



**SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE**
Regular Meeting — Friday, February 15, 2019 / 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 16, 2018, Meeting Minutes.
4. Discussion And Action On The Internal Audit Of Non-Pooled Investment Funds For The Quarter Ended December 31, 2018.
5. Status Report On Member Positions.
6. Presentation Of The Sacramento County Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2019.
7. Discussion And Action On The Non-Pooled Funds Portfolio Report For The Quarter Ended December 31, 2018.
8. Discussion And Action On The Quarterly Report Of The Pooled Investment Fund For The Quarter Ended December 31, 2018, And Compliance With Investment Policy.
9. Overview Of Pooled Investment Fund Statistics From Various Jurisdictions For December 2018.
10. Community Reinvestment Act Program Update.
11. Presentation Survey Results.
12. FPPC Form 700 Reminder.
13. Next Meeting Reminder - Friday, May 17, 2019.
14. Adjournment.

CALL TO ORDER AND INTRODUCTIONS.

NO WRITTEN REPORT

COMMENTS FROM THE PUBLIC.

NO WRITTEN REPORT

APPROVAL OF NOVEMBER 16, 2018, MEETING MINUTES.



SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE
Regular Meeting — Friday, November 16, 2018 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

MINUTES

PRESENT: Ben Lamera, Chris Parker, Brandon Rose, Michael Smith, David Villanueva, Joseph Wilson.

ABSENT: Jeremy Edwards, Angelica Hernandez, Ronald Seaman.

STAFF: Peggy Marti, Dave Matuskey, Bernard Santo Domingo, Andy Yu.

GUESTS: None.

1. CALL TO ORDER AND INTRODUCTIONS.

Chair Chris Parker called the meeting to order at 9:00 a.m.

2. COMMENTS FROM THE PUBLIC.

There were no comments from the public.

3. APPROVAL OF AUGUST 17, 2018, MEETING MINUTES.

The minutes of the August 17, 2018, meeting were approved as amended on a motion made by Michael Smith, seconded by David Villanueva, and carried (6-0).

4. DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED INVESTMENT FUNDS FOR THE QUARTER ENDED SEPTEMBER 30, 2018.

Andy Yu reported for the quarter ended September 30, 2018, that twelve issues, two of which were 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, 2018, was accepted on a motion made by Joseph Wilson, seconded by Brandon Rose, and unanimously carried (6-0).

5. STATUS REPORT ON MEMBER POSITIONS.

Dave Matuskey reported that Mario Rodriguez from the Los Rios Community College District was elected to fill the vacant School and Community College District Representative position, and his appointment is scheduled for ratification at the December 4, 2018, Board of Supervisors meeting.

6. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE NON-POOLED FUNDS PORTFOLIO REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2018.

Bernard Santo Domingo presented the Quarterly Report of the Non-Pooled Funds Portfolio for the Quarter Ended September 30, 2018.

The Non-Pooled Funds Portfolio Reports For The Quarter Ended September 30, 2018, was accepted on a motion made by Michael Smith, seconded by Ben Lamera, and unanimously carried (6-0).

7. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED INVESTMENT FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2018, AND COMPLIANCE WITH INVESTMENT POLICY.

Bernard Santo Domingo presented the Quarterly Report Of The Pooled Investment Fund For The Quarter Ended September 30, 2018, 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 the Fed raised rates again in December and forecasts three more rate hikes in 2019, but with the technology and financial sectors of the economy not doing well, there is a possibility of a slowdown that could make future rate hikes unlikely. Mr. Santo Domingo also stated that, with the yields on pool purchases higher than on the maturing securities, he expects the pool yield to continue to rise.

The Quarterly Reports of the Pooled Investment Fund For The Quarter Ended September 30, 2018, were accepted on a motion made by Joseph Wilson, seconded by Michael Smith, and unanimously carried (6-0).

8. OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS JURISDICTION FOR SEPTEMBER 2018.

Bernard Santo Domingo presented the *Investment Fund Statistics Questionnaire Results – September 2018, Comparison of Various County Pooled Investment Funds and LAIF – 12-Month Yield Performance as of September 2018, and Overview of Pooled Investment Fund Statistics from Various Jurisdictions – Comparison of Yields and Average Weighted Maturities from December 31, 2017 – September 30, 2018.*

9. SURVEY FOR POTENTIAL PRESENTATIONS TO THE TREASURY OVERSIGHT COMMITTEE.

Dave Matuskey provided the committee with a survey of potential presentation topics for future committee meetings.

10. NEXT MEETING REMINDER.

Chair Chris Parker reminded the committee that the next regular meeting of the Treasury Oversight Committee is scheduled for Friday, February 15, 2019, in the County Administration Center's Hearing Room One, Room 1487.

11. ADJOURNMENT.

The meeting was adjourned at 9:49 a.m.

Respectfully submitted:

Approved:

Dave Matuskey
Investment Officer

Chris Parker, 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, 2018.

COUNTY OF SACRAMENTO

Treasury Oversight Committee
Non-Pooled Investments
Performance Audit Report

For the Quarter Ended December 31, 2018

Audit Staff:

Alan A. Matré, C.P.A.
Tae-Young Kang

Chief of Audits
Senior Auditor

**COUNTY OF SACRAMENTO
TREASURY OVERSIGHT COMMITTEE
NON-POOLED INVESTMENTS
PERFORMANCE AUDIT REPORT
FOR THE QUARTER ENDED DECEMBER 31, 2018**

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Performance Audit Report1

Sample of Non-Pooled Investments for Quarter Ended December 31, 2018 - Schedule I4

Department of Finance

Ben Lamera
Director



Auditor-Controller Division

Joyce Renison
Assistant Auditor-Controller

County of Sacramento

January 24, 2019

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

We have audited the Sacramento County Non-Pooled Investment Fund's (Fund) for the quarter ended December 31, 2018.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Our audit was conducted to verify the Sacramento County Non-Pooled Investment Fund (Fund)'s compliance with County of Sacramento, Non-Pooled Investment Policy (Policy) as described below for the quarter ended December 31, 2018, and to verify whether the Department of Finance, Treasury Division (Treasury) Division and Investment Division (Investment) have adequate internal control to ensure the Fund's compliance with the 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 (governing investment policy document). 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.

Management is responsible for the design, implementation, and maintenance of effective internal control to ensure compliance with the Policy.

The scope of our audit includes all non-pooled investments for the quarter ended December 31, 2018.

The audit methodology utilized to conduct the performance audit included:

Interview:

- We interviewed various Treasury and Investment staff to gain an understanding of policies, procedures, and processes for ensuring the Fund's compliance with the Policy.

Document Review:

- We reviewed the organization chart and written documentation to understand the relevant policies, procedures, and processes and to identify any internal control weaknesses, conflicts of interest, and inadequate segregation of duties.

Process Walkthrough:

- We had Treasury and Investment staff walk us step-by-step through processes related to the daily activities of the Fund. We verified whether staff had followed the policies and procedures.

Testing:

- We verified that the SunGard Financial Services, Inc., Advanced Portfolio System II non-pooled investment balances agreed with the custodian statements.
- We randomly selected twelve non-pooled investments based upon outstanding issues at December 31, 2018, including one new issue since quarter ended September 30, 2018 to test for compliance with the Policy. See Schedule I, *Sample of Non-Pooled Investments for Quarter Ended December 31, 2018*. The twelve non-pooled investments totaled \$139,550,847 that represents approximately 29% of the total \$477,029,379 non-pooled investments.
- We inspected the portfolio monitoring report for twelve selected investments and tested for accuracy.
- We verified that investments were made in accordance with the Policy

In connection with the audit contained herein, there are certain disclosures that are necessary pursuant to Generally Accepted Government Auditing Standards.

As required by various statutes within the California Government Code, County Auditor-Controllers or Directors of Finance are mandated to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair Generally Accepted Government Auditing Standards' independence standards. Specifically, auditors should not audit their own work or provide non-audit services in situations where the amounts or

services involved are significant/material to the subject matter of the audit.

Although the Director of Finance is statutorily obligated to maintain the non-pooled investment in the County Treasury, we believe that the following safeguard and division of responsibility exist. The staff that has the responsibility to perform audits within the Auditor-Controller Division has no other responsibility regarding to the internal control or compliance of the Fund, the accounts and records being audited including the approval or posting of financial transactions that would therefore enable the reader of this report to rely on the information contained herein.

Based on our audit, the Fund complied with the Policy for the quarter ended December 31, 2018. Also, Treasury and Investment have adequate internal control to ensure the Fund's compliance with the policy

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Treasury Oversight Committee, Sacramento County Audit Committee, and Treasury and Investment's management, and should not be used for any other purpose. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

BEN LAMERA
DIRECTOR OF FINANCE



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

**COUNTY OF SACRAMENTO
SAMPLE OF NON-POOLED INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2018**

<u>Issue</u> ⁽¹⁾	Book Value <u>12/31/18</u>	<u>% of Portfolio</u>
Sac City USD Series 2017E (GO)	\$ 77,440,333	16 %
<i>Galt JUSD Series 2018 (GO)</i>	<i>20,965,369</i>	<i>4</i>
Airport System 2009 C&D (REV)	17,641,163	4
Airports System Ref 2018D-F (REV)	6,884,650	1
Robla SD, Series 2015 B (GO)	6,194,021	1
San Juan USD, Elec 02, Ser 2011 (GO)	3,507,458	1
McClellan Park CFD Ser. 2017A (MR)	2,471,079	1
Airport System Refund 2016A (REV)	2,256,883	<1
Galt JUSD Series 2017 (GO)	2,178,139	<1
Airport System 2008 B-C (REV)	9,340	<1
SRCSD REF 2007 (REV)	1,790	<1
SRCSD REF 2005 (REV)	<u>622</u>	<u><1</u>
 Total Non-Pooled Investments tested ⁽²⁾	 <u>\$ 139,550,847</u>	 <u>Approx. 29%</u>

(1) The selected sample of non-pooled investments for the quarter ended December 31, 2018 was selected based upon outstanding issues at October 1, 2018, plus any untested new issues since quarter ended September 30, 2018.

(2) The total amount of non-pooled investments managed for the quarter ended December 31, 2018 was \$493,143,805 (\$477,029,379 internally and \$16,114,426 externally managed).

Fund Type

(GO) – General Obligation Bonds

(REV) – Revenue Bonds

(MR) – Mello Roos Bonds

Indicates new issue

STATUS REPORT ON MEMBER POSITIONS.

Department of Finance

Ben Lamera
Director



County of Sacramento

Divisions

Administration
Auditor-Controller
Consolidated Utilities Billing & Service
Investments
Tax Collection & Business Licensing
Treasury

Inter-Departmental Memorandum

February 15, 2019

To: Treasury Oversight Committee

From: Ben Lamera
Director of Finance

Subject: **STATUS REPORT ON MEMBER POSITIONS**

Public Members

The terms for public members representing Districts 1, 2, and 5 will expire on June 30, 2019. Contact Dave Matuskey if you need any assistance in reapplying for your position.

School and Community College District Representative

On December 4, 2018, the Board of Supervisors ratified the appointment Mario Rodriquez to the School and Community College District Representative position on the Treasury Oversight Committee with a term expiration date of June 30, 2020.

Special District Representative

The term for the Special Districts Representative expires on June 30, 2019. Requests for nominations will be sent to all special district pool participants in late February.

w:\pool\to\agenda items\19-02 member update.docx

PRESENTATION OF THE SACRAMENTO COUNTY ANNUAL INVESTMENT
POLICY OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2019.

APPROVED
BOARD OF SUPERVISORS
by Reso. No. 2018-0839
DEC 04 2018
BY Alorence Evans
Clerk of the Board

**COUNTY OF SACRAMENTO
CALIFORNIA**

8

For the Agenda of:
December 4, 2018

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 2019

Supervisorial District(s): All

Contact: Bernard Santo Domingo, Chief Investment Officer, 916-874-7320

RECOMMENDED ACTION

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 approving the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2019.

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. 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.

All changes to the Investment Policy are grammatical corrections and do not affect the intent of the policy.

FINANCIAL ANALYSIS

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.

Delegation Of Investment Authority To The Director Of Finance And Approval
Of The Annual Investment Policy Of The Pooled Investment Fund For
Calendar Year 2019
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Respectfully submitted,

APPROVED:
NAVDEEP S. GILL
County Executive

BEN LAMERA, Director
Department of Finance

By: _____
DAVID VILLANUEVA
Deputy County Executive

Attachment(s):

RES – Delegation of Investment Authority and Approval of Investment Policy
ATT 1 – 2019 Investment Policy
ATT 2 – 2019 Investment Policy with Track Changes

RESOLUTION NO. 2018-0839

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO RENEWING THE AUTHORITY OF THE DIRECTOR OF FINANCE TO INVEST FUNDS AND APPROVING THE ANNUAL INVESTMENT POLICY OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2019

WHEREAS, the Board of Supervisors delegated authority to invest funds in the County Treasury to the Director of Finance on December 5, 2017, 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; 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 2019 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 approves the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2019.

Resolution Of The Board Of Supervisors Of The County Of Sacramento
Renewing The Authority Of The Director Of Finance To Invest Funds And
Approving The Annual Investment Policy Of The Pooled Investment Fund For
Calendar Year 2019

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On a motion by Supervisor Kennedy, seconded by Supervisor Frost, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 4th day of December, 2018, by the following vote, to wit:

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

NOES: None

ABSENT: None

ABSTAIN: None

RECUSAL: None

(PER POLITICAL REFORM ACT (§ 18702.5.))



Susan Peters

Chair of the Board of Supervisors
of Sacramento County, California

ATTEST: *Florence Evans*
Clerk, Board of Supervisors

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 12.4.18

By: *J. Shott*
Deputy Clerk, Board of Supervisors

FILED
BOARD OF SUPERVISORS

DEC 04 2018

Florence Evans

CLERK OF THE BOARD



SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2019

*Approved by the
Sacramento County Board of Supervisors*

December 4, 2018
Resolution No. 2018-0839

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SACRAMENTO COUNTY

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

CALENDAR YEAR 2019

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 funds held in separate portfolios.

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 Sovereign rating of AAA from Standard and Poor's, Moody's, or Fitch 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	<p>(Any 2 of 3 ratings)</p> <p>S&P: A-2</p> <p>Moody's: P-2</p> <p>Fitch: F-2</p> <p>Collateral is required</p> <p style="text-align: center;">OR</p> <p>Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.</p>

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 \$65 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 \$470 for the period January 1, 2017, to December 31, 2018, and is adjusted for inflation every odd-numbered year. 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 ~~2018~~2019

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Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2018-2019

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 funds held in separate portfolios.

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 Sovereign rating of AAA from Standard and Poor's, Moody's, or Fitch 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	<p>(Any 2 of 3 ratings)</p> <p>S&P: A-2</p> <p>Moody's: P-2</p> <p>Fitch: F-2</p> <p>Collateral is required</p> <p style="text-align: center;">OR</p> <p>Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest.</p>

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.

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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
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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 \$65 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 ~~is~~ was \$470 for the period January 1, 2017, to December 31, 2018, and is adjusted for inflation every odd-numbered year. 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, 2018.



COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE

NON-POOLED FUNDS PORTFOLIO REPORT

FOR QUARTER ENDED DECEMBER 31, 2018

**COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE**

NON-POOLED FUNDS PORTFOLIO REPORT

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PORTFOLIO CONCENTRATION & CREDIT QUALITY

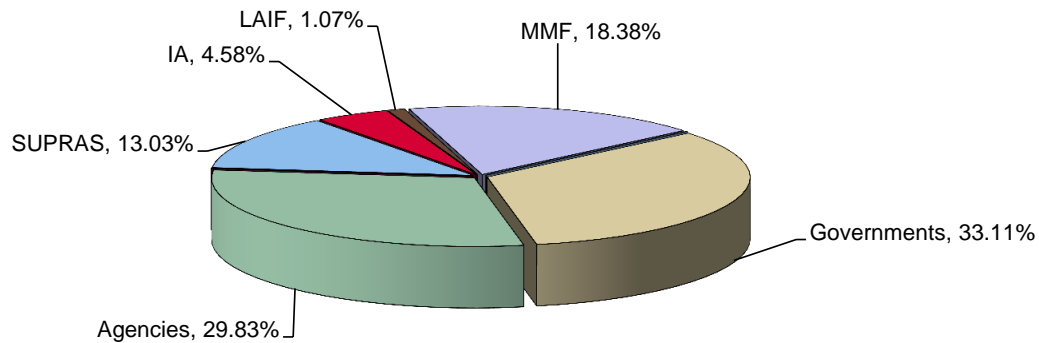
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COUNTY OF SACRAMENTO
Non-Pooled Funds - December 31, 2018

Portfolio Sector Concentration Profile
ALL NON-POOLED FUNDS

Sector	Credit Quality	Dollar Amount At Cost	Percent
GOVERNMENTS	AA+/Aaa/AAA		
Treasury Bills		\$ 159,967,300.37	32.44%
Treasury Notes		\$ -	0.00%
Treasury Bonds		\$ -	0.00%
SLGs		\$ 3,297,480.00	0.67%
SUBTOTAL		\$ 163,264,780.37	33.11%
AGENCIES	AA+/Aaa/AAA		
FHLB		\$ -	0.00%
FHLB Discount Notes		\$ 146,330,212.91	29.67%
FNMA		\$ -	0.00%
FNMA Discount Notes		\$ -	0.00%
FFCB		\$ -	0.00%
FFCB Discount Notes		\$ -	0.00%
FHLMC		\$ -	0.00%
FHLMC Discount Notes		\$ 758,133.76	0.15%
SUBTOTAL		\$ 147,088,346.67	29.83%
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	\$ 64,267,761.97	13.03%
INVESTMENT AGREEMENTS (IA)	Not Rated	\$ 22,595,237.40	4.58%
LOCAL AGENCY INVESTMENT FUND (LAIF)	Not Rated	\$ 5,300,000.00	1.07%
MONEY MARKET FUNDS (MMF)	AAA	\$ 90,627,678.35	18.38%
SWEEP	Not Rated	\$ -	0.00%
TOTAL		\$ 493,143,804.76	100.00%

Sector concentrations are for all non-pooled funds in the aggregate. 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, 2018

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	758,133.76	3.740%
5174-75	Robla SD, Series 2015 A	GO	2/18/2015	8/1/2044	6,400,000	722,718.92	3.603%
5277	SASD Series 2015 Refunding	REV	5/5/2015	8/1/2035	45,435,000	102.94	3.392%
5367-69	North Vineyard No. 1 2016	MR	6/8/2016	9/1/2045	13,410,000	7,987,786.35	3.740%
5390-93	SRCSO REF 2005	REV	9/7/2005	12/1/2023	61,220,000	621.76	4.414%
5455-57	SRCSO 2014A	REV	7/10/2014	12/1/2044	378,510,000	1,006.87	3.823%
5510-14	Water Financing Authority	REV	5/9/2007	6/1/2039	413,420,000	25,730,277.45	4.260%
5520-23	Metro Air Park 2007B	MR	12/14/2007	8/1/2034	40,200,000	2,049,327.15	6.886%
5600-02	SRCSO REF 2007	REV	3/1/2007	12/1/2035	443,365,000	1,790.25	4.165%
5624	Galt JUSD Series 2017	GO	6/21/2017	8/1/2046	16,000,000	2,178,139.07	3.590%
5630-33	Airport System 2008 A	REV	5/1/2008	7/1/2041	169,575,000	5,996.05	5.353%
5696-97	San Juan USD, Elec 02, Ser 17	GO	3/14/2017	8/1/2026	23,475,000	17,976,801.57	2.206%
5760-65	Airport System 2008 B-C	REV	5/1/2008	7/1/2039	326,620,000	9,339.84	5.353%
5770-73	Airport System 2008 D-E	REV	5/1/2008	7/1/2026	89,430,000	6,267.61	5.161%
5800-07	Airport System 2009 A&B	REV	7/28/2009	7/1/2041	201,800,000	9,760,987.28	5.473%
5810-15	Airport System 2009 C&D	REV	7/28/2009	7/1/2041	278,250,000	17,641,163.36	6.010%
5830-34	2010 Refunding COPs	COP	3/12/2010	2/1/2030	126,105,000	11,576,100.67	5.097%
5860-63	SASD Series 2010 A&B	REV	8/11/2010	8/1/2040	126,620,000	468.69	4.069%
5870-74	Airport System 2010	REV	8/25/2010	7/1/2040	128,300,000	13,243,004.86	4.744%
5890-92	San Juan USD, Elec 02, Ser 2011	GO	6/10/2011	6/1/2026	10,600,000	3,507,457.90	5.336%
5970-76	North Vineyard No. 2 2016	MR	6/8/2016	9/1/2046	23,155,000	10,839,284.39	4.036%
6100-01	SAFCA CAD Series 2016 A&B	AD	12/7/2016	10/1/2047	278,195,000	49,864,145.84	3.977%
6120-25	FCUSD SFID #3,4,5	GO	12/22/2016	10/1/2041	83,000,000	5,641,000.87	4.114%
6130-31	San Juan USD, Elec 16, Ser 17	GO	3/14/2017	8/1/2019	39,920,000	11,509,744.52	1.201%
6303-04	Robla SD, Series 2015 B	GO	11/5/2015	8/1/2045	10,100,000	6,194,020.60	4.015%
6440-00	LAlF, STA Transport. Authority	SEP	11/15/1995	n/a	n/a	5,300,000.00	n/a
6581-84	Elliott Ranch Refunding	MR	8/13/1997	9/1/2021	21,415,000	2,735,761.95	6.231%
6600-04	Laguna Creek Refunding	MR	12/30/1997	12/1/2020	31,980,000	3,898,111.58	5.751%
6680-86	Metro Air Park	MR	12/30/1998	12/1/2021	5,310,000	1,072,554.38	7.000%
6820-23	Co. Sanitation Ser. 2001	REV	6/28/2001	12/1/2027	124,010,000	223.70	n/a
6890-92	Tobacco Settlement 01A/B	TSP	8/23/2001	6/1/2027	193,405,888	718,362.00	n/a
6980-84	Metro Air Park 2004 A	MR	4/8/2004	8/1/2034	63,460,000	10,042,102.12	6.890%
50A0	Airport System Refund 2016A	REV	12/21/2016	7/1/2041	89,000,000	2,256,882.64	4.332%
50B0	Airport System Refund 2016B	REV	12/21/2016	7/1/2041	92,790,000	2,349,867.43	4.373%
50C0	Sac City USD Series 2017E	GO	5/25/2017	5/1/2047	112,000,000	77,440,332.90	3.550%
50E0	McClellan Park CFD Ser. 2017A	MR	12/14/2017	9/1/2040	29,470,000	2,471,079.23	3.804%
50F2-F3	Los Rios CCD, 2008 Series C	GO	2/8/2018	8/1/2032	65,000,000	37,604,071.83	2.631%
50G0-H7	Airports System Ref 2018A-C	REV	5/3/2018	7/1/2039	435,510,000	19,005,861.65	3.488%
50I0-J3	Airports System Ref 2018D-F	REV	5/3/2018	7/1/2035	137,590,000	6,884,649.86	3.142%
50K0	FCUSD SFID #5 2018	GO	5/10/2018	10/1/2043	95,000,000	70,749,593.60	3.627%
50L0-L5	Florin Vineyard CFD No. 1 2018	MR	8/16/2018	9/1/2048	6,610,000	6,410,644.54	3.926%
50M0	Sac City USD Series 2018F	GO	7/25/2018	8/1/2024	10,000,000	9,918,222.48	2.460%
50P0-P1	Galt JUSD Series 2018	GO	8/1/2047	11/6/2018	20,000,000	20,965,368.69	4.082%
Book Value Subtotal Of Fiscal Agent Trustee Funds:						\$477,029,379.15	
Other Separate Trustees							
5410	Tobacco Securitization Authority 2005 Refunding						
	Collection Account		12/6/2005	6/1/2045		3,225.32	
	Operating Account		12/6/2005	6/1/2045		88,410.74	
	Sr Debt Service Account		12/6/2005	6/1/2045		243,166.15	
	Sr Liquidity Reserve Account		12/6/2005	6/1/2045		15,777,085.69	
	Sr Turbo Redemption Account		12/6/2005	6/1/2045		2,537.71	
	Subtotal					16,114,425.61	
Book Value Subtotal Of Funds Held By Other Separate Trustees:						\$16,114,425.61	
TOTAL NON-POOLED INVESTMENT FUNDS BOOK VALUE:						\$493,143,804.76	
<i>New issues are reflected in blue.</i>							
FUND TYPES:							
TSP - Tobacco Securitization Proceeds			MR - Mello Roos Bonds				
TR - Tax & Revenue Anticipation Notes			GO - General Obligation Bonds				
SEP - Funds held for unique purposes			AD - Assessment District Bonds				
REV - Revenue Bonds			COP - Certificates of Participation				
TC - Tax Collection Account							

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).

Washington Supranational – A Washington, D.C.-based international organization formed by multiple central governments to promote economic development for the member countries.

DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED
INVESTMENT FUND FOR THE QUARTER ENDED DECEMBER 31, 2018, AND
COMPLIANCE WITH INVESTMENT POLICY.



Quarterly Pooled Investment Fund Report
 As Prescribed By
 California Government Code Section 53646
For The Quarter Ended December 31, 2018

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 2018 Investment Policy during the quarter ended December 31, 2018.

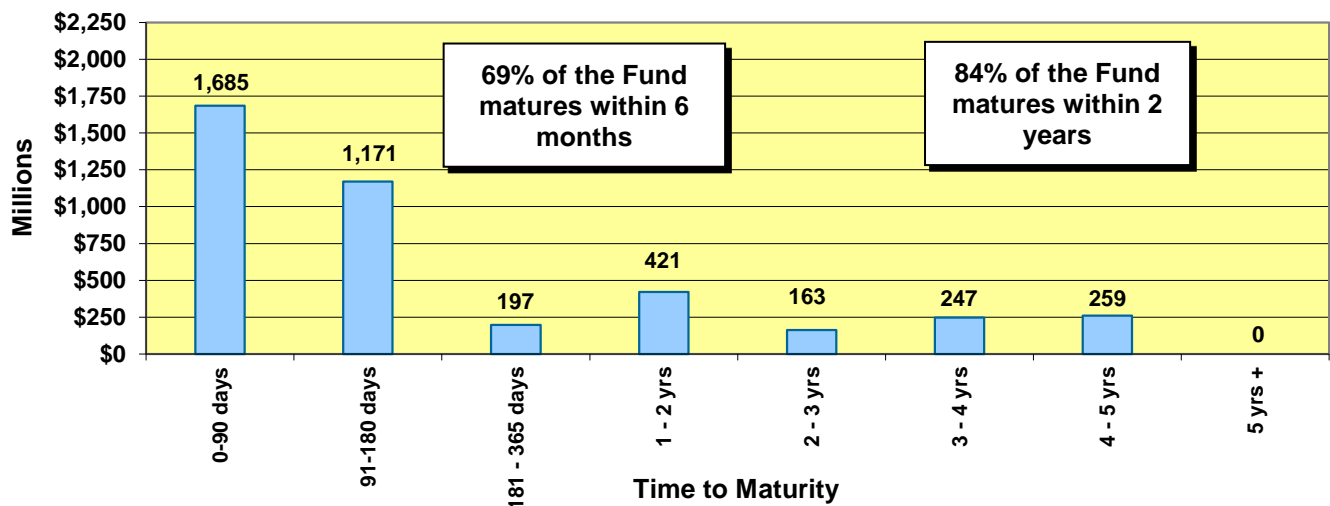
Portfolio Statistics	Quarter Ended 09/30/18	Quarter Ended 12/31/18
Average Daily Balance	\$3,419,296,334	\$3,487,305,133
Period-End Balance	\$3,320,229,433	\$4,142,684,945
Earned Interest Yield	2.064%	2.263%
Weighted Average Maturity	371 Days	336 Days
Duration in Years	0.988	0.892
Amortized Book Value	\$3,319,644,597	\$4,142,548,765
Market Value	\$3,302,805,746	\$4,138,970,531
Percent of Market to Cost	99.49%	99.91%

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 10 basis points or 0.10%. The quarterly apportionment of earnings to participating funds will be made on a cash basis (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund’s cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the Pool will be converted to an accrual basis for the fourth quarter earnings’ allocation.

Portfolio Structure as of December 31, 2018¹

Investment Description	Percentage of Portfolio at Cost 09/30/18	Percentage of Portfolio at Cost 12/31/18	Percentage of Portfolio at Market 12/31/18	Earned Interest Yield at 12/31/18
<i>US Agency, Treasury & Municipal Notes (USATM):</i>				
<i>US Agency Notes</i>	31.60%	28.21%	28.06%	1.970%
<i>Notes/Discount Notes FFCB</i>	7.37%	6.39%	6.35%	1.889%
<i>Notes/Discount Notes FHLB</i>	16.57%	15.92%	15.89%	2.064 %
<i>Notes/Discount Notes FNMA</i>	5.71%	4.33%	4.27%	1.825%
<i>Notes/Discount Notes FHLMC</i>	1.96%	1.57%	1.55%	1.745%
<i>US Treasury Notes</i>	3.15%	0.00%	0.00%	0.00%
<i>Municipal Notes</i>	0.50%	0.84%	0.84%	2.064%
Total USATM	35.25%	29.05%	28.89%	1.973%
Repurchase Agreements	0.00%	0.00%	0.00%	0.000%
Supranationals	16.35%	13.92%	13.92%	2.385%
Commercial Paper	20.39%	26.86%	26.98%	2.638%
Certificates of Deposit	26.05%	28.60%	28.63%	2.552%
LAIF	1.96%	1.57%	1.57%	2.208%
Money Market Accounts	0.00%	0.00%	0.00%	0.00%

POOLED INVESTMENT FUND MATURITIES AS OF DECEMBER 31, 2018
\$4.143 Billion



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

Projected Cash Flow

Based upon our cash flow model projection dated January 15, 2019, 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	20.0	\$1,148.2	\$946.4	\$201.8	\$45.0	\$156.8
Feb	20.0	\$1,185.9	\$705.6	\$480.3	\$45.0	\$435.3
Mar	20.0	\$1,176.6	\$646.5	\$530.1	\$45.0	\$485.1
Apr	20.0	\$1,297.0	\$753.6	\$543.4	\$45.0	\$498.4
May	20.0	\$1,269.6	\$905.4	\$364.2	\$45.0	\$319.2
Jun	20.0	\$1,171.9	\$638.2	\$533.7	\$45.0	\$488.7
Jul	20.0	\$775.4	\$1,262.9	(\$487.5)	\$45.0	(\$532.5)
Aug	20.0	\$536.6	\$676.3	(\$139.7)	\$45.0	(\$184.7)
Sep	20.0	\$869.9	\$857.9	\$12.0	\$45.0	(\$33.0)
Oct	20.0	\$759.8	\$718.8	\$41.0	\$45.0	(\$4.0)
Nov	20.0	\$904.8	\$459.8	\$445.0	\$45.0	\$400.0
Dec	20.0	\$1,413.5	\$1,060.5	\$353.0	\$45.0	\$308.0

*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, 2018, 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, 2018:

<u>Investment</u>	<u>Firm</u>	<u>Amount</u>
Local Agency Investment Fund	State Treasurer's Office	\$65,000,000.00

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

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

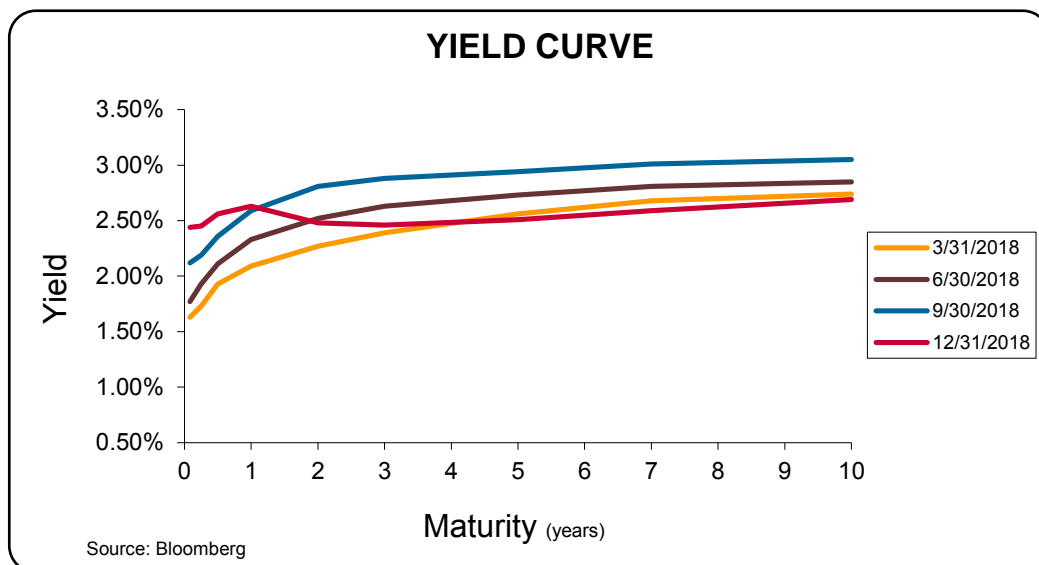
Financial Markets Commentary

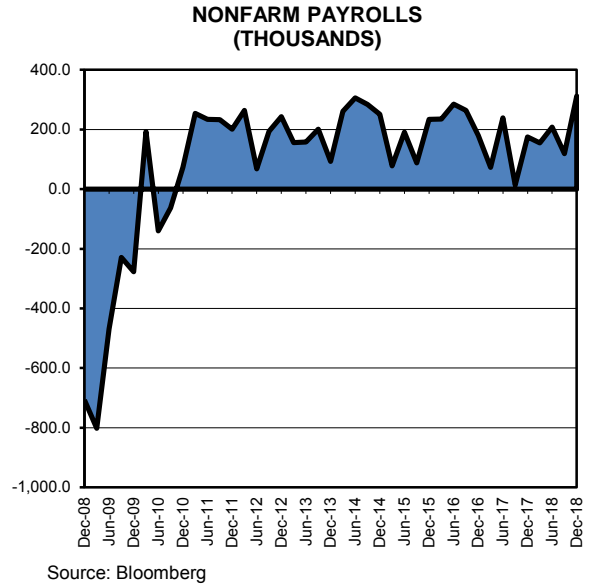
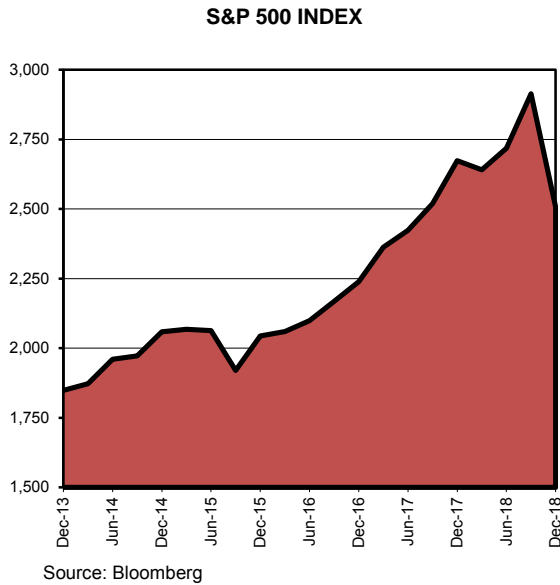
On December 19, 2018, the Federal Open Market Committee (FOMC) voted unanimously to increase the overnight federal funds rate by 25 basis points to a range of 2.25% to 2.50%. The FOMC raised the overnight rate 4 times in 2018 and 7 times in the last two years. The FOMC adjusted its forecast to two more rate hikes in 2019 versus three hikes in their prior meeting forecast. The financial markets were widely expecting the rate hike but were disappointed with the FOMC's forecast for additional rate hikes. In the markets' view, the Federal Reserve is being overly aggressive in raising interest rates with the headwinds the economy is facing from the trade war, stock market weakness, and the partial US Government shutdown. The Federal Funds futures market as of this writing is pricing zero rate hikes in 2019 with a possibility of a rate cut in early 2020.

Since early December, yields across the Treasury yield curve have fallen and the middle of the curve has been negative suggesting the economy may be poised to slow in the near future. The trade war with China is contributing to a dramatic slowdown in the Chinese economy, the second largest economy in the world. The Shanghai Composite Index fell by a 25% in 2018, making it the worst performing major index in the world. Both Wall Street and White House economists believe the Federal Government shutdown will have a meaningful negative impact on US GDP. With over 800,000 federal government workers going without a paycheck to start 2019 and much of the Federal Government closed, the impact on domestic GDP will grow exponentially as the shutdown over the funding of President Trump's border wall continues.

However, the US labor market continues to show strong fundamentals. Nonfarm payrolls increased by 312,000 in December, much higher than the expectation of 184,000. The unemployment rate remains near its 50-year low at 3.9%. 419,000 Americans reentered the workforce in December. Wage inflation rose to 3.2% year-over-year, the fastest pace since 2009, which the Federal Reserve predicts will be a major driver of inflation expectations. Although job growth in late 2018 is backward looking, talks of a major slowdown or recession are premature based on this employment picture.

Since the last FOMC meeting, the Fed has reiterated its economic outlook was strong despite growing downside risks. Even if the FOMC decides not to raise overnight rates in 2019, we still expect the yield on the Pooled Investment Fund to rise, at a slower pace, over the next several quarters.





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 July 2019. We are purchasing two- and five-year U. S. Treasury, U.S. Agency, and Washington Supranational 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 2.40% and 2.50%.

Respectfully submitted,
 Bernard Santo Domingo
 Chief Investment Officer

Concur,
 Ben Lamera
 Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: January 17, 2019

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2018

<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 14-15		12/9/2014	8/1/2019	2.064%	2.064%	1,426,587.89	1,426,587.89	1,426,587.89	BOOK	0.666
VR-SAC COUNTY 15-16		10/27/2015	8/3/2020	2.064%	2.064%	2,402,028.01	2,402,028.01	2,402,028.01	BOOK	1.584
VR-SAC COUNTY 16-17		11/1/2016	8/2/2021	2.064%	2.064%	3,651,108.71	3,651,108.71	3,651,108.71	BOOK	2.560
VR-SAC COUNTY 17-18		11/14/2017	8/1/2022	2.064%	2.064%	6,745,545.69	6,745,545.69	6,745,545.69	BOOK	3.508
VR-SAC COUNTY 18-19		12/4/2018	8/1/2023	2.064%	2.064%	20,371,912.00	20,371,912.00	20,371,912.00	BOOK	4.409
TOTAL VARIABLE RATE(MUNI)QUARTERLY				2.064%	2.064%	34,597,182.30	34,597,182.30	34,597,182.30		3.688
						0.83%	0.84%	0.84%		
FFCB NOTE (45)	3133EG2S3	1/5/2017	1/3/2019	1.280%	1.301%	25,000,000.00	24,989,750.00	24,999,250.00	SUNGARD	0.008
FFCB NOTE (120)	3133EHUK7	8/14/2017	8/14/2019	1.400%	1.448%	25,000,000.00	24,976,450.00	24,818,750.00	SUNGARD	0.616
FFCB NOTE (170)	3133EHYJ6	9/12/2017	9/12/2019	1.375%	1.398%	25,000,000.00	24,988,500.00	24,786,000.00	SUNGARD	0.694
FFCB NOTE (250)	3133EHF32	10/10/2017	10/10/2019	1.500%	1.554%	25,000,000.00	24,973,350.00	24,780,250.00	SUNGARD	0.771
FFCB NOTE (30)	3133EHP98	11/6/2017	11/6/2019	1.600%	1.655%	25,000,000.00	24,973,000.00	24,774,250.00	SUNGARD	0.843
FFCB NOTE (260)	3133EE5Z9	8/28/2015	8/4/2020	1.750%	1.700%	10,000,000.00	10,023,500.00	9,870,700.00	SUNGARD	1.566
FFCB NOTE (20)	3133EJWP0	8/15/2018	8/10/2020	2.710%	2.685%	25,000,000.00	25,012,100.00	25,048,250.00	SUNGARD	1.569
FFCB NOTE (120)	3133EFLZ8	10/28/2015	10/28/2020	1.460%	1.460%	5,000,000.00	5,000,000.00	4,899,700.00	SUNGARD	1.803
FFCB NOTE (86)	3133EFLZ8	10/28/2015	10/28/2020	1.460%	1.460%	5,000,000.00	5,000,000.00	4,899,700.00	SUNGARD	1.803
FFCB NOTE (170)	3133EJ2R9	12/14/2018	12/14/2020	2.750%	2.847%	25,000,000.00	24,953,050.00	25,084,500.00	SUNGARD	1.912
FFCB NOTE (85)	3133EFYZ4	2/18/2016	2/10/2021	1.375%	1.495%	10,000,000.00	9,942,600.00	9,758,800.00	SUNGARD	2.074
FFCB NOTE (260)	3133EHTS2	8/9/2017	8/3/2022	1.900%	1.895%	20,000,000.00	20,004,700.00	19,476,800.00	SUNGARD	3.460
FFCB NOTE (120)	3133EHYR8	9/14/2017	9/13/2022	1.750%	1.849%	20,000,000.00	19,906,200.00	19,351,600.00	SUNGARD	3.580
FFCB NOTE (330)	3133EJ3Q0	12/21/2018	12/21/2023	2.875%	2.852%	20,000,000.00	20,021,380.00	20,157,200.00	SUNGARD	4.665
TOTAL FED FARM CREDIT BONDS(FFCB)				1.856%	1.889%	265,000,000.00	264,764,580.00	262,705,750.00		1.694
						6.37%	6.39%	6.35%		
FHLB NOTE (170)	3130AAS41	2/8/2017	2/8/2019	1.270%	1.278%	25,000,000.00	24,996,000.00	24,969,500.00	SUNGARD	0.107
FHLB NOTE (170)	3133782M2	3/2/2017	3/8/2019	1.500%	1.397%	25,000,000.00	25,051,150.00	24,956,000.00	SUNGARD	0.183
FHLB NOTE (20)	3130A2FH4	6/18/2014	6/14/2019	1.750%	1.853%	5,000,000.00	4,975,473.25	4,980,250.00	SUNGARD	0.452
FHLB NOTE (330)	3130A2FH4	8/1/2014	6/14/2019	1.750%	1.889%	5,000,000.00	4,967,750.00	4,980,250.00	SUNGARD	0.452
FHLB NOTE (120)	313379EE5	6/2/2017	6/14/2019	1.625%	1.389%	25,000,000.00	25,117,950.00	24,891,750.00	SUNGARD	0.452
FHLB NOTE (170)	3130ABRP3	7/12/2017	7/12/2019	1.450%	1.491%	25,000,000.00	24,979,875.00	24,848,000.00	SUNGARD	0.527
FHLB NOTE (120)	313383VN8	9/15/2014	9/13/2019	2.000%	1.884%	10,000,000.00	10,055,231.70	9,954,700.00	SUNGARD	0.695
FHLB NOTE (330)	313383VN8	10/20/2014	9/13/2019	2.000%	1.653%	10,000,000.00	10,162,300.00	9,954,700.00	SUNGARD	0.695
FHLB NOTE (120)	3130A0JR2	12/16/2014	12/13/2019	2.375%	1.713%	10,000,000.00	10,315,650.00	9,974,800.00	SUNGARD	0.944
FHLB NOTE (170)	3130A0JR2	12/6/2017	12/13/2019	2.375%	1.889%	25,000,000.00	25,239,475.00	24,937,000.00	SUNGARD	0.944
FHLB NOTE (20)	313378J77	4/23/2015	3/13/2020	1.875%	1.455%	10,000,000.00	10,197,500.00	9,914,500.00	SUNGARD	1.186
FHLB NOTE (120)	313383HU8	6/12/2015	6/12/2020	1.750%	1.903%	10,000,000.00	9,927,290.00	9,884,600.00	SUNGARD	1.434

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2018

<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 (45)	313383HU8	7/14/2015	6/12/2020	1.750%	1.851%	10,000,000.00	9,952,800.00	9,884,600.00	SUNGARD	1.434
FHLB NOTE (330)	3130A5Z77	9/28/2015	7/29/2020	1.830%	1.600%	10,000,000.00	10,106,700.00	9,886,200.00	SUNGARD	1.551
FHLB NOTE (170)	3130AF2D8	10/4/2018	10/15/2020	2.860%	2.861%	25,000,000.00	24,999,325.00	25,162,750.00	SUNGARD	1.744
FHLB NOTE (45)	3130AABG2	12/16/2016	11/29/2021	1.875%	2.228%	20,000,000.00	19,670,800.00	19,639,000.00	SUNGARD	2.842
FHLB NOTE (170)	313378CR0	3/13/2017	3/11/2022	2.250%	2.129%	20,000,000.00	20,114,200.00	19,761,200.00	SUNGARD	3.080
FHLB NOTE (120)	313379Q69	6/13/2017	6/10/2022	2.125%	1.888%	20,000,000.00	20,225,000.00	19,661,200.00	SUNGARD	3.334
FHLB NOTE (120)	3130ABS23	7/14/2017	7/14/2022	2.000%	2.000%	20,000,000.00	20,000,000.00	19,591,600.00	SUNGARD	3.400
FHLB NOTE (170)	3130A3KM5	12/12/2017	12/9/2022	2.500%	2.240%	20,000,000.00	20,243,840.00	19,869,600.00	SUNGARD	3.771
FHLB NOTE (86)	313383YJ4	11/27/2018	9/8/2023	3.375%	3.038%	20,000,000.00	20,297,200.00	20,600,400.00	SUNGARD	4.332
TOTAL FED HOME LOAN BANKS				2.039%	1.907%	350,000,000.00	351,595,509.95	348,302,600.00		1.710
						8.41%	8.49%	8.42%		
FNMA NOTE (330)	3135G0ZA4	2/21/2014	2/19/2019	1.875%	1.724%	10,000,000.00	10,071,800.00	9,992,200.00	SUNGARD	0.137
FNMA NOTE (330)	3135G0ZY2	11/26/2014	11/26/2019	1.750%	1.836%	10,000,000.00	9,958,950.00	9,919,500.00	SUNGARD	0.898
FNMA NOTE (20)	3135G0A78	1/30/2015	1/21/2020	1.625%	1.431%	10,000,000.00	10,092,965.20	9,900,500.00	SUNGARD	1.044
FNMA NOTE (120)	3135G0A78	2/13/2015	1/21/2020	1.625%	1.658%	10,000,000.00	9,984,400.00	9,900,500.00	SUNGARD	1.043
FNMA (330)	3135G0UU5	3/24/2015	3/6/2020	1.750%	1.544%	10,000,000.00	10,097,580.00	9,904,000.00	SUNGARD	1.168
FNMA NOTE (120)	3135G0H55	12/28/2015	12/28/2020	1.875%	1.836%	10,000,000.00	10,018,400.00	9,872,000.00	SUNGARD	1.964
FNMA NOTE (20)	3135G0Q89	10/13/2016	10/7/2021	1.375%	1.497%	20,000,000.00	19,883,440.00	19,398,800.00	SUNGARD	2.716
FNMA NOTE (45)	3135G0Q89	11/16/2016	10/7/2021	1.375%	1.775%	20,000,000.00	19,626,600.00	19,398,800.00	SUNGARD	2.716
FNMA NOTE (45)	3135G0S38	1/17/2017	1/5/2022	2.000%	2.043%	20,000,000.00	19,959,800.00	19,704,000.00	SUNGARD	2.909
FNMA NOTE (120)	3135G0T45	5/9/2017	4/5/2022	1.875%	2.005%	20,000,000.00	19,878,800.00	19,597,600.00	SUNGARD	3.165
FNMA NOTE (330)	3135G0T78	10/18/2017	10/5/2022	2.000%	2.031%	20,000,000.00	19,970,560.00	19,622,000.00	SUNGARD	3.625
FNMA NOTE (330)	3135G0T78	11/6/2017	10/5/2022	2.000%	2.065%	20,000,000.00	19,939,400.00	19,622,000.00	SUNGARD	3.625
TOTAL FED NAT MORT ASSOC				1.765%	1.825%	180,000,000.00	179,482,695.20	176,831,900.00		2.428
						4.33%	4.33%	4.27%		
FHLB DISC NOTE (86)	313384AB5	12/31/2018	1/2/2019	2.100%	2.100%	50,000,000.00	49,994,166.67	50,000,000.00	SUNGARD	0.005
FHLB DISC NOTE (86)	313384AB5	12/31/2018	1/2/2019	2.100%	2.100%	30,000,000.00	29,996,500.00	30,000,000.00	SUNGARD	0.005
FHLB D.N. (260)	313384BH1	9/24/2018	2/1/2019	2.250%	2.268%	100,000,000.00	99,187,500.00	99,800,000.00	SUNGARD	0.088
FHLB D.N. (120)	313384BH1	9/27/2018	2/1/2019	2.250%	2.268%	100,000,000.00	99,206,250.00	99,800,000.00	SUNGARD	0.088
FHLB D.N. (260)	313384HA0	12/28/2018	6/18/2019	2.430%	2.459%	15,000,000.00	14,825,850.00	14,828,100.00	SUNGARD	0.463
FHLB D.N. (260)	313384HB8	12/28/2018	6/19/2019	2.430%	2.459%	15,000,000.00	14,824,837.50	14,827,050.00	SUNGARD	0.465
TOTAL FHLB DISC NOTES				2.228%	2.243%	310,000,000.00	308,035,104.17	309,255,150.00		0.103
						7.45%	7.44%	7.47%		

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2018

<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>
FHLMC NOTE (120)	3137EACA5	3/27/2014	3/27/2019	3.750%	1.832%	5,000,000.00	5,456,250.00	5,015,400.00	SUNGARD	0.235
FHLMC NOTE (120)	3137EADG1	5/30/2014	5/30/2019	1.750%	1.655%	10,000,000.00	10,045,460.00	9,968,300.00	SUNGARD	0.411
FHLMC NOTE (85)	3137EADK2	8/20/2014	8/1/2019	1.250%	1.727%	5,000,000.00	4,887,300.00	4,958,400.00	SUNGARD	0.580
FHLMC NOTE (170)	3137EAEE5	1/4/2018	1/17/2020	1.500%	1.985%	25,000,000.00	24,759,250.00	24,719,500.00	SUNGARD	1.033
FHLMC NOTE (120)	3137EADR7	5/20/2015	5/1/2020	1.375%	1.625%	10,000,000.00	9,881,500.00	9,845,600.00	SUNGARD	1.323
FHLMC NOTE (170)	3137EAEC9	8/17/2016	8/12/2021	1.125%	1.314%	10,000,000.00	9,908,900.00	9,658,100.00	SUNGARD	2.572
TOTAL FHLMC				1.633%	1.745%	65,000,000.00	64,938,660.00	64,165,300.00		1.115
						1.56%	1.57%	1.55%		
IBRD NOTE (20)	459058DL4	4/11/2017	3/15/2019	1.876%	1.412%	25,000,000.00	25,219,750.00	24,969,250.00	SUNGARD	0.203
IADB NOTE (45)	458182DX7	5/8/2017	5/13/2019	1.000%	1.438%	25,000,000.00	24,783,500.00	24,848,250.00	SUNGARD	0.364
IADB NOTE (45)	4581X0BL1	2/13/2018	2/14/2020	3.875%	2.255%	25,000,000.00	25,788,750.00	25,342,250.00	SUNGARD	1.091
IBRD NOTE (20)	459058FA6	3/8/2018	3/30/2020	1.376%	2.362%	25,000,000.00	24,506,925.00	24,630,750.00	SUNGARD	1.237
IFC NOTE (45)	45950VLS3	4/12/2018	4/9/2020	2.460%	2.460%	25,000,000.00	25,000,000.00	24,929,250.00	SUNGARD	1.254
IADB NOTE (20)	4581X0CX4	5/9/2018	5/12/2020	1.625%	2.626%	25,000,000.00	24,513,471.25	24,679,500.00	SUNGARD	1.352
IADB NOTE (170)	4581X0CX4	6/5/2018	5/12/2020	1.625%	2.599%	25,000,000.00	24,543,200.00	24,679,500.00	SUNGARD	1.352
IFC NOTE (170)	45950VLZ7	7/20/2018	7/20/2020	2.690%	2.732%	25,000,000.00	24,979,650.00	24,979,650.00	SUNGARD	1.513
IBRD NOTE (45)	459058GA5	9/10/2018	9/4/2020	1.626%	2.735%	25,000,000.00	24,468,150.00	24,601,500.00	SUNGARD	1.651
IADB NOTE (45)	4581X0CD8	11/12/2015	11/9/2020	2.125%	1.887%	10,000,000.00	10,112,900.00	9,906,700.00	SUNGARD	1.824
IFC NOTE (170)	45950VMQ6	11/13/2018	11/13/2020	3.000%	3.038%	25,000,000.00	24,981,600.00	25,118,750.00	SUNGARD	1.823
IBRD NOTE (45)	45905UUY8	2/4/2016	2/4/2021	1.550%	1.550%	10,000,000.00	10,000,000.00	9,785,700.00	SUNGARD	2.054
IBRD NOTE (45)	459058EW9	3/9/2016	3/9/2021	1.626%	1.667%	10,000,000.00	9,979,880.00	9,802,200.00	SUNGARD	2.149
IBRD NOTE(45)	459058EW9	4/22/2016	3/9/2021	1.626%	1.413%	10,000,000.00	10,099,780.00	9,802,200.00	SUNGARD	2.149
IBRD NOTE (170)	459058FH1	5/24/2016	5/24/2021	1.376%	1.376%	10,000,000.00	9,980,400.00	9,724,700.00	SUNGARD	2.363
IBRD NOTE (170)	459058FH1	6/17/2016	5/24/2021	1.376%	1.376%	10,000,000.00	10,030,300.00	9,724,700.00	SUNGARD	2.363
IBRD NOTE (170)	45905UXP4	7/26/2016	7/26/2021	1.300%	1.305%	10,000,000.00	9,997,500.00	9,675,800.00	SUNGARD	2.521
IADB NOTE (170)	4581X0CV8	9/16/2016	9/14/2021	1.250%	1.439%	20,000,000.00	19,818,800.00	19,304,400.00	SUNGARD	2.656
IBRD NOTE (85)	459058DY6	2/15/2017	2/10/2022	1.626%	2.177%	20,000,000.00	19,481,600.00	19,389,200.00	SUNGARD	3.024
IBRD NOTE (170)	45905UH23	4/27/2017	4/27/2022	1.930%	1.942%	20,000,000.00	19,989,000.00	19,989,000.00	SUNGARD	3.223
IADB NOTE (170)	4581X0DA3	1/18/2018	1/18/2023	2.500%	2.482%	20,000,000.00	20,016,840.00	19,875,600.00	SUNGARD	3.831
IADB NOTE (170)	4581X0DA3	2/16/2018	1/18/2023	2.500%	2.788%	20,000,000.00	19,736,200.00	19,875,600.00	SUNGARD	3.830
IBRD NOTE (170)	45905UT53	3/20/2018	3/8/2023	2.720%	2.824%	20,000,000.00	19,904,260.00	19,998,000.00	SUNGARD	3.951
IBRD NOTE (45)	459058FF5	5/11/2018	4/19/2023	1.750%	2.941%	20,000,000.00	18,912,000.00	19,295,400.00	SUNGARD	4.142
IFC NOTE (170)	45950VLV6	4/20/2018	4/20/2023	2.825%	2.825%	20,000,000.00	20,000,000.00	20,000,000.00	SUNGARD	4.060
IADB NOTE (45)	45818WBW5	6/22/2018	6/15/2023	2.975%	2.975%	20,000,000.00	20,000,000.00	20,238,800.00	SUNGARD	4.203
IADB NOTE (170)	45818WBX3	7/26/2018	7/20/2023	2.870%	2.965%	20,000,000.00	19,912,860.00	20,151,800.00	SUNGARD	4.245
IFC NOTE (170)	45950KCP3	8/28/2018	7/31/2023	2.875%	2.869%	20,000,000.00	20,005,580.00	20,164,600.00	SUNGARD	4.276
IADB NOTE (170)	45818WBY1	9/11/2018	8/16/2023	2.960%	2.946%	20,000,000.00	20,012,400.00	20,191,800.00	SUNGARD	4.309

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<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>
IBRD NOTE (170)	459058GL1	10/9/2018	9/27/2023	3.000%	3.187%	20,000,000.00	19,829,440.00	20,386,800.00	SUNGARD	4.417
TOTAL SUPRANATIONALS				2.203%	2.385%	580,000,000.00	576,604,736.25	576,061,650.00		2.503
						13.94%	13.92%	13.92%		
CP-TORONTO (20)	89116FN22	8/14/2018	1/2/2019	2.310%	2.331%	30,000,000.00	29,728,575.00	29,997,875.00	SUNGARD	0.005
CP-TORONTO (20)	89116FN89	8/20/2018	1/8/2019	2.300%	2.321%	20,000,000.00	19,819,833.33	19,990,083.33	SUNGARD	0.022
CP-TORONTO (20)	89116FNA4	9/5/2018	1/10/2019	2.280%	2.298%	15,000,000.00	14,879,350.00	14,990,437.50	SUNGARD	0.027
CP-BK OF MONTREAL(45)	06366HNB9	8/17/2018	1/11/2019	2.275%	2.296%	30,000,000.00	29,721,312.50	29,978,750.00	SUNGARD	0.030
CP-CIBC (120)	13607FNB8	8/17/2018	1/11/2019	2.270%	2.291%	25,000,000.00	24,768,270.83	24,982,291.67	SUNGARD	0.030
CHEVRON (85)	16677KNR0	9/17/2018	1/25/2019	2.220%	2.238%	50,000,000.00	49,599,166.67	49,915,000.00	SUNGARD	0.068
CP -TORONTO (20)	89116FP12	10/1/2018	2/1/2019	2.430%	2.450%	35,000,000.00	34,709,412.50	34,923,145.83	SUNGARD	0.088
CP-TOYOTA (270)	89233HP40	10/3/2018	2/4/2019	2.400%	2.420%	20,000,000.00	19,834,666.67	19,951,833.33	SUNGARD	0.096
CP-TOYOTA (270)	89233HP40	10/4/2018	2/4/2019	2.400%	2.420%	20,000,000.00	19,836,000.00	19,951,833.33	SUNGARD	0.096
CP-TOYOTA (270)	89233HP57	10/9/2018	2/5/2019	2.410%	2.429%	30,000,000.00	29,761,008.33	29,925,625.00	SUNGARD	0.099
CP-TOYOTA (270)	89233HP81	10/10/2018	2/8/2019	2.420%	2.440%	15,000,000.00	14,877,991.67	14,959,625.00	SUNGARD	0.107
CP-APPLE (85)	03785EPD0	10/17/2018	2/13/2019	2.320%	2.338%	15,000,000.00	14,884,966.67	14,954,312.50	SUNGARD	0.120
CP-APPLE (85)	03785EPF5	10/17/2018	2/15/2019	2.320%	2.338%	15,000,000.00	14,883,033.33	14,952,187.50	SUNGARD	0.126
CP-TORONTO (20)	89116FPL8	10/18/2018	2/20/2019	2.450%	2.471%	15,000,000.00	14,872,395.83	14,946,875.00	SUNGARD	0.140
CP-APPLE (85)	03785EPR9	10/24/2018	2/25/2019	2.380%	2.400%	10,000,000.00	9,918,022.22	9,961,041.67	SUNGARD	0.153
CP-TOYOTA (270)	89233HQ15	10/25/2018	3/1/2019	2.540%	2.563%	35,000,000.00	34,686,380.56	34,853,729.17	SUNGARD	0.164
CP-APPLE (85)	03785EQ49	10/29/2018	3/4/2019	2.400%	2.420%	25,000,000.00	24,790,000.00	24,885,902.78	SUNGARD	0.172
CP-TOYOTA (270)	89233HQ56	10/30/2018	3/5/2019	2.570%	2.593%	10,000,000.00	9,910,050.00	9,953,625.00	SUNGARD	0.175
CP-BK OF MONTREAL (45)	06366HQ59	10/30/2018	3/5/2019	2.480%	2.502%	15,000,000.00	14,869,800.00	14,930,437.50	SUNGARD	0.175
CP-TORONTO (20)	89116FQ60	10/30/2018	3/6/2019	2.480%	2.502%	15,000,000.00	14,868,766.67	14,929,333.33	SUNGARD	0.178
CP-TOYOTA (270)	89233HQD9	11/6/2018	3/13/2019	2.610%	2.634%	20,000,000.00	19,815,850.00	19,895,472.22	SUNGARD	0.197
CP-APPLE (85)	03785EQE7	11/6/2018	3/14/2019	2.410%	2.431%	15,000,000.00	14,871,466.67	14,920,500.00	SUNGARD	0.200
CP-CIBC (120)	13607FS15	11/21/2018	5/1/2019	2.680%	2.710%	90,000,000.00	88,921,300.00	89,163,000.00	SUNGARD	0.331
CP-TOYOTA (270)	89233HS21	11/26/2018	5/2/2019	2.770%	2.804%	20,000,000.00	19,758,394.44	19,812,450.00	SUNGARD	0.334
CP-TORONTO (20)	89116FS27	12/4/2018	5/2/2019	2.750%	2.782%	25,000,000.00	24,715,451.39	24,765,562.50	SUNGARD	0.334
CP-JP MORGAN (23)	46640QS69	11/29/2018	5/6/2019	2.820%	2.855%	25,000,000.00	24,690,583.33	24,757,812.50	SUNGARD	0.345
CP-JP MORGAN (23)	46640QS77	11/29/2018	5/7/2019	2.820%	2.856%	50,000,000.00	49,377,250.00	49,511,750.00	SUNGARD	0.348
CP-JP MORGAN (23)	46640QS85	11/29/2018	5/8/2019	2.820%	2.856%	25,000,000.00	24,686,666.67	24,753,937.50	SUNGARD	0.350
CP-JP MORGAN (23)	46640QSE2	12/4/2018	5/14/2019	2.820%	2.856%	40,000,000.00	39,495,533.33	39,587,700.00	SUNGARD	0.367
CP-BK OF MONTREAL (45)	06366HSH1	12/3/2018	5/17/2019	2.790%	2.826%	120,000,000.00	118,465,500.00	118,735,200.00	SUNGARD	0.375
CP-JP MORGAN (23)	46640QSL6	12/4/2018	5/20/2019	2.820%	2.857%	40,000,000.00	39,476,733.33	39,569,100.00	SUNGARD	0.383
CP-BK OF MONTREAL(45)	06366HSP3	12/6/2018	5/23/2019	2.775%	2.811%	20,000,000.00	19,741,000.00	19,779,900.00	SUNGARD	0.392
CP-TORONTO (20)	89116FT34	12/7/2018	6/3/2019	2.820%	2.860%	30,000,000.00	29,581,700.00	29,644,275.00	SUNGARD	0.422
CP-APPLE (85)	03785ET46	12/10/2018	6/4/2019	2.680%	2.716%	45,000,000.00	44,410,400.00	44,462,925.00	SUNGARD	0.424

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CP-TOYOTA (270)	89233HT53	12/10/2018	6/5/2019	2.810%	2.849%	20,000,000.00	19,723,683.33	19,759,750.00	SUNGARD	0.427
CP-TORONTO (20)	89116FT67	12/28/2018	6/6/2019	2.840%	2.876%	15,000,000.00	14,810,666.67	14,818,650.00	SUNGARD	0.430
CP-CIBC (120)	13607FT71	12/12/2018	6/7/2019	2.780%	2.819%	30,000,000.00	29,589,950.00	29,634,975.00	SUNGARD	0.433
CP-BK OF MONTREAL(45)	06366HTA5	12/20/2018	6/10/2019	2.820%	2.859%	10,000,000.00	9,865,266.67	9,876,000.00	SUNGARD	0.441
CP-TORONTO (20)	89116FTB6	12/20/2018	6/11/2019	2.850%	2.890%	10,000,000.00	9,863,041.67	9,875,225.00	SUNGARD	0.444
CP-JP MORGAN (23)	46640QTE1	12/20/2018	6/14/2019	2.900%	2.942%	15,000,000.00	14,787,333.33	14,809,350.00	SUNGARD	0.452
CP-BK OF MONTREAL (45)	06366HTL1	12/28/2018	6/20/2019	2.800%	2.838%	15,000,000.00	14,797,000.00	14,802,375.00	SUNGARD	0.468
TOTAL COMMERCIAL PAPER DISC				2.609%	2.638%	1,125,000,000.00	1,112,663,773.61	1,116,869,854.16		0.261
						27.05%	26.86%	26.98%		
CD-BK OF NOVA SCOTIA (1542)	06417GX78	8/8/2018	1/2/2019	2.400%	2.400%	25,000,000.00	25,000,000.00	24,999,939.74	SUNGARD	0.005
CD-BK OF NOVA SCOTIA(1542)	06417GX94	8/9/2018	1/2/2019	2.400%	2.400%	25,000,000.00	25,000,000.00	24,999,939.96	SUNGARD	0.005
CD-SVENSKA (260)	86958JR43	8/16/2018	1/2/2019	2.255%	2.250%	40,000,000.00	40,000,765.57	39,999,587.24	SUNGARD	0.005
CD-SWEDBANK (260)	87019VQJ9	8/23/2018	1/8/2019	2.220%	2.220%	50,000,000.00	50,000,000.00	49,997,563.53	SUNGARD	0.022
CD-SVENSKA (260)	86958JS75	8/29/2018	1/8/2019	2.275%	2.270%	35,000,000.00	35,000,636.37	34,998,725.41	SUNGARD	0.022
CD-ROYAL BK OF CANADA(260)	78012UHA6	9/7/2018	1/14/2019	2.330%	2.330%	40,000,000.00	40,000,000.00	39,998,321.39	SUNGARD	0.038
CD-CANADIAN IMPERIAL(120)	13606BD45	9/13/2018	1/17/2019	2.240%	2.240%	50,000,000.00	50,000,000.00	49,995,367.76	SUNGARD	0.047
CD-ROYAL BK OF CANADA(260)	78012UGT6	9/4/2018	1/25/2019	2.300%	2.300%	50,000,000.00	50,000,000.00	49,995,207.91	SUNGARD	0.068
CD-SWEDBANK (120)	87019VSF5	10/11/2018	2/7/2019	2.430%	2.430%	25,000,000.00	25,000,000.00	24,999,914.95	SUNGARD	0.104
CD-SKANDINAVISKA (120)	83050F2Y6	10/12/2018	2/7/2019	2.450%	2.450%	25,000,000.00	25,000,000.00	25,000,442.85	SUNGARD	0.104
CD-SKANDINAVISKA (260)	83050F3A7	10/15/2018	2/11/2019	2.450%	2.450%	25,000,000.00	25,000,000.00	25,000,503.70	SUNGARD	0.115
CD-SKANDINAVISKA (120)	83050F3B5	10/16/2018	2/14/2019	2.460%	2.460%	35,000,000.00	35,000,000.00	35,001,196.54	SUNGARD	0.123
CD-SWEDBANK (260)	87019VSR9	10/22/2018	2/21/2019	2.460%	2.460%	30,000,000.00	30,000,000.00	30,001,227.43	SUNGARD	0.142
CD-SVENSKA (260)	86958JW39	10/19/2018	2/22/2019	2.465%	2.460%	30,000,000.00	30,000,520.52	30,001,448.09	SUNGARD	0.145
CD-SWEDBANK (260)	87019VSS7	10/23/2018	2/22/2019	2.480%	2.480%	25,000,000.00	25,000,000.00	25,001,778.62	SUNGARD	0.145
CD-SVENSKA (120)	86958JW88	10/26/2018	3/1/2019	2.515%	2.510%	45,000,000.00	45,000,780.64	45,006,262.87	SUNGARD	0.164
CD-RABOBANK (280)	21685V6N4	11/2/2018	3/7/2019	2.630%	2.630%	45,000,000.00	45,000,000.00	45,016,391.73	SUNGARD	0.181
CD-RABOBANK (280)	21685V6L8	11/1/2018	3/8/2019	2.630%	2.630%	55,000,000.00	55,000,000.00	55,020,318.51	SUNGARD	0.183
CD-US BANK (240)	90333VB82	11/7/2018	3/18/2019	2.610%	2.610%	35,000,000.00	35,000,000.00	35,013,444.76	SUNGARD	0.211
CD-RABOBANK (280)	21685V6P9	11/8/2018	4/1/2019	2.690%	2.690%	35,000,000.00	35,000,000.00	35,000,828.35	SUNGARD	0.249
CD-RABOBANK (280)	21685V6Q7	11/9/2018	4/1/2019	2.690%	2.690%	25,000,000.00	25,000,000.00	25,000,604.20	SUNGARD	0.249
CD-US BANK (240)	90333VC24	11/13/2018	4/2/2019	2.670%	2.670%	25,000,000.00	25,000,000.00	24,999,396.84	SUNGARD	0.252
CD-SKANDINAVISKA (260)	83050F3T6	11/16/2018	4/3/2019	2.680%	2.680%	25,000,000.00	25,000,000.00	25,000,067.70	SUNGARD	0.255
CD-US BANK (240)	90333VC65	11/19/2018	4/5/2019	2.680%	2.680%	45,000,000.00	45,000,000.00	45,000,194.78	SUNGARD	0.260
CD-US BANK (240)	90333VC99	11/20/2018	4/5/2019	2.680%	2.680%	20,000,000.00	20,000,000.00	20,000,096.99	SUNGARD	0.260
CD-FIVE STAR BANK (CRA)		4/26/2018	4/25/2019	2.140%	2.140%	5,000,000.00	5,000,000.00	4,990,977.91	SUNGARD	0.315
CD-US BANK (240)	90333VD72	11/27/2018	5/3/2019	2.760%	2.760%	45,000,000.00	45,000,000.00	45,012,652.01	SUNGARD	0.337
CD-BANK OF THE WEST (CRA)		5/10/2018	5/10/2019	2.400%	2.400%	10,000,000.00	10,000,000.00	9,988,847.01	SUNGARD	0.356

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CD-ROYAL BK CANADA(260)	78012UKA2	11/26/2018	5/17/2019	2.840%	2.840%	80,000,000.00	80,000,000.00	80,049,013.13	SUNGARD	0.375
CD-SKANDINAVISKA(120)	83050F4B4	12/7/2018	6/3/2019	2.860%	2.860%	25,000,000.00	25,000,000.00	25,019,551.70	SUNGARD	0.422
CD-SKANDINAVISKA(260)	83050F4E8	12/10/2018	6/3/2019	2.840%	2.840%	55,000,000.00	55,000,000.00	55,038,516.59	SUNGARD	0.422
CD-RABOBANK (280)	21685V7B9	12/18/2018	6/7/2019	2.790%	2.790%	35,000,000.00	35,000,000.00	35,017,811.40	SUNGARD	0.433
CD-US BANK (240)	90333VF39	12/28/2018	6/12/2019	2.670%	2.670%	35,000,000.00	35,000,000.00	34,999,906.98	SUNGARD	0.446
CD-ROYAL BK OF CANADA(260)	78012ULE3	12/27/2018	6/17/2019	2.780%	2.780%	30,000,000.00	30,000,000.00	30,015,096.44	SUNGARD	0.460
TOTAL CERT. OF DEPOSIT/THRIFT NOTES				2.553%	2.552%	1,185,000,000.00	1,185,002,703.10	1,185,181,145.02		0.203
						28.49%	28.60%	28.63%		
LAIF POOL		7/31/1997	1/31/2019	2.208%	2.208%	65,000,000.00	65,000,000.00	65,000,000.00	BOOK	0.085
TOTAL PASSBOOK ACCOUNTS				2.208%	2.208%	65,000,000.00	65,000,000.00	65,000,000.00		0.085
						1.56%	1.57%	1.57%		
Grand Total				<u>2.349%</u>	<u>2.378%</u>	<u>4,159,597,182.30</u>	<u>4,142,684,944.58</u>	<u>4,138,970,531.48</u>		<u>0.892</u>



Department of Finance
BEN LAMERA, DIRECTOR OF FINANCE
POOLED INVESTMENT FUND

Monthly Review — December 2018

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 2018 and California Government Code.¹

PORTFOLIO STATISTICS

Portfolio's Month-End Balance	\$4,142,684,945
Earned Income Yield for the Month	2.361%
Weighted Average Maturity (Days)	336
Estimated Duration (Years)	0.892
Amortized Book Value	\$4,142,548,765
Month-End Market Value	\$4,138,970,531
Percent of Market to Book Value ²	99.91%

Investment Objectives

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

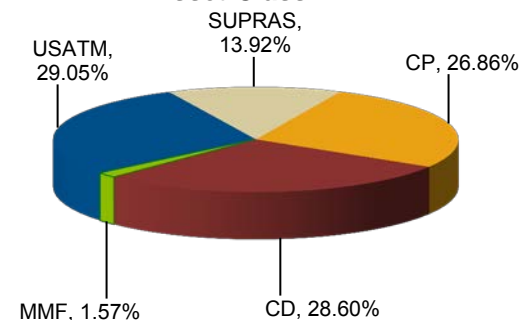
External third party Investment Manager(s) at month end:

State Treasurer's Office (LAIF)	\$65,000,000
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PORTFOLIO STRUCTURE³

Investment Description	Portfolio at Cost	Yield at Month End
US Agency, Treasury & Municipal Notes (USATM):		
US Agency Notes	28.21%	1.970%
US Treasury Notes	0.00%	0.00%
Municipal Notes	0.84%	2.064%
Total USATM	29.05%	1.973%
Supranationals (SUPRAS)	13.92%	2.385%
Commercial Paper (CP)	26.86%	2.638%
Certificates of Deposit (CD)	28.60%	2.552%
LAIF/Money Market Funds (MMF)	1.57%	2.208%
Repurchase Agreements (REPO)	0.00%	0.000%

Percentage Portfolio Structure by Asset Class³



**US Agency Notes Breakdown
Percent of Portfolio at Cost³**

FFCB Notes/Discount Notes	6.39%
FHLB Notes/Discount Notes	15.92%
FNMA Notes/Discount Notes	4.33%
FHLMC Notes/Discount Notes	1.57%
Total US Agency Notes	28.21%

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 Percent of market to book value is calculated using amortized book value. The GASB 31 fair value reported in the CAFR is calculated using the book value at purchase.

³ Percentages may not add up to totals due to rounding

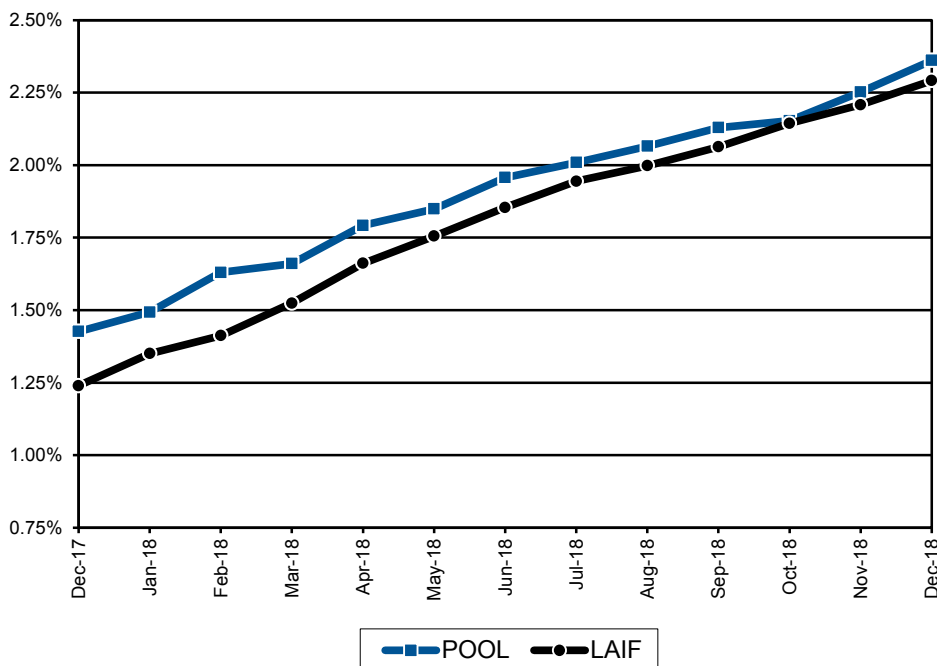
YIELD HISTORY

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

YIELD TRENDS⁴

Earned Income Yield Over Last 12 Months

Earned Income Yield History		
MONTH	POOL	LAIF
Dec-17	1.43%	1.24%
Jan-18	1.49%	1.35%
Feb-18	1.63%	1.41%
Mar-18	1.66%	1.52%
Apr-18	1.79%	1.66%
May-18	1.85%	1.76%
Jun-18	1.96%	1.85%
Jul-18	2.01%	1.94%
Aug-18	2.07%	2.00%
Sep-18	2.13%	2.06%
Oct-18	2.15%	2.14%
Nov-18	2.25%	2.21%
Dec-18	2.36%	2.29%



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 15, 2019, 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 ⁵
<i>Dollar amounts represented in millions</i>						
Jan	20.0	\$1,148.2	\$946.4	\$201.8	\$45.0	\$156.8
Feb	20.0	\$1,185.9	\$705.6	\$480.3	\$45.0	\$435.3
Mar	20.0	\$1,176.6	\$646.5	\$530.1	\$45.0	\$485.1
Apr	20.0	\$1,297.0	\$753.6	\$543.4	\$45.0	\$498.4
May	20.0	\$1,269.6	\$905.4	\$364.2	\$45.0	\$319.2
Jun	20.0	\$1,171.9	\$638.2	\$533.7	\$45.0	\$488.7

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.

⁴ 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.

⁵ Any excess net cash flow amounts in this column will be used to fund the negative cash flow positions in later months.

Department of Finance

Ben Lamera
Director



Investments Division

Bernard Santo Domingo
Chief Investment Officer

County of Sacramento

Inter-Departmental Memorandum

February 15, 2019

To: Treasury Oversight Committee

From: Bernard Santo Domingo
Chief Investment Officer

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, 2018. 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.

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**Changes to the Investment Approved Lists
For the Quarter Ended December 31, 2018**

<i>Reaffirmed</i>	<i>Added¹</i>	<i>Deleted</i>
Domestic Banks for all Legal Investments		
Foreign Banks for all Legal Investments		
Skandinaviska Enskilda Banken		
Commercial Paper & Medium-Term Note Issuers		
JP Morgan Securities LLC		
Community Reinvestment Act Approved Banks & Credit Unions		
Firms for Purchase and Sale of Securities (Broker/Dealers & Direct Issuers)		
	CIBC	
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 2018.

**Investment Fund Statistics Questionnaire Results
December 2018**

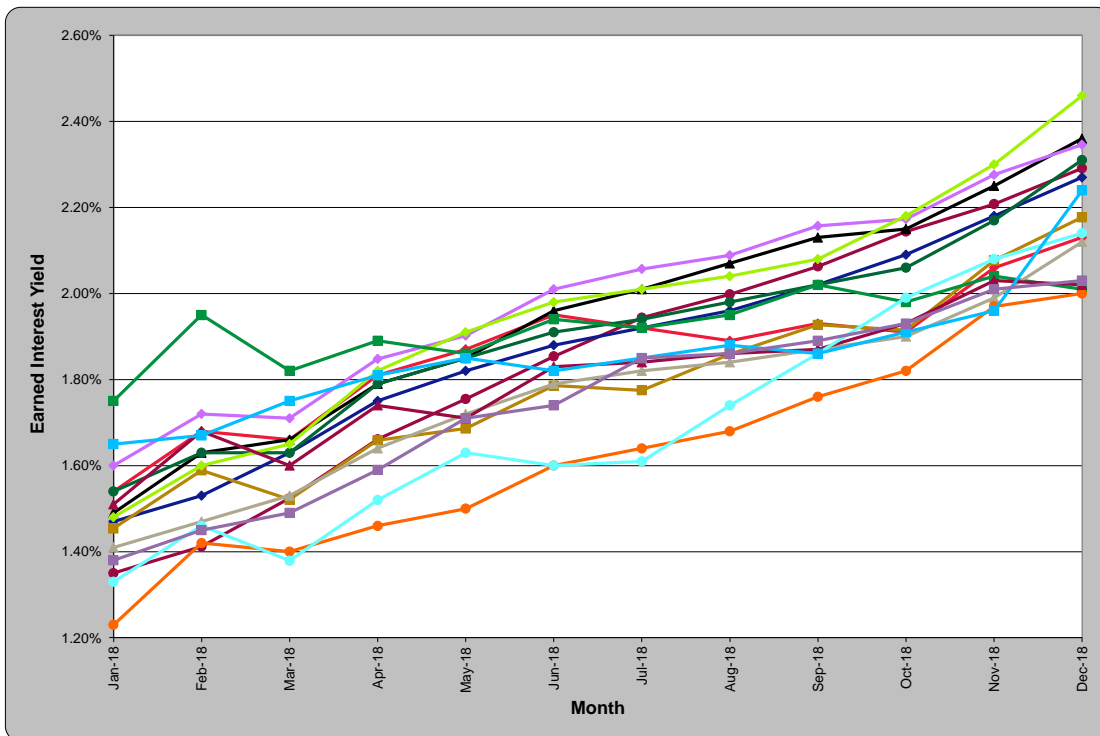
Name of Fund	Earned Interest Yield	Portfolio Size (in millions)	Weighted Average Maturity (in days)	Percent Market Value
Sacramento County (Pooled)	2.36%	\$3,918.3	336	99.91%
Sacramento County (All)	2.52%	\$4,410.9	345	N/A
Local Agency Investment Fund (LAIF)	2.29%	\$21,266.3	192	99.91%
Contra Costa County (Pooled)	2.46%	\$2,991.7	170	100.11%
Contra Costa County (All)	2.40%	\$3,667.6	191	100.04%
Fresno County	2.01%	\$3,808.7	721	99.01%
Los Angeles County	2.13%	\$33,314.0	529	99.20%
Merced County	2.02%	\$960.8	419	99.55%
Nevada County	2.24%	\$322.2	489	99.18%
Orange County	2.00%	\$5,430.6	275	99.84%
Orange County (Schools)	2.05%	\$4,752.9	306	99.82%
Riverside County	2.27%	\$7,028.0	366	99.82%
San Bernardino County	2.11%	\$6,989.6	299	99.70%
San Diego County	2.31%	\$10,204.8	336	99.60%
San Francisco City and County	2.35%	\$10,654.3	440	99.75%
San Luis Obispo County	2.12%	\$1,105.6	383	N/A
Solano County	2.14%	\$1,211.0	390	99.77%
Sonoma County (Pooled)	2.18%	\$2,415.3	523	99.55%
Sonoma County (All)	2.22%	\$2,438.0	545	100.19%

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 2018**

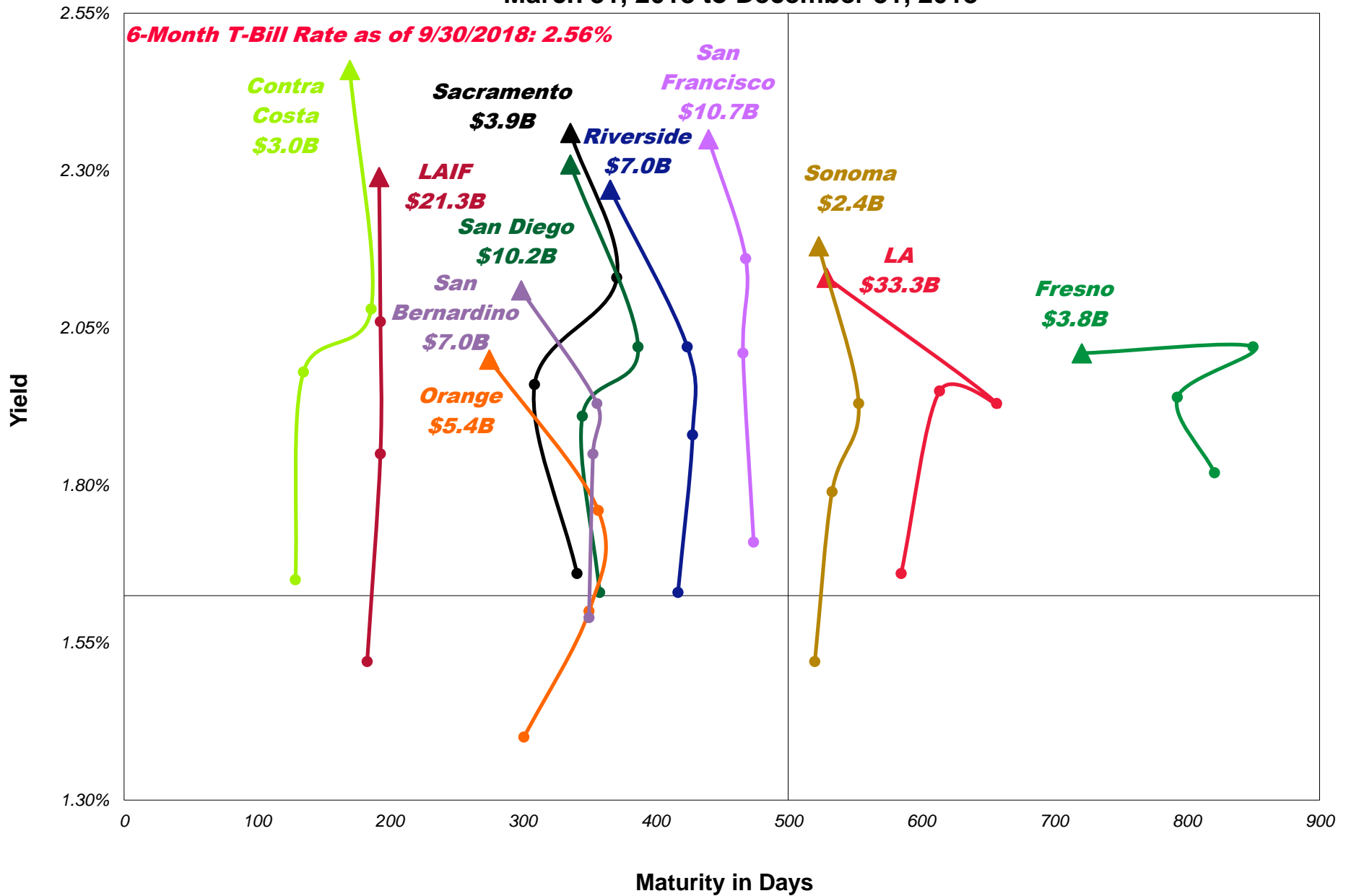
Jurisdiction	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
◆ Contra Costa	1.48%	1.60%	1.65%	1.82%	1.91%	1.98%	2.01%	2.04%	2.08%	2.18%	2.30%	2.46%
■ Fresno	1.75%	1.95%	1.82%	1.89%	1.86%	1.94%	1.92%	1.95%	2.02%	1.98%	2.04%	2.01%
● LAIF	1.35%	1.41%	1.52%	1.66%	1.76%	1.85%	1.94%	2.00%	2.06%	2.14%	2.21%	2.29%
◆ Los Angeles	1.54%	1.68%	1.66%	1.81%	1.87%	1.95%	1.92%	1.89%	1.93%	1.91%	2.06%	2.13%
▲ Merced	1.51%	1.68%	1.60%	1.74%	1.71%	1.83%	1.84%	1.86%	1.87%	1.93%	2.03%	2.02%
■ Nevada	1.65%	1.67%	1.75%	1.81%	1.85%	1.82%	1.85%	1.88%	1.86%	1.91%	1.96%	2.24%
● Orange	1.23%	1.42%	1.40%	1.46%	1.50%	1.60%	1.64%	1.68%	1.76%	1.82%	1.97%	2.00%
◆ Riverside	1.47%	1.53%	1.63%	1.75%	1.82%	1.88%	1.92%	1.96%	2.02%	2.09%	2.18%	2.27%
▲ Sacramento	1.49%	1.63%	1.66%	1.79%	1.85%	1.96%	2.01%	2.07%	2.13%	2.15%	2.25%	2.36%
■ San Bernardino	1.45%	1.49%	1.59%	1.71%	1.74%	1.85%	1.86%	1.89%	1.93%	2.01%	2.03%	2.11%
● San Diego	1.54%	1.63%	1.63%	1.79%	1.85%	1.91%	1.94%	1.98%	2.02%	2.06%	2.17%	2.31%
◆ San Francisco	1.60%	1.72%	1.71%	1.85%	1.90%	2.01%	2.06%	2.09%	2.16%	2.17%	2.28%	2.35%
▲ San Luis Obispo	1.41%	1.47%	1.53%	1.64%	1.72%	1.79%	1.82%	1.84%	1.87%	1.90%	1.99%	2.12%
● Solano	1.33%	1.46%	1.38%	1.52%	1.63%	1.60%	1.60%	1.61%	1.74%	1.86%	1.99%	2.08%
■ Sonoma	1.45%	1.59%	1.52%	1.66%	1.69%	1.79%	1.78%	1.86%	1.93%	1.92%	2.08%	2.18%



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, 2018 to December 31, 2018**



COMMUNITY REINVESTMENT ACT PROGRAM UPDATE.



County of Sacramento

Inter-Departmental Memorandum

February 15, 2019

To: Treasury Oversight Committee

From: Dave Matuskey
Investment Officer

A handwritten signature in blue ink, appearing to read "DM", is written over the name "Dave Matuskey" in the "From:" field.

Subject: **COMMUNITY REINVESTMENT ACT PROGRAM**

BACKGROUND

The County of Sacramento Board of Supervisors adopted the Community Reinvestment Act (CRA) Program in 1992 to encourage banks to actively support lending needs in low- and moderate-income neighborhoods in the Sacramento County. Banks doing business in the county with a Satisfactory or higher CRA ratings are eligible for deposits up to the FDIC insurance maximum (currently \$250,000), and banks with minimum credit ratings, as specific in the investment policy, are eligible for deposits in excess of that amount provided the excess is collateralized. The Investment Policy allows the Director of Finance a maximum of \$90 million of the Pooled Investment Fund for CRA Program deposits. Currently, there are \$15 million in CRA Program deposits in the Pooled Investment Fund.

DISCUSSION

Until last year, the CRA Program had accepted applications for deposit on a first-come, first-served basis. Because using a placement service for deposits may disadvantage banks that apply after other banks have received CRA program deposits, in March 2018 we undertook an RFP-like process to request applications from all eligible bank operating in the County, two banks qualifying for a total of \$15 million in deposits.

We will be following the same process again in March 2019, requesting applications from all eligible banks. Staff will review the applications and deposit funds at all eligible banks that meet the minimum CRA rating and provide a competitive rate of return. In the event that applications are received for deposits in excess of the \$90 million allocated for the program, staff will prioritize deposits for banks with higher CRA ratings and lending activity in Sacramento County and offering a higher rate of return.

Attached is a list of banks eligible for CRA Program deposits.

Community Reinvestment Act Program Approved Banks and Credit Unions January 2019

American River Bank/Sacramento CA
Bank of America NA
Bank of Stockton
Bank of the West
Banner Bank/Walla Walla WA
Beal Bank SSB
Beneficial State Bank
California Bank & Trust/San Diego CA
Cathay Bank/Los Angeles CA
Central Valley Community Bank
Citibank NA
Compass Bank
East West Bank/Pasadena CA
El Dorado Savings Bank FSB
Farmers & Merchants Bank of Central California
First Bank/Creve Coeur MO
First-Citizens Bank & Trust Co
First Foundation Bank
First Northern Bank of Dixon
Five Star Bank Natomas
Golden Pacific Bank
JPMorgan Chase Bank NA
Merchants National Bank of Sacramento/The
MUFG Union Bank NA
Oak Valley Community Bank
River City Bank
Tri Counties Bank
Umpqua Bank/Roseburg OR
United Business Bank FSB
US Bank NA/Cincinnati OH
Wells Fargo Bank NA
Westamerica Bank/San Rafael CA

PRESENTATION SURVEY RESULTS.

NO WRITTEN REPORT

FPPC FORM 700 REMINDER.

NO WRITTEN REPORT

NEXT MEETING REMINDER – FRIDAY, MAY 17, 2019.

NO WRITTEN REPORT

ADJOURNMENT

NO WRITTEN REPORT