtotal Of Funds Held By Other Separate Trustees:						\$15,838,610.95	
TOTAL NON-POOLED INVESTMENT FUNDS BOOK VALUE:						\$545,358,413.68	

New issues are reflected in blue.

FUND TYPES:

TSP - Tobacco Securitization Proceeds
 TR - Tax & Revenue Anticipation Notes
 SEP - Funds held for unique purposes
 REV - Revenue Bonds
 TC - Tax Collection Account

MR - Mello Roos Bonds
 GO - General Obligation Bonds
 AD - Assessment District Bonds
 COP - Certificates of Participation

GLOSSARY OF INVESTMENT TERMS

A-1+/A-1 – Highest short-term credit ratings assigned by Standard & Poor’s.

AAA – Highest long-term credit rating assigned by Standard & Poor’s and Fitch.

Aaa – Highest long-term credit rating assigned by Moody’s.

AA+ – Second highest long-term credit rating assigned by Standard & Poor’s and Fitch.

Cash in Pool – Residual amounts of money invested in the Pooled Investment Fund that cannot be reasonably invested in separate investment securities (amounts typically less than \$100,000 per fund).

F1+/F1 – Highest short-term credit ratings assigned by Fitch.

FFCB – Federal Farm Credit Bank

FHLB – Federal Home Loan Bank

FHLMC – Federal Home Loan Mortgage Corporation

FNMA – Federal National Mortgage Association

Investment Agreement – A contract between a bond issuer and a financial institution that provides the issuer with a guaranteed interest rate for the duration of the contract.

LAIF – Local Agency Investment Fund is the State of California Treasurer’s Pool, which is created under Section 16429.1 of the Government Code. The County uses this account as a late draw savings account and as investments for TRANs proceeds.

P-1 – Highest short-term credit rating assigned by Moody’s.

Sweep – A money market account at Wells Fargo that invests any residual dollars into overnight securities (similar to cash in pool).

DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED
INVESTMENT FUND FOR THE QUARTER ENDED DECEMBER 31, 2015, AND
COMPLIANCE WITH INVESTMENT POLICY.



Quarterly Pooled Investment Fund Report
 As Prescribed By
 California Government Code Section 53646
For The Quarter Ended December 31, 2015

Compliance to Investment Policy

Based on the Director of Finance's Review Group Month-End Reports, there were no items out of compliance with the Calendar Year 2015 Investment Policy during the quarter ended December 31, 2015.

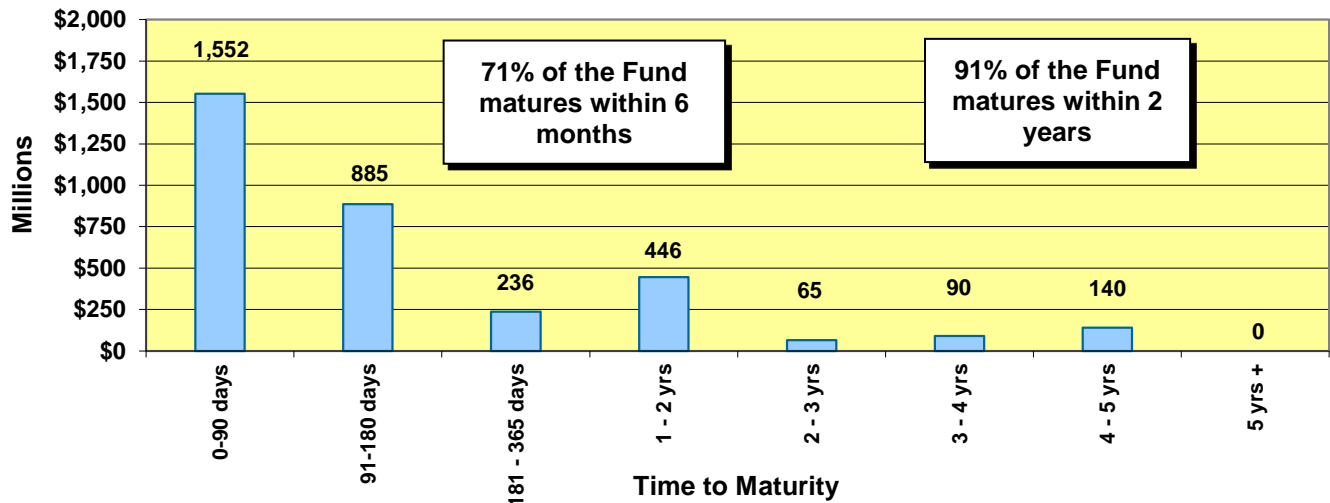
Portfolio Statistics	Quarter Ended 09/30/15	Quarter Ended 12/31/15
Average Daily Balance	\$2,598,528,055	\$2,734,191,033
Period-End Balance	\$2,544,019,912	\$3,414,101,181
Earned Interest Yield	0.468%	0.539%
Weighted Average Maturity	304 Days	261 Days
Duration in Years	0.819	0.703
Historical Cost	\$2,535,980,614	\$3,405,763,374
Market Value	\$2,541,076,358	\$3,405,609,342
Percent of Market to Cost	100.20%	100.00%

The earned interest yield presented above does not have any costs deducted. The investment management costs in prior years and this year continue to be approximately 12 basis points or 0.12%. 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.

Portfolio Structure as of December 31, 2015¹

Investment Description	Percentage of Portfolio at Cost 09/30/15	Percentage of Portfolio at Cost 12/31/15	Percentage of Portfolio at Market 12/31/15	Earned Interest Yield at 12/31/15
<i>US Agency, Treasury & Municipal Notes (USATM):</i>				
<i>US Agency Notes</i>	44.10%	42.35%	42.18%	0.803%
<i>Notes/Discount Notes FFCB</i>	7.66%	4.54%	4.54%	0.713%
<i>Notes/Discount Notes FHLB</i>	13.66%	15.44%	15.43%	0.845%
<i>Notes/Discount Notes FNMA</i>	12.64%	9.70%	9.57%	0.933%
<i>Notes/Discount Notes FHLMC</i>	10.14%	12.67%	12.63%	0.683%
<i>US Treasury Notes</i>	0.00%	0.00%	0.00%	0.000%
<i>Municipal Notes</i>	0.88%	1.15%	1.15%	0.468%
Total USATM	44.99%	43.49%	43.33%	0.794%
Repurchase Agreements	0.00%	0.00%	0.00%	0.000%
Supranationals	0.98%	4.69%	4.70%	0.546%
Commercial Paper	25.73%	21.50%	21.57%	0.329%
Certificates of Deposit	26.34%	28.85%	28.93%	0.390%
LAIF	1.97%	1.46%	1.47%	0.374%
Money Market Accounts	0.00%	0.00%	0.00%	0.00%

POOLED INVESTMENT FUND MATURITIES AS OF DECEMBER 31, 2015
\$3.414 Billion



¹ Percentages may not add up to 100% due to rounding error

Projected Cash Flow

Based upon our cash flow model projection dated January 11, 2016, summarized below, we have sufficient cash flow to meet expenditures for the next 12 months.

Month	Bank Balance	Receipts & Maturities	Disbursements	Difference	Less Investments Beyond One Year	Funds Available for Future Cash Flow Needs*
<i>Dollar amounts represented in millions</i>						
Jan	60.0	\$1,081.6	\$713.9	\$367.7	\$35.0	\$332.7
Feb	60.0	\$956.7	\$615.9	\$340.8	\$35.0	\$305.8
Mar	60.0	\$1,145.8	\$730.0	\$415.8	\$35.0	\$380.8
Apr	60.0	\$1,048.0	\$572.8	\$475.2	\$35.0	\$440.2
May	60.0	\$1,003.8	\$902.5	\$101.3	\$35.0	\$66.3
Jun	60.0	\$940.2	\$617.1	\$323.1	\$35.0	\$288.1
Jul	60.0	\$422.9	\$537.1	(\$114.2)	\$35.0	(\$149.2)
Aug	60.0	\$609.5	\$1,078.3	(\$468.8)	\$35.0	(\$503.8)
Sep	60.0	\$774.2	\$612.8	\$161.4	\$35.0	\$126.4
Oct	60.0	\$609.9	\$574.9	\$35.0	\$35.0	\$0.0
Nov	60.0	\$777.5	\$671.6	\$105.9	\$35.0	\$70.9
Dec	61.0	\$1,303.3	\$640.7	\$662.6	\$35.0	\$627.6

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

Detailed Listing of Investments

A complete detailed listing of all investments for the Pooled Investment Fund as of December 31, 2015, is contained in the back of this report. This report notes the type of investment; name of the security; the CUSIP; the purchase date; the maturity date; the coupon and the yield; the par value, book value and market value of each security; the pricing source for the market value; and the duration of each security.

External third-party investment manager(s) at December 31, 2015:

<u>Investment</u>	<u>Firm</u>	<u>Amount</u>
Local Agency Investment Fund	State Treasurer's Office	\$50,000,000.00

The Fund uses an external investment accounting system called APS2 by SunGard Treasury Systems. The market valuations are based upon the pricing of Interactive Data Corporation (IDC).

THIS COMPLETES THE QUARTERLY REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE § 53646.

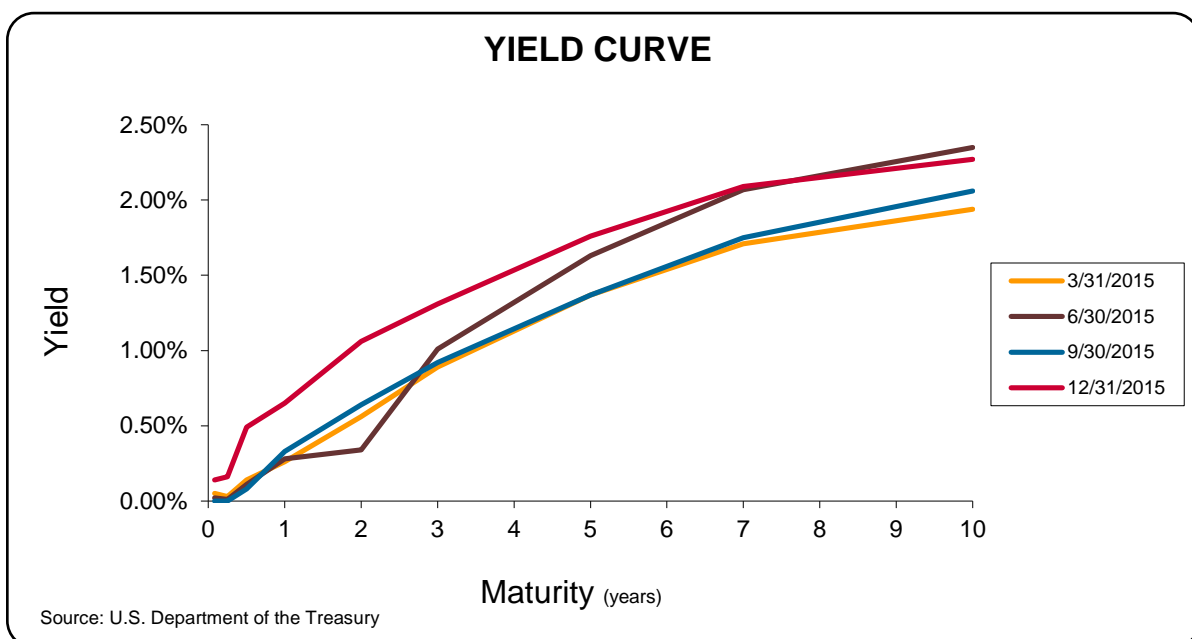
Financial Markets Commentary

December 16, 2015, the Federal Open Market Committee (FOMC) finally made their first federal funds rate hike in almost a decade. The FOMC raised the federal funds rate by a quarter percentage point from a range of 0 – 0.25% to 0.25% – 0.50%. The FOMC went out of their way to reiterate the tightening of monetary policy will be gradual and interest rates will rise in a measured pace. The committee provided guidance the labor market will continue to improve at a moderate rate, leading to higher wages and inflation expectations.

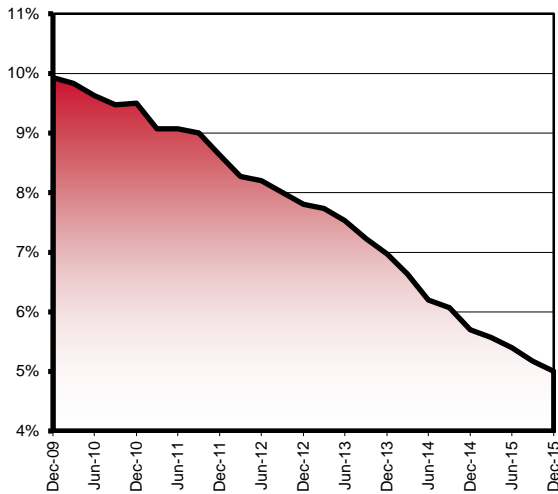
The move away from the zero interest rate environment marks the end of the unprecedented period of extraordinary and controversial Federal Reserve policies, including several rounds of quantitative easing measures that added trillions of dollars to the Federal Reserve's balance sheet. The FOMC expanded its monetary policy tools to revive the US economy from the worst economic crisis since the Great Depression. After the unemployment rate peaked at 10% in 2009, the rate has fallen to 5%, and the US labor market added 14 million nonfarm payroll jobs since February 2010. The FOMC acknowledges that crisis-level monetary stimulus is no longer warranted, although normalization of the investment cycle will be slow and be shallower than pre-Great Recession cycles.

The Federal Reserve and US economy still face headwinds going into 2016. The S&P 500 index began the year with its largest loss on record and fears of a slowing Chinese economy and its effect on commodity prices are worrisome trends. China's economic growth rate is at its slowest pace since 1990 and the Chinese government's attempts to prop up their equity market while devaluing their currency at the same time have not calmed investor nerves. With China's demand for raw materials weakening and the inability of OPEC to influence lower supplies, commodity prices have collapsed, as witnessed by oil's steep decline to \$30 per barrel from \$140 in 2008.

These deflationary pressures will need to be reconciled with the Federal Reserve's fundamental belief that the US economy will continue to grow requiring modestly higher interest rates. We expect the yield on the Pooled Investment fund will continue to increase at a moderate pace over the next several quarters.

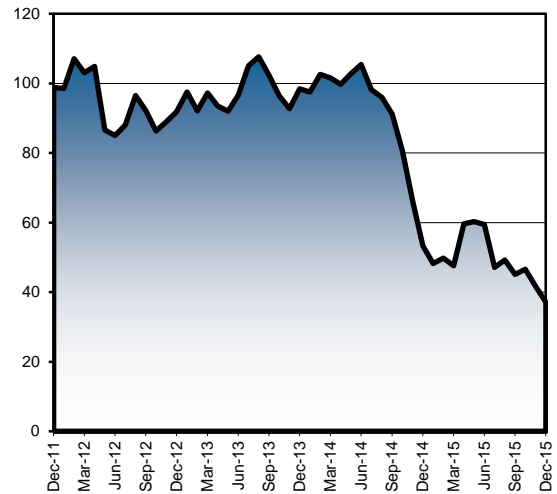


US UNEMPLOYMENT RATE



Source: Bloomberg

**WEST TEXAS INTERMEDIATE
CRUDE OIL**



Source: Bloomberg

Portfolio Management Strategy

During the past quarter, we continued to provide adequate liquidity to meet the cash flow needs of the Pooled Investment Fund participants. We are currently funding the cash flows for June 2016. We are purchasing two- and five-year U. S. Treasury and/or Agency securities on a monthly basis for the “CORE” portfolio, which is composed of all securities maturing beyond one year. This laddered structure stabilizes the yield over longer periods. Over the next quarter, our quarterly yield should range between 0.55% and 0.65%.

Respectfully submitted,
Bernard Santo Domingo
Chief Investment Officer

Concur,
Ben Lamera
Interim Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: January 20, 2016

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2015

<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
VR-SAC COUNTY 11-12		11/1/2011	8/1/2016	0.468%	0.468%	2,386,539.55	2,386,539.55	2,386,539.55	BOOK	0.586
VR-SAC COUNTY 12-13		3/26/2013	8/1/2017	0.468%	0.468%	3,667,428.22	3,667,428.22	3,667,428.22	BOOK	1.579
VR-SAC COUNTY 13-14		12/10/2013	8/1/2018	0.468%	0.468%	5,013,255.29	5,013,255.29	5,013,255.29	BOOK	2.571
VR-SAC COUNTY 14-15		12/9/2014	8/1/2019	0.468%	0.468%	8,624,178.52	8,624,178.52	8,624,178.52	BOOK	3.643
VR-SAC COUNTY 15-16		10/27/2015	8/3/2020	0.468%	0.468%	19,520,175.29	19,520,175.29	19,520,175.29	BOOK	4.546
TOTAL VARIABLE RATE(MUNI)QUARTERLY				0.468%	0.468%	39,211,576.87	39,211,576.87	39,211,576.87		3.576
						1.15%	1.15%	1.15%		
FFCB NOTE (86)	3133EDDH2	1/14/2014	1/14/2016	0.400%	0.440%	20,000,000.00	19,984,000.00	20,001,800.00	SUNGARD	0.038
FFCB NOTE (120)	3133ECE91	2/8/2013	2/1/2016	0.400%	0.422%	10,000,000.00	9,993,390.00	10,002,500.00	SUNGARD	0.088
FFCB NOTE (120)	3133EDJN3	4/23/2014	4/21/2016	0.420%	0.442%	20,000,000.00	19,991,200.00	20,009,400.00	SUNGARD	0.307
FFCB NOTE (330)	3133EDQ96	7/11/2014	7/11/2016	0.500%	0.537%	20,000,000.00	19,985,320.00	19,997,200.00	SUNGARD	0.527
FFCB NOTE (120)	3133EDUV2	10/16/2014	10/11/2016	0.650%	0.439%	15,000,000.00	15,062,640.00	15,010,500.00	SUNGARD	0.776
FFCB NOTE (120)	3133EEJ43	5/8/2015	5/8/2017	0.650%	0.721%	25,000,000.00	24,965,000.00	24,903,250.00	SUNGARD	1.348
FFCB NOTE (330)	3133EFCY1	9/14/2015	9/14/2017	0.780%	0.868%	25,000,000.00	24,956,500.00	24,900,250.00	SUNGARD	1.691
FFCB NOTE (260)	3133EE5Z9	8/28/2015	8/4/2020	1.750%	1.700%	10,000,000.00	10,023,500.00	9,938,700.00	SUNGARD	4.401
FFCB NOTE (120)	3133EFLZ8	10/28/2015	10/28/2020	1.460%	1.460%	5,000,000.00	5,000,000.00	5,000,000.00	SUNGARD	4.665
FFCB NOTE (86)	3133EFLZ8	10/28/2015	10/28/2020	1.460%	1.460%	5,000,000.00	5,000,000.00	5,000,000.00	SUNGARD	4.665
TOTAL FED FARM CREDIT BONDS(FFCB)				0.697%	0.713%	155,000,000.00	154,961,550.00	154,763,600.00		1.269
						4.55%	4.54%	4.54%		
FHLB NOTE (85)	3130A0SD3	2/7/2014	2/19/2016	0.375%	0.381%	20,000,000.00	19,997,400.00	20,000,400.00	SUNGARD	0.137
FHLB NOTE (120)	3133834R9	6/13/2013	6/24/2016	0.375%	0.681%	10,000,000.00	9,908,500.00	9,987,500.00	SUNGARD	0.482
FHLB NOTE (330)	3133834R9	6/6/2014	6/24/2016	0.375%	0.433%	20,000,000.00	19,976,380.00	19,975,000.00	SUNGARD	0.482
FHLB NOTE (85)	313383R78	7/18/2013	7/18/2016	0.750%	0.757%	10,000,000.00	9,997,900.00	10,004,800.00	SUNGARD	0.545
FHLB NOTE (92)	313375K97	9/16/2011	9/6/2016	1.360%	1.247%	5,000,000.00	5,027,250.00	5,026,650.00	SUNGARD	0.677
FHLB NOTE (86)	313370TW8	9/27/2013	9/9/2016	2.000%	0.807%	10,000,000.00	10,347,100.00	10,084,000.00	SUNGARD	0.684
FHLB NOTE (20)	313370TW8	9/3/2014	9/9/2016	2.000%	0.655%	25,000,000.00	25,672,675.00	25,210,000.00	SUNGARD	0.684
FHLB NOTE (85)	3130A3CE2	10/20/2014	10/14/2016	0.625%	0.500%	10,000,000.00	10,024,600.00	9,995,300.00	SUNGARD	0.785
FHLB NOTE (120)	3130A3EL4	11/3/2014	11/15/2016	0.520%	0.592%	25,000,000.00	24,963,500.00	24,942,750.00	SUNGARD	0.871
FHLB NOTE (120)	313371PV2	12/4/2014	12/9/2016	1.625%	0.618%	25,000,000.00	25,503,250.00	25,185,000.00	SUNGARD	0.935
FHLB NOTE (120)	3130A0C65	12/18/2013	12/28/2016	0.625%	0.694%	10,000,000.00	9,979,300.00	9,978,100.00	SUNGARD	0.990
FHLB NOTE (20)	3130A4KD3	3/9/2015	3/9/2017	0.750%	0.758%	25,000,000.00	24,995,845.00	24,955,250.00	SUNGARD	1.183
FHLB NOTE (120)	313379FW4	6/3/2015	6/9/2017	1.000%	0.766%	25,000,000.00	25,117,000.00	24,994,750.00	SUNGARD	1.431
FHLB NOTE (92)	313379VE6	7/26/2012	6/19/2017	1.010%	0.816%	5,000,000.00	5,046,345.00	5,002,850.00	SUNGARD	1.459
FHLB NOTE (30)	3130A6LZ8	10/9/2015	10/26/2017	0.625%	0.724%	25,000,000.00	24,949,750.00	24,776,250.00	SUNGARD	1.810
FHLB NOTE (120)	3130A6RD1	11/4/2015	11/3/2017	0.850%	0.852%	25,000,000.00	24,999,250.00	24,889,000.00	SUNGARD	1.826

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2015

<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
FHLB NOTE (330)	3130A6SW8	12/4/2015	12/19/2017	1.000%	1.067%	25,000,000.00	24,966,250.00	24,937,750.00	SUNGARD	1.952
FHLB NOTE (120)	313378A43	4/26/2013	3/9/2018	1.375%	0.843%	5,000,000.00	5,126,600.00	5,015,700.00	SUNGARD	2.155
FHLB NOTE (76)	313379DT3	6/10/2013	6/8/2018	1.250%	1.265%	5,000,000.00	4,996,500.00	4,996,050.00	SUNGARD	2.405
FHLB NOTE (85)	313373UU4	7/25/2013	6/8/2018	2.750%	1.615%	5,000,000.00	5,264,700.00	5,169,250.00	SUNGARD	2.370
FHLB NOTE (120)	313376BR5	12/24/2013	12/14/2018	1.750%	1.778%	5,000,000.00	4,993,400.00	5,047,500.00	SUNGARD	2.888
FHLB NOTE (20)	3130A2FH4	6/18/2014	6/14/2019	1.750%	1.853%	5,000,000.00	4,975,473.25	5,032,200.00	SUNGARD	3.363
FHLB NOTE (330)	3130A2FH4	8/1/2014	6/14/2019	1.750%	1.889%	5,000,000.00	4,967,750.00	5,032,200.00	SUNGARD	3.363
FHLB NOTE (120)	313383VN8	9/15/2014	9/13/2019	2.000%	1.884%	10,000,000.00	10,055,231.70	10,135,100.00	SUNGARD	3.564
FHLB NOTE (330)	313383VN8	10/20/2014	9/13/2019	2.000%	1.653%	10,000,000.00	10,162,300.00	10,135,100.00	SUNGARD	3.565
FHLB NOTE (120)	3130A0JR2	12/16/2014	12/13/2019	2.375%	1.713%	10,000,000.00	10,315,650.00	10,253,400.00	SUNGARD	3.792
FHLB NOTE (20)	313378J77	4/23/2015	3/13/2020	1.875%	1.455%	10,000,000.00	10,197,500.00	10,026,000.00	SUNGARD	4.038
FHLB NOTE (120)	313383HU8	6/12/2015	6/12/2020	1.750%	1.903%	10,000,000.00	9,927,290.00	9,982,000.00	SUNGARD	4.294
FHLB NOTE (45)	313383HU8	7/14/2015	6/12/2020	1.750%	1.851%	10,000,000.00	9,952,800.00	9,982,000.00	SUNGARD	4.294
FHLB NOTE (330)	3130A5Z77	9/28/2015	7/29/2020	1.830%	1.600%	10,000,000.00	10,106,700.00	9,979,600.00	SUNGARD	4.371
TOTAL FED HOME LOAN BANKS				1.178%	0.947%	400,000,000.00	402,514,189.95	400,731,450.00		1.718
						11.75%	11.79%	11.77%		
FNMA NOTE (92)	313586UV9	11/16/2011	3/10/2016	8.200%	1.212%	10,000,000.00	12,929,860.00	10,146,700.00	SUNGARD	0.192
FNMA NOTE (120)	3135G0VA8	3/21/2013	3/30/2016	0.500%	0.465%	10,000,000.00	10,010,500.00	10,000,800.00	SUNGARD	0.246
FNMA NOTE (85)	3135G0VA8	3/7/2014	3/30/2016	0.500%	0.405%	20,000,000.00	20,039,000.00	20,001,600.00	SUNGARD	0.246
FNMA NOTE (76)	3135G0BA0	4/22/2013	4/11/2016	2.375%	0.415%	10,000,000.00	10,577,800.00	10,051,800.00	SUNGARD	0.279
FNMA NOTE (86)	3135G0YE7	8/14/2013	8/26/2016	0.625%	0.790%	10,000,000.00	9,950,600.00	10,000,500.00	SUNGARD	0.651
FNMA NOTE (330)	3135G0YE7	8/19/2014	8/26/2016	0.625%	0.540%	20,000,000.00	20,034,000.00	20,001,000.00	SUNGARD	0.651
FNMA NOTE (50)	3135G0ES8	11/16/2011	11/15/2016	1.375%	1.298%	5,000,000.00	5,018,550.00	5,023,200.00	SUNGARD	0.869
FNMA NOTE (85)	3135G0ES8	11/13/2013	11/15/2016	1.375%	0.710%	10,000,000.00	10,197,400.00	10,046,400.00	SUNGARD	0.869
FNMA NOTE (92)	31359M2D4	9/7/2012	12/15/2016	4.875%	0.686%	10,000,000.00	11,760,540.00	10,378,500.00	SUNGARD	0.944
FNMA NOTE (23)	3135G0GY3	1/31/2012	1/30/2017	1.250%	1.015%	5,000,000.00	5,057,050.00	5,018,750.00	SUNGARD	1.071
FNMA NOTE (260)	3135G0GY3	1/31/2014	1/30/2017	1.250%	0.796%	10,000,000.00	10,134,300.00	10,037,500.00	SUNGARD	1.071
FNMA NOTE (330)	3135G0ZB2	4/4/2014	4/20/2017	0.750%	1.004%	10,000,000.00	9,923,900.00	9,971,600.00	SUNGARD	1.297
FNMA NOTE (92)	3135G0JA2	9/28/2012	4/27/2017	1.125%	0.694%	10,000,000.00	10,193,840.00	10,016,500.00	SUNGARD	1.314
FNMA NOTE (330)	3135G0JA2	4/9/2015	4/27/2017	1.125%	0.640%	25,000,000.00	25,246,750.00	25,041,250.00	SUNGARD	1.314
FNMA NOTE (120)	3135G0MZ3	8/21/2014	8/28/2017	0.875%	1.039%	10,000,000.00	9,951,340.00	9,965,900.00	SUNGARD	1.654
FNMA NOTE (76)	3135G0PQ0	10/26/2012	10/26/2017	0.875%	0.959%	5,000,000.00	4,979,550.00	4,979,350.00	SUNGARD	1.806
FNMA NOTE (77)	3135G0RT2	12/20/2012	12/20/2017	0.875%	0.885%	5,000,000.00	4,997,550.00	4,976,000.00	SUNGARD	1.956
FNMA NOTE (92)	3135G0TG8	2/28/2013	2/8/2018	0.875%	0.894%	5,000,000.00	4,995,435.00	4,967,200.00	SUNGARD	2.081
FNMA NOTE (76)	3135G0WJ8	5/21/2013	5/21/2018	0.875%	1.013%	5,000,000.00	4,966,370.00	4,953,150.00	SUNGARD	2.367
FNMA NOTE (120)	3135G0YM9	9/18/2013	9/18/2018	1.875%	2.091%	10,000,000.00	9,897,900.00	10,140,000.00	SUNGARD	2.645
FNMA NOTE (85)	3135G0YT4	11/27/2013	11/27/2018	1.625%	1.578%	10,000,000.00	10,022,500.00	10,072,800.00	SUNGARD	2.846

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FNMA NOTE (330)	3135G0ZA4	2/21/2014	2/19/2019	1.875%	1.724%	10,000,000.00	10,071,800.00	10,134,200.00	SUNGARD	3.038
FNMA NOTE (330)	3135G0ZY2	11/26/2014	11/26/2019	1.750%	1.836%	10,000,000.00	9,958,950.00	10,051,300.00	SUNGARD	3.783
FNMA NOTE (20)	3135G0A78	1/30/2015	1/21/2020	1.625%	1.431%	10,000,000.00	10,092,965.20	9,962,300.00	SUNGARD	3.914
FNMA NOTE (120)	3135G0A78	2/13/2015	1/21/2020	1.625%	1.658%	10,000,000.00	9,984,400.00	9,962,300.00	SUNGARD	3.913
FNMA (330)	3135G0UU5	3/24/2015	3/6/2020	1.750%	1.544%	10,000,000.00	10,097,580.00	9,994,600.00	SUNGARD	4.028
FNMA NOTE (120)	3135G0H55	12/28/2015	12/28/2020	1.875%	1.836%	10,000,000.00	10,018,400.00	10,018,400.00	SUNGARD	4.788
TOTAL FED NAT MORT ASSOC				1.693%	1.017%	275,000,000.00	281,108,830.20	275,913,600.00		1.707
						8.08%	8.23%	8.10%		
FNMA D.N. (86)	313588XP5	12/29/2015	6/1/2016	0.460%	0.461%	50,000,000.00	49,900,972.22	49,902,500.00	SUNGARD	0.419
TOTAL FNMA DISC NOTES				0.460%	0.461%	50,000,000.00	49,900,972.22	49,902,500.00		0.419
						1.47%	1.46%	1.47%		
FHLB D.N. (330)	313384WK1	12/9/2015	5/4/2016	0.520%	0.521%	40,000,000.00	39,915,066.67	39,943,600.00	SUNGARD	0.342
FHLB D.N. (120)	313384WM7	12/8/2015	5/6/2016	0.520%	0.521%	45,000,000.00	44,902,500.00	44,935,200.00	SUNGARD	0.348
FHLB D.N. (85)	313384XB0	12/22/2015	5/20/2016	0.500%	0.501%	40,000,000.00	39,916,666.67	39,936,000.00	SUNGARD	0.386
TOTAL FHLB DISC NOTES				0.514%	0.515%	125,000,000.00	124,734,233.34	124,814,800.00		0.358
						3.67%	3.65%	3.66%		
FHLMC D.N. (23)	313396TL7	11/9/2015	2/23/2016	0.220%	0.220%	30,000,000.00	29,980,566.67	29,993,375.00	SUNGARD	0.148
FHLMC D.N. (86)	313396WH2	12/8/2015	5/2/2016	0.450%	0.451%	100,000,000.00	99,817,500.00	99,881,388.89	SUNGARD	0.337
FHLMC D.N. (260)	313396XR9	12/29/2015	6/3/2016	0.465%	0.466%	55,000,000.00	54,888,464.58	54,896,477.78	SUNGARD	0.424
TOTAL FHLMC DISC NOTES				0.417%	0.418%	185,000,000.00	184,686,531.25	184,771,241.67		0.332
						5.43%	5.41%	5.43%		
FHLMC NOTE (23)	3137EADQ9	5/8/2013	5/13/2016	0.500%	0.414%	10,000,000.00	10,025,800.00	10,000,900.00	SUNGARD	0.367
FHLMC NOTE (86)	3137EACT4	5/5/2014	5/27/2016	2.500%	0.465%	20,000,000.00	20,833,800.00	20,153,800.00	SUNGARD	0.405
FHLMC NOTE (330)	3137EACW7	11/16/2011	8/25/2016	2.000%	1.262%	10,000,000.00	10,340,867.00	10,080,500.00	SUNGARD	0.645
FHLMC NOTE (92)	3137EADS5	10/31/2013	10/14/2016	0.875%	0.636%	10,000,000.00	10,069,830.00	10,007,400.00	SUNGARD	0.784
FHLMC NOTE (330)	3137EADU0	1/22/2015	1/27/2017	0.500%	0.629%	25,000,000.00	24,935,400.00	24,899,500.00	SUNGARD	1.068
FHLMC NOTE (23)	3137EADT3	2/21/2014	2/22/2017	0.875%	0.780%	10,000,000.00	10,028,100.00	9,994,800.00	SUNGARD	1.135
FHLMC NOTE (120)	3137EADT3	2/6/2015	2/22/2017	0.875%	0.625%	25,000,000.00	25,126,750.00	24,987,000.00	SUNGARD	1.135
FHLMC NOTE (23)	3137EADC0	3/21/2012	3/8/2017	1.000%	1.417%	5,000,000.00	4,900,500.00	5,004,150.00	SUNGARD	1.179
FHLMC NOTE (85)	3137EADC0	3/12/2014	3/8/2017	1.000%	0.843%	10,000,000.00	10,046,100.00	10,008,300.00	SUNGARD	1.179
FHLMC NOTE (76)	3137EADF3	5/23/2012	5/12/2017	1.250%	1.056%	5,000,000.00	5,046,835.00	5,007,750.00	SUNGARD	1.355

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FHLMC NOTE (45)	3137EADF3	5/23/2014	5/15/2017	1.250%	0.830%	10,000,000.00	10,122,900.00	10,015,500.00	SUNGARD	1.363
FHLMC NOTE (85)	3137EADH9	9/17/2012	6/29/2017	1.000%	0.820%	10,000,000.00	10,084,200.00	9,999,000.00	SUNGARD	1.487
FHLMC NOTE (120)	3137EADH9	6/11/2014	6/29/2017	1.000%	0.983%	10,000,000.00	10,005,120.00	9,999,000.00	SUNGARD	1.487
FHLMC NOTE (45)	3137EADV8	7/13/2015	7/14/2017	0.750%	0.724%	25,000,000.00	25,013,000.00	24,864,250.00	SUNGARD	1.522
FHLMC NOTE (120)	3137EADJ5	7/10/2014	7/15/2017	1.000%	1.048%	10,000,000.00	9,985,570.00	9,983,400.00	SUNGARD	1.524
FHLMC NOTE (76)	3137EADL0	10/1/2012	9/29/2017	1.000%	0.846%	5,000,000.00	5,037,550.00	4,986,250.00	SUNGARD	1.730
FHLMC NOTE (92)	3137EABA6	11/28/2012	11/17/2017	5.125%	0.800%	5,000,000.00	6,051,620.00	5,369,300.00	SUNGARD	1.807
FHLMC NOTE (88)	3137EADN6	1/28/2013	1/12/2018	0.750%	0.963%	5,000,000.00	4,948,575.00	4,959,750.00	SUNGARD	2.012
FHLMC NOTE (86)	3137EADP1	3/12/2013	3/7/2018	0.875%	1.028%	5,000,000.00	4,962,900.00	4,964,900.00	SUNGARD	2.162
FHLMC NOTE (120)	3137EACA5	3/27/2014	3/27/2019	3.750%	1.832%	5,000,000.00	5,456,250.00	5,353,300.00	SUNGARD	3.058
FHLMC NOTE (120)	3137EADG1	5/30/2014	5/30/2019	1.750%	1.655%	10,000,000.00	10,045,460.00	10,075,000.00	SUNGARD	3.324
FHLMC NOTE (85)	3137EADK2	8/20/2014	8/1/2019	1.250%	1.727%	5,000,000.00	4,887,300.00	4,944,400.00	SUNGARD	3.496
FHLMC NOTE (120)	3137EADR7	5/20/2015	5/1/2020	1.375%	1.625%	10,000,000.00	9,881,500.00	9,845,700.00	SUNGARD	4.212
TOTAL FHLMC				1.269%	0.881%	245,000,000.00	247,835,927.00	245,503,850.00		1.468
						7.20%	7.26%	7.21%		
IBRD Note (45)	45905UTD6	8/14/2015	8/14/2017	0.850%	0.850%	25,000,000.00	25,000,000.00	25,000,000.00	SUNGARD	1.607
IADB NOTE (45)	4581X0CD8	11/12/2015	11/9/2020	2.125%	1.887%	10,000,000.00	10,112,900.00	10,150,500.00	SUNGARD	4.627
TOTAL SUPRANATIONALS				1.217%	1.149%	35,000,000.00	35,112,900.00	35,150,500.00		2.477
						1.03%	1.03%	1.03%		
IBRD D.N. (86)	459052UK0	12/2/2015	3/17/2016	0.340%	0.340%	30,000,000.00	29,969,966.67	29,981,700.00	SUNGARD	0.211
IBRD D.N. (23)	459052UQ7	12/4/2015	3/22/2016	0.380%	0.380%	25,000,000.00	24,971,236.11	24,983,750.00	SUNGARD	0.225
IBRD D.N. (23)	459052US3	12/4/2015	3/24/2016	0.380%	0.380%	30,000,000.00	29,964,850.00	29,979,900.00	SUNGARD	0.230
IBRD D.N. (23)	459052VA1	12/7/2015	4/1/2016	0.400%	0.401%	40,000,000.00	39,948,444.44	39,965,600.00	SUNGARD	0.252
TOTAL SUPRANATIONALS D.N.				0.377%	0.377%	125,000,000.00	124,854,497.22	124,910,950.00		0.231
						3.67%	3.66%	3.67%		
CP-TOYOTA (270)	89233GA48	9/8/2015	1/4/2016	0.310%	0.310%	50,000,000.00	49,949,194.44	49,998,416.67	SUNGARD	0.011
CP-TOYOTA (270)	89233GA55	9/2/2015	1/5/2016	0.330%	0.330%	30,000,000.00	29,965,625.00	29,998,733.33	SUNGARD	0.014
CP-CHEVRON (30)	16677JA55	9/14/2015	1/5/2016	0.280%	0.280%	20,000,000.00	19,982,422.22	19,999,155.56	SUNGARD	0.014
CP-CHEVRON (30)	16677JA89	9/23/2015	1/8/2016	0.200%	0.200%	40,000,000.00	39,976,222.22	39,997,044.44	SUNGARD	0.022
CP-TOYOTA (270)	89233GAC0	9/24/2015	1/12/2016	0.300%	0.300%	15,000,000.00	14,986,250.00	14,998,258.33	SUNGARD	0.033
CP-TOYOTA (270)	89233GAD8	9/25/2015	1/13/2016	0.300%	0.300%	20,000,000.00	19,981,666.67	19,997,466.67	SUNGARD	0.036
CP-COCA COLA (30)	19121AAN1	9/14/2015	1/22/2016	0.390%	0.391%	25,000,000.00	24,964,791.67	24,994,458.33	SUNGARD	0.060
CP-CHEVRON (30)	16677JAN6	9/17/2015	1/22/2016	0.330%	0.330%	50,000,000.00	49,941,791.67	49,988,916.67	SUNGARD	0.060

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CP-US BANK (240)	9033E0AN6	9/28/2015	1/22/2016	0.200%	0.200%	60,000,000.00	59,961,333.33	59,986,700.00	SUNGARD	0.060
CP-TORONTO (20)	89116EAV5	10/2/2015	1/29/2016	0.280%	0.280%	40,000,000.00	39,962,977.78	39,988,177.78	SUNGARD	0.079
CP-TORONTO (20)	89116EB10	10/19/2015	2/1/2016	0.230%	0.230%	35,000,000.00	34,976,520.83	34,988,547.22	SUNGARD	0.088
CP-US BANK (240)	9033E0C12	11/16/2015	3/1/2016	0.210%	0.210%	50,000,000.00	49,969,083.33	49,965,000.00	SUNGARD	0.167
CP-APPLE INC (85)	03785DC12	11/24/2015	3/1/2016	0.240%	0.240%	25,000,000.00	24,983,666.67	24,982,500.00	SUNGARD	0.167
CP-TORONTO (20)	89116EC35	12/1/2015	3/3/2016	0.380%	0.380%	50,000,000.00	49,950,916.67	49,963,833.33	SUNGARD	0.172
CP-APPLE INC (85)	03785DC79	11/24/2015	3/7/2016	0.250%	0.250%	50,000,000.00	49,963,888.89	49,961,500.00	SUNGARD	0.183
CP-APPLE INC (85)	03785DCE4	12/1/2015	3/14/2016	0.270%	0.270%	50,000,000.00	49,961,000.00	49,957,416.67	SUNGARD	0.203
CP-TOYOTA (270)	89233GCM6	12/3/2015	3/21/2016	0.460%	0.461%	15,000,000.00	14,979,108.33	14,986,000.00	SUNGARD	0.222
CP-TORONTO (20)	89116EEA7	12/11/2015	5/10/2016	0.700%	0.702%	25,000,000.00	24,926,597.22	24,953,958.33	SUNGARD	0.359
CP-TOYOTA (270)	89233GED4	12/16/2015	5/13/2016	0.670%	0.670%	25,000,000.00	24,930,673.61	24,952,895.83	SUNGARD	0.367
CP-US BANK (240)	9033E0ED4	12/16/2015	5/13/2016	0.520%	0.520%	30,000,000.00	29,935,433.33	29,943,475.00	SUNGARD	0.367
CP-COCA COLA (85)	19121AEL1	12/17/2015	5/20/2016	0.550%	0.551%	30,000,000.00	29,928,958.33	29,940,500.00	SUNGARD	0.386
TOTAL COMMERCIAL PAPER DISC				0.329%	0.329%	735,000,000.00	734,178,122.21	734,542,954.16		0.139
						21.59%	21.50%	21.57%		
CD-NATL AUSTRALIA BK (260)	63253TZJ0	9/1/2015	1/4/2016	0.300%	0.300%	50,000,000.00	50,000,000.00	50,000,665.65	SUNGARD	0.011
CD-MONTREAL (45)	06427EEB3	9/21/2015	1/6/2016	0.280%	0.280%	40,000,000.00	40,000,000.00	40,000,665.70	SUNGARD	0.016
CD-SVENSKA (260)	86958DA28	10/1/2015	1/15/2016	0.305%	0.300%	60,000,000.00	60,000,882.55	60,003,121.30	SUNGARD	0.041
CD-NATL AUSTRALIA (260)	63253TRZ2	10/1/2015	1/21/2016	0.250%	0.250%	40,000,000.00	40,000,000.00	40,001,630.51	SUNGARD	0.057
CD-MONTREAL (45)	06427EFZ9	10/5/2015	1/22/2016	0.250%	0.250%	40,000,000.00	40,000,000.00	40,001,708.26	SUNGARD	0.060
CD-NORDEA (260)	65558LJT0	10/15/2015	2/1/2016	0.280%	0.280%	50,000,000.00	50,000,000.00	50,004,438.94	SUNGARD	0.088
CD-CIBC (260)	13606AGE2	10/23/2015	2/2/2016	0.230%	0.230%	25,000,000.00	25,000,000.00	25,001,143.83	SUNGARD	0.090
CD-CIBC (120)	13606AGU6	11/2/2015	2/3/2016	0.230%	0.230%	50,000,000.00	50,000,000.00	50,002,357.51	SUNGARD	0.093
CD-CIBC (260)	13606AGP7	10/28/2015	2/5/2016	0.230%	0.230%	40,000,000.00	40,000,000.00	40,001,996.70	SUNGARD	0.099
CD-NORDEA (120)	65558LKM3	11/3/2015	2/8/2016	0.240%	0.240%	35,000,000.00	35,000,000.00	35,002,271.92	SUNGARD	0.107
CD-NORDEA (120)	65558LKL5	11/2/2015	2/11/2016	0.240%	0.240%	35,000,000.00	35,000,000.00	35,002,446.60	SUNGARD	0.115
CD-RABOBANK (280)	21685VJM2	11/4/2015	2/16/2016	0.270%	0.270%	45,000,000.00	45,000,000.00	45,005,281.74	SUNGARD	0.129
CD-SVENSKA (260)	86958DG22	11/17/2015	2/25/2016	0.365%	0.360%	25,000,000.00	25,000,346.88	25,007,189.31	SUNGARD	0.153
CD-SVENSKA (260)	86958DF64	11/6/2015	2/26/2016	0.320%	0.315%	40,000,000.00	40,000,621.61	40,008,858.57	SUNGARD	0.156
CD-MONTREAL (45)	06427ELP4	11/23/2015	3/2/2016	0.320%	0.320%	45,000,000.00	45,000,000.00	45,010,841.93	SUNGARD	0.170
CD-RABOBANK (280)	21684BA38	11/20/2015	3/11/2016	0.400%	0.400%	50,000,000.00	50,000,000.00	50,021,678.66	SUNGARD	0.194
CD-WESTPAC BANK (86)	96121TF94	12/3/2015	4/1/2016	0.520%	0.520%	50,000,000.00	50,000,000.00	50,022,962.48	SUNGARD	0.252
CD-RABOBANK (280)	21684BB37	12/2/2015	4/4/2016	0.460%	0.460%	30,000,000.00	30,000,000.00	30,009,481.52	SUNGARD	0.260
CD-WESTPAC BANK (86)	96121TG44	12/7/2015	4/6/2016	0.510%	0.510%	30,000,000.00	30,000,000.00	30,013,719.75	SUNGARD	0.266
CD-ROYAL BK CANADA (260)	78009NVE0	12/11/2015	5/9/2016	0.710%	0.710%	25,000,000.00	25,000,000.00	25,033,349.72	SUNGARD	0.356
CD-WESTPAC BANK (120)	96121TG77	12/9/2015	5/13/2016	0.650%	0.650%	50,000,000.00	50,000,000.00	50,057,596.42	SUNGARD	0.367
CD-NATL AUSTL (260)	63253TA81	12/10/2015	5/13/2016	0.670%	0.670%	50,000,000.00	50,000,000.00	50,061,314.34	SUNGARD	0.367

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2015

<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
CD-RBC (260)	78009NYR1	12/30/2015	5/16/2016	0.655%	0.655%	30,000,000.00	30,000,000.00	30,035,915.32	SUNGARD	0.374
CD-ROYAL BK CANADA (260)	78009NYL4	12/23/2015	6/1/2016	0.725%	0.725%	50,000,000.00	50,000,000.00	50,081,682.83	SUNGARD	0.419
TOTAL CERT. OF DEPOSIT/THRIFT NOTES				0.391%	0.390%	985,000,000.00	985,001,851.04	985,392,319.51		0.173
						28.93%	28.85%	28.93%		
LAIF POOL		7/31/1997	3/31/2016	0.374%	0.374%	50,000,000.00	50,000,000.00	50,000,000.00	BOOK	0.249
TOTAL PASSBOOK ACCOUNTS				0.374%	0.374%	50,000,000.00	50,000,000.00	50,000,000.00		0.249
						1.47%	1.46%	1.47%		
Grand Total				<u>0.671%</u>	<u>0.560%</u>	<u>3,404,211,576.87</u>	<u>3,414,101,181.30</u>	<u>3,405,609,342.21</u>		<u>0.703</u>



Department of Finance
JULIE VALVERDE, DIRECTOR OF FINANCE
POOLED INVESTMENT FUND

Monthly Review — December 2015

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 2015 and California Government Code.¹

PORTFOLIO STATISTICS

Portfolio's Month-End Balance	\$3,414,101,181
Earned Income Yield for the Month	0.547%
Weighted Average Maturity (Days)	261
Estimated Duration (Years)	0.703
Historical Book Value	\$3,405,763,374
Month-End Market Value	\$3,405,609,342
Percent of Market to Book Value	100.00%

Investment Objectives

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

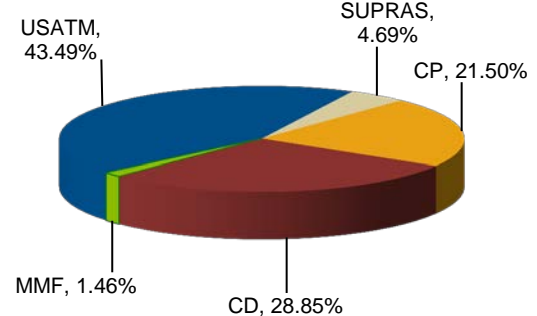
External third party Investment Manager(s) at month end:

State Treasurer's Office (LAIF)	\$50,000,000
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PORTFOLIO STRUCTURE²

Investment Description	Portfolio at Cost	Yield at Month End
US Agency, Treasury & Municipal Notes (USATM):		
US Agency Notes	42.35%	0.803%
US Treasury Notes	0.00%	0.000%
Municipal Notes	1.15%	0.468%
Total USATM	43.49%	0.794%
Supranationals (SUPRAS)	4.69%	0.546%
Commercial Paper (CP)	21.50%	0.329%
Certificates of Deposit (CD)	28.85%	0.390%
LAIF/Money Market Funds (MMF)	1.46%	0.374%
Repurchase Agreements (REPO)	0.00%	0.000%

Percentage Portfolio Structure by Asset Class²



US Agency Notes Breakdown Percent of Portfolio at Cost²

FCCB Notes/Discount Notes	4.54%
FHLB Notes/Discount Notes	15.44%
FNMA Notes/Discount Notes	9.70%
FHLMC Notes/Discount Notes	12.67%
Total US Agency Notes	42.35%

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

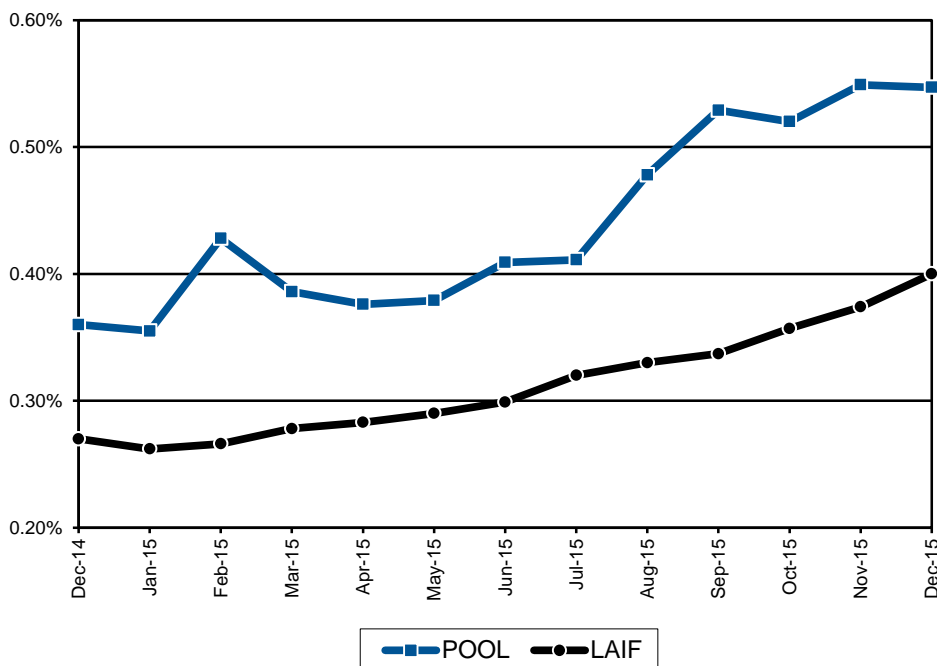
YIELD HISTORY

The earned interest yield history represents gross yields; **costs have not been deducted**. The estimated investment management costs in the prior year were approximately 12 basis points or 0.12%. 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
Dec-14	0.36%	0.27%
Jan-15	0.36%	0.26%
Feb-15	0.43%	0.27%
Mar-15	0.39%	0.28%
Apr-15	0.38%	0.28%
May-15	0.38%	0.29%
Jun-15	0.41%	0.30%
Jul-15	0.41%	0.32%
Aug-15	0.48%	0.33%
Sep-15	0.53%	0.34%
Oct-15	0.52%	0.36%
Nov-15	0.55%	0.37%
Dec-15	0.55%	0.40%



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 January 11, 2016, 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>						
Jan	60.0	\$1,081.6	\$713.9	\$367.7	\$35.0	\$332.7
Feb	60.0	\$956.7	\$615.9	\$340.8	\$35.0	\$305.8
Mar	60.0	\$1,145.8	\$730.0	\$415.8	\$35.0	\$380.8
Apr	60.0	\$1,048.0	\$572.8	\$475.2	\$35.0	\$440.2
May	60.0	\$1,003.8	\$902.5	\$101.3	\$35.0	\$66.3
Jun	60.0	\$940.2	\$617.1	\$323.1	\$35.0	\$288.1

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.



Internal Services

Department of Finance

Ben Lamera,
Interim Director of Finance

Navdeep S. Gill,
Interim County Executive

David Villanueva,
Chief Deputy County Executive

County of Sacramento

January 26, 2016

To: Treasury Oversight Committee

Subject: **INVESTMENT APPROVED LISTS**

Attached for your review is a report of the changes made to the Investment Approved Lists for the quarter ended December 31, 2015. The report reflects additions, deletions, and reaffirmations of investment providers for the following approved lists:

- Domestic Banks for All Legal Investments;
- Foreign Banks for All Legal Investments;
- Commercial Paper and Medium-Term Note Programs;
- Community Reinvestment Banks and Credit Unions;
- Firms for Purchase and Sale of Securities (Broker/Dealers and Direct Issuers); and
- Money Market Funds.

If you have any questions regarding these changes, please don't hesitate to call me at (916) 874-7320.

Sincerely,

Bernard Santo Domingo
Chief Investment Officer

(OVER)

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**Changes to the Investment Approved Lists
For the Quarter Ended December 31, 2015**

<i>Reaffirmed</i>	<i>Added¹</i>	<i>Deleted</i>
Domestic Banks for all Legal Investments		
US Bank		
Foreign Banks for all Legal Investments		
Nordea Bank		
Commercial Paper & Medium-Term Note Issuers		
3M Google Toyota US Bank	Crédit Agricola Natixis	
Community Reinvestment Act Approved Banks & Credit Unions		
Firms for Purchase and Sale of Securities (Broker/Dealers & Direct Issuers)		
	Cantor Fitzgerald	
Money Market Funds		

¹ This company or fund satisfies the Annual Investment Policy of the Pooled Investment Fund's minimum credit rating requirement.

OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS
JURISDICTIONS FOR DECEMBER 2015.

**Investment Fund Statistics Questionnaire Results
December 2015**

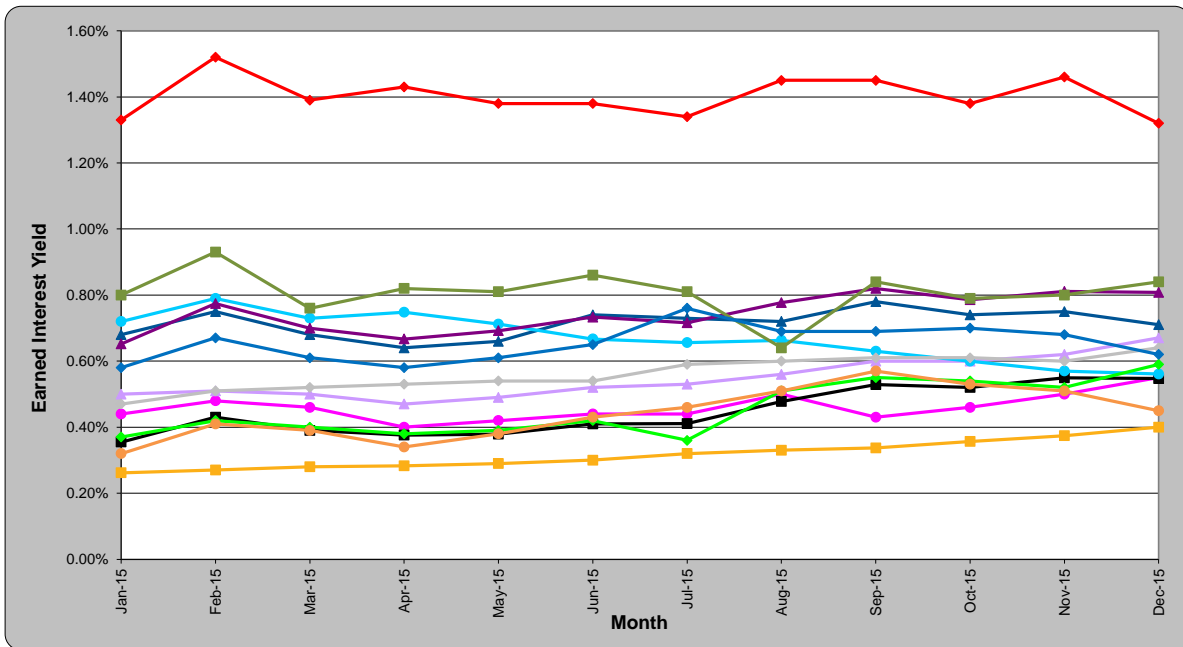
Name of Fund	Earned Interest Yield	Portfolio Size (in millions)	Weighted Average Maturity (in days)	Percent Market Value
Sacramento County (Pooled)	0.55%	\$3,107.3	261	100.00%
Sacramento County (All)	0.56%	\$3,642.2	314	N/A
Local Agency Investment Fund (LAIF)	0.40%	\$20,287.3	179	99.92%
Contra Costa County (Pooled)	0.59%	\$2,057.7	197	100.04%
Contra Costa County (All)	0.61%	\$2,756.7	225	99.96%
Fresno County	1.32%	\$2,871.3	723	100.13%
Los Angeles County	0.71%	\$26,033.0	498	99.97%
Merced County	0.84%	\$719.6	465	99.88%
Orange County	0.45%	\$4,255.2	335	99.88%
Orange County (Schools)	0.56%	\$3,772.8	322	99.88%
Riverside County	0.55%	\$6,733.3	374	99.92%
San Diego County	0.67%	\$8,511.7	268	99.89%
San Francisco City and County	0.56%	\$7,350.4	422	99.75%
San Luis Obispo County	0.64%	\$910.8	296	99.92%
Solano County	0.62%	\$886.5	390	99.89%
Sonoma County (Pooled)	0.81%	\$1,788.6	796	99.78%
Sonoma County (All)	0.92%	\$1,815.1	825	101.16%

NOTE:

When comparing performance returns, it is important to consider the cash flow needs of individual pool participants in relation to the objectives of each county's investment policy.

**COMPARISON OF VARIOUS COUNTY POOLED INVESTMENT FUNDS AND LAIF
12-MONTH YIELD PERFORMANCE AS OF DECEMBER 2015**

Jurisdiction	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
◆ Contra Costa	0.37%	0.42%	0.40%	0.38%	0.39%	0.42%	0.36%	0.51%	0.55%	0.54%	0.52%	0.59%
◆ Fresno	1.33%	1.52%	1.39%	1.43%	1.38%	1.38%	1.34%	1.45%	1.45%	1.38%	1.46%	1.32%
■ LAIF	0.26%	0.27%	0.28%	0.28%	0.29%	0.30%	0.32%	0.33%	0.34%	0.36%	0.37%	0.40%
▲ Los Angeles	0.68%	0.75%	0.68%	0.64%	0.66%	0.74%	0.73%	0.72%	0.78%	0.74%	0.75%	0.71%
■ Merced	0.80%	0.93%	0.76%	0.82%	0.81%	0.86%	0.81%	0.64%	0.84%	0.79%	0.80%	0.84%
● Orange	0.32%	0.41%	0.39%	0.34%	0.38%	0.43%	0.46%	0.51%	0.57%	0.53%	0.51%	0.45%
● Riverside	0.44%	0.48%	0.46%	0.40%	0.42%	0.44%	0.44%	0.50%	0.43%	0.46%	0.50%	0.55%
■ Sacramento	0.36%	0.43%	0.39%	0.38%	0.38%	0.41%	0.41%	0.48%	0.53%	0.52%	0.55%	0.55%
▲ San Diego	0.50%	0.51%	0.50%	0.47%	0.49%	0.52%	0.53%	0.56%	0.60%	0.60%	0.62%	0.67%
● San Francisco	0.72%	0.79%	0.73%	0.75%	0.71%	0.67%	0.66%	0.66%	0.63%	0.60%	0.57%	0.56%
◆ San Luis Obispo	0.47%	0.51%	0.52%	0.53%	0.54%	0.54%	0.59%	0.60%	0.61%	0.61%	0.60%	0.64%
◆ Solano	0.58%	0.67%	0.61%	0.58%	0.61%	0.65%	0.76%	0.69%	0.69%	0.70%	0.68%	0.62%
▲ Sonoma	0.65%	0.77%	0.70%	0.67%	0.69%	0.73%	0.72%	0.78%	0.82%	0.79%	0.81%	0.81%



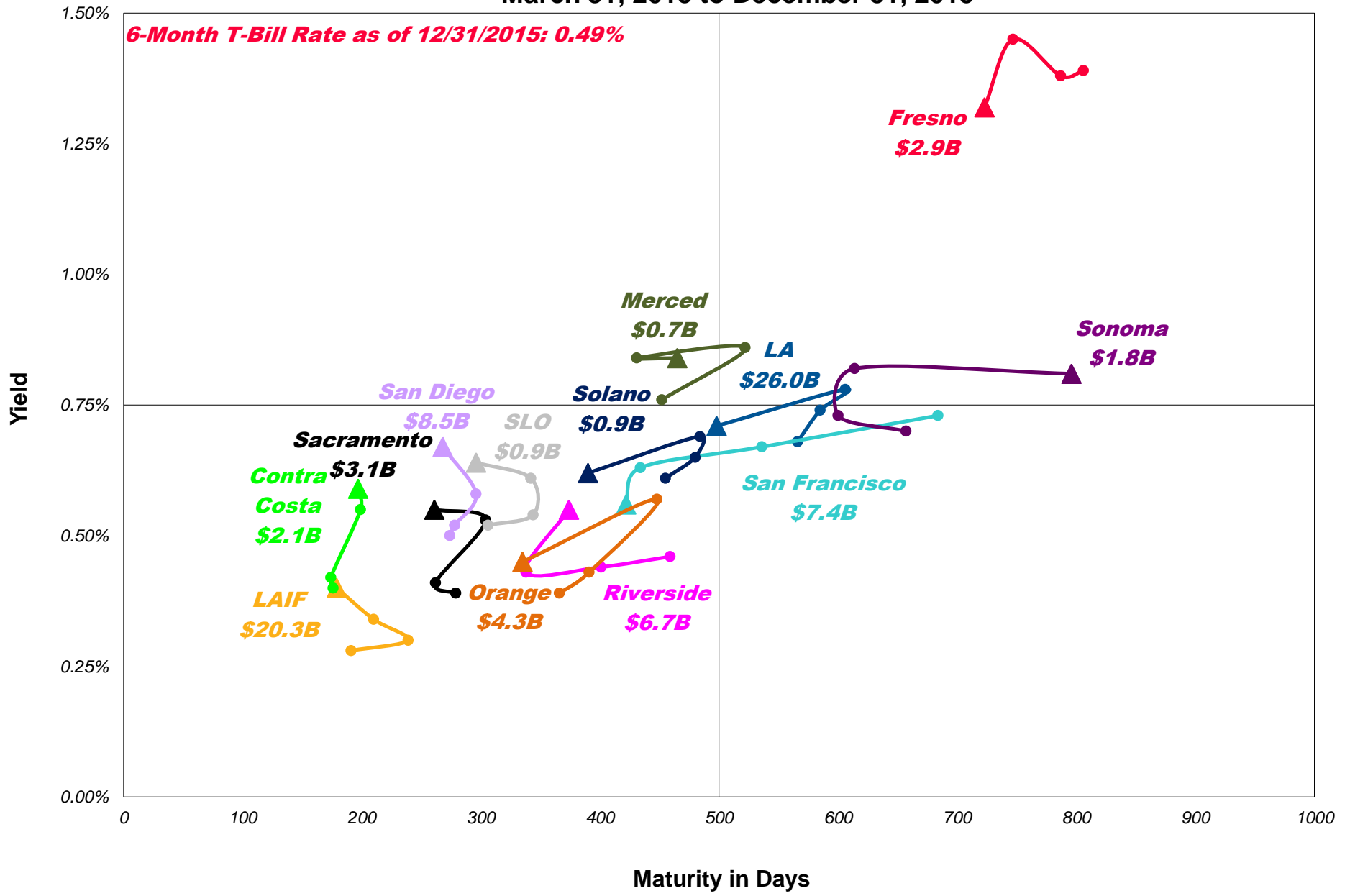
NOTE:

This graph is for illustration purposes only. When comparing performance returns, it is important to consider the cash flow needs of the individual pool fund participants in relation to the objectives of each county's investment policy.

Overview of Pooled Investment Fund Statistics from Various Jurisdictions

Comparison of Yields and Average Weighted Maturities

March 31, 2015 to December 31, 2015



FORM 700 UPDATE.

NO WRITTEN REPORT

NEXT MEETING REMINDER - FRIDAY, MAY 20, 2016.

NO WRITTEN REPORT

ADJOURNMENT.

NO WRITTEN REPORT