



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

AGENDA

ITEM SUBJECT

1. Call To Order And Introductions.
2. Comments From The Public.
3. Approval Of November 21, 2014, Meeting Minutes.
4. Discussion And Action On The Internal Audit Of Non-Pooled Investment Funds For The Quarter Ended December 31, 2014.
5. Presentation Of The Sacramento County Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2015.
6. Discussion And Action On The Non-Pooled Funds Portfolio Report For The Quarter Ended December 31, 2014.
7. Discussion And Action On The Quarterly Report Of The Pooled Investment Fund For The Quarter Ended December 31, 2014, And Compliance With Investment Policy.
8. Overview Of Pooled Investment Fund Statistics From Various Jurisdictions For December 2014.
9. Form 700 Reminder.
10. Next Meeting Reminder - Friday, May 15, 2015.
11. Adjournment.

CALL TO ORDER AND INTRODUCTIONS.

NO WRITTEN REPORT

COMMENTS FROM THE PUBLIC.

NO WRITTEN REPORT

APPROVAL OF NOVEMBER 21, 2014, MEETING MINUTES.



SACRAMENTO COUNTY
TREASURY OVERSIGHT COMMITTEE
Regular Meeting — Friday, November 21, 2014 / 9:00 a.m.
700 H Street, Hearing Room One, Room 1487
Sacramento, California 95814

MINUTES

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

ABSENT: Aisha Martin-Walton, Tamara Sanchez, Jaspreet Singh

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

GUESTS: None

1. CALL TO ORDER AND INTRODUCTIONS.

Chair Brandon Rose called the meeting to order at 9:01 a.m.

2. COMMENTS FROM THE PUBLIC.

There were no comments from the public.

3. APPROVAL OF AUGUST 15, 2014, MEETING MINUTES.

The minutes of the August 15, 2014, meeting were approved as amended on a motion made by Julie Valverde, seconded by Angelica Hernandez, and carried (7-0).

4. DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED INVESTMENT FUNDS FOR THE QUARTER ENDED SEPTEMBER 30, 2014.

Alan Matré reported For September 30, 2014, that 14 issues, three of which were new and none of which were external, were reviewed and no instances of non-compliance were found.

The Internal Audits Of Non-Pooled Investment Funds For The Quarter ended September 30, 2014, was accepted on a motion made by Ronald Seaman, seconded by Gerardo Castillo, and unanimously carried (7-0).

5. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE NON-POOLED FUNDS PORTFOLIO REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2014

Bernard Santo Domingo presented the Quarterly Report of the Non-Pooled Funds Portfolio for the Quarter Ended September 30, 2014.

The Non-Pooled Funds Portfolio Report For The Quarter Ended September 30, 2014, was accepted on a motion made by David Villanueva, seconded by Jeremy Edwards, and unanimously carried (7-0).

6. DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED INVESTMENT FUND FOR THE QUARTER ENDED SEPTEMBER 30, 2014, AND COMPLIANCE WITH INVESTMENT POLICY.

Bernard Santo Domingo presented the Quarterly Report Of The Non-Pooled Funds Portfolio For The Quarter ended September 30, 2104, and Compliance with Investment

Policy. He stated that the Pooled Investment Fund was in compliance with the investment policy and California Government Code.

Bernard Santo Domingo provided his economic commentary. He noted that the FOMC ended quantitative easing with a balance sheet of over \$4 trillion. Mr. Santo Domingo cited low unemployment, high nonfarm payrolls, and market expectations as further evidence that the FOMC may raise rates around the second half of 2015.

The Quarterly Report of the Pooled Investment Fund For The Quarter Ended September 30, 2014, was accepted on a motion made by Ronald Seaman, seconded by Angelica Hernandez, and unanimously carried (7-0).

7. OVERVIEW OF POOLED INVESTMENT FUND STATISTICS FROM VARIOUS JURISDICTION FOR SEPTEMBER 2014

Bernard Santo Domingo presented the *Investment Fund Statistics Questionnaire Results – September 2014, Comparison of Various County Pooled Investment Funds and LAIF – 12-Month Yield Performance as of September 2014, and Overview of Pooled Investment Fund Statistics from Various Jurisdictions – Comparison of Yields and Average Weighted Maturities from December 31, 2013 – September 30, 2014.*

8. DISCUSSION ON THE 2013-2014 APPORTIONMENT.

Peggy Marti explained that the interest earnings on the pool had been over apportioned over the past five years and that the county plans to recollect interest from pool participants during the next fiscal year.

9. NEXT MEETING REMINDER.

Chair Brandon Rose reminded the committee that the next regular meeting of the Treasury Oversight Committee is scheduled for Friday, February 20, 2015, in the County Administration Center's Hearing Room One, Room 1487.

10. ADJOURNMENT.

The meeting was adjourned at 9:48 a.m.

Respectfully submitted:

Approved:

Dave Matuskey
Investment Officer

Brandon Rose, Chair
Treasury Oversight Committee

cc: Treasury Oversight Committee Members
Department of Finance Staff

DISCUSSION AND ACTION ON THE INTERNAL AUDIT OF NON-POOLED
INVESTMENT FUNDS FOR THE QUARTER ENDED DECEMBER 31, 2014.

COUNTY OF SACRAMENTO

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

For the Quarter Ended December 31, 2014

Audit Staff:

Alan A. Matré, C.P.A.
Tae-Young Weiler

Chief of Audits
Senior Auditor

**COUNTY OF SACRAMENTO
TREASURY OVERSIGHT COMMITTEE
NON-POOLED INVESTMENTS
AGREED-UPON PROCEDURES REPORT
FOR THE QUARTER ENDED DECEMBER 31, 2014**

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Internal Services
Department of Finance
Auditor-Controller Division

Ben Lamera,
Assistant Auditor-Controller



County of Sacramento

Bradley J. Hudson,
County Executive

David Villanueva,
Chief Deputy County Executive

Julie Valverde,
Director of Finance

February 5, 2015

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

We have performed the procedures enumerated below to a selected sample of the County of Sacramento, California, non-pooled investments, for the quarter ended December 31, 2014. These procedures were performed solely to verify that Treasury management complied with the investment requirements presented in Article 6, Sections 27130 through 27137, of the California Government Code, and the governing investment policy for the non-pooled investments, summarized in the accompanying Attachment I, for the quarter ended December 31, 2014. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

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

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

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

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

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

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

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

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

5. Selected a sample of the non-pooled investments based on outstanding issues at July 1, 2014, plus any untested new issues since that date.

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

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

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

Sincerely,

JULIE VALVERDE
DIRECTOR OF FINANCE



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

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

The investment requirements presented in Article 6, Sections 27130 through 27137, of the California Government Code, and the Non-Pooled Investment Policy effective December 31, 2014 are as follows:

Article 6

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

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

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

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

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

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

Non-Pooled Investment Policy

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

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

**COUNTY OF SACRAMENTO
SAMPLE OF NON-POOLED INVESTMENTS
FOR QUARTER ENDED DECEMBER 31, 2014**

<u>Issue</u> ⁽¹⁾	<u>Book Value</u> <u>12/31/14</u>	<u>% of Portfolio</u>
LAIF, STA Transport. Authority (SEP)	\$ 19,700,000	4 %
Airport System 2010 (REV)	12,943,227	3
SRCSD 2006 (REV)	10,828,899	2
Airport System 2008 D-E (REV)	3,986,809	1
Elliott Ranch Refunding (MR)	3,776,699	1
Metro Air Park 2004 A (MR)	2,667,800	1
SASD Series 2010 A&B (REV)	1,401,956	<1
McClellan Park (MR)	1,183,895	<1
Sac City USD Series 2013 B (GO)	966,970	<1
McClellan Park Series 2011 (CFD)	885,921	<1
SAFCA O&M, Series 1996 (AD)	395,918	<1
SRCSD REF 2005 (REV)	<u>2</u>	<u><1</u>
Total internally managed		
Non-Pooled Investments tested ⁽²⁾	<u>\$ 58,738,096</u>	<u>Approx. 12 %</u>

- (1) The selected sample of non-pooled investments for the quarter ended December 31, 2014 was selected based upon outstanding issues at July 1, 2014 plus any new issues since that date. There were no new issues this quarter.
- (2) The total amount of internally managed non-pooled investments for the quarter ended December 31, 2014 was \$ 513,084,296.
- (3) The total amount of externally managed non-pooled investments for the quarter ended December 31, 2014 was \$ 16,013,523. There were no externally managed non-pooled investments selected for testing this quarter.

Fund Type

(AD) – Assessment District Bonds	(CFD) – Community Facilities District Bonds
(GO) – General Obligation Bonds	(MR) – Mello Roos Bonds
(REV) – Revenue Bonds	(SEP) – Funds held for unique purposes

PRESENTATION OF THE SACRAMENTO COUNTY ANNUAL INVESTMENT
POLICY OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2015.

APPROVED
BOARD OF SUPERVISORS
By Res # 2014-0918
DEC 02 2014 *2014-0919*

**COUNTY OF SACRAMENTO
CALIFORNIA**

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By *Cyndi Lee*
Clerk of the Board

For the Agenda of:
December 2, 2014

To: Board of Supervisors

From: Department of Finance

Subject: Delegation Of Investment Authority To The Director Of Finance And Approval Of The Annual Investment Policy Of The Pooled Investment Fund For Calendar Year 2015

Supervisorial District: All

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

Overview

The Board has delegated to the Director of Finance the authority to invest funds in the County Treasury and to sell and exchange securities annually since 1996. The Board has also approved the Annual Investment Policy of the Pooled Investment Fund (Investment Policy) every year since 1987. The changes made to the Investment Policy are the addition of limitations to the maximum maturity and concentration for Washington Supranational Obligations and the removal of limitations on the maximum maturity for Money Market Mutual Funds.

Recommendation

1. Adopt the attached Resolution renewing the delegation of authority to the Director of Finance to invest funds in the County Treasury and to sell and exchange securities; and
2. Adopt the attached Resolution approving the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2015.

Measures/Evaluation

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

Fiscal Impact

There is no Fiscal Impact to the General Fund.

BACKGROUND

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

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

DISCUSSION

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

It is also recommended that the Board approve the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2015. In 2005, Government Code Section 53646(a) (1) was amended to remove the 1996 mandate that the Board review and approve the Investment Policy. Approval of the Investment Policy has been requested from the Board since 1987 and will continue to be requested despite the removal of the mandate.

The changes to the Investment Policy for 2015 are:

1. Section IX. E. – Maximum Maturities (Page 7)

Washington Supranational Obligations has been added to the Maximum Maturities list and has a 5 year maximum maturity. The maximum maturity for Money Market Mutual Funds has been removed.

2. Section IX. F. – Maximum Concentrations (Page 7)

Washington Supranational Obligations has been added to the Maximum Concentrations list and has a maximum concentration of 30%. The category, 'Shares of a diversified Money Market Mutual Funds' has been replaced with 'Money Market Mutual Funds' and has a maximum concentration 20%.

Any other changes are corrections and do not affect the intent of the policy.

MEASURES/EVALUATION

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

FINANCIAL ANALYSIS

There is no Fiscal Impact to the General Fund.

Delegation Of Investment Authority To The Director Of Finance And Approval Of The Annual
Investment Policy Of The Pooled Investment Fund For Calendar Year 2015
Page 3

Respectfully submitted,

JULIE VALVERDE, Director
Department of Finance

APPROVED:
BRADLEY J. HUDSON
County Executive

By: _____
DAVID VILLANUEVA,
Chief Deputy County Executive

Attachments:

- Resolution 1 – Director Authority to Invest
- Resolution 2 – Investment Policy
- Attachment 1 - 2015 Investment Policy

RESOLUTION NO. 2014-0918

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

WHEREAS, the Board of Supervisors delegated authority to invest funds in the County Treasury to the Director of Finance on December 10, 2013, in accordance with Government Code Sections 27000.1 and 53607; and

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

WHEREAS, the Board of Supervisors has reviewed the delegation of authority to the Director of Finance to invest funds in the County Treasury and the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2015 and finds it to be reasonable and prudent.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Supervisors hereby renews the delegation of authority to the Director of Finance to invest funds in the County Treasury and to sell and exchange securities in accordance with the California Government Code and the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2015.

On a motion by Supervisor Serna, seconded by Supervisor Nottoli, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this 2nd day of December, 2014, by the following vote, to wit:

AYES: MacGlashan, Nottoli, Serna, Peters, Yee

NOES: None

ABSENT: None

ABSTAIN: None



Juanne R Yee

Chair of the Board of Supervisors
of Sacramento County, California

FILED
BOARD OF SUPERVISORS

DEC 02 2014

Cyndi Lee
Clerk of the Board

ATTEST: *Cyndi Lee*
Clerk, Board of Supervisors

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chair of the Board of Supervisors, County of Sacramento on 12/2/14
By: *Juanne R Yee*
Deputy Clerk, Board of Supervisors

RESOLUTION NO. 2014-0919

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SACRAMENTO
APPROVING THE ANNUAL INVESTMENT POLICY
OF THE POOLED INVESTMENT FUND FOR CALENDAR YEAR 2015

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

WHEREAS, the Board of Supervisors has reviewed the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2015 and finds it to be reasonable and prudent;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Supervisors hereby approves the Annual Investment Policy of the Pooled Investment Fund for Calendar Year 2015.

On a motion by Supervisor Serna, seconded by Supervisor Nottoli, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this 2nd day of December, 2014, by the following vote, to wit:

- AYES: MacGlashan, Nottoli, Serna, Peters, Yee
- NOES: None
- ABSENT: None
- ABSTAIN: None

Chair of the Board of Supervisors
of Sacramento County, California



FILED
BOARD OF SUPERVISORS

DEC 02 2014
By Cyndi Lee
Clerk of the Board

ATTEST: Cyndi Lee
Clerk, Board of Supervisors

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chair of the Board of Supervisors, County of Sacramento on 12/2/14

By: [Signature]
Deputy Clerk, Board of Supervisors



SACRAMENTO COUNTY

Annual Investment Policy of the Pooled Investment Fund

CALENDAR YEAR 2015

*Approved by the
Sacramento County Board of Supervisors*

December 2, 2014
Resolution No. 2014-0919

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SACRAMENTO COUNTY

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

CALENDAR YEAR 2015

I. Authority

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

II. Policy Statement

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

III. Standard of Care

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

IV. Investment Objectives

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

A. Safety of Principal

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

B. Liquidity

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

C. Public Trust

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

D. Maximum Rate of Return

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

V. Pooled Investment Fund Investors

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

VI. Implementation

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

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

VII. Internal Controls

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

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

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

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

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

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

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

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

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

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

VIII. Sacramento County Treasury Oversight Committee

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

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

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

IX. Investment Parameters

A. Investable Funds

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

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

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

B. Authorized Investments

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

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

C. Prohibited Investments

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

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

D. Credit Requirements

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

Community Reinvestment Act Program Credit Requirements

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

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

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

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

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

E. Maximum Maturities

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

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

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

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

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

F. Maximum Concentrations

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

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

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

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

² LAIF current maximum allowed is \$50 million.

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

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

G. Repurchase Agreements

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

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

H. Community Reinvestment Act Program

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

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

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

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

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

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

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

J. Investment Guidelines, Management Style and Strategy

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

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

K. Approved Lists

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

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

L. Calculation of Yield and Costs

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

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

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

X. Reviewing, Monitoring and Reporting of the Portfolio

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

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

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

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

XI. Withdrawal Requests for Pooled Fund Investors

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

XII. Limits on Honoraria, Gifts, and Gratuities

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

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

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

XIII. Terms and Conditions for Outside Investors

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

Appendix A

Comparison and Interpretation of Credit Ratings

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

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

Appendix A

Short Term / Commercial Paper Investment Grade Ratings

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

Fitch Support Ratings

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

Appendix A

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

DISCUSSION AND ACTION ON THE NON-POOLED FUNDS PORTFOLIO
REPORT FOR THE QUARTER ENDED DECEMBER 31, 2014.



COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE

NON-POOLED FUNDS PORTFOLIO REPORT

FOR QUARTER ENDED DECEMBER 31, 2014

**COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE**

NON-POOLED FUNDS PORTFOLIO REPORT

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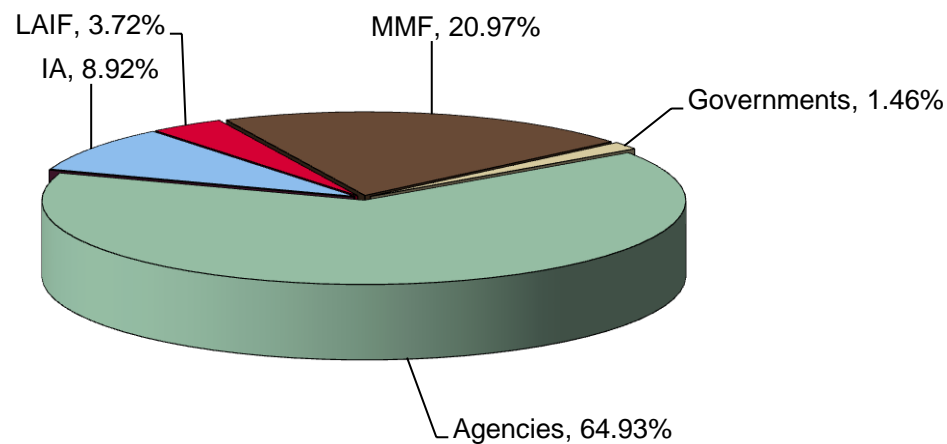
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COUNTY OF SACRAMENTO
Non-Pooled Funds - December 31, 2014

Portfolio Sector Concentration Profile
ALL NON-POOLED FUNDS

Sector	Credit Quality	Dollar Amount At Cost	Percent
GOVERNMENTS	AA+/Aaa/AAA		
Treasury Bills		\$ 6,423,428.98	1.21%
Treasury Notes		\$ -	0.00%
Treasury Bonds		\$ -	0.00%
SLGs		\$ 1,301,485.00	0.25%
SUBTOTAL		\$ 7,724,913.98	1.46%
AGENCIES	AA+/Aaa/AAA		
FHLB		\$ -	0.00%
FHLB Discount Notes		\$ 308,025,318.44	58.22%
FNMA		\$ 9,934,967.70	1.88%
FNMA Discount Notes		\$ 11,340,433.31	2.14%
FFCB		\$ -	0.00%
FFCB Discount Notes		\$ -	0.00%
FHLMC		\$ -	0.00%
FHLMC Discount Notes		\$ 14,224,861.92	2.69%
SUBTOTAL		\$ 343,525,581.37	64.93%
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%
INVESTMENT AGREEMENTS (IA)	Not Rated	\$ 47,203,447.40	8.92%
LOCAL AGENCY INVESTMENT FUND (LAIF)	Not Rated	\$ 19,700,000.00	3.72%
MONEY MARKET FUNDS (MMF)	AAA	\$ 110,943,875.96	20.97%
SWEEP	Not Rated	\$ -	0.00%
TOTAL		\$ 529,097,818.71	100.00%

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



County of Sacramento Non-Pooled Investment Funds

As of December 31, 2014

Fund	Description	Type *	Funded Date	Maturity Date	Amount Issued	Book Value	Bond/Note TIC/NIC
Fiscal Agent Trustee Funds							
5030-35	REG SAN 2000 C SWAP	REV	1/2/2003	12/1/2030	100,000,000	2,026,604.75	3.740%
5180-82	San Juan USD, Elec 2012 A	GO	2/21/2013	8/1/2015	20,000,000	5,862,714.99	0.320%
5183-85	San Juan USD, Elec 2012 B	GO	7/1/2014	8/1/2027	80,000,000	81,772,917.42	2.168%
5190-96	McClellan Park	MR	9/28/2004	9/1/2034	10,250,000	1,183,894.76	5.950%
5240-42	County Sanitation 2004 A & B	REV	11/4/2004	12/1/2035	720,160,000	37.52	4.750%
5270-75	County Sanitation Dist 2005	REV	6/7/2005	8/1/2035	165,620,000	9,442,947.83	4.329%
5330-31	Dry Creek JESD 2005	MR	12/8/2005	9/1/2028	3,150,000	145,969.83	4.992%
5340-45	2006 Public Facilities Projects	COP	5/11/2006	2/1/2036	40,860,000	8,420,301.82	4.708%
5360-66	North Vineyard Station 2007A	MR	9/6/2007	9/1/2037	14,415,000	1,353,879.64	6.063%
5390-91	SRCS D REF 2005	REV	9/7/2005	12/1/2023	61,220,000	1.56	4.414%
5410	Tobacco Settlement Ref 2005	TSP	12/6/2005	6/1/2045	255,486,288	2,244,820.40	5.807%
5450-54	SRCS D 2006	REV	7/20/2006	12/1/2036	338,960,000	10,828,899.23	4.746%
5455-57	SRCS D 2014A	REV	7/10/2014	12/1/2044	378,510,000	79,964,000.00	3.823%
5510-14	Water Financing Authority	REV	5/9/2007	6/1/2039	413,420,000	25,714,041.45	4.260%
5520-23	Metro Air Park 2007B	MR	12/14/2007	8/1/2034	40,200,000	3,098,767.57	6.886%
5560-64	2007 Public Facilities Projects	COP	8/16/2007	10/1/2037	46,260,000	3,095,362.82	4.758%
5600-02	SRCS D REF 2007	REV	3/1/2007	12/1/2035	443,365,000	13.25	4.165%
5630-33	Airport System 2008 A	REV	5/1/2008	7/1/2041	169,575,000	5,369,878.21	5.353%
5640	Natomas USD 2007	GO	8/30/2007	8/1/2032	54,999,999	11,685,880.36	4.667%
5690-91	San Juan USD, Series 2012	GO	2/21/2013	8/1/2038	50,000,000	24,136,254.19	3.166%
5693-95	San Juan USD, Series 2014	GO	7/1/2014	8/1/2032	25,925,000	28,148,925.63	3.497%
5760-65	Airport System 2008 B-C	REV	5/1/2008	7/1/2039	326,620,000	9,096,293.80	5.353%
5770-73	Airport System 2008 D-E	REV	5/1/2008	7/1/2026	89,430,000	3,986,808.99	5.161%
5800-07	Airport System 2009 A&B	REV	7/28/2009	7/1/2014	201,800,000	18,113,698.09	5.473%
5810-15	Airport System 2009 C&D	REV	7/28/2009	7/1/2014	278,250,000	65,859,723.07	6.010%
5830-34	2010 Refunding COPs	COP	3/12/2010	2/1/2030	126,105,000	11,511,177.52	5.097%
5860-63	SASD Series 2010 A&B	REV	8/11/2010	8/1/2040	126,620,000	1,401,956.39	4.069%
5870-74	Airport System 2010	REV	8/25/2010	7/1/2040	128,300,000	12,943,227.12	4.744%
5890-92	San Juan USD, Series 2011	GO	6/10/2011	6/1/2026	10,600,000	1,302,146.65	5.336%
5920-23	McClellan Park Series 2011	CFD	12/8/2011	9/1/2037	10,395,000	885,921.24	6.325%
5930-35	SAFCA AD 2012	AD	4/10/2012	10/1/2037	38,000,000	2,672,447.58	4.078%
5950	Folsom Cordova USD, SFID 4	GO	2/13/2014	10/1/2038	25,000,000	10,664,146.80	4.556%
5960	SAFCA AD 2014	AD	6/11/2014	10/1/2044	35,350,000	4,971,333.89	4.105%
6080-82	Los Rios CCD Elec 2008 B	GO	6/27/2013	8/1/2038	60,000,000	24,052,355.35	4.109%
6271-73	Sac City USD Series 2013 B	GO	7/16/2013	7/1/2038	40,000,000	966,969.92	5.915%
6350-55	Public Facilities, 94 (Coroner)	REV	10/25/1994	10/1/2024	89,500,000	6,894,985.72	6.494%
6440-00	LAIF, STA Transport. Authority	SEP	11/15/1995	n/a	n/a	19,700,000.00	n/a
6500-05	SAFCA O&M, Ser 96	AD	11/4/1996	11/1/2025	5,500,000	395,918.16	5.860%
6581-84	Elliott Ranch Refunding	MR	8/13/1997	9/1/2021	21,415,000	3,776,698.84	6.231%
6600-04	Laguna Creek Refunding	MR	12/30/1997	12/1/2020	31,980,000	5,201,586.07	5.751%
6680-86	Metro Air Park	MR	12/30/1998	12/1/2021	5,310,000	227,982.90	7.000%
6720-27	Regional Sanitation 2000-A/B	REV	6/22/2000	12/1/2027	386,845,000	98.48	5.628%
6820-21	Co. Sanitation Ser. 2001	REV	6/28/2001	12/1/2027	124,010,000	9.51	n/a
6890-92	Tobacco Settlement 01A/B	TSP	8/23/2001	6/1/2027	193,405,888	1,294,896.40	n/a
6980-84	Metro Air Park 2004 A	MR	4/8/2004	8/1/2034	63,460,000	2,667,799.91	6.890%
Book Value Subtotal Of Fiscal Agent Trustee Funds:						\$513,084,295.63	

Other Separate Trustees				
5410	Tobacco Securitization Authority 2005 Refunding			
	Operating Account	12/6/2005	6/1/2045	259,312.89
	Sr Liquidity Reserve Account	12/6/2005	6/1/2045	15,750,127.50
	Sr Turbo Redemption Account	12/6/2005	6/1/2045	4,082.69
	Subtotal			<u>16,013,523.08</u>
Book Value Subtotal Of Funds Held By Other Separate Trustees:				\$16,013,523.08
TOTAL NON-POOLED INVESTMENT FUNDS BOOK VALUE:				\$529,097,818.71
<i>New issues are reflected in blue.</i>				
*FUND TYPES:				
TSP - Tobacco Securitization Proceeds		MR - Mello Roos Bonds		
TR - Tax & Revenue Anticipation Notes		GO - General Obligation Bonds		
SEP - Funds held for unique purposes		AD - Assessment District Bonds		
REV - Revenue Bonds		COP - Certificates of Participation		

GLOSSARY OF INVESTMENT TERMS

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

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

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

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

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

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

FFCB – Federal Farm Credit Bank

FHLB – Federal Home Loan Bank

FHLMC – Federal Home Loan Mortgage Corporation

FNMA – Federal National Mortgage Association

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

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

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

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

DISCUSSION AND ACTION ON THE QUARTERLY REPORT OF THE POOLED
INVESTMENT FUND FOR THE QUARTER ENDED DECEMBER 31, 2014, AND
COMPLIANCE WITH INVESTMENT POLICY.



Quarterly Pooled Investment Fund Report
 As Prescribed By
 California Government Code Section 53646
For The Quarter Ended December 31, 2014

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 2014 Investment Policy during the quarter ended December 31, 2014.

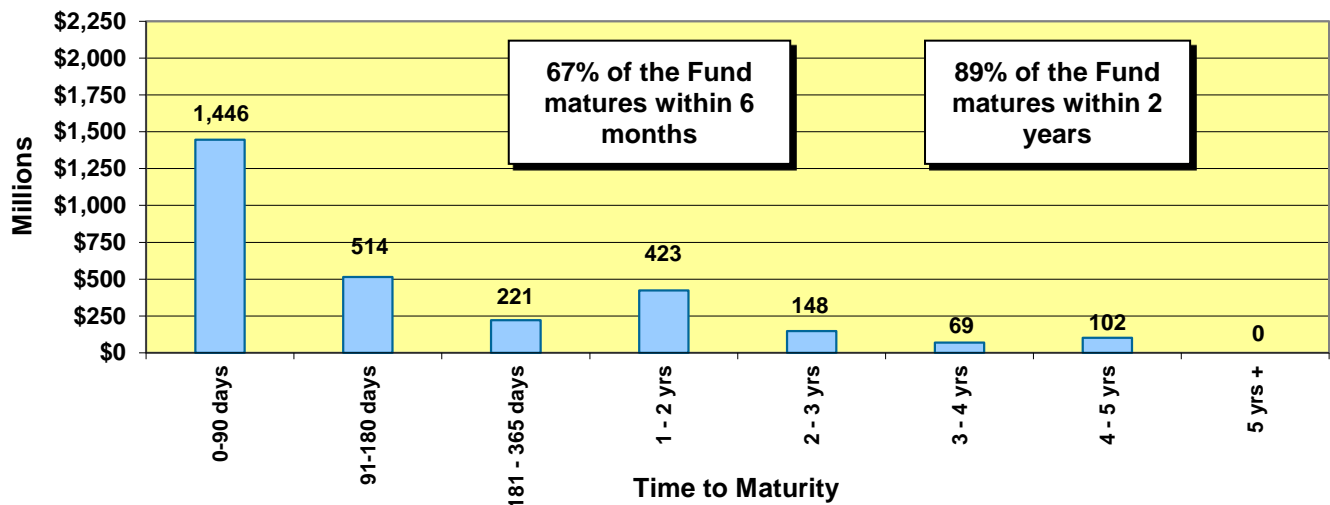
Portfolio Statistics	Quarter Ended 09/30/14	Quarter Ended 12/31/14
Average Daily Balance	\$2,466,204,518	\$2,514,757,752
Period-End Balance	\$2,401,839,686	\$2,923,171,037
Earned Interest Yield	0.355%	0.378%
Weighted Average Maturity	306 Days	277 Days
Duration in Years	0.824	0.746
Historical Cost	\$2,393,909,110	\$2,914,282,813
Market Value	\$2,394,311,242	\$2,915,115,025
Percent of Market to Cost	100.02%	100.03%

The earned interest yield presented above does not have any costs deducted. The investment management costs in prior years and this year continue to be approximately 12 basis points or 0.12%. The quarterly apportionment of earnings to participating funds will be made on a cash basis (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund's cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the Pool will be converted to an accrual basis for the fourth quarter earnings' allocation.

Portfolio Structure as of December 31, 2014¹

Investment Description	Percentage of Portfolio at Cost 09/30/14	Percentage of Portfolio at Cost 12/31/14	Percentage of Portfolio at Market 12/31/14	Earned Interest Yield at 12/31/14
<i>US Agency, Treasury & Municipal Notes (USATM):</i>				
<i>US Agency Notes</i>	45.37%	44.76%	44.61%	0.615%
<i>Notes/Discount Notes FFCB</i>	9.63%	7.74%	7.72%	0.398%
<i>Notes/Discount Notes FHLB</i>	8.17%	12.80%	12.82%	0.638%
<i>Notes/Discount Notes FNMA</i>	14.02%	12.93%	12.84%	0.722%
<i>Notes/Discount Notes FHLMC</i>	13.55%	11.30%	11.23%	0.615%
<i>US Treasury Notes</i>	0.00%	0.00%	0.00%	0.000%
<i>Municipal Notes</i>	1.12%	1.50%	1.51%	0.355%
Total USATM	44.70%	46.27%	46.11%	0.606%
Repurchase Agreements	0.00%	0.00%	0.00%	0.000%
Commercial Paper	25.49%	23.97%	24.04%	0.127%
Certificates of Deposit	27.80%	28.05%	28.13%	0.153%
LAIF	2.01%	1.71%	1.72%	0.261%
Money Market Accounts	0.00%	0.00%	0.00%	0.00%

POOLED INVESTMENT FUND MATURITIES AS OF DECEMBER 31, 2014
\$2,923.2 Billion



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

Projected Cash Flow

Based upon our cash flow model projection dated January 12, 2015, summarized below, we have sufficient cash flow to meet expenditures for the next 12 months.

Month	Bank Balance	Receipts & Maturities	Disbursements	Difference	Less Investments Beyond One Year	Funds Available for Future Cash Flow Needs*
<i>Dollar amounts represented in millions</i>						
Jan	60.0	\$934.5	\$708.7	\$225.8	\$35.0	\$190.8
Feb	60.0	\$871.8	\$544.5	\$327.3	\$35.0	\$292.3
Mar	60.0	\$1,215.9	\$637.1	\$578.8	\$35.0	\$543.8
Apr	60.0	\$964.6	\$568.9	\$395.7	\$35.0	\$360.7
May	60.0	\$705.6	\$695.5	\$10.1	\$35.0	(\$24.9)
Jun	60.0	\$525.6	\$671.6	(\$146.0)	\$35.0	(\$181.0)
Jul	60.0	\$834.9	\$1,004.6	(\$169.7)	\$35.0	(\$204.7)
Aug	60.0	\$494.0	\$554.5	(\$60.5)	\$35.0	(\$95.5)
Sep	60.0	\$657.0	\$683.1	(\$26.1)	\$35.0	(\$61.1)
Oct	60.0	\$579.2	\$518.2	\$61.0	\$35.0	\$26.0
Nov	60.0	\$788.3	\$657.6	\$130.7	\$35.0	\$95.7
Dec	60.0	\$1,020.1	\$573.4	\$446.7	\$35.0	\$411.7

*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, 2014, 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, 2014:

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

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

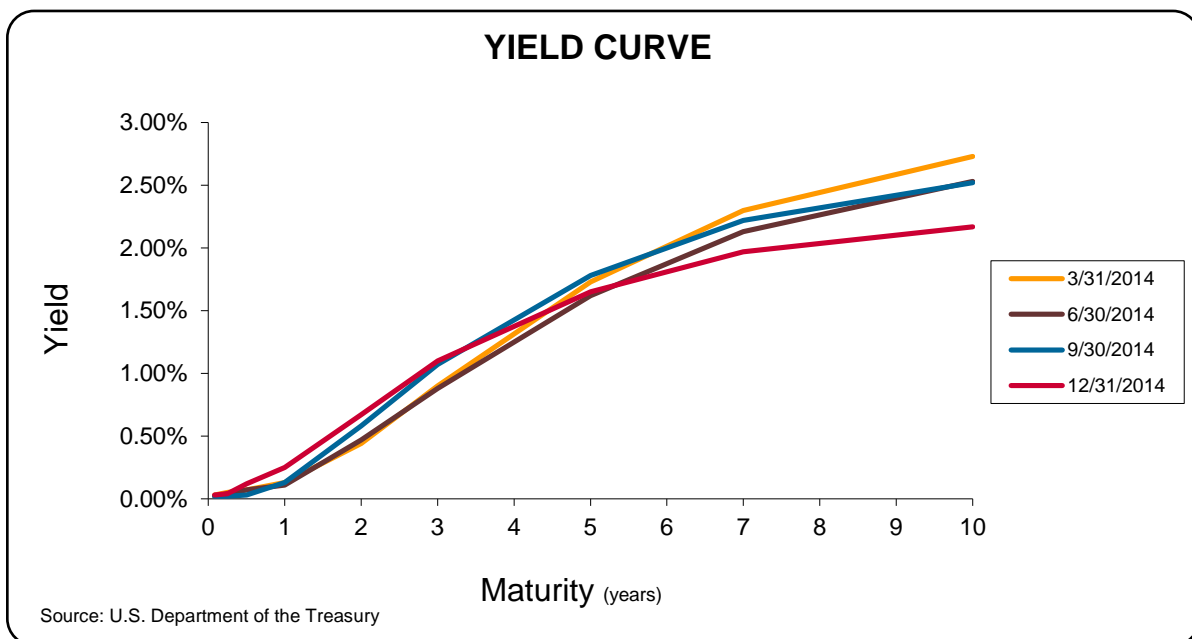
THIS COMPLETES THE QUARTERLY REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE § 53646.

Financial Markets Commentary

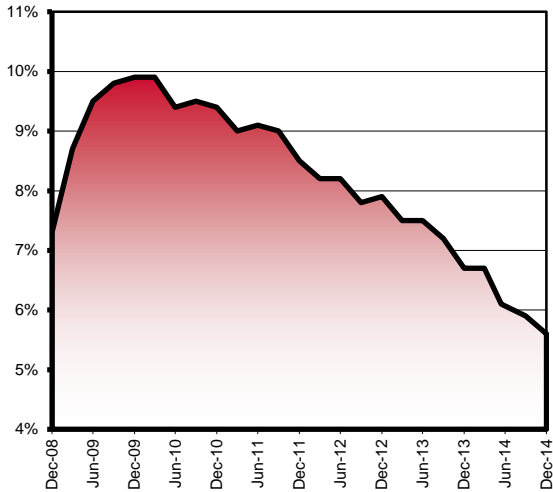
As expected, on October 29, 2014 the Federal Open Market Committee (FOMC) ended its quantitative easing measures (QE) as the US economy and labor markets showed signs of strengthening after a longer than anticipated recovery period from the Great Recession that officially ended in June 2009. In 2014, the US economy added 2.95 million non-farm payroll jobs, the most since 1999. By the end of the year, the unemployment rate fell to 5.6%, its lowest level since June 2008 the greatest annual decrease in unemployment since 1984.

The FOMC has indicated that there are a few items that they would like to see happen before they consider raising the short-term interest rate target of zero to 0.25%, namely core inflation and more specifically wage growth approaching 2%. Wage growth on a monthly basis has been inconsistent and weak since the end of the recession. Average hourly earnings fell 0.2% in December and fell to 1.7% on a year-over-year basis, the lowest since October 2012. In the FOMC's view, the increase in payrolls should filter into increased wages and will create enough inflationary pressures to warrant higher short-term interest rates. The Federal Funds Futures market are predicting the first rate hike to likely come in June 2015.

A new variable in the FOMC calculus is the impact of much lower oil prices on core inflation and consumer spending. Oil prices have fallen over 50% since June 2014 and have yet to form a bottom. Overall, lower oil prices are a boom for consumer spending and should have a positive impact for core inflation but will likely have a negative impact on overall inflation in the near term. The FOMC did restate interest rates will remain low for a "considerable time" in their December meeting minutes but have generally indicated that tightening short-term interest rates will happen around midyear with greater uncertainty on the degree of such tightening. With the likelihood of higher Federal Funds rate sometime in the next year, we should expect the yield on the Pooled Fund to gradually increase but remain at a low level for an extended period of time.

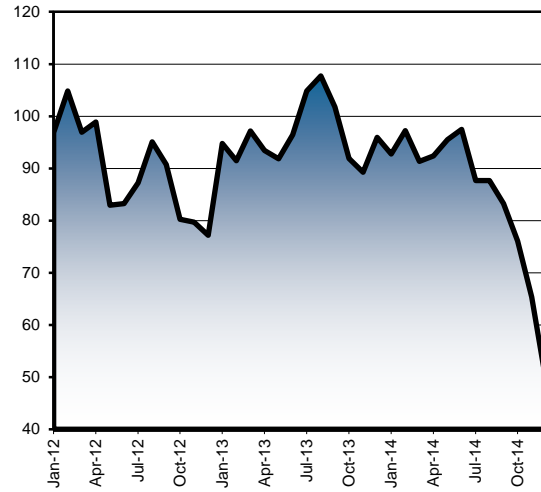


US UNEMPLOYMENT RATE



Source: Bloomberg

OIL PRICES



Source: Bloomberg

Portfolio Management Strategy

During the past quarter, we continued to provide adequate liquidity to meet the cash flow needs of the Pooled Investment Fund participants. We are currently funding the cash flows for June 2015. We are purchasing two- and five-year U. S. Treasury and/or Agency securities on a monthly basis for the “CORE” portfolio, which is composed of all securities maturing beyond one year. This laddered structure stabilizes the yield over longer periods. Over the next quarter, our quarterly yield should range between 0.35% and 0.45%.

Respectfully submitted,
Bernard Santo Domingo
Chief Investment Officer

Concur,
Julie Valverde
Director of Finance

Attachment County of Sacramento Short-Term Investment Portfolio

Release Date: January 12, 2015

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2014

<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
VR-SAC COUNTY 10-11		11/09/10	08/01/15	0.355%	0.355%	3,489,160.47	3,489,160.47	3,489,160.47	BOOK	0.583
VR-SAC COUNTY 11-12		11/01/11	08/01/16	0.355%	0.355%	4,671,939.30	4,671,939.30	4,671,939.30	BOOK	1.579
VR-SAC COUNTY 12-13		03/26/13	08/01/17	0.355%	0.355%	6,211,113.65	6,211,113.65	6,211,113.65	BOOK	2.570
VR-SAC COUNTY 13-14		12/10/13	08/01/18	0.355%	0.355%	8,510,764.62	8,510,764.62	8,510,764.62	BOOK	3.559
VR-SAC COUNTY 14-15		12/09/14	08/01/19	0.355%	0.355%	20,996,196.00	20,996,196.00	20,996,196.00	BOOK	4.548
TOTAL VARIABLE RATE(MUNI)QUARTERLY				0.355%	0.355%	43,879,174.04	43,879,174.04	43,879,174.04		3.445
						1.509%	1.501%	1.505%		
FFCB NOTE (92)	31331STN3	12/21/11	04/06/15	5.050%	0.756%	9,925,000.00	11,307,661.68	10,052,238.50	SUNGARD	0.263
FFCB NOTE (120)	3133ECCE2	01/07/13	01/07/15	0.250%	0.298%	20,000,000.00	19,981,060.00	20,000,400.00	SUNGARD	0.019
FFCB NOTE (23)	3133ECBD5	01/18/13	12/28/15	0.440%	0.428%	10,000,000.00	10,003,600.00	10,012,500.00	SUNGARD	0.991
FFCB NOTE (120)	3133ECE91	02/08/13	02/01/16	0.400%	0.422%	10,000,000.00	9,993,390.00	9,998,600.00	SUNGARD	1.080
FFCB NOTE (92)	3133ECMC5	04/23/13	04/23/15	0.250%	0.269%	20,000,000.00	19,992,400.00	20,005,200.00	SUNGARD	0.309
FFCB NOTE (92)	3133ECLN2	05/06/13	05/18/15	0.250%	0.248%	20,000,000.00	20,000,860.00	20,000,200.00	SUNGARD	0.378
FFCB NOTE (120)	3133ECR71	06/05/13	06/04/15	0.300%	0.300%	20,000,000.00	19,988,100.00	20,004,400.00	SUNGARD	0.424
FFCB NOTE (120)	3133ED4A7	10/09/13	10/07/15	0.375%	0.456%	20,000,000.00	19,967,800.00	20,014,800.00	SUNGARD	0.766
FFCB NOTE (120)	3133ED7L0	11/13/13	11/13/15	0.330%	0.330%	10,000,000.00	10,000,000.00	10,002,400.00	SUNGARD	0.866
FFCB NOTE (86)	3133ED7L0	11/13/13	11/13/15	0.330%	0.330%	10,000,000.00	10,000,000.00	10,002,400.00	SUNGARD	0.866
FFCB NOTE (86)	3133EDDH2	01/14/14	01/14/16	0.400%	0.440%	20,000,000.00	19,984,000.00	20,008,000.00	SUNGARD	1.033
FFCB NOTE (120)	3133EDJN3	04/23/14	04/21/16	0.420%	0.442%	20,000,000.00	19,991,200.00	19,958,000.00	SUNGARD	1.302
FFCB NOTE (330)	3133EDQ96	07/11/14	07/11/16	0.500%	0.537%	20,000,000.00	19,985,320.00	19,956,600.00	SUNGARD	1.520
FFCB NOTE (120)	3133EDUV2	10/16/14	10/11/16	0.650%	0.439%	15,000,000.00	15,062,640.00	14,955,150.00	SUNGARD	1.768
TOTAL FED FARM CREDIT BONDS(FFCB)				0.604%	0.398%	224,925,000.00	226,258,031.68	224,970,888.50		0.809
						7.734%	7.740%	7.717%		
FHLB NOTE (92)	313375K97	09/16/11	09/06/16	1.360%	1.247%	5,000,000.00	5,027,250.00	5,058,450.00	SUNGARD	1.660
FHLB NOTE (92)	313379VE6	07/26/12	06/19/17	1.010%	0.816%	5,000,000.00	5,046,345.00	4,995,300.00	SUNGARD	2.442
FHLB NOTE (120)	313381YP4	02/08/13	02/20/15	0.250%	0.296%	20,000,000.00	19,981,340.00	20,000,600.00	SUNGARD	0.140
FHLB NOTE (120)	313378A43	04/26/13	03/09/18	1.375%	0.843%	5,000,000.00	5,126,600.00	5,012,150.00	SUNGARD	3.119
FHLB NOTE (76)	313379DT3	06/10/13	06/08/18	1.250%	1.265%	5,000,000.00	4,996,500.00	4,963,500.00	SUNGARD	3.372
FHLB NOTE (120)	3133834R9	06/13/13	06/24/16	0.375%	0.681%	10,000,000.00	9,908,500.00	9,975,600.00	SUNGARD	1.478
FHLB NOTE (85)	313383R78	07/18/13	07/18/16	0.750%	0.757%	10,000,000.00	9,997,900.00	10,026,300.00	SUNGARD	1.536
FHLB NOTE (85)	313373UU4	07/25/13	06/08/18	2.750%	1.615%	5,000,000.00	5,264,700.00	5,214,300.00	SUNGARD	3.300
FHLB NOTE (120)	313383Z46	09/06/13	09/21/15	0.450%	0.571%	20,000,000.00	19,951,000.00	20,032,200.00	SUNGARD	0.721
FHLB NOTE (86)	313370TW8	09/27/13	09/09/16	2.000%	0.807%	10,000,000.00	10,347,100.00	10,221,500.00	SUNGARD	1.660
FHLB NOTE (120)	3130A0C65	12/18/13	12/28/16	0.625%	0.694%	10,000,000.00	9,979,300.00	9,974,300.00	SUNGARD	1.982
FHLB NOTE (120)	313376BR5	12/24/13	12/14/18	1.750%	1.778%	5,000,000.00	4,993,400.00	5,048,100.00	SUNGARD	3.833
FHLB NOTE (85)	3130A0SD3	02/07/14	02/19/16	0.375%	0.381%	20,000,000.00	19,997,400.00	19,993,600.00	SUNGARD	1.131

COUNTY OF SACRAMENTO
SHORT-TERM INVESTMENT PORTFOLIO
POOLED FUNDS
AS OF 12/31/2014

<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
FHLB NOTE (330)	3133834R9	06/06/14	06/24/16	0.375%	0.433%	20,000,000.00	19,976,380.00	19,951,200.00	SUNGARD	1.478
FHLB NOTE (20)	3130A2FH4	06/18/14	06/14/19	1.750%	1.853%	5,000,000.00	4,975,473.25	5,007,950.00	SUNGARD	4.300
FHLB NOTE (330)	3130A2FH4	08/01/14	06/14/19	1.750%	1.889%	5,000,000.00	4,967,750.00	5,007,950.00	SUNGARD	4.300
FHLB NOTE (20)	313370TW8	09/03/14	09/09/16	2.000%	0.655%	25,000,000.00	25,672,675.00	25,553,750.00	SUNGARD	1.660
FHLB NOTE (120)	313383VN8	09/15/14	09/13/19	2.000%	1.884%	10,000,000.00	10,055,231.70	10,064,300.00	SUNGARD	4.484
FHLB NOTE (85)	3130A3CE2	10/20/14	10/14/16	0.625%	0.500%	10,000,000.00	10,024,600.00	9,983,400.00	SUNGARD	1.777
FHLB NOTE (330)	313383VN8	10/20/14	09/13/19	2.000%	1.653%	10,000,000.00	10,162,300.00	10,064,300.00	SUNGARD	4.485
FHLB NOTE (120)	3130A3EL4	11/03/14	11/15/16	0.520%	0.592%	25,000,000.00	24,963,500.00	24,862,500.00	SUNGARD	1.864
FHLB NOTE (120)	313371PV2	12/04/14	12/09/16	1.625%	0.618%	25,000,000.00	25,503,250.00	25,405,750.00	SUNGARD	1.915
FHLB NOTE (120)	3130A0JR2	12/16/14	12/13/19	2.375%	1.713%	10,000,000.00	10,315,650.00	10,281,100.00	SUNGARD	4.699
TOTAL FED HOME LOAN BANKS				1.118%	0.815%	275,000,000.00	277,234,144.95	276,698,100.00		2.033
						9.456%	9.484%	9.492%		
FNMA NOTE (92)	313586UV9	11/16/11	03/10/16	8.200%	1.212%	10,000,000.00	12,929,860.00	10,910,700.00	SUNGARD	1.136
FNMA NOTE (50)	3135G0ES8	11/16/11	11/15/16	1.375%	1.298%	5,000,000.00	5,018,550.00	5,067,400.00	SUNGARD	1.852
FNMA NOTE (86)	31398A4M1	11/18/11	10/26/15	1.625%	1.019%	10,000,000.00	10,233,400.00	10,113,800.00	SUNGARD	0.815
FNMA NOTE (92)	31398AZ54	12/12/11	08/04/15	2.150%	0.870%	10,000,000.00	10,458,330.00	10,109,900.00	SUNGARD	0.586
FNMA NOTE (23)	3135G0GY3	01/31/12	01/30/17	1.250%	1.015%	5,000,000.00	5,057,050.00	5,044,800.00	SUNGARD	2.050
FNMA NOTE (320)	3135G0HG1	03/14/12	03/16/15	0.375%	0.633%	10,000,000.00	9,923,300.00	10,004,400.00	SUNGARD	0.205
FNMA NOTE (77)	3135G0KM4	05/21/12	05/27/15	0.500%	0.583%	10,000,000.00	9,975,200.00	10,011,200.00	SUNGARD	0.402
FNMA NOTE (85)	3135G0KM4	06/15/12	05/27/15	0.500%	0.551%	10,000,000.00	9,985,100.00	10,011,200.00	SUNGARD	0.402
FNMA NOTE (120)	3135G0LN1	07/24/12	07/02/15	0.500%	0.416%	10,000,000.00	10,024,508.30	10,009,300.00	SUNGARD	0.502
FNMA NOTE (92)	31359M2D4	09/07/12	12/15/16	4.875%	0.686%	10,000,000.00	11,760,540.00	10,797,700.00	SUNGARD	1.888
FNMA NOTE (92)	3135G0JA2	09/28/12	04/27/17	1.125%	0.694%	10,000,000.00	10,193,840.00	10,055,800.00	SUNGARD	2.295
FNMA NOTE (23)	31398A4M1	10/23/12	10/26/15	1.625%	0.495%	10,000,000.00	10,337,000.00	10,113,800.00	SUNGARD	0.815
FNMA NOTE (76)	3135G0PQ0	10/26/12	10/26/17	0.875%	0.959%	5,000,000.00	4,979,550.00	4,957,750.00	SUNGARD	2.787
FNMA NOTE (86)	3135G0SB0	12/18/12	12/15/15	0.375%	0.432%	10,000,000.00	9,982,900.00	10,002,300.00	SUNGARD	0.955
FNMA NOTE (77)	3135G0RT2	12/20/12	12/20/17	0.875%	0.885%	5,000,000.00	4,997,550.00	4,949,850.00	SUNGARD	2.937
FNMA NOTE (92)	3135G0TG8	02/28/13	02/08/18	0.875%	0.894%	5,000,000.00	4,995,435.00	4,942,700.00	SUNGARD	3.057
FNMA NOTE (86)	3135G0HG1	03/07/13	03/16/15	0.375%	0.297%	20,000,000.00	20,031,400.00	20,008,800.00	SUNGARD	0.205
FNMA NOTE (120)	3135G0VA8	03/21/13	03/30/16	0.500%	0.465%	10,000,000.00	10,010,500.00	10,059,100.00	SUNGARD	1.243
FNMA NOTE (76)	3135G0BA0	04/22/13	04/11/16	2.375%	0.415%	10,000,000.00	10,577,800.00	10,246,500.00	SUNGARD	1.261
FNMA NOTE (76)	3135G0WJ8	05/21/13	05/21/18	0.875%	1.013%	5,000,000.00	4,966,370.00	4,916,850.00	SUNGARD	3.343
FNMA NOTE (86)	3135G0YE7	08/14/13	08/26/16	0.625%	0.790%	10,000,000.00	9,950,600.00	9,998,000.00	SUNGARD	1.643
FNMA NOTE (120)	3135G0YM9	09/18/13	09/18/18	1.875%	2.091%	10,000,000.00	9,897,900.00	10,162,800.00	SUNGARD	3.586
FNMA NOTE (85)	3135G0ES8	11/13/13	11/15/16	1.375%	0.710%	10,000,000.00	10,197,400.00	10,134,800.00	SUNGARD	1.852
FNMA NOTE (85)	3135G0YT4	11/27/13	11/27/18	1.625%	1.578%	10,000,000.00	10,022,500.00	10,048,100.00	SUNGARD	3.795
FNMA NOTE (85)	3135G0SB0	12/06/13	12/21/15	0.375%	0.333%	20,000,000.00	20,017,000.00	20,004,600.00	SUNGARD	0.971
FNMA NOTE (260)	3135G0GY3	01/31/14	01/30/17	1.250%	0.796%	10,000,000.00	10,134,300.00	10,089,600.00	SUNGARD	2.050

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<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
FNMA NOTE (330)	3135G0ZA4	02/21/14	02/19/19	1.875%	1.724%	10,000,000.00	10,071,800.00	10,151,700.00	SUNGARD	3.970
FNMA NOTE (85)	3135G0VA8	03/07/14	03/30/16	0.500%	0.405%	20,000,000.00	20,039,000.00	20,118,200.00	SUNGARD	1.243
FNMA NOTE (330)	3135G0ZB2	04/04/14	04/20/17	0.750%	1.004%	10,000,000.00	9,923,900.00	9,968,800.00	SUNGARD	2.284
FNMA NOTE (330)	3135G0YE7	08/19/14	08/26/16	0.625%	0.540%	20,000,000.00	20,034,000.00	19,996,000.00	SUNGARD	1.643
FNMA NOTE (120)	3135G0MZ3	08/21/14	08/28/17	0.875%	1.039%	10,000,000.00	9,951,340.00	9,965,100.00	SUNGARD	2.634
FNMA NOTE (330)	3135G0ZY2	11/26/14	11/26/19	1.750%	1.836%	10,000,000.00	9,958,950.00	10,006,000.00	SUNGARD	4.712
TOTAL FED NAT MORT ASSOC				1.401%	0.796%	330,000,000.00	336,636,873.30	332,977,550.00		1.671
						11.348%	11.516%	11.422%		
FNMA D.N. (90)	313588FA8	12/05/14	05/01/15	0.115%	0.115%	41,300,000.00	41,280,606.21	41,287,610.00	SUNGARD	0.331
TOTAL FNMA DISC NOTES				0.115%	0.115%	41,300,000.00	41,280,606.21	41,287,610.00		0.331
						1.420%	1.412%	1.416%		
FHLB D.N. (90)	313384FF1	12/05/14	05/06/15	0.115%	0.115%	31,990,000.00	31,974,467.08	31,980,083.10	SUNGARD	0.345
FHLB D.N. (330)	313384FH7	12/12/14	05/08/15	0.140%	0.140%	65,000,000.00	64,962,841.67	64,979,200.00	SUNGARD	0.350
TOTAL FHLB DISC NOTES				0.132%	0.132%	96,990,000.00	96,937,308.75	96,959,283.10		0.348
						3.335%	3.316%	3.326%		
FHLMC D.N. (0260)	313396FQ1	12/17/14	05/15/15	0.130%	0.130%	75,000,000.00	74,959,645.83	74,982,000.00	SUNGARD	0.370
TOTAL FHLMC DISC NOTES				0.130%	0.130%	75,000,000.00	74,959,645.83	74,982,000.00		0.370
						2.579%	2.564%	2.572%		
FHLMC NOTE (330)	3137EACW7	11/16/11	08/25/16	2.000%	1.262%	10,000,000.00	10,340,867.00	10,238,800.00	SUNGARD	1.621
FHLMC NOTE (85)	3137EACH0	02/16/12	02/09/15	2.875%	0.473%	10,000,000.00	10,710,000.00	10,022,100.00	SUNGARD	0.110
FHLMC NOTE (23)	3137EADC0	03/21/12	03/08/17	1.000%	1.417%	5,000,000.00	4,900,500.00	5,014,500.00	SUNGARD	2.161
FHLMC NOTE (50)	3137EADD8	04/26/12	04/17/15	0.500%	0.539%	10,000,000.00	9,988,500.00	10,009,500.00	SUNGARD	0.293
FHLMC NOTE (76)	3137EADF3	05/23/12	05/12/17	1.250%	1.056%	5,000,000.00	5,046,835.00	5,037,050.00	SUNGARD	2.333
FHLMC NOTE (50)	3134G3ZA1	08/17/12	08/28/15	0.500%	0.528%	10,000,000.00	9,991,600.00	10,017,200.00	SUNGARD	0.665
FHLMC NOTE (120)	3134G3J76	09/13/12	09/04/15	0.450%	0.429%	10,000,000.00	10,006,200.00	10,013,100.00	SUNGARD	0.674
FHLMC NOTE (85)	3137EADH9	09/17/12	06/29/17	1.000%	0.820%	10,000,000.00	10,084,200.00	10,019,700.00	SUNGARD	2.470
FHLMC NOTE (76)	3137EADL0	10/01/12	09/29/17	1.000%	0.846%	5,000,000.00	5,037,550.00	4,989,000.00	SUNGARD	2.707
FHLMC NOTE (92)	3134G3W55	11/20/12	11/24/15	0.450%	0.410%	10,000,000.00	10,011,860.00	10,011,400.00	SUNGARD	0.896
FHLMC NOTE (92)	3137EABA6	11/28/12	11/17/17	5.125%	0.800%	5,000,000.00	6,051,620.00	5,565,800.00	SUNGARD	2.709
FHLMC NOTE (88)	3137EADN6	01/28/13	01/12/18	0.750%	0.963%	5,000,000.00	4,948,575.00	4,928,250.00	SUNGARD	2.991
FHLMC NOTE (86)	3137EADP1	03/12/13	03/07/18	0.875%	1.028%	5,000,000.00	4,962,900.00	4,939,750.00	SUNGARD	3.138
FHLMC NOTE (23)	3137EADQ9	05/08/13	05/13/16	0.500%	0.414%	10,000,000.00	10,025,800.00	10,003,500.00	SUNGARD	1.363

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FHLMC NOTE (92)	3134A4VC5	07/05/13	07/17/15	4.375%	0.410%	20,000,000.00	21,604,280.00	20,447,000.00	SUNGARD	0.534
FHLMC NOTE (92)	3137EADS5	10/31/13	10/14/16	0.875%	0.636%	10,000,000.00	10,069,830.00	10,037,300.00	SUNGARD	1.773
FHLMC NOTE (23)	3137EADT3	02/21/14	02/22/17	0.875%	0.780%	10,000,000.00	10,028,100.00	10,016,200.00	SUNGARD	2.120
FHLMC NOTE (85)	3137EADC0	03/12/14	03/08/17	1.000%	0.843%	10,000,000.00	10,046,100.00	10,029,000.00	SUNGARD	2.161
FHLMC NOTE (120)	3137EACA5	03/27/14	03/27/19	3.750%	1.832%	5,000,000.00	5,456,250.00	5,441,750.00	SUNGARD	3.936
FHLMC NOTE (86)	3137EACT4	05/05/14	05/27/16	2.500%	0.465%	20,000,000.00	20,833,800.00	20,565,400.00	SUNGARD	1.387
FHLMC NOTE (45)	3137EADF3	05/23/14	05/15/17	1.250%	0.830%	10,000,000.00	10,122,900.00	10,074,100.00	SUNGARD	2.342
FHLMC NOTE (120)	3137EADG1	05/30/14	05/30/19	1.750%	1.655%	10,000,000.00	10,045,460.00	10,055,400.00	SUNGARD	4.261
FHLMC NOTE (120)	3137EADH9	06/11/14	06/29/17	1.000%	0.983%	10,000,000.00	10,005,120.00	10,019,700.00	SUNGARD	2.470
FHLMC NOTE (120)	3137EADJ5	07/10/14	07/15/17	1.000%	1.048%	10,000,000.00	9,985,570.00	9,996,200.00	SUNGARD	2.502
FHLMC NOTE (85)	3137EADK2	08/20/14	08/01/19	1.250%	1.727%	5,000,000.00	4,887,300.00	4,907,700.00	SUNGARD	4.444
FHLMC NOTE (120)	3134G3ZA1	08/02/13	08/28/15	0.500%	0.372%	20,000,000.00	20,052,700.00	20,034,400.00	SUNGARD	0.665
TOTAL FHLMC				1.575%	0.757%	250,000,000.00	255,244,417.00	252,433,800.00		1.726
						8.597%	8.732%	8.659%		
CP-CHEVRON (30)	16677KN25	09/02/14	01/02/15	0.110%	0.110%	60,000,000.00	59,977,633.33	59,999,750.00	SUNGARD	0.005
CP-TORONTO (20)	89116FN55	09/08/14	01/05/15	0.160%	0.160%	30,000,000.00	29,984,133.33	29,999,500.00	SUNGARD	0.014
CP-TOYOTA (270)	89233HNG5	09/12/14	01/16/15	0.170%	0.170%	35,000,000.00	34,979,175.00	34,997,812.50	SUNGARD	0.044
CP-TORONTO (20)	89116FN63	09/18/14	01/06/15	0.145%	0.145%	15,000,000.00	14,993,354.17	14,999,687.50	SUNGARD	0.016
CP-TOYOTA (270)	89233HN75	09/23/14	01/07/15	0.130%	0.130%	30,000,000.00	29,988,516.67	29,999,250.00	SUNGARD	0.019
CP-US BANK (240)	9033E1NP5	09/24/14	01/23/15	0.130%	0.130%	35,000,000.00	34,984,706.94	34,996,791.67	SUNGARD	0.063
CP-CHEVRON (30)	16677KNS8	10/06/14	01/26/15	0.100%	0.100%	25,000,000.00	24,992,222.22	24,997,395.83	SUNGARD	0.071
CP-TOYOTA (270)	89233HNW0	10/14/14	01/30/15	0.120%	0.120%	20,000,000.00	19,992,800.00	19,997,583.33	SUNGARD	0.082
CP-COCA COLA (85)	19121BP29	10/15/14	02/02/15	0.120%	0.120%	44,000,000.00	43,983,866.67	43,994,133.33	SUNGARD	0.090
CP-CHEVRON (30)	16677KPH0	10/22/14	02/17/15	0.120%	0.120%	30,000,000.00	29,988,200.00	29,994,125.00	SUNGARD	0.131
CP-US BANK (240)	9033E1PD0	10/24/14	02/13/15	0.110%	0.110%	35,000,000.00	34,988,022.22	34,993,729.17	SUNGARD	0.120
CP-US BANK (240)	9033E1PJ7	10/27/14	02/18/15	0.110%	0.110%	20,000,000.00	19,993,033.33	19,996,000.00	SUNGARD	0.134
CP-COCA COLA (85)	19121BPA1	11/03/14	02/10/15	0.110%	0.110%	22,000,000.00	21,993,345.00	21,996,333.33	SUNGARD	0.112
CP-TORONTO (20)	89116FP38	11/03/14	02/03/15	0.150%	0.150%	50,000,000.00	49,980,833.33	49,993,125.00	SUNGARD	0.093
CP-US BANK (240)	9033E1PP3	11/03/14	02/23/15	0.110%	0.110%	25,000,000.00	24,991,444.44	24,994,479.17	SUNGARD	0.148
CP-TOYOTA (270)	89233HP65	11/04/14	02/06/15	0.130%	0.130%	30,000,000.00	29,989,816.67	29,995,500.00	SUNGARD	0.101
CP-TORONTO (20)	89116FQ52	11/14/14	03/05/15	0.140%	0.140%	20,000,000.00	19,991,366.67	19,993,350.00	SUNGARD	0.175
CP-COCA COLA (85)	19121BQD4	11/19/14	03/13/15	0.130%	0.130%	35,000,000.00	34,985,591.67	34,986,884.72	SUNGARD	0.197
CP-COCA COLA (85)	19121BQC6	11/19/14	03/12/15	0.130%	0.130%	15,000,000.00	14,993,879.17	14,994,458.33	SUNGARD	0.194
CP-TOYOTA (270)	89233HQK3	12/08/14	03/19/15	0.160%	0.160%	10,000,000.00	9,995,511.11	9,995,936.11	SUNGARD	0.214
CP-TORONTO (20)	89116FQA1	12/08/14	03/10/15	0.165%	0.165%	10,000,000.00	9,995,783.33	9,996,411.11	SUNGARD	0.189
CP-COCA COLA (85)	19121BQL6	12/08/14	03/20/15	0.120%	0.120%	10,000,000.00	9,996,600.00	9,995,883.33	SUNGARD	0.216
CP-PROCTER & GAMBLE(85)	74271UQ94	12/09/14	03/09/15	0.110%	0.110%	75,000,000.00	74,979,375.00	74,973,479.17	SUNGARD	0.186
CP-US BANK (240)	9033E1R97	12/15/14	04/09/15	0.120%	0.120%	20,000,000.00	19,992,333.33	19,988,566.67	SUNGARD	0.271

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TOTAL COMMERCIAL PAPER DISC				0.127%	0.127%	701,000,000.00	700,731,543.60	700,870,165.27		0.109
						24.105%	23.972%	24.043%		
CD-COMERICA BK (CRA)		08/22/14	08/21/15	0.200%	0.200%	5,000,000.00	5,000,000.00	4,998,378.68	SUNGARD	0.638
CD-SVENSKA (85)	86958DFT4	09/04/14	01/02/15	0.190%	0.185%	30,000,000.00	30,000,499.69	30,000,183.25	SUNGARD	0.005
CD-NOVA SCOTIA (50)	06417HVD5	09/25/14	01/23/15	0.160%	0.160%	50,000,000.00	50,000,000.00	50,002,554.32	SUNGARD	0.063
CD-NOVA SCOTIA (86)	06417HVF0	09/26/14	01/23/15	0.160%	0.160%	40,000,000.00	40,000,000.00	40,002,043.47	SUNGARD	0.063
CD-BK MONTREAL (45)	06366CCX4	10/01/14	01/20/15	0.160%	0.160%	45,000,000.00	45,000,000.00	45,001,999.10	SUNGARD	0.055
CD-NORDEA (86)	65558E4U9	10/01/14	01/12/15	0.150%	0.150%	45,000,000.00	45,000,000.00	45,001,049.52	SUNGARD	0.033
CD-BK MONTREAL (45)	06366CDR6	10/06/14	01/23/15	0.140%	0.140%	25,000,000.00	25,000,000.00	25,000,957.86	SUNGARD	0.063
CD-CIBC (260)	13606JHM4	10/16/14	01/30/15	0.110%	0.110%	40,000,000.00	40,000,000.00	40,000,999.31	SUNGARD	0.082
CD-SVENSKA (260)	86958DJM5	10/20/14	02/04/15	0.160%	0.155%	20,000,000.00	20,000,297.09	20,001,554.94	SUNGARD	0.096
CD-CIBC (260)	13606JL4	10/29/14	02/02/15	0.110%	0.105%	50,000,000.00	50,000,666.48	50,001,374.19	SUNGARD	0.090
CD-BK OF MONTREAL (45)	06366CHT8	11/07/14	03/02/15	0.170%	0.170%	45,000,000.00	45,000,000.00	45,006,860.01	SUNGARD	0.167
CD-NORDEA (86)	65558E5W4	11/12/14	02/27/15	0.150%	0.150%	30,000,000.00	30,000,000.00	30,003,382.11	SUNGARD	0.159
CD-CIBC (86)	13606JKU2	11/13/14	03/02/15	0.110%	0.110%	25,000,000.00	25,000,000.00	25,001,270.16	SUNGARD	0.167
CD-SVENSKA (85)	86958DKN1	11/14/14	03/16/15	0.185%	0.180%	20,000,000.00	20,000,338.68	20,004,373.47	SUNGARD	0.205
CD-WELLS FARGO (170)	94988E6G8	11/21/14	02/09/15	0.210%	0.140%	45,000,000.00	45,006,989.66	45,006,496.16	SUNGARD	0.110
CD-SVENSKA (86)	86958DLE0	12/01/14	03/03/15	0.170%	0.170%	50,000,000.00	50,000,000.00	50,007,747.96	SUNGARD	0.170
CD-NORDEA (30)	65558E6R4	12/01/14	03/06/15	0.150%	0.150%	45,000,000.00	45,000,000.00	45,005,685.87	SUNGARD	0.178
CD-NOVA SCOTIA (86)	06417HXF8	12/02/14	04/01/15	0.120%	0.120%	30,000,000.00	30,000,000.00	29,997,724.76	SUNGARD	0.249
CD-AUSTRALIA (260)	05252WJA2	12/03/14	05/01/15	0.150%	0.150%	75,000,000.00	75,000,000.00	74,999,995.59	SUNGARD	0.331
CD-WELLS FARGO (170)	94988ECL0	12/10/14	04/01/15	0.170%	0.170%	50,000,000.00	50,000,000.00	50,002,524.94	SUNGARD	0.249
CD-WELLS FARGO (170)	94988ECY2	12/15/14	04/07/15	0.200%	0.200%	25,000,000.00	25,000,000.00	25,003,365.80	SUNGARD	0.266
CD-SVENSKA (85)	86958DMV1	12/30/14	03/30/15	0.200%	0.190%	20,000,000.00	20,000,499.76	20,005,932.14	SUNGARD	0.244
TOTAL CERT. OF DEPOITS/THRIFT NOTES				0.157%	0.152%	810,000,000.00	810,009,291.36	810,056,453.61		0.151
						27.853%	27.710%	27.788%		
CD-B OF A (CRA)		01/05/14	01/05/15	0.180%	0.180%	10,000,000.00	10,000,000.00	10,000,000.00	USERP	0.014
TOTAL CD-ACT OVER 365/366				0.180%	0.180%	10,000,000.00	10,000,000.00	10,000,000.00		0.014
						0.344%	0.342%	0.343%		
LAIF POOL		07/31/97	03/31/15	0.261%	0.261%	50,000,000.00	50,000,000.00	50,000,000.00	BOOK	0.246
TOTAL PASSBOOK ACCOUNTS				0.261%	0.261%	50,000,000.00	50,000,000.00	50,000,000.00		0.246
						1.719%	1.710%	1.715%		

COUNTY OF SACRAMENTO
 SHORT-TERM INVESTMENT PORTFOLIO
 POOLED FUNDS
 AS OF 12/31/2014

<u>DESCRIPTION</u>	<u>CUSIP</u>	<u>PURCHASE DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>TRADING YIELD</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>SOURCE</u>	<u>DURATION (YEARS)</u>
				0.545%	0.358%	2,908,094,174.04	2,923,171,036.72	2,915,115,024.52		0.746
Grand Total										



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

Monthly Review — December 2014

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 2014 and California Government Code.¹

PORTFOLIO STATISTICS

Portfolio's Month-End Balance	2,923,171,037
<i>Earned Income Yield for the Month</i>	<i>0.360%</i>
Weighted Average Maturity (Days)	277
Estimated Duration (Years)	0.746
Historical Book Value	\$2,914,282,813
Month-End Market Value	\$2,915,115,025
Percent of Market to Book Value	100.03%

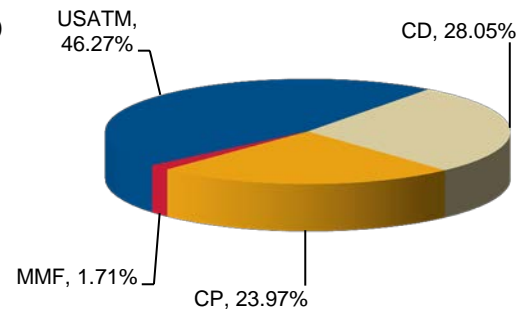
Investment Objectives

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

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

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

Percentage Portfolio Structure by Asset Class²



PORTFOLIO STRUCTURE²

Investment Description	Portfolio at Cost	Yield at Month End
US Agency, Treasury & Municipal Notes (USATM):		
<i>US Agency Notes</i>	44.76%	0.615%
<i>US Treasury Notes</i>	0.00%	0.000%
<i>Municipal Notes</i>	1.50%	0.355%
Total USATM	46.27%	0.606%
Commercial Paper (CP)	23.97%	0.127%
Certificates of Deposit (CD)	28.05%	0.153%
LAIF/Money Market Funds (MMF)	1.71%	0.261%
Repurchase Agreements (REPO)	0.00%	0.000%

**US Agency Notes Breakdown
Percent of Portfolio at Cost²**

FCCB Notes/Discount Notes	7.74%
FHLB Notes/Discount Notes	12.80%
FNMA Notes/Discount Notes	12.93%
FHLMC Notes/Discount Notes	11.30%
Total US Agency Notes	44.76%

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

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

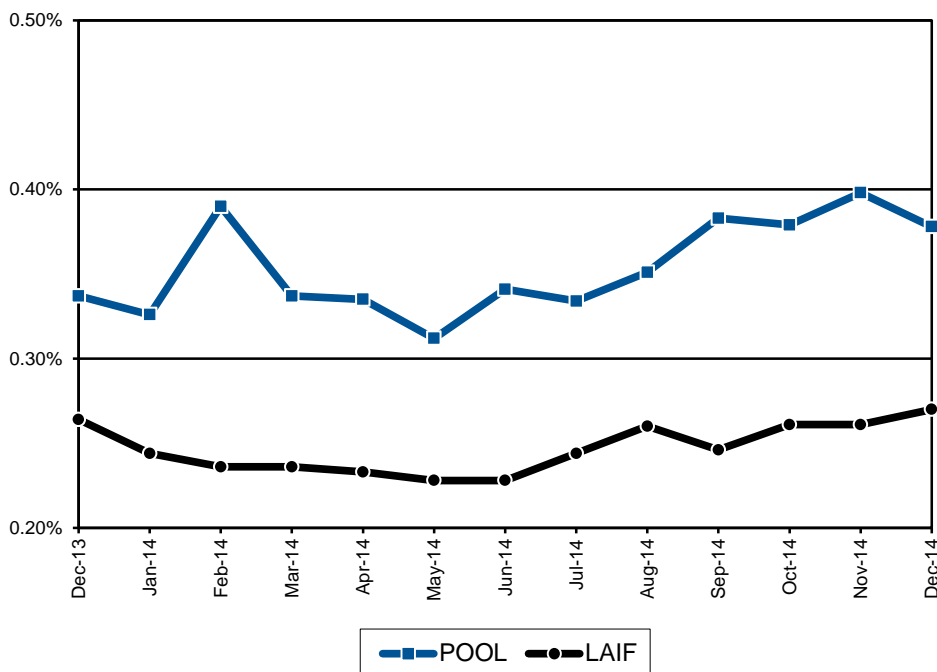
YIELD HISTORY

The earned interest yield history represents gross yields; **costs have not been deducted**. The estimated investment management costs in the prior year were approximately 12 basis points or 0.12%. The quarterly apportionment of earnings to participating funds will be made on a **cash basis** (as opposed to an accrual basis) for the first three quarters of the fiscal year. Earnings to participating funds will be annualized over the fiscal year based on a fund's cumulative average daily cash balance at each quarter end and fiscal year end. At fiscal year end (fourth quarter), the earnings of the pool will be converted to an accrual basis for the fourth quarter earnings' allocation.

YIELD TRENDS³

Earned Interest Yield Over Last 12 Months

Earned Income Yield History		
MONTH	POOL	LAIF
Dec-13	0.34%	0.26%
Jan-14	0.33%	0.24%
Feb-14	0.39%	0.24%
Mar-14	0.34%	0.24%
Apr-14	0.34%	0.23%
May-14	0.31%	0.23%
Jun-14	0.34%	0.23%
Jul-14	0.33%	0.24%
Aug-14	0.35%	0.26%
Sep-14	0.38%	0.25%
Oct-14	0.38%	0.26%
Nov-14	0.40%	0.26%
Dec-14	0.36%	0.27%



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 12, 2015, is sufficient to meet cash flow expenditures for the next six months.

Month	Beginning Bank Balance	Receipts & Maturities	Disbursements	Difference	Less Investments Beyond 1 year	Funds Available to Invest for Future Cash Flow Needs ⁴
<i>Dollar amounts represented in millions</i>						
Jan	60.0	\$994.6	\$708.7	\$285.9	\$35.0	\$250.9
Feb	60.0	\$871.8	\$544.5	\$327.3	\$35.0	\$292.3
Mar	60.0	\$1,215.9	\$637.1	\$578.8	\$35.0	\$543.8
Apr	60.0	\$964.6	\$568.9	\$395.7	\$35.0	\$360.7
May	60.0	\$705.6	\$695.5	\$10.1	\$35.0	(\$24.9)
Jun	60.0	\$525.6	\$671.6	(\$146.0)	\$35.0	(\$181.0)

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

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

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

Internal Services

Department of Finance

Investment Division

Bernard Santo Domingo,
Chief Investment Officer



Bradley J. Hudson,
County Executive
David Villanueva,
Chief Deputy County Executive
Julie Valverde,
Department Director

County of Sacramento

February 11, 2015

To: Treasury Oversight Committee

Subject: **INVESTMENT APPROVED LISTS**

Attached for your review is a report of the changes made to the Investment Approved Lists for the quarter ended December 31, 2014. The report reflects additions, deletions, and reaffirmations of investment providers for the following approved lists:

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

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

Sincerely,

Bernard Santo Domingo
Chief Investment Officer

(OVER)

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Changes to the Investment Approved Lists For the Quarter Ended December 31, 2014

<i>Reaffirmed</i>	<i>Added¹</i>	<i>Deleted</i>
Domestic Banks for all Legal Investments		
Foreign Banks for all Legal Investments		
Toronto Dominion		
Commercial Paper & Medium-Term Note Issuers		
3M Toronto Dominion		
Community Reinvestment Act Approved Banks & Credit Unions		
Firms for Purchase and Sale of Securities (Broker/Dealers & Direct Issuers)		
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 2014.

**Investment Fund Statistics Questionnaire Results
December 2014**

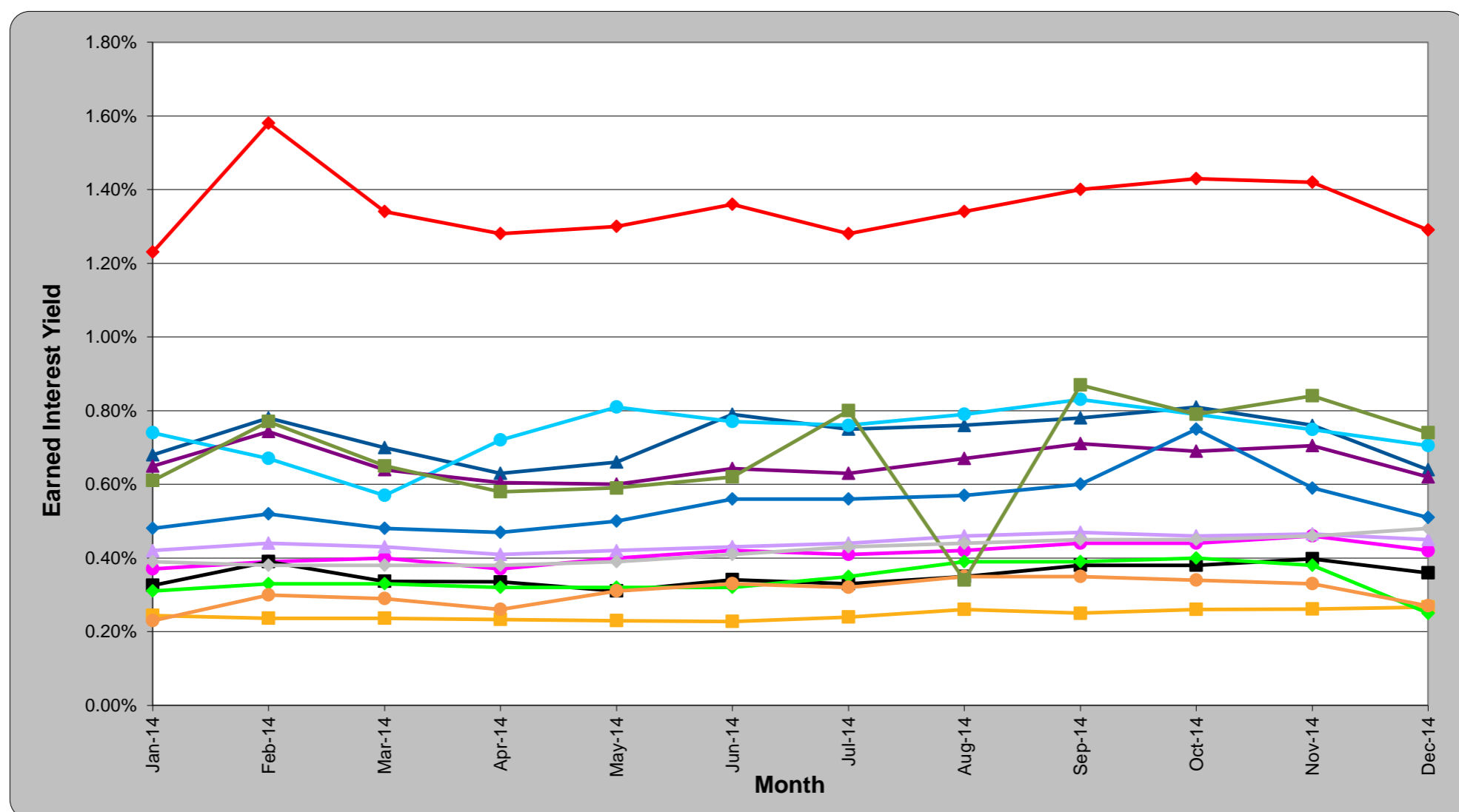
Name of Fund	Earned Interest Yield	Portfolio Size (in millions)	Weighted Average Maturity (in days)	Percent Market Value
Sacramento County (Pooled)	0.36%	\$2,780.7	277	100.03%
Sacramento County (All)	0.39%	\$3,303.0	355	N/A
Local Agency Investment Fund (LAIF)	0.27%	\$19,493.0	200	100.00%
Contra Costa County (Pooled)	0.25%	\$1,729.0	171	100.02%
Contra Costa County (All)	0.32%	\$2,252.1	198	99.93%
Fresno County	1.29%	\$2,734.7	797	100.48%
Los Angeles County	0.64%	\$25,017.0	563	99.69%
Merced County	0.74%	\$700.8	408	99.93%
Orange County	0.27%	\$4,033.9	350	99.98%
Orange County (Schools)	0.32%	\$3,656.6	331	99.98%
Riverside County	0.42%	\$5,700.7	453	99.93%
San Diego County	0.45%	\$7,926.5	263	99.95%
San Francisco City and County (Pooled)	0.71%	\$6,436.1	694	99.94%
San Luis Obispo County	0.48%	\$659.8	288	100.04%
Solano County	0.51%	\$858.8	540	100.02%
Sonoma County (Pooled)	0.62%	\$1,695.8	684	99.76%
Sonoma County (All)	0.82%	\$1,726.0	720	102.16%

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 2014**

Jurisdiction	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
◆ Contra Costa	0.31%	0.33%	0.33%	0.32%	0.32%	0.32%	0.35%	0.39%	0.39%	0.40%	0.38%	0.25%
◆ Fresno	1.23%	1.58%	1.34%	1.28%	1.30%	1.36%	1.28%	1.34%	1.40%	1.43%	1.42%	1.29%
■ LAIF	0.24%	0.24%	0.24%	0.23%	0.23%	0.23%	0.24%	0.26%	0.25%	0.26%	0.26%	0.27%
▲ Los Angeles	0.68%	0.78%	0.70%	0.63%	0.66%	0.79%	0.75%	0.76%	0.78%	0.81%	0.76%	0.64%
■ Merced	0.61%	0.77%	0.65%	0.58%	0.59%	0.62%	0.80%	0.34%	0.87%	0.79%	0.84%	0.74%
● Orange	0.23%	0.30%	0.29%	0.26%	0.31%	0.33%	0.32%	0.35%	0.35%	0.34%	0.33%	0.27%
● Riverside	0.37%	0.39%	0.40%	0.37%	0.40%	0.42%	0.41%	0.42%	0.44%	0.44%	0.46%	0.42%
■ Sacramento	0.33%	0.39%	0.34%	0.34%	0.31%	0.34%	0.33%	0.35%	0.38%	0.38%	0.40%	0.36%
▲ San Diego	0.42%	0.44%	0.43%	0.41%	0.42%	0.43%	0.44%	0.46%	0.47%	0.46%	0.47%	0.45%
● San Francisco	0.74%	0.67%	0.57%	0.72%	0.81%	0.77%	0.76%	0.79%	0.83%	0.79%	0.75%	0.71%
◆ San Luis Obispo	0.39%	0.38%	0.38%	0.38%	0.39%	0.41%	0.43%	0.44%	0.45%	0.45%	0.46%	0.48%
◆ Solano	0.48%	0.52%	0.48%	0.47%	0.50%	0.56%	0.56%	0.57%	0.60%	0.75%	0.59%	0.51%
▲ Sonoma	0.65%	0.74%	0.64%	0.61%	0.60%	0.64%	0.63%	0.67%	0.71%	0.69%	0.71%	0.62%



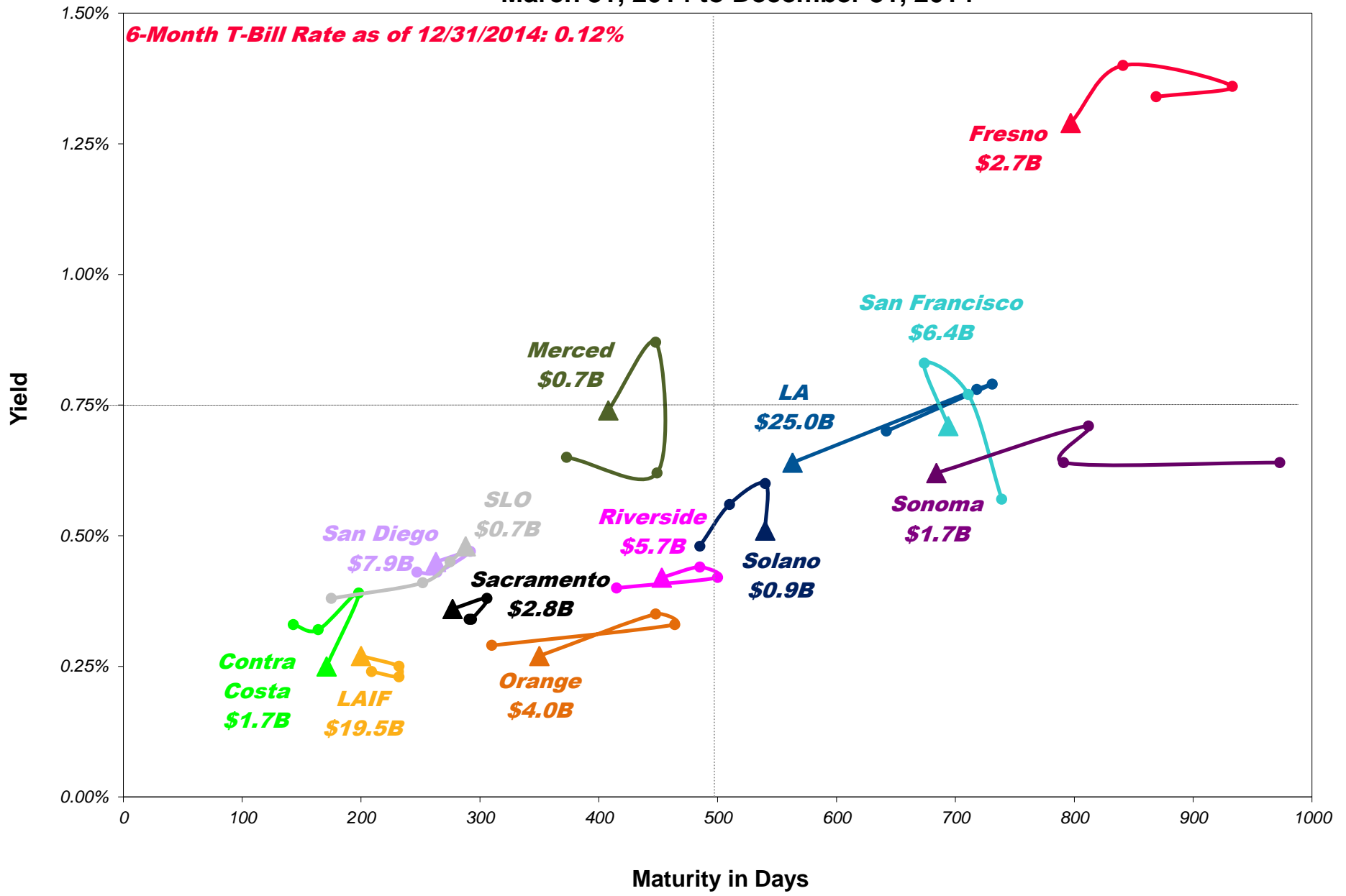
NOTE:

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, 2014 to December 31, 2014



FORM 700 REMINDER.

NO WRITTEN REPORT

NEXT MEETING REMINDER - FRIDAY, MAY 15, 2015.

NO WRITTEN REPORT

ADJOURNMENT.

NO WRITTEN REPORT