



**SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE**
Regular Meeting — Friday, February 16, 2024 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

AGENDA

ITEM	SUBJECT
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| 1. | Call To Order And Introductions. |
| 2. | Comments From The Public. |
| 3. | Approval Of November 17, 2023, Meeting Minutes. |
| 4. | Presentation Of The Sacramento County Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2024. |
| 5. | Member Update. |
| 6. | Discussion And Action On The Non-Pooled Funds Portfolio Report And Internal Audit Of Non-Pooled Investment Funds For The Quarter Ended December 31, 2023. |
| 7. | Discussion And Action On The Quarterly Report Of The Pooled Investment Fund For The Quarter Ended December 31, 2023, And Compliance With Investment Policy. |
| 8. | Overview Of Pooled Investment Fund Statistics From Various Jurisdictions For December 2023. |
| 9. | Request For Proposal for External Auditor. |
| 10. | FPPC Form 700. |
| 11. | Next Meeting Reminder - Friday, May 17, 2024. |
| 12. | Adjournment. |

CALL TO ORDER AND INTRODUCTIONS.

NO WRITTEN REPORT

COMMENTS FROM THE PUBLIC.

NO WRITTEN REPORT

APPROVAL OF NOVEMBER 17, 2023, MEETING MINUTES.



SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE
Regular Meeting — Friday, November 17, 2023 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

MINUTES

PRESENT: Jeremiah Loughry, Sean Martin, Ivan Myrick, Dave O’Toole, Chris Parker, Chad Rinde, David Villanueva.

ABSENT: Joseph Wilson.

STAFF: Peter Aw-Yang, Dave Matuskey, Bernard Santo Domingo.

GUESTS: None.

1. CALL TO ORDER AND INTRODUCTIONS.

Chad Rinde called the meeting to order at 9:05 a.m.

2. COMMENTS FROM THE PUBLIC.

There were no comments from the public.

3. APPROVAL OF MAY 19, 2023, MEETING MINUTES.

The minutes of the May 19, 2023, meeting were approved on a motion made by Dave O’Toole, seconded by David Villanueva, and carried (5-0) with one abstention.

4. MEMBER UPDATE.

Dave Matuskey stated that Sean Martin from the Folsom Cordova Unified School District won the election for the School and Community College District representative position and that applications are still being accepted for the vacant 3rd and 5th District public member positions.

Chris Parker arrived at 9:07 a.m.

5. DISCUSSION AND ACTION ON THE NON-POOLED FUNDS PORTFOLIO REPORTS AND INTERNAL AUDITS OF THE NON-POOLED INVESTMENT FUNDS FOR THE QUARTERS ENDED JUNE 30, 2023, AND SEPTEMBER 30, 2023.

Bernard Santo Domingo presented the Quarterly Reports of the Non-Pooled Funds Portfolio for the Quarters Ended June 30, 2023, and September 30, 2023. Mr. Santo Domingo also presented the Internal Audits of Non-Pooled Investment Funds for the Quarters Ended June 30, 2023, and September 30, 2023.

The Non-Pooled Funds Portfolio Reports And Internal Audits Of The Non-Pooled Investment Funds For The Quarters Ended June 30, 2023, and September 30, 2023, were accepted on a motion made by Sean Martin, seconded by Ivan Myrick, and unanimously carried (7-0).

6. DISCUSSION AND ACTION ON THE QUARTERLY REPORTS OF THE POOLED INVESTMENT FUND FOR THE QUARTERS ENDED JUNE 30, 2023, AND SEPTEMBER 30, 2023, AND COMPLIANCE WITH INVESTMENT POLICY.

Bernard Santo Domingo presented the Quarterly Reports Of The Pooled Investment Fund For The Quarters Ended June 30, 2023, and September 30, 2023, 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 since the last meeting, the Fed did another 25 basis points rate hike, bringing rates up to a range of 5.25% to 5.50%. He stated that the market is currently not pricing any more rate hikes this cycle and is expecting rates to be cut by 50 to 100 basis points by the end of 2024. He noted that core inflation is still at 4% and the currently expectation is for rates to remain higher for longer. He projects rates on the Pooled Investment Fund to rise incrementally for one or two more quarters before peaking for this cycle.

The Quarterly Reports of the Pooled Investment Fund For The Quarters Ended June 30, 2023, and September 30, 2023, were accepted on a motion made by Sean Martin, seconded by Jeremiah Loughry, and unanimously carried (7-0).

7. OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS JURISDICTION FOR SEPTEMBER 2023.

Bernard Santo Domingo presented the *Investment Fund Statistics Questionnaire Results – September 2023, Comparison of Various County Pooled Investment Funds and LAIF – 12-Month Yield Performance as of September 2023, and Overview of Pooled Investment Fund Statistics from Various Jurisdictions – Comparison of Yields and Average Weighted Maturities from December 31, 2022 – September 30, 2023.*

8. DISCUSSION AND ACTION ON REPORT OF COMPLIANCE WITH GOVERNMENT CODE SECTION 27133(c) AND INVESTMENT POLICY REGARDING POLITICAL CONTRIBUTIONS.

Bernard Santo Domingo presented the Report of Compliance with Government Code Section 27133(c) and Investment Policy Regarding Political Contributions and stated that all broker/dealers and direct issuers were in compliance.

The Report of Compliance with Government Code Section 27133(c) and Investment Policy Regarding Political Contributions was accepted on a motion made by Dave O’Toole, seconded by Ivan Myrick, and unanimously carried (7-0).

9. REQUEST FOR PROPSAL FOR EXTERNAL AUDITOR.

Dave Matuskey explained the committee’s process for selecting an external auditor and the opportunity for a committee member to be on the RFP selection committee for the next countywide external auditor. Chad Rinde stated that the countywide RFP is scheduled to be released in January 2024 with a selection in March 2024. Mr. Rinde said staff would reach out to committee members with more information on the RFP timeline and that if no committee members were interested in volunteering, a staff member could represent the committee in the RFP process.

10. NEXT MEETING REMINDER.

Chris Parker reminded the committee that the next regular meeting of the Treasury Oversight Committee is scheduled for Friday, February 16, 2024.

11. ADJOURNMENT.

The meeting was adjourned at 10:10 a.m.

Respectfully submitted:

Approved:

Dave Matuskey
Investment Officer

Chris Parker, Chair
Treasury Oversight Committee

cc: Treasury Oversight Committee Members
Department of Finance Staff

PRESENTATION OF THE SACRAMENTO COUNTY ANNUAL INVESTMENT POLICY
OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2024.

APPROVED
BOARD OF SUPERVISORS
by Reso No 2023-0979
DEC 05 2023
BY *Florence Evans*
Clerk of the Board

**COUNTY OF SACRAMENTO
CALIFORNIA**

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For the Agenda of:
December 5, 2023

To: Board of Supervisors

Through: Ann Edwards, County Executive
David Villanueva, Deputy County Executive, Administrative Services

From: Chad Rinde, Director, 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 2024

District(s): All

RECOMMENDED ACTION

Adopt the attached resolution:

1. Renewing the delegation of authority to the Director of Finance to invest funds in the County Treasury and to sell and exchange securities; and
2. Approving the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2024.

BACKGROUND

Government Code Section 53607 allows the Board to annually delegate the authority to invest funds in the County Treasury and to sell and exchange securities to the Director of Finance. The Board serves as a fiduciary unless this authority is delegated. The Board has annually delegated the authority to invest funds in the County Treasury and to sell and exchange securities to the Director of Finance since 1996. The Board has also approved the Annual Investment Policy of the Pooled Investment Fund (Investment Policy) every year since 1987. The two proposed changes to the investment policy are described below.

The maximum maturity for negotiable certificates of deposit in the policy was raised to 270 days from 180 days to match the maximum maturity for commercial paper.

Delegation Of Investment Authority To The Director Of Finance And Approval
Of The Annual Investment Policy Of The Pooled Investment Fund For
Calendar Year 2024
Page 2

The gift limit in the policy was updated to reflect the current Fair Political Practices Commission annual limit of \$590, which was increased from \$520 (Page 12).

A clean version of the policy is provided as Attachment 2.

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.

Attachment(s):

RES – Delegation of Investment Authority and Approval of Investment Policy

ATT 1 – 2024 Investment Policy (strikethrough)

ATT 2 – 2024 Investment Policy (clean)

RESOLUTION NO. 2023-0979

RESOLUTION 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 2024

WHEREAS, the Board of Supervisors delegated authority to invest funds in the County Treasury to the Director of Finance on December 6, 2022, 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 2024 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 2024.

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 2024
Page 2

On a motion by Supervisor Kennedy, seconded by Supervisor Hume, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 5th day of December, 2023, by the following vote, to wit:

AYES: Supervisors Frost, Kennedy, Hume, Desmond

NOES: None

ABSENT: Supervisor Serna

ABSTAIN: None

RECUSAL: None
(PER POLITICAL REFORM ACT (§ 18702.5.))



ATTEST: *Florence Evans*
Clerk, Board of Supervisors

R. F. Hume
Chair of the Board of Supervisors
of Sacramento County, California

FILED
BOARD OF SUPERVISORS

DEC 05 2023
BY *Florence Evans*
CLERK OF THE BOARD

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 Dec 5, 2023

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



SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR ~~2023~~2024

*Approved by the
Sacramento County Board of Supervisors*

December ~~6~~5, ~~2022~~2023
Resolution No.

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SACRAMENTO COUNTY
Annual Investment Policy
of the Pooled Investment Fund
CALENDAR YEAR ~~2023~~2024

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 and joint powers authorities 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 at a public meeting.

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.

All securities purchased, with the exception of bank deposits, money market mutual funds, and LAIF, 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 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 in securities 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 except for securities issued by, or backed by, the United States government during a period of negative market interest rates. Prohibited investments 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.

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.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	<u>Banks</u> — FDIC Insurance Coverage
	<u>Credit Unions</u> — 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	(Any 2 of 3 ratings) S&P: A-2 Moody's: P-2 Fitch: F-2 OR Through a private sector entity that assists in the placement of deposits to achieve FDIC insurance coverage of the full deposit and accrued interest. Collateral is required

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from their federal regulator. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must either have a letter of credit issued by the Federal Home Loan Bank of San Francisco or 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 a commitment to community reinvestment lending and charitable activities comparable to what is 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 U.S. Treasury and Agency obligations, 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 -270 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

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

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 U.S. Treasury and Agency obligations. 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 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)

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

Excluding U.S. Treasury and Agency obligations, no more than 10% of the portfolio, 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. Treasury and Agency obligations with a market value of 102% for collateral marked to market daily; or (2) money market instruments on the Approved Lists of the County that 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 U.S. Treasury and Agency obligations 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 that 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 that 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 that 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 shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits 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 Board of Supervisors, the Oversight Committee, and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. The report will also be posted on the Department of Finance website. 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.

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 is~~ \$520-590 for the period January 1, ~~2021~~2023, to December 31, ~~2022~~2024. ~~The limitation for January 1, 2023, to December 31, 2024 will be adjusted for inflation by the State Fair Political~~

~~Practices Commission by January 2023.~~ 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
<i>Best-quality grade</i>	Aaa	AAA	AAA
<i>High-quality grade</i>	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
<i>Upper Medium Grade</i>	A1	A+	A+
	A2	A	A
	A3	A-	A-
<i>Medium Grade</i>	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<i>Speculative Grade</i>	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
<i>Low Grade</i>	B1	B+	B+
	B2	B	B
	B3	B-	B-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC
<i>In Poor Standing</i>	-	CCC	-
	-	CCC-	-
<i>Highly Speculative Default</i>	Ca	CC	CC
	C	-	-
<i>Default</i>	-	-	DDD
	-	-	DD
	-	D	D

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



SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2024

*Approved by the
Sacramento County Board of Supervisors*

December 5, 2023
Resolution No.

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SACRAMENTO COUNTY
Annual Investment Policy
of the Pooled Investment Fund
CALENDAR YEAR 2024

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 and joint powers authorities 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 at a public meeting.

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.

All securities purchased, with the exception of bank deposits, money market mutual funds, and LAIF, 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 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 in securities 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 except for securities issued by, or backed by, the United States government during a period of negative market interest rates. Prohibited investments 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.

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.

Community Reinvestment Act Program Credit Requirements

Maximum Amount	Minimum Requirements
Up to the FDIC- or NCUSIF-insured limit for the term of the deposit	<u>Banks</u> — FDIC Insurance Coverage
	<u>Credit Unions</u> — 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	<p>(Any 2 of 3 ratings)</p> <p>S&P: A-2 Moody's: P-2 Fitch: F-2 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> <p>Collateral is required</p>

Eligible banks must have Community Reinvestment Act performance ratings of “satisfactory” or “outstanding” from their federal regulator. In addition, deposits greater than the federally-insured amount must be collateralized. Banks must either have a letter of credit issued by the Federal Home Loan Bank of San Francisco or 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 a commitment to community reinvestment lending and charitable activities comparable to what is 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 U.S. Treasury and Agency obligations, 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.....	270 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

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

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 U.S. Treasury and Agency obligations. 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 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)

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

Excluding U.S. Treasury and Agency obligations, no more than 10% of the portfolio, 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. Treasury and Agency obligations with a market value of 102% for collateral marked to market daily; or (2) money market instruments on the Approved Lists of the County that 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 U.S. Treasury and Agency obligations 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 that 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 that 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 that 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 shall issue and maintain Investment Guidelines specifying authorized investments, credit requirements, permitted transactions, and issue maturity and concentration limits 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 Board of Supervisors, the Oversight Committee, and to any local agency participant that requests a copy, a detailed report on the Pooled Investment Fund. The report will also be posted on the Department of Finance website. 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.

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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 \$590 for the period January 1, 2023, to December 31, 2024. 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.

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<i>High-quality grade</i>	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
<i>Upper Medium Grade</i>	A1	A+	A+
	A2	A	A
	A3	A-	A-
<i>Medium Grade</i>	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<i>Speculative Grade</i>	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
<i>Low Grade</i>	B1	B+	B+
	B2	B	B
	B3	B-	B-
<i>Poor Grade to Default</i>	Caa	CCC+	CCC
<i>In Poor Standing</i>	-	CCC	-
	-	CCC-	-
<i>Highly Speculative Default</i>	Ca	CC	CC
	C	-	-
<i>Default</i>	-	-	DDD
	-	-	DD
	-	D	D

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

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<i>Acceptable Capacity</i>	P-3	A-3	F3

MEMBER UPDATE.

Department of Finance

Chad Rinde
Director




County of Sacramento

Divisions

Auditor-Controller
Consolidated Utilities Billing &
Service
Investments
Revenue Recovery
Tax Collection & Licensing
Treasury

Inter-Office Memorandum

Date: February 16, 2024
To: Treasury Oversight Committee
From: Chad Rinde 
Director of Finance

Subject: STATUS REPORT ON MEMBER POSITIONS

Public Members

The 3rd and 5th District public member positions remain vacant. The Clerk of the Board is accepting applications for both positions.

DISCUSSION AND ACTION ON THE NON-POOLED FUNDS PORTFOLIO REPORT AND
INTERNAL AUDIT OF NON-POOLED INVESTMENT FUNDS FOR THE QUARTER
ENDED DECEMBER 31, 2023.



COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE

NON-POOLED FUNDS PORTFOLIO REPORT

FOR QUARTER ENDED DECEMBER 31, 2023

**COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE**

NON-POOLED FUNDS PORTFOLIO REPORT

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PORTFOLIO CONCENTRATION & CREDIT QUALITY

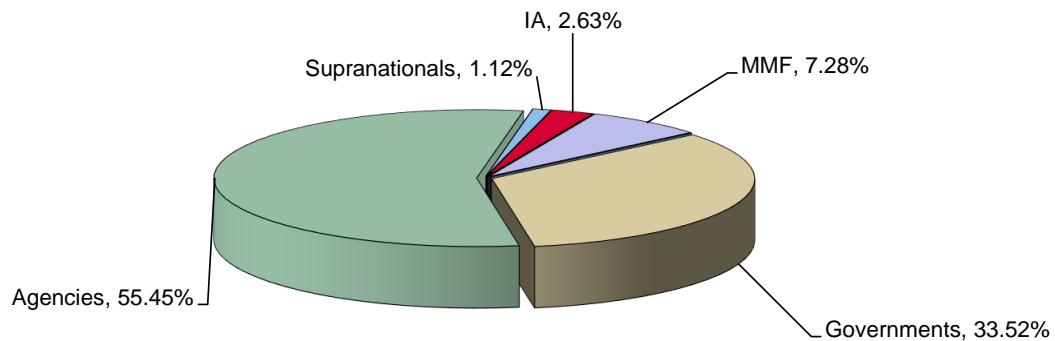
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COUNTY OF SACRAMENTO
Non-Pooled Funds - December 31, 2023

Portfolio Sector Concentration Profile
ALL NON-POOLED FUNDS

Sector	Credit Quality	Dollar Amount At Cost	Percent
GOVERNMENTS	AA+/Aaa/AAA		
Treasury Bills		\$ 281,502,953.84	32.81%
Treasury Notes		\$ -	0.00%
Treasury Bonds		\$ -	0.00%
SLGs		\$ 6,082,480.00	0.71%
SUBTOTAL		\$ 287,585,433.84	33.52%
AGENCIES	AA+/Aaa/AAA		
FHLB		\$ 62,267,125.00	7.26%
FHLB Discount Notes		\$ 216,741,943.06	25.26%
FNMA		\$ -	0.00%
FNMA Discount Notes		\$ -	0.00%
FFCB		\$ -	0.00%
FFCB Discount Notes		\$ -	0.00%
FHLMC		\$ -	0.00%
FHLMC Discount Notes		\$ 196,661,355.26	22.92%
SUBTOTAL		\$ 475,670,423.32	55.45%
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	\$ 9,628,574.33	1.12%
INVESTMENT AGREEMENTS (IA)	Not Rated	\$ 22,595,237.40	2.63%
LOCAL AGENCY INVESTMENT FUND (LAIF)	Not Rated	\$ -	0.00%
MONEY MARKET FUNDS (MMF)	AAA	\$ 62,416,245.07	7.28%
TOTAL		\$ 857,895,913.96	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, 2023

Fund	Description	Type*	Funded Date	Maturity Date	Amount Issued	Book Value	Bond/Note TIC/NIC
Fiscal Agent Trustee Funds							
5277	SASD Series 2015 Refunding	REV	5/5/2015	8/1/2035	45,435,000	903.55	3.392%
5390-93	SRCSD REF 2005	REV	9/7/2005	12/1/2023	61,220,000	1,032.79	4.414%
5455-57	SRCSD 2014A	REV	7/10/2014	12/1/2044	378,510,000	7,970.51	3.823%
5510-15	SCWA, Series 2007	REV	5/9/2007	6/1/2039	413,420,000	22,895,061.80	4.260%
5600-02	SRCSD REF 2007	REV	3/1/2007	12/1/2035	443,365,000	5,845.79	4.165%
5603-04	SRCSD REF 2021	REV	3/10/2021	12/1/2034	269,810,000	1,072.70	1.460%
5800-07	Airport System 2009 A&B	REV	7/28/2009	7/1/2041	201,800,000	19,506,552.67	5.473%
5810-15	Airport System 2009 C&D	REV	7/28/2009	7/1/2041	278,250,000	19,128,436.06	6.010%
5860-63	SASD Series 2010 A&B	REV	8/11/2010	8/1/2040	126,620,000	708.88	4.069%
5890-92	San Juan USD, Elec 02, Ser 2011	GO	6/10/2011	6/1/2026	10,600,000	6,794,273.06	5.336%
6126-27	FCUSD SFID #3, Series D	GO	7/31/2019	10/1/2044	150,000,000	33,273,175.98	3.460%
6805-07	SRCSD 2020A	REV	7/14/2020	12/1/2044	115,165,000	1,952.20	3.240%
50A0	Airport System Refund 2016A	REV	12/21/2016	7/1/2041	89,000,000	2,753,361.40	4.332%
50B0	Airport System Refund 2016B	REV	12/21/2016	7/1/2041	92,790,000	2,462,470.26	4.373%
50E0	McClellan Park CFD Ser. 2017A	MR	12/14/2017	9/1/2040	29,470,000	2,701,212.61	3.804%
50G0-H7	Airports System Ref 2018A-C	REV	5/3/2018	7/1/2039	435,510,000	9,258,176.67	3.488%
50I0-J3	Airports System Ref 2018D-F	REV	5/3/2018	7/1/2035	137,590,000	6,507,218.15	3.142%
50K0	FCUSD SFID #5 2018	GO	5/10/2018	10/1/2043	95,000,000	10,743,156.80	3.627%
50L0-L5	Florin Vineyard CFD No. 1 2018	MR	8/16/2018	9/1/2048	6,610,000	521,184.29	3.926%
51F0	Airports System Ref 2020	REV	8/20/2020	7/1/2040	79,705,000	1,758,391.34	2.100%
51G0	Natomas USD, Elec 18, 2020A	GO	10/1/2020	8/1/2049	52,980,000	2,700,107.71	3.272%
51H0	Natomas USD, Elec 14, 2020	GO	10/1/2020	8/1/2042	20,500,000	3,267,190.03	2.573%
51J0	San Juan USD, Elec 12, Ser 20	GO	10/29/2020	8/1/2029	30,000,000	10,558,191.24	0.776%
51M0	2020 Refunding COP	COP	10/22/2020	10/1/2029	27,080,000	2,839,564.87	1.082%
51Q0	Elk Grove USD, Elec 16, Ser 21	GO	4/20/2021	8/1/2045	140,500,000	39,609,365.90	2.078%
51R0	River Delta USD, SFID #1	GO	4/29/2021	8/1/2049	15,300,000	13,102,968.59	2.450%
51S0	River Delta USD, SFID #2	GO	4/29/2021	10/1/2050	4,900,000	2,289,558.77	2.496%
51T0	North Yineyard CFD No. 2 2021	MR	6/30/2021	9/1/2046	3,895,000	405,473.60	2.987%
51U0-U1	Los Rios CCD Elec 08, Ser E	GO	7/1/2021	8/1/2035	130,000,000	103,655,610.69	1.027%
51Z1	SCWA, Series 2022A	REV	2/1/2022	11/1/2025	81,215,000	64,562,058.44	1.036%
52A0	Center USD, Series 2021B	GO	12/15/2021	8/1/2051	43,000,000	9,254,857.57	2.694%
52C0	Sac City USD, Series 2022 A	GO	7/21/2022	8/1/2052	225,000,000	163,323,669.96	4.742%
52F0	Metro Air Park CFD, Ser 22	MR	9/15/2022	9/1/2047	40,000,000	37,086,306.02	4.984%
52G0	Fair Oaks Rec & Park Ser 2022	GO	11/16/2022	8/1/2051	8,460,058	8,657,113.93	5.314%
52I0	Twin Rivers USD, Series 2022A	GO	3/7/2023	8/1/2047	40,000,000	36,587,122.79	4.039%
52J0	Twin Rivers USD SFID, 2022A	GO	3/7/2023	8/1/2047	40,000,000	38,987,464.03	4.021%
52L0	Carmichael RPD, Series 2023A-1	GO	3/28/2023	8/1/2052	5,360,000	5,398,049.22	4.497%
52M0	Carmichael RPD, Series 2023A-2	GO	3/28/2023	8/1/2043	4,640,000	3,834,307.48	5.711%
52N0	Elk Grove USD, Elec 16, Ser 23	GO	6/14/2023	8/1/2045	132,400,000	125,192,003.13	3.780%
52P0	Elk Grove USD, CFD 1, Ser 2023	MR	7/13/2023	12/1/2042	35,000,000	35,431,028.76	3.334%
52Q0	Elk Grove USD, CFD 1, Ref 2023	MR	7/13/2023	12/1/2033	59,370,000	6,057,531.80	2.559%
52R0	River Delta USD, SFID #2 Ser 23	GO	9/7/2023	8/1/2052	6,800,000	6,774,211.92	4.384%

TOTAL NON-POOLED INVESTMENT FUNDS BOOK VALUE: \$857,895,913.96

New issues are reflected in blue.

FUND TYPES:

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

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

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

FFCB – Federal Farm Credit Bank

FHLB – Federal Home Loan Bank

FHLMC – Federal Home Loan Mortgage Corporation

FNMA – Federal National Mortgage Association

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

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

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

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

COUNTY OF SACRAMENTO

Treasury Oversight Committee
Non-Pooled Investments
Performance Audit Report

For the Quarter Ended December 31, 2023

Audit Staff:

Tae-Young Kang, CPA
Jennifer Cabrera
Thomas Chung

Audit Manager
Senior Auditor
Auditor

**COUNTY OF SACRAMENTO
TREASURY OVERSIGHT COMMITTEE
NON-POOLED INVESTMENTS
PERFORMANCE AUDIT REPORT
FOR THE QUARTER ENDED DECEMBER 31, 2023**

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Department of Finance

Chad Rinde
Director



Divisions

Auditor-Controller
Consolidated Utilities Billing &
Service
Investments
Revenue Recovery
Tax Collection & Licensing
Treasury

County of Sacramento

February 8, 2024

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

We have audited the County of Sacramento (County) Non-Pooled Investment Fund (Fund) for the quarter ended December 31, 2023.

Our audit was conducted to verify the Fund's compliance with the County Non-Pooled Investment Funds as described below for the quarter ended December 31, 2023, and to verify whether the Department of Finance, Treasury Division (Treasury) and Investment Division (Investment) have adequate internal controls to ensure the Fund's compliance with their bond resolution, bond indenture, or by the bond insurer (governing bond documents), and applicable laws and regulations.

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), and Certificates of Participation Notes (COPs).

Most 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 bond documents.

Management is responsible for the design, implementation, and maintenance of effective internal controls to ensure compliance with the bond documents.

The scope of our audit includes all non-pooled investments for the quarter ended December 31, 2023.

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 governing bond documents.

Document Review:

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

Process Walkthrough:

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

Testing:

- We verified the SymPro non-pooled investment balances agreed with the custodian statements.
- We selected 11 out of total 42 non-pooled bond proceed funds, which represents approximately 26% of the total non-pooled investments based on outstanding issues as of December 31, 2023, to test for compliance with the governing bond documents. There were no new bonds issued during the period under audit. See ATT 1 – *Schedule of Sample Non-Pooled Investments*.
- We inspected the portfolio monitoring reports for the 11 selected bonds' investments and tested them for accuracy.
- We verified investments were made in accordance with the governing bond documents.

We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS) issued by the Comptroller General of the United States of America except for paragraph 3.56 regarding our independence as described in the below paragraph. 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.

The Honorable Board of Supervisors and
The Sacramento County Treasury Oversight Committee
February 8, 2024

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 GAGAS' 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 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 the internal control or compliance of the Fund, the accounts or 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 governing bond documents, and applicable laws and regulations for the quarter ended December 31, 2023. Also, it appears that Treasury and Investment have adequate internal controls to ensure the Fund's compliance with the governing bond documents, and applicable laws and regulations.

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 Sacramento County Executive, 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,

CHAD RINDE
DIRECTOR OF FINANCE



By: Tae-Young Kang, CPA
Audit Manager

ATT 1 – Schedule of Sample Non-Pooled Investments

COUNTY OF SACRAMENTO
 TREASURY OVERSIGHT COMMITTEE
 NON-POOLED INVESTMENTS
 SCHEDULE OF SAMPLE NON-POOLED INVESTMENTS
 FOR THE QUARTER ENDED DECEMBER 31, 2023

Issue ⁽¹⁾	Book Value 12/31/2023 ⁽²⁾	% of Portfolio
Sac City USD, Series 2022 A (GO)	\$ 163,323,669.96	19
Elk Grove USD, Elec 16, Ser 23 (GO)	125,192,003.13	15
Los Rios CCD Elec 08, Ser E (GO)	103,655,610.69	12
Twin Rivers USD, Series 2022A (GO)	36,587,122.79	4
FCUSD SFID #3, Series D (GO)	33,273,175.98	4
SCWA, Series 2007 (REV)	22,895,061.80	3
Airport System 2009 C&D (REV)	19,128,436.06	2
FCUSD SFID #5 2018 (GO)	10,743,156.80	1
San Juan USD, Elec 12, Ser 20 (GO)	10,558,191.24	1
McClellan Park CFD Ser. 2017A (MR)	2,701,212.61	<1
Airport System Refund 2016B (REV)	2,462,470.26	<1
Total Non-pooled Investments tested	\$ 530,520,111.32	62
Total Non-Pooled Investments	\$ 857,895,913.96	100

(1) The sample of non-pooled investments was selected based upon outstanding issues on December 31, 2023. There were no new issues during this quarter.

(2) Subsequent to the issuance of Non-Pooled Investment Portfolio report, several adjustments were made to Non-Pooled Investment Fund Accounts, mainly to record interest earnings and to correct trading date. The adjustments were totaled \$332,087.52 which is less than 1% of total Non-Pooled Investment Fund. These adjustments will be reflected in the next Non-Pooled Investment Portfolio report.

Fund Type

(GO) - General Obligation Bonds

(MR) - Mello Roos Bonds

(REV) - Revenue Bonds

DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED
INVESTMENT FUND FOR THE QUARTER ENDED DECEMBER 31, 2023, AND
COMPLIANCE WITH INVESTMENT POLICY.



Quarterly Pooled Investment Fund Report
 As Prescribed By
 California Government Code Section 53646
For The Quarter Ended December 31, 2023

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 2023 Investment Policy during the quarter ended December 31, 2023.

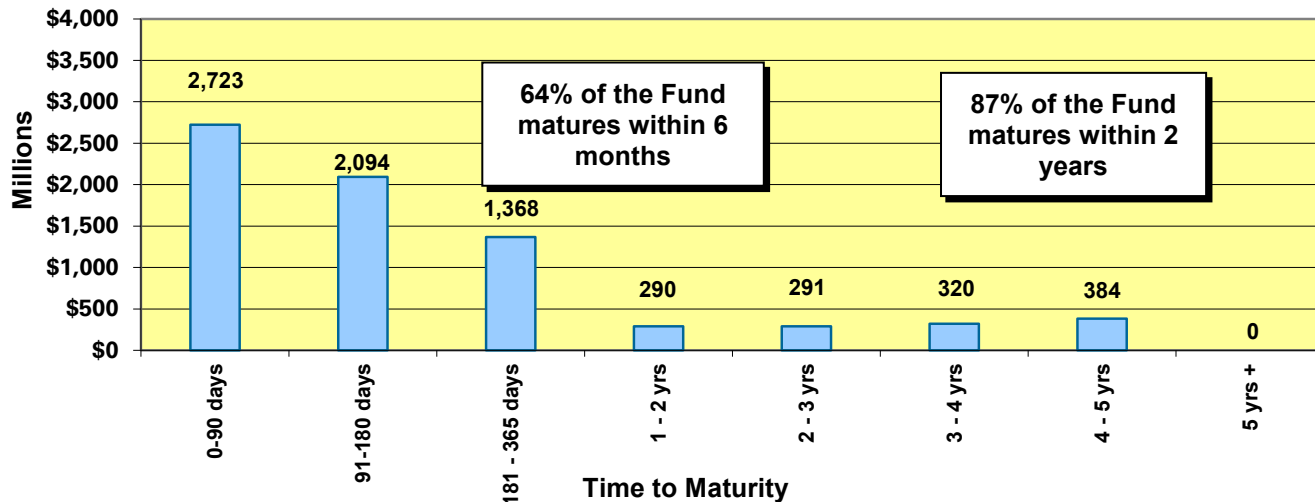
Portfolio Statistics	Quarter Ended 09/30/23	Quarter Ended 12/31/23
Average Daily Balance	\$6,400,335,003	\$6,489,439,409
Period-End Balance	\$6,324,207,841	\$7,470,345,745
Earned Interest Yield	4.516%	4.713%
Weighted Average Maturity	305 Days	285 Days
Duration in Years	0.757	0.694
Amortized Book Value	\$6,320,174,342	\$7,467,412,634
Market Value	\$6,281,451,601	\$7,404,409,000
Percent of Market to Cost	99.39%	99.16%

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 6 basis points or 0.06%. 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, 2023¹

Investment Description	Percentage of Portfolio at Cost 09/30/2023	Percentage of Portfolio at Cost 12/31/2023	Percentage of Portfolio at Market 12/31/2023	Earned Interest Yield at 12/31/2023
<i>US Agency, Treasury & Municipal Notes (USATM):</i>				
<i>US Agency Notes</i>	32.17%	37.48%	37.53%	4.60%
<i>Notes/Discount Notes FFCB</i>	8.00%	9.44%	9.43%	4.21%
<i>Notes/Discount Notes FHLB</i>	21.50%	25.78%	25.98%	5.08%
<i>Notes/Discount Notes FNMA</i>	1.56%	1.32%	1.24%	0.72%
<i>Notes/Discount Notes FHLMC</i>	1.10%	0.93%	0.88%	0.85%
<i>US Treasury Notes/Discount Notes</i>	0.83%	0.70%	0.65%	0.57%
<i>Municipal Notes</i>	0.29%	0.61%	0.62%	4.52%
Total USATM	33.29%	38.80%	38.80%	4.53%
Repurchase Agreements	0.00%	0.00%	0.00%	0.00%
Supranationals	13.91%	14.00%	13.51%	2.95%
Commercial Paper	30.89%	29.30%	29.62%	5.70%
Certificates of Deposit	18.82%	15.29%	15.43%	5.65%
LAIF	1.19%	1.00%	1.01%	3.93%
Bank Money Market	1.90%	1.61%	1.63%	4.27%
Money Market Accounts	0.00%	0.00%	0.00%	0.00%

POOLED INVESTMENT FUND MATURITIES AS OF DECEMBER 31, 2023
\$7,470 Billion



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

Projected Cash Flow

Based upon our cash flow model projection dated January 18, 2024, summarized below, we have sufficient cash flow to meet expenditures for the next 12 months.

Month	Bank Balance	Maturities & Interest	Receipts	Disbursements	Difference	Less Investments Beyond One Year	Funds Available for Future Cash Flow Needs*
<i>Dollar amounts represented in millions</i>							
Jan	20.0	\$1,257.9	\$891.1	\$1,315.7	\$833.3	\$40.0	\$793.3
Feb	20.0	\$640.8	\$801.9	\$1,075.3	\$367.4	\$40.0	\$327.4
Mar	20.0	\$675.7	\$1,134.5	\$1,056.7	\$753.5	\$40.0	\$713.5
Apr	20.0	\$405.8	\$1,658.4	\$1,161.0	\$903.2	\$40.0	\$863.2
May	20.0	\$1,044.5	\$940.6	\$1,312.1	\$673.0	\$40.0	\$633.0
Jun	20.0	\$754.4	\$1,035.2	\$954.0	\$835.6	\$40.0	\$795.6
Jul	20.0	\$1,044.2	\$794.5	\$1,469.6	\$369.1	\$40.0	\$329.1
Aug	20.0	\$324.0	\$905.7	\$1,315.6	(\$85.9)	\$40.0	(\$125.9)
Sep	20.0	\$234.5	\$1,013.0	\$984.9	\$262.6	\$40.0	\$222.6
Oct	20.0	\$52.7	\$919.5	\$1,120.6	(\$148.4)	\$40.0	(\$188.4)
Nov	20.0	\$22.2	\$988.8	\$938.2	\$72.8	\$40.0	\$32.8
Dec	20.0	\$23.1	\$1,909.2	\$1,132.0	\$800.3	\$40.0	\$760.3

*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, 2023, 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, 2023:

<u>Investment</u>	<u>Firm</u>	<u>Amount</u>
Local Agency Investment Fund	State Treasurer's Office	\$75,000,00.00

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

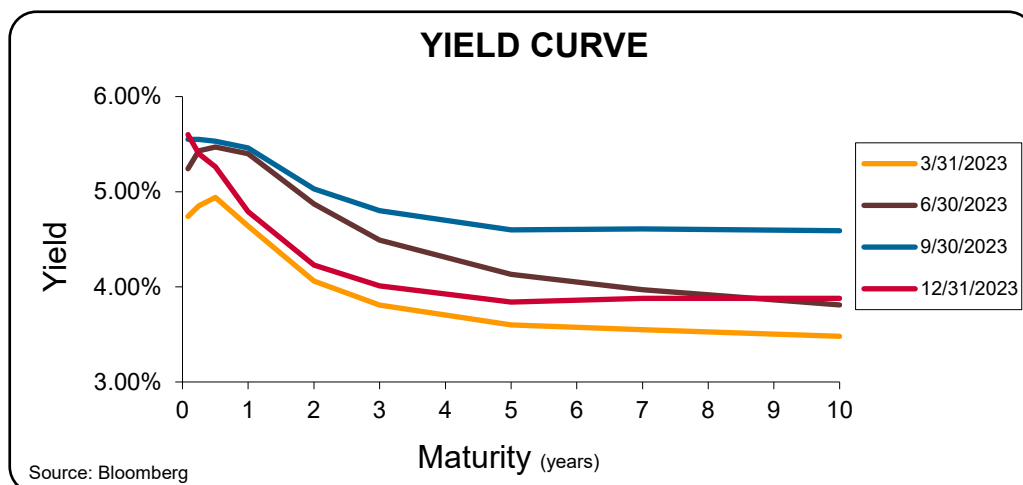
THIS COMPLETES THE QUARTERLY REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE § 53646.

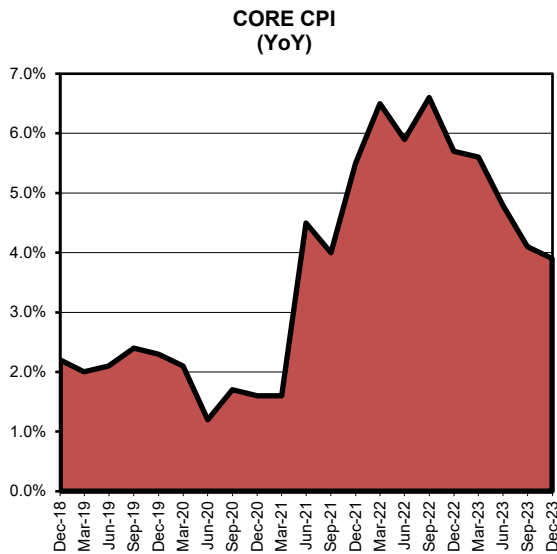
Financial Markets Commentary

On December 13, 2023, the Federal Open Market Committee (FOMC) left the federal funds rate at a range of 5.25% to 5.50%, unchanged since July 26, 2023, when it was raised to the highest level since 2007. However, the FOMC sent a strong signal that the current tightening monetary policy cycle was coming to an end and the long-awaited pause from the post-COVID lockdown inflationary period is here. The FOMC lowered its median forecast for core inflation for 2024 from 2.6% to 2.4%, closer to its long-term 2% inflation target objective. The FOMC also updated its median forecast for future rate changes from one 0.25% cut to three 0.25% federal funds rate cuts in 2024.

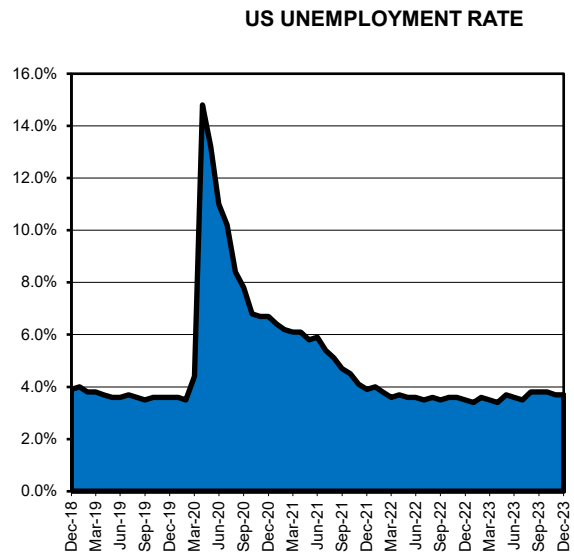
The Core Consumer Price Index, after peaking at 6.6% in September 2022, has fallen substantially to 3.9% in December 2023. Although the December figure came in above expectations, inflation has trended in the right direction for the last 15 months. Markets embraced the notion that the FOMC engineered a successful soft landing for the economy with the unemployment rate at 3.8% in December, within a half a percent of its 50-year low, and US Gross Domestic Product growing 4.9% in Q3 and estimated to be 2.0% for Q4 2023.

During the last post-FOMC meeting press conference, Chairman Powell admitted that federal funds rate hikes were no longer their base case assumption. Financial markets responded by pricing in six 0.25% rate cuts for 2024, with the first interest rate cut coming in March 2024. Along the US Treasury yield curve, interest rates have fallen substantially. The 5-year Treasury note yield is fluctuating around 4.05% after peaking in October 2023 at 4.95%. With both the Federal Reserve and market participants predicting an end to the rate tightening cycle, we expect the yield on the Pooled Investment Fund to plateau over the next few quarters before falling later this year.





Source: Bloomberg



Source: Bloomberg

Portfolio Management Strategy

During the past quarter, we continued to provide adequate liquidity to meet the cash flow needs of the Pooled Investment Fund participants. We are currently funding the cash flows for September 2024. We are purchasing 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 4.80% and 5.00%.

Respectfully submitted,
Bernard Santo Domingo
Chief Investment Officer

Concur,
Chad Rinde
Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: January 22, 2024

OVERCOM POOL REPORT 1
Investments by All Types
Active Investments
December 31, 2023

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
Money Market Accounts										
5STARMM	84745	100	Five Star Bank	20,078,284.66	100.0000000	20,078,284.66	4.600			
			Subtotal	20,078,284.66		20,078,284.66				
State Pool										
LAIF	57960	100	LAIF	75,000,000.00	100.0000000	75,000,000.00	3.929			
			Subtotal	75,000,000.00		75,000,000.00				
Certificates of Deposit										
05252WUQ4	85190	100	Aust & NZ Bank	55,000,000.00	100.0000000	55,000,000.00	5.440	01/03/2024		
05252WUR2	85191	100	Aust & NZ Bank	50,000,000.00	100.0000000	50,000,000.00	5.440	01/12/2024		
05252WUS0	85211	100	Aust & NZ Bank	75,000,000.00	100.0000000	75,000,000.00	5.460	02/07/2024		
05252WUT8	85214	100	Aust & NZ Bank	50,000,000.00	100.0000000	50,000,000.00	5.470	02/13/2024		
05252WUW1	85323	100	Aust & NZ Bank	60,000,000.00	100.0000000	60,000,000.00	5.530	04/04/2024		
83050P3C1	85248	100	Skandinaviska	95,000,000.00	100.0000000	95,000,000.00	5.700	03/01/2024		
86959R5M8	85303	100	Svenska	50,000,000.00	100.0021800	50,001,090.00	5.760	03/13/2024		
86959R5J5	85336	100	Svenska	22,082,000.00	99.9847051	22,078,622.57	5.480	01/02/2024		
86959R6K1	85347	100	Svenska	75,000,000.00	100.0012601	75,000,945.10	5.485	01/31/2024		
86959R6S4	85354	100	Svenska	85,000,000.00	100.0023911	85,002,032.42	5.720	05/01/2024		
86959R7E4	85425	100	Svenska	125,000,000.00	100.0023672	125,002,958.94	5.515	06/03/2024		
87019WPC3	85196	100	SWEDBANK	150,000,000.00	100.0000000	150,000,000.00	5.690	02/02/2024		
87019WPU3	85239	100	SWEDBANK	40,000,000.00	100.0000000	40,000,000.00	5.770	02/21/2024		
87019WQD0	85258	100	SWEDBANK	55,000,000.00	100.0000000	55,000,000.00	5.760	03/01/2024		
87019WSH9	85400	100	SWEDBANK	30,000,000.00	100.0000000	30,000,000.00	5.520	05/02/2024		
87019WSR7	85445	100	SWEDBANK	35,000,000.00	100.0000000	35,000,000.00	5.340	05/31/2024		
95001KPV0	85268	100	Wells Fargo	50,000,000.00	100.0000000	50,000,000.00	5.600	03/11/2024		
			Subtotal	1,102,082,000.00		1,102,085,649.03				
CRA CDs										
SYS85030	85030	100	Bank of Montreal	20,000,000.00	100.0000000	20,000,000.00	5.700	04/12/2024		
SYS85058	85058	100	Central Valley Community Bank	238,000.00	100.0000000	238,000.00	4.750	05/15/2024		
SYS85020	85020	100	East West	20,000,000.00	100.0000000	20,000,000.00	4.800	04/12/2024		

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Subtotal				40,238,000.00		40,238,000.00				
Commercial Paper Disc. -At Cost										
06366GAX7	85059	100	Bank of Montreal	60,000,000.00	96.2516667	57,751,000.00	5.190	01/31/2024		
06366GAX7	85083	100	Bank of Montreal	50,000,000.00	96.2807500	48,140,375.00	5.510	01/31/2024		
06366GAQ2	85153	100	Bank of Montreal	35,000,000.00	97.0550000	33,969,250.00	5.580	01/24/2024		
06366GBL2	85169	100	Bank of Montreal	45,000,000.00	96.7119167	43,520,362.50	5.610	02/20/2024		
06366GD55	85280	100	Bank of Montreal	40,000,000.00	96.9145000	38,765,800.00	5.610	04/05/2024		
06366GE39	85297	100	Bank of Montreal	25,000,000.00	96.6088889	24,152,222.22	5.600	05/03/2024		
06366GFH7	85387	100	Bank of Montreal	20,000,000.00	96.8033333	19,360,666.67	5.480	06/17/2024		
06366GGK9	85402	100	Bank of Montreal	15,000,000.00	96.4985278	14,474,779.17	5.410	07/19/2024		
06366GFJ3	85416	100	Bank of Montreal	20,000,000.00	97.0641667	19,412,833.33	5.420	06/18/2024		
06366GG29	85450	100	Bank of Montreal	35,000,000.00	97.1708333	34,009,791.67	5.250	07/02/2024		
13609BA29	85039	100	Canadian Imperial Bank Corp	60,000,000.00	96.4441667	57,866,500.00	5.100	01/02/2024		
13609BA45	85043	100	Canadian Imperial Bank Corp	20,000,000.00	96.4185000	19,283,700.00	5.220	01/04/2024		
13609BAN3	85104	100	Canadian Imperial Bank Corp	65,000,000.00	96.6178333	62,801,591.67	5.460	01/22/2024		
13607EAS8	85122	100	Canadian Imperial Bank Corp	35,000,000.00	96.7340000	33,856,900.00	5.520	01/26/2024		
13609BBG7	85128	100	Canadian Imperial Bank Corp	40,000,000.00	96.5221111	38,608,844.44	5.540	02/16/2024		
13609BCF8	85246	100	Canadian Imperial Bank Corp	60,000,000.00	97.0110000	58,206,600.00	5.490	03/15/2024		
13609BD34	85271	100	Canadian Imperial Bank Corp	25,000,000.00	96.9082778	24,227,069.44	5.510	04/03/2024		
13607EGG8	85399	100	Canadian Imperial Bank Corp	25,000,000.00	96.5563889	24,139,097.22	5.390	07/16/2024		
13609BAR4	85444	100	Canadian Imperial Bank Corp	35,000,000.00	99.4470556	34,806,469.44	5.380	01/25/2024		
46640PD18	85133	100	JP Morgan	150,000,000.00	95.8375000	143,756,250.00	5.550	04/01/2024		
59515MC78	85279	100	Microsoft Corp	50,000,000.00	97.4594444	48,729,722.22	5.380	03/07/2024		
59515MC45	85288	100	Microsoft Corp	60,000,000.00	97.5387500	58,523,250.00	5.370	03/04/2024		
59515MC60	85290	100	Microsoft Corp	35,000,000.00	97.5238333	34,133,341.67	5.370	03/06/2024		
59515MA88	85295	100	Microsoft Corp	50,000,000.00	98.4693056	49,234,652.78	5.350	01/08/2024		
59515ME76	85330	100	Microsoft Corp	75,000,000.00	96.9719167	72,728,937.50	5.370	05/07/2024		
59515ME84	85339	100	Microsoft Corp	45,000,000.00	97.0614167	43,677,637.50	5.370	05/08/2024		
59515MF34	85418	100	Microsoft Corp	15,000,000.00	97.3250000	14,598,750.00	5.350	06/03/2024		
59515MB61	85440	100	Microsoft Corp	35,000,000.00	99.2182500	34,726,387.50	5.310	02/06/2024		
63763PA90	85129	100	National Securities	55,000,000.00	97.2322222	53,477,722.22	5.300	01/09/2024		
63763PBN8	85200	100	National Securities	35,000,000.00	97.0479167	33,966,770.83	5.450	02/22/2024		
63763PED7	85319	100	National Securities	75,000,000.00	96.7399167	72,554,937.50	5.510	05/13/2024		
63763PEA3	85321	100	National Securities	40,000,000.00	96.8317500	38,732,700.00	5.510	05/10/2024		
63763PFA2	85352	100	National Securities	40,000,000.00	96.6543056	38,661,722.22	5.450	06/10/2024		
63763PAB5	85392	100	National Securities	65,000,000.00	99.3337500	64,566,937.50	5.330	01/11/2024		
78015CAK8	85113	100	Royal Bank of Canada	35,000,000.00	96.6967778	33,843,872.22	5.480	01/19/2024		
78015CF72	85304	100	Royal Bank of Canada	70,000,000.00	96.1852222	67,329,655.56	5.560	06/07/2024		

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Commercial Paper Disc. -At Cost										
78015CFU1	85350	100	Royal Bank of Canada	100,000,000.00	96.2666667	96,266,666.67	5.600	06/28/2024		
78015CH13	85378	100	Royal Bank of Canada	100,000,000.00	96.0638889	96,063,888.89	5.450	08/01/2024		
78015CGJ5	85398	100	Royal Bank of Canada	25,000,000.00	96.5264444	24,131,611.11	5.390	07/18/2024		
78015CGH9	85438	100	Royal Bank of Canada	35,000,000.00	96.8740000	33,905,900.00	5.210	07/17/2024		
89116ECV3	85172	100	Toronto Dominion	90,000,000.00	96.1560000	86,540,400.00	5.580	03/29/2024		
89116EE25	85277	100	Toronto Dominion	40,000,000.00	96.5004167	38,600,166.67	5.550	05/02/2024		
89116EE66	85298	100	Toronto Dominion	25,000,000.00	96.5622222	24,140,555.56	5.600	05/06/2024		
89116EF65	85315	100	Toronto Dominion	40,000,000.00	96.3200000	38,528,000.00	5.520	06/06/2024		
89116EFB4	85366	100	Toronto Dominion	25,000,000.00	96.6973611	24,174,340.28	5.530	06/11/2024		
89116EE25	85401	100	Toronto Dominion	15,000,000.00	97.6620833	14,649,312.50	5.430	05/02/2024		
89116EFL2	85417	100	Toronto Dominion	20,000,000.00	97.0559444	19,411,188.89	5.380	06/20/2024		
89116EGK3	85419	100	Toronto Dominion	75,000,000.00	96.6687500	72,501,562.50	5.330	07/19/2024		
89116EGA5	85434	100	Toronto Dominion	30,000,000.00	96.8525833	29,055,775.00	5.370	07/10/2024		
			Subtotal	2,260,000,000.00		2,188,566,468.00				
Federal Agency Coupon Securities										
3133EKQU3	83095	100	Federal Farm Credit Bank	20,000,000.00	100.3460000	20,069,200.00	1.950	06/13/2024		
3133EKA63	83207	100	Federal Farm Credit Bank	20,000,000.00	100.2194000	20,043,880.00	1.600	08/16/2024		
3133EK6J0	83312	100	Federal Farm Credit Bank	20,000,000.00	99.0680000	19,813,600.00	1.625	11/08/2024		
3133ELKA1	84107	100	Federal Farm Credit Bank	35,802,000.00	104.2530000	37,324,659.06	1.750	01/28/2026		
3133ENTS9	84521	100	Federal Farm Credit Bank	25,000,000.00	99.2290000	24,807,250.00	2.600	04/05/2027		
3133ENG87	84650	100	Federal Farm Credit Bank	25,000,000.00	99.5127000	24,878,175.00	2.920	08/17/2027		
3133ENL99	84739	100	Federal Farm Credit Bank	30,000,000.00	96.5629000	28,968,870.00	3.375	09/15/2027		
3133EPFU4	85024	100	Federal Farm Credit Bank	20,000,000.00	98.4898539	19,697,970.77	3.500	04/12/2028		
3133EPJD8	85061	100	Federal Farm Credit Bank	30,000,000.00	99.6725000	29,901,750.00	3.600	05/09/2028		
3133EPC45	85368	100	Federal Farm Credit Bank	30,000,000.00	99.2786000	29,783,580.00	4.625	11/13/2028		
3130A1XJ2	83117	100	Federal Home Loan Bank	20,000,000.00	104.2565000	20,851,300.00	2.875	06/14/2024		
3130A2UW4	83226	100	Federal Home Loan Bank	20,000,000.00	105.0991000	21,019,820.00	2.875	09/13/2024		
3130A2UW4	83275	100	Federal Home Loan Bank	20,000,000.00	105.5200000	21,104,000.00	2.875	09/13/2024		
3130A3GE8	83375	100	Federal Home Loan Bank	20,000,000.00	104.8360000	20,967,200.00	2.750	12/13/2024		
3130AQF65	84383	100	Federal Home Loan Bank	25,000,000.00	99.7238230	24,930,955.75	1.250	12/21/2026		
3130ATS57	85025	100	Federal Home Loan Bank	10,000,000.00	102.9610000	10,296,100.00	4.500	03/10/2028		
3130AWTR1	85254	100	Federal Home Loan Bank	30,000,000.00	99.3070770	29,792,123.10	4.375	09/08/2028		
3130AXQK7	85452	100	Federal Home Loan Bank	30,000,000.00	103.7008000	31,110,240.00	4.750	12/08/2028		
3137EAEP0	83527	100	Federal Home Loan Mtg Corp	20,000,000.00	101.5790000	20,315,800.00	1.500	02/12/2025		
3137EAEU9	84141	100	Federal Home Loan Mtg Corp	50,000,000.00	98.5980000	49,299,000.00	0.375	07/21/2025		
3135G05X7	84024	100	Federal National Mtg Assn	50,000,000.00	98.4598000	49,229,900.00	0.375	08/25/2025		

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Federal Agency Coupon Securities										
3135G04Z3	84145	100	Federal National Mtg Assn	50,000,000.00	99.1973000	49,598,650.00	0.500	06/17/2025		
			Subtotal	600,802,000.00		603,804,023.68				
Federal Agency Disc. -At Cost										
313312SM3	85008	100	Federal Farm Credit Bank	200,000,000.00	96.2835556	192,567,111.11	4.520	01/31/2024		
313312YA2	85342	100	Federal Farm Credit Bank	50,000,000.00	96.6476944	48,323,847.22	5.270	06/12/2024		
313312YS3	85343	100	Federal Farm Credit Bank	50,000,000.00	96.4270833	48,213,541.67	5.250	06/28/2024		
313312YV6	85423	100	Federal Farm Credit Bank	100,000,000.00	97.1102778	97,110,277.78	5.050	07/01/2024		
313312VU1	85458	100	Federal Farm Credit Bank	65,000,000.00	98.3677778	63,939,055.56	5.200	04/19/2024		
313384RS0	85018	100	Federal Home Loan Bank	13,465,000.00	96.5166667	12,995,969.17	4.560	01/12/2024		
313384RG6	85027	100	Federal Home Loan Bank	75,000,000.00	96.5743333	72,430,750.00	4.780	01/02/2024		
313384RK7	85038	100	Federal Home Loan Bank	100,000,000.00	96.6415556	96,641,555.56	4.760	01/05/2024		
313384RX9	85084	100	Federal Home Loan Bank	55,000,000.00	96.7240278	53,198,215.28	5.150	01/17/2024		
313384SM2	85118	100	Federal Home Loan Bank	55,000,000.00	96.8080000	53,244,400.00	5.130	01/31/2024		
313384SN0	85124	100	Federal Home Loan Bank	115,000,000.00	96.8753333	111,406,633.33	5.160	02/01/2024		
313384SV2	85130	100	Federal Home Loan Bank	46,250,000.00	96.8178056	44,778,235.07	5.255	02/08/2024		
313384UL1	85218	100	Federal Home Loan Bank	50,000,000.00	96.9404167	48,470,208.33	5.245	03/18/2024		
313384UN7	85240	100	Federal Home Loan Bank	50,000,000.00	96.9790972	48,489,548.61	5.305	03/20/2024		
313384WR6	85292	100	Federal Home Loan Bank	100,000,000.00	96.6623333	96,662,333.33	5.270	05/10/2024		
313384WR6	85294	100	Federal Home Loan Bank	200,000,000.00	96.6853333	193,370,666.67	5.280	05/10/2024		
313384XV6	85341	100	Federal Home Loan Bank	25,000,000.00	96.7031250	24,175,781.25	5.275	06/07/2024		
313384XR5	85391	100	Federal Home Loan Bank	42,150,000.00	97.2621250	40,995,985.69	5.215	06/03/2024		
313384ZP7	85394	100	Federal Home Loan Bank	100,000,000.00	96.6460000	96,646,000.00	5.160	07/19/2024		
313384ZP7	85406	100	Federal Home Loan Bank	200,000,000.00	96.8016667	193,603,333.33	5.050	07/19/2024		
313384ZF9	85420	100	Federal Home Loan Bank	50,000,000.00	96.9559722	48,477,986.11	5.050	07/11/2024		
313384YZ6	85421	100	Federal Home Loan Bank	100,000,000.00	97.0308333	97,030,833.33	5.090	07/05/2024		
313384ZC6	85422	100	Federal Home Loan Bank	100,000,000.00	96.9884167	96,988,416.67	5.090	07/08/2024		
313384A41	85453	100	Federal Home Loan Bank	140,000,000.00	97.0130833	135,818,316.67	4.910	08/01/2024		
313384YC7	85454	100	Federal Home Loan Bank	65,188,000.00	97.6058333	63,627,290.63	5.070	06/14/2024		
313384YW3	85455	100	Federal Home Loan Bank	40,000,000.00	97.4071667	38,962,866.67	4.965	07/02/2024		
313384YX1	85456	100	Federal Home Loan Bank	80,000,000.00	97.3933750	77,914,700.00	4.965	07/03/2024		
			Subtotal	2,267,053,000.00		2,196,083,859.04				
Treasury Coupon Securities										
9128283D0	84269	100	U.S. Treasury	50,000,000.00	105.1484375	52,574,218.75	2.250	10/31/2024		
			Subtotal	50,000,000.00		52,574,218.75				

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Supra-National										
4581X0DF2	82832	100	Inter-American Dev Bank	20,000,000.00	99.9300000	19,986,000.00	2.625	01/16/2024		
45818WCJ3	82938	100	Inter-American Dev Bank	20,000,000.00	99.8797000	19,975,940.00	2.375	04/09/2024		
45818WCJ3	83027	100	Inter-American Dev Bank	20,000,000.00	100.2218000	20,044,360.00	2.375	04/09/2024		
45818WDA1	84016	100	Inter-American Dev Bank	25,000,000.00	99.7130000	24,928,250.00	0.800	03/04/2026		
4581X0CU0	84135	100	Inter-American Dev Bank	25,000,000.00	105.3590000	26,339,750.00	2.000	06/02/2026		
45818WDJ2	84240	100	Inter-American Dev Bank	10,000,000.00	99.7294000	9,972,940.00	0.800	08/19/2026		
4581X0EB0	84421	100	Inter-American Dev Bank	25,000,000.00	99.7940000	24,948,500.00	1.500	01/13/2027		
4581X0EB0	84446	100	Inter-American Dev Bank	25,000,000.00	98.4179000	24,604,475.00	1.500	01/13/2027		
45818WDL7	84497	100	Inter-American Dev Bank	25,000,000.00	99.3978000	24,849,450.00	1.780	03/12/2027		
45818WDM5	84575	100	Inter-American Dev Bank	20,000,000.00	99.4736000	19,894,720.00	2.750	04/12/2027		
45818WDR4	84583	100	Inter-American Dev Bank	30,000,000.00	100.0000000	30,000,000.00	2.980	06/09/2027		
4581X0CY2	84613	100	Inter-American Dev Bank	25,000,000.00	96.6270000	24,156,750.00	2.375	07/07/2027		
45818WEE2	84691	100	Inter-American Dev Bank	25,000,000.00	99.1780000	24,794,500.00	3.420	09/07/2027		
45818WEF9	84773	100	Inter-American Dev Bank	30,000,000.00	100.0000000	30,000,000.00	4.550	11/10/2027		
4581X0EH1	84874	100	Inter-American Dev Bank	30,000,000.00	99.7533000	29,925,990.00	4.000	01/12/2028		
4581X0EH7	84909	100	Inter-American Dev Bank	30,000,000.00	100.2995000	30,089,850.00	4.000	01/12/2028		
45818WEM4	84937	100	Inter-American Dev Bank	30,000,000.00	99.0520000	29,715,600.00	4.250	03/03/2028		
45818WEQ5	85099	100	Inter-American Dev Bank	30,000,000.00	98.9767000	29,693,010.00	3.800	06/09/2028		
4581X0DX3	85193	100	Inter-American Dev Bank	30,000,000.00	85.3950000	25,618,500.00	1.125	07/20/2028		
459058GQ0	82909	100	Int Bk Recon & Develop	20,000,000.00	100.9035000	20,180,700.00	2.500	03/19/2024		
459058JL8	84059	100	Int Bk Recon & Develop	50,000,000.00	98.6180000	49,309,000.00	0.500	10/28/2025		
459058JX2	84163	100	Int Bk Recon & Develop	25,000,000.00	100.1548000	25,038,700.00	0.875	07/15/2026		
459058JX2	84201	100	Int Bk Recon & Develop	25,000,000.00	100.1535000	25,038,375.00	0.875	07/15/2026		
459058JL8	84259	100	Int Bk Recon & Develop	50,000,000.00	99.1160000	49,558,000.00	0.500	10/28/2025		
459058KT9	85138	100	Int Bk Recon & Develop	30,000,000.00	95.5108000	28,653,240.00	3.500	07/12/2028		
459052XF8	85414	100	Int Bk Recon & Develop	90,000,000.00	97.5537500	87,798,375.00	5.150	05/24/2024		
45950VNP7	83447	100	Intl Finance Corp	20,000,000.00	99.8053000	19,961,060.00	1.680	01/20/2025		
45950VPV2	84057	100	Intl Finance Corp	25,000,000.00	100.1462000	25,036,550.00	0.970	04/14/2026		
45950VPX8	84101	100	Intl Finance Corp	25,000,000.00	99.7026000	24,925,650.00	0.860	05/14/2026		
45950VQF6	84250	100	Intl Finance Corp	15,000,000.00	99.9218000	14,988,270.00	0.820	09/15/2026		
45950KCX6	84280	100	Intl Finance Corp	25,000,000.00	98.5890000	24,647,250.00	0.750	10/08/2026		
45950KCX6	84325	100	Intl Finance Corp	25,000,000.00	97.6689000	24,417,225.00	0.750	10/08/2026		
45950VRN8	84838	100	Intl Finance Corp	30,000,000.00	99.7045000	29,911,350.00	3.800	12/09/2027		
45950VSJ6	85302	100	Intl Finance Corp	30,000,000.00	98.5359000	29,560,770.00	4.500	09/13/2028		
Subtotal				960,000,000.00		948,563,100.00				

OVERCOM POOL REPORT 1
Investments by All Types
December 31, 2023

CUSIP	Investment #	Fund	Issuer	Par Value	Purchase Price	Remaining Cost	Current Rate	Maturity Date	Call Date	Call Price
SupraNational Discount										
459052XB7	85385	100	Int Bk Recon & Develop	50,000,000.00	97.3123611	48,656,180.56	5.230	05/20/2024		
459052XD3	85386	100	Int Bk Recon & Develop	50,000,000.00	97.2833056	48,641,652.78	5.230	05/22/2024		
			Subtotal	100,000,000.00		97,297,833.34				
Variable Rate Muni										
VRSAC1920	83331	100	Sacramento County	1,292,656.33	100.0000000	1,292,656.33	4.516	08/01/2024		
VRSAC2021	83953	100	Sacramento County	2,303,549.18	100.0000000	2,303,549.18	4.516	08/01/2025		
VRSAC2122	84345	100	Sacramento County	3,823,359.76	100.0000000	3,823,359.76	4.516	08/03/2026		
VRSAC2223	84850	100	Sacramento County	8,401,709.14	100.0000000	8,401,709.14	4.516	08/02/2027		
VARSAC2324	85449	100	Sacramento County	29,876,322.00	100.0000000	29,876,322.00	4.516	08/01/2028		
			Subtotal	45,697,596.41		45,697,596.41				
Bank Money Market										
BNKOFWEST	84271	100	Bank of the West	100,356,712.34	100.0000000	100,356,712.34	4.200			
			Subtotal	100,356,712.34		100,356,712.34				
			Total	7,621,307,593.41		7,470,345,745.31				



Department of Finance
CHAD RINDE, DIRECTOR OF FINANCE
POOLED INVESTMENT FUND

Monthly Review — December 2023

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 2023 and California Government Code.¹

PORTFOLIO STATISTICS

Portfolio's Month-End Balance	\$7,470,345,745
<i>Earned Income Yield for the Month</i>	4.833%
Weighted Average Maturity (Days)	285
Estimated Duration (Years)	0.694
Amortized Book Value	\$7,467,412,634
Month-End Market Value	\$7,404,409,000
Percent of Market to Book Value ²	99.16%

Investment Objectives

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

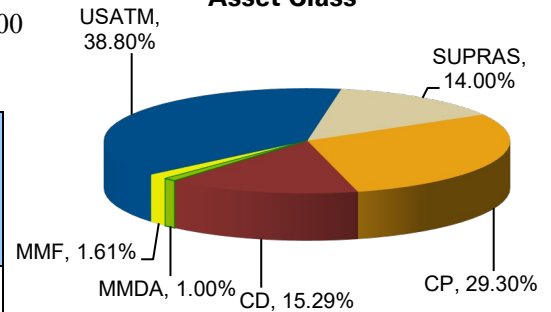
External third party Investment Manager(s) at month end:

Local Agency Investment Fund (LAIF)	\$75,000,000
-------------------------------------	--------------

PORTFOLIO STRUCTURE³

Investment Description	Portfolio at Cost	Yield at Month End
US Agency, Treasury & Municipal Notes (USATM):		
US Agency Notes	37.48%	4.600%
US Treasury Notes	0.70%	0.565%
Municipal Notes	0.61%	4.516%
Total USATM	38.80%	4.526%
Supranationals (SUPRAS)	14.00%	2.945%
Commercial Paper (CP)	29.30%	5.699%
Certificates of Deposit (CD)	15.29%	5.649%
LAIF/Money Market Funds (MMF)	1.00%	3.929%
Bank Money Market (MMDA)	1.61%	4.267%
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	9.44%
FHLB Notes/Discount Notes	25.78%
FNMA Notes/Discount Notes	1.32%
FHLMC Notes/Discount Notes	0.93%
Total US Agency Notes	37.48%

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 <https://finance.saccounty.gov/Investments/Pages/RptQuartly.aspx>.

² Percent of market to book value is calculated using amortized book value. The GASB 31 fair value reported in the County's Annual Financial Report is calculated using the book value at purchase.

³ Percentages may not add up to totals due to rounding

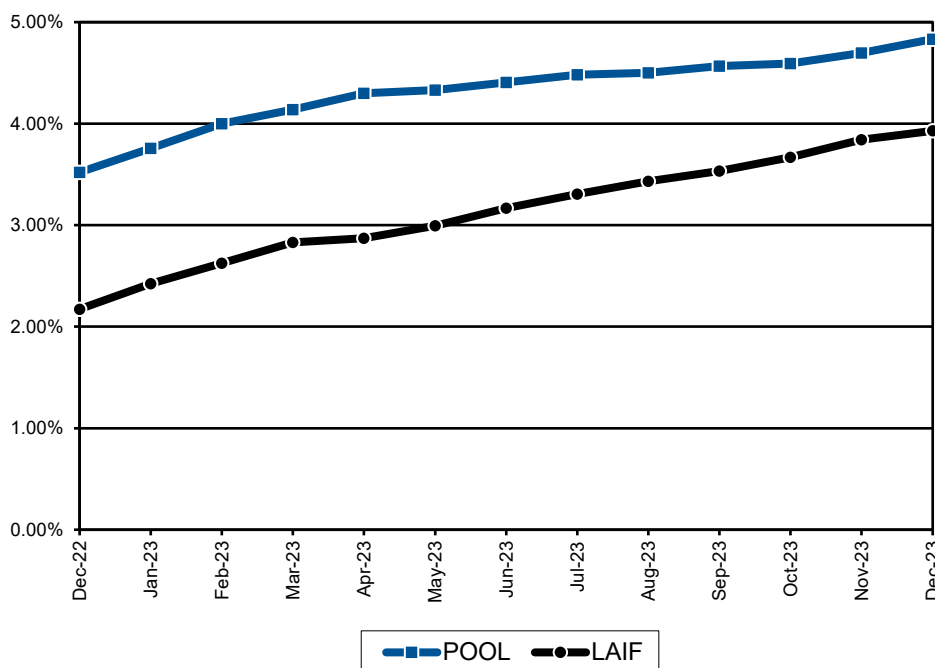
YIELD HISTORY

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 6 basis points or 0.06%. 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 History		
MONTH	POOL	LAIF
Dec-22	3.52%	2.17%
Jan-23	3.76%	2.43%
Feb-23	4.00%	2.62%
Mar-23	4.14%	2.83%
Apr-23	4.30%	2.87%
May-23	4.33%	2.99%
Jun-23	4.41%	3.17%
Jul-23	4.48%	3.31%
Aug-23	4.50%	3.43%
Sep-23	4.57%	3.53%
Oct-23	4.59%	3.67%
Nov-23	4.69%	3.84%
Dec-23	4.83%	3.93%

Earned Income Yield Over Last 12 Months



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 18, 2024, is sufficient to meet cash flow expenditures for the next six months.

Month	Beginning Bank Balance	Maturities & Interest	Receipts	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	\$1,257.9	\$891.1	\$1,315.7	\$833.3	\$40.0	\$793.3
Feb	20.0	\$640.8	\$801.9	\$1,075.3	\$367.4	\$40.0	\$327.4
Mar	20.0	\$675.7	\$1,134.5	\$1,056.7	\$753.5	\$40.0	\$713.5
Apr	20.0	\$405.8	\$1,658.4	\$1,161.0	\$903.2	\$40.0	\$863.2
May	20.0	\$1,044.5	\$940.6	\$1,312.1	\$673.0	\$40.0	\$633.0
Jun	20.0	\$754.4	\$1,035.2	\$954.0	\$835.6	\$40.0	\$795.6

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

Chad Rinde
Director



County of Sacramento

Divisions

Auditor-Controller
Consolidated Utilities Billing &
Service
Investments
Revenue Recovery
Tax Collection & Licensing
Treasury

Inter-Office Memorandum

Date: February 16, 2024
To: Treasury Oversight Committee
From: Bernard Santo Domingo *BSD*
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, 2023. 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.

**Changes to the Investment Approved Lists
For the Quarter Ended December 31, 2023**

Reaffirmed	Added¹	Deleted
Domestic Banks for all Legal Investments		
Foreign Banks for all Legal Investment		
Commercial Paper & Medium-Term Note Issuers		
JP Morgan Securities		
Firms for Purchase and Sale of Securities (Broker/Dealers & Direct Issuers)²		
Community Reinvestment Act Approved Banks & Credit Unions		
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 2023.

**Investment Fund Statistics Questionnaire Results
December 2023**

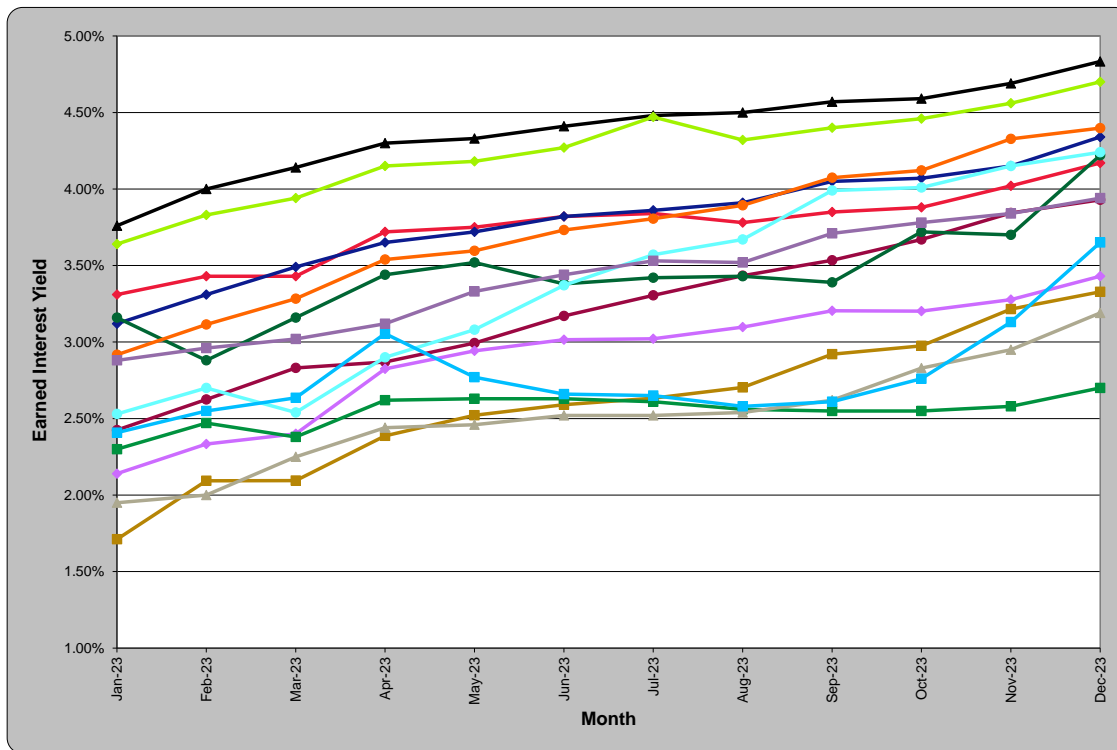
Name of Fund	Earned Interest Yield	Portfolio Size (in millions)	Weighted Average Maturity (in days)	Percent Market Value
Sacramento County (Pooled)	4.83%	\$7,033.9	285	99.16%
Sacramento County (All)	4.83%	\$7,901.8	278	N/A
Local Agency Investment Fund (LAIF)	3.93%	\$21,030.5	230	99.35%
Contra Costa County (Pooled)	4.70%	\$6,017.1	271	99.23%
Contra Costa County (All)	4.67%	\$6,586.4	262	99.30%
Fresno County	2.70%	\$7,551.0	800	97.12%
Los Angeles County	4.17%	\$60,516.6	670	96.36%
Nevada County	3.65%	\$438.6	533	98.21%
Orange County	4.40%	\$15,953.8	290	100.21%
Riverside County	4.34%	\$15,590.1	439	98.97%
San Bernardino County	3.92%	\$14,355.5	616	99.29%
San Diego County	4.22%	\$16,877.4	383	98.39%
San Francisco City and County	3.43%	\$16,087.4	423	98.19%
San Luis Obispo County	3.19%	\$1,806.5	459	98.96%
Solano County	4.24%	\$2,110.8	308	99.66%
Sonoma County (Pooled)	3.33%	\$3,718.5	586	98.14%
Sonoma County (All)	3.33%	\$3,762.0	602	98.16%

NOTE:

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

**COMPARISON OF VARIOUS COUNTY POOLED INVESTMENT FUNDS AND LAIF
12-MONTH YIELD PERFORMANCE AS OF DECEMBER 2023**

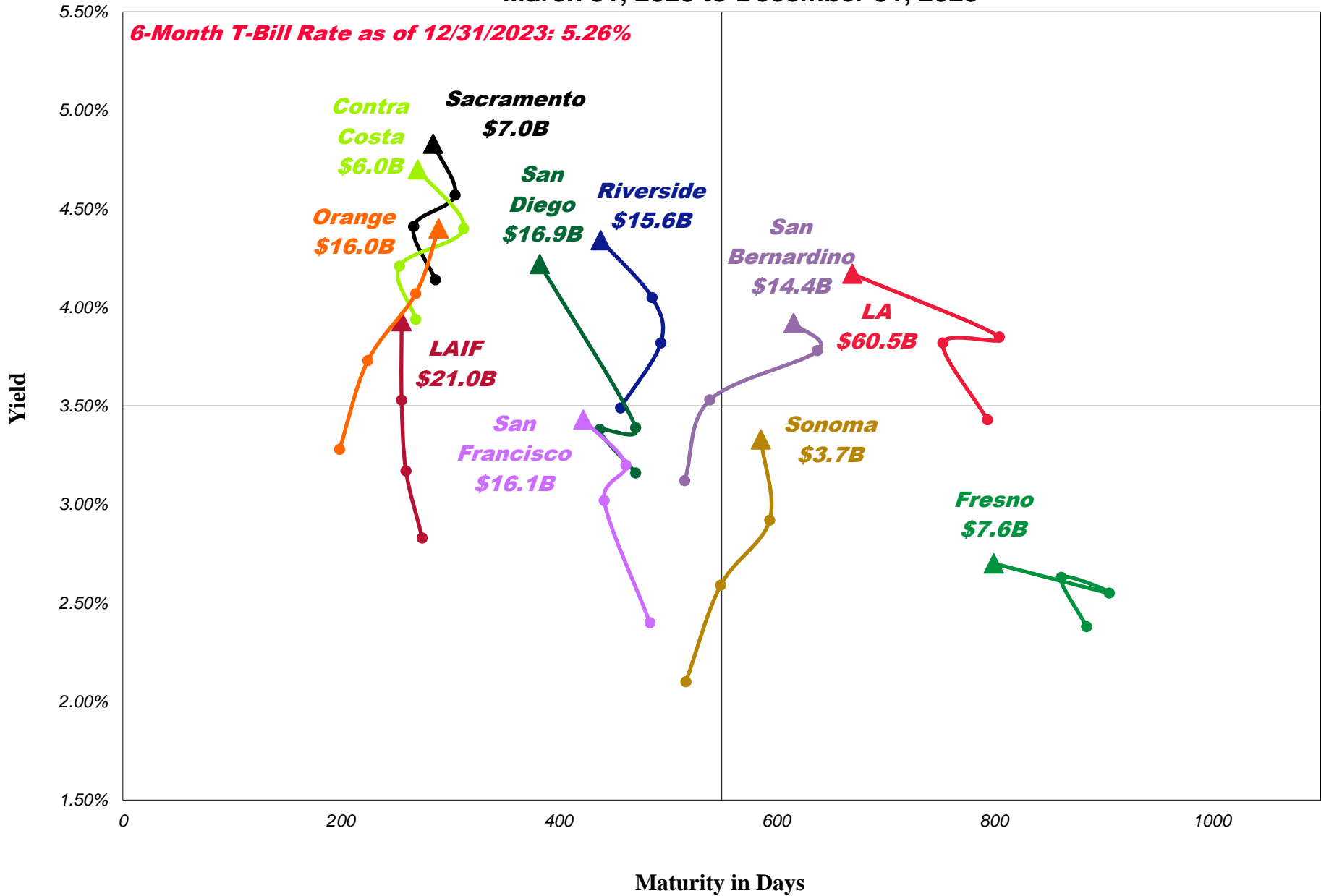
Jurisdiction	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
◆ Contra Costa	3.64%	3.83%	3.94%	4.15%	4.18%	4.27%	4.47%	4.32%	4.40%	4.46%	4.56%	4.70%
■ Fresno	2.30%	2.47%	2.38%	2.62%	2.63%	2.63%	2.61%	2.56%	2.55%	2.55%	2.58%	2.70%
● LAIF	2.43%	2.62%	2.83%	2.87%	2.99%	3.17%	3.31%	3.43%	3.53%	3.67%	3.84%	3.93%
◆ Los Angeles	3.31%	3.43%	3.43%	3.72%	3.75%	3.82%	3.84%	3.78%	3.85%	3.88%	4.02%	4.17%
■ Nevada	2.41%	2.55%	2.64%	3.06%	2.77%	2.66%	2.65%	2.58%	2.61%	2.76%	3.13%	3.65%
● Orange	2.92%	3.12%	3.28%	3.54%	3.60%	3.73%	3.81%	3.89%	4.07%	4.12%	4.33%	4.40%
◆ Riverside	3.12%	3.31%	3.49%	3.65%	3.72%	3.82%	3.86%	3.91%	4.05%	4.07%	4.15%	4.34%
▲ Sacramento	3.76%	4.00%	4.14%	4.30%	4.33%	4.41%	4.48%	4.50%	4.57%	4.59%	4.69%	4.83%
■ San Bernardino	2.96%	3.02%	3.12%	3.33%	3.44%	3.53%	3.52%	3.71%	3.78%	3.84%	3.94%	3.92%
● San Diego	3.16%	2.88%	3.16%	3.44%	3.52%	3.38%	3.42%	3.43%	3.39%	3.72%	3.70%	4.22%
◆ San Francisco	2.14%	2.33%	2.40%	2.83%	2.94%	3.02%	3.02%	3.10%	3.20%	3.20%	3.28%	3.43%
▲ San Luis Obispo	1.95%	2.00%	2.25%	2.44%	2.46%	2.52%	2.52%	2.54%	2.62%	2.83%	2.95%	3.19%
● Solano	2.53%	2.70%	2.54%	2.90%	3.08%	3.37%	3.57%	3.67%	3.99%	4.01%	4.15%	4.24%
■ Sonoma	1.71%	2.09%	2.10%	2.39%	2.52%	2.59%	2.63%	2.70%	2.92%	2.98%	3.22%	3.33%



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, 2023 to December 31, 2023**



REQUEST FOR PROPOSAL FOR EXTERNAL AUDITOR.

NO WRITTEN REPORT

FPPC FORM 700.

NO WRITTEN REPORT

NEXT MEETING REMINDER – FRIDAY, MAY 17, 2024.

NO WRITTEN REPORT

ADJOURNMENT

NO WRITTEN REPORT