

**NOTICE OF A  
REGULAR MEETING OF THE  
CALOPTIMA BOARD OF DIRECTORS'  
INVESTMENT ADVISORY COMMITTEE**

**MONDAY, JULY 25, 2016  
3:00 P.M.**

**CALOPTIMA  
505 CITY PARKWAY WEST, SUITE 109-N  
ORANGE, CALIFORNIA 92868**

**AGENDA**

This agenda contains a brief, general description of each item to be considered. The Committee may take any action on all items listed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda.

Information related to this agenda may be obtained by contacting the CalOptima Clerk of the Board at 714.246.8400 or by visiting our website at [www.caloptima.org](http://www.caloptima.org). In compliance with the Americans with Disabilities Act, those requiring special accommodations for this meeting should notify the Clerk of the Board's office at 714.246.8806. Notification at least 72 hours prior to the meeting will allow time to make reasonable arrangements for accessibility to this meeting.

**I. CALL TO ORDER**

*Pledge of Allegiance*

**II. ESTABLISH QUORUM**

**III. APPROVE MINUTES**

- A. Approve Minutes of the April 25, 2016 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

**IV. PUBLIC COMMENT**

*At this time, members of the public may address the Committee on general topics. Public Comment on posted item(s) will follow staff presentation of the item(s) to the Committee. If you wish to speak on an item contained in the agenda, please complete a Public Comment Request Form(s) identifying the item(s) and submit the form to the assistant to the IAC. When addressing the Committee, it is requested that you state your name for the record. Please address the Committee as a whole through the Chair. Comments to individual Committee members or staff are not permitted. Speakers will be limited to three (3) minutes.*

**V. Management Reports**

- A. Chief Executive Officer Report  
B. Chief Financial Officer Report

**VI. REPORTS**

- A. Recommend Reappointment to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee for Consideration

**VII. INFORMATION ITEMS**

- A. Quarterly Investment Report Presentation by Meketa
- B. Investment Portfolio Presentation by Payden & Rygel
- C. Investment Portfolio Presentation by Logan Circle Partners
- D. Investment Portfolio Presentation by Wells Capital Management
- E. April 2016 Unaudited Financial Statements

**VIII. COMMITTEE MEMBER COMMENTS**

**IX. ADJOURNMENT**

## **MINUTES**

### **REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' INVESTMENT ADVISORY COMMITTEE**

**April 25, 2016**

A Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, April 25, 2016, at CalOptima, 505 City Parkway West, Orange, California.

#### **CALL TO ORDER**

The meeting was called to order at 3:10 p.m. Chair Patrick Moore led the Pledge of Allegiance.

#### **ROLL CALL**

Members Present: Patrick Moore, Lisa Laird, Chet Uma, Rodney Johnson, Peggy Eckroth, David Young

Members Absent: Caroline Harkins

Others Present: Laura Wirick, Colleen Smiley, Ted Benedict, Meketa Investment Group; Asha Joshi, Larry Manis, Thomas Elder, Payden & Rygel; Scott Pavlak, Logan Circle Partners; Nancy Huang, Controller; Gary Crockett, Chief Counsel; Pamela Reichardt, Executive Assistant

#### **MINUTES**

#### **Approve Minutes of the January 25, 2015 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee**

*Action: On motion of Chair Patrick Moore, seconded and carried, the Minutes of the January 25, 2015, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0; Member Harkins absent)*

#### **PUBLIC COMMENT**

There were no requests for public comment.

## **MANAGEMENT REPORTS**

Chet Uma, Chief Financial Officer, announced that Ladan Khamseh has been selected as the new Chief Operating Officer, and that she would be invited to a future IAC meeting to meet the members.

Mr. Uma reported on the state's plan to decrease Medi-Cal Expansion (MCE) rates to be close to Medi-Cal Classic TANF rate in Fiscal Year 2016-17. It is anticipated that draft rates will be released by the end of April. Staff will present a proposal to implement rate reductions to contracted specialists, health networks and hospitals to the Board of Directors for consideration. Mr. Uma also explained the risk corridor calculation for the MCE population, and noted that health plans are required to have a minimum medical loss ratio of 85%. CalOptima currently has approximately \$200 million in reserves to reimburse the State related to the 85% medical loss ratio requirements.

Chair Moore updated the IAC on the on the comments he made at the February 18, 2016 Board of Directors' Finance and Audit Committee meeting related to the decision to add a third investment manager contrary to the recommendation of the IAC. Mr. Moore noted that his presentation was well received, but resulted in no change of the final recommendation.

## **REPORTS**

### **Consider Recommending Approval of Plan to Transfer Assets to New Operating and Tier One Asset Managers**

CalOptima Controller Nancy Huang presented the recommended action to consider approval of the plan to transfer assets to a new Operating and Tier One asset manager. Ms. Huang noted that CalOptima staff worked with Meketa to review the several options and recommendations. Laura Wirick, Consultant/Sr. Vice President from Meketa Investment Group provided a summary of five options, and recommended approval of Option 2- 100% security in-kind transfer for both Operating and Tier One assets. As proposed, Payden & Rygel will distribute 67% of Operating and Tier One securities in-kind to Logan Circle and Wells Capital in equal amounts. In addition, staff recommended a three (3) month rotation period for investment manager cash flows.

Member David Young suggested giving the Investment Managers a 30-day grace period for portfolio performance evaluations.

***Action: On motion of Chair Moore, seconded and carried, the Committee approved a 100% security in-kind transfer for both Operating and Tier One assets; Payden & Rygel to distribute 67% of Operating and Tier One securities in-kind to Logan Circle and Wells Capital in equal amounts. (Motion carried 5-0-1); Member Young, abstaining; Member Harkins absent.***

## **INFORMATION ITEMS**

### **Presentation by Meketa Investment Group**

Ted Benedict, Principal, Meketa Investment Group presented a corporate update, and. Laura Wirick, Consultant/Sr. Vice President, Meketa Investment Group, presented the investment report and performance for the quarter ending March 31, 2015. Ms. Wirick reported that the portfolio was in compliance during this period.

### **Presentation by Logan Circle Partners**

Scott Pavlak, Senior Portfolio Manager, Logan Circle Partners, provided an organizational overview of the firm, and a review of CalOptima's portfolio performance during the first quarter, reporting that the portfolio was in compliance during the quarter.

### **Presentation by Payden & Rygel**

Asha Joshi, Managing Principal, Payden & Rygel, provided an overview of the economy and the highlights of CalOptima's portfolio, noting that the portfolio was in compliance during this period. Larry Manis, Portfolio Manager, Payden & Rygel, presented a detailed overview of the investment strategy and performance for the quarter ending February 2016.

### **February 2016 Financial Update**

Nancy Huang, Controller, presented the unaudited financial statements as of February 29, 2016. Ms. Huang also reviewed cash flow forecast summary for next 12 months.

## **ADJOURNMENT**

Hearing no further business, Chair Moore, adjourned the meeting at 4:59 p.m.

/s/ Pamela Reichardt

Pamela Reichardt  
Executive Assistant

Approved: July 25, 2016\_\_\_\_\_



**CalOptima**  
Better. Together.

The Chief Executive Officer Report  
will be a verbal report.



**CalOptima**  
Better. Together.

The Chief Financial Officer Report  
will be a verbal report.

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken July 25, 2016** **Regular Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

#### **Report Item**

VI. A. Recommend Reappointment to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee for Consideration

#### **Contact**

Chet Uma, Chief Financial Officer, (714) 246-8400

#### **Recommended Actions**

Recommend the CalOptima Board of Directors' Finance and Audit Committee consider the reappointment of the following individual to fill a currently vacant position on the CalOptima Investment Advisory Committee:

1. David Young for a two-year term beginning October 6, 2016.

#### **Background**

At the September 10, 1996, Special meeting, the CalOptima Board of Directors (Board) authorized the creation of the CalOptima Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to begin recruitment of volunteer members to the IAC. IAC members do not make recommendations on individual investments. However, their role is to make recommendations to the Finance and Audit Committee (FAC) on changes to the Annual Investment Policy (AIP), and to monitor the performance of CalOptima's investments, investment advisor and investment managers.

When creating the IAC, the CalOptima Board (Board) stipulated that the committee would consist of five (5) members. One (1) member would automatically serve on the committee by virtue of his or her position as CalOptima's Chief Financial Officer (CFO). The remaining four (4) members would be Orange County residents possessing experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima on its investment activities.

#### **Discussion**

The following candidate recommended for reappointment has consistently provided leadership and service to CalOptima's investment strategies through his participation as a member of the IAC.

David Young has served as a member of the IAC since June 4, 2009. Mr. Young is founder and Chief Executive Officer of Anfield Group, LLC, a financial consulting and investment advisory firm. In 2008, he retired as Executive Vice President and Account Manager of Pacific Investment Management



Company (PIMCO) and rejoined the University of California, Irvine (UCI), Paul Merage School of Business as Adjunct Professor. From 1999 to 2006, he was head of PIMCO's account management group in London. Prior to that, Mr. Young held positions at Analytic Investment Management, Smith Barney, and Harris Upham. He has over 30 years of investment experience, and is a Certified Financial Advisor (CFA). In addition, Mr. Young is a member of the CFA Society of Orange County Board of Directors, and the chair of its Investment Committee. He also is board member of the UCI Paul Merage School of Business Center for Investment & Wealth Management Executive Committee, and chairs its Journal editorial board. Mr. Young received his undergraduate degree and M.B.A from UCI. His current IAC term expired on June 5, 2016.

Mr. Young was previously appointed to the IAC by the CalOptima Board of Directors on June 5, 2015, for a term ending June 5, 2016.

**Fiscal Impact**

There is no fiscal impact. An individual appointed to the IAC would assist and advise CalOptima in safely maintaining an acceptable return on investment on invested funds.

**Rationale for Recommendation**

The individual recommended for re-appointment for CalOptima's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC. In addition, the candidate has a long history of providing outstanding service as a member of the IAC.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

None

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Date**

# FUND EVALUATION REPORT

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**CalOptima**

Quarterly Review  
June 30, 2016



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M E K E T A     I N V E S T M E N T     G R O U P

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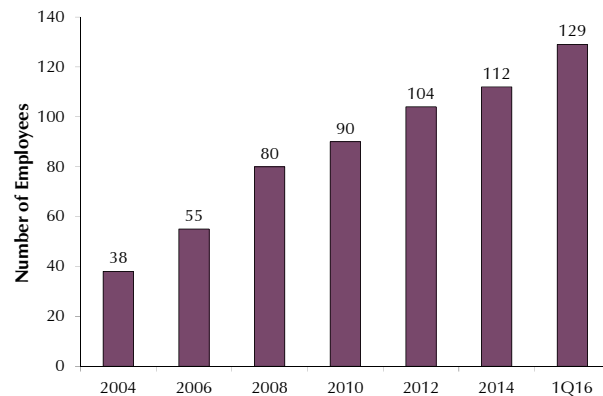
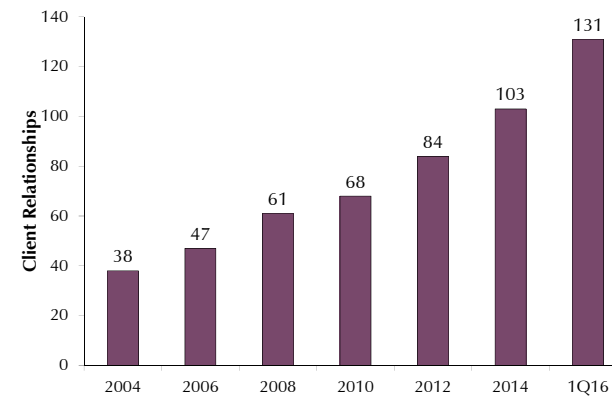
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- 1. Corporate Update**
- 2. Fund Summary**
- 3. Fund Detail**
- 4. Portfolio Reviews**
- 5. Quarterly Investment Report Supplement**
- 6. Custom Peer Group**
- 7. Performance Attribution**
- 8. Holdings**
- 9. Disclaimer, Glossary, and Notes**

## **Meketa Investment Group Corporate Update**

- Staff of 129, including 79 investment professionals and 27 CFA Charterholders
- 131 clients, with over 200 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- Clients have aggregate assets of over \$780 billion
  - Over \$40 billion in assets committed to alternative investments
    - Private Equity      ▪ Infrastructure      ▪ Natural Resources
    - Real Estate        ▪ Hedge Funds        ▪ Commodities

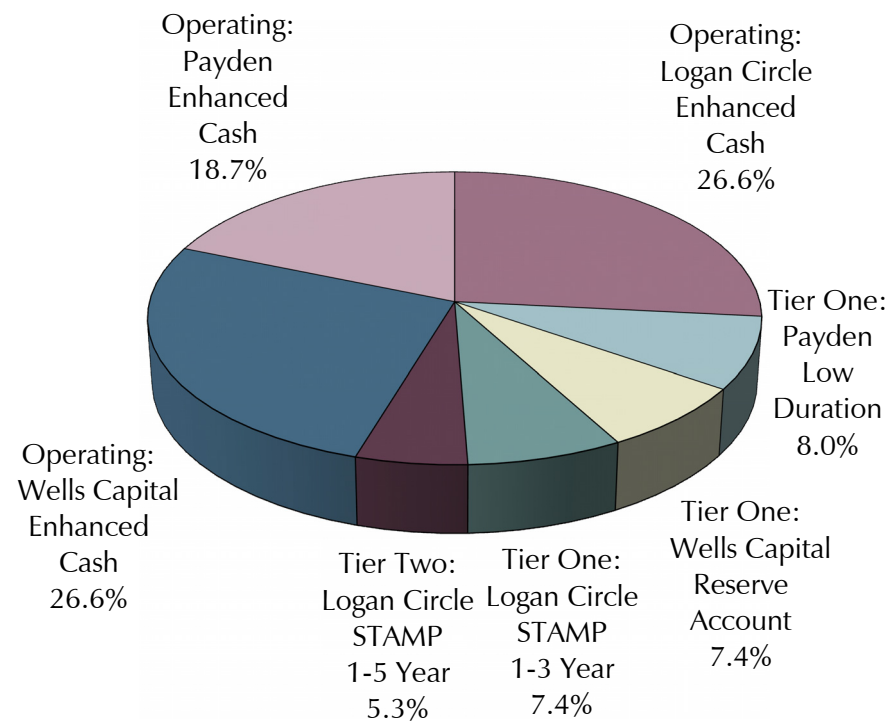
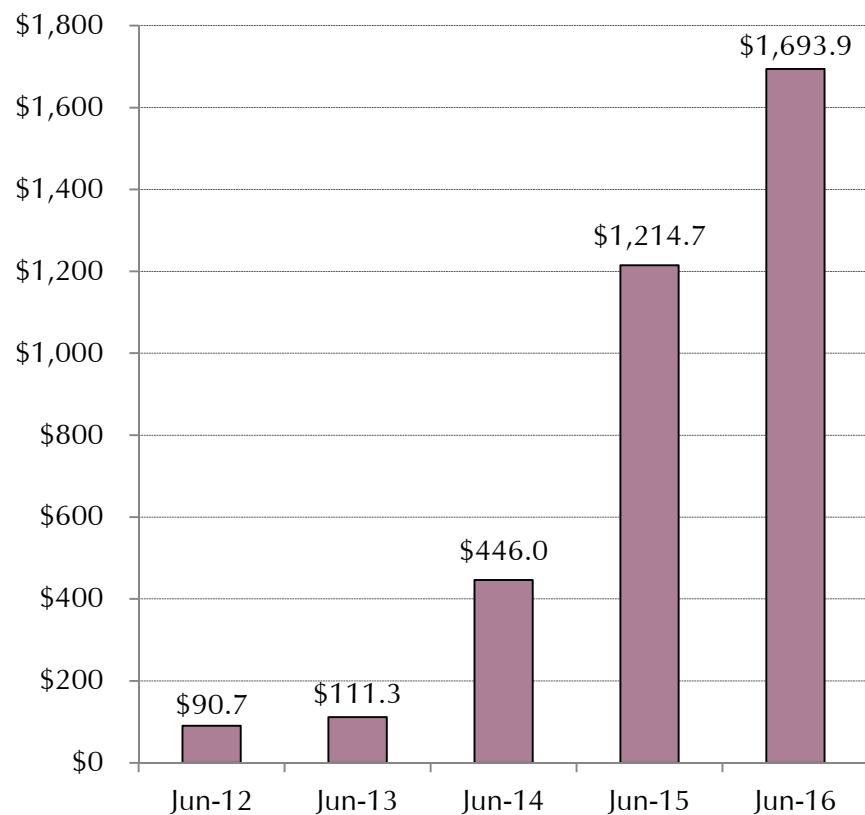
**Employee Growth****Client Growth**

**Meketa Investment Group is proud to work for 4.9 million American families everyday**

### Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> <li>- Passive</li> <li>- Enhanced Index</li> <li>- Large Cap</li> <li>- Midcap</li> <li>- Small Cap</li> <li>- Microcap</li> <li>- 130/30</li> </ul>	<ul style="list-style-type: none"> <li>- Large Cap Developed</li> <li>- Small Cap Developed</li> <li>- Emerging Markets</li> <li>- Frontier Markets</li> </ul>	<ul style="list-style-type: none"> <li>- Buyouts</li> <li>- Venture Capital</li> <li>- Private Debt</li> <li>- Special Situations</li> <li>- Secondaries</li> <li>- Fund of Funds</li> </ul>	<ul style="list-style-type: none"> <li>- Public REITs</li> <li>- Core Real Estate</li> <li>- Value Added Real Estate</li> <li>- Opportunistic Real Estate</li> <li>- Infrastructure</li> <li>- Timber</li> <li>- Natural Resources</li> <li>- Commodities</li> </ul>	<ul style="list-style-type: none"> <li>- Short-Term</li> <li>- Core</li> <li>- Core Plus</li> <li>- TIPS</li> <li>- High Yield</li> <li>- Bank Loans</li> <li>- Distressed</li> <li>- Global</li> <li>- Emerging Markets</li> </ul>	<ul style="list-style-type: none"> <li>- Long/Short Equity</li> <li>- Event Driven</li> <li>- Relative Value</li> <li>- Fixed Income Arbitrage</li> <li>- Multi Strategy</li> <li>- Market Neutral</li> <li>- Global Macro</li> <li>- Fund of Funds</li> <li>- Portable Alpha</li> </ul>

**Fund Summary**  
**As of June 30, 2016**





	Market Value 6/30/16 (\$ mm)	% of Fund	Market Value 3/31/16 (\$ mm)
<b>Total Fund</b>	<b>1,693.9</b>	<b>100</b>	<b>1,915.5</b>
Fixed Income	475.9	28	472.8
Cash	1,218.1	72	1,442.6

	Market Value 6/30/16 (\$ mm)	% of Asset Class	% of Fund	2Q16 Net Cash Flows (\$ mm)	Market Value 3/31/16 (\$ mm)
<b>Total Fund</b>	<b>1,693.9</b>	<b>NA</b>	<b>100</b>	<b>-227.9</b>	<b>1,915.5</b>
<b>Fixed Income Assets</b>	<b>475.9</b>	<b>100</b>	<b>28</b>	<b>-0.1</b>	<b>472.8</b>
Tier One: Payden Low Duration	135.4	28	8	-249.6	383.9
Tier One: Wells Capital Reserve Account	125.4	26	7	124.9	0.0
Tier One: Logan Circle STAMP 1-3 Year	125.3	26	7	124.6	0.0
Tier Two: Logan Circle STAMP 1-5 Year	89.7	19	5	0.0	88.9
<b>Cash</b>	<b>1,218.1</b>	<b>100</b>	<b>72</b>	<b>-227.8</b>	<b>1,442.6</b>
Operating: Logan Circle Enhanced Cash	450.5	37	27	450.0	0.0
Operating: Wells Capital Enhanced Cash	450.2	37	27	449.6	0.0
Operating: Payden Enhanced Cash	317.4	26	19	-1,127.4	1,442.6

	2Q16 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
<b>Total Fund</b>	<b>0.344</b>	<b>0.716</b>	<b>0.842</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>10/1/14</b>	<b>0.692</b>
Fixed Income	0.656	1.574	1.775	NA	NA	NA	10/1/14	1.535
<i>Merrill Lynch Treasury 1-3 Year</i>	0.529	1.434	1.307	0.985	0.813	2.463		1.229
Cash	0.228	0.414	0.492	0.263	0.217	1.101	7/1/99	2.033
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	0.065	0.119	0.138	0.066	0.064	0.961		1.833

	2Q16 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
<b>Total Fund</b>	<b>0.344</b>	<b>0.716</b>	<b>0.842</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>10/1/14</b>	<b>0.692</b>
<b>Fixed Income</b>	<b>0.656</b>	<b>1.574</b>	<b>1.775</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>10/1/14</b>	<b>1.535</b>
Tier One: Payden Low Duration	0.567	1.301	1.461	1.134	1.036	2.715	7/1/99	3.221
Net of Fees	0.547	1.264	1.388	1.035	0.921	NA		NA
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.529</i>	<i>1.434</i>	<i>1.307</i>	<i>0.985</i>	<i>0.813</i>	<i>2.463</i>		<i>3.161</i>
<i>Merrill Lynch Gov't/Corp 1-3 Year</i>	<i>0.663</i>	<i>1.651</i>	<i>1.581</i>	<i>1.246</i>	<i>1.153</i>	<i>2.799</i>		<i>3.489</i>
Tier One: Wells Capital Reserve Account	NA	NA	NA	NA	NA	NA	5/1/16	0.489
Net of Fees	NA	NA	NA	NA	NA	NA		0.483
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.529</i>	<i>1.434</i>	<i>1.307</i>	<i>0.985</i>	<i>0.813</i>	<i>2.463</i>		<i>0.497</i>
<i>Merrill Lynch Gov't/Corp 1-3 Year</i>	<i>0.663</i>	<i>1.651</i>	<i>1.581</i>	<i>1.246</i>	<i>1.153</i>	<i>2.799</i>		<i>0.532</i>
Tier One: Logan Circle STAMP 1-3 Year	NA	NA	NA	NA	NA	NA	5/1/16	0.435
Net of Fees	NA	NA	NA	NA	NA	NA		0.420
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.529</i>	<i>1.434</i>	<i>1.307</i>	<i>0.985</i>	<i>0.813</i>	<i>2.463</i>		<i>0.497</i>
<i>Merrill Lynch Gov't/Corp 1-3 Year</i>	<i>0.663</i>	<i>1.651</i>	<i>1.581</i>	<i>1.246</i>	<i>1.153</i>	<i>2.799</i>		<i>0.532</i>
Tier Two: Logan Circle STAMP 1-5 Year	0.904	2.628	3.021	2.202	NA	NA	4/1/13	1.688
Net of Fees	0.862	2.542	2.850	2.032	NA	NA		1.520
<i>Merrill Lynch 1-5 Year Treasury</i>	<i>0.810</i>	<i>2.392</i>	<i>2.426</i>	<i>1.652</i>	<i>1.422</i>	<i>3.219</i>		<i>1.308</i>
<i>Merrill Lynch Corp/Gov't 1-5 Year</i>	<i>0.983</i>	<i>2.610</i>	<i>2.649</i>	<i>2.001</i>	<i>1.846</i>	<i>3.541</i>		<i>1.596</i>

	2Q16 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
<b>Cash</b>	<b>0.228</b>	<b>0.414</b>	<b>0.492</b>	<b>0.263</b>	<b>0.217</b>	<b>1.101</b>	<b>7/1/99</b>	<b>2.033</b>
Operating: Logan Circle Enhanced Cash	NA	NA	NA	NA	NA	NA	5/1/16	0.100
Net of Fees	NA	NA	NA	NA	NA	NA		0.086
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	<i>0.065</i>	<i>0.119</i>	<i>0.138</i>	<i>0.066</i>	<i>0.064</i>	<i>0.961</i>		<i>0.041</i>
Operating: Wells Capital Enhanced Cash	NA	NA	NA	NA	NA	NA	5/1/16	0.109
Net of Fees	NA	NA	NA	NA	NA	NA		0.103
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	<i>0.065</i>	<i>0.119</i>	<i>0.138</i>	<i>0.066</i>	<i>0.064</i>	<i>0.961</i>		<i>0.041</i>
Operating: Payden Enhanced Cash	0.309	0.495	0.573	0.290	0.233	1.110	7/1/99	2.038
Net of Fees	0.290	0.460	0.505	0.193	0.120	NA		NA
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	<i>0.065</i>	<i>0.119</i>	<i>0.138</i>	<i>0.066</i>	<i>0.064</i>	<i>0.961</i>		<i>1.833</i>

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
<b>Total Fund</b>	<b>0.422</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Fixed Income	0.872	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.541</i>	<i>0.618</i>	<i>0.358</i>	<i>0.434</i>	<i>1.554</i>	<i>2.348</i>	<i>0.784</i>	<i>6.609</i>	<i>7.316</i>	<i>3.963</i>
Cash	0.185	0.137	0.096	0.119	0.184	0.133	0.287	1.838	5.050	5.037
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	<i>0.028</i>	<i>0.033</i>	<i>0.050</i>	<i>0.072</i>	<i>0.076</i>	<i>0.130</i>	<i>0.163</i>	<i>1.797</i>	<i>4.738</i>	<i>4.760</i>

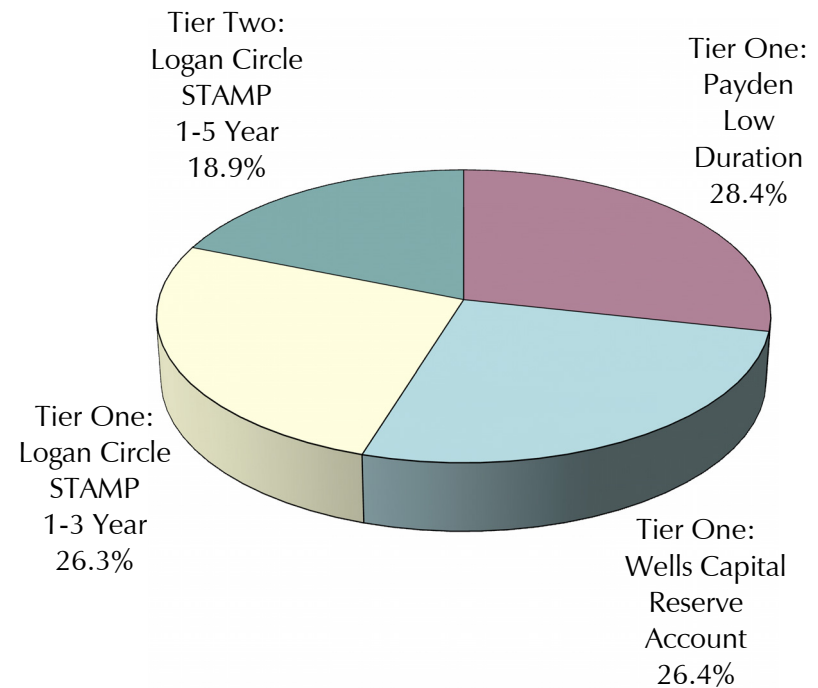
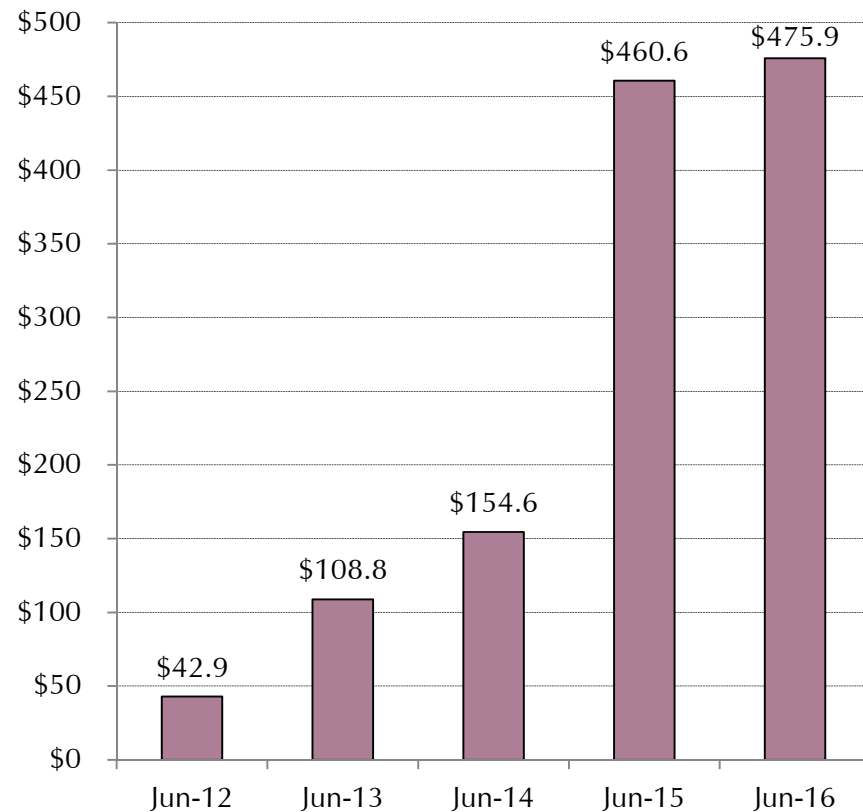
	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
<b>Total Fund</b>	<b>0.422</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Fixed Income</b>	<b>0.872</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Tier One: Payden Low Duration	0.846	0.752	0.434	1.118	1.752	2.023	2.485	6.716	6.817	4.348
Net of Fees	0.755	0.642	0.309	0.979	1.608	1.878	2.340	NA	NA	NA
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.541</i>	<i>0.618</i>	<i>0.358</i>	<i>0.434</i>	<i>1.554</i>	<i>2.348</i>	<i>0.784</i>	<i>6.609</i>	<i>7.316</i>	<i>3.963</i>
<i>Merrill Lynch Gov't/Corp 1-3 Year</i>	<i>0.668</i>	<i>0.780</i>	<i>0.705</i>	<i>1.479</i>	<i>1.562</i>	<i>2.817</i>	<i>3.833</i>	<i>4.694</i>	<i>6.874</i>	<i>4.253</i>
Tier One: Wells Capital Reserve Account	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.541</i>	<i>0.618</i>	<i>0.358</i>	<i>0.434</i>	<i>1.554</i>	<i>2.348</i>	<i>0.784</i>	<i>6.609</i>	<i>7.316</i>	<i>3.963</i>
<i>Merrill Lynch Gov't/Corp 1-3 Year</i>	<i>0.668</i>	<i>0.780</i>	<i>0.705</i>	<i>1.479</i>	<i>1.562</i>	<i>2.817</i>	<i>3.833</i>	<i>4.694</i>	<i>6.874</i>	<i>4.253</i>
Tier One: Logan Circle STAMP 1-3 Year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Merrill Lynch Treasury 1-3 Year</i>	<i>0.541</i>	<i>0.618</i>	<i>0.358</i>	<i>0.434</i>	<i>1.554</i>	<i>2.348</i>	<i>0.784</i>	<i>6.609</i>	<i>7.316</i>	<i>3.963</i>
<i>Merrill Lynch Gov't/Corp 1-3 Year</i>	<i>0.668</i>	<i>0.780</i>	<i>0.705</i>	<i>1.479</i>	<i>1.562</i>	<i>2.817</i>	<i>3.833</i>	<i>4.694</i>	<i>6.874</i>	<i>4.253</i>
Tier Two: Logan Circle STAMP 1-5 Year	1.332	1.721	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	1.164	1.552	NA	NA	NA	NA	NA	NA	NA	NA
<i>Merrill Lynch 1-5 Year Treasury</i>	<i>0.975</i>	<i>1.239</i>	<i>-0.187</i>	<i>0.916</i>	<i>3.351</i>	<i>3.611</i>	<i>0.232</i>	<i>8.730</i>	<i>8.185</i>	<i>3.797</i>
<i>Merrill Lynch Corp/Gov't 1-5 Year</i>	<i>1.050</i>	<i>1.508</i>	<i>0.317</i>	<i>2.471</i>	<i>3.097</i>	<i>4.171</i>	<i>4.884</i>	<i>4.649</i>	<i>7.272</i>	<i>4.243</i>

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
<b>Cash</b>	<b>0.185</b>	<b>0.137</b>	<b>0.096</b>	<b>0.119</b>	<b>0.184</b>	<b>0.133</b>	<b>0.287</b>	<b>1.838</b>	<b>5.050</b>	<b>5.037</b>
Operating: Logan Circle Enhanced Cash	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	0.028	0.033	0.050	0.072	0.076	0.130	0.163	1.797	4.738	4.760
Operating: Wells Capital Enhanced Cash	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	0.028	0.033	0.050	0.072	0.076	0.130	0.163	1.797	4.738	4.760
Operating: Payden Enhanced Cash	0.185	0.137	0.096	0.119	0.184	0.133	0.287	1.838	5.050	5.037
Net of Fees	0.098	0.028	-0.029	-0.019	0.042	-0.010	0.146	NA	NA	NA
<i>Citigroup 3-month U.S. Treasury Bill Index</i>	0.028	0.033	0.050	0.072	0.076	0.130	0.163	1.797	4.738	4.760



## Fund Detail

Fixed Income Assets  
As of June 30, 2016



**Duration & Yield:**

Average Effective Duration (years)

Aggregate  
Fixed Income  
6/30/16

1.7

Merrill Lynch  
Treasury 1-3 Year  
6/30/16

1.8

Aggregate  
Fixed Income  
3/31/16

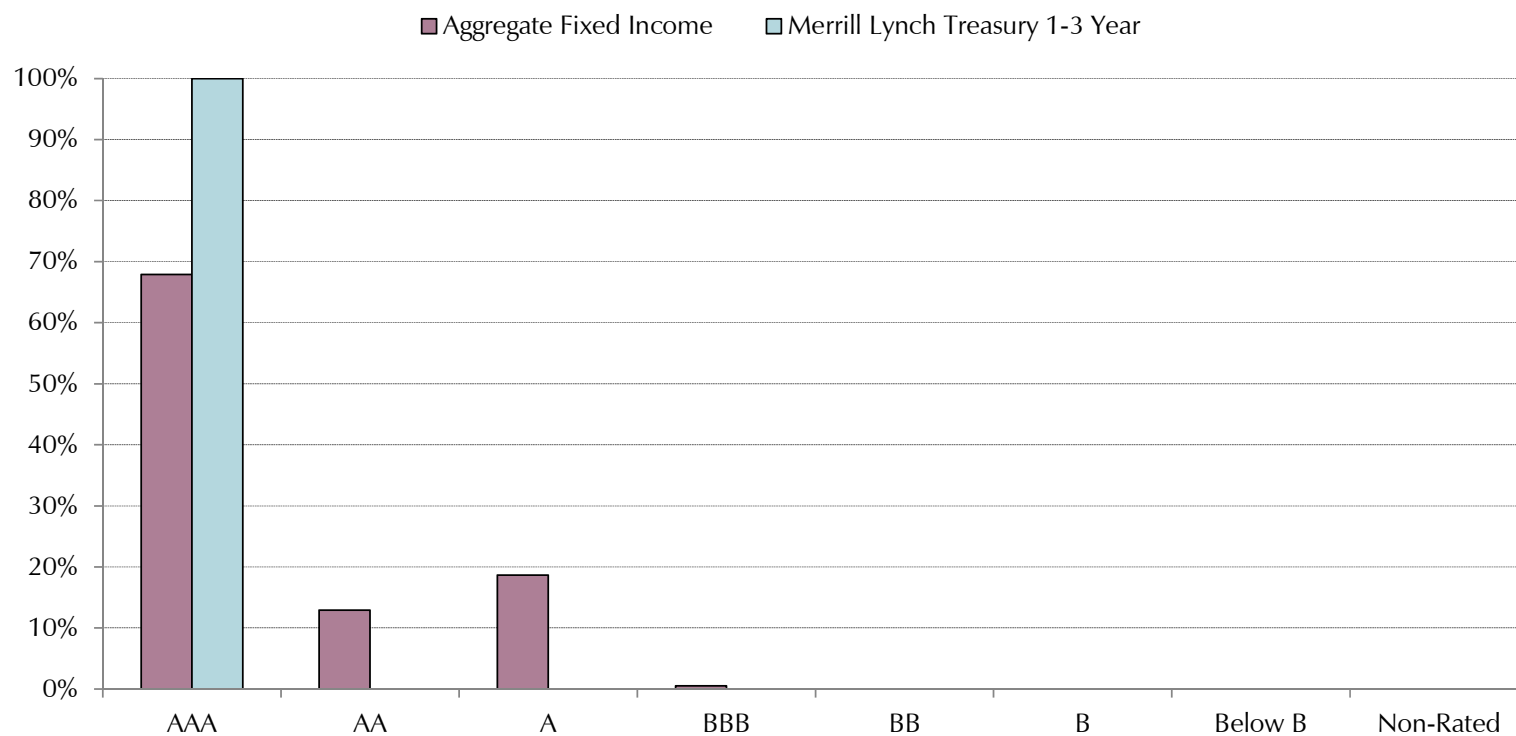
1.6

Yield to Maturity (%)

0.9

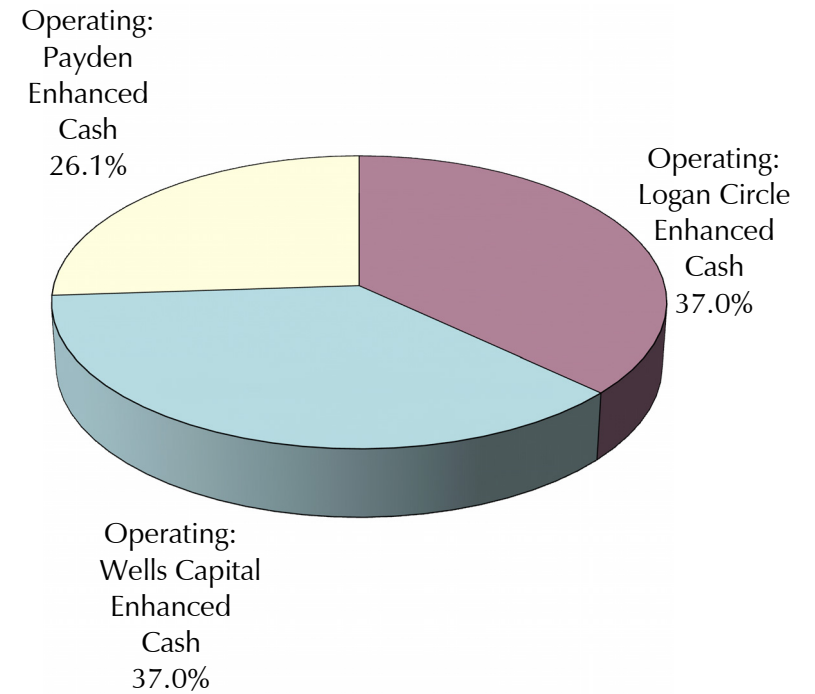
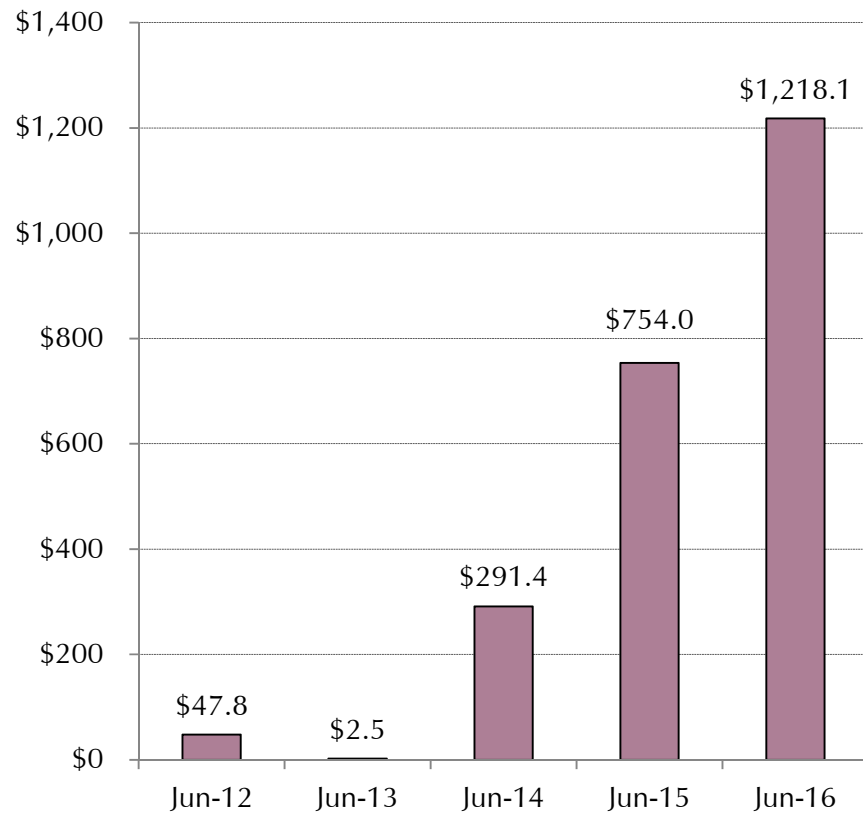
0.6

1.1



	Aggregate Fixed Income 6/30/16	Merrill Lynch Treasury 1-3 Year 6/30/16	Aggregate Fixed Income 3/31/16
<b>Market Allocation (%):</b>			
United States	100	100	100
Foreign (developed markets)	0	0	0
Foreign (emerging markets)	0	0	0
<b>Currency Allocation (%):</b>			
Non-U.S. Dollar Exposure	0	0	0
<b>Sector Allocation (%):</b>			
U.S. Treasury-Nominal	33	100	29
U.S. Treasury-TIPS	2	0	1
U.S. Agency	15	0	14
Mortgage Backed	1	0	1
Corporate	24	0	29
Bank Loans	0	0	0
Local & Provincial Government	4	0	5
Sovereign & Supranational	2	0	0
Commercial Mortgage Backed	3	0	4
Asset Backed	11	0	13
Cash Equivalent	1	0	0
Other	4	0	3

Cash Equivalent Assets  
As of June 30, 2016



**Portfolio Reviews**  
**As of June 30, 2016**



**Fixed Income Portfolio Reviews**  
**As of June 30, 2016**

**Mandate:** Investment Grade Bonds  
**Active/Passive:** Active  
**Market Value:** \$135.4 million  
**Portfolio Manager:** Team  
**Location:** Los Angeles, California  
**Inception Date:** 7/1/1999  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**

0.10% on the first \$150MM, 0.08% on next \$250MM, 0.07% on balance (assets aggregated)

**Liquidity Constraints:**

Daily

**Strategy:**

The investment objective of Payden & Rygel's Low Duration portfolio is to generate a high level of total return, consistent with preservation of capital by avoiding the volatility of longer maturity bonds.

Performance (%):	2Q16	Calendar YTD	1 YR	3 YR	5 YR	Since 7/1/99
<b>Tier One: Payden Low Duration</b>	<b>0.6</b>	<b>1.3</b>	<b>1.5</b>	<b>1.1</b>	<b>1.0</b>	<b>3.2</b>
<b>Net of Fees</b>	<b>0.5</b>	<b>1.3</b>	<b>1.4</b>	<b>1.0</b>	<b>0.9</b>	<b>NA</b>
Merrill Lynch Treasury 1-3 Year	0.5	1.4	1.3	1.0	0.8	3.2
Merrill Lynch Gov't/Corp 1-3 Year	0.7	1.7	1.6	1.2	1.2	3.5
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index	
<b>Tier One: Payden Low Duration</b>	<b>0.5%</b>	<b>0.81</b>	<b>1.80</b>	<b>0.99</b>	<b>0.93</b>	
Merrill Lynch Treasury 1-3 Year	0.6	1.00	1.20	NA	1.00	

	6/30/16	3/31/16		
	Tier One: Payden Low Duration	Merrill Lynch Treasury 1-3 Year	Tier One: Payden Low Duration	Merrill Lynch Treasury 1-3 Year
<b>Duration &amp; Yield:</b>				
Average Effective Duration (years)	1.5	1.8	1.4	1.8
Yield to Maturity (%)	0.9	0.6	1.0	0.7
<b>Quality Structure (%):</b>				
Average Quality	AA+	AAA	AA+	AAA
AAA (includes Treasuries and Agencies)	61	100	66	100
AA	18	0	11	0
A	22	0	23	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
<b>Sector Allocation (%):</b>				
U.S. Treasury-Nominal	25	100	28	100
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	11	0	16	0
Mortgage Backed	0	0	1	0
Corporate	27	0	30	0
Bank Loans	0	0	0	0
Local & Provincial Government	14	0	6	0
Sovereign & Supranational	2	0	0	0
Commercial Mortgage Backed	7	0	3	0
Asset Backed	11	0	14	0
Cash Equivalent	3	0	0	0
Other	0	0	1	0
<b>Market Allocation (%):</b>				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
<b>Currency Allocation (%):</b>				
Non-U.S. Dollar Exposure	0	0	0	0

**Mandate:** Fixed Income  
**Active/Passive:** Active  
**Market Value:** \$125.4 million  
**Portfolio Manager:** Team  
**Location:** San Francisco, California  
**Inception Date:** 5/1/2016  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**

0.09% on the first \$100MM, 0.07% on the next \$200MM, 0.06% on balance (assets aggregated)

**Liquidity Constraints:**

Daily

**Strategy:**

Wells Capital's short duration fixed income team aims to maximize excess returns with a focus on income generation rather than total return. The team combines top-down sector, duration, and yield curve positioning with bottom-up security selection. The team tends to maintain overweight positions in sectors with yield advantages relative to Treasury bonds.

Performance (%):	2Q16	Calendar YTD	Since 5/1/16
<b>Tier One: Wells Capital Reserve Account</b>	<b>NA</b>	<b>NA</b>	<b>0.5</b>
<b>Net of Fees</b>	<b>NA</b>	<b>NA</b>	<b>0.5</b>
Merrill Lynch Treasury 1-3 Year	0.5	1.4	0.5
Merrill Lynch Gov't/Corp 1-3 Year	0.7	1.7	0.5

	6/30/16	
	Tier One: Wells Capital Reserve Account	Merrill Lynch Treasury 1-3 Year
<b>Duration &amp; Yield:</b>		
Average Effective Duration (years)	1.8	1.8
Yield to Maturity (%)	0.8	0.6
<b>Quality Structure (%):</b>		
Average Quality	AAA	AAA
AAA (includes Treasuries and Agencies)	72	100
AA	8	0
A	18	0
BBB	2	0
BB	0	0
B	0	0
Below B	0	0
Non-Rated	0	0
<b>Sector Allocation (%):</b>		
U.S. Treasury-Nominal	40	100
U.S. Treasury-TIPS	0	0
U.S. Agency	24	0
Mortgage Backed	0	0
Corporate	26	0
Bank Loans	0	0
Local & Provincial Government	2	0
Sovereign & Supranational	0	0
Commercial Mortgage Backed	0	0
Asset Backed	8	0
Cash Equivalent	0	0
Other	0	0
<b>Market Allocation (%):</b>		
United States	100	100
Foreign (developed markets)	0	0
Foreign (emerging markets)	0	0
<b>Currency Allocation (%):</b>		
Non-U.S. Dollar Exposure	0	0

## Tier One: Logan Circle STAMP 1-3 Year Portfolio Detail as of 6/30/16

**Mandate:** Fixed Income  
**Active/Passive:** Active  
**Market Value:** \$125.3 million  
**Portfolio Manager:** Team  
**Location:** Philadelphia, Pennsylvania  
**Inception Date:** 5/1/2016  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**

0.175% on the first \$50MM, 0.09% on the next \$450MM, 0.07% on the next \$250MM, 0.05% on balance (assets aggregated).

**Liquidity Constraints:**

Daily

**Strategy:**

Logan Circle's short duration fixed income team emphasizes three key objectives: safety of principal, liquidity, and total return. The process starts with a top-down analysis of the domestic and international economic landscape, concentrating on changes in growth, inflation expectations, and monetary and fiscal policies. Portfolios are constructed within this framework and are diversified across U.S. investment grade sectors.

Performance (%):	2Q16	Calendar YTD	Since 5/1/16
<b>Tier One: Logan Circle STAMP 1-3 Year</b>	NA	NA	0.4
<b>Net of Fees</b>	NA	NA	0.4
Merrill Lynch Treasury 1-3 Year	0.5	1.4	0.5
Merrill Lynch Gov't/Corp 1-3 Year	0.7	1.7	0.5

	6/30/16	
	Tier One: Logan Circle Short Term 1-3 Year	Merrill Lynch Treasury 1-3 Year
<b>Duration &amp; Yield:</b>		
Average Effective Duration (years)	1.5	1.8
Yield to Maturity (%)	0.9	0.6
<b>Quality Structure (%):</b>		
Average Quality	AAA	AAA
AAA (includes Treasuries and Agencies)	73	100
AA	10	0
A	18	0
BBB	0	0
BB	0	0
B	0	0
Below B	0	0
Non-Rated	0	0
<b>Sector Allocation (%):</b>		
U.S. Treasury-Nominal	35	100
U.S. Treasury-TIPS	3	0
U.S. Agency	18	0
Mortgage Backed	0	0
Corporate	22	0
Bank Loans	0	0
Local & Provincial Government	0	0
Sovereign & Supranational	2	0
Commercial Mortgage Backed	2	0
Asset Backed	13	0
Cash Equivalent	-1	0
Other	6	0
<b>Market Allocation (%):</b>		
United States	100	100
Foreign (developed markets)	0	0
Foreign (emerging markets)	0	0
<b>Currency Allocation (%):</b>		
Non-U.S. Dollar Exposure	0	0

## Tier Two: Logan Circle STAMP 1-5 Year Portfolio Detail as of 6/30/16

**Mandate:** Investment Grade Bonds  
**Active/Passive:** Active  
**Market Value:** \$89.7 million  
**Portfolio Manager:** Team  
**Location:** Philadelphia, Pennsylvania  
**Inception Date:** 4/1/2013  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**

0.175% on the first \$50MM, 0.09% on the next \$450MM, 0.07% on the next \$250MM, 0.05% on balance (assets aggregated).

**Liquidity Constraints:**

Daily

**Strategy:**

Logan Circle's short duration fixed income team emphasizes three key objectives: safety of principal, liquidity, and total return. The process starts with a top-down analysis of the domestic and international economic landscape, concentrating on changes in growth, inflation expectations, and monetary and fiscal policies. Portfolios are constructed within this framework and are diversified across U.S. investment grade sectors.

Performance (%):	2Q16	Calendar YTD	1 YR	3 YR	Since 4/1/13
<b>Logan Circle Short Term 1-5 Year</b>	<b>0.9</b>	<b>2.6</b>	<b>3.0</b>	<b>2.2</b>	<b>1.7</b>
<b>Net of Fees</b>	<b>0.9</b>	<b>2.5</b>	<b>2.8</b>	<b>2.0</b>	<b>1.5</b>
Merrill Lynch 1-5 Year Treasury	0.8	2.4	2.4	1.7	1.3
Merrill Lynch Corp/Gov't 1-5 Year	1.0	2.6	2.6	2.0	1.6
Risk: (thirty-nine months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
<b>Logan Circle Short Term 1-5 Year</b>	<b>1.4%</b>	<b>0.94</b>	<b>1.18</b>	<b>1.07</b>	<b>0.97</b>
Merrill Lynch 1-5 Year Treasury	1.4	1.00	0.88	NA	1.00

	6/30/16		3/31/16	
	Tier Two: Logan Circle STAMP 1-5 Year	Merrill Lynch 1-5 Year Treasury	Tier Two: Logan Circle STAMP 1-5 Year	Merrill Lynch 1-5 Year Treasury
<b>Duration &amp; Yield:</b>				
Average Effective Duration (years)	2.2	2.7	2.5	2.7
Yield to Maturity (%)	1.0	0.7	1.3	0.9
<b>Quality Structure (%):</b>				
Average Quality	AA+	AAA	AA+	AAA
AAA (includes Treasuries and Agencies)	66	100	61	100
AA	17	0	19	0
A	17	0	20	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
<b>Sector Allocation (%):</b>				
U.S. Treasury-Nominal	34	100	34	100
U.S. Treasury-TIPS	4	0	4	0
U.S. Agency	3	0	4	0
Mortgage Backed	3	0	3	0
Corporate	21	0	26	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	6	0	0	0
Commercial Mortgage Backed	4	0	5	0
Asset Backed	10	0	10	0
Cash Equivalent	2	0	1	0
Other	14	0	13	0
<b>Market Allocation (%):</b>				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
<b>Currency Allocation (%):</b>				
Non-U.S. Dollar Exposure	0	0	0	0

**Cash Portfolio Reviews**  
**As of June 30, 2016**

**Mandate:** Cash Equivalents  
**Active/Passive:** Active  
**Market Value:** \$450.5 million  
**Portfolio Manager:** Team  
**Location:** Philadelphia, Pennsylvania  
**Inception Date:** 5/1/2016  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**

0.175% on the first \$50MM, 0.09% on the next \$450MM, 0.07% on the next \$250MM, 0.05% on balance (assets aggregated).

**Liquidity Constraints:**

Daily

**Strategy:**

Logan Circle's short duration fixed income team emphasizes three key objectives: safety of principal, liquidity, and total return. The process starts with a top-down analysis of the domestic and international economic landscape, concentrating on changes in growth, inflation expectations, and monetary and fiscal policies. Portfolios are constructed within this framework and are diversified across U.S. investment grade sectors.

Performance (%):	2Q16	Calendar YTD	Since 5/1/16
<b>Operating: Logan Circle Enhanced Cash</b>	NA	NA	0.1
<b>Net of Fees</b>	NA	NA	0.1
Citigroup 3-month U.S. Treasury Bill Index	0.1	0.1	0.0

	6/30/16 Operating: Logan Circle Enhanced Cash	Citigroup 3-month U.S. Treasury Bill Index
<b>Duration &amp; Yield:</b>		
Average Effective Duration (years)	0.2	0.3
Yield to Maturity (%)	0.7	0.3
<b>Quality Structure (%):</b>		
Average Quality	AAA	AAA
AAA (includes Treasuries and Agencies)	74	100
AA	7	0
A	19	0
BBB	0	0
BB	0	0
B	0	0
Below B	0	0
Non-Rated	0	0
<b>Sector Allocation (%):</b>		
U.S. Treasury-Nominal	26	100
U.S. Treasury-TIPS	0	0
U.S. Agency	4	0
Mortgage Backed	1	0
Corporate	25	0
Bank Loans	0	0
Local & Provincial Government	0	0
Sovereign & Supranational	12	0
Commercial Mortgage Backed	4	0
Asset Backed	10	0
Cash Equivalent	15	0
Other	3	0
<b>Market Allocation (%):</b>		
United States	100	100
Foreign (developed markets)	0	0
Foreign (emerging markets)	0	0
<b>Currency Allocation (%):</b>		
Non-U.S. Dollar Exposure	0	0

**Mandate:** Cash Equivalents  
**Active/Passive:** Active  
**Market Value:** \$450.2 million  
**Portfolio Manager:** Team  
**Location:** San Francisco, California  
**Inception Date:** 5/1/2016  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**

0.09% on the first \$100MM, 0.07% on the next \$200MM, 0.06% on balance (assets aggregated).

**Liquidity Constraints:**

Daily

**Strategy:**

Wells Capital's short duration fixed income team aims to maximize excess returns with a focus on income generation rather than total return. The team combines top-down sector, duration, and yield curve positioning with bottom-up security selection. The team tends to maintain overweight positions in sectors with yield advantages relative to Treasury bonds.

Performance (%):	2Q16	Calendar YTD	Since 5/1/16
Operating: Wells Capital Enhanced Cash	NA	NA	0.1
Net of Fees	NA	NA	0.1
Citigroup 3-month U.S. Treasury Bill Index	0.1	0.1	0.0

	6/30/16 Operating: Wells Capital Enhanced Cash	Citigroup 3-month U.S. Treasury Bill Index
<b>Duration &amp; Yield:</b>		
Average Effective Duration (years)	0.4	0.3
Yield to Maturity (%)	0.5	0.3
<b>Quality Structure (%):</b>		
Average Quality	AAA	AAA
AAA (includes Treasuries and Agencies)	88	100
AA	1	0
A	11	0
BBB	0	0
BB	0	0
B	0	0
Below B	0	0
Non-Rated	0	0
<b>Sector Allocation (%):</b>		
U.S. Treasury-Nominal	53	100
U.S. Treasury-TIPS	0	0
U.S. Agency	24	0
Mortgage Backed	0	0
Corporate	17	0
Bank Loans	0	0
Local & Provincial Government	0	0
Sovereign & Supranational	6	0
Commercial Mortgage Backed	0	0
Asset Backed	0	0
Cash Equivalent	0	0
Other	0	0
<b>Market Allocation (%):</b>		
United States	94	100
Foreign (developed markets)	6	0
Foreign (emerging markets)	0	0
<b>Currency Allocation (%):</b>		
Non-U.S. Dollar Exposure	0	0



**Mandate:** Cash Equivalents  
**Active/Passive:** Active  
**Market Value:** \$317.4 million  
**Portfolio Manager:** Team  
**Location:** Los Angeles, California  
**Inception Date:** 7/1/1999  
**Account Type:** Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

**Fee Schedule:**  
0.10% on the first \$150MM, 0.08% on next \$250MM, 0.07% on balance (assets aggregated)

**Liquidity Constraints:**  
Daily

**Strategy:**  
Payden & Rygel manages an enhanced cash portfolio, consisting primarily of investment-grade fixed income and money market securities.

Performance (%):	2Q16	Calendar YTD	1 YR	3 YR	5 YR	Since 7/1/99
Operating: Payden Enhanced Cash	0.3	0.5	0.6	0.3	0.2	2.0
Net of Fees	0.3	0.5	0.5	0.2	0.1	NA
Citigroup 3-month U.S. Treasury Bill Index	0.1	0.1	0.1	0.1	0.1	1.8
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index	
Operating: Payden Enhanced Cash	0.1%	3.77	1.56	1.74	0.65	
Citigroup 3-month U.S. Treasury Bill Index	0.0	1.00	0.00	NA	1.00	

	6/30/16 Operating: Payden Enhanced Cash	Citigroup 3-month U.S. Treasury Bill Index	3/31/16 Operating: Payden Enhanced Cash	Citigroup 3-month U.S. Treasury Bill Index
<b>Duration &amp; Yield:</b>				
Average Effective Duration (years)	0.4	0.3	0.3	0.1
Yield to Maturity (%)	0.7	0.3	0.6	0.1
<b>Quality Structure (%):</b>				
Average Quality	AA+	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	68	100	83	100
AA	9	0	7	0
A	22	0	10	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
<b>Sector Allocation (%):</b>				
U.S. Treasury-Nominal	35	100	47	100
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	16	0	18	0
Mortgage Backed	2	0	2	0
Corporate	28	0	17	0
Bank Loans	0	0	0	0
Local & Provincial Government	4	0	2	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	5	0	5	0
Asset Backed	8	0	3	0
Cash Equivalent	2	0	1	0
Other	0	0	4	0
<b>Market Allocation (%):</b>				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
<b>Currency Allocation (%):</b>				
Non-U.S. Dollar Exposure	0	0	0	0

## Quarterly Investment Report Supplement

### Annual Investment Policy (2016) Maturity and Quality Requirements

Maximum Permitted Maturity				Actual Maximum Maturity							Compliance
Allowable Instruments	Operating Funds	Tier One	Tier Two	Operating Funds			Tier One			Tier Two	
				LC	P&R	WF	LC	P&R	WF	LC	
U.S. Treasuries	450 days	5 years	5 years	243 days	442 days	274 days	4.58 years	2.96 years	2.87 years	4.58 years	Yes
U.S. Agencies	450 days	5 years	5 years	291 days	385 days	207 days	2.33 years	2.95 years	2.30 years	2.73 years	Yes
State & Local Obligations <sup>1</sup>	450 days	5 years	5 years	336 days	216 days	NA	4.33 years	3.34 years	2.00 years	4.33 years	Yes
Supranationals	450 days	5 years	5 years	NA	NA	258 days	NA	2.87 years	NA	NA	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	NA	NA	NA	NA	NA	NA	NA	Yes
Commercial Paper	270 days	270 days	270 days	33 days	NA	160 days	NA	NA	NA	7 days	Yes
Repurchase Agreements	30 days	30 days	30 days	NA	NA	NA	NA	NA	NA	NA	Yes
Medium Term Notes	450 days	5 years	5 years	370 days	230 days	137 days	4.08 years	2.94 years	2.92 years	4.70 years	Yes
Mortgage/ Asset-Backed	450 days	5 years	5 years	421 days	350 days	NA	4.48 years	3.79 years	2.25 years	4.12 years	Yes
Variable & Floating Rate	450 days	5 years	5 years	75 days	92 days <sup>2</sup>	372 days	3.55 years	76 days	3.00 years	4.43 years	Yes

- Investment managers have independently verified that they have maintained compliance with CalOptima's Investment Policy Statement-designated security credit rating requirements during the review quarter.

<sup>1</sup> Includes CA and any other state in the U.S.

<sup>2</sup> Effective Maturity.

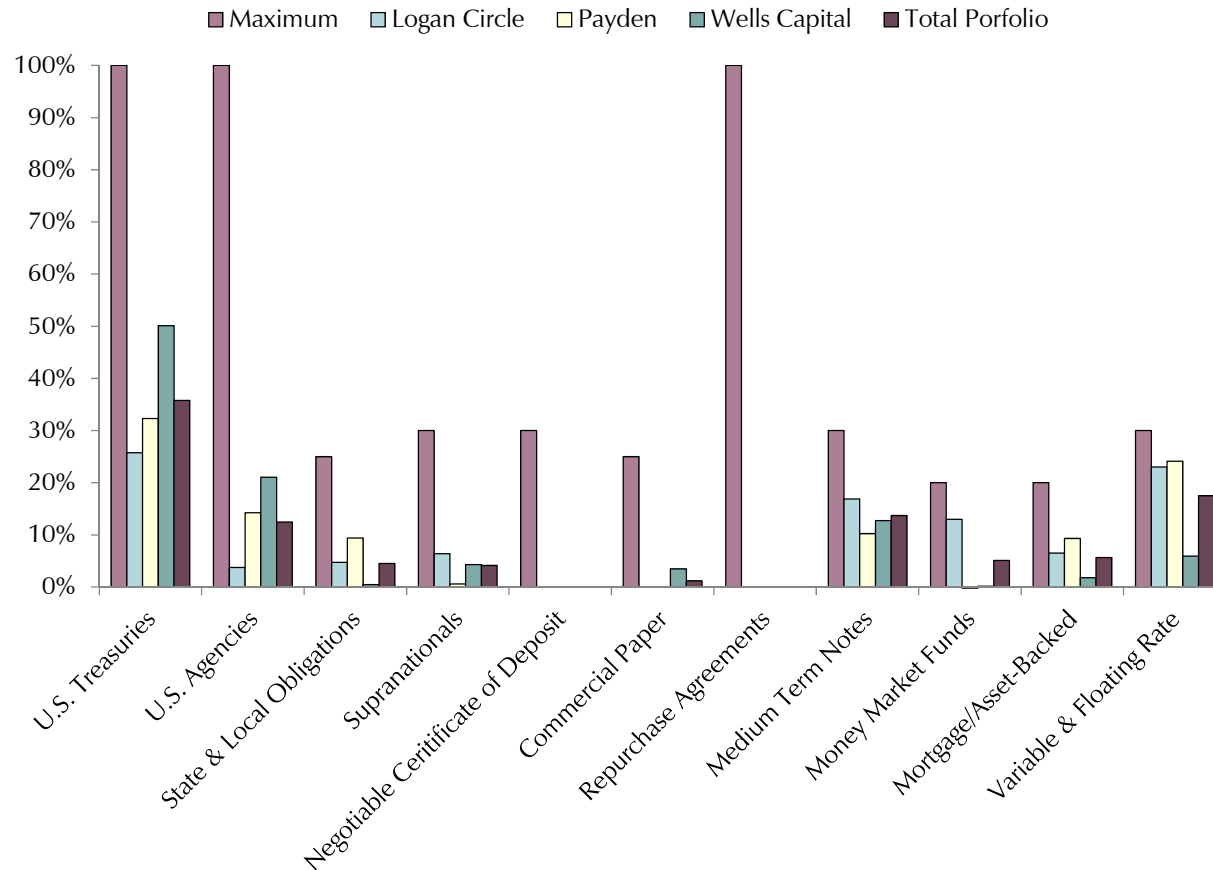
### Annual Investment Policy (2016) Diversification Compliance

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden <sup>1</sup> (%)	Payden <sup>1</sup> (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	25.7	171.3	32.3	146.2	50.1	288.5	35.8	606.1
U.S. Agencies	100	3.7	24.9	14.3	64.6	21.1	121.2	12.4	210.7
State & Local Obligations <sup>2</sup>	25	4.7	31.3	9.4	42.6	0.4	2.6	4.5	76.5
Negotiable Certificate of Deposit	30	6.4	42.6	0.6	2.6	4.3	24.8	4.1	70.0
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes/Commercial Paper	30	16.9	112.3	10.2	46.3	16.2	93.2	14.9	251.9
Money Market Funds	20	13.0	86.4	-0.2	-1.0	0.1	0.8	5.1	86.3
Mortgage/Asset-Backed	20	6.5	43.3	9.3	42.2	1.8	10.2	5.7	95.7
Variable & Floating Rate	30	23.0	153.3	24.1	109.3	5.9	34.1	17.5	296.7
<b>Total</b>		<b>100.0</b>	<b>665.6</b>	<b>100.0</b>	<b>452.8</b>	<b>100.0</b>	<b>575.6</b>	<b>100.0</b>	<b>1,693.9</b>

- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2016.

<sup>1</sup> Blended allocations for Payden & Rygel, Logan Circle, and Wells Capital accounts.

<sup>2</sup> Includes CA and any other state in the U.S.

**Annual Investment Policy (2016)  
Actual vs. Diversity Requirements****As of June 30, 2016**

## Custom Peer Group

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**Custom Peer Group**

- As we've discussed with the Committee in the past, given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best fit for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance U.S. Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison.
  - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
  - Two unique buckets were established based on each portfolio's historical average effective duration relative to the Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
  - The Tier One peer group consists of sixteen strategies with an average effective duration of 1.6 years, while the Tier Two peer group consists of twelve strategies with an average effective duration of 1.9 years as of March 31, 2016.
- Please note that the analysis is as of March 31, 2016, as the universe of investment managers that had reported data as of June 30, 2016 was very small at the date that these materials were due (June 14, 2016).
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.
- Newly incepted Tier One portfolios managed by Logan Circle and Wells Capital will be included in this report after a longer performance history is established for these portfolios.

## Custom Peer Group (continued)

Gross of Fees Returns as of 3/31/2016 <sup>1</sup>	1Q 2016 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.73	1.02	0.87	1.09	2.73
Peer Group Median Return	0.94	1.13	0.96	1.17	2.82
Peer Group Rank (percentile)	84	74	74	80	62

Standard Deviation as of 3/31/2016 <sup>2</sup>	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.56	0.54	1.28
Median Standard Deviation	0.68	0.64	1.24
Peer Group Rank (percentile)	19	19	77

- The Tier One portfolio has underperformed the short duration peer group over relevant trailing periods, though performance ranks near the peer group average over the ten-year trailing period.
- Standard deviation has ranked favorably versus peers over three- and five-year trailing periods, though ten-year trailing standard deviation is above the peer group median. The ten-year peer group rank is influenced by the tight concentration of peer manager standard deviation between 1.20 and 1.25.

<sup>1</sup> Additionally, the managers are ranked based on performance gross of fees; given the discounted fee structures offered by Logan Circle and Payden & Rygel for the Tier One and Tier Two portfolios, performance on a net-of-fee basis is more compelling relative to peers.

<sup>2</sup> For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.



## Custom Peer Group (continued)

Gross of Fees Returns as of 3/31/2016	1Q 2016 (%)	1 Year (%)	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.71	2.07	1.53
Peer Group Median Return	1.17	1.50	1.48
Peer Group Rank (percentile)	5	1	34

Standard Deviation as of 3/31/2016 <sup>1</sup>	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.33
Median Standard Deviation	1.16
Peer Group Rank (percentile)	72

- Logan Circle has performed well over the trailing three-year period ended March 31, 2016, ranking in the 34th percentile of the peer group.
- Standard deviation for the strategy over the trailing three year period ranks above the peer group median, ranking in the 72nd percentile of the peer group.

<sup>1</sup> For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.

## Performance Attribution

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### Performance Attribution

- The CalOptima Investment Advisory Committee requested the addition of attribution to performance reports. The following pages present attribution data for the Logan Circle Tier One and Tier Two portfolios, the Payden & Rygel Tier One portfolio, and the Wells Capital Tier One portfolio. The operating cash strategy is excluded given the minimal possibility of added value relative to the cash index.
- Attribution represents outperformance or underperformance, based on active investment decisions across fixed income sub-sectors, relative to a manager's benchmark index. Attribution data demonstrates where managers are able to most effectively add incremental value versus the benchmark.
- Attribution data is provided by the investment managers and is presented gross of fees as of June 30, 2016.

**Payden & Rygel Tier One Performance Attribution**  
Gross of Fees as of 6/30/2016

<b>Benchmark Relative Attribution (basis points)</b>	<b>2Q 2016</b>	<b>6 Month</b>	<b>1 Year</b>
<b>Duration</b>	-5	-18	-21
<b>Yield Curve</b>	-5	-14	-6
<b>Sector Selection</b>	14	19	42
Treasury <sup>1</sup>	NA	NA	NA
Agency	-2	-2	-1
Corporate	11	15	28
Financial	8	10	19
Industrial	2	4	8
Utilities	1	1	1
MBS	0	0	0
CMBS	1	-1	1
ABS	2	4	7
Municipal	2	3	7
<b>Total Excess Return</b>	4	-13	15
<b>Payden &amp; Rygel Tier Two Return (%)</b>	0.57	1.30	1.46
<b>Merrill Lynch 1-3 Year U.S. Treasury Return (%)</b>	0.53	1.43	1.31

<sup>1</sup> Treasury sector selection attribution is included in Duration and Yield Curve attribution figures.

**Wells Capital Tier One Performance Attribution**

Gross of Fees as of 6/30/2016

<b>Benchmark Relative Attribution</b>	
<b>(basis points)</b>	<b>June 2016<sup>1</sup></b>
<b>Interest Rates</b>	-3
<b>Sector Selection</b>	-1
Government	0
Corporate	0
Financial	-1
Industrial	1
Utilities	0
MBS	0
CMBS	0
ABS	0
Municipal	-1
<b>Total Excess Return</b>	-4
<b>Wells Capital Tier One Return</b>	0.55
<b>Merrill Lynch 1-3 Year U.S. Treasury Index Return</b>	0.53

<sup>1</sup> Since inception performance unavailable.

**Logan Circle Tier One Performance Attribution**

Gross of Fees as of 6/30/2016

<b>Benchmark Relative Attribution (basis points)</b>	<b>Since Inception (5/2/2016)</b>
<b>Duration</b>	-5
<b>Yield Curve</b>	-2
<b>Sector Selection</b>	2
Treasury	1
Agency	1
Corporate	0
Financial	0
Industrial	0
Utilities	0
MBS	0
CMBS	0
ABS	0
Municipal	0
<b>Total Excess Return</b>	-5
<b>Logan Circle Tier One Return (%)</b>	0.44
<b>Merrill Lynch 1-3 Year Treasury Return (%)</b>	0.49

## Logan Circle Tier Two Performance Attribution

Gross of Fees as of 6/30/2016

Benchmark Relative Attribution (basis points)	2Q 2016	6 Month	1 Year
<b>Duration</b>	-7	-7	-6
<b>Yield Curve</b>	-2	2	8
<b>Sector Selection</b>	18	29	57
Treasury	-4	-3	23
Agency	0	0	-1
Corporate	14	18	19
Financial	13	15	18
Industrial	0	1	0
Utilities	1	2	1
MBS	0	0	0
CMBS	1	2	-1
ABS	1	3	2
Municipal	6	9	15
<b>Total Excess Return</b>	9	24	59
<b>Logan Circle Tier Two Return (%)</b>	0.90	2.63	3.02
<b>Merrill Lynch 1-5 Year U.S. Treasury Return (%)</b>	0.81	2.39	2.43

**Holdings**  
**As of June 30, 2016**



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of May 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	6,023,221.71	6,023,221.71	0.00	1.000	4.47%
<b>Total for Cash</b>			<b>6,023,221.71</b>	<b>6,023,221.71</b>	<b>0.00</b>		<b>4.47%</b>
<b>Treasuries</b>							
2,040,000.000	U.S. TREASURY NOTE	912828F88	2,037,058.40	2,038,959.54	1,901.14	99.949	1.51%
	Mat: 10/31/16 Cpn: 0.38%		1,754.01	665.22			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/21/15 St Date: 1/22/15						
5,000,000.000	U.S. TREASURY NOTE	912828H78	4,998,828.15	4,995,700.05	(3,128.10)	99.914	3.71%
	Mat: 1/31/17 Cpn: 0.50%		138.12	8,379.12			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/29/15 St Date: 2/2/15						
8,460,000.000	U.S. TREASURY NOTE	912828SS0	8,497,829.84	8,472,520.38	(25,309.46)	100.148	6.29%
	Mat: 4/30/17 Cpn: 0.88%		19,815.87	6,436.96			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/21/15 St Date: 1/22/15						
2,210,000.000	U.S. TREASURY NOTE	912828XP0	2,205,683.59	2,206,110.33	426.74	99.824	1.64%
	Mat: 7/31/17 Cpn: 0.63%		0.00	4,629.46			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/30/15 St Date: 7/31/15						
160,000.000	U.S. TREASURY NOTE	912828M72	160,250.00	160,155.20	(94.80)	100.097	0.12%
	Mat: 11/30/17 Cpn: 0.88%		573.77	3.83			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 4/27/16 St Date: 4/28/16						
873,000.000	U.S. TREASURY NOTE	912828UR9	872,992.54	871,393.70	(1,598.85)	99.816	0.65%
	Mat: 2/28/18 Cpn: 0.75%		0.00	1,654.67			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 2/23/16 St Date: 2/29/16						
6,741,000.000	U.S. TREASURY NOTE	912828R51	6,735,002.26	6,740,730.49	5,728.23	99.996	5.00%
	Mat: 5/31/18 Cpn: 0.88%		0.00	161.16			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 5/24/16 St Date: 5/31/16						
3,210,000.000	U.S. TREASURY NOTE	912828P95	3,212,633.20	3,209,903.76	(2,729.44)	99.997	2.39%
	Mat: 3/15/19 Cpn: 1.00%		1,482.88	6,803.80			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/29/16 St Date: 4/1/16						
<b>Total for Treasuries</b>			<b>28,720,277.99</b>	<b>28,695,473.46</b>	<b>(24,804.53)</b>		<b>21.32%</b>
			<b>23,764.64</b>	<b>28,734.21</b>			



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of May 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Government Related</b>							
1,080,000.000	INTL BANK RECON & DEVELOP Mat: 7/19/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/12/16 St Date: 4/19/16	459058FE8	1,078,088.40 0.00	1,076,870.81 1,102.50	(1,217.59)	99.710	0.80%
1,300,000.000	HOUSING URBAN DEVELOPMENT Mat: 8/1/18 Cpn: 1.33% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/19/15 St Date: 5/28/15	911759LZ9	1,300,000.00 0.00	1,303,601.00 5,763.33	3,601.00	100.277	0.97%
1,500,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 5/13/19 Cpn: 1.00% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/5/16 St Date: 4/12/16	458182DX7	1,495,500.00 0.00	1,493,306.85 2,041.67	(2,193.15)	99.554	1.11%
<b>Total for Government Related</b>			<b>3,873,588.40 0.00</b>	<b>3,873,778.66 8,907.50</b>	<b>190.26</b>		<b>2.88%</b>
<b>Agencies</b>							
580,000.000	FHLB Mat: 9/28/16 Cpn: 0.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/21/15 St Date: 1/22/15	3130A2T97	580,011.60 918.33	580,040.60 507.50	29.00	100.007	0.43%
2,000,000.000	FHLMC C 5/26/16 Q Mat: 2/26/18 Cpn: 1.05% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/5/16 St Date: 2/26/16	3134G8L98	2,000,000.00 0.00	1,997,633.80 5,541.67	(2,366.20)	99.882	1.49%
3,000,000.000	FHLMC C 6/16/16 Q Mat: 3/16/18 Cpn: 1.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/17/16 St Date: 3/21/16	3134G8NT2	2,999,850.00 468.75	2,999,719.20 7,031.25	(130.80)	99.991	2.23%
2,000,000.000	FHLMC C 1/29/16 Q Mat: 10/29/18 Cpn: 1.20% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/16/15 St Date: 10/29/15	3134G72P5	2,000,000.00 0.00	1,998,708.80 2,133.33	(1,291.20)	99.935	1.48%
3,830,000.000	FNMA Mat: 2/26/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/19/16 St Date: 2/23/16	3135G0J53	3,820,961.20 0.00	3,822,603.12 10,106.94	1,641.92	99.807	2.84%
2,170,000.000	FHLMC Mat: 4/15/19 Cpn: 1.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/18/16 St Date: 3/21/16	3137EADZ9	2,169,283.90 0.00	2,171,823.02 4,746.88	2,539.12	100.084	1.62%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of May 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Agencies</b>			<b>13,570,106.70</b> <b>1,387.08</b>	<b>13,570,528.54</b> <b>30,067.57</b>	<b>421.84</b>		<b>10.09%</b>
<b>Tax-Exempt</b>							
70,000.000	CA SAC CNTY SFM ESCROWED-AMT Mat: 7/1/16 Cpn: 8.00% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 1/14/13 St Date: 1/17/13	786149GJ7	86,817.50 248.89	70,399.70 2,333.33	(16,417.80)	100.571	0.05%
<b>Total for Tax-Exempt</b>			<b>86,817.50</b> <b>248.89</b>	<b>70,399.70</b> <b>2,333.33</b>	<b>(16,417.80)</b>		<b>0.05%</b>
<b>Taxable Muni</b>							
2,000,000.000	HI STATE TAXABLE Mat: 8/1/16 Cpn: 0.73% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 1/29/15 St Date: 2/3/15	4197915E4	2,004,180.00 2,761.56	2,000,260.00 4,873.33	(3,920.00)	100.013	1.49%
1,160,000.000	CA SACRAMENTO CNTY SANI DIST TAXABLE Mat: 12/1/16 Cpn: 0.80% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 11/6/14 St Date: 11/19/14	786134UW4	1,160,000.00 0.00	1,160,730.80 4,640.00	730.80	100.063	0.86%
550,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE Mat: 5/15/17 Cpn: 1.22% Moody's: Aa2 S&P: AA Fitch: Tr Date: 4/4/14 St Date: 4/10/14	91412GUU7	550,000.00 0.00	553,393.50 298.71	3,393.50	100.617	0.41%
600,000.000	MN MINNESOTA ST TAXABLE Mat: 6/1/17 Cpn: 1.05% Moody's: S&P: AA Fitch: AA Tr Date: 10/30/15 St Date: 11/4/15	604146AX8	600,492.00 2,685.15	600,942.00 3,159.00	450.00	100.157	0.45%
1,600,000.000	CA SACRAMENTO CITY USD GO/ULT TAXABLE Mat: 8/1/17 Cpn: 1.25% Moody's: S&P: AA Fitch: Tr Date: 5/15/15 St Date: 6/4/15	785870WA0	1,600,000.00 0.00	1,605,824.00 6,656.00	5,824.00	100.364	1.20%
2,000,000.000	CA STATE GO TAXABLE Mat: 11/1/17 Cpn: 1.25% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 1/22/15 St Date: 1/27/15	13063CPN4	2,013,560.00 4,305.56	2,008,220.00 2,083.33	(5,340.00)	100.411	1.49%
200,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/17 Cpn: 1.51% Moody's: A1 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERP1	200,000.00 0.00	201,470.00 1,507.00	1,470.00	100.735	0.15%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of May 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,300,000.000	WI STATE GENERAL APROPRIATION TAXABLE Mat: 5/1/18 Cpn: 5.05% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 9/29/15 St Date: 10/2/15	977100AU0	1,422,824.00 27,536.53	1,401,569.00 5,470.83	(21,255.00)	107.813	1.04%
610,000.000	WI STATE TAXABLE Mat: 5/1/18 Cpn: 1.64% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 10/27/15 St Date: 10/30/15	977100CQ7	617,411.50 4,986.34	614,593.30 835.70	(2,818.20)	100.753	0.46%
375,000.000	CA MORGAN HILL UNIF SCH DIST GO/ULT TXB Mat: 8/1/18 Cpn: 1.64% Moody's: Aa1 S&P: Fitch: Tr Date: 11/18/15 St Date: 12/17/15	617403EJ5	375,000.00 0.00	379,650.00 2,051.25	4,650.00	101.240	0.28%
1,500,000.000	MS STATE ULT/OG TAXABLE Mat: 10/1/18 Cpn: 1.47% Moody's: Aa2 S&P: AA Fitch: AA+ Tr Date: 2/4/15 St Date: 2/18/15	605581FY8	1,500,000.00 0.00	1,521,975.00 3,680.00	21,975.00	101.465	1.13%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: A+ Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,434,734.00 2,734.67	34,734.00	102.481	1.07%
750,000.000	CA PASADENA UNIF SCH DIST GO/ULT TXB Mat: 11/1/18 Cpn: 1.86% Moody's: Aa2 S&P: A+ Fitch: Tr Date: 7/23/15 St Date: 7/28/15	702282ND2	755,820.00 3,373.06	762,315.00 1,163.13	6,495.00	101.642	0.57%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: A1 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	454,887.00 4,581.00	4,887.00	101.086	0.34%
2,500,000.000	CA EARTHQUAKE AUTH TAXABLE Mat: 7/1/19 Cpn: 2.81% Moody's: A3 S&P: Fitch: A Tr Date: 2/6/15 St Date: 2/11/15	13017HAE6	2,529,925.00 7,791.67	2,563,525.00 29,218.75	33,600.00	102.541	1.92%
1,000,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE Mat: 7/1/19 Cpn: 1.80% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 3/2/15 St Date: 3/5/15	91412GSB2	1,000,000.00 3,192.89	1,017,400.00 7,483.33	17,400.00	101.740	0.76%
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/19 Cpn: 2.85% Moody's: S&P: A+ Fitch: A+ Tr Date: 2/25/16 St Date: 3/1/16	544587C22	381,536.60 2,983.56	380,763.30 877.52	(773.30)	102.909	0.28%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of May 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Taxable Muni</b>			<b>18,560,749.10 59,616.32</b>	<b>18,662,251.90 81,313.55</b>	<b>101,502.80</b>		<b>13.91%</b>
<b>Credit</b>							
750,000.000	MANUFACTURERS & TRADERS TRUST FRN	55279HAC4	749,347.50	750,315.75	968.25	100.042	0.56%
	Mat: 1/30/17 Cpn: 1.01%		91.82	633.34			
	Moody's: A2 S&P: A Fitch: A						
	Tr Date: 2/3/15 St Date: 2/6/15						
250,000.000	MANUFACTURERS & TRADERS TRUST	55279HAD2	249,977.50	250,417.25	439.75	100.167	0.19%
	Mat: 1/30/17 Cpn: 1.25%		0.00	1,050.35			
	Moody's: A2 S&P: A Fitch: A						
	Tr Date: 1/27/14 St Date: 1/30/14						
500,000.000	AFLAC	001055AH5	517,810.00	505,547.50	(12,262.50)	101.110	0.38%
	Mat: 2/15/17 Cpn: 2.65%		699.31	3,901.39			
	Moody's: A3 S&P: A- Fitch: A-						
	Tr Date: 8/29/14 St Date: 9/4/14						
1,100,000.000	AMERICAN EXPRESS CREDIT	0258M0DD8	1,134,067.00	1,112,400.30	(21,666.70)	101.127	0.83%
	Mat: 3/24/17 Cpn: 2.38%		2,177.08	4,862.15			
	Moody's: A2 S&P: A- Fitch: A						
	Tr Date: 10/21/14 St Date: 10/24/14						
1,000,000.000	PHILLIPS 66	718546AJ3	1,043,540.00	1,016,199.00	(27,341.00)	101.620	0.76%
	Mat: 5/1/17 Cpn: 2.95%		14,422.22	2,458.33			
	Moody's: A3 S&P: BBB+ Fitch:						
	Tr Date: 10/22/14 St Date: 10/27/14						
1,000,000.000	SO CAL EDISON	842400GB3	1,001,143.00	1,001,796.00	653.00	100.180	0.74%
	Mat: 5/1/17 Cpn: 1.13%		2,253.13	937.50			
	Moody's: Aa3 S&P: A Fitch: A+						
	Tr Date: 5/6/14 St Date: 5/9/14						
420,000.000	AMGEN	031162BR0	419,542.20	420,284.76	742.56	100.068	0.31%
	Mat: 5/22/17 Cpn: 1.25%		0.00	131.25			
	Moody's: Baa1 S&P: A Fitch: BBB						
	Tr Date: 5/19/14 St Date: 5/22/14						
485,000.000	NATIONAL CITY BANK FRN	63534PAH0	483,797.20	484,118.76	321.56	99.818	0.36%
	Mat: 6/7/17 Cpn: 1.01%		631.13	1,165.10			
	Moody's: A3 S&P: A- Fitch: A						
	Tr Date: 8/21/14 St Date: 8/26/14						
510,000.000	UNITEDHEALTH GROUP	91324PCK6	509,903.10	511,553.13	1,650.03	100.305	0.38%
	Mat: 7/17/17 Cpn: 1.45%		0.00	2,752.58			
	Moody's: A3 S&P: A+ Fitch: A-						
	Tr Date: 7/20/15 St Date: 7/23/15						



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
260,000.000	MANUFACTURERS & TRADERS TRUST Mat: 7/25/17 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 7/22/14 St Date: 7/25/14	55279HAF7	259,901.20 0.00	259,925.43 1,274.00	24.23	99.971	0.19%
1,200,000.000	BRISTOL-MYERS SQUIBB Mat: 8/1/17 Cpn: 0.88% Moody's: A2 S&P: A+ Fitch: A- Tr Date: 1/21/15 St Date: 1/26/15	110122AS7	1,195,956.00 5,104.17	1,197,886.87 3,500.00	1,930.87	99.824	0.89%
800,000.000	BB&T CORPORATION Mat: 8/15/17 Cpn: 1.60% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 1/22/15 St Date: 1/27/15	05531FAL7	805,896.00 5,760.00	802,238.95 3,768.89	(3,657.05)	100.280	0.60%
1,200,000.000	JPMORGAN CHASE Mat: 8/15/17 Cpn: 2.00% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 1/21/15 St Date: 1/26/15	48126EAA5	1,212,708.00 10,733.33	1,208,897.83 7,066.67	(3,810.17)	100.742	0.90%
160,000.000	CATERPILLAR FINANCIAL Mat: 8/18/17 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A Tr Date: 8/13/14 St Date: 8/20/14	14912L6D8	159,920.00 0.00	160,139.62 572.22	219.62	100.087	0.12%
700,000.000	MORGAN STANLEY Mat: 8/28/17 Cpn: 6.25% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 8/26/14 St Date: 8/29/14	617446V71	791,567.00 121.53	739,150.75 11,302.08	(52,416.25)	105.593	0.56%
1,000,000.000	GOLDMAN SACHS Mat: 9/1/17 Cpn: 6.25% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 8/19/14 St Date: 8/22/14	38144LAB6	1,133,440.00 29,687.50	1,055,019.84 15,625.00	(78,420.16)	105.502	0.79%
1,210,000.000	US BANK OHIO Mat: 9/11/17 Cpn: 1.38% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 9/8/14 St Date: 9/11/14	90331HMH3	1,212,672.40 2,578.13	1,211,398.03 3,697.22	(1,274.37)	100.116	0.90%
1,250,000.000	PNC BANK Mat: 9/21/17 Cpn: 4.88% Moody's: A3 S&P: A- Fitch: A Tr Date: 1/21/15 St Date: 1/26/15	69349LAC2	1,354,225.00 21,158.86	1,299,876.25 11,848.96	(54,348.75)	103.990	0.97%
250,000.000	BB&T CORPORATION Mat: 10/1/17 Cpn: 1.35% Moody's: A1 S&P: A Fitch: A+ Tr Date: 8/7/14 St Date: 8/14/14	07330NAK1	249,845.00 0.00	250,225.11 562.50	380.11	100.090	0.19%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,200,000.000	PACCAR FINANCIAL Mat: 11/17/17 Cpn: 1.40% Moody's: A1 S&P: A+ Fitch: Tr Date: 1/22/15 St Date: 1/26/15	69371RM37	1,204,704.00 3,220.00	1,203,863.06 653.33	(840.94)	100.322	0.89%
1,200,000.000	CHEVRON Mat: 12/5/17 Cpn: 1.10% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 1/21/15 St Date: 1/26/15	166764AA8	1,200,624.00 1,876.80	1,196,008.85 6,476.80	(4,615.15)	99.667	0.89%
330,000.000	JOHN DEERE CAPITAL Mat: 12/15/17 Cpn: 1.55% Moody's: A2 S&P: A Fitch: Tr Date: 9/10/14 St Date: 9/15/14	24422ESR1	329,920.80 0.00	332,123.10 2,358.58	2,202.30	100.643	0.25%
250,000.000	METLIFE Mat: 12/15/17 Cpn: 1.90% Moody's: A3 S&P: A- Fitch: A- Tr Date: 9/30/14 St Date: 10/7/14	59156RBK3	250,763.25 376.29	251,551.53 1,004.36	788.28	100.621	0.19%
263,000.000	JOHN DEERE CAPITAL CORP Mat: 1/16/18 Cpn: 1.35% Moody's: A2 S&P: A Fitch: Tr Date: 1/13/15 St Date: 1/16/15	24422EST7	262,868.50 0.00	263,813.77 1,331.44	945.27	100.309	0.20%
880,000.000	WELLS FARGO Mat: 1/22/18 Cpn: 1.65% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 1/22/16 St Date: 1/29/16	94988J5A1	879,744.80 0.00	884,596.18 4,920.67	4,851.38	100.522	0.66%
695,000.000	CAPITAL ONE BANK Mat: 2/5/18 Cpn: 1.65% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 2/4/15 St Date: 2/9/15	14042E4L1	694,576.05 127.42	691,260.99 3,695.08	(3,315.06)	99.462	0.52%
1,200,000.000	CITIGROUP Mat: 2/5/18 Cpn: 1.80% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/29/15 St Date: 2/5/15	172967JH5	1,199,088.00 0.00	1,201,233.85 6,960.00	2,145.85	100.103	0.90%
410,000.000	CATERPILLAR Mat: 2/23/18 Cpn: 1.50% Moody's: A2 S&P: A Fitch: A Tr Date: 2/22/16 St Date: 2/25/16	14912L6P1	409,905.70 0.00	412,256.17 1,640.00	2,350.47	100.550	0.31%
480,000.000	EXXON MOBIL Mat: 3/1/18 Cpn: 1.44% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAU6	480,000.00 0.00	482,169.40 1,688.43	2,169.40	100.452	0.36%



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Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
570,000.000	ELI LILLY & CO Mat: 3/1/18 Cpn: 1.25% Moody's: A2 S&P: AA- Fitch: A Tr Date: 2/24/15 St Date: 3/5/15	532457BK3	569,498.40 0.00	570,223.44 1,781.25	725.04	100.039	0.42%
375,000.000	EXXON MOBIL Mat: 3/6/18 Cpn: 1.31% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 3/3/15 St Date: 3/6/15	30231GAL6	375,000.00 0.00	375,833.64 1,155.47	833.64	100.222	0.28%
900,000.000	CHARLES SCHWAB Mat: 3/10/18 Cpn: 1.50% Moody's: A2 S&P: A Fitch: A Tr Date: 3/3/15 St Date: 3/10/15	808513AK1	898,866.00 0.00	899,592.62 3,037.50	726.62	99.955	0.67%
1,275,000.000	BANK OF AMERICA Mat: 3/26/18 Cpn: 1.65% Moody's: A1 S&P: A Fitch: A+ Tr Date: 3/20/15 St Date: 3/26/15	06050TLY6	1,274,590.25 1,989.17	1,275,057.87 3,798.44	467.62	100.005	0.95%
1,220,000.000	ABBVIE Mat: 5/14/18 Cpn: 1.80% Moody's: Baa2 S&P: A- Fitch: Tr Date: 5/5/15 St Date: 5/14/15	00287YAN9	1,218,755.60 0.00	1,221,698.50 1,037.00	2,942.90	100.139	0.91%
205,000.000	QUALCOMM Mat: 5/18/18 Cpn: 1.40% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AG8	204,725.30 0.00	205,646.08 87.69	920.78	100.315	0.15%
1,200,000.000	BNY MELLON Mat: 5/22/18 Cpn: 1.60% Moody's: A1 S&P: A Fitch: AA- Tr Date: 5/22/15 St Date: 5/29/15	06406HDB2	1,199,892.00 0.00	1,203,863.71 480.00	3,971.71	100.322	0.89%
600,000.000	CISCO SYSTEMS Mat: 6/15/18 Cpn: 1.65% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAU6	599,898.00 0.00	606,306.34 4,565.00	6,408.34	101.051	0.45%
280,000.000	JOHN DEERE CAPITAL Mat: 7/13/18 Cpn: 1.60% Moody's: A2 S&P: A Fitch: Tr Date: 7/9/15 St Date: 7/14/15	24422ESX8	279,893.60 0.00	281,764.33 1,717.33	1,870.73	100.630	0.21%
590,000.000	UNITEDHEALTH GROUP Mat: 7/16/18 Cpn: 1.90% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCL4	589,250.70 0.00	596,436.52 4,203.75	7,185.82	101.091	0.45%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
700,000.000	FIFTH THIRD BANK Mat: 8/20/18 Cpn: 2.15% Moody's: A3 S&P: A- Fitch: A Tr Date: 8/17/15 St Date: 8/20/15	31677QBD0	699,881.00 0.00	705,885.80 4,222.36	6,004.80	100.841	0.53%
380,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.23% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	380,000.00 0.00	383,619.88 1,027.64	3,619.88	100.953	0.29%
1,200,000.000	MICROSOFT Mat: 11/3/18 Cpn: 1.30% Moody's: Aaa S&P: AAA Fitch: AA+ Tr Date: 10/29/15 St Date: 11/3/15	594918BF0	1,198,800.00 0.00	1,203,511.04 1,213.33	4,711.04	100.293	0.89%
1,320,000.000	WISCONSIN ELECTRIC POWER Mat: 12/4/18 Cpn: 1.65% Moody's: A1 S&P: A- Fitch: A+ Tr Date: 12/1/15 St Date: 12/4/15	976843BK7	1,318,772.40 0.00	1,328,202.47 10,708.50	9,430.07	100.621	0.99%
470,000.000	MORGAN STANLEY Mat: 2/1/19 Cpn: 2.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/22/16 St Date: 1/27/16	61746BDX1	469,685.10 0.00	476,108.76 3,966.28	6,423.66	101.300	0.36%
320,000.000	APPLE Mat: 2/22/19 Cpn: 1.70% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/16/16 St Date: 2/23/16	037833BQ2	319,945.60 0.00	322,839.21 1,480.89	2,893.61	100.887	0.24%
550,000.000	CISCO SYSTEMS Mat: 2/28/19 Cpn: 1.60% Moody's: A1 S&P: AA- Fitch: Tr Date: 2/22/16 St Date: 2/29/16	17275RBB7	549,840.50 0.00	554,769.15 2,224.44	4,928.65	100.867	0.41%
450,000.000	EXXON MOBIL Mat: 3/1/19 Cpn: 1.71% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAP7	450,000.00 0.00	452,788.81 1,878.80	2,788.81	100.620	0.34%
420,000.000	STRYKER Mat: 3/8/19 Cpn: 2.00% Moody's: Baa1 S&P: A Fitch: Tr Date: 3/3/16 St Date: 3/10/16	863667AK7	419,512.80 0.00	423,084.28 1,890.00	3,571.48	100.734	0.32%
650,000.000	AT&T Mat: 3/11/19 Cpn: 2.30% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/3/16 St Date: 5/12/16	00206RCC4	661,810.50 2,533.19	658,636.68 3,322.22	(3,173.82)	101.329	0.49%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+ Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	797,387.32 2,835.22	7,987.72	100.935	0.59%
520,000.000	FIFTH THIRD BANK Mat: 3/15/19 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A Tr Date: 3/10/16 St Date: 3/15/16	31677QBF5	519,880.40 0.00	525,774.06 2,524.89	5,893.66	101.110	0.39%
290,000.000	BRANCH BANKING & TRUST Mat: 5/10/19 Cpn: 1.45% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAL9	289,736.10 0.00	288,828.40 245.29	(907.70)	99.596	0.21%
460,000.000	WELLS FARGO Mat: 5/24/19 Cpn: 1.75% Moody's: Aa2 S&P: Fitch: AA Tr Date: 5/25/16 St Date: 6/2/16	94988J5D5	459,802.20 0.00	461,773.36 0.00	1,971.16	100.386	0.34%
670,000.000	COCA-COLA Mat: 5/30/19 Cpn: 1.38% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 5/25/16 St Date: 5/31/16	191216BV1	669,531.00 0.00	671,926.14 25.59	2,395.14	100.288	0.50%
<b>Total for Credit</b>			<b>37,804,420.25 105,541.07</b>	<b>37,647,826.45 167,267.13</b>	<b>(156,593.80)</b>		<b>28.06%</b>

**Mortgage-Backed**

155,466.900	FHMS K501 A2 CMBS Mat: 11/25/16 Cpn: 1.66% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/5/12 St Date: 12/10/12	3137ANLP8	160,314.91 61.59	155,479.03 214.41	(4,835.88)	100.008	0.12%
38,845.630	FNA 2014-M5 FA 1MOFRN CMBS Mat: 1/25/17 Cpn: 0.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/9/14 St Date: 5/30/14	3136AJ2A3	38,832.64 15.70	38,824.89 26.16	(7.75)	99.947	0.03%
254,009.690	FNA 2014-M4 ASQ2 CMBS Mat: 1/25/17 Cpn: 1.27% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/14/14 St Date: 4/30/14	3136AJB21	256,549.79 260.33	254,070.91 269.31	(2,478.88)	100.024	0.19%
692,025.710	FNA 2014-M9 ASQ2 CMBS Mat: 4/25/17 Cpn: 1.46% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/13/14 St Date: 8/29/14	3136AKXS7	698,941.47 786.91	693,209.07 843.12	(5,732.40)	100.171	0.52%



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300,519.854	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/26/13 St Date: 5/1/13	3136A7L26	307,164.16 0.00	300,820.37 378.91	(6,343.79)	100.100	0.22%
2,000,000.000	FNA 2015-M7 ASQ2 CMBS Mat: 4/25/18 Cpn: 1.55% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/15/15 St Date: 4/30/15	3136ANJY4	2,019,992.80 2,497.22	2,003,600.00 2,583.33	(16,392.80)	100.180	1.49%
825,089.014	FNA 2014-M8 FA 1MOFRN CMBS Mat: 5/25/18 Cpn: 0.68% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/11/14 St Date: 7/31/14	3136AKQJ5	824,867.89 276.40	825,257.33 484.63	389.44	100.020	0.61%
996,788.990	FHMS K704 A2 CMBS Mat: 8/25/18 Cpn: 2.41% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/2/14 St Date: 10/7/14	3137AH6Q6	1,021,319.35 400.71	1,018,987.48 2,003.55	(2,331.87)	102.227	0.76%
1,040,750.607	FNA 14-M1 ASQ2 CMBS Mat: 11/25/18 Cpn: 2.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/17/14 St Date: 1/30/14	3136AHUV0	1,057,896.51 1,900.06	1,060,212.64 2,014.72	2,316.14	101.870	0.79%
384,529.200	FNMA #890170 10YR Mat: 9/1/19 Cpn: 4.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/3/14 St Date: 10/20/14	31410K6F6	407,841.28 913.26	395,359.08 1,441.98	(12,482.20)	102.816	0.29%
1,900,000.000	FNA 2015-M13 ASQ2 CMBS Mat: 9/25/19 Cpn: 1.65% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/15 St Date: 10/30/15	3136AQDQ0	1,919,026.41 2,519.29	1,909,488.60 2,606.17	(9,537.81)	100.499	1.42%
1,072,429.576	FHMS KJ02 A1 CMBS Mat: 10/25/19 Cpn: 1.64% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/10/15 St Date: 11/17/15	3137BLVY1	1,069,739.92 781.21	1,074,897.24 1,464.76	5,157.31	100.230	0.80%
<b>Total for Mortgage-Backed</b>			<b>9,782,487.12 10,412.68</b>	<b>9,730,206.64 14,331.05</b>	<b>(52,280.48)</b>		<b>7.23%</b>

**Asset-Backed**

1,030,749.476	VOLKSWAGEN 2014-A A3 LEASE Mat: 4/20/17 Cpn: 0.80% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/18/14 St Date: 8/21/14	92867QAD3	1,030,690.03 153.14	1,030,596.93 251.96	(93.10)	99.985	0.76%
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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of May 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
528,880.920	USAA 2014-1 A3 CAR Mat: 12/15/17 Cpn: 0.58% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/25/14 St Date: 2/28/14	90290KAC9	528,601.45 41.05	528,571.52 136.33	(29.93)	99.942	0.39%
2,380,000.000	VOLKSWAGEN 2015-A A3 LEASE Mat: 12/20/17 Cpn: 1.25% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/25/15 St Date: 3/5/15	92867VAD2	2,379,866.48 0.00	2,373,474.04 909.03	(6,392.44)	99.726	1.76%
992,967.565	TOYOTA 2014-C A3 CAR Mat: 7/16/18 Cpn: 0.93% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/7/14 St Date: 10/15/14	89190AAC4	992,924.57 0.00	993,048.99 410.43	124.42	100.008	0.74%
2,464,896.072	HARLEY 2015-1 A2A CYCLE Mat: 1/15/19 Cpn: 0.80% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 1/22/15 St Date: 1/28/15	41284BAB2	2,464,876.11 0.00	2,463,949.55 876.41	(926.55)	99.962	1.83%
3,200,000.000	BMW 2016-1 A3 LEASE Mat: 1/22/19 Cpn: 1.34% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/9/16 St Date: 2/17/16	05581RAD8	3,199,624.00 0.00	3,190,982.40 1,310.22	(8,641.60)	99.718	2.37%
1,564,000.000	CHASE 2014-A6 A6 CDT Mat: 7/15/19 Cpn: 1.26% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 7/17/14 St Date: 7/24/14	161571GP3	1,564,746.80 140.14	1,566,815.20 875.84	2,068.40	100.180	1.16%
2,150,000.000	JOHN DEERE 2015-B A3 EQP Mat: 10/15/19 Cpn: 1.44% Moody's: Aaa S&P: Fitch: AAA Tr Date: 9/1/15 St Date: 9/9/15	47787WAC3	2,149,590.00 0.00	2,147,028.70 1,376.00	(2,561.30)	99.862	1.59%
1,850,000.000	JOHN DEERE 2016-A A3 EQP Mat: 4/15/20 Cpn: 1.36% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/23/16 St Date: 3/2/16	47788MAC4	1,849,708.81 0.00	1,845,154.85 1,118.22	(4,553.96)	99.738	1.37%
<b>Total for Asset-Backed</b>			<b>16,160,628.24 334.34</b>	<b>16,139,622.18 7,264.44</b>	<b>(21,006.06)</b>		<b>11.98%</b>
<b>Grand Total</b>			<b>134,582,297.01 201,305.02</b>	<b>134,413,309.23 340,218.79</b>	<b>(168,987.78)</b>		<b>100.00%</b>



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## WELLS CAPITAL - TIER ONE

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN HONDA FINANCE CORP	HNDA	02665WAC5	US02665WAC55		1.41%	\$1,774,202.79
BANK OF AMERICA NA	BAC	06050TME9	US06050TME90		1.46%	\$1,828,839.00
BANK OF NEW YORK MELLON CORP	BK	06406HDB2	US06406HDB24		0.26%	\$328,797.08
BMWLT 161 A3	BMWLT	05581RAD8	US05581RAD89		0.40%	\$500,135.27
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91		1.52%	\$1,911,521.92
CAPITAL ONE BANK USA NA	COF	140420NG1	US140420NG11		0.40%	\$502,549.50
CAPITAL ONE NA	COF	14042E4L1	US14042E4L18		0.48%	\$604,520.20
Cash	---	CCYUSD	---		0.01%	\$12,499.99
CHEVRON CORP	CVX	166764BH2	US166764BH21		1.54%	\$1,924,981.68
CISCO SYSTEMS INC	CSCO	17275RAU6	US17275RAU68		0.24%	\$304,120.60
CITIGROUP INC	C	172967HY0	US172967HY01		0.36%	\$454,117.78
CITIGROUP INC	C	172967JH5	US172967JH59		0.59%	\$738,322.00
CITIGROUP INC	C	172967HN4	US172967HN46		0.09%	\$112,442.75
COCA-COLA CO	KO	191216BV1	US191216BV17		1.29%	\$1,619,113.64
EXXON MOBIL CORP	XOM	30231GAL6	US30231GAL68		0.44%	\$556,585.01
FEDERAL HOME LOAN BANKS	FHLB	313379DT3	US313379DT38		6.05%	\$7,590,679.58
FEDERAL HOME LOAN BANKS	FHLB	3130A6LZ8	US3130A6LZ80		2.30%	\$2,879,267.86
FEDERAL HOME LOAN BANKS	FHLB	3130A5EP0	US3130A5EP09		2.35%	\$2,952,950.57
FEDERAL HOME LOAN BANKS	FHLB	3130A8BD4	US3130A8BD45		1.60%	\$2,008,103.22
FEDERAL HOME LOAN BANKS	FHLB	3130A7CX1	US3130A7CX17		1.59%	\$1,991,872.41
FEDERAL HOME LOAN BANKS	FHLB	3130A62S5	US3130A62S59		3.12%	\$3,916,253.25
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G72P5	US3134G72P50		0.73%	\$912,181.88
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3137EADX4	US3137EADX42		2.49%	\$3,127,911.87
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0E58	US3135G0E585		1.61%	\$2,022,876.00
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082		0.01%	\$7,853.12
FIFTH THIRD BANK	FITB	31677QBD0	US31677QBD07		0.20%	\$255,860.90
FREDDIE MAC	FHLMC	3137EADV8	US3137EADV85		2.28%	\$2,864,153.58
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19		0.82%	\$1,034,478.42
HAROT 134 A3	HAROT	43814FAC6	US43814FAC68		0.09%	\$115,913.39
HAROT 151 A3	HAROT	43814KAC5	US43814KAC53		3.16%	\$3,958,101.32
HDMOT 151 A2A	HDMOT	41284BAB2	US41284BAB27		0.14%	\$171,017.97
HDMOT 16A A3	HDMOT	41284DAC6	US41284DAC65		1.60%	\$2,006,393.71
HSBC USA INC	HSBC	40428HPQ9	US40428HPQ91		1.20%	\$1,509,164.67
JDOT 15B A3	JDOT	47787WAC3	US47787WAC38		0.50%	\$627,436.63
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76		1.46%	\$1,827,714.80
KEYBANK NA	KEY	49327M2A1	US49327M2A10		1.21%	\$1,519,012.50
MBART 131 A3	MBART	58768WAC3	US58768WAC38		0.03%	\$38,646.12
MICROSOFT CORP	MSFT	594918BF0	US594918BF05		0.29%	\$358,967.64
MORGAN STANLEY	MS	617446C23	US617446C235		0.42%	\$523,708.44
MORGAN STANLEY	MS	617446V71	US617446V714		0.24%	\$295,749.35
NALT 16A A3	NALT	65478QAD0	US65478QAD07		1.44%	\$1,806,639.16
PACCAR FINANCIAL CORP	PCAR	69371RM37	US69371RM374		0.80%	\$1,003,403.88
Payable	---	CCYUSD	---		-0.97%	-\$1,216,158.90

## WELLS CAPITAL - TIER ONE

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
PEPSICO INC	PEP	713448CL0	US713448CL01		0.78%	\$979,559.26
PNC BANK NA	PNC	69353RER5	US69353RER57		1.50%	\$1,885,754.23
QUALCOMM INC	QCOM	747525AG8	US747525AG87		0.48%	\$606,290.67
Receivable	---	CCYUSD	---		0.95%	\$1,187,278.79
SOUTHERN CALIF PUB PWR AUTH REV	CA	84247PHT1	US84247PHT12		2.05%	\$2,566,826.40
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29		1.53%	\$1,914,155.84
UNION BANK NA (SAN FRANCISCO)	MUFG	90521APJ1	US90521APJ15		0.77%	\$967,094.64
UNITED STATES TREASURY	UST	912828L40	US912828L401		3.68%	\$4,612,454.73
UNITED STATES TREASURY	UST	912828UA6	US912828UA67		1.17%	\$1,461,970.08
UNITED STATES TREASURY	UST	912828UR9	US912828UR92		1.20%	\$1,507,861.19
UNITED STATES TREASURY	UST	912828XK1	US912828XK13		4.03%	\$5,047,147.31
UNITED STATES TREASURY	UST	912828RH5	US912828RH57		1.63%	\$2,039,958.57
UNITED STATES TREASURY	UST	912828XP0	US912828XP00		7.52%	\$9,433,716.77
UNITED STATES TREASURY	UST	912828H37	US912828H375		3.02%	\$3,781,989.23
UNITED STATES TREASURY	UST	912828M72	US912828M722		2.06%	\$2,577,522.64
UNITED STATES TREASURY	UST	912828N55	US912828N555		2.01%	\$2,515,692.93
UNITED STATES TREASURY	UST	912828VE7	US912828VE70		4.02%	\$5,042,904.97
UNITED STATES TREASURY	UST	912828Q52	US912828Q525		4.01%	\$5,033,034.24
UNITED STATES TREASURY	UST	912828R44	US912828R440		4.01%	\$5,029,612.64
UNITED STATES TREASURY	UST	912828Q94	US912828Q947		1.60%	\$2,008,309.17
UNITEDHEALTH GROUP INC	UNH	91324PCF7	US91324PCF71		1.38%	\$1,725,288.67
US BANK NA	USB	90331HMQ3	US90331HMQ38		0.52%	\$656,207.18
US BANK NA	USB	90331HMU4	US90331HMU40		0.53%	\$663,531.52
VALET 131 A3	VALET	92867MAC4	US92867MAC47		0.04%	\$52,400.63
VISA INC	V	92826CAA0	US92826CAA09		1.53%	\$1,913,037.00
VWALT 15A A3	VWALT	92867VAD2	US92867VAD29		0.72%	\$900,342.40

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 6/30/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
NA9123459	US DOLLARS	.465	7/1/2016		Agency	190,839	190,838.690	.001	.001	.465	.15%	190,838.69
USD120030	USD INTEREST RECEIVABLE	-				380,944	0.000	-	-	-	.30%	380,943.91
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(834,008)	(834,008.000)	-	-	-	(.67%)	(834,008.00)
<b>CASH TOTALS</b>							<b>(643,169.310)</b>					<b>(262,225.40)</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>(643,169.310)</b>					<b>(262,225.40)</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3130A5EP0	FEDERAL HOME LOAN BANKS	.625	5/30/2017	5/30/2017	Agency	3,750,000	3,747,459.720	.917	.909	.574	2.99%	3,751,732.50
3130A6LZ8	FEDERAL HOME LOAN BANKS	.625	10/26/2017	10/26/2017	Agency	2,875,000	2,869,371.000	1.322	1.313	.598	2.29%	2,876,023.50
3130A62S5	FEDERAL HOME LOAN BANKS	.750	8/28/2017	8/28/2017	Agency	3,900,000	3,892,481.400	1.161	1.151	.611	3.12%	3,906,259.50
3130A7CX1	FEDERAL HOME LOAN BANKS	.875	3/19/2018	3/19/2018	Agency	1,980,000	1,979,458.200	1.719	1.697	.669	1.59%	1,986,963.66
3134G8L98	FEDERAL HOME LOAN MORTGAGE CORP	1.050	2/26/2018	2/26/2018	Agency	915,000	915,000.000	.156	.484	.888	.73%	915,225.09
3134G72P5	FEDERAL HOME LOAN MORTGAGE CORP	1.200	10/29/2018	10/29/2018	Agency	910,000	910,000.000	.081	.319	.787	.73%	910,301.21
3137EADX4	FEDERAL HOME LOAN MORTGAGE CORP	1.000	12/15/2017	12/15/2017	Agency	3,110,000	3,107,208.320	1.458	1.446	.633	2.49%	3,126,529.65
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP	.750	7/14/2017	7/14/2017	Agency	2,850,000	2,848,034.400	1.039	1.028	.606	2.28%	2,854,237.95
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,997,010.600	2.303	2.267	.722	1.61%	2,018,376.00
<b>AGENCIES TOTALS</b>							<b>22,266,023.640</b>					<b>22,345,649.06</b>
<b>ASSET BACKED</b>												
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	7/20/2018	Aaa	500,000	499,953.000	1.708	1.682	1.352	.40%	499,930.55
161571FT6	CHASE ISSUANCE TRUST	.702	12/16/2019	12/15/2017	AAA	2,170,000	2,172,030.620	1.458	.041	.737	1.73%	2,169,999.78
161571BQ6	CHASE ISSUANCE TRUST	.492	4/15/2019	2/15/2017	AAA	300,000	299,785.530	.625	.041	.637	.24%	299,792.67
161571GJ7	CHASE ISSUANCE TRUST	1.150	1/15/2019	1/15/2017	AAA	1,250,000	1,252,166.540	.542	.540	.781	1.00%	1,252,503.13
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	.948	1/21/2020	1/22/2018	Aaa	600,000	598,974.910	1.556	.053	1.190	.48%	598,114.92
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.198	4/22/2019	4/20/2017	Aaa	1,000,000	1,001,823.420	.806	.056	.935	.80%	1,002,383.60
41284BAB2	HARLEY-DAVIDSON MOTORCYCLE TRUST 2015-1	.800	1/15/2019	2/15/2017	Aaa	171,064	171,064.190	.319	.318	.999	.14%	170,957.14
43814FAC6	HONDA AUTO RECEIVABLES 2013-4 OWNER TRUST	.690	9/18/2017	12/18/2016	AAA	116,158	116,188.890	.222	.222	.900	.09%	116,104.40
43814KAC5	HONDA AUTO RECEIVABLES 2015-1 OWNER TRUST	1.050	10/15/2018	2/15/2018	Aaa	3,950,000	3,949,669.140	.847	.840	.864	3.16%	3,956,257.99
477877AD6	JOHN DEERE OWNER TRUST 2014-B	1.070	11/15/2018	1/15/2018	Aaa	361,806	361,714.390	.724	.719	1.013	.29%	361,958.96
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	7/15/2018	Aaa	465,000	465,782.020	1.269	1.253	1.033	.37%	466,693.34
47787UAB9	JOHN DEERE OWNER TRUST 2015	.870	2/15/2018	2/15/2017	Aaa	885,812	885,754.010	.312	.311	.898	.71%	885,740.49
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	12/15/2018	Aaa	625,000	624,886.310	1.635	1.609	1.242	.50%	627,036.63
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	430,000	430,973.590	1.209	1.195	1.132	.34%	431,089.45
58768WAC3	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2012-1	.780	8/15/2017	7/15/2016	AAA	82,052	82,129.540	.042	.041	.886	.07%	82,048.20
55315GAC2	MMAF EQUIPMENT FINANCE LLC 2015-A	1.380	10/16/2019	7/16/2018	Aaa	385,000	384,769.220	1.167	1.152	1.286	.31%	385,478.17
55315FAB6	MMAF EQUIPMENT FINANCE LLC 2016-A	1.390	12/17/2018	2/15/2018	Aaa	1,375,000	1,374,986.350	1.018	1.007	1.297	1.10%	1,376,345.99
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	10/15/2018	Aaa	585,000	584,974.530	2.025	1.986	1.342	.47%	586,770.33
92867VAD2	VOLKSWAGEN AUTO LEASE TRUST	1.250	12/20/2017	7/20/2017	Aaa	900,000	899,919.180	.863	.854	1.253	.72%	899,998.65

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 6/30/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
ASSET BACKED (Continued)												
92867MAC4	VOLKSWAGEN AUTO LOAN ENHANCED TRUST 2013-1	.560	8/21/2017	8/20/2016	Aaa	52,416	52,403.520	.072	.071	1.210	.04%	52,391.66
ASSET BACKED TOTALS							16,209,948.900					16,221,596.05
CMBS												
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	511,428	516,278.160	1.756	1.720	1.078	.41%	518,010.20
3137AQT24	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.130	1/25/2019	1/25/2019	Agency	1,000,000	1,020,076.500	2.411	2.344	1.061	.82%	1,024,060.40
3137AH6Q6	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	846,020	864,185.550	1.884	1.835	.990	.69%	867,127.43
CMBS TOTALS							2,400,540.210					2,409,198.03
CORPORATES												
00138CAA6	AIG GLOBAL FUNDING	1.650	12/15/2017	12/15/2017	A2	850,000	853,945.200	1.458	1.442	1.347	.68%	853,707.70
0258M0DC1	AMERICAN EXPRESS CREDIT CORP	1.300	7/29/2016	7/29/2016	A2	1,000,000	1,002,290.800	.081	.079	.865	.80%	1,000,346.00
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	750,000	757,051.320	2.286	2.263	1.404	.60%	757,979.25
037833BR0	APPLE INC	1.474	2/22/2019	2/22/2019	Aa1	425,000	430,405.310	2.653	.167	.947	.34%	431,083.45
06050TLY6	BANK OF AMERICA NA	1.650	3/26/2018	3/26/2018	A1	1,800,000	1,803,200.490	1.739	1.705	1.300	1.44%	1,810,796.40
06050TLT7	BANK OF AMERICA NA	1.250	2/14/2017	2/14/2017	A1	200,000	199,857.800	.622	.621	1.008	.16%	200,299.00
05531FAL7	BB&T CORP	1.600	8/15/2017	8/15/2017	A2	748,000	746,826.400	1.042	1.039	1.076	.60%	752,045.18
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,170,000	1,194,553.800	3.503	3.373	1.599	.96%	1,201,783.05
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	.931	1/12/2018	1/12/2018	Aa2	250,000	250,014.500	1.544	.038	.941	.20%	250,084.75
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	400,000	435,168.000	1.669	1.570	1.492	.35%	435,361.60
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	1,805,000	1,806,833.520	1.597	1.569	1.539	1.45%	1,812,400.50
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	850,000	859,347.810	2.339	2.310	1.729	.69%	861,123.10
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	470,000	507,324.490	3.831	3.561	1.616	.41%	511,509.46
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	800,000	800,954.090	1.578	1.587	1.132	.64%	803,967.20
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	250,000	249,955.400	2.056	2.019	1.377	.20%	253,905.00
36962G7J7	GENERAL ELECTRIC CO	1.250	5/15/2017	5/15/2017	A1	230,000	229,980.860	.786	.794	.904	.18%	230,621.23
38147MAA3	GOLDMAN SACHS GROUP INC/THE	2.900	7/19/2018	7/19/2018	A3	1,500,000	1,534,511.940	2.053	1.974	1.599	1.23%	1,539,255.00
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,060,000	1,072,263.430	2.264	2.239	1.649	.86%	1,072,976.52
46849LSL6	JACKSON NATIONAL LIFE GLOBAL FUNDING	1.875	10/15/2018	10/15/2018	AA	750,000	758,285.600	2.292	2.238	1.353	.61%	758,797.50
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	950,000	954,439.120	1.586	1.583	1.346	.76%	955,260.15
48126EAA5	JPMORGAN CHASE & CO	2.000	8/15/2017	8/15/2017	A-	400,000	403,705.400	1.125	1.106	1.164	.32%	403,726.80
49327M2A1	KEYBANK NA/CLEVELAND OH	1.650	2/1/2018	2/1/2018	A-	950,000	951,969.020	1.586	1.561	1.279	.76%	955,510.00
49327M2J2	KEYBANK NA/CLEVELAND OH	1.100	11/25/2016	11/25/2016	A-	1,250,000	1,251,397.400	.319	.334	.917	1.00%	1,250,725.00
59217GAY5	METROPOLITAN LIFE GLOBAL FUNDING I	1.500	1/10/2018	1/10/2018	AA-	1,250,000	1,256,863.420	1.528	1.503	1.118	1.00%	1,257,205.00
617446C23	MORGAN STANLEY	5.450	1/9/2017	1/9/2017	A3	500,000	534,371.200	.525	.513	1.349	.41%	510,689.00
617446V71	MORGAN STANLEY	6.250	8/28/2017	8/28/2017	A3	275,000	306,431.000	1.161	1.113	1.529	.23%	289,876.95
61746BDY9	MORGAN STANLEY	2.012	2/1/2019	2/1/2019	A3	500,000	506,640.020	2.589	.107	1.619	.40%	505,610.00
553794AA6	MUFG AMERICAS HOLDINGS CORP	1.625	2/9/2018	2/9/2018	A	500,000	499,762.880	1.525	1.545	1.562	.40%	500,472.50
69349LAC2	PNC BANK NA	4.875	9/21/2017	9/21/2017	A-	750,000	818,502.600	1.225	1.187	1.632	.62%	779,363.25
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	700,000	699,940.200	1.967	1.946	1.283	.56%	707,737.10
828807CM7	SIMON PROPERTY GROUP LP	1.500	2/1/2018	2/1/2018	A	1,000,000	1,003,193.840	1.336	1.403	1.177	.80%	1,004,277.00
90331HMU4	US BANK NA/CINCINNATI OH	1.450	1/29/2018	1/29/2018	AA-	655,000	654,468.100	1.494	1.498	.986	.53%	659,521.47
90331HMQ3	US BANK NA/CINCINNATI OH	1.350	1/26/2018	1/26/2018	A1	650,000	649,119.200	1.489	1.501	1.096	.52%	652,429.05



## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 6/30/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
94974BFV7	WELLS FARGO & CO	1.095	4/22/2019	4/22/2019	A	1,000,000	997,145.280	2.811	.059	1.252	.80%	996,653.00
94974BFK1	WELLS FARGO & CO	1.268	4/23/2018	4/23/2018	A	500,000	500,000.000	1.814	.067	1.175	.40%	501,148.50
<b>CORPORATES TOTALS</b>							<b>27,480,719.440</b>					<b>27,468,246.66</b>
<b>MUNICIPALS</b>												
004284A62	ACALANES UNION HIGH SCHOOL DISTRICT	.743	8/1/2016	8/1/2016	AA	570,000	570,013.200	.086	.087	.741	.45%	570,000.00
13034PYC5	CALIFORNIA HOUSING FINANCE AGENCY	1.594	2/1/2018	2/1/2018	A2	1,000,000	1,000,000.000	1.586	1.572	1.524	.80%	1,001,080.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	712,972.380	4.336	4.125	1.315	.58%	724,697.35
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	470,000	470,000.000	.919	.914	.808	.38%	470,742.60
68428LDQ4	COUNTY OF ORANGE CA	1.208	6/30/2017	6/30/2017	AA	750,000	750,875.070	1.000	.987	.985	.60%	751,657.50
842477TD3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	.645	7/1/2016	7/1/2016	AA-	655,000	655,000.130	.003	.003	.643	.52%	655,000.00
13063A7G3	STATE OF CALIFORNIA	6.200	10/1/2019	10/1/2019	Aa3	390,000	449,237.780	3.253	2.967	1.363	.36%	449,806.50
13063BFU1	STATE OF CALIFORNIA	6.200	3/1/2019	3/1/2019	Aa3	300,000	338,597.260	2.669	2.458	1.099	.27%	340,140.00
20772JL59	STATE OF CONNECTICUT	2.500	8/1/2020	8/3/2020	AA-	795,000	825,726.750	4.086	3.864	1.537	.66%	825,217.95
93265PBQ1	WALNUT ENERGY CENTER AUTHORITY	4.650	1/1/2018	1/2/2018	A+	1,000,000	1,051,746.720	1.503	1.439	1.046	.84%	1,053,590.00
<b>MUNICIPALS TOTALS</b>							<b>6,824,169.290</b>					<b>6,841,931.90</b>
<b>SOVEREIGN DEBT</b>												
45818WAN6	INTER-AMERICAN DEVELOPMENT BANK	.646	12/12/2016	12/12/2016	Aaa	2,000,000	2,000,157.960	.456	.202	.663	1.60%	1,999,872.00
45950KBY5	INTERNATIONAL FINANCE CORP	.477	8/1/2016	8/1/2016	Aaa	900,000	899,981.450	.089	.014	.557	.72%	899,943.30
<b>SOVEREIGN DEBT TOTALS</b>							<b>2,900,139.410</b>					<b>2,899,815.30</b>
<b>US TREASURIES</b>												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,830,738	3,899,455.090	3.792	3.767	.967	3.13%	3,918,626.11
912828P95	UNITED STATES TREASURY NOTE/BOND	1.000	3/15/2019	3/15/2019	Govt	2,500,000	2,501,890.200	2.709	2.658	.684	2.01%	2,521,192.50
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,585,960.800	2.209	2.182	.629	3.67%	4,600,074.38
912828XP0	UNITED STATES TREASURY NOTE/BOND	.625	7/31/2017	7/31/2017	Govt	10,000,000	9,982,641.200	1.085	1.075	.535	7.99%	10,009,770.00
912828N55	UNITED STATES TREASURY NOTE/BOND	1.000	12/31/2017	1/2/2018	Govt	2,500,000	2,497,518.880	1.500	1.496	.581	2.01%	2,515,625.00
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	1,200,000	1,239,108.050	4.585	4.347	.974	1.01%	1,261,780.80
912828H37	UNITED STATES TREASURY NOTE/BOND	.875	1/15/2018	1/16/2018	Govt	3,750,000	3,735,430.200	1.541	1.528	.582	3.01%	3,766,845.00
912828UR9	UNITED STATES TREASURY NOTE/BOND	.750	2/28/2018	2/28/2018	Govt	3,000,000	3,000,000.000	1.668	1.647	.585	2.40%	3,008,202.00
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	8,500,000	8,506,082.750	3.500	3.430	.813	6.85%	8,591,307.00
912828UA6	UNITED STATES TREASURY NOTE/BOND	.625	11/30/2017	11/30/2017	Govt	1,460,000	1,449,656.710	1.418	1.408	.567	1.17%	1,461,197.20
912828SS0	UNITED STATES TREASURY NOTE/BOND	.875	4/30/2017	5/1/2017	Govt	5,750,000	5,777,841.400	.834	.829	.509	4.60%	5,767,468.50
<b>US TREASURIES TOTALS</b>							<b>47,175,585.280</b>					<b>47,422,088.49</b>
<b>FIXED INCOME TOTALS</b>							<b>125,257,126.170</b>					<b>125,608,525.49</b>
<b>PORTFOLIO TOTALS</b>							<b>124,613,956.860</b>					<b>125,346,300.09</b>

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
67021JG71	NSTAR ELEC CO DISC D	0.000	7/7/2016	7/7/2016	F1	1,300,000	1,299,909.000	.019	.019	.360	1.45%	1,299,909.00
NA9123459	US DOLLARS	.465	7/1/2016		Agency	1,378,927	1,378,926.930	.001	.001	.465	1.54%	1,378,926.93
USD120030	USD INTEREST RECEIVABLE	-				363,715	0.000	-	-	-	.41%	363,714.50
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(1,299,909)	(1,299,909.000)	-	-	-	(1.45%)	(1,299,909.00)
<b>CASH TOTALS</b>							<b>1,378,926.930</b>					<b>1,742,641.43</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>1,378,926.930</b>					<b>1,742,641.43</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3133EFHX8	FEDERAL FARM CREDIT BANKS	.491	4/9/2018	4/9/2018	Agency	1,000,000	998,746.180	1.775	.023	.614	1.11%	998,298.00
3137EACA5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,498,344.270	2.742	2.600	.805	1.71%	1,538,538.30
<b>AGENCIES TOTALS</b>							<b>2,497,090.450</b>					<b>2,536,836.30</b>
<b>ASSET BACKED</b>												
05522RCT3	BA CREDIT CARD TRUST	.772	6/15/2020	1/16/2018	AAA	1,250,000	1,248,643.980	1.542	.042	.735	1.39%	1,251,443.00
161571GJ7	CHASE ISSUANCE TRUST	1.150	1/15/2019	1/15/2017	AAA	500,000	500,671.530	.542	.540	.781	.56%	501,001.25
161571BQ6	CHASE ISSUANCE TRUST	.492	4/15/2019	2/15/2017	AAA	915,000	913,925.580	.625	.041	.637	1.02%	914,367.64
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	.875	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,405.650	2.197	.034	.764	1.16%	1,043,261.44
17305EFN0	CITIBANK CREDIT CARD ISSUANCE TRUST	1.020	2/22/2019	2/22/2017	Aaa	750,000	749,947.410	.644	.643	.857	.84%	750,781.13
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	.948	1/21/2020	1/22/2018	Aaa	430,000	429,265.200	1.556	.053	1.190	.48%	428,649.03
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.198	4/22/2019	4/20/2017	Aaa	1,000,000	1,001,824.780	.806	.056	.935	1.12%	1,002,383.60
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	1,125,000	1,126,169.510	1.209	1.195	1.132	1.26%	1,127,850.30
58772PAC2	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	.712	6/15/2018	4/17/2017	AAA	661,427	661,440.830	.382	.040	.634	.74%	661,718.99
55314MAD8	MMAF EQUIPMENT FINANCE LLC 2011-A	2.100	7/15/2017	7/15/2016	Aaa	3,697	3,682.430	.042	.041	.817	0%	3,699.04
60689LAC9	MMAF EQUIPMENT FINANCE LLC 2013-A	1.030	12/11/2017	12/9/2016	Aaa	158,558	158,539.480	.214	.214	1.050	.18%	158,552.30
55315GAC2	MMAF EQUIPMENT FINANCE LLC 2015-A	1.380	10/16/2019	7/16/2018	Aaa	902,000	901,238.830	1.167	1.152	1.286	1.01%	903,120.28
<b>ASSET BACKED TOTALS</b>							<b>8,735,755.210</b>					<b>8,746,828.00</b>
<b>CMBS</b>												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	888,933	893,100.010	.894	.883	.912	.99%	892,806.50
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	946,534	948,996.950	1.555	1.535	.897	1.06%	953,732.93
3137B03W2	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.426	8/25/2017	7/25/2017	AAA	463,092	465,052.530	.733	.727	.866	.52%	464,550.83
3137A1N82	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.746	12/25/2019	12/25/2019	Agency	93,754	96,236.030	1.302	1.278	1.005	.11%	95,688.72
3137ANLP8	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.655	11/25/2016	10/25/2016	Aaa	316,746	317,811.700	.139	.138	.736	.35%	316,801.70
3137AH6Q6	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	597,190	606,092.460	1.884	1.835	.990	.68%	612,089.94
<b>CMBS TOTALS</b>							<b>3,327,289.680</b>					<b>3,335,670.62</b>
<b>CMOS</b>												
313921TM0	FANNIE MAE	6.000	10/25/2016	9/25/2016	Agency	5,243	5,199.440	.129	.128	1.053	.01%	5,255.73
31392BVM5	FANNIE MAE REMICS	5.500	2/25/2017	12/25/2016	Agency	4,675	4,630.250	.224	.223	1.224	.01%	4,702.47
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	4/25/2018	Agency	75,541	75,357.860	.754	.741	1.764	.09%	77,118.88

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CMOS (Continued)</b>												
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	7/25/2018	Agency	89,343	89,239.350	.815	.805	.959	.10%	90,310.79
31392GPN9	FANNIE MAE REMICS	5.000	1/25/2018	12/25/2017	Agency	91,386	90,763.040	.637	.627	1.193	.10%	93,285.88
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	3/25/2018	Agency	125,795	125,517.370	.808	.795	.953	.14%	128,539.56
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	6/25/2018	Agency	122,112	122,831.300	.882	.869	.868	.14%	124,896.37
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	11/15/2019	Agency	212,694	214,599.800	1.507	1.451	1.074	.24%	215,467.92
31393NDD8	FREDDIE MAC REMICS	5.000	3/15/2018	2/15/2018	Agency	56,504	56,298.730	.699	.686	1.948	.06%	57,589.48
31393GWV2	FREDDIE MAC REMICS	5.000	12/15/2017	12/15/2017	Agency	77,388	77,575.760	.611	.603	1.065	.09%	79,091.38
31394GH22	FREDDIE MAC REMICS	4.500	7/15/2018	2/15/2018	Agency	197,810	202,768.060	.753	.742	.901	.23%	202,802.89
3137A5J21	FREDDIE MAC REMICS	1.750	1/15/2017	1/15/2017	Agency	15,458	15,430.780	.321	.321	1.460	.02%	15,461.68
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	11/15/2018	Agency	550,137	550,807.340	.954	.942	.944	.62%	555,225.00
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	9/15/2018	Agency	78,691	78,569.830	.710	.703	.936	.09%	79,221.64
62888WAA4	NON GUARANTEED NOT V	.996	12/8/2020	11/5/2020	Aaa	549,438	551,464.150	2.732	.097	.974	.61%	550,435.08
<b>CMOS TOTALS</b>							<b>2,261,053.060</b>					<b>2,279,404.75</b>
<b>CORPORATES</b>												
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,969.960	2.286	2.263	1.404	.50%	444,681.16
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,243.370	3.125	2.999	1.565	.74%	663,531.70
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	667,303.330	3.708	3.376	1.916	.76%	677,943.04
037833BR0	APPLE INC	1.474	2/22/2019	2/22/2019	Aa1	385,000	385,000.000	2.653	.167	.947	.44%	390,510.89
060505DP6	BANK OF AMERICA CORP	5.750	12/1/2017	12/1/2017	BBB+	700,000	736,635.710	1.419	1.376	1.570	.83%	740,909.40
06050TKN1	BANK OF AMERICA NA	5.300	3/15/2017	3/15/2017	A-	250,000	255,658.210	.708	.691	1.456	.29%	256,741.75
05531FAP8	BB&T CORP	1.512	6/15/2018	6/15/2018	A2	520,000	521,371.620	1.883	.216	1.242	.58%	522,773.16
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	861,380.120	3.911	3.760	1.750	.98%	878,037.25
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	500,000	505,465.450	3.503	3.373	1.599	.57%	513,582.50
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	.931	1/12/2018	1/12/2018	Aa2	445,000	444,718.450	1.544	.038	.941	.50%	445,150.86
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	300,000	299,421.160	1.597	1.569	1.539	.34%	301,230.00
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	500,000	501,958.140	2.772	2.669	1.682	.57%	511,695.50
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	700,000	701,183.770	2.339	2.310	1.729	.79%	709,160.20
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	180,000	190,971.850	3.831	3.561	1.616	.22%	195,897.24
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	266,950.530	1.753	1.670	1.144	.30%	270,354.25
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	500,000	497,604.730	1.578	1.587	1.132	.56%	502,479.50
38141GRC0	GOLDMAN SACHS GROUP INC/THE	2.375	1/22/2018	1/22/2018	A3	215,000	216,851.160	1.561	1.523	1.500	.24%	217,889.60
38147MAA3	GOLDMAN SACHS GROUP INC/THE	2.900	7/19/2018	7/19/2018	A3	260,000	265,236.110	2.053	1.974	1.599	.30%	266,804.20
38148FAB5	GOLDMAN SACHS GROUP INC/THE	2.550	10/23/2019	10/23/2019	A3	605,000	608,237.830	3.314	3.173	1.837	.69%	618,794.00
40428HPQ9	HSBC USA INC	1.700	3/5/2018	3/5/2018	A	730,000	729,352.540	1.681	1.647	1.661	.81%	730,461.36
46849LSL6	JACKSON NATIONAL LIFE GLOBAL FUNDING	1.875	10/15/2018	10/15/2018	AA	420,000	419,833.600	2.292	2.238	1.353	.47%	424,926.60
48121CYK6	JPMORGAN CHASE BANK NA	6.000	10/1/2017	10/2/2017	A	976,000	1,022,073.310	1.253	1.210	1.454	1.15%	1,030,861.94
49327M2F0	KEYBANK NA/CLEVELAND OH	2.500	12/15/2019	12/16/2019	A-	400,000	403,435.040	3.458	3.322	1.739	.46%	410,174.00
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	500,000	498,542.570	1.686	1.656	1.313	.56%	501,134.50
55279HAH3	MANUFACTURERS & TRADERS TRUST CO	.938	7/25/2017	7/25/2017	A	500,000	498,392.540	1.072	.074	1.127	.56%	499,131.50
57629WBQ2	MASSMUTUAL GLOBAL FUNDING II	2.000	4/5/2017	4/5/2017	AA+	250,000	251,131.460	.764	.756	.847	.28%	252,188.00
59217GAY5	METROPOLITAN LIFE GLOBAL FUNDING I	1.500	1/10/2018	1/10/2018	AA-	1,040,000	1,038,760.470	1.528	1.503	1.118	1.17%	1,045,994.56
59217GBE8	METROPOLITAN LIFE GLOBAL FUNDING I	1.009	4/10/2017	4/10/2017	AA-	500,000	499,752.460	.778	.028	.836	.56%	500,824.00
61746BDY9	MORGAN STANLEY	2.012	2/1/2019	2/1/2019	A3	800,000	800,000.000	2.589	.107	1.619	.90%	808,976.00
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	110,000	110,387.220	3.958	3.786	1.511	.13%	113,533.75

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
69353RDD7	PNC BANK NA	2.250	7/2/2019	7/2/2019	A	620,000	623,548.830	2.922	2.829	1.496	.71%	633,321.94
828807CM7	SIMON PROPERTY GROUP LP	1.500	2/1/2018	2/1/2018	A	505,000	503,054.750	1.336	1.403	1.177	.57%	507,159.89
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	368,077.590	2.292	2.259	1.021	.42%	373,685.63
90331HNV2	US BANK NA/CINCINNATI OH	1.218	1/29/2018	1/29/2018	AA-	500,000	500,000.000	1.503	.086	1.050	.56%	501,455.50
94974BFV7	WELLS FARGO & CO	1.095	4/22/2019	4/22/2019	A	580,000	574,749.910	2.811	.059	1.252	.64%	578,058.74
94974BFK1	WELLS FARGO & CO	1.268	4/23/2018	4/23/2018	A	370,000	370,065.300	1.814	.067	1.175	.41%	370,849.89
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	250,000	255,994.530	4.625	4.389	1.766	.29%	257,012.50
<b>CORPORATES TOTALS</b>							<b>18,482,313.620</b>					<b>18,667,916.50</b>
<b>MORTGAGES</b>												
31371KVC2	FANNIE MAE POOL	5.500	11/1/2017	9/25/2017	Agency	32,982	32,756.380	.599	.590	1.062	.04%	33,734.18
31371KT68	FANNIE MAE POOL	5.500	10/1/2017	8/25/2017	Agency	28,549	28,541.560	.564	.556	1.047	.03%	29,158.88
31391WS93	FANNIE MAE POOL	5.500	11/1/2017	6/25/2017	Agency	16,301	16,141.510	.492	.486	1.011	.02%	16,600.71
31404WTT3	FANNIE MAE POOL	4.500	5/1/2019	3/25/2019	Agency	10,639	10,700.940	1.192	1.155	1.831	.01%	10,940.83
31413XVG5	FANNIE MAE POOL	4.361	6/1/2019	6/25/2019	Agency	600,000	630,326.120	2.986	2.794	2.827	.70%	625,911.48
31385XBG1	FANNIE MAE POOL	6.000	3/1/2018	4/25/2017	Agency	25,400	25,153.810	.419	.414	1.086	.03%	25,819.48
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	8/15/2018	Agency	65,005	65,130.070	.951	.929	1.640	.07%	66,935.60
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	3/15/2018	Govt	35,501	35,503.210	.848	.830	2.152	.04%	36,139.46
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	4/15/2018	Govt	15,927	15,955.000	.887	.867	2.236	.02%	16,215.69
<b>MORTGAGES TOTALS</b>							<b>860,208.600</b>					<b>861,456.31</b>
<b>MUNICIPALS</b>												
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	AA-	345,000	345,000.000	2.086	2.032	1.074	.39%	351,244.50
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,342.370	3.253	3.144	1.204	.17%	153,388.50
120827CS7	BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY	2.475	7/1/2016	7/1/2016	A	300,000	300,000.000	.003	.003	2.445	.33%	300,000.00
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	447,561.820	4.086	3.873	1.638	.52%	463,126.50
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	507,786.660	4.336	4.125	1.315	.58%	516,151.35
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	3.336	3.225	1.161	.28%	251,563.55
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	3.086	2.966	1.237	.20%	179,901.75
156792GR8	CERRITOS COMMUNITY COLLEGE DISTRICT	1.312	8/1/2017	8/1/2017	Aa2	500,000	500,000.000	1.086	1.073	.687	.56%	503,375.00
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,715.220	3.503	3.321	1.823	.26%	235,260.10
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	540,840.460	4.042	3.692	1.425	.62%	555,285.00
786149GJ7	COUNTY OF SACRAMENTO CA	8.000	7/1/2016	7/1/2016	AA+	55,000	55,000.590	.003	.003	7.694	.06%	55,000.00
797398DH4	COUNTY OF SAN DIEGO CA	5.765	8/15/2019	8/15/2019	AA+	475,000	523,214.050	3.125	2.855	1.337	.60%	539,163.00
492244CS5	KERN COMMUNITY COLLEGE DISTRICT	5.000	11/1/2016	11/1/2016	Aa2	400,000	405,221.970	.336	.338	.633	.45%	405,852.00
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	AA-	305,000	305,798.740	3.419	3.282	1.624	.35%	314,461.10
621196XM1	MOUNT DIABLO UNIFIED SCHOOL DISTRICT/CA	3.887	8/1/2017	8/1/2017	Aa3	400,000	410,497.950	1.086	1.055	1.006	.46%	412,416.00
544587C30	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	3.146	11/1/2020	11/2/2020	A+	750,000	757,100.950	4.336	4.062	1.778	.88%	792,615.00
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	2.086	2.036	.945	.68%	610,278.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,473.470	2.086	2.041	.763	.19%	167,648.25

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>MUNICIPALS (Continued)</b>												
735000QD6	PORT OF OAKLAND	5.000	5/1/2017	5/1/2017	A+	525,000	540,684.800	.836	.820	.773	.61%	543,453.75
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	364,107.490	4.086	3.840	1.350	.42%	376,065.70
786005NA2	SACRAMENTO MUNICIPAL UTILITY DISTRICT	5.000	8/15/2017	8/15/2017	AA-	160,000	166,657.200	1.125	1.087	.584	.19%	167,910.40
79765A7G5	SAN FRANCISCO CITY & COUNTY AIRPORTS COMM-SAN FRANCISCO INTERNATIONAL AIRPORT	5.000	5/1/2017	5/1/2017	A+	600,000	617,025.140	.836	.820	.784	.69%	621,036.00
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	2.086	2.034	1.005	.68%	610,320.00
130638FU1	STATE OF CALIFORNIA	6.200	3/1/2019	3/1/2019	Aa3	550,000	604,721.360	2.669	2.458	1.099	.69%	623,590.00
13063A7G3	STATE OF CALIFORNIA	6.200	10/1/2019	10/1/2019	Aa3	500,000	566,720.700	3.253	2.967	1.363	.64%	576,675.00
20772JL59	STATE OF CONNECTICUT	2.500	8/1/2020	8/3/2020	AA-	865,000	872,191.880	4.086	3.864	1.537	1.00%	897,878.65
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	238,347.580	2.669	2.513	1.019	.27%	244,329.75
91412GWV3	UNIVERSITY OF CALIFORNIA	2.003	5/15/2019	5/15/2019	AA	250,000	250,000.000	2.875	2.789	.946	.29%	257,477.50
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa2	285,000	286,425.200	2.086	2.031	.882	.32%	291,572.10
<b>MUNICIPALS TOTALS</b>							<b>11,769,435.600</b>					<b>12,017,038.45</b>
<b>SOVEREIGN DEBT</b>												
4581X0BS6	INTER-AMERICAN DEVELOPMENT BANK	1.375	10/18/2016	10/18/2016	Aaa	1,450,000	1,453,070.780	.300	.300	.557	1.62%	1,453,546.70
45818WAN6	INTER-AMERICAN DEVELOPMENT BANK	.646	12/12/2016	12/12/2016	Aaa	500,000	500,039.200	.456	.202	.663	.56%	499,968.00
4581X0CJ5	INTER-AMERICAN DEVELOPMENT BANK	.625	9/12/2016	9/12/2016	AAA	1,500,000	1,500,094.340	.200	.202	.408	1.67%	1,500,649.50
45905USY1	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.453	7/26/2016	7/26/2016	Aaa	525,000	524,987.170	.072	.071	.509	.58%	524,979.00
45950KBY5	INTERNATIONAL FINANCE CORP	.477	8/1/2016	8/1/2016	Aaa	1,650,000	1,649,940.140	.089	.014	.557	1.84%	1,649,896.05
<b>SOVEREIGN DEBT TOTALS</b>							<b>5,628,131.630</b>					<b>5,629,039.25</b>
<b>US TREASURIES</b>												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,575,355	3,579,372.450	3.792	3.767	.967	4.08%	3,657,384.37
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	3,675,000	3,796,567.100	4.585	4.347	.974	4.31%	3,864,203.70
912828UB4	UNITED STATES TREASURY NOTE/BOND	1.000	11/30/2019	12/2/2019	Govt	5,610,000	5,539,042.040	3.418	3.357	.806	6.29%	5,646,594.03
912828J84	UNITED STATES TREASURY NOTE/BOND	1.375	3/31/2020	3/31/2020	Govt	5,325,000	5,309,778.190	3.751	3.642	.862	6.05%	5,425,674.45
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	3,995,000	4,041,417.950	2.000	1.977	.609	4.52%	4,055,704.03
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	5,425,000	5,536,644.540	4.168	3.972	.928	6.34%	5,689,891.90
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	5,525,000	5,538,732.300	3.500	3.430	.813	6.22%	5,584,349.55
<b>US TREASURIES TOTALS</b>							<b>33,341,554.570</b>					<b>33,923,802.03</b>
<b>FIXED INCOME TOTALS</b>							<b>86,902,832.420</b>					<b>87,997,992.21</b>
<b>PORTFOLIO TOTALS</b>							<b>88,281,759.350</b>					<b>89,740,633.64</b>

# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 6/30/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
03028TH27	AMERICAN TRANSMSN D	0.000	8/2/2016	8/2/2016	F1	10,000,000	9,995,022.220	.089	.090	.543	2.22%	9,995,022.22
14912DGF0	CATERPILLAR FINL D D	0.000	7/15/2016	7/15/2016	F1	10,000,000	9,998,405.550	.042	.041	.383	2.22%	9,998,405.55
29101AG65	EMERSON ELEC CO DI D	0.000	7/6/2016	7/6/2016	A-1	10,000,000	9,999,444.380	.017	.016	.334	2.22%	9,999,444.38
57576JG71	MASS MUTL LFE INS D	0.000	7/7/2016	7/7/2016	A-1+	10,000,000	9,999,316.660	.019	.019	.352	2.22%	9,999,316.66
63866AGR3	NATIONWIDE LIFE DI D	0.000	7/25/2016	7/25/2016	A-1	7,000,000	6,997,666.680	.069	.068	.480	1.55%	6,997,666.68
69372AG63	PACCAR FINL CORP D D	0.000	7/6/2016	7/6/2016	A-1	9,700,000	9,699,434.260	.017	.016	.350	2.15%	9,699,434.26
82880WGR7	SIMON PROPERTY DIS D	0.000	7/25/2016	7/25/2016	F1	10,000,000	9,997,000.000	.069	.068	.432	2.22%	9,997,000.00
912796GW3	UNITED STATES TREASURY BILL	0.000	7/21/2016	7/21/2016	Govt	15,500,000	15,487,212.530	.058	.057	.178	3.44%	15,498,419.00
NA9123459	US DOLLARS	.465	7/1/2016		Agency	8,848,066	8,848,066.390	.001	.001	.465	1.96%	8,848,066.39
USD120030	USD INTEREST RECEIVABLE	-				920,194	0.000	-	-	-	.20%	920,194.37
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(14,972,075)	(14,972,075.200)	-	-	-	(3.32%)	(14,972,075.20)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				7,999,499	7,999,498.670	-	-	-	1.78%	7,999,498.67
<b>CASH TOTALS</b>							<b>84,048,992.140</b>					<b>84,980,392.98</b>
<b>MUNICIPALS</b>												
68428LDM3	COUNTY OF ORANGE CA	.938	11/1/2016	11/1/2016	AA	2,000,000	2,001,446.250	.336	.336	.722	.44%	2,001,446.25
<b>MUNICIPALS TOTALS</b>							<b>2,001,446.250</b>					<b>2,001,446.25</b>
<b>SOVEREIGN DEBT</b>												
45950VHJ8	INTERNATIONAL FINANCE CORP	.618	1/20/2017	1/20/2017	Aaa	2,500,000	2,500,000.000	.556	.054	.648	.55%	2,500,000.00
<b>SOVEREIGN DEBT TOTALS</b>							<b>2,500,000.000</b>					<b>2,500,000.00</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>88,550,438.390</b>					<b>89,481,839.23</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
31331K2G4	FEDERAL FARM CREDIT BANKS	.558	12/6/2016	12/6/2016	Agency	5,000,000	5,003,622.640	.433	.016	.477	1.11%	5,002,035.00
3133EDXL1	FEDERAL FARM CREDIT BANKS	.508	7/15/2016	7/15/2016	Agency	5,000,000	4,999,905.600	.042	.041	.421	1.11%	5,000,180.00
3133EFEC7	FEDERAL FARM CREDIT BANKS	.617	9/18/2018	9/18/2018	Agency	5,000,000	4,997,671.810	2.222	.217	.659	1.11%	4,996,970.00
3134G72G5	FEDERAL HOME LOAN MORTGAGE CORP	.453	4/20/2017	4/20/2017	Agency	5,000,000	4,999,169.410	.806	.054	.511	1.11%	4,998,585.00
<b>AGENCIES TOTALS</b>							<b>20,000,369.460</b>					<b>19,997,770.00</b>
<b>ASSET BACKED</b>												
05579UAC7	BMW VEHICLE LEASE TRUST 2014-1	.730	2/21/2017	8/20/2016	Aaa	643,271	643,250.750	.066	.065	1.034	.14%	643,142.41
05581RAC0	BMW VEHICLE LEASE TRUST 2016-1	.948	1/22/2018	9/20/2017	Aaa	250,000	250,400.310	.807	.055	.729	.06%	250,506.68
161571FT6	CHASE ISSUANCE TRUST	.702	12/16/2019	12/15/2017	AAA	7,830,000	7,837,327.190	1.458	.041	.737	1.74%	7,829,999.22
161571GW8	CHASE ISSUANCE TRUST	.692	4/15/2019	4/17/2017	AAA	2,000,000	2,003,316.760	.792	.041	.661	.44%	2,001,089.60
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	.948	1/21/2020	1/22/2018	Aaa	2,160,000	2,156,309.710	1.556	.053	1.190	.48%	2,153,213.71
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.198	4/22/2019	4/20/2017	Aaa	3,700,000	3,706,746.670	.806	.056	.935	.82%	3,708,819.32
41284DAA0	HARLEY-DAVIDSON MOTORCYCLE TRUST	.650	6/15/2017	12/15/2016		4,000,000	4,000,000.000	.243	.244	.605	.89%	4,000,000.00
44890TAC1	HYUNDAI AUTO LEASE SECURITIZATION TRUST 2014-A	.750	4/7/2017	7/15/2016	AAA	481,000	480,983.270	.042	.041	1.036	.11%	480,942.35
44891BA3	HYUNDAI AUTO LEASE SECURITIZATION TRUST 2016-B	.670	6/15/2017	2/15/2017		4,117,039	4,117,038.850	.308	.309	.720	.91%	4,116,630.03
58768UAE3	MERCEDES-BENZ MASTER OWNER TRUST	1.022	5/15/2020	5/15/2018	Aaa	5,500,000	5,502,146.500	1.875	.043	.980	1.22%	5,508,217.55

## CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 6/30/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>ASSET BACKED (Continued)</b>												
58768UAC7	MERCEDES-BENZ MASTER OWNER TRUST 2015-A	.762	4/15/2019	4/17/2017	Aaa	4,500,000	4,500,000.000	.792	.041	.802	1.00%	4,499,999.55
55315FAA8	MMAF EQUIPMENT FINANCE LLC 2016-A	.750	5/15/2017	1/17/2017		1,686,222	1,686,222.410	.260	.261	.769	.37%	1,686,228.31
65477NAD8	NISSAN AUTO LEASE TRUST	.800	2/15/2017	7/15/2016	Aaa	222,388	222,380.170	.042	.041	.886	.05%	222,379.56
65473DAC6	NISSAN AUTO LEASE TRUST 2015-A	.792	11/15/2017	3/15/2017	Aaa	4,090,345	4,092,710.030	.416	.041	.891	.91%	4,089,362.42
65478QAA6	NISSAN AUTO LEASE TRUST 2016-A	.650	6/15/2017	1/17/2017		2,159,848	2,159,848.100	.287	.288	.637	.48%	2,159,848.10
65478VAA5	NISSAN AUTO RECEIVABLES 2016-B OWNER TRUST	.630	5/15/2017	12/15/2016		1,481,063	1,481,063.180	.217	.218	.822	.33%	1,480,505.26
<b>ASSET BACKED TOTALS</b>							<b>44,839,743.900</b>					<b>44,830,884.07</b>
<b>CMBS</b>												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	.802	4/25/2020	4/25/2020	Agency	3,839,790	3,842,681.430	2.831	.070	.779	.85%	3,840,639.08
3136ANMF1	FANNIE MAE-ACES	.626	11/25/2018	11/25/2018	Agency	7,367,815	7,363,440.920	2.127	.067	.719	1.63%	7,351,746.10
3136A8G38	FANNIE MAE-ACES	1.246	8/25/2017	8/25/2017	Agency	535,249	535,329.610	.949	.938	.970	.12%	536,211.88
3136ANA98	FANNIE MAE-ACES	.709	3/25/2019	3/25/2019	Agency	843,765	842,211.350	2.366	.069	.704	.19%	843,805.21
3137A7JT8	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.776	6/25/2017	3/25/2017	Agency	3,533,693	3,562,713.700	.492	.487	.749	.79%	3,562,307.70
3137ANLP8	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.655	11/25/2016	10/25/2016	Aaa	180,601	180,650.120	.139	.138	.736	.04%	180,632.55
<b>CMBS TOTALS</b>							<b>16,327,027.130</b>					<b>16,315,342.52</b>
<b>CMOS</b>												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	.886	1/8/2020		Aaa	5,091,144	5,122,284.700	2.050	.100	.610	1.13%	5,101,472.25
62889FAA0	NCUA GUARANTEED NOTES TRUST 2011-R4	.816	3/6/2020		Agency	762,698	762,926.470	0.000	0.000	0.000	.17%	763,040.51
<b>CMOS TOTALS</b>							<b>5,885,211.170</b>					<b>5,864,512.76</b>
<b>CORPORATES</b>												
025816BH1	AMERICAN EXPRESS CO	1.244	5/22/2018	5/22/2018	A3	1,000,000	1,001,750.400	1.897	.145	1.378	.22%	997,806.00
0258M0DN6	AMERICAN EXPRESS CREDIT CORP	.950	6/5/2017	6/5/2017	A2	1,166,000	1,164,809.340	.936	.185	1.084	.26%	1,164,431.73
0258M0DC0	AMERICAN EXPRESS CREDIT CORP	2.800	9/19/2016	9/19/2016	A2	4,000,000	4,018,491.350	.219	.221	.854	.89%	4,016,992.00
037833AG5	APPLE INC	.887	5/3/2018	5/3/2018	Aa1	1,500,000	1,501,102.800	1.844	.096	.650	.33%	1,502,284.50
037833AN0	APPLE INC	.704	5/5/2017	5/5/2017	Aa1	1,500,000	1,499,743.960	.847	.101	.673	.33%	1,500,738.00
00206RBF8	AT&T INC	1.700	6/1/2017	6/1/2017	BBB+	3,300,000	3,315,259.180	.919	.912	1.249	.74%	3,313,563.00
06050TKW1	BANK OF AMERICA NA	6.100	6/15/2017	6/15/2017	A-	2,175,000	2,268,231.910	.958	.940	1.590	.50%	2,267,896.43
06050TLR1	BANK OF AMERICA NA	1.125	11/14/2016	11/14/2016	A1	8,000,000	8,008,459.700	.372	.373	.961	1.78%	8,004,816.00
084664CA7	BERKSHIRE HATHAWAY FINANCE CORP	.779	1/10/2017	1/10/2017	Aa2	338,000	338,026.000	.539	.031	.824	.08%	337,960.79
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	1.343	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	2.714	.223	1.013	.36%	1,614,860.80
10513KAB0	BRANCH BANKING & TRUST CO	.976	9/13/2016	9/13/2016	A2	2,000,000	1,998,193.200	.208	.204	.788	.44%	2,000,780.00
07330NAG0	BRANCH BANKING & TRUST CO	1.050	12/1/2016	12/1/2016	A1	4,025,000	4,028,520.580	.419	.419	.856	.89%	4,028,244.15
14912L6Q9	CATERPILLAR FINANCIAL SERVICES CORP	1.354	2/23/2018	2/23/2018	A	1,215,000	1,215,000.000	1.650	.153	.967	.27%	1,223,119.85
166764AX8	CHEVRON CORP	.992	11/9/2017	11/9/2017	AA-	1,250,000	1,250,000.000	1.361	.110	1.036	.28%	1,249,861.25
172967JQ5	CITIGROUP INC	1.324	4/27/2018	4/27/2018	BBB+	1,500,000	1,494,087.800	1.825	.076	1.403	.33%	1,498,954.50
172967HG9	CITIGROUP INC	1.300	11/15/2016	11/15/2016	BBB+	6,500,000	6,507,168.810	.375	.376	1.182	1.44%	6,502,821.00
202795HX1	COMMONWEALTH EDISON CO	1.950	9/1/2016	9/1/2016	A2	2,500,000	2,511,434.200	.086	.087	1.138	.56%	2,501,730.00
30231GAS1	EXXON MOBIL CORP	1.274	2/28/2018	2/28/2018	AA+	2,355,000	2,355,000.000	1.672	.251	.814	.53%	2,372,521.20
31677QA22	FIFTH THIRD BANK/CINCINNATI OH	1.136	11/18/2016	11/18/2016	A-	1,850,000	1,849,610.040	.306	.133	.908	.41%	1,851,380.10



# CalOptima (OCHA) - Enhanced Cash

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As of 6/30/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
38141EC49	GOLDMAN SACHS GROUP INC/THE	1.452	12/15/2017	12/15/2017	A3	4,900,000	4,900,806.560	1.464	.212	1.547	1.09%	4,894,806.00
38141GER1	GOLDMAN SACHS GROUP INC/THE	5.750	10/1/2016	10/3/2016	A3	3,600,000	3,644,344.000	.253	.259	1.306	.81%	3,640,140.00
437076BJ0	HOME DEPOT INC/THE	1.022	9/15/2017	9/15/2017	A	503,000	504,286.340	1.214	.212	.722	.11%	504,910.39
446438RH8	HUNTINGTON NATIONAL BANK/THE	1.375	4/24/2017	4/24/2017	A3	2,750,000	2,754,504.760	.733	.751	1.161	.61%	2,754,270.75
4581X0CB2	INTER-AMERICAN DEVELOPMENT BANK	.875	11/15/2016	11/15/2016	AAA	9,250,000	9,262,025.000	.375	.376	.519	2.06%	9,262,302.50
459058CG6	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.875	4/17/2017	4/17/2017	AAA	5,000,000	5,003,604.480	.797	.791	.687	1.11%	5,007,455.00
24422ESU4	JOHN DEERE CAPITAL CORP	.923	1/16/2018	1/16/2018	A2	1,309,000	1,305,094.900	1.544	.051	.893	.29%	1,310,345.65
478160BE3	JOHNSON & JOHNSON	.744	11/28/2016	11/28/2016	AAA	850,000	850,243.640	.419	.169	.661	.19%	850,254.15
48121CVZ6	JPMORGAN CHASE BANK NA	6.000	7/5/2017	7/5/2017	A	6,047,000	6,327,553.140	1.014	.967	1.616	1.40%	6,312,535.86
49327M2E3	KEYBANK NA/CLEVELAND OH	1.152	11/25/2016	11/25/2016	A-	138,000	138,200.400	.325	.153	1.036	.03%	138,050.65
59217GBH1	METROPOLITAN LIFE GLOBAL FUNDING I	1.300	4/10/2017	4/10/2017	AA-	5,325,000	5,340,403.300	.778	.771	.896	1.19%	5,341,624.65
61746BDB9	MORGAN STANLEY	5.750	10/18/2016	10/18/2016	A3	5,000,000	5,072,599.350	.300	.300	1.254	1.12%	5,066,965.00
90521APH5	MUFG UNION BANK NA	1.500	9/26/2016	9/26/2016	A	9,000,000	9,010,865.880	.156	.155	.777	2.00%	9,010,062.00
63743HEK4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	.878	5/12/2017	5/12/2017	A	1,000,000	999,663.500	.869	.118	.806	.22%	1,000,904.00
68389XAT2	ORACLE CORP	.827	7/7/2017	7/7/2017	A+	3,000,000	3,003,875.400	1.019	.020	.756	.67%	3,003,348.00
717081DF7	PFIZER INC	.953	6/15/2018	6/15/2018	A+	500,000	501,247.240	1.969	.216	.875	.11%	500,862.00
69349LAN8	PNC BANK NA	1.300	10/3/2016	10/3/2016	A	4,000,000	4,004,094.880	.175	.177	.706	.89%	4,004,136.00
91159HHB9	US BANCORP	2.200	11/15/2016	11/15/2016	A+	1,675,000	1,682,092.280	.375	.376	1.246	.37%	1,680,941.23
90331HMD2	US BANK NA/CINCINNATI OH	.868	1/30/2017	1/30/2017	A1	3,000,000	3,002,337.000	.500	.082	.884	.67%	3,000,177.00
92343VCD4	VERIZON COMMUNICATIONS INC	1.057	6/9/2017	6/9/2017	BBB+	4,485,000	4,488,672.570	.947	.194	1.009	1.00%	4,487,363.60
94974BFK1	WELLS FARGO & CO	1.268	4/23/2018	4/23/2018	A	1,052,000	1,053,999.680	1.814	.067	1.175	.23%	1,054,416.44
949746JE2	WELLS FARGO & CO	5.125	9/15/2016	9/15/2016	A-	4,000,000	4,034,230.110	.208	.210	1.322	.89%	4,031,440.00
<b>CORPORATES TOTALS</b>							<b>124,809,633.680</b>					<b>124,808,072.17</b>
<b>MUNICIPALS</b>												
004284A62	ACALANES UNION HIGH SCHOOL DISTRICT	.743	8/1/2016	8/1/2016	AA	2,000,000	2,000,046.000	.086	.087	.741	.44%	2,000,000.00
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	1,695,000	1,695,000.000	.919	.914	.808	.38%	1,697,678.10
190335GF0	COAST COMMUNITY COLLEGE DISTRICT	.844	8/1/2016	8/1/2016	AA	2,000,000	2,000,214.500	.086	.087	.656	.44%	2,000,320.00
544646BA9	LOS ANGELES UNIFIED SCHOOL DISTRICT/CA	5.000	7/1/2017	7/1/2016	Aa2	3,190,000	3,191,542.080	.003	.003	4.879	.71%	3,190,000.00
84247PGY1	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	1.498	7/1/2016	7/1/2016	AA-	1,600,000	1,599,999.960	.003	.003	1.487	.36%	1,600,000.00
<b>MUNICIPALS TOTALS</b>							<b>10,486,802.540</b>					<b>10,487,998.10</b>
<b>SOVEREIGN DEBT</b>												
4581X0BV9	INTER-AMERICAN DEVELOPMENT BANK	1.125	3/15/2017	3/15/2017	AAA	1,000,000	1,003,330.000	.708	.700	.440	.22%	1,004,836.00
4581X0CJ5	INTER-AMERICAN DEVELOPMENT BANK	.625	9/12/2016	9/12/2016	AAA	4,250,000	4,250,909.070	.200	.202	.408	.94%	4,251,840.25
45818WAN6	INTER-AMERICAN DEVELOPMENT BANK	.646	12/12/2016	12/12/2016	Aaa	7,000,000	7,000,552.280	.456	.202	.663	1.55%	6,999,552.00
45905UQC2	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.625	9/26/2016	9/26/2016	AAA	4,500,000	4,501,414.720	.239	.240	.432	1.00%	4,502,070.00
459058DS9	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.625	10/14/2016	10/14/2016	AAA	2,500,000	2,500,975.530	.289	.289	.423	.56%	2,501,452.50
45950KBQ2	INTERNATIONAL FINANCE CORP	1.125	11/23/2016	11/23/2016	Aaa	2,000,000	2,004,268.000	.397	.398	.622	.44%	2,003,980.00
45950VCP9	INTERNATIONAL FINANCE CORP	.625	11/15/2016	11/15/2016	Aaa	13,178,000	13,177,716.710	.375	.376	.608	2.93%	13,178,790.68



# CalOptima (OCHA) - Enhanced Cash

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## Portfolio Profile

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<b>FIXED INCOME (Continued)</b>												
<b>SOVEREIGN DEBT (Continued)</b>												
45950KBY5	INTERNATIONAL FINANCE CORP	.477	8/1/2016	8/1/2016	Aaa	3,700,000	3,699,915.280	.089	.014	.557	.82%	3,699,766.90
<b>SOVEREIGN DEBT TOTALS</b>							<b>38,139,081.590</b>					<b>38,142,288.33</b>
<b>US TREASURIES</b>												
912828M23	UNITED STATES TREASURY FLOATING RATE NOTE	.428	10/31/2017	10/31/2017	Govt	10,500,000	10,508,788.990	1.336	.005	.390	2.33%	10,507,003.50
912828J35	UNITED STATES TREASURY NOTE/BOND	.500	2/28/2017	2/28/2017	Govt	25,000,000	24,967,935.000	.668	.661	.459	5.55%	25,006,825.00
912828D64	UNITED STATES TREASURY NOTE/BOND	.500	8/31/2016	8/31/2016	Govt	25,000,000	25,020,165.200	.168	.169	.303	5.55%	25,008,275.00
912828F47	UNITED STATES TREASURY NOTE/BOND	.500	9/30/2016	9/30/2016	Govt	15,000,000	15,010,847.400	.251	.251	.351	3.33%	15,005,580.00
912828WA4	UNITED STATES TREASURY NOTE/BOND	.625	10/15/2016	10/17/2016	Govt	25,000,000	25,011,174.800	.292	.297	.357	5.55%	25,019,525.00
<b>US TREASURIES TOTALS</b>							<b>100,518,911.390</b>					<b>100,547,208.50</b>
<b>FIXED INCOME TOTALS</b>							<b>361,006,780.860</b>					<b>360,994,076.45</b>
<b>PORTFOLIO TOTALS</b>							<b>449,557,219.250</b>					<b>450,475,915.68</b>

## WELLS CAPITAL - OPERATING FUNDS

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DN6	US0258M0DN61		0.26%	\$1,165,201.05
APPLE INC	AAPL	037833AN0	US037833AN08		0.33%	\$1,502,380.90
BANK OF AMERICA NA	BAC	06050TLR1	US06050TLR13		1.56%	\$7,014,495.25
BANK OF NEW YORK MELLON CORP	BK	06406HBX6	US06406HBX61		0.33%	\$1,465,604.90
BRANCH BANKING AND TRUST CO	BBT	07330NAC9	US07330NAC92		0.05%	\$234,020.88
BRANCH BANKING AND TRUST CO	BBT	07330NAG0	US07330NAG07		1.11%	\$5,013,413.41
BRANCH BANKING AND TRUST COMPANY	BBT	10513KAB0	US10513KAB08		0.44%	\$2,001,756.05
Cash	---	CCYUSD	---		0.01%	\$66,043.47
CHAIT 153 A	CHAIT	161571GW8	US161571GW88		0.44%	\$2,001,704.76
COMMONWEALTH EDISON CO	EXC	202795HX1	US202795HX13		0.56%	\$2,517,980.00
FEDERAL FARM CREDIT BANKS	FFCB	313312U99	US313312U998		4.43%	\$19,960,000.00
FEDERAL FARM CREDIT BANKS	FFCB	31331K2G4	US31331K2G44		1.11%	\$5,003,972.67
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EDXL1	US3133EDXL19		1.11%	\$5,005,616.52
FEDERAL HOME LOAN BANKS	FHLB	313385AY2	US313385AY28		2.22%	\$9,975,970.00
FEDERAL HOME LOAN BANKS	FHLB	313384R68	US313384R688		4.44%	\$19,966,000.00
FEDERAL HOME LOAN BANKS	FHLB	313384P52	US313384P526		4.44%	\$19,971,280.00
FEDERAL HOME LOAN BANKS	FHLB	313371PV2	US313371PV20		4.02%	\$18,107,677.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G72G5	US3134G72G51		1.11%	\$4,999,277.16
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G5RS6	US3134G5RS67		0.67%	\$3,003,261.00
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082		0.17%	\$765,954.47
FIFTH THIRD BANK	FITB	31677QAZ2	US31677QAZ28		0.41%	\$1,853,948.95
FIFTH THIRD BANK	FITB	31677QAY5	US31677QAY52		0.95%	\$4,267,588.75
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CJ5	US4581X0CJ58		0.78%	\$3,508,138.76
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BV9	US4581X0BV95		1.61%	\$7,254,636.61
INTERNATIONAL FIN CORP MEDIUM TERM NTS BOOK ENTRY	---	45950VHJ8	US45950VHJ89		0.56%	\$2,500,157.44
J.P. MORGAN CHASE & CO.	JPM	46625HJA9	US46625HJA95		1.64%	\$7,367,742.40
JOHNSON & JOHNSON	JNJ	478160BE3	US478160BE31		0.19%	\$850,798.75
KEYBANK NATIONAL ASSOCIATION	KEY	49327M2E3	US49327M2E32		0.03%	\$137,212.53
NATIONAL RURAL UTILITIES COOP FINANCE CORP	NRUC	63743HEK4	US63743HEK41		0.22%	\$1,002,123.58
ORACLE CORP	ORCL	68389XAT2	US68389XAT28		0.67%	\$3,009,203.08
PNC BANK NA	PNC	69349LAP3	US69349LAP31		1.07%	\$4,810,908.80
Receivable	---	CCYUSD	---		0.00%	\$4,446.70
Toronto Dominion Holdings (U.S.A.), Inc.	TD	89116EM75	US89116EM757		2.21%	\$9,962,977.80
Toyota Motor Credit Corporation	TOYOTA	89233GM11	US89233GM110		2.21%	\$9,967,061.10
UNION BANK NA (SAN FRANCISCO)	MUFG	90521APH5	US90521APH58		1.04%	\$4,663,554.19
UNITED STATES TREASURY	UST	912828H78	US912828H789		8.91%	\$40,096,796.48
UNITED STATES TREASURY	UST	912828D64	US912828D648		5.56%	\$25,050,054.89
UNITED STATES TREASURY	UST	912828WA4	US912828WA40		5.57%	\$25,052,397.27
UNITED STATES TREASURY	UST	912828J35	US912828J355		5.56%	\$25,048,604.89
UNITED STATES TREASURY	UST	912828J92	US912828J926		3.34%	\$15,020,172.46
UNITED STATES TREASURY	UST	912828F47	US912828F478		3.34%	\$15,024,432.46
UNITED STATES TREASURY	UST	912828SC5	US912828SC51		2.24%	\$10,061,448.46
UNITED STATES TREASURY	UST	912828H29	US912828H292		4.45%	\$20,019,879.67

## WELLS CAPITAL - OPERATING FUNDS

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
UNITED STATES TREASURY	UST	912796GW3	US912796GW34		11.77%	\$52,994,594.00
UNITED STATES TREASURY	UST	912828SJ0	US912828SJ05		2.23%	\$10,055,035.92
US BANCORP	USB	91159HHB9	US91159HHB96		0.84%	\$3,773,842.92
US BANK NA	USB	90331HMD2	US90331HMD25		0.67%	\$3,004,735.84
WORLD BANK - INTERNATIONAL BANK FOR RECONSTRUCTIO	IBRD	459058BS1	US459058BS14		3.12%	\$14,059,142.22

**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	(5,062,303.39)	(5,062,303.39)	0.00	1.000	(1.59)%
<b>Total for Cash</b>			<b>(5,062,303.39)</b>	<b>(5,062,303.39)</b>	<b>0.00</b>		<b>(1.59)%</b>
<b>Money Markets</b>							
35,000,000.000	FHLB DISCOUNT NOTE	313384H69	34,966,822.92	34,971,635.42	4,812.50	99.920	11.02%
	Mat: 9/28/16 Cpn: 0.00%		0.00	729.17			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/28/16 St Date: 6/29/16						
14,300,000.000	U.S. TREASURY BILL	912796JE0	14,204,571.33	14,231,723.46	27,152.13	99.741	4.49%
	Mat: 3/2/17 Cpn: 0.00%		0.00	31,460.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/1/16 St Date: 3/3/16						
<b>Total for Money Markets</b>			<b>49,171,394.25</b>	<b>49,203,358.88</b>	<b>31,964.63</b>		<b>15.51%</b>
			<b>0.00</b>	<b>32,189.17</b>			
<b>Treasuries</b>							
32,000,000.000	U.S. TREASURY NOTE	912828H78	31,918,750.00	32,015,036.48	96,286.48	100.047	10.11%
	Mat: 1/31/17 Cpn: 0.50%		72,608.70	66,813.19			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/13/16 St Date: 1/14/16						
17,000,000.000	U.S. TREASURY NOTE	912828J35	16,972,830.39	17,006,630.17	33,799.78	100.039	5.37%
	Mat: 2/28/17 Cpn: 0.50%		33,392.86	28,410.33			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/20/16 St Date: 1/21/16						
11,000,000.000	U.S. TREASURY NOTE	912828C32	11,017,224.35	11,022,990.00	5,765.65	100.209	3.48%
	Mat: 3/15/17 Cpn: 0.75%		35,357.14	24,211.96			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 2/17/16 St Date: 2/18/16						
18,000,000.000	U.S. TREASURY NOTE	912828J92	17,955,000.00	18,004,680.18	49,680.18	100.026	5.68%
	Mat: 3/31/17 Cpn: 0.50%		28,770.49	22,622.95			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/22/16 St Date: 1/25/16						
20,000,000.000	U.S. TREASURY NOTE	912828D98	20,104,687.50	20,108,599.80	3,912.30	100.543	6.35%
	Mat: 9/15/17 Cpn: 1.00%		57,608.70	58,695.65			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/24/16 St Date: 6/29/16						
<b>Total for Treasuries</b>			<b>97,968,492.24</b>	<b>98,157,936.63</b>	<b>189,444.39</b>		<b>30.99%</b>
			<b>227,737.89</b>	<b>200,754.07</b>			



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Government Related</b>								
1,400,000.000	HOUSING URBAN DEVELOPMENT	911759LX4	1,400,000.00		1,400,294.00	294.00	100.021	0.44%
	Mat: 8/1/16	Cpn: 0.83%		0.00	4,841.67			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 5/19/15	St Date: 5/28/15						
<b>Total for Government Related</b>			<b>1,400,000.00</b>	<b>0.00</b>	<b>1,400,294.00</b>	<b>294.00</b>		<b>0.44%</b>
<b>Agencies</b>								
6,000,000.000	FHLB	3130A2T97	6,001,500.00		6,000,870.00	(630.00)	100.015	1.89%
	Mat: 9/28/16	Cpn: 0.50%		7,666.67	7,750.00			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 6/29/16	St Date: 6/30/16						
7,540,000.000	FHLB C 1/20/17 1X	3130A8L35	7,540,000.00		7,543,958.50	3,958.50	100.053	2.38%
	Mat: 7/20/17	Cpn: 0.75%		0.00	1,099.58			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 6/21/16	St Date: 6/24/16						
<b>Total for Agencies</b>			<b>13,541,500.00</b>	<b>7,666.67</b>	<b>13,544,828.50</b>	<b>3,328.50</b>		<b>4.27%</b>
<b>Taxable Muni</b>								
1,175,000.000	CA EARTHQUAKE AUTH TAXABLE	13017HAC0	1,178,090.25		1,175,000.00	(3,090.25)	100.000	0.37%
	Mat: 7/1/16	Cpn: 1.19%		6,196.36	7,014.75			
	Moody's: A3	S&P:						
	Tr Date: 12/7/15	St Date: 12/10/15						
4,905,000.000	NEW YORK UNIVERSITY	650119AC4	4,905,000.00		4,905,000.00	0.00	100.000	1.55%
	Mat: 7/1/16	Cpn: 0.57%		0.00	13,979.25			
	Moody's:	S&P: AA-						
	Tr Date: 4/10/15	St Date: 4/16/15						
3,250,000.000	CA SAN DIEGO SCHOOL DIST TAXABLE	7973552R4	3,244,670.00		3,250,000.00	5,330.00	100.000	1.03%
	Mat: 7/1/16	Cpn: 0.45%		2,437.50	10,440.63			
	Moody's: MIG1	S&P:						
	Tr Date: 12/9/15	St Date: 12/14/15						
1,660,000.000	CA SAN DIEGO USD TAXABLE	7973554U5	1,660,000.00		1,660,000.00	0.00	100.000	0.52%
	Mat: 7/1/16	Cpn: 0.52%		0.00	1,007.07			
	Moody's: Aa2	S&P:						
	Tr Date: 5/6/16	St Date: 5/19/16						
3,000,000.000	CA SACRAMENTO CITY USD GO/ULT TAXABLE	785870VZ6	3,000,000.00		3,000,360.00	360.00	100.012	0.95%
	Mat: 8/1/16	Cpn: 0.70%		0.00	8,800.00			
	Moody's:	S&P: AA						
	Tr Date: 5/15/15	St Date: 6/4/15						



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
6,925,000.000	CA STATE GO/ULT TAXABLE Mat: 11/1/16 Cpn: 1.25% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 2/22/16 St Date: 2/25/16	13063CFD7	6,951,652.75 28,748.27	6,936,841.75 14,427.08	(14,811.00)	100.171	2.19%
1,000,000.000	CA SAN FRANCISCO PUB UTILS TAXABLE Mat: 11/1/16 Cpn: 4.00% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 10/22/15 St Date: 10/27/15	79765RSP5	1,034,320.00 19,555.56	1,010,020.00 6,666.67	(24,300.00)	101.002	0.32%
1,000,000.000	CA STATE DEPT OF WATER TXB Mat: 12/1/16 Cpn: 0.99% Moody's: S&P: AAA Fitch: Tr Date: 6/23/16 St Date: 6/28/16	13067WJG8	1,001,740.00 743.25	1,001,740.00 825.83	0.00	100.174	0.32%
750,000.000	NV STATE GO/LT TXB Mat: 2/1/17 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: AA+ Tr Date: 6/2/16 St Date: 6/6/16	641461XY9	751,575.00 2,981.77	751,642.50 3,578.13	67.50	100.219	0.24%
<b>Total for Taxable Muni</b>			<b>23,727,048.00 60,662.71</b>	<b>23,690,604.25 66,739.40</b>	<b>(36,443.75)</b>		<b>7.48%</b>
<b>Credit</b>							
1,713,000.000	AMERICAN EXPRESS Mat: 7/29/16 Cpn: 1.30% Moody's: A2 S&P: A- Fitch: A Tr Date: 11/5/15 St Date: 11/10/15	0258M0DG1	1,719,389.49 6,247.69	1,713,609.83 9,402.47	(5,779.66)	100.036	0.54%
5,000,000.000	EXELON-MAKE WHOLE 8/1/16 Mat: 9/1/16 Cpn: 1.95% Moody's: A2 S&P: A- Fitch: A Tr Date: 10/22/15 St Date: 10/27/15	202795HX1	5,044,950.00 15,166.67	5,003,510.00 32,500.00	(41,440.00)	100.070	1.59%
962,000.000	AMERICAN EXPRESS Mat: 9/19/16 Cpn: 2.80% Moody's: A2 S&P: A- Fitch: A Tr Date: 11/5/15 St Date: 11/10/15	0258M0DC0	978,421.34 3,815.93	966,116.40 7,631.87	(12,304.94)	100.428	0.31%
525,000.000	BRANCH BANKING & TRUST FRN Mat: 12/1/16 Cpn: 1.10% Moody's: A1 S&P: A Fitch: A+ Tr Date: 10/13/15 St Date: 10/16/15	07330NAF2	525,225.75 495.08	525,504.00 482.58	278.25	100.096	0.17%
3,245,000.000	ROCKWELL COLLINS FRN Mat: 12/15/16 Cpn: 1.00% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/31/14 St Date: 8/5/14	774341AD3	3,248,163.75 2,486.30	3,246,275.29 1,445.83	(1,888.47)	100.039	1.02%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,600,000.000	UNITEDHEALTH GROUP FRN Mat: 1/17/17 Cpn: 1.08% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCJ9	2,600,770.00 1,756.90	2,603,502.20 5,787.23	2,732.20	100.135	0.82%
2,925,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 1/30/17 Cpn: 1.01% Moody's: A2 S&P: A Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	55279HAC4	2,928,844.25 170.69	2,926,790.10 4,940.08	(2,054.15)	100.061	0.92%
3,790,000.000	BANK OF AMERICA FRN Mat: 2/14/17 Cpn: 1.10% Moody's: A1 S&P: A Fitch: A+ Tr Date: 7/29/14 St Date: 8/1/14	06050TLU4	3,789,069.10 5,330.30	3,795,620.57 5,308.17	6,551.47	100.148	1.20%
3,380,000.000	AFLAC Mat: 2/15/17 Cpn: 2.65% Moody's: A3 S&P: A- Fitch: A- Tr Date: 12/9/15 St Date: 12/14/15	001055AH5	3,434,451.80 29,607.86	3,417,355.76 33,837.56	(17,096.04)	101.105	1.09%
1,645,000.000	CITIGROUP FRN Mat: 3/10/17 Cpn: 1.20% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	172967HL8	1,648,125.50 1,828.66	1,646,166.31 1,149.58	(1,959.20)	100.071	0.52%
225,000.000	AT&T FRN Mat: 3/30/17 Cpn: 1.05% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/4/14 St Date: 8/7/14	00206RCF7	225,614.25 155.35	225,146.03 6.57	(468.23)	100.065	0.07%
2,240,000.000	HUNTINGTON NATL BANK FRN Mat: 4/24/17 Cpn: 1.06% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 1/29/15 St Date: 2/3/15	446438RJ4	2,237,827.20 339.04	2,238,212.48 4,431.95	385.28	99.920	0.71%
1,150,000.000	GOLDMAN SACHS FRN Mat: 5/22/17 Cpn: 1.32% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/19/15 St Date: 5/22/15	38148LAD8	1,150,000.00 0.00	1,151,041.90 1,649.36	1,041.90	100.091	0.36%
2,000,000.000	BRANCH BANKING & TRUST FRN Mat: 5/23/17 Cpn: 0.95% Moody's: A2 S&P: A- Fitch: A Tr Date: 10/21/15 St Date: 10/26/15	10513KAC8	1,990,700.00 2,201.85	1,997,816.00 2,066.78	7,116.00	99.891	0.63%
1,020,000.000	PACCAR FINANCIAL FRN Mat: 6/6/17 Cpn: 0.87% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/31/14 St Date: 8/5/14	69371RL95	1,020,549.90 702.89	1,020,107.10 616.32	(442.80)	100.011	0.32%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,800,000.000	VERIZON COMMUNICATIONS FRN Mat: 6/9/17 Cpn: 1.06% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/29/15 St Date: 2/3/15	92343VCD4	1,797,038.00 1,693.87	1,801,198.80 1,162.26	4,160.80	100.067	0.57%
730,000.000	AMERICAN EXPRESS FRN Mat: 9/22/17 Cpn: 0.95% Moody's: A2 S&P: A- Fitch: A Tr Date: 9/18/14 St Date: 9/23/14	0258M0DS5	730,000.00 0.00	728,579.42 172.74	(1,420.58)	99.805	0.23%
493,000.000	BERKSHIRE HATHAWAY FRN Mat: 1/12/18 Cpn: 0.93% Moody's: Aa2 S&P: AA Fitch: A+ Tr Date: 10/13/15 St Date: 10/16/15	084664CD1	491,895.68 25.50	493,278.05 1,019.74	1,382.37	100.056	0.16%
1,800,000.000	WELLS FARGO FRN Mat: 1/22/18 Cpn: 1.38% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 1/22/16 St Date: 1/29/16	94988J5B9	1,800,000.00 0.00	1,808,344.80 4,812.85	8,344.80	100.464	0.57%
5,000,000.000	JPMORGAN CHASE FRN Mat: 1/25/18 Cpn: 1.54% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 4/15/15 St Date: 4/20/15	46625HJF8	5,050,815.70 13,624.35	5,025,450.00 14,312.88	(25,365.70)	100.509	1.59%
2,000,000.000	WELLS FARGO FRN Mat: 4/23/18 Cpn: 1.27% Moody's: A2 S&P: A Fitch: AA- Tr Date: 1/29/15 St Date: 2/3/15	94974BFK1	2,003,940.00 542.12	2,005,128.00 4,720.15	1,188.00	100.256	0.63%
3,000,000.000	GOLDMAN SACHS FRN Mat: 4/30/18 Cpn: 1.84% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	38141GVK7	3,050,390.00 6,625.48	3,016,386.00 9,651.34	(34,004.00)	100.546	0.95%
5,000,000.000	QUALCOMM FRN Mat: 5/18/18 Cpn: 0.91% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AH6	5,000,000.00 0.00	4,986,050.00 5,282.67	(13,950.00)	99.721	1.57%
1,825,000.000	AMERICAN EXPRESS FRN Mat: 5/22/18 Cpn: 1.24% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/14/15 St Date: 4/17/15	025816BH1	1,828,522.25 2,330.98	1,821,503.30 2,522.35	(7,018.95)	99.808	0.57%
3,200,000.000	KEYBANK FRN Mat: 6/1/18 Cpn: 1.19% Moody's: A3 S&P: A- Fitch: A- Tr Date: 5/27/15 St Date: 6/1/15	49327M2L7	3,200,000.00 0.00	3,194,460.80 3,181.47	(5,539.20)	99.827	1.01%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,200,000.000	PNC BANK FRN Mat: 6/1/18 Cpn: 1.09% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/27/15 St Date: 6/1/15	69353REN4	3,200,000.00 0.00	3,196,294.40 2,914.80	(3,705.60)	99.884	1.01%
2,910,000.000	CISCO SYSTEMS FRN Mat: 6/15/18 Cpn: 0.96% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAY8	2,910,000.00 0.00	2,915,171.07 1,244.83	5,171.07	100.178	0.92%
3,000,000.000	FIFTH THIRD BANK FRN Mat: 8/20/18 Cpn: 1.55% Moody's: A3 S&P: A- Fitch: A Tr Date: 10/13/15 St Date: 10/16/15	31677QBE8	3,005,250.00 5,903.54	3,004,875.00 5,280.80	(375.00)	100.163	0.95%
680,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.26% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	680,403.20 93.55	686,058.12 403.19	5,654.92	100.891	0.22%
3,000,000.000	VERIZON COMMUNICATIONS FRN Mat: 9/14/18 Cpn: 2.41% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 4/15/15 St Date: 4/20/15	92343VBM5	3,123,600.00 6,230.18	3,075,840.00 3,407.93	(47,760.00)	102.528	0.97%
1,000,000.000	WELLS FARGO FRN Mat: 9/14/18 Cpn: 1.06% Moody's: A2 S&P: A Fitch: AA- Tr Date: 9/16/14 St Date: 9/23/14	94974BGD6	1,000,000.00 0.00	995,310.00 498.48	(4,690.00)	99.531	0.31%
3,000,000.000	US BANCORP FRN Mat: 11/15/18 Cpn: 1.12% Moody's: A1 S&P: A+ Fitch: AA Tr Date: 10/21/15 St Date: 10/26/15	91159HHF0	3,000,630.00 4,727.92	2,998,377.00 4,278.38	(2,253.00)	99.946	0.95%
5,050,000.000	CHEVRON FRN Mat: 11/16/18 Cpn: 1.14% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 11/9/15 St Date: 11/17/15	166764BB5	5,050,000.00 0.00	5,030,638.30 7,331.00	(19,361.70)	99.617	1.59%
1,000,000.000	AT&T FRN Mat: 11/27/18 Cpn: 1.58% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 7/30/14 St Date: 8/4/14	00206RCB6	1,019,860.00 2,179.54	1,005,500.00 1,532.76	(14,360.00)	100.550	0.32%
2,220,000.000	CITIGROUP FRN Mat: 12/7/18 Cpn: 1.54% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 12/1/15 St Date: 12/7/15	172967KF7	2,220,000.00 0.00	2,220,794.76 2,282.38	794.76	100.036	0.70%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,828,000.000	ORACLE FRN Mat: 1/15/19 Cpn: 1.21% Moody's: A1 S&P: AA- Fitch: A+ Tr Date: 7/30/14 St Date: 8/4/14	68389XAR6	1,836,100.79 1,073.19	1,837,498.29 4,724.51	1,397.50	100.520	0.58%
3,000,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 1.49% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/15/15 St Date: 4/20/15	61746BDN3	3,011,250.00 7,742.70	2,996,172.00 8,308.56	(15,078.00)	99.872	0.95%
1,280,000.000	BRANCH BANKING & TRUST FRN Mat: 5/1/19 Cpn: 1.14% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAM7	1,280,000.00 0.00	1,280,858.88 2,100.08	858.88	100.067	0.40%
700,000.000	MORGAN STANLEY FRN Mat: 7/23/19 Cpn: 1.38% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	61746BDS2	700,350.00 170.30	694,465.10 1,795.36	(5,884.90)	99.209	0.22%
<b>Total for Credit</b>			<b>89,532,147.95 123,268.42</b>	<b>89,295,006.04 204,197.84</b>	<b>(237,141.91)</b>		<b>28.19%</b>
<b>Mortgage-Backed</b>							
13,717,396.900	FHMS K501 A2 CMBS Mat: 11/25/16 Cpn: 1.66% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/17/15 St Date: 9/22/15	3137ANLP8	13,794,134.73 13,243.00	13,720,730.23 18,918.58	(73,404.51)	100.024	4.33%
4,854,676.000	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 0.85% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	4,876,004.78 742.07	4,859,098.61 2,393.80	(16,906.17)	100.091	1.53%
2,286,471.000	FHMS KF02 A1 1MOFRN CMBS Mat: 7/25/20 Cpn: 0.83% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/19/15 St Date: 11/24/15	3137B5J79	2,286,471.00 1,099.32	2,289,205.62 317.55	2,734.62	100.120	0.72%
<b>Total for Mortgage-Backed</b>			<b>20,956,610.51 15,084.39</b>	<b>20,869,034.46 21,629.93</b>	<b>(87,576.06)</b>		<b>6.58%</b>
<b>Asset-Backed</b>							
3,682,354.896	BMW 2016-1 A1 LEASE Mat: 2/21/17 Cpn: 0.63% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 2/9/16 St Date: 2/17/16	05581RAA4	3,682,354.90 0.00	3,680,053.42 708.85	(2,301.47)	99.938	1.16%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of June 30, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,336,137.561	HONDA 2016-1 A1 CAR Mat: 2/21/17 Cpn: 0.62% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 2/16/16 St Date: 2/25/16	43814NAA3	2,336,137.56 0.00	2,334,871.37 442.57	(1,266.19)	99.946	0.74%
3,400,000.000	HARLEY 2016-A A1 CYCLE Mat: 6/15/17 Cpn: 0.59% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 6/7/16 St Date: 6/15/16	41284DAA0	3,400,000.00 0.00	3,400,078.20 891.56	78.20	100.002	1.07%
2,898,704.072	HONDA 2016-2 A1 CAR Mat: 6/15/17 Cpn: 0.62% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 5/24/16 St Date: 5/31/16	43814QAA6	2,898,704.07 0.00	2,897,275.01 798.75	(1,429.06)	99.951	0.91%
6,047,574.740	NISSAN 2016-A A1 LEASE Mat: 6/15/17 Cpn: 0.65% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 6/28/16 St Date: 7/1/16	65478QAA6	6,047,574.74 1,666.44	6,047,701.74 1,666.44	127.00	100.002	1.91%
1,231,662.222	HARLEY 2015-1 A2B 1MOFRN CYCLE Mat: 1/15/19 Cpn: 0.74% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 1/22/15 St Date: 1/28/15	41284BAC0	1,231,662.22 0.00	1,231,870.37 406.20	208.15	100.017	0.39%
6,200,000.000	GEDFT 2014-2 A 1MOFRN FLOOR Mat: 10/20/19 Cpn: 0.90% Moody's: Aaa S&P: Fitch: AAA Tr Date: 1/29/15 St Date: 2/3/15	36159LCN4	6,199,741.60 1,060.04	6,193,384.60 1,701.31	(6,357.00)	99.893	1.95%
<b>Total for Asset-Backed</b>			<b>25,796,175.09 2,726.48</b>	<b>25,785,234.72 6,615.68</b>	<b>(10,940.37)</b>		<b>8.13%</b>
<b>Grand Total</b>			<b>317,031,064.66 437,146.56</b>	<b>316,883,994.09 545,817.34</b>	<b>(147,070.57)</b>		<b>100.00%</b>



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**Disclaimer, Glossary, and Notes**  
**As of June 30, 2016**

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions (“Forward Statements”). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the Fund will receive a return of the amount invested.

In some cases Meketa Investment Group assists the Trustees in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers’ use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the Trustees.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit

above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.





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## CalOptima Investment Advisory Committee Meeting

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*July 25, 2016*

**Asha B. Joshi, CFA**  
*Managing Principal*

213-830-4247  
ajoshi@payden.com

**Jeffrey Cleveland**  
*Principal*

213-830-4343  
jcleveland@payden.com

**Larry Manis**  
*Senior Vice President*

213-830-4626  
lmanis@payden.com



## Overview

Assets under management: \$100 billion as of 6/30/16.

## Independence

- Payden & Rygel remains 100% owned by 22 employees active in the day-to-day management of the firm. There have been no changes in the Investment Policy Committee or the Board of Directors
- Average tenure of the Shareholders is about 17 years. Average industry experience is 25+ years.

## Resources

- No outsourcing of any business function (portfolio management, settlements, reporting, I.T.)
- Significant spending on I.T. upgrades to software and hardware.

## Personnel

179 Employees worldwide.

## Locations

- Los Angeles – Headquarters: 152 people
- Boston – Client service: 7 people
- London – Client service, research and trading: 20 people

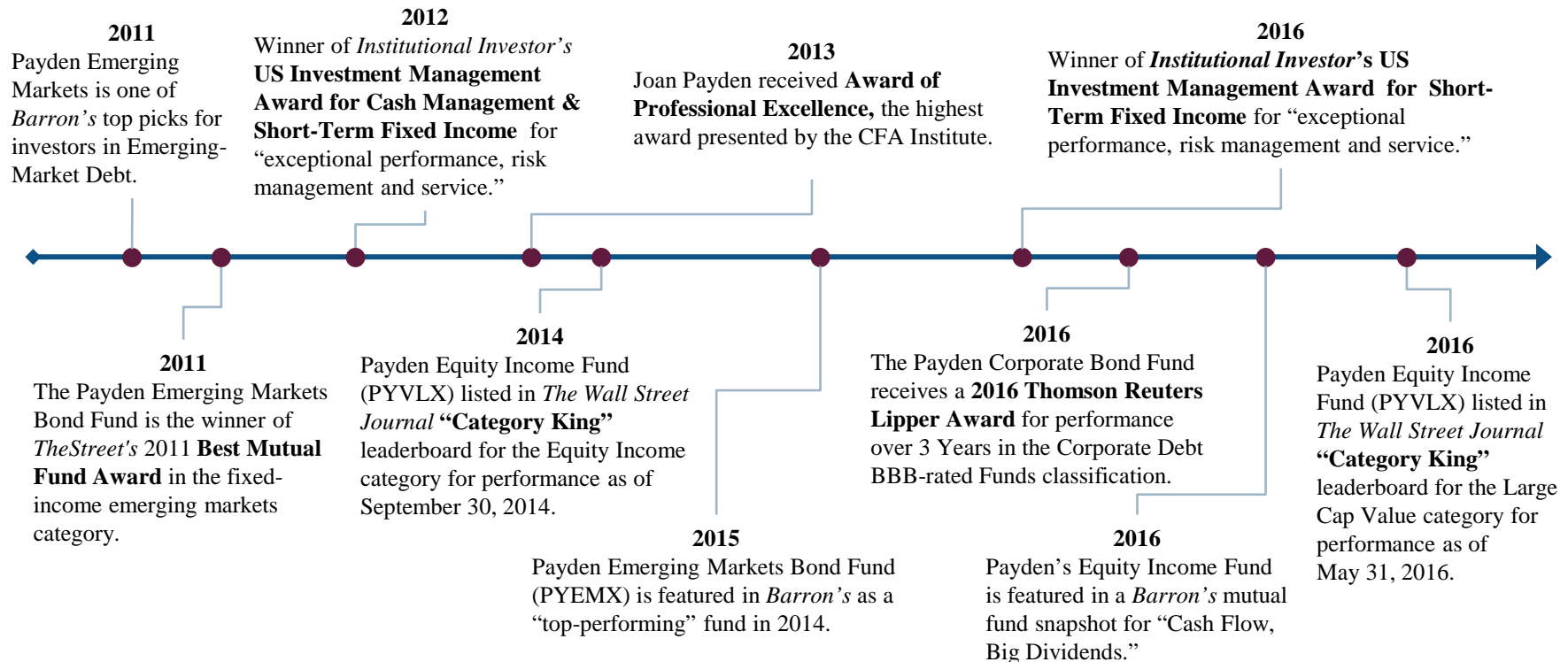
## Financial Stability

- Solid asset growth.
- Increasing revenue base coming from East Coast and outside the US

# Awards, Ranks and Recognition



We measure the success of our approach by the longevity of our current client relationships and by the continued interest in our strategies and growth in assets from new relationships. Below are highlights of our third-party acknowledgements.





# Contents

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I

Economic Update

II

Market Update & Portfolio Review



## Economic Update

# Deciphering the Fed Statement, and Learning About the Economy in the Process



## FEDERAL RESERVE press release



For release at 2:00 p.m. EDT

June 15, 2016

Information received since the Federal Open Market Committee met in April indicates that **the pace of improvement in the labor market has slowed while growth in economic activity appears to have picked up.** Although the unemployment rate has declined, job gains have diminished. Growth in household spending has strengthened. Since the beginning of the year, the housing sector has continued to improve and the drag from net exports appears to have lessened, but business fixed investment has been soft. **Inflation has continued to run below the Committee's 2 percent longer-run objective,** partly reflecting earlier declines in energy prices and in prices of non-energy imports. **Market-based measures of inflation compensation declined;** most survey-based measures of longer-term inflation expectations are little changed, on balance, in recent months.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee currently expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market indicators will strengthen. Inflation is expected to remain low in the near term, in part because of earlier declines in energy prices, but to rise to 2 percent over the medium term as the transitory effects of past declines in energy and import prices dissipate and the labor market strengthens further. The Committee continues to **closely monitor inflation indicators and global economic and financial developments.**

Against this backdrop, the Committee decided to maintain the target range for the federal funds rate at 1/4 to 1/2 percent. The stance of monetary policy remains accommodative, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. In light of the current shortfall of inflation from 2 percent, the Committee will carefully monitor actual and expected progress toward its inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. **However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data.**

The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction, and it anticipates doing so until normalization of the level of the federal funds rate is well under way. This policy, by keeping the Committee's holdings of longer-term securities at sizable levels, should help maintain accommodative financial conditions.

1

"...the pace of improvement in the labor market has slowed while growth in economic activity appears to have picked up."

2

"Inflation has continued to run below the Committee's 2 percent longer-run objective..."

3

"Market-based measures of inflation compensation declined..."

4

"...closely monitor inflation indicators and global economic and financial developments."

5

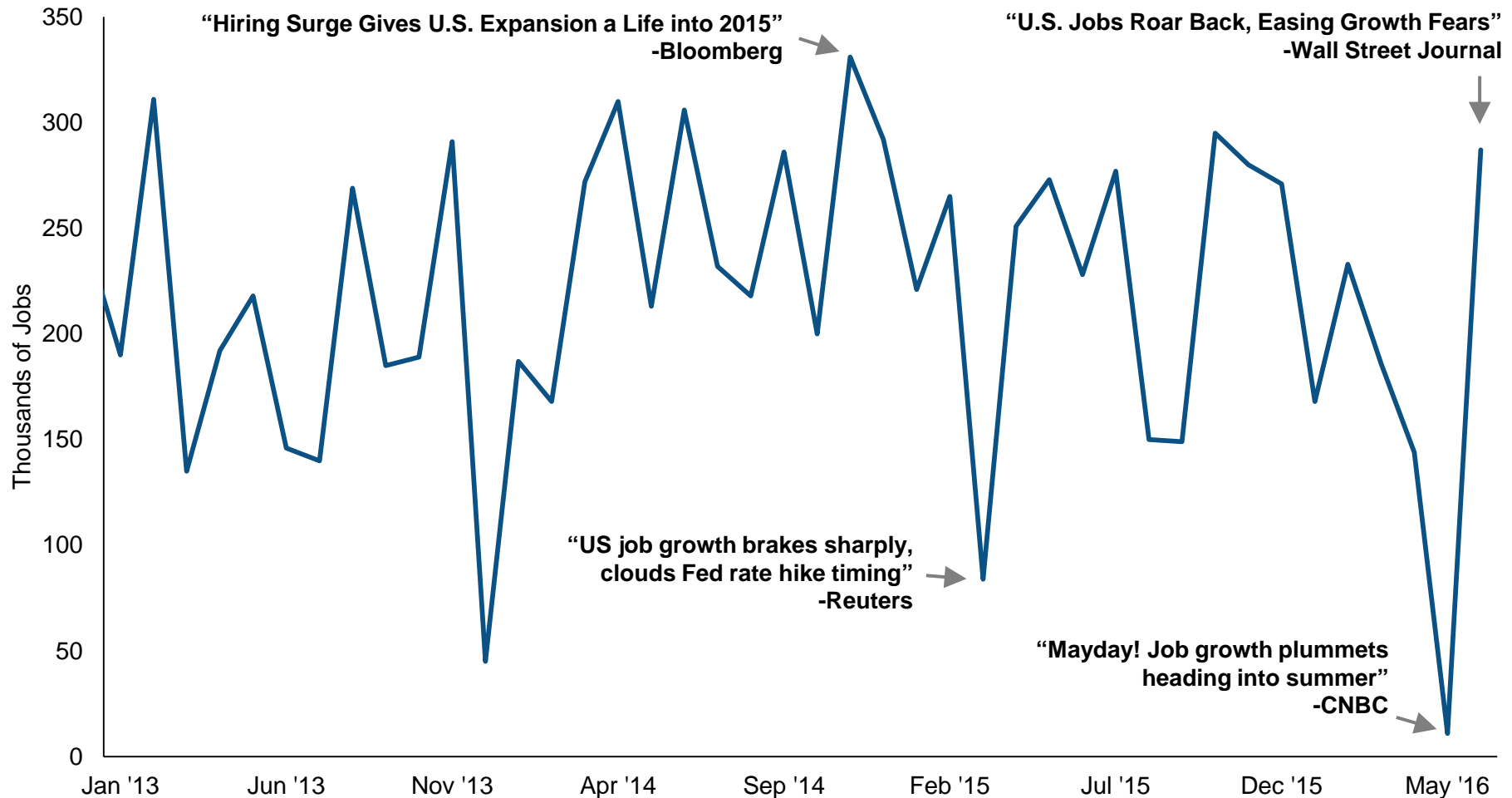
"However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data."

# 1. "...the pace of improvement in the labor market has slowed while growth in economic activity appears to have picked up."



Last month media headlines blared with sirens warning that US job growth had plummeted going into summer. This month? Media headlines declared jobs roared back in June with the addition of 287,000 jobs. The truth? Somewhere in between.

## Non-Farm Payroll Monthly Change and Accompanying News Headlines



Source: Bloomberg, Google News

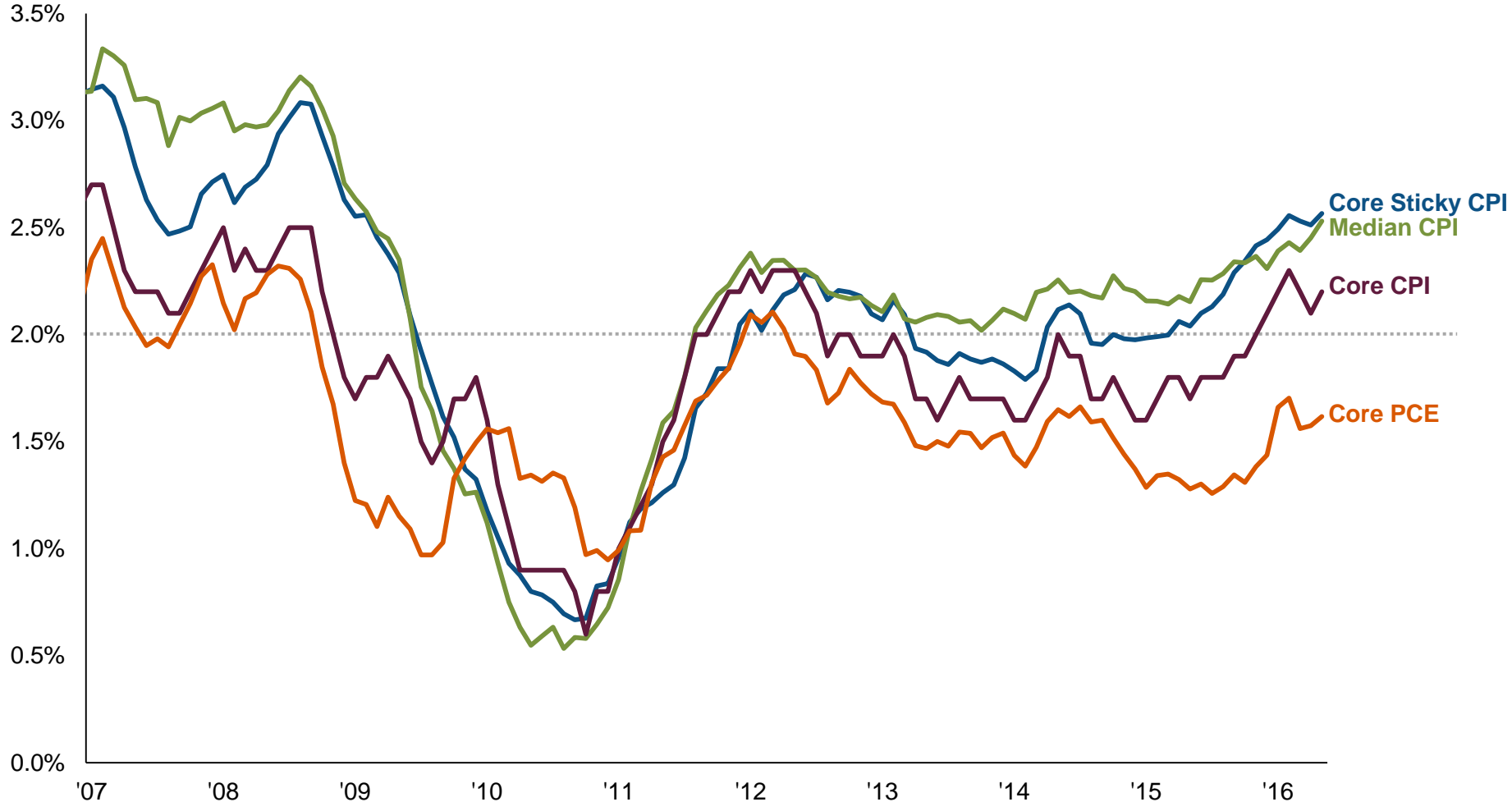


## 2. "Inflation has continued to run below the Committee's 2 percent longer-run objective"



While Core PCE (the Fed's preferred gauge) has been below 2%, Median CPI and Core CPI and Core Sticky CPI are all above 2% already. The Fed's "objective" is within reach.

Various Measures of Inflation



Source: Bureau of Labor Statistics, Atlanta Fed, Cleveland Fed, Bureau of Economic Analysis

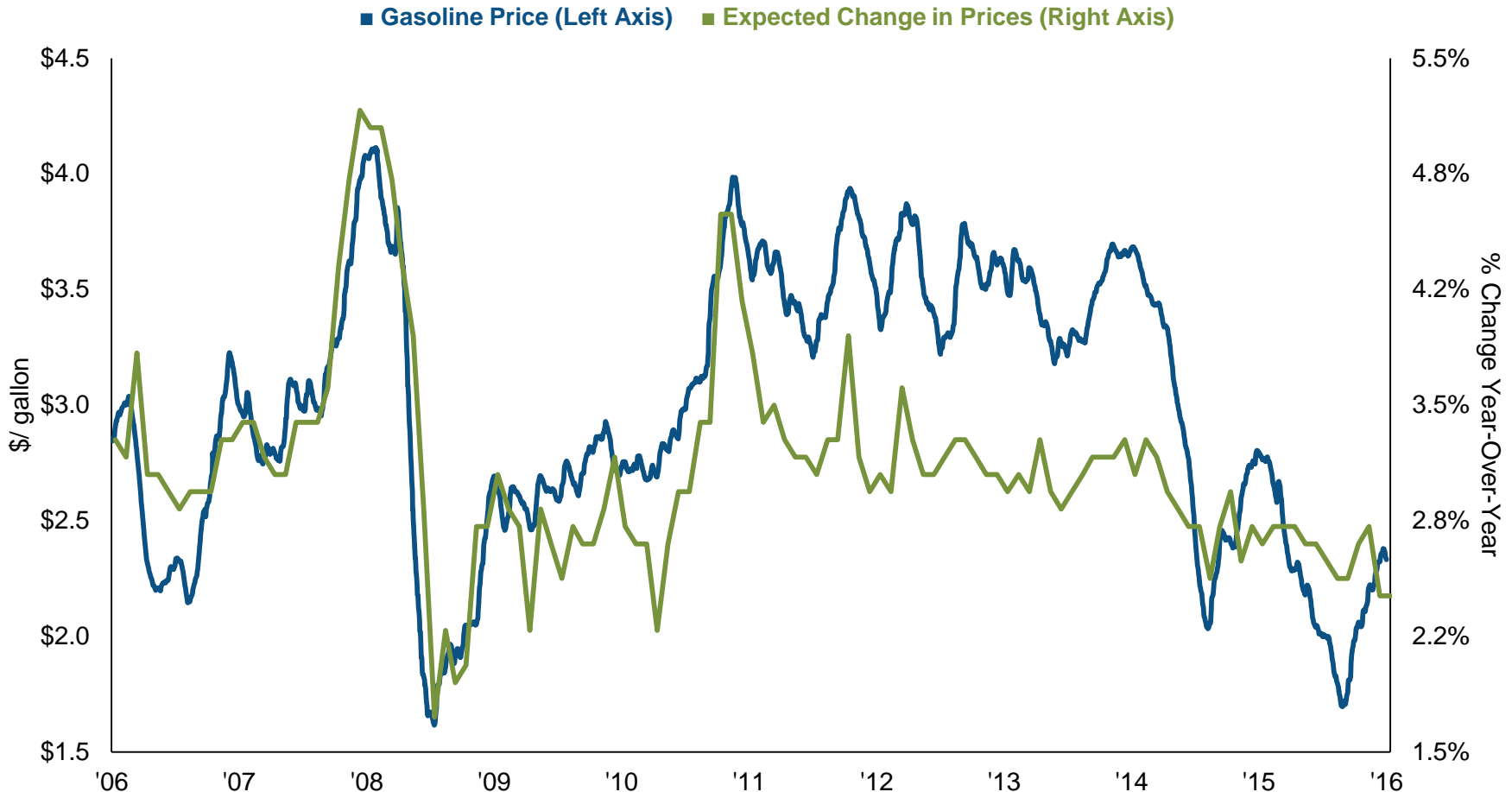


### 3. "Market-based measures of inflation compensation declined..."



While expected inflation is near all time lows, inflation expectations have been highly correlated with gasoline prices. However, we know that gasoline prices will leave only a temporary imprint on inflation, yet inflation expectations from consumer surveys tend to closely follow gas prices. We conclude that fears about inflation expectations being too low are overblown.

National Average Price of Gasoline Against the UMich Expected Change in Prices During the Next Year



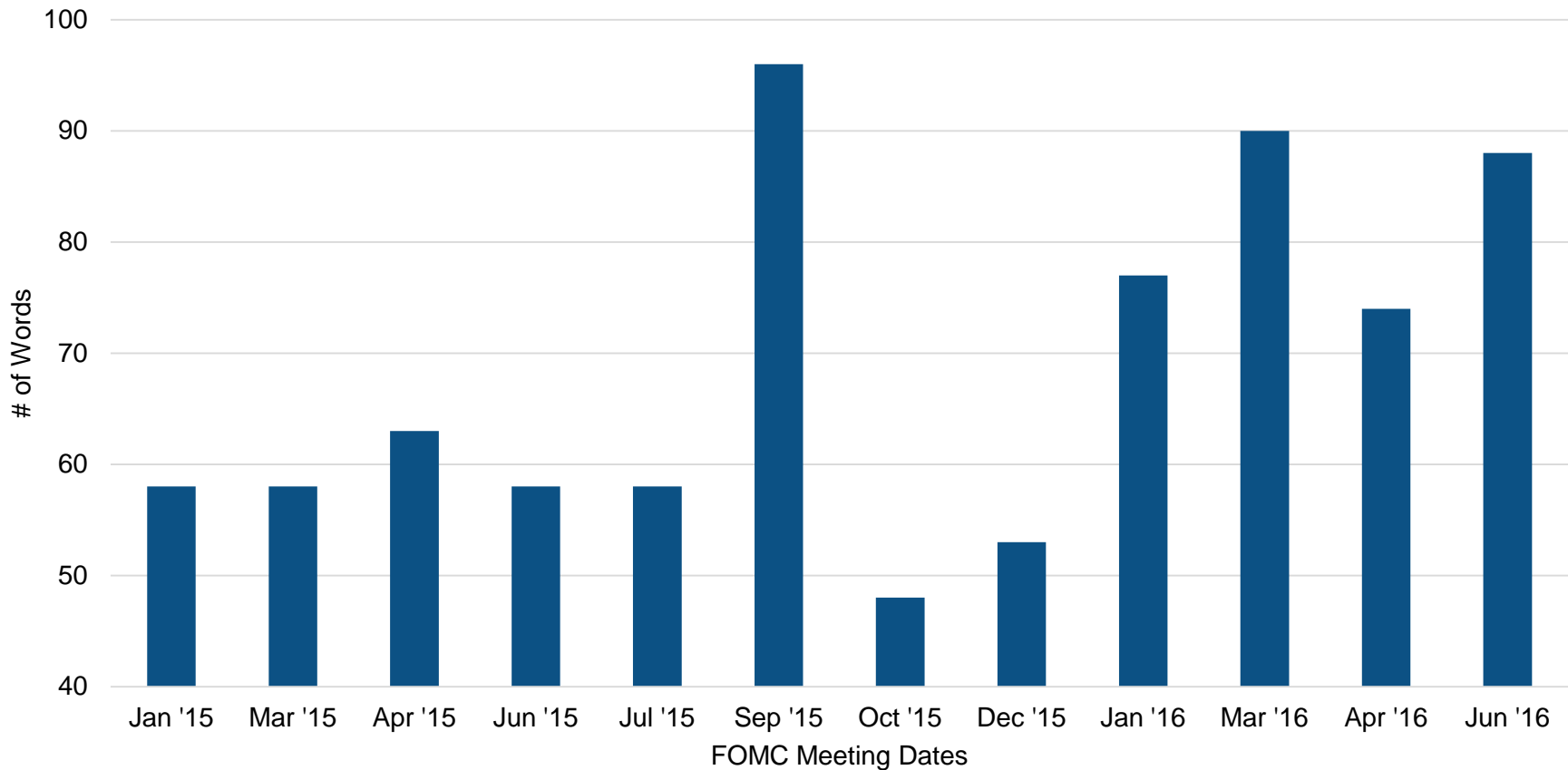
Source: University of Michigan, American Automobile Association

## 4. "Closely monitor inflation indicators and global economic and financial developments..."



The Fed dropped a line on global "risks" from the April FOMC statement but promised to "monitor" the globe. Based on the June FOMC meeting minutes, chatter about global topics (e.g., Brexit) rose again. A key risk to our view is that the Fed gets increasingly concerned about global issues. Every time the Fed has focused on global concerns, they've backed away from a rate hike.

Payden's Fed Global Concern Index – Sum of "Global" Words in the FOMC Meeting Minutes\*



\*"Global" includes: Global, international, emerging market, dollar, currency/currencies, exchange value, foreign, abroad, renminbi, euro, commodity/commodities, Greece, China, Brazil, United Kingdom, Russia, Mexico/Mexican, Canada/Canadian, Japan/Japanese, Referendum

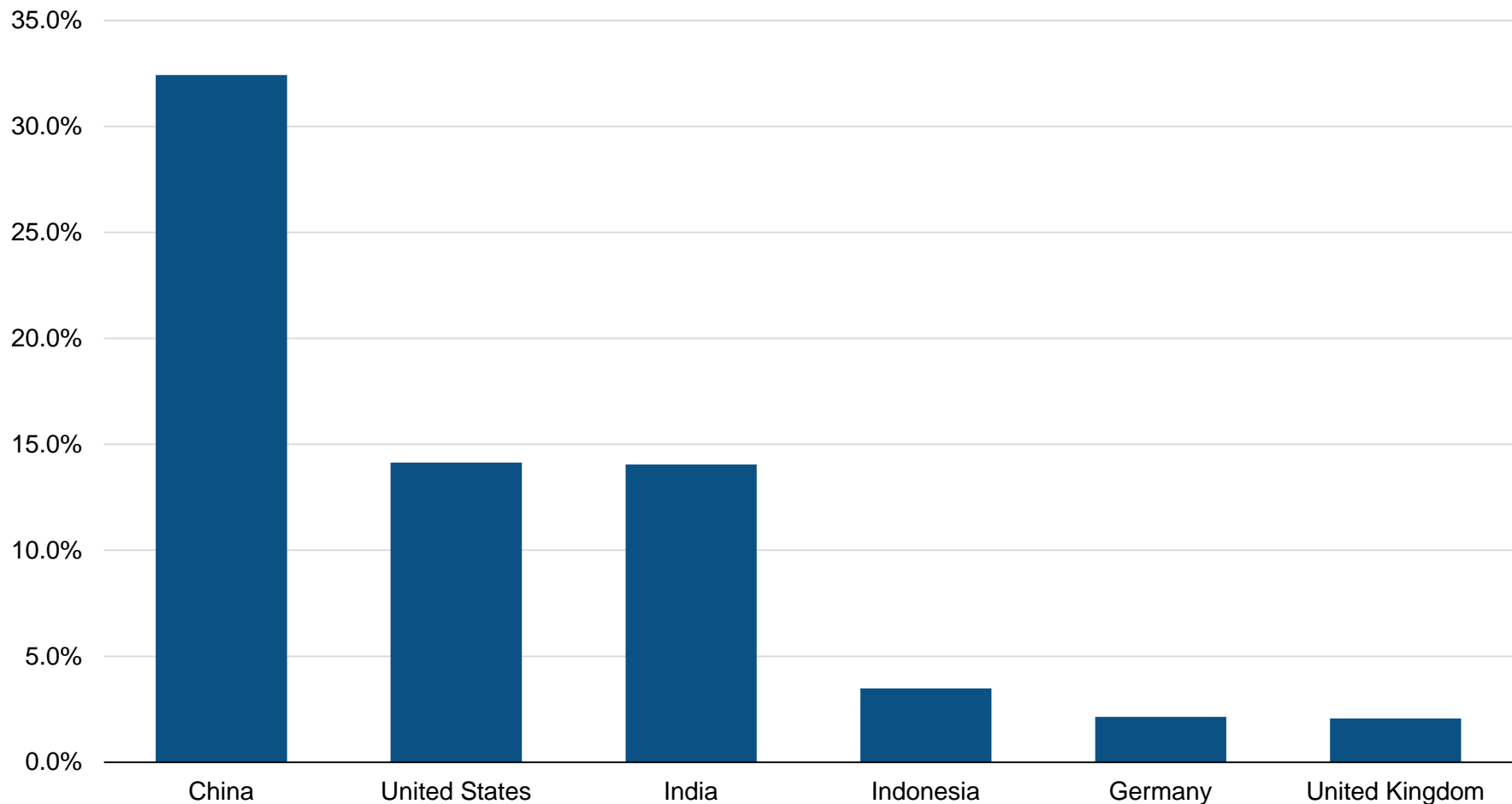
Source: FOMC Minutes, Payden Calculations

## 4. Germany and United Kingdom Provided a Very Small Portion of Global Growth Last Year



Yes, the negative implications of Brexit will impact the United Kingdom and countries in the EU (e.g. Germany). However, Germany and UK together contributed 4% (combined) of world GDP growth last year. Indonesia contributed more to global growth than the UK did last year.

Contribution to Total World GDP Growth in 2015



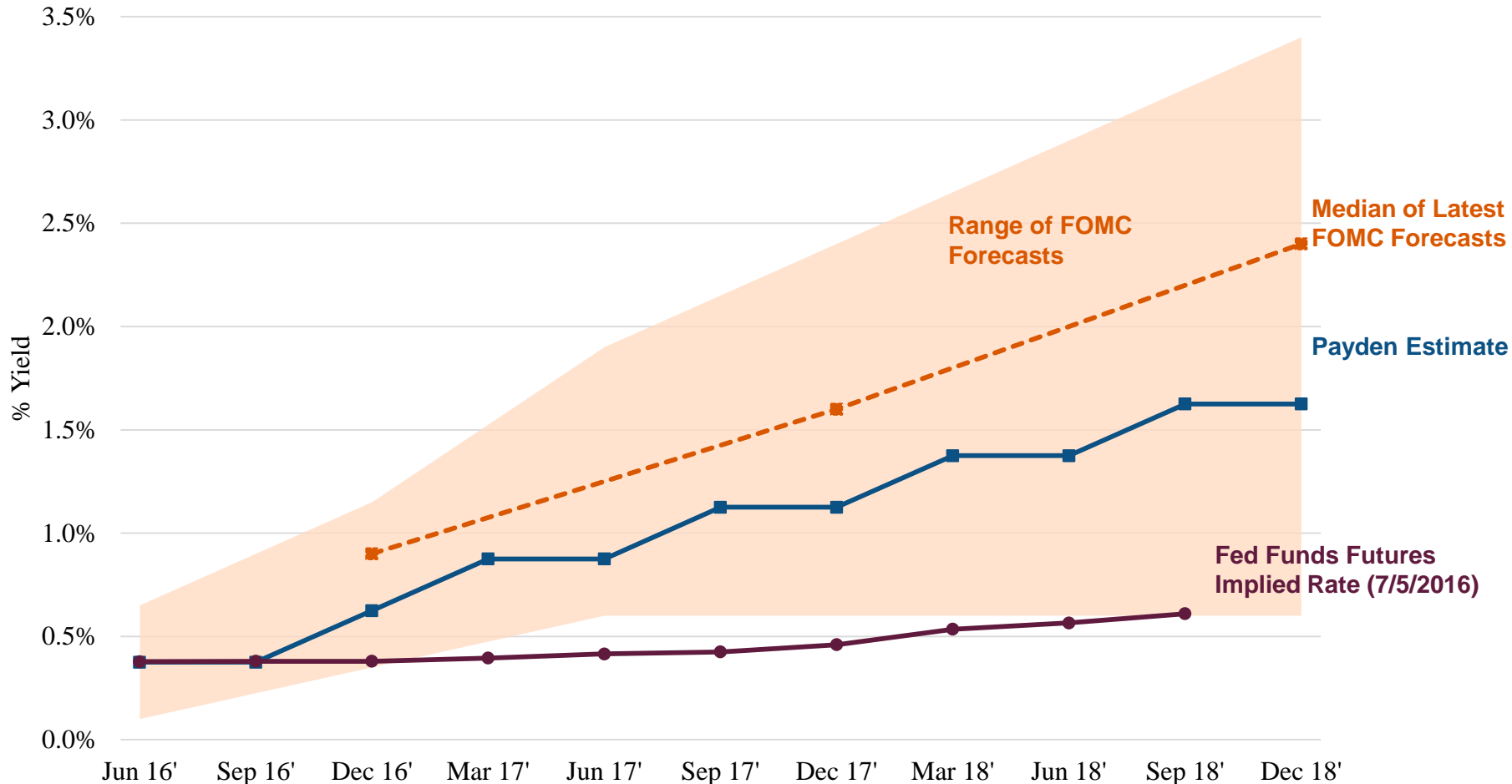
Source: IMF WEO, Payden Calculations

## 5. "However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data."



While our economic outlook and the recent economic data make us confident that the Fed will ultimately proceed with additional rate rises, there may be a delay in policy actions as policymakers seek more clarity on the US and global data. How long of a delay? We do not know for sure. As shown below, we have only 1 rate hike penciled in for December, after the US Presidential election.

### Path of Federal Funds Rate Under Various Scenarios



Source: FOMC, Bloomberg, Payden Estimates

# Despite Stronger US GDP Growth in 2016, Further Gains In The Labor Market And A Pick-Up in Inflation, The Risks are Skewed Toward One or Even Zero Hikes in 2016.



## Economic Growth (Real GDP)



▲ Median FOMC 2016 Forecast

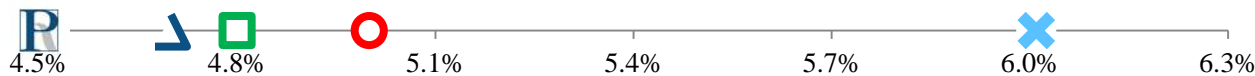
○ 2015 Actual

P P&R 2016 Forecast

× 20-Year Average

□ Consensus 2016 Forecast

## Unemployment Rate



## Core PCE Inflation



## Policy Interest Rate At Year End



Source: Bloomberg Consensus, Payden Estimates, Bureau of Labor Statistics and Bureau of Economic Analysis

Our 2016 outlook is for US economic growth of around 2.0-2.5%, rising inflation (1.9-2.0%), and a lower unemployment rate (4.5%) by the end of the year. With that economic backdrop, if the Fed were truly “data dependent,” they would hike 2 times in 2016 (e.g., July/September and December). The risk is that a Fed that is “**afraid of its own shadow**” will hike only once or not at all if nebulous “global risks” persist. As such, we think the most likely scenario is now a December rate hike. Longer-term, our rate outlook is consistent with a pace of two rates hikes per year, meaning the federal funds rate will reach a “terminal” rate **well below** current FOMC estimates.



II

## Market Update & Portfolio Review

# 2nd Quarter 2016 Market Overview



## Q2 Market Summary: Central Banks in the Driver's Seat

### April & May were relatively stable months

Interest rates in Q2 started off stable in response to global central bank action earlier in the year.

2y 5y and 10y treasuries traded in a 20bp range during April and May

- Movements mainly driven by economic data as the market adjusted their expectations for an increase in interest rates during the Fed's June or July meeting.
- Expectations for a hike in July were in the low 50% range at the end of May.

On June 15th, the Fed made a unanimous decision to hold off on raising rates during their June meeting

- The Fed left the possibility of 2 hikes on the table for 2016
- Long run expectations were reduced by 0.25% as a result of slower labor market, declining inflation and global concerns.

### The United Kingdom's decision to leave the European Union shocked global markets

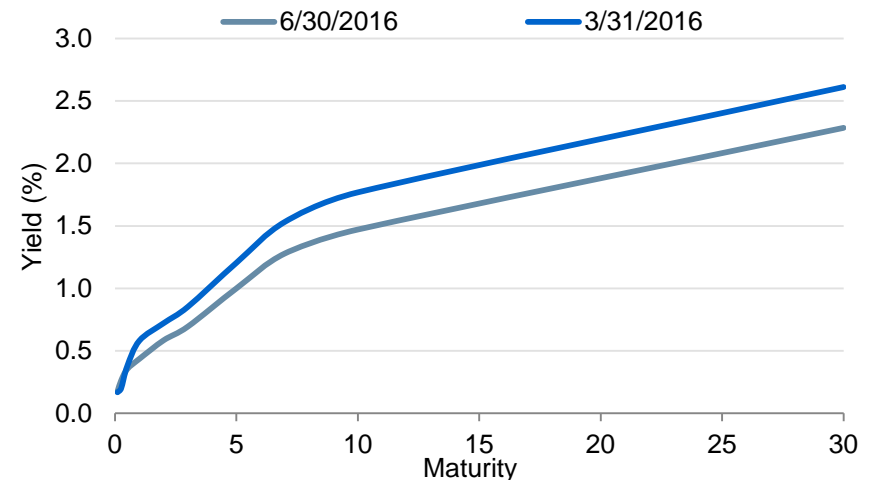
On June 23<sup>rd</sup>, the United Kingdom voted to exit the European Union in an advisory referendum.

In response to the surprise outcome, interest rates declined and flattened sharply as investors flooded into high quality, low risk assets and revised their estimates for global growth lower.

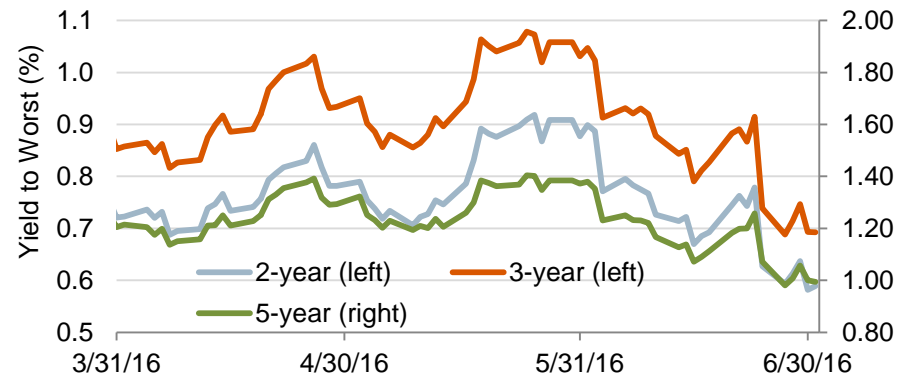
Expectations for interest rate hikes were reduced significantly on the news and the market now expects coordinated central bank activity to minimize the fallout from the outcome of the vote.

## Q1 2016 Yield Curve

### The US Treasury yield curve shifted lower and flattened



### Rates were range bound for most of the quarter, moving lower post Brexit



# Brexit Vote Surprised Markets

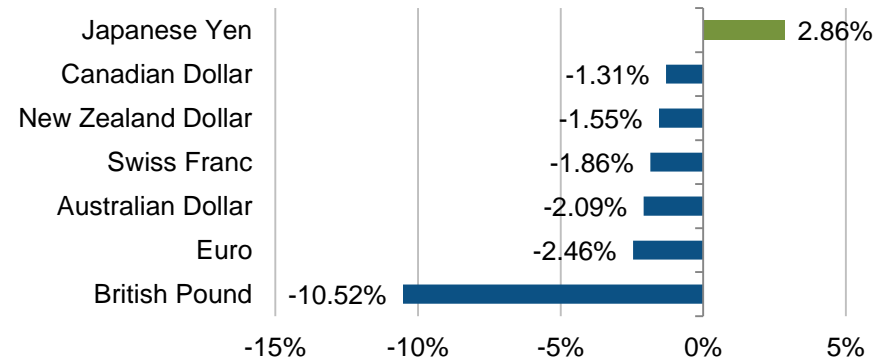


Global interest rates fell sharply on the news as global growth estimates declined and markets expect additional central bank action

	Yield on 6/30/16	Change post Brexit
United Kingdom 10y	0.87%	-0.50%
United States 10y	1.47%	-0.28%
France 10y	0.18%	-0.27%
Australia 10y	1.98%	-0.27%
Canada 10y	1.06%	-0.23%
Germany 10y	-0.13%	-0.22%
Switzerland 10y	-0.58%	-0.14%
Japan 10y	-0.22%	-0.08%

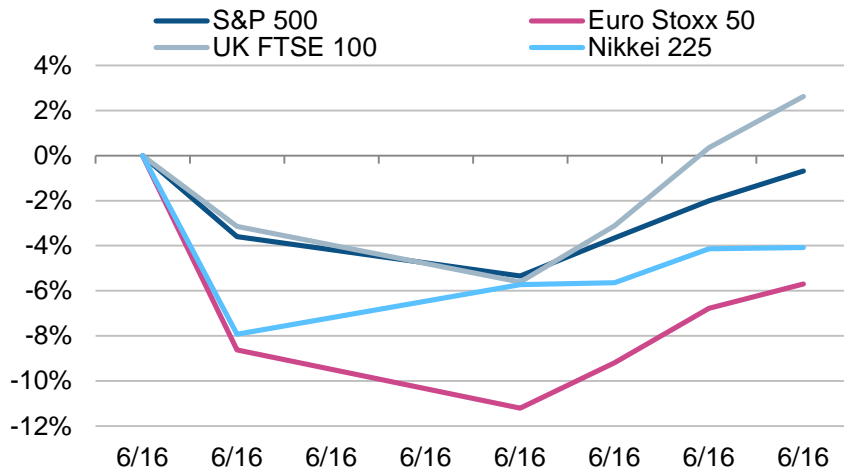
Source: Bloomberg. Data shown from 6/23/16 to 6/30/16

USD strengthened vs. most major currencies



Source: Bloomberg. Data shown from 6/23/16 to 6/30/16

Global equity market volatility increased



Source: Bloomberg. Graph is total return from 6/23/16 to 6/30/16

Credit markets were relatively stable - IG benefited from risk off move

	Total Return (%)
Full Corporate Index (C0A0)	1.28%
Corp - AAA (C0A1)	1.93%
Corp - AA (C0A2)	1.27%
Corp - A (C0A3)	1.27%
Corp - BBB (C0A4)	1.27%
Full High Yield Index (J0A0)	-0.34%

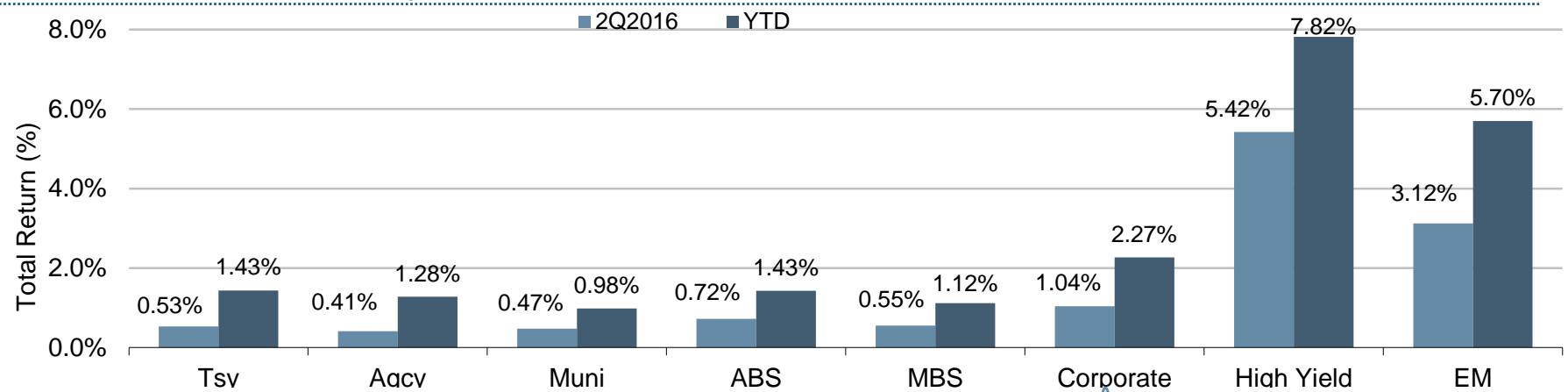
Source: BofA Merrill Lynch indices from 6/23/16 to 6/30/16



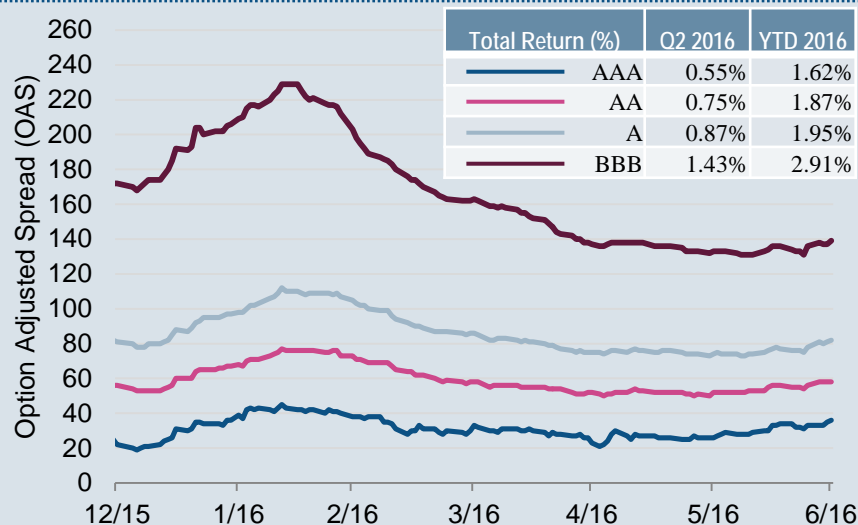
# US Bond Market Returns – 2nd Quarter 2016



## Sector Total Return - 1-3 Year Maturity

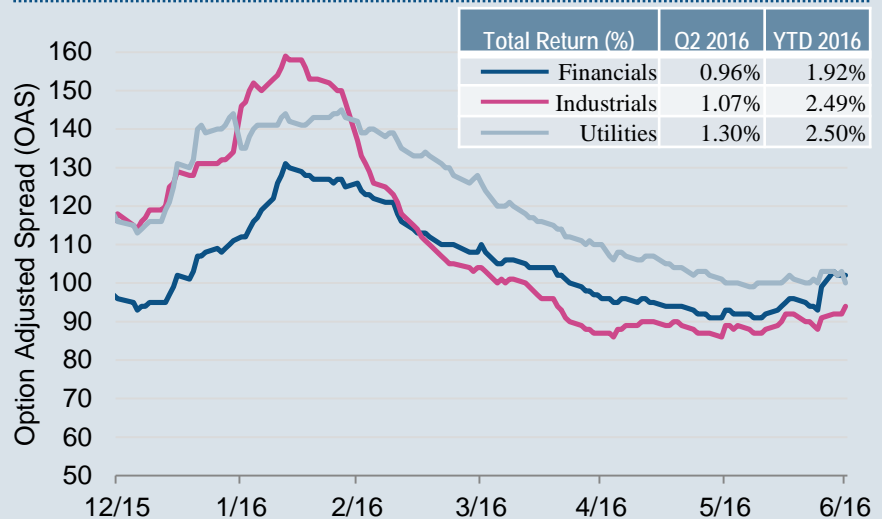


## Corporate Spreads Post Brexit Are Well Below Jan/Feb Levels



Source: Bloomberg, BofA Merrill Lynch 1-3 Year Indices

## Financials underperform Industrials and Utilities



# CalOptima Investment Policy vs. CA Code 53601



CalOptima Policy				
Permitted Investments	Max %	Maturity	Quality	Comments – CA Code
<b>US Treasuries</b>	100%		US Treasury	
Operating Funds		450 days		Opportunity to increase maturity beyond 5 years
Tier One		5 years		
<b>US Agencies</b>	100%		US Government	
Operating Funds		450 days		Opportunity to increase maturity beyond 5 years
Tier One		5 years		
<b>Supranationals</b>	15% (Code 30%)		AA	
Operating Funds		450 days		In process of being added to the 2016 Investment Policy
Tier One		5 years		
<b>Municipals</b>	25% (Code 100%)			
Operating Funds		450 days	A-1 or P-1	Opportunity to increase maturity beyond 5 years
Tier One		5 years	A3 or A-	
<b>Certificates of Deposit</b>	30% (Code )	1 year (Code 5 years)	A-1 or P-1	Opportunity to increase maturity to 5 years
<b>Commercial Paper</b>	25% (Code)	270 days	A-1 or P-1	To Code
<b>Repurchase Agreement Collateral Limited</b>	100%	30 days (Code 1 year)	All Treasury/Agency collateral only	To Code
<b>Corporate Securities</b>	30% (Code)			
Operating Funds		450 days (5 years for FRNs*)	A3 or A-	To Code
Tier One		5 years		
<b>Mortgage or Asset-Backed Securities</b>	20% (Code)		AA	
Operating Funds		450 days		To Code
Tier One		5 years		

# Operating Fund Strategy and Performance – As of June 30, 2016



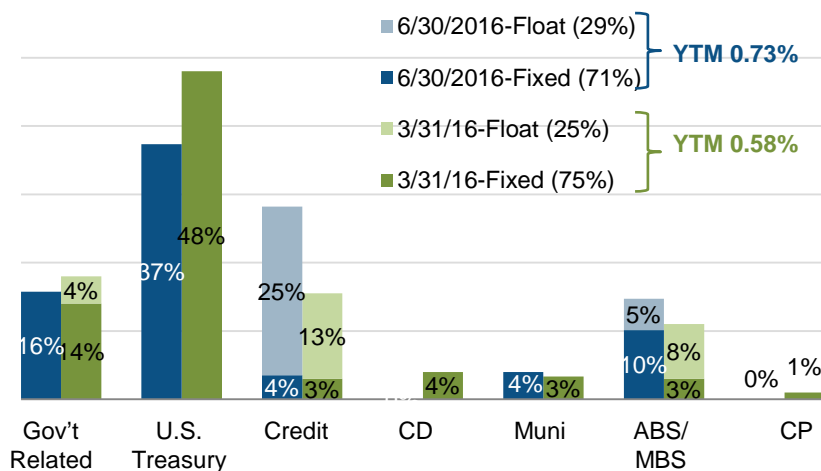
## Portfolio Returns - Periods Over 1 Year Annualized

	2nd Qtr	2016 YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Operating Fund (Gross)	0.31%	0.50%	0.58%	0.29%	0.23%
Operating Fund (Net)	0.29%	0.46%	0.50%	0.19%	0.12%
Citigroup 3 Month Treasury Bill Index	0.07%	0.10%	0.12%	0.06%	0.06%
<b>Net Alpha</b>	<b>+0.22%</b>	<b>+0.36%</b>	<b>+0.38%</b>	<b>+0.13%</b>	<b>+0.06%</b>

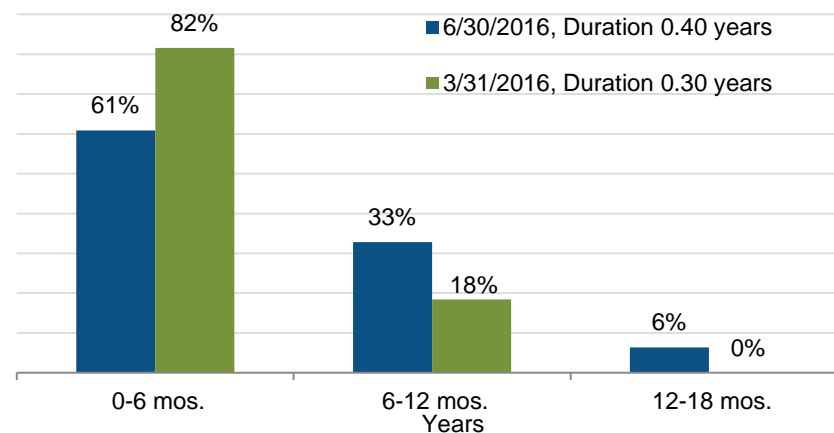
## Portfolio Characteristics

Market Value	\$317.4 million
Yield to Maturity	0.73%
Yield at Purchase	0.69%
Benchmark Yield	0.23%
Duration	0.40 years
Benchmark Duration	0.15 years
Credit Quality	AA+

## Sector Allocation



## Duration Distribution



# CalOptima Operating Fund Portfolio Highlights



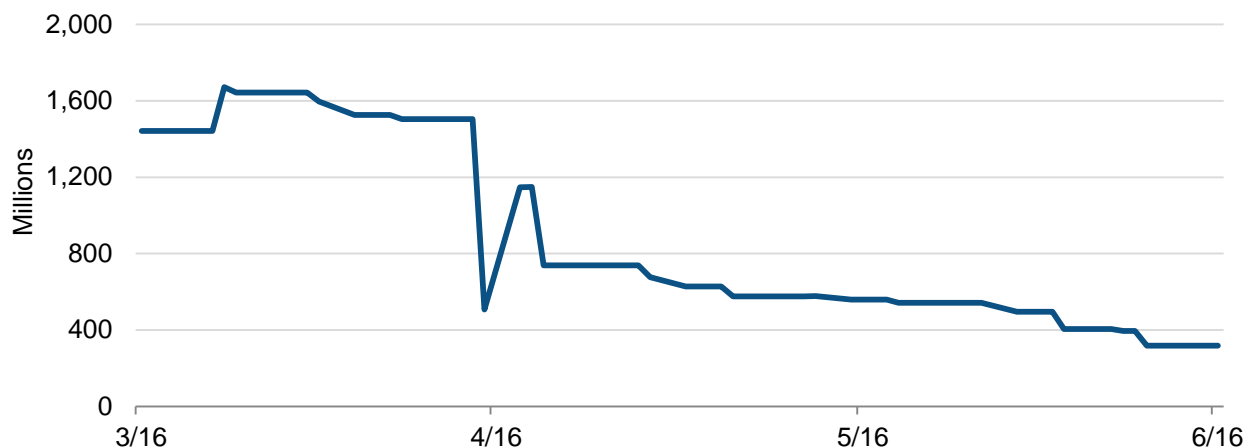
During the second quarter of 2016, the Operating Fund had a net outflow of \$227MM

This excludes the \$900MM transfer that occurred in May

The portfolio maintains a diversified mix of credit sectors as well as high quality asset backed and mortgage backed securities for income generation, to cushion price volatility.

	Apr-16	May-16	Jun-16	2Q 2016
Beginning Market Value	1,442,618,533	1,504,001,711	558,887,748	1,442,618,533
Contributions	228,000,000	231,000,000	0	459,000,000
Withdrawals	(168,000,000)	(276,431,668)	(242,000,000)	(686,431,668)
Transfers	0	(900,000,000)	0	(900,000,000)
<b>Net Flows</b>	<b>60,000,000</b>	<b>(945,431,668)</b>	<b>(242,000,000)</b>	<b>(1,127,431,668)</b>
Investment Gain/(Loss)	1,383,179	317,704	542,063	2,242,946
Ending Market Value	1,504,001,711	558,887,748	317,429,811	317,429,811

## Market Value



# Tier One Strategy and Performance – As of June 30, 2016



## Portfolio Returns - Periods Over 1 Year Annualized

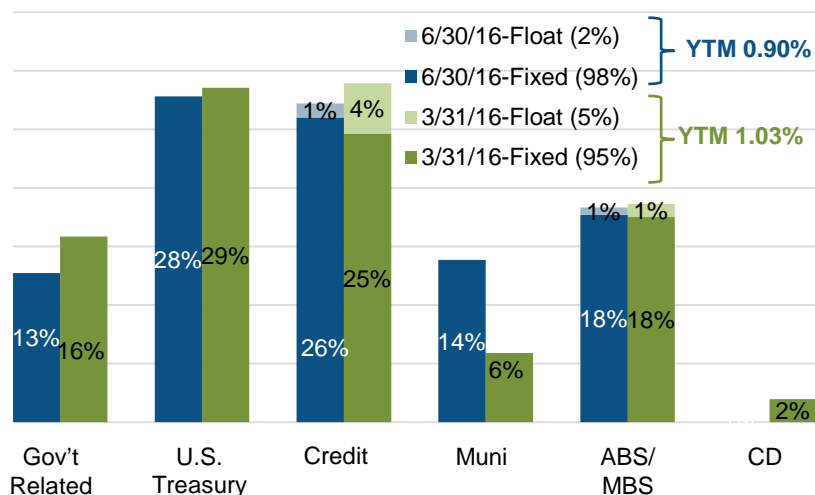
	2nd Qtr	2016 YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Tier One (Gross)	0.57%	1.30%	1.46%	1.13%	1.03%
Tier One (Net)	0.55%	1.26%	1.39%	1.03%	0.92%
Merrill Lynch 1-3 year Treasury*	0.53%	1.43%	1.31%	0.98%	0.81%
Net Alpha	<b>+0.02%</b>	<b>-0.17%</b>	<b>+0.08%</b>	<b>+0.05%</b>	<b>+0.11%</b>

\*1/04 Merrill Lynch 1-3 Year Treasury Index; 5/00 Citigroup 1-Year Treasury Index; 7/99-5/00 Citigroup 3-month T-bill Index.

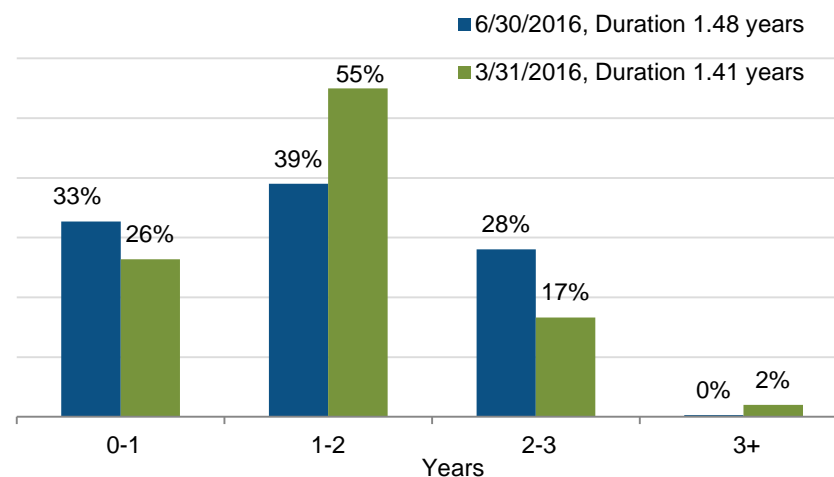
## Portfolio Characteristics

Market Value	\$135.4 million
Yield to Maturity	0.90%
Yield at Purchase	1.16%
Benchmark Yield	0.59%
Duration	1.48 years
Benchmark Duration	1.83 years
Credit Quality	AA+

## Sector Allocation



## Duration Distribution



# CalOptima Tier 1 Portfolio Highlights



Performance Attribution		
(In basis points)	2Q 2016	Trailing 12 Mo
<b>Interest Rates</b>	<b>-10</b>	<b>-27</b>
<b>Sector Selection</b>	<b>14</b>	<b>42</b>
Agency	-2	-1
Corporate	11	28
<i>Financial</i>	8	19
<i>Industrial</i>	2	8
<i>Utilities</i>	1	1
MBS	1	1
ABS	2	7
Municipal	2	7
<b>Total Contribution</b>	<b>+4</b>	<b>+15</b>

## Transferred Assets in May

- In early May, we transferred \$250mm out of the account

## Duration Positioning

- We were short duration by ~0.35 years vs. the benchmark with a 12% underweight to the 2-3 year portion of the curve
- The yield curve flattened over both the quarter and the trailing year, as the differential between 3 month and 3 year treasuries declined by 22bps and 61bps respectively.

## Sector Allocation and Security Selection

- We increased our exposure to municipals by 12% which added to performance over both the quarter and year.
- Despite being short duration, we were able to out yield the benchmark by over 30bps thanks to our corporate overweight which outperformed treasuries during both the quarter and trailing 12 months.
  - Within our corporate allocation, we maintained our bias towards financials and were active in the new issue market buying Citigroup, Wells Fargo, Coca-Cola and BB&T
- Our exposure to the AAA rated ABS sector added additional yield and provided diversification from other sectors as spreads were stable.
- Added 2% / 2.58mm of supranational exposure (IBRD and IADB) via the new issue market with spreads of +20 to +26 over treasuries.

# CalOptima – Compliance Report – As of June 30, 2016



Allowable Instruments	CalOPTIMA-Combined		Maximum Stated Term Per Security		Actual Maximum Maturity				Minimum Quality Per Security	Actual Minimum Credit
	Maximum % of Portfolio	Actual %	Operating Funds	Reserve Tier 1	Operating Funds		Reserve Tier 1			
U.S. Treasuries	100	32.29%	450 Days	5 Years	442	Days	2.96	Years	TSY	TSY
Federal Agencies	100	14.26%	450 Days	5 Years	385	Days	2.95	Years	AGY	AGY
State of CA & Other Municipal Obligations	25	9.42%	450 Days	5 Years	216	Days	3.34	Years	A	A
Supranationals	15	0.57%	450 Days	5 Years			2.87	Years	AA	AAA
Bankers Acceptances	30	0.00%	180 Days	180 Days					A1/P1	n/a
Commercial Paper	25	0.00%	270 Days	270 Days					A1/P1	n/a
Negotiable Certificates of Deposit	30	0.00%	1 Year	1 Year					A1/P1	n/a
Repurchase Agreements	100	0.00%	30 Days	30 Days					TSY	n/a
Medium Term Notes & Depository Notes	30	10.23%	450 Days	5 Years	230	Days	2.94	Years	A3/A-	A-
Money Market & other Mutual Funds (combined)	20	-0.22%	N/A	N/A					AAA	AAA
Mortgage & Asset-Backed Securities (combined)	20	9.33%	450 Days	5 Years	350	Days	3.79	Years	AAA	AAA
Variable & Floating Rate Securities	30	24.13%	450 Days	5 Years	92	Days	76	Days	A3/A-	A-

100.00%

## Diversification Guidelines

Maximum per Corporate Issuer	5	1.40%
Repurchase Agreements (Maturity > 7 days)	25	0.00%
Repurchase Agreements (Maturity < = 7 days)	50	0.00%



## Short-Term Actively Managed Program (STAMP) Client Review for:



***July 25<sup>th</sup>, 2016***

Scott Pavlak, CFA – *Senior Portfolio Manager*

Wendy Kaszak – *Client Services*

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Firm Overview

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Portfolio Review



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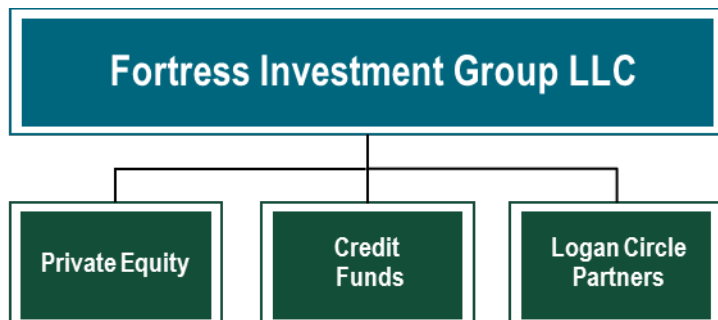
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# SECTION I

## Firm Overview

# ORGANIZATIONAL OVERVIEW

## Ownership Structure



## LCP Institutional Clients

Assets by Client Type <sup>1</sup> (Millions as of 3/31/2016)	
Sub-Advisory	\$13,773
Corporate	\$10,889
Public	\$3,714
Insurance	\$2,364
Other	\$2,060
<b>TOTAL:</b>	<b>\$32,800</b>

## Firm Overview

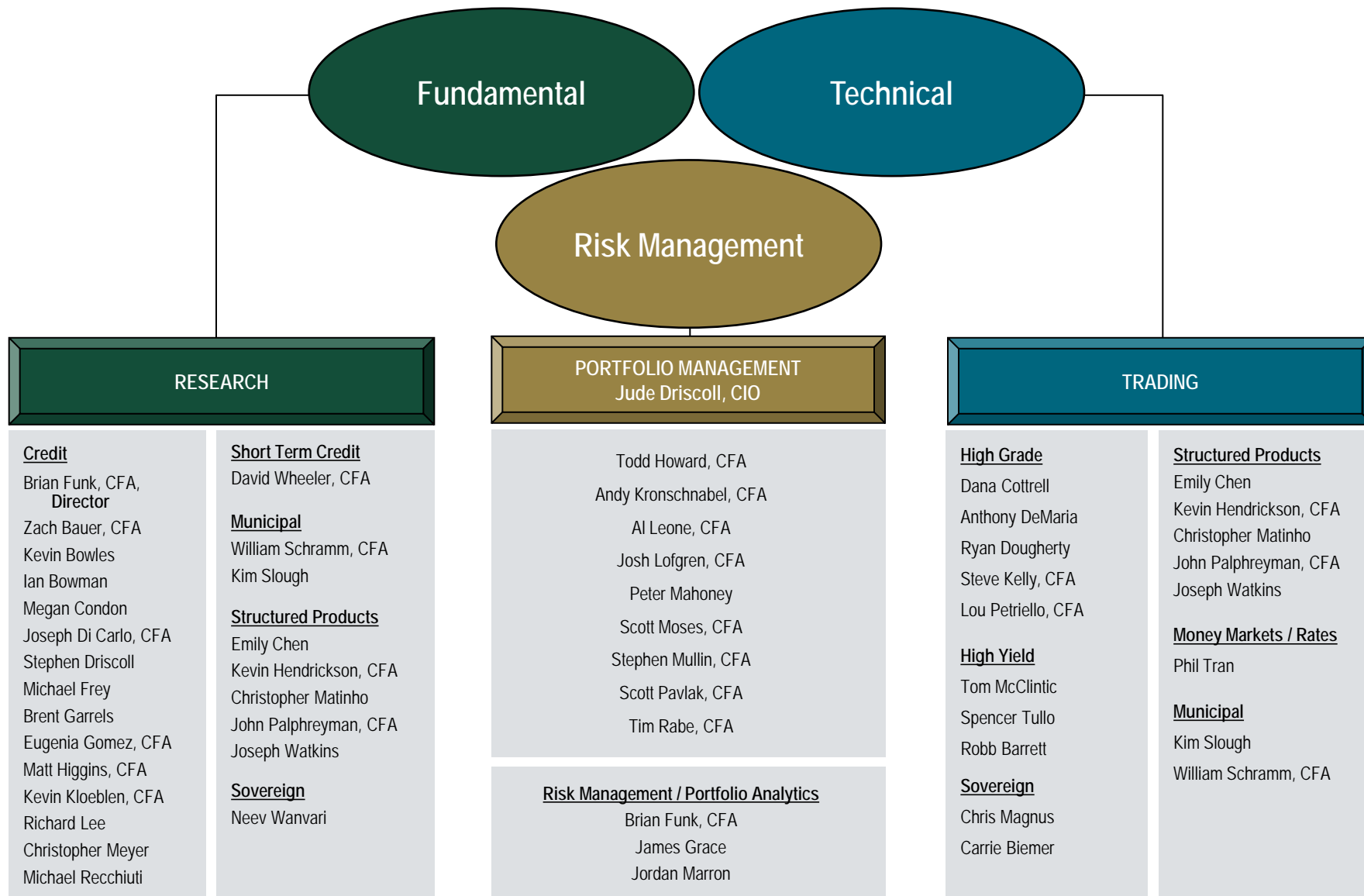
- Logan Circle Partners (“Logan Circle” or “LCP”) is a Fortress Investment Group LLC company.
- Fortress is a diversified asset manager with assets under management of \$71 billion<sup>1</sup>.
- Logan Circle is dedicated solely to the institutional marketplace.
- Deep team of highly experienced
  - Portfolio Managers
  - Traders
  - Research Analysts
  - Client Service Professionals

## LCP Employees

79 Employees (as of 6/30/2016)	
Portfolio Management	10
Research	20
Trading	15
Risk Management / Portfolio Analytics	2
Client Services	14
Legal / Compliance	4
Administration / Operations	14

<sup>1</sup> Based on unaudited estimates and are subject to change. Fee paying assets under management as of 3/31/2016.

## FIXED INCOME TEAM – 45 Investment Professionals (as of June 30, 2016)



# SECTION II

## Market Review

## CURRENT THEMES

- **GDP**

Rebound in retail sales and personal consumption expenditures as well as seasonal improvement in housing supports higher second-quarter growth. Current factors underpinning domestic strength in consumer spending include stable energy prices and improving wages. Risks to our average 2% growth expectation are skewed to the downside and include election year and geopolitical uncertainty which could weigh on consumer and business confidence.
- **Consumer**

Improvement in real personal income and average hourly earnings, combined with pass-through benefits of lower energy prices, reflected in higher savings rate. Rebound in consumer confidence needed in order to drive transmission from savings to spending. Sustained pace of student and auto loan debt growth represents a long-term demographic concern.
- **Business**

Persistent sluggish global growth hampers ability to grow revenues while rising labor costs pressure many industrial sub-sectors. Deterioration of credit metrics continues, evidenced by elevated debt/equity ratios and declining operating margins. Although financials continue to build capital and improve balance sheets, the strength and stability of earnings are negatively impacted by less diverse business models and reduced net interest margins due to prevailing low rate environment. Anemic level of new business formations symptomatic of the broader challenges to growth.
- **Employment**

Job growth rate downshifts to a more sustainable range consistent with low unemployment and participation rates. Service sector responsible for majority of the employment gains since the financial crisis. Overall increase in average hourly earnings led by labor shortages in select sub-sectors.
- **International**

Uncertainty over the ramifications of the “Brexit” vote raises concerns regarding both the UK economy and the long-term viability of the European Union. Interest rates will remain at historically low levels for foreseeable future. Chinese currency devaluation places pressure on commodity and financial markets in addition to emerging market economies. Ineffectiveness of central bank stimulus programs, including negative interest rates, underscores the limits of monetary policy in fostering economic growth and countering deflationary forces.
- **Housing**

Lack of moderately priced housing inventory will continue to constrain the pace of sales. Overall annual home price appreciation will decelerate modestly to the low to mid-single digits. Lending standards continue to ease as banks and non-bank lenders expand financing options. Low mortgage rates and rising incomes increase housing affordability in the near term even as average home prices appreciate.
- **Inflation**

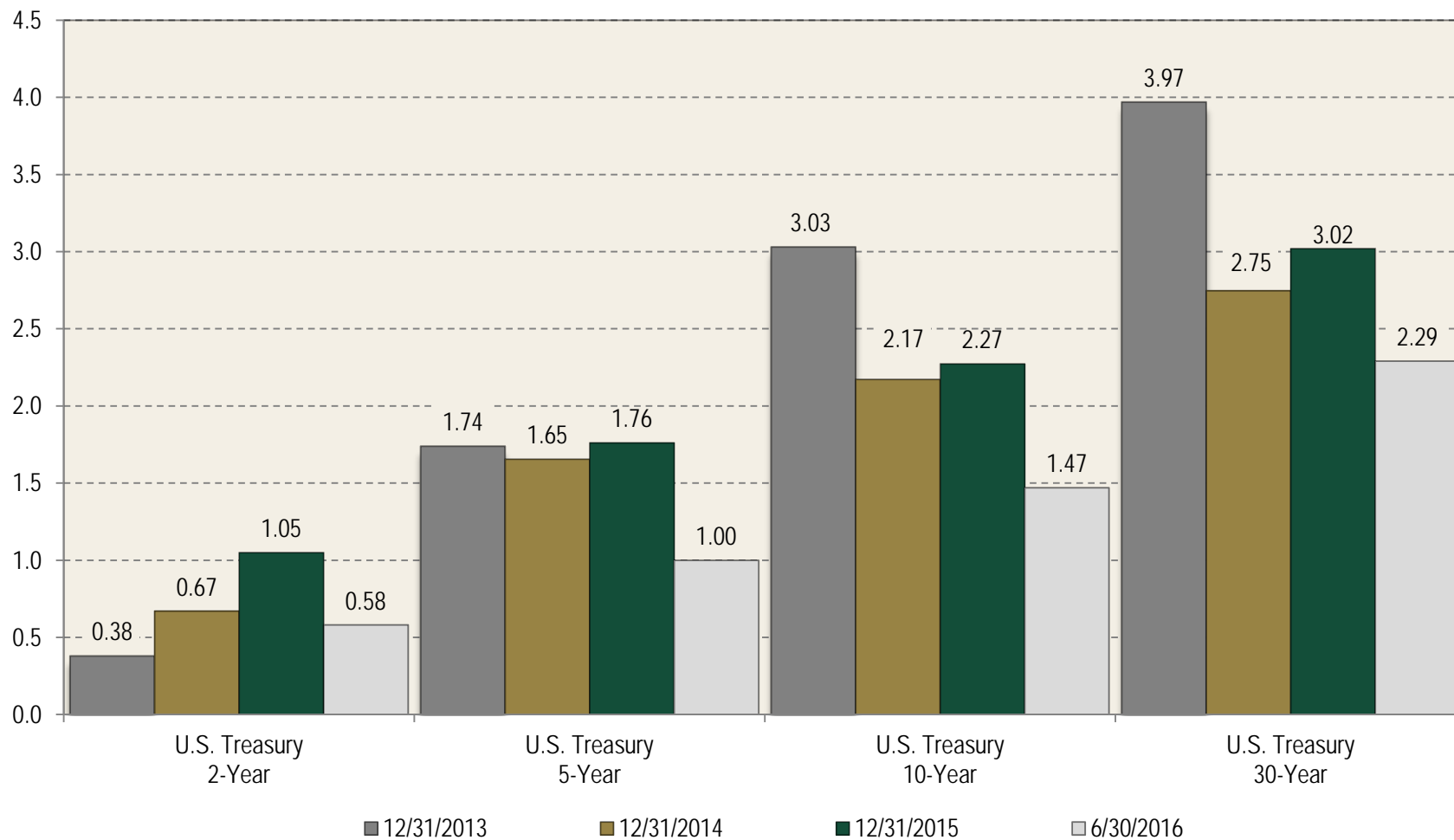
Core PCE moves closer to the Federal Reserve’s long-term 2% target as rents, healthcare insurance and medical costs rise. Rebound in energy prices and rising wage growth supports headline inflation, while stronger dollar acts to mitigate upward pressure. Budding protectionist / populist movements expected to have negative (higher) long-term inflation implications in move away from free-trade policies.
- **Monetary and Fiscal Policy**

Federal Reserve’s data dependency takes a back seat to geopolitical and financial market turmoil as timing of policy normalization pushed further out. Central bank guidance and actions show mixed results in achieving unstated goal of driving currencies lower. ECB and BOJ intensify focus on QE tools in an effort to boost credit growth. Domestic fiscal policy initiatives unlikely to emerge in the near term as election year politics preclude substantive action.

*The views presented above are Logan Circle's only and are subject to change over time. There can be no assurance that the views expressed above will prove accurate and should not be relied upon as a reliable indicator of future events.*

## MARKET REVIEW

### U.S. Treasury Yields – as of June 30, 2016



Source: Bloomberg

## MARKET REVIEW

### World Interest Rates – as of June 30, 2016

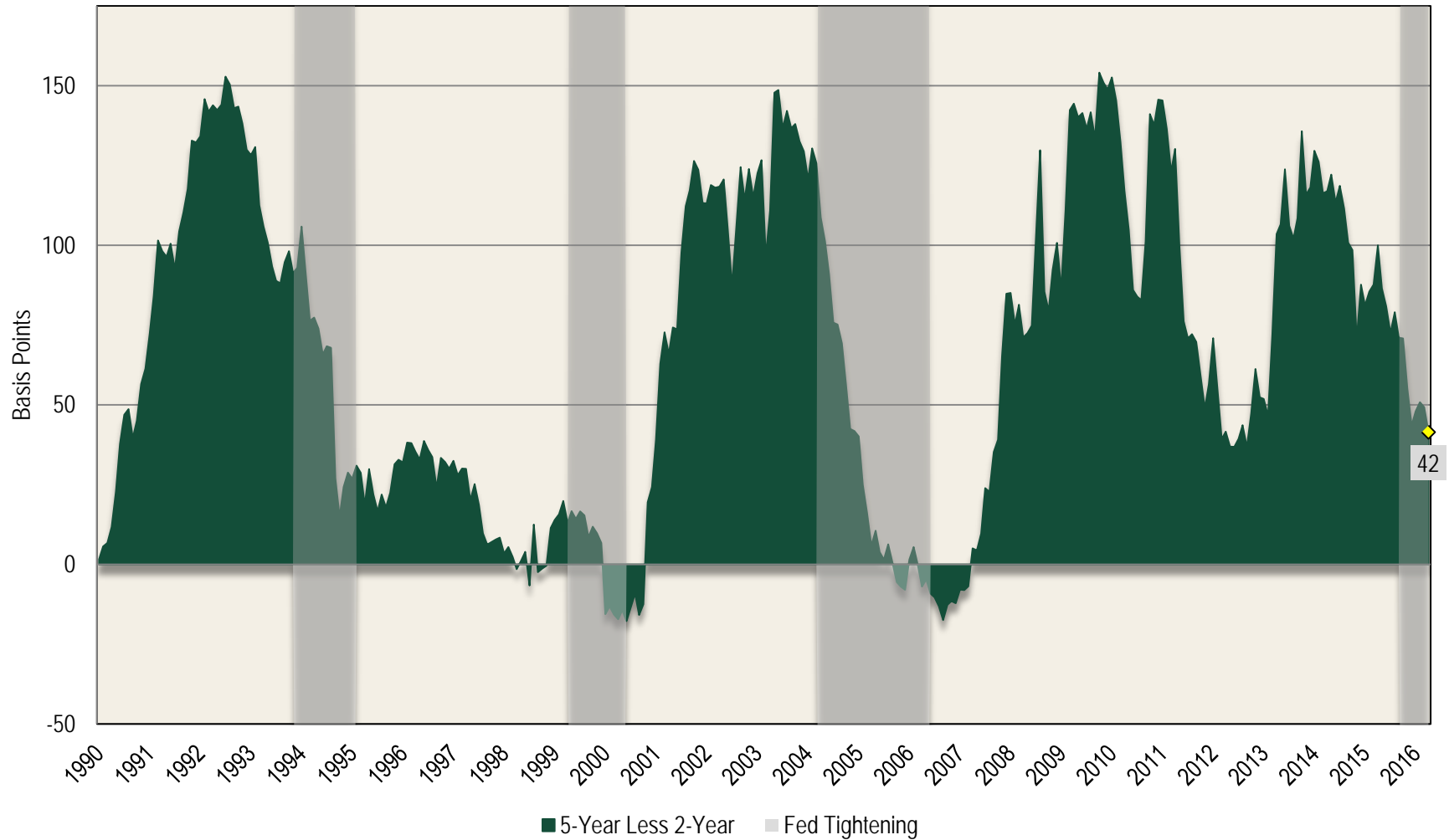
Country	2-Year	Change from 12/31/15	5-Year	Change from 12/31/15	10-Year	Change from 12/31/15	30-Year	Change from 12/31/15
United States	0.58%	(0.47)	1.00%	(0.76)	1.47%	(0.80)	2.29%	(0.73)
Germany	(0.66%)	(0.31)	(0.57%)	(0.52)	(0.13%)	(0.76)	0.38%	(1.10)
France	(0.55%)	(0.23)	(0.36%)	(0.44)	0.18%	(0.81)	0.91%	(1.10)
Spain	(0.20%)	(0.20)	0.18%	(0.49)	1.16%	(0.61)	2.24%	(0.73)
Italy	(0.11%)	(0.08)	0.29%	(0.21)	1.26%	(0.34)	2.27%	(0.42)
United Kingdom	0.09%	(0.56)	0.35%	(1.00)	0.86%	(1.10)	1.69%	(0.97)
Switzerland	(1.19%)	(0.30)	(1.05%)	(0.41)	(0.61%)	(0.52)	(0.11%)	(0.75)
Canada	0.52%	+0.04	0.57%	(0.16)	1.06%	(0.33)	1.71%	(0.43)
Japan	(0.30%)	(0.29)	(0.31%)	(0.34)	(0.22%)	(0.48)	0.13%	(1.14)
Australia	1.59%	(0.43)	1.65%	(0.60)	1.98%	(0.90)	-	-

Source: Bloomberg



## MARKET REVIEW

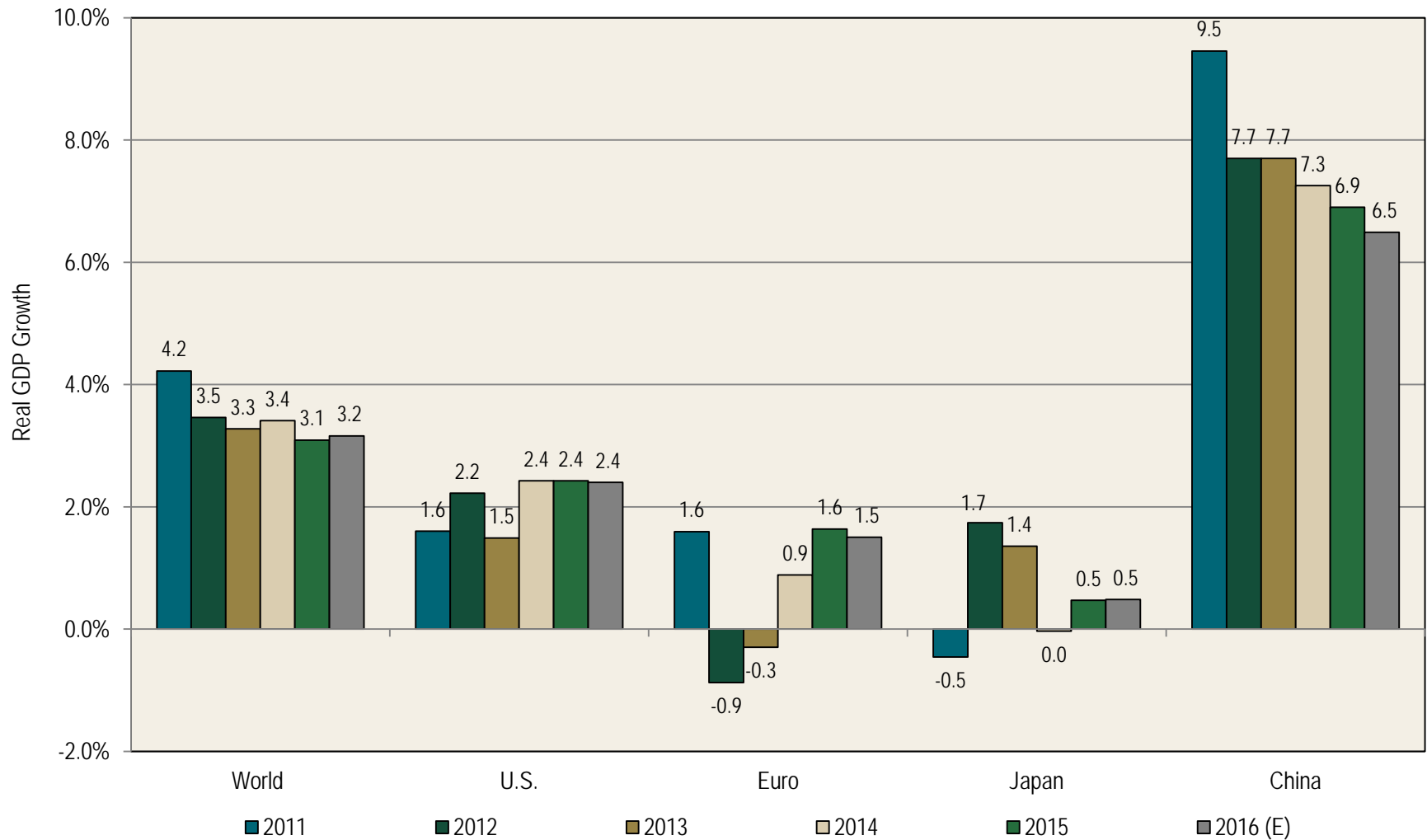
U.S. Yield Curve – as of June 30, 2016



Source: Federal Reserve, Bloomberg

## MARKET REVIEW

Global GDP – as of June 30, 2016



Source: IMF

# MARKET REVIEW

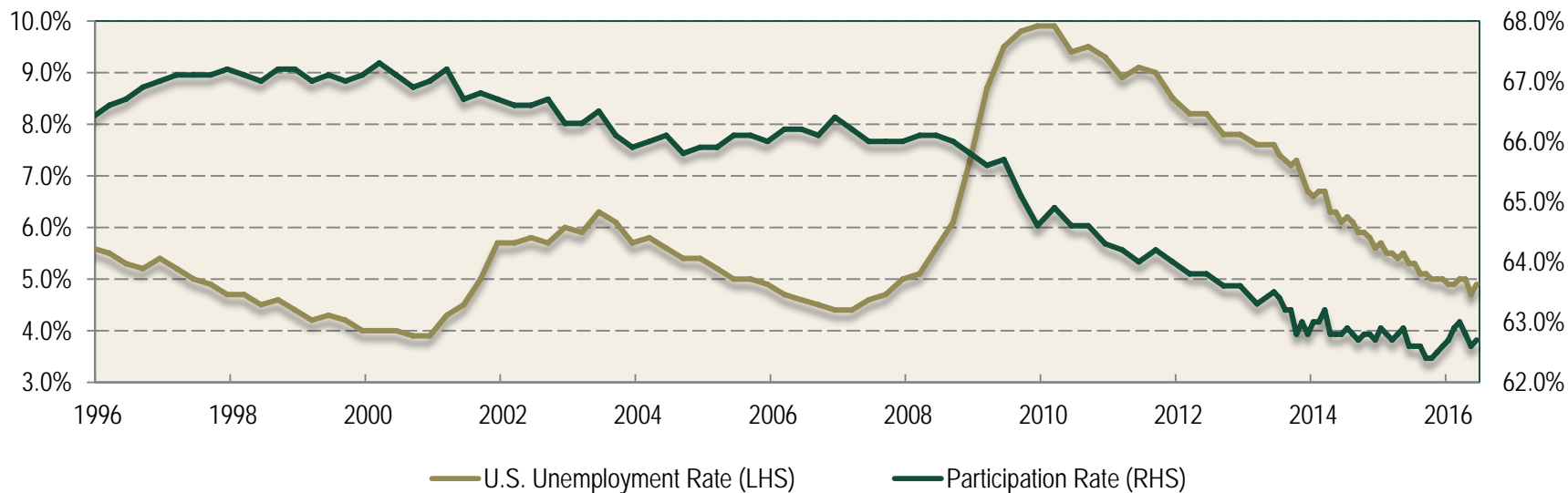
## U.S. GDP Growth - as of June 30, 2016

Year	Quarter	Real GDP QoQ (%)	Consumer Spending	Fixed Investment	Government Spending	Net Exports	Inventories
2008	1Q	-2.70	-0.56	-1.31	0.32	-0.11	-1.05
	2Q	2.00	0.48	-0.98	0.62	2.11	-0.24
	3Q	-1.90	-1.94	-2.12	1.13	0.77	0.26
	4Q	-8.20	-3.16	-4.29	0.56	0.15	-1.45
2009	1Q	-5.40	-0.86	-4.75	0.15	2.30	-2.26
	2Q	-0.50	-1.19	-2.13	1.56	2.34	-1.12
	3Q	1.30	1.68	-0.02	0.48	-0.45	-0.38
	4Q	3.90	-0.01	-0.36	-0.17	0.06	4.40
2010	1Q	1.70	1.46	0.11	-0.63	-0.85	1.66
	2Q	3.90	2.23	1.76	0.61	-1.77	1.09
	3Q	2.70	1.77	-0.04	-0.07	-0.83	1.90
	4Q	2.50	2.79	1.13	-0.87	1.12	-1.63
2011	1Q	-1.50	1.38	-0.11	-1.60	-0.24	-0.96
	2Q	2.90	0.57	1.10	-0.08	0.31	1.04
	3Q	0.80	1.20	2.25	-0.52	0.01	-2.10
	4Q	4.60	0.94	1.36	-0.31	-0.21	2.80
2012	1Q	2.30	1.87	1.24	-0.56	-0.11	-0.20
	2Q	1.60	0.86	0.61	-0.08	-0.04	0.27
	3Q	2.50	1.32	0.45	0.52	0.39	-0.19
	4Q	0.10	1.32	0.96	-1.20	0.79	-1.80
2013	1Q	1.90	1.74	0.77	-0.88	-0.01	0.28
	2Q	1.10	0.96	0.40	-0.38	-0.24	0.38
	3Q	3.00	1.17	0.59	-0.42	0.16	1.48
	4Q	3.80	2.36	0.79	-0.51	1.26	-0.08
2014	1Q	-0.90	0.85	0.91	0.00	-1.39	-1.29
	2Q	4.60	2.60	0.87	0.21	-0.24	1.12
	3Q	4.30	2.34	1.23	0.33	0.39	-0.01
	4Q	2.10	2.86	0.39	-0.26	-0.89	-0.03
2015	1Q	0.60	1.19	0.52	-0.01	-1.92	0.87
	2Q	3.90	2.42	0.83	0.46	0.18	0.02
	3Q	2.00	2.04	0.60	0.32	-0.26	-0.71
	4Q	1.40	1.66	0.06	0.02	-0.14	-0.22
2016	1Q	1.10	1.02	-0.06	0.23	0.12	-0.23

Source: Federal Reserve, Bloomberg

## MARKET REVIEW

### U.S. Employment Conditions – as of June 30, 2016



### Non-Farm Payroll / Participation Rate – as of June 30, 2016

	Labor Force Participation Rate	Unemployment Rate	Non-Farm Payroll
Average (1982 – 2014)	65.7%	6.4%	125,020
<b>Current</b>	<b>62.7%</b>	<b>4.9%</b>	<b>287,000</b>
Average (2015 – 2016)	62.7%	5.2%	209,611

Source: Atlanta Federal Reserve, Bureau of Labor Statistics

## MARKET REVIEW

### U.S. Average Hourly Earnings – as of June 30, 2016



Source: Federal Reserve, Bloomberg

## MARKET REVIEW

### Employment: Earnings Differential – as of June 30, 2016

	Today <sup>1</sup> (thousands)	Change Since 2007 (thousands)	Weekly Earnings <sup>2</sup> June - 2016	Average Hourly Earnings <sup>3</sup> % Change (Year over Year)
<b>Total</b>	<b>144,175</b>	<b>6,097</b>	<b>\$881</b>	<b>2.60%</b>
<b>Goods</b>	<b>19,631</b>	<b>(2,345)</b>	<b>\$1,084</b>	<b>3.10%</b>
Manufacturing	12,296	(1,476)	\$1,057	3.43%
Construction	6,643	(822)	\$1,103	2.78%
Mining and logging	692	(47)	\$1,366	3.69%
<b>Service</b>	<b>102,425</b>	<b>8,656</b>	<b>\$843</b>	<b>2.51%</b>
Education and health services	22,685	4,117	\$843	1.86%
Professional and business services	20,158	2,027	\$1,109	2.43%
Retail trade	15,952	464	\$557	2.35%
Leisure and hospitality	15,502	1,867	\$387	4.27%
Financial activities	8,280	28	\$1,210	2.22%
Wholesale trade	5,925	(148)	\$1,144	2.86%
Other services	5,690	183	\$729	1.38%
Transportation and warehousing	4,880	340	\$908	2.01%
Information	2,787	(231)	\$1,315	4.78%
Utilities	565	8	\$1,612	3.94%
<b>Government</b>	<b>22,119</b>	<b>(214)</b>	<b>\$944</b>	<b>1.83%</b>
Local	14,232	(213)	\$914	1.67%
State	5,105	(48)	\$909	2.60%
Federal	2,782	47	\$1,113	0.91%

<sup>1</sup> Preliminary Data

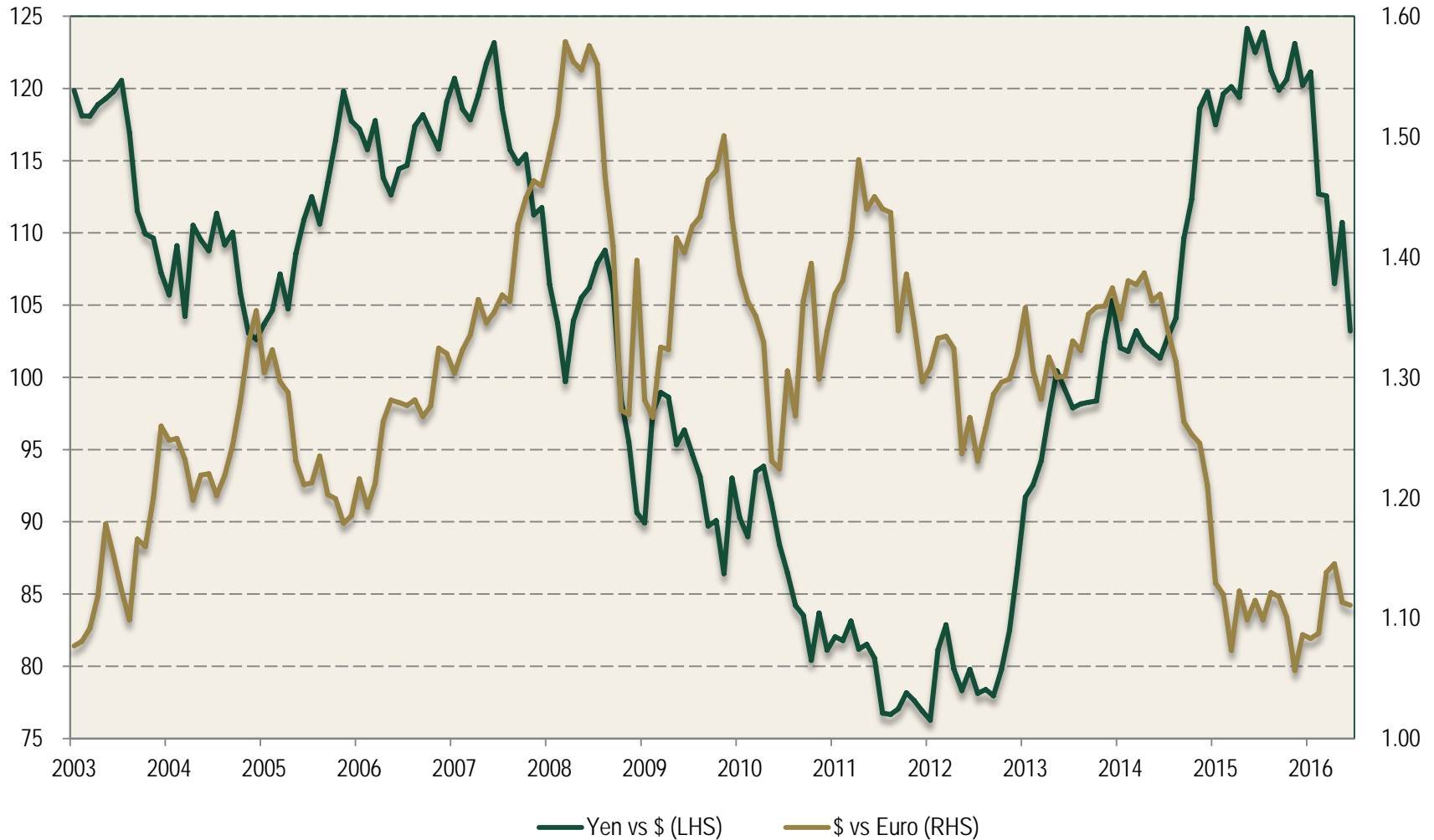
<sup>2</sup> Government weekly earnings and average hourly earnings (% change) are as of 12/31/2015

<sup>3</sup> Government earnings are median weekly earnings (% change year over year)

Source: Bureau of Labor Statistics, U.S. Census Bureau

## MARKET REVIEW

### U.S. Currency Indices – as of June 30, 2016



Source: Bureau of Labor Statistics

## MARKET REVIEW

### BofA Merrill Lynch Corporate Year End OAS – as of June 30, 2016

OAS (bps)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Corporate (1–5)	174	70	61	65	62	202	687	183	145	235	114	89	99	121	112
Financial (1–5)	165	51	50	57	56	223	764	243	175	325	135	93	96	104	118
Industrial (1–5)	176	86	73	75	69	181	626	136	117	164	96	85	103	134	108
Utilities (1–5)	236	79	63	73	71	177	590	161	131	173	116	99	89	120	109
Corporate (All)	188	95	83	92	91	203	604	190	166	257	154	128	144	173	162
High Yield (All)	890	418	310	371	289	592	1,812	639	541	723	534	400	504	695	621

### Corporate Allocation

	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16
BofA ML 1-5 Year Corporate OAS (bps)	89	78	68	78	99	89	101	126	121	121	112
CalOptima Tier Two	30%	23%	24%	20%	25%	29%	29%	23%	24%	26%	21%
CalOptima Tier One	-	-	-	-	-	-	-	-	-	-	22%
CalOptima Operating Fund	-	-	-	-	-	-	-	-	-	-	25%

Source: Bank of America Merrill Lynch



# SECTION III

## Portfolio Review

## PERFORMANCE – as of June 30, 2016

	2Q 2016	YTD	Since Inception <sup>1</sup> (4/1/13)
Tier Two ( <i>Gross of fees</i> )	0.90%	2.63%	1.69%
Tier Two ( <i>Net of fees</i> )	0.86%	2.54%	1.52%
Bank of America Merrill Lynch 1-5 Years U.S. Treasury <sup>2</sup>	0.81%	2.39%	1.31%

	Since Inception (5/2/16)
Tier One ( <i>Gross of fees</i> )	0.44%
Tier One ( <i>Net of fees</i> )	0.42%
Bank of America Merrill Lynch 1-3 Years U.S. Treasury <sup>2</sup>	0.49%

	Since Inception (5/2/16)
Operating Fund ( <i>Gross of fees</i> )	0.10%
Operating Fund ( <i>Net of fees</i> )	0.09%
Citigroup 3-Month Treasury Bill <sup>2</sup>	0.04%

Past performance is not indicative of future results. <sup>1</sup>Performance for periods greater than one year are annualized.

<sup>2</sup>The performance benchmark for the CalOptima Tier Two portfolio is the Bank of America Merrill Lynch U.S. Treasury 1-5 Year Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$25 million and a maturity range from one to five years, inclusive, reflecting total return. <sup>2</sup>The performance benchmark for the CalOptima Tier One portfolio is the Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$250 million and a maturity range from one to three years, reflecting total return. The performance benchmark shown for the CalOptima Operating Fund is the Citigroup 3-Month Treasury Bill, which tracks the return of one three-month Treasury bill until maturity.

## PERFORMANCE ATTRIBUTION (in basis points) – as of June 30, 2016

Tier Two	Duration	Yield Curve	Government	Municipal	Corporate	Mortgage	Asset Backed	Excess Return
1Q 2016	0	5	2	2	4	0	1	14
2Q 2016	-7	-2	-4	6	14	1	1	9
YTD	-7	3	-2	8	18	1	2	23

Tier One	Duration	Yield Curve	Government	Municipal	Corporate	Mortgage	Asset Backed	Excess Return
Since Inception (5/2/16)	-5	-2	2	0	0	0	0	-5

Operating Fund	Duration	Yield Curve	Government	Municipal	Corporate	Mortgage	Asset Backed	Excess Return
Since Inception (5/2/16)	2	1	1	0	0	2	0	6

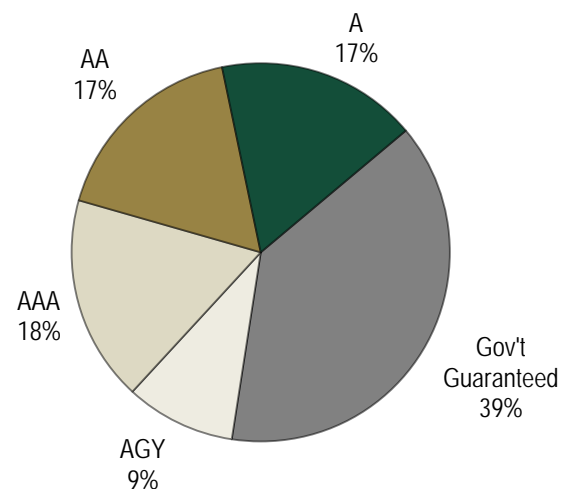
Past performance is not indicative of future results. <sup>1</sup>Performance for periods greater than one year are annualized.

<sup>2</sup>The performance benchmark for the CalOptima Tier Two portfolio is the Bank of America Merrill Lynch U.S. Treasury 1-5 Year Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$25 million and a maturity range from one to five years, inclusive, reflecting total return. <sup>3</sup>The performance benchmark for the CalOptima Tier One portfolio is the Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$250 million and a maturity range from one to three years, reflecting total return. The performance benchmark shown for the CalOptima Operating Fund is the Citigroup 3-Month Treasury Bill, which tracks the return of one three-month Treasury bill until maturity.

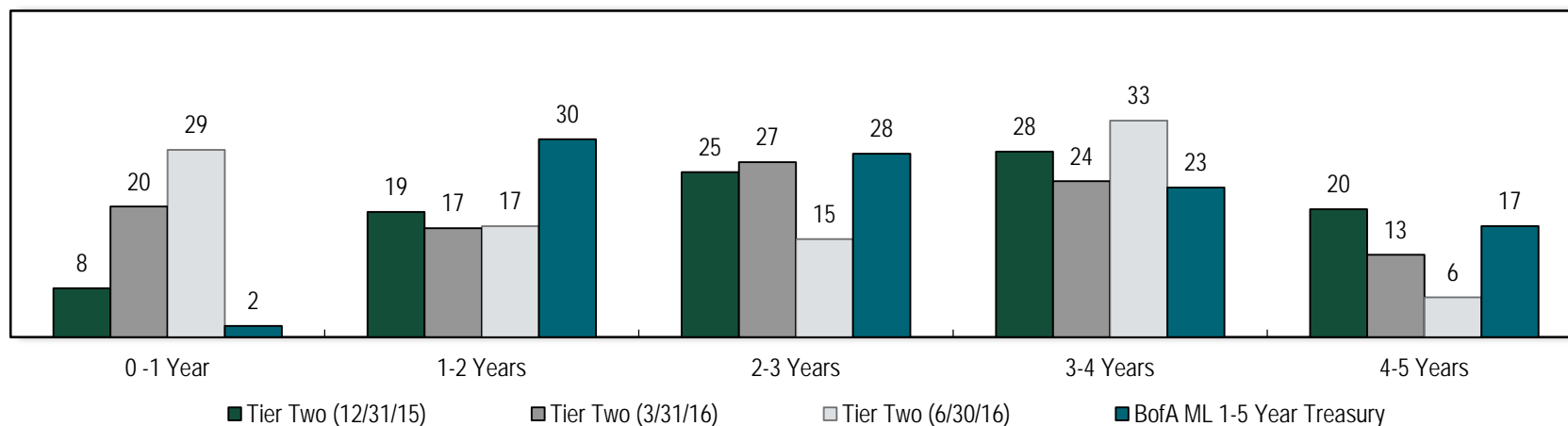
## TIER TWO PORTFOLIO – as of June 30, 2016

	Tier Two	BofA ML U.S. Treasury 1-5 Year <sup>1</sup>
Yield to Maturity	1.02%	0.72%
Duration	2.15 Years	2.74 Years
Average Quality (Moody's)	Aa1	TSY
Fixed / Floating	84% / 16%	NA
Market Value	\$89,740,629	NA

### Quality Ratings Distribution



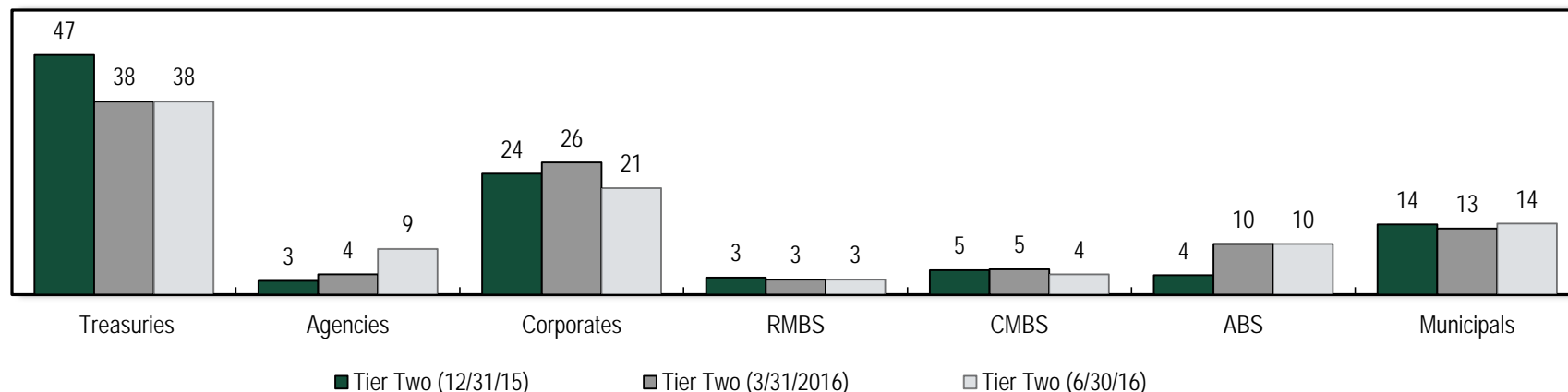
### Duration Distribution (% Market Value)



Past performance is not indicative of future results. <sup>1</sup> The performance benchmark for the CalOptima Tier Two portfolio is the Bank of America Merrill Lynch U.S. Treasury 1-5 Year Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$25 million and a maturity range from one to five years, inclusive, reflecting total return.

## TIER TWO PORTFOLIO – as of June 30, 2016

### Sector Distribution (% Market Value)



#### Treasuries/Agencies

- Sold shorter duration treasuries and purchased longer treasuries in the three to four-year area
- Sold U.S. agency floaters to fund ABS purchases
- Added supranationals, including International Finance Corp, International Bank for Reconstruction and Development and Inter-American Development Bank

#### Structured Products

- Invested pay-downs to maintain weightings across RMBS, CMBS and ABS sectors
- Sold a Chase [AAA/AAA] credit card ABS floater to swap into a higher yielding GE Floorplan ABS floater [AAA/AAA]
- Purchased a 1-year Mercedes [AAA/AAA] auto lease bond and a 2.7-year CMO floater issued by the National Credit Union Administration [AAA/AAA]

#### Corporates

- Reduced exposure to corporates over fundamental concerns and current valuations
- Sold fixed-rate corporates, including Exxon Mobil 2-year [Aaa/AA+], Home Depot 2-year [A2/A], General Electric 1-year [A1/AA+], Morgan Stanley 4-year [A3/BBB+], Bank of New York Mellon 3-year [A1/A], MassMutual 3-year [Aa2/AA+], SunTrust Banks 5-year [Baa1/BBB+], Union Bank 4-year [A3/A], Huntington National Bank 4-year [A3/BBB+], and NextEra Energy Capital 3-year [Baa1/BBB+/A-]
- Added to the Utility sector by purchasing Xcel Energy Inc., a 5-year [A3/BBB+] credit

#### Municipals

- Bought California State University [Aa2/AA-] 4-year
- Added to Los Angeles County Public Works [A1/AA] 3.5-year

## TIER TWO PORTFOLIO COMPLIANCE – as of June 30, 2016

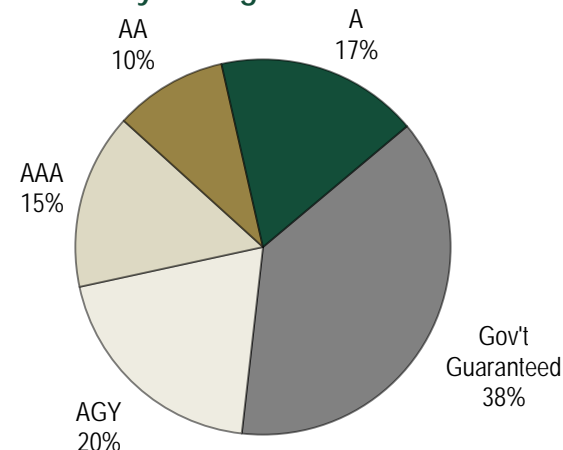
Permitted Investments	Max % of Portfolio	Actual %	Max Stated Term Per Security	Actual Max Maturity	Min Quality Per Security	Actual Min Credit
U.S. Treasuries	100 (Code)	38	5 Years	4.58 Years	TSY	TSY
U.S. Agencies	100 (Code)	9	5 Years	2.73 Years	AGY	AGY
Corporate	30 (Code)	21	5 Years	4.70 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	17	5 Years	4.12 Years	AA-	AAA
Municipals	25 (Code 100)	14	5 Years	4.33 Years	A	A+
Commercial Paper	25 (Code)	0	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	0	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	0	1 Year	NA	A1/P1	NA
Variable & Floating Rate Securities	30 (Code)	16	5 Years	4.43 Years	A-	A-*

\*Contains Treasuries, Agencies, Corporate, Mortgages, and Asset-Backed securities which fall within the sector guidelines.

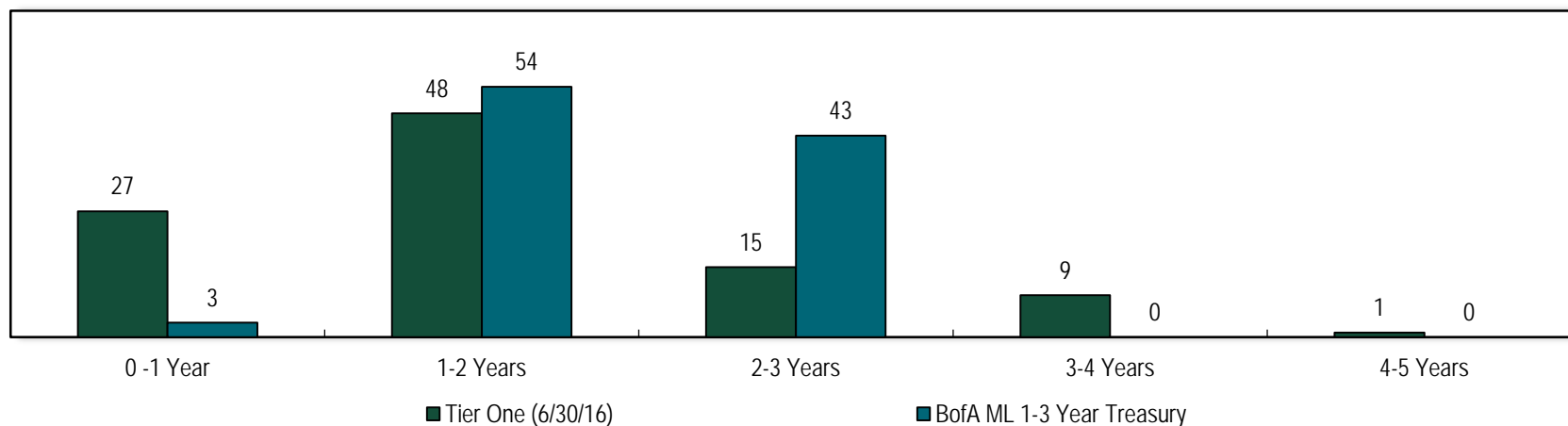
## TIER ONE PORTFOLIO – as of June 30, 2016

	Tier One	BofA ML U.S. Treasury 1-3 Year <sup>1</sup>
Yield to Maturity	0.88%	0.60%
Duration	1.52 Years	1.90 Years
Average Quality ( <i>Moody's</i> )	Aa1	TSY
Fixed / Floating	92% / 8%	NA
Market Value	\$125,346,295	NA

### Quality Ratings Distribution



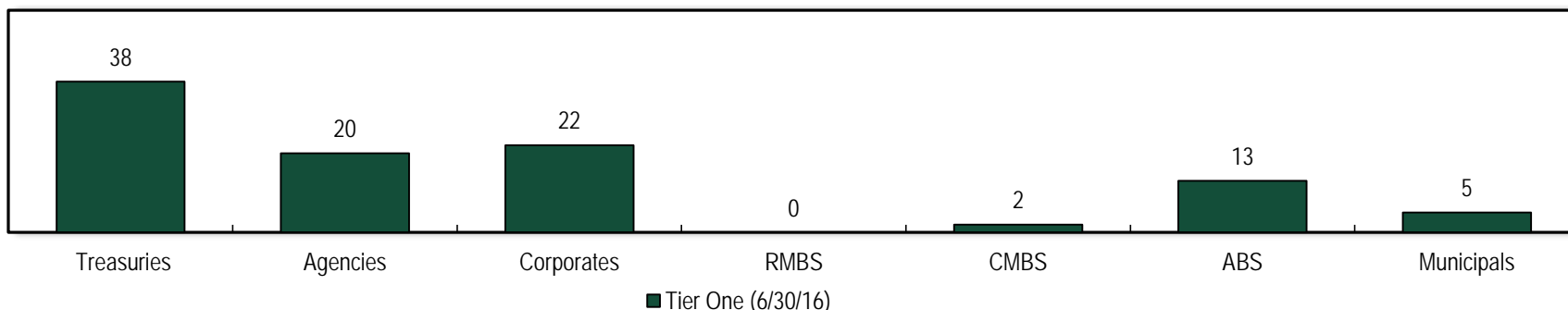
### Duration Distribution (% Market Value)



Past performance is not indicative of future results. <sup>1</sup> The performance benchmark for the CalOptima Tier One portfolio is the Bank of America Merrill Lynch U.S. Treasury 1-3 Year Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$25 million and a maturity range from one to three years, inclusive, reflecting total return.

## TIER ONE PORTFOLIO – as of June 30, 2016

### Sector Distribution (% Market Value)



#### Treasuries/Agencies

- Added nominal Treasuries out the curve in the three to five-year area
- Purchased Treasury Inflation Protected securities (TIPS) in the four-year area
- Added supranationals, including International Finance Corp and Inter-American Development Bank

#### Corporates

- Increased Corporate exposure with an emphasis on the Banking sector including Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo and regional banks BB&T Corp., Fifth Third Bank, Key Bank, PNC Bank, US Bank
- Added limited exposure in the Industrial sectors, General Electric Co. 1-year [A1/AA+], Biogen 2-year [Baa1/A-], and Apple 3-year [Aa1/AA+]
- Increased weighting in Utilities, Berkshire Hathaway Energy 4-year [A3/A-] and Commonwealth Edison 4-year [A2/A-]

#### Structured Products

- Increased ABS [AAA/AAA] exposure with an emphasis on liquid credit cards, prime autos, and equipment
- Purchased Chase fixed and floating credit cards, GE/Mass Mutual/John Deere fixed and floating equipment, Nissan/Mercedes fixed autos
- Added CMBS exposure in Freddie Mac issued structured pass-through securities backed by multifamily mortgage loans [AA+/Agency]

#### Municipals

- Purchased 3-month local general obligation bonds Acalanes CA Union High School District [Aa1/AA] and 1-year Riverside CA [SP-1+]
- Added state general obligation bonds including 2.5 and 3-year California [Aa3/AA-] and 4-year Connecticut [Aa3/AA-]
- Bought revenue bonds including 1-month Southern CA Public Power [AA-], 1-year Orange County CA [AA], 1.5-year Walnut CA Energy Center [A2/AA-], California Housing Finance Agency [A2/AA-], and 4-year California State University [Aa2/AA-]



## TIER ONE PORTFOLIO COMPLIANCE – as of June 30, 2016

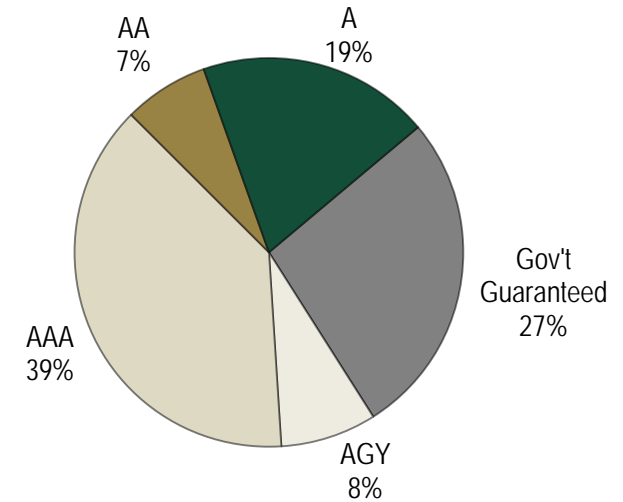
Permitted Investments	Max % of Portfolio	Actual %	Max Stated Term Per Security	Actual Max Maturity	Min Quality Per Security	Actual Min Credit
U.S. Treasuries	100 (Code)	38	5 Years	4.58 Years	TSY	TSY
U.S. Agencies	100 (Code)	20	5 Years	2.33 Years	AGY	AGY
Corporate	30 (Code)	22	5 Years	4.08 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	15	5 Years	4.48 Years	AA-	AAA
Municipals	25 (Code 100)	5	5 Years	4.33 Years	A	AA-
Commercial Paper	25 (Code)	0	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	0	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	0	1 Year	NA	A1/P1	NA
Variable & Floating Rate Securities	30 (Code)	8	5 Years	3.55 Years	A-	A-*

\*Contains Treasuries, Agencies, Corporate, Mortgages, and Asset-Backed securities which fall within the sector guidelines.

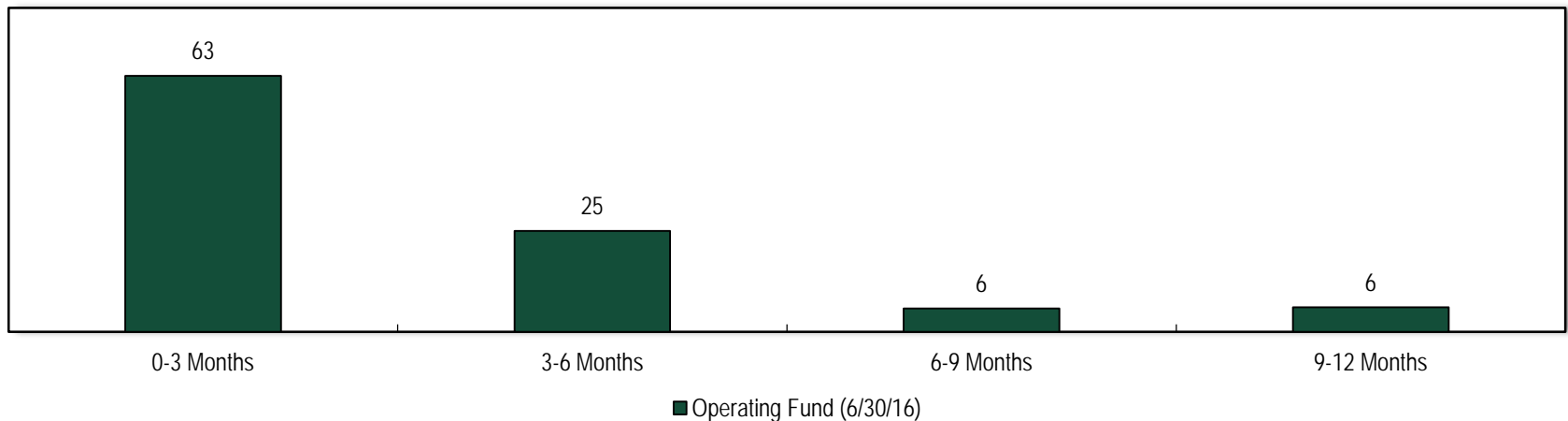
## OPERATING FUND PORTFOLIO – as of June 30, 2016

	Operating Fund	Citigroup 3-Month Treasury Bill <sup>1</sup>
Yield to Maturity	0.67%	0.26%
Duration	0.23 Years	0.25 Years
Average Quality ( <i>Moody's</i> )	Aa2	TSY
Fixed / Floating	71% / 29%	NA
Market Value	\$450,479,692	NA

### Quality Ratings Distribution



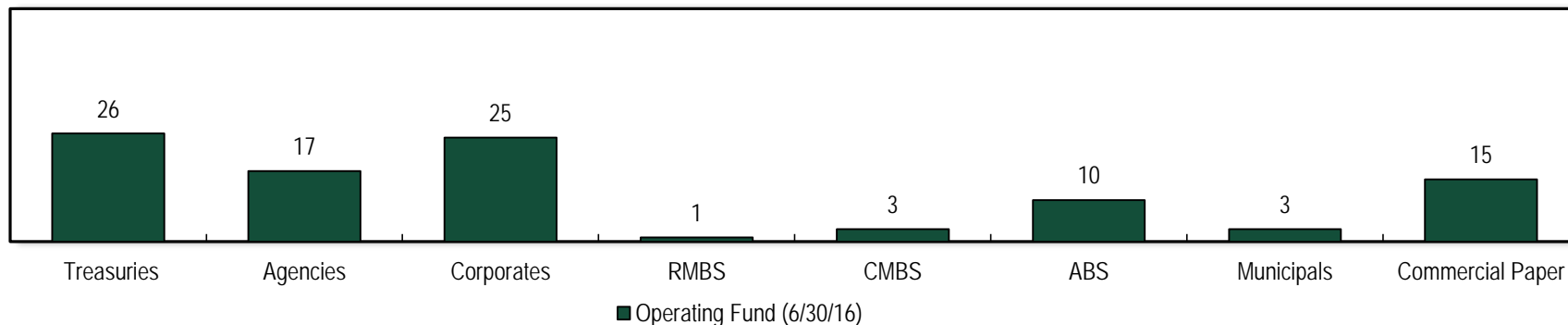
### Duration Distribution (% Market Value)



Past performance is not indicative of future results. <sup>1</sup> The performance benchmark shown for the CalOptima Operating Fund is the Citigroup 3-Month Treasury Bill, which tracks the return of one three-month Treasury bill until maturity.

## OPERATING FUND PORTFOLIO – as of June 30, 2016

### Sector Distribution (% Market Value)



#### Treasuries/Agencies

- Added supranationals, including International Finance Corp, International Bank for Reconstruction and Development, and Inter-American Development Bank
- Sold inherited treasury bills to purchase higher yielding money market instruments

#### Structured Products

- Increased ABS [AAA/AAA] exposure with an emphasis on liquid credit cards, prime autos, and equipment
- Purchased Chase floating credit cards, GE/Mass Mutual fixed and floating equipment, Nissan/Mercedes/Harley Davidson/Hyundai/BMW fixed and floating auto ABS
- Added CMBS exposure in Freddie Mac and Fannie Mae issued structured pass-through securities backed by multifamily mortgage loans [AA+/Agency]
- Purchased a 0.5-year floating rate agency CMO issued by the National Credit Union Administration [AAA/AAA]

#### Corporates

- Increased Corporate exposure with an emphasis on investing in the Banking sector, including Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, Morgan Stanley, Wells Fargo and regional banks Branch Banking & Trust, Fifth Third Bank, Key Bank, PNC Bank, US Bank
- Purchased AT&T 1-year fixed-rate bond [Baa1/BBB+/A-] and Verizon Communications 1-year floating-rate bond [Baa1/BBB+/A-]

#### Municipals

- Bought 1-month Los Angeles County CA [MIG1/SP-1+], San Diego Unified School District [SP-1+], and 1-year Riverside CA [SP-1+]
- Added local general obligation bonds including 2-month Los Angeles CA Unified School District [Aa2/AA], 3-month Acalanes CA Union High School District [Aa1/AA] and Coast Community College District CA [Aa1/AA]
- Purchased revenue bonds including 1-month Southern CA Public Power [AA-] and 6-month Orange County CA [AA]

## OPERATING FUND PORTFOLIO COMPLIANCE – as of June 30, 2016

Permitted Investments	Max % of Portfolio	Actual %	Max Stated Term Per Security	Actual Max Maturity	Min Quality Per Security	Actual Min Credit
U.S. Treasuries	100 (Code)	26	450 Days	243 Days	TSY	TSY
U.S. Agencies	100 (Code)	17	450 Days	291 Days	AGY	AGY
Corporate	30 (Code)	25	450 Days	370 Days	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	14	450 Days	421 Days	AA-	AAA
Municipals	25 (Code 100)	3	450 Days	336 Days	A	AA-
Commercial Paper	25 (Code)	15	270 Days	33 Days	A1/P1	A1/P1
Bankers Acceptances	30 (Code 40)	0	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	0	1 Year	NA	A1/P1	NA
Variable & Floating Rate Securities*	30 (Code)	29	450 Days	75 Days	A-	A-*

\*Contains Treasuries, Agencies, Corporate, Mortgages, and Asset-Backed securities which fall within the sector guidelines and reset in less than 450 days.

Wells Capital Management | June 2016

# Portfolio Review

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## CalOptima

Presented by:

Tony Melville, CFA, Senior Portfolio Manager

Stephen Scharre, CFA, Director, Client Service



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- I. CalOptima
- II. CalOptima – Tier 1
- III. Market Overview
- IV. Economic Overview

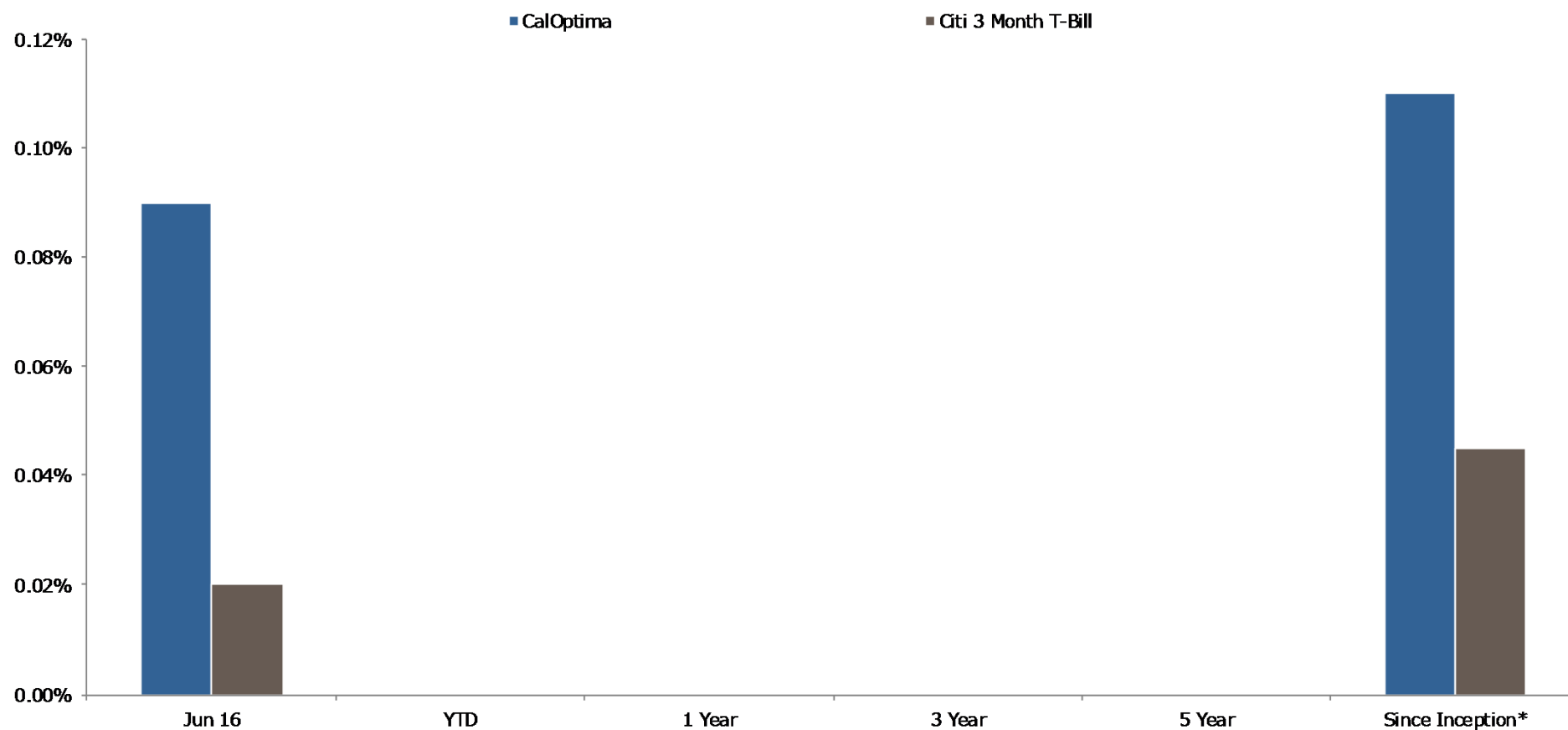
# CalOptima

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# Performance summary

	Jun 16	YTD	1 Year	3 Year	5 Year	Since Inception*
CalOptima	0.09%	-	-	-	-	0.11%
Citi 3 Month T-Bill	0.02%	-	-	-	-	0.05%

Returns are presented gross of management fees. Returns for periods greater than one year are annualized.

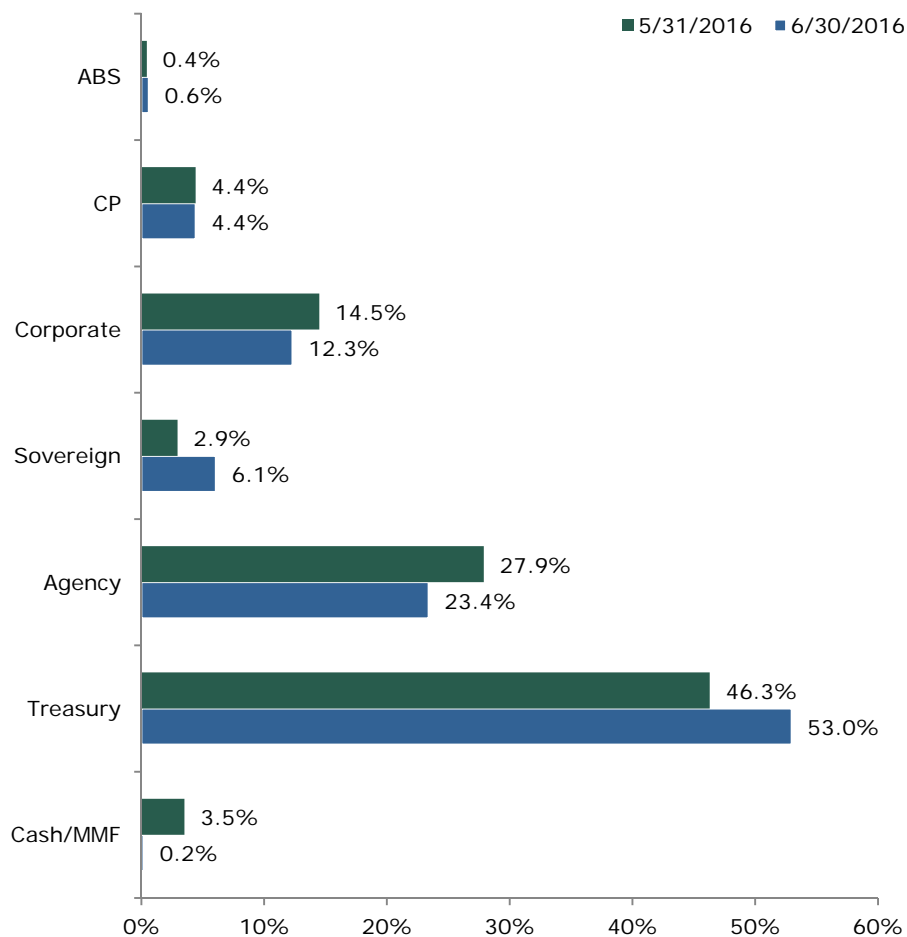


\*Inception Date is May 3, 2016

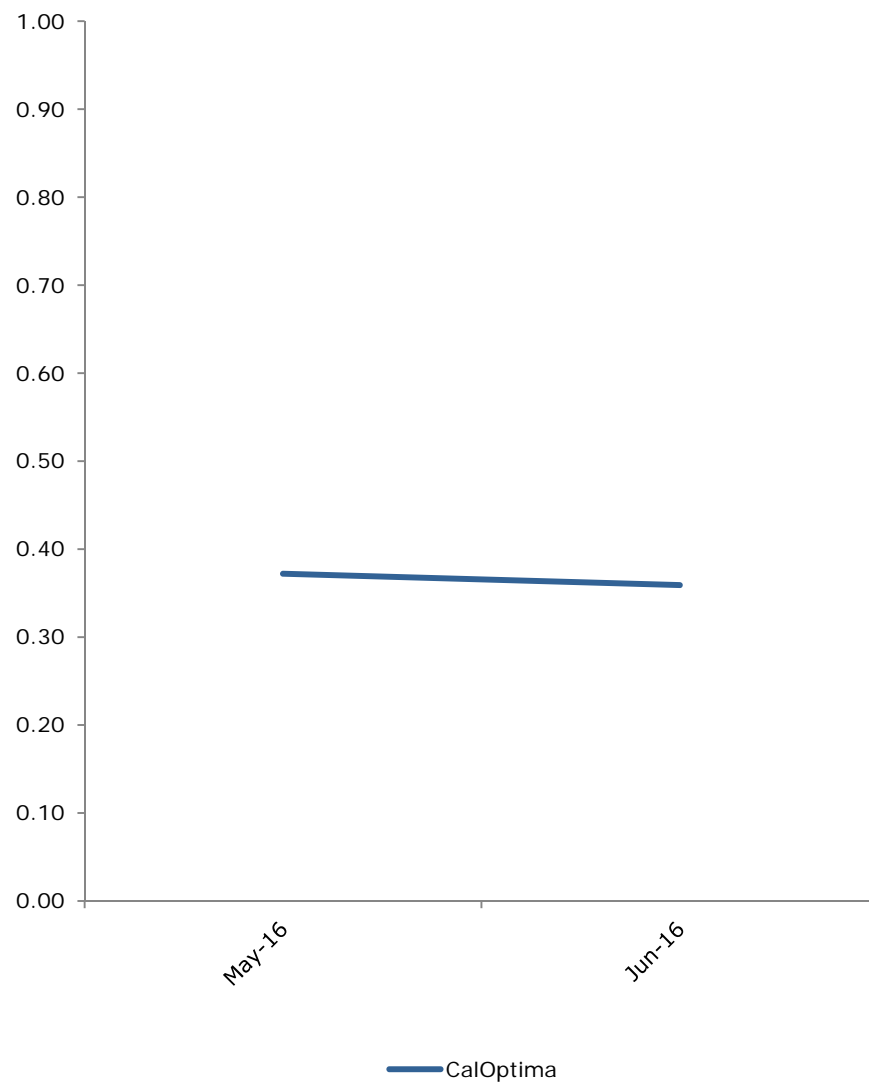


# Portfolio changes

## Allocation Over Time



## Duration



	6/30/2016	5/31/2016	Change
Market Value	\$450,163,246	\$449,758,470	\$404,777

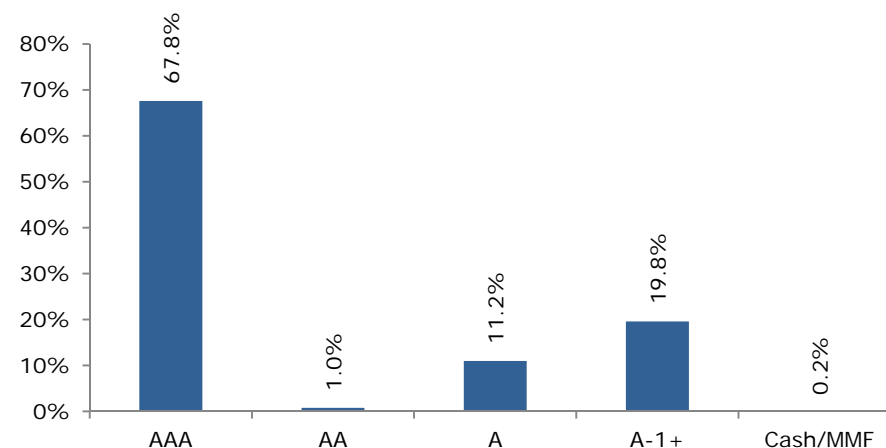
# Portfolio summary

June 30, 2016

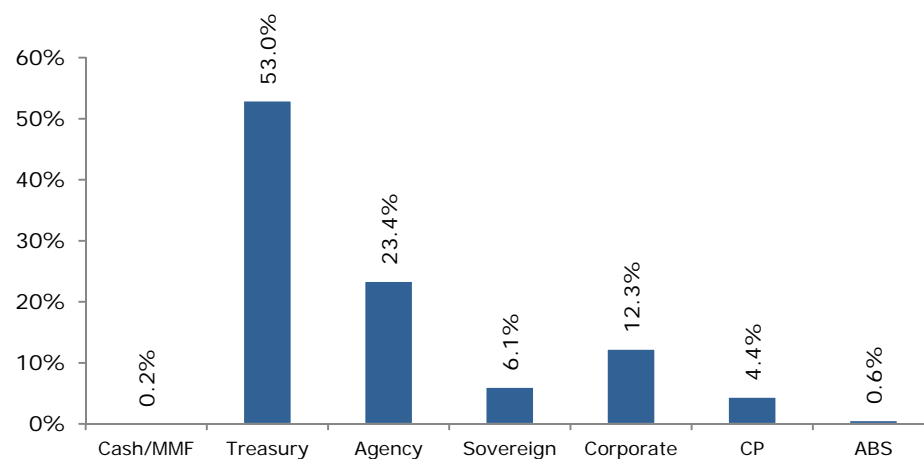
## Characteristics

Name	CalOptima
Market Value (\$)	450,163,246.40
Average Effective Maturity (yrs)	0.40
Duration	0.36
Purchase Yield (%)	0.55
Current Market Yield (%)	0.52
Average Quality	AA+

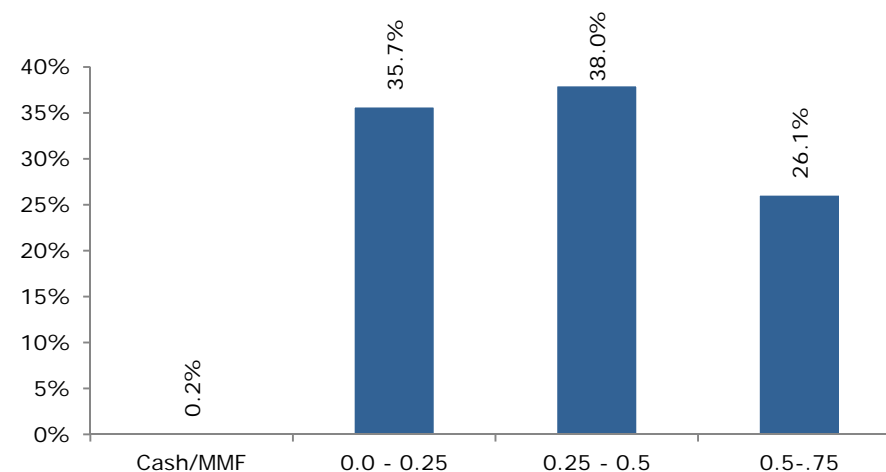
## Credit quality



## Security type



## Duration



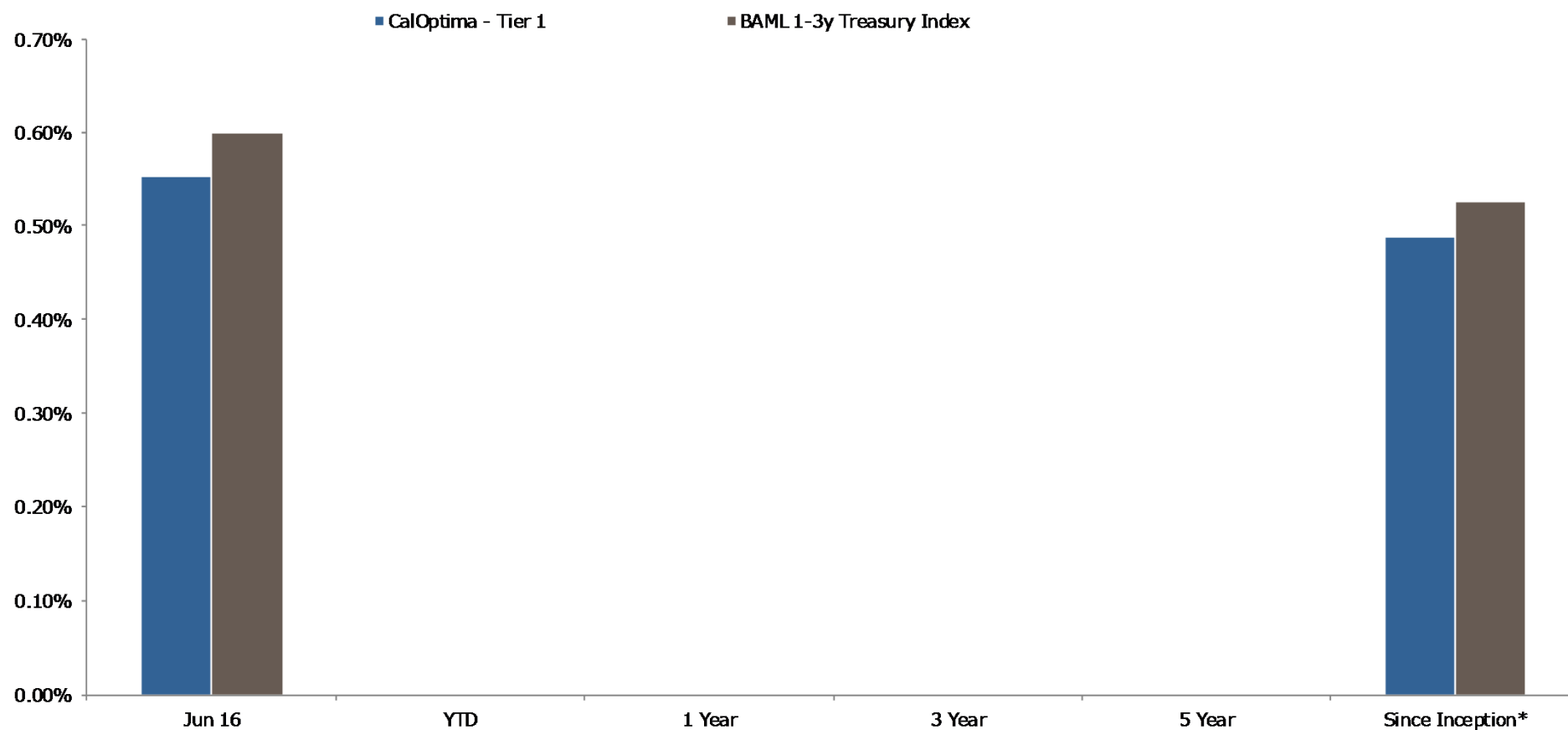
# CalOptima – Tier 1

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# Performance summary

	Jun 16	YTD	1 Year	3 Year	5 Year	Since Inception*
CalOptima - Tier 1	0.55%	-	-	-	-	0.49%
BAML 1-3y Treasury Index	0.60%	-	-	-	-	0.53%

Returns are presented gross of management fees. Returns for periods greater than one year are annualized.



\*Inception Date is May 3, 2016

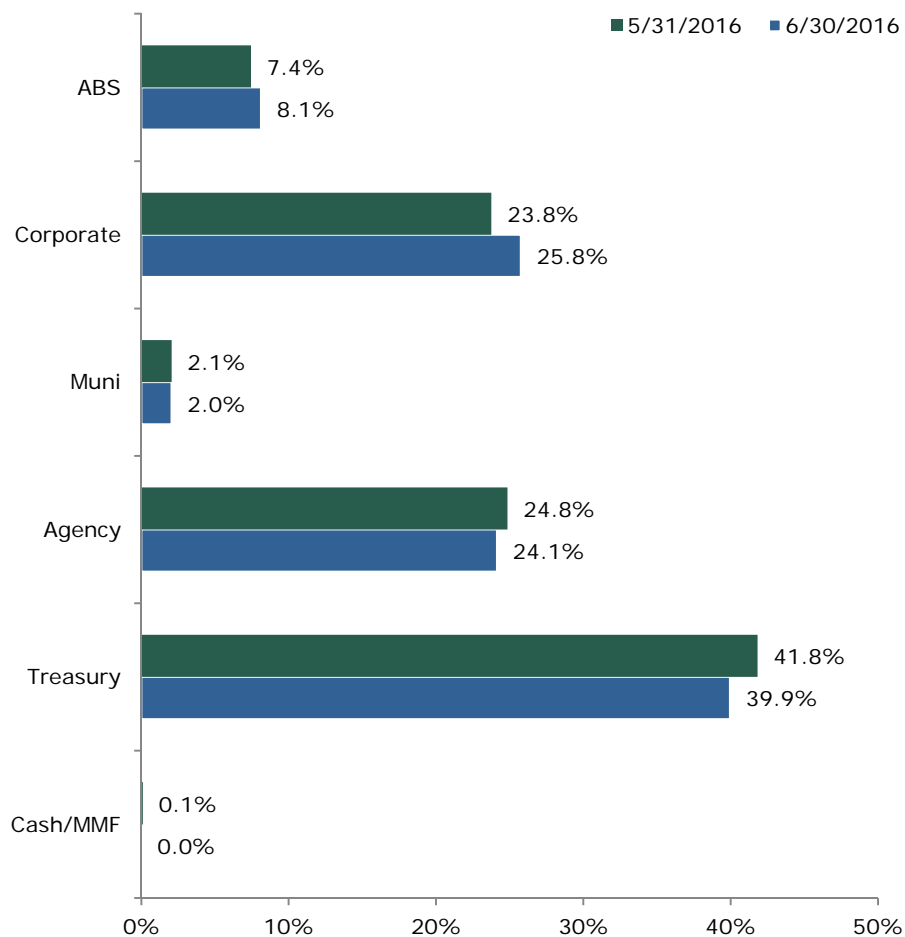
# Performance Attribution

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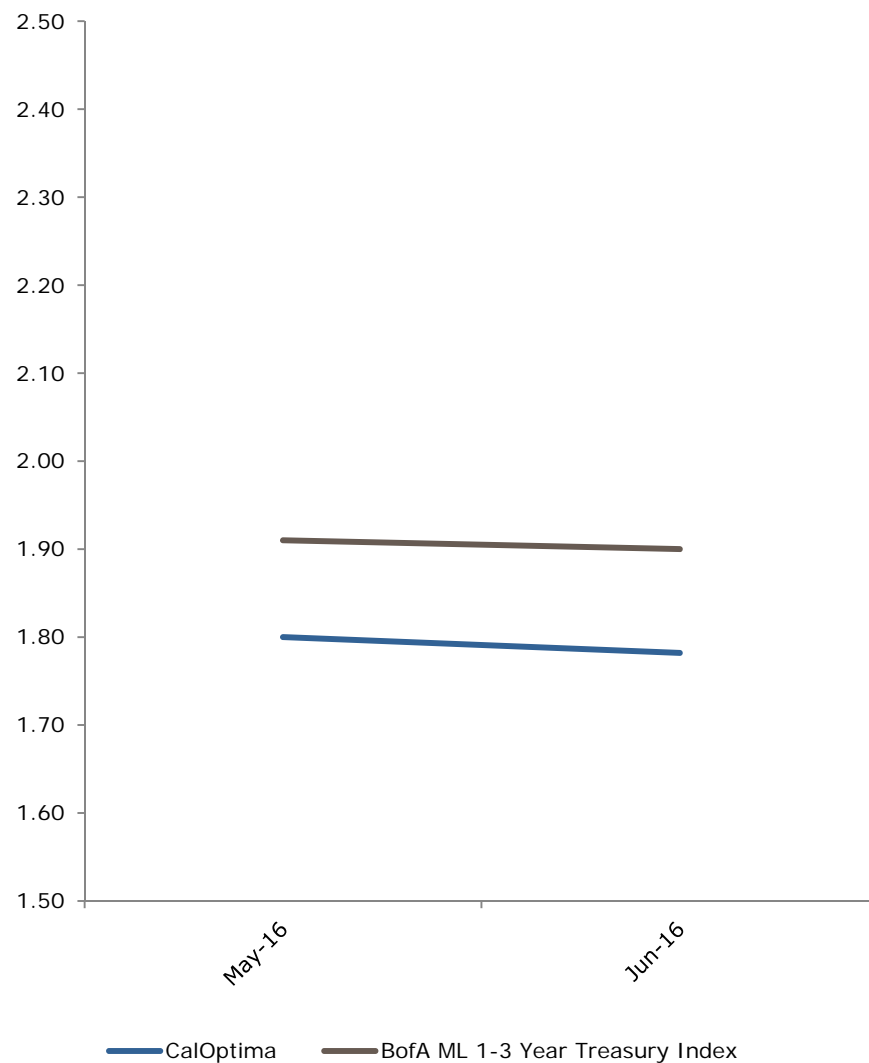
	Jun-16 (in bps)	FY 2016 (in bps)
Interest Rates	-3	-
Govt Related	0	-
Corporates - Financials	-1	-
Corporates - Industrials	1	-
Municipal	-1	-
ABS	0	-
<b>Total</b>	<b>-4</b>	<b>-</b>

# Portfolio changes

## Allocation Over Time



## Duration



	6/30/2016	5/31/2016	Change
Market Value	\$125,392,844	\$124,704,679	\$688,165

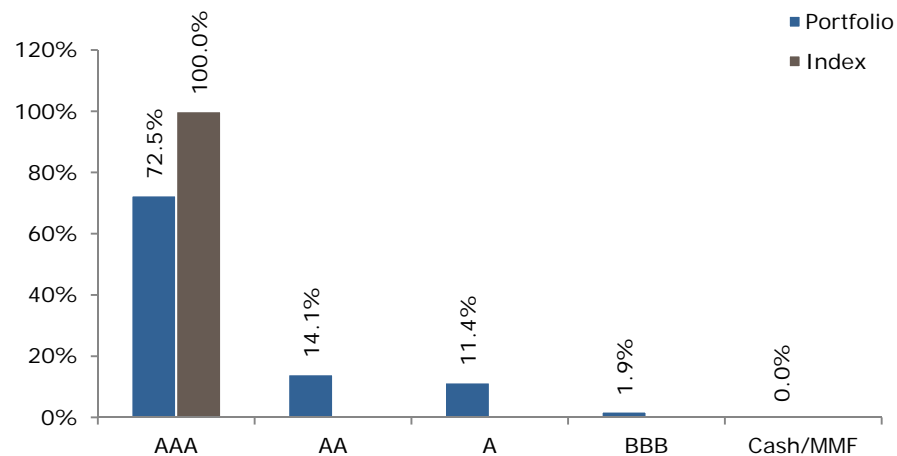
# Index comparison

June 30, 2016

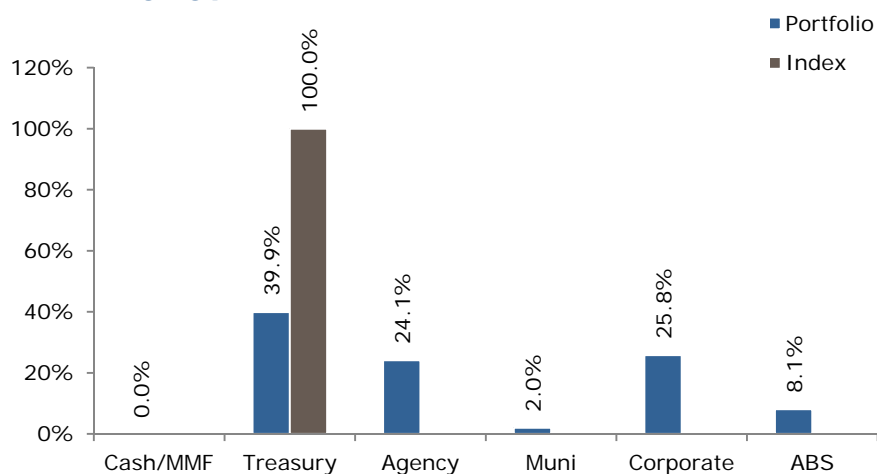
## Characteristics

Name	CalOptima – Tier 1	Index*
Market Value (\$)	125,392,844	---
Average Effective Maturity (yrs)	1.79	1.94
Duration	1.78	1.90
Purchase Yield (%)	1.08	---
Current Market Yield (%)	0.82	0.60
Average Quality	AA+	AAA
*BofA ML 1-3 Year Treasury Index		

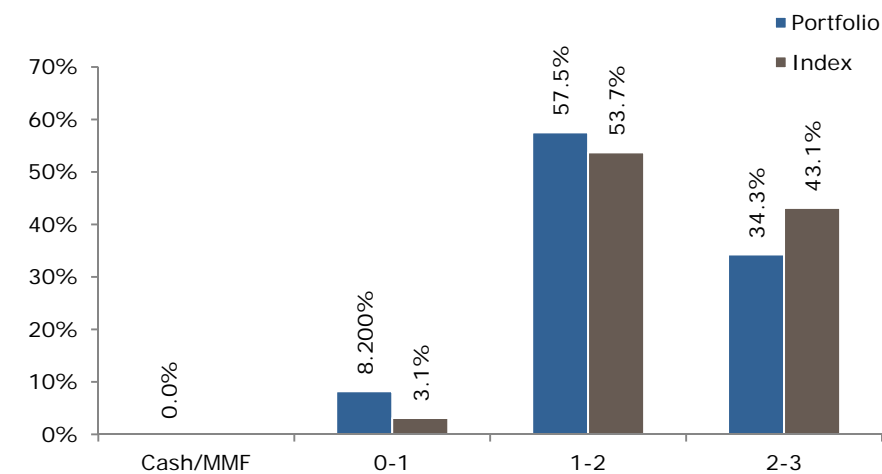
## Credit quality



## Security type



## Duration



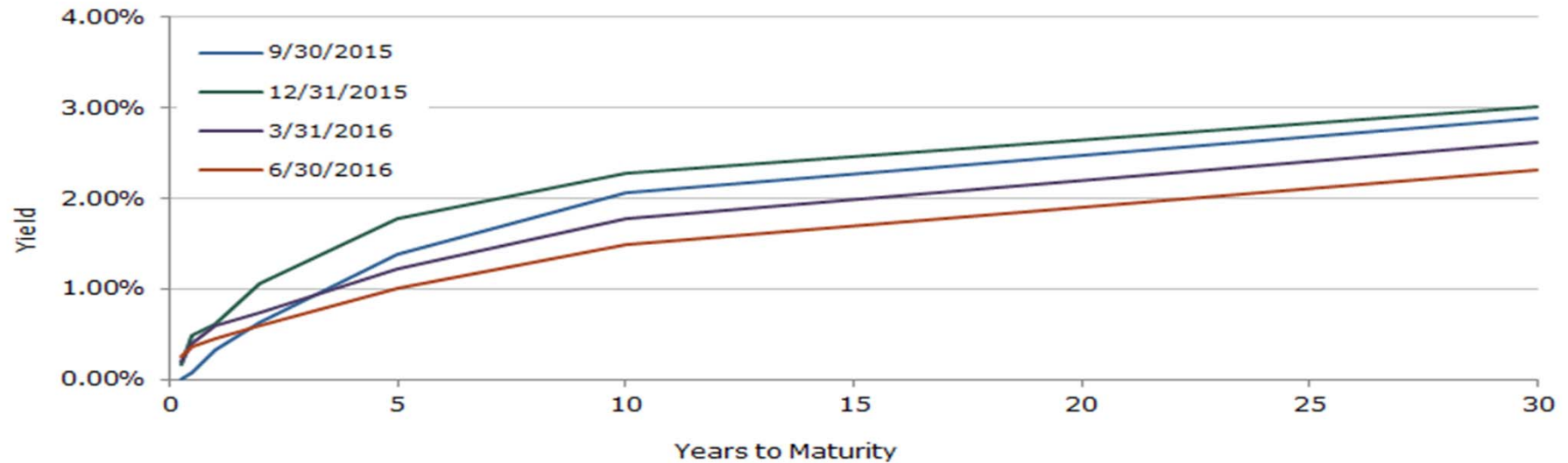
# Market Overview

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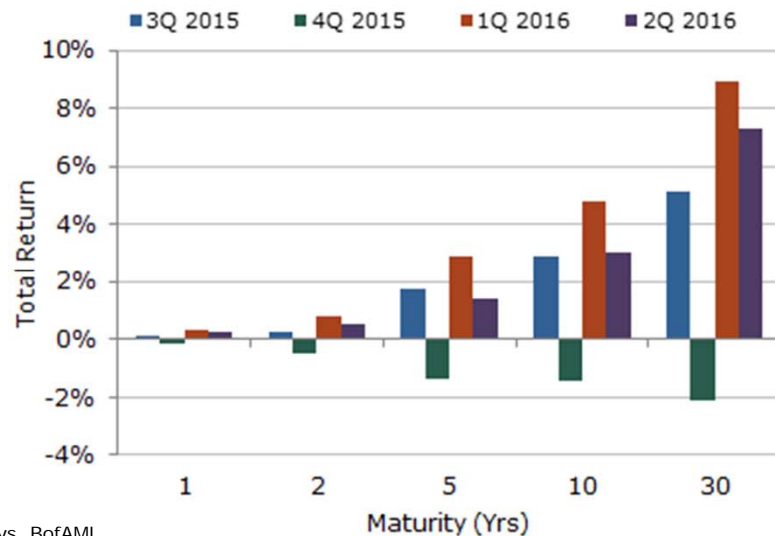


# Short duration review

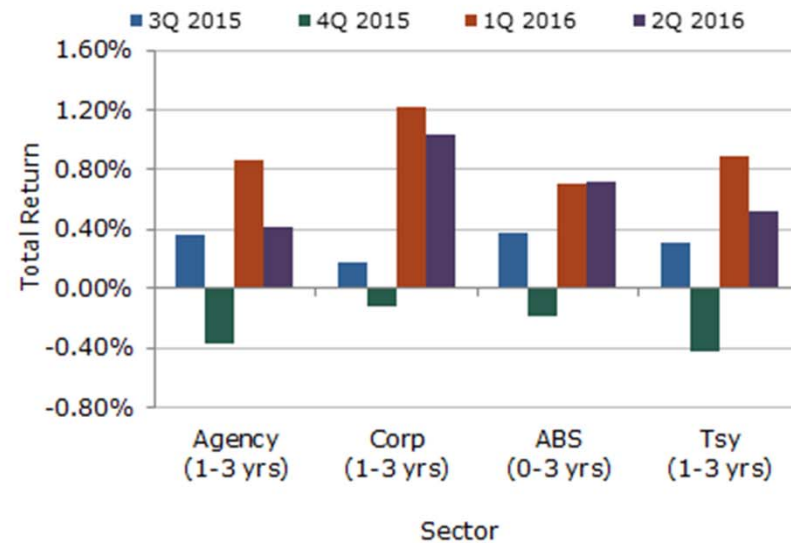
Treasury Yield Curve



Total Return by Maturity

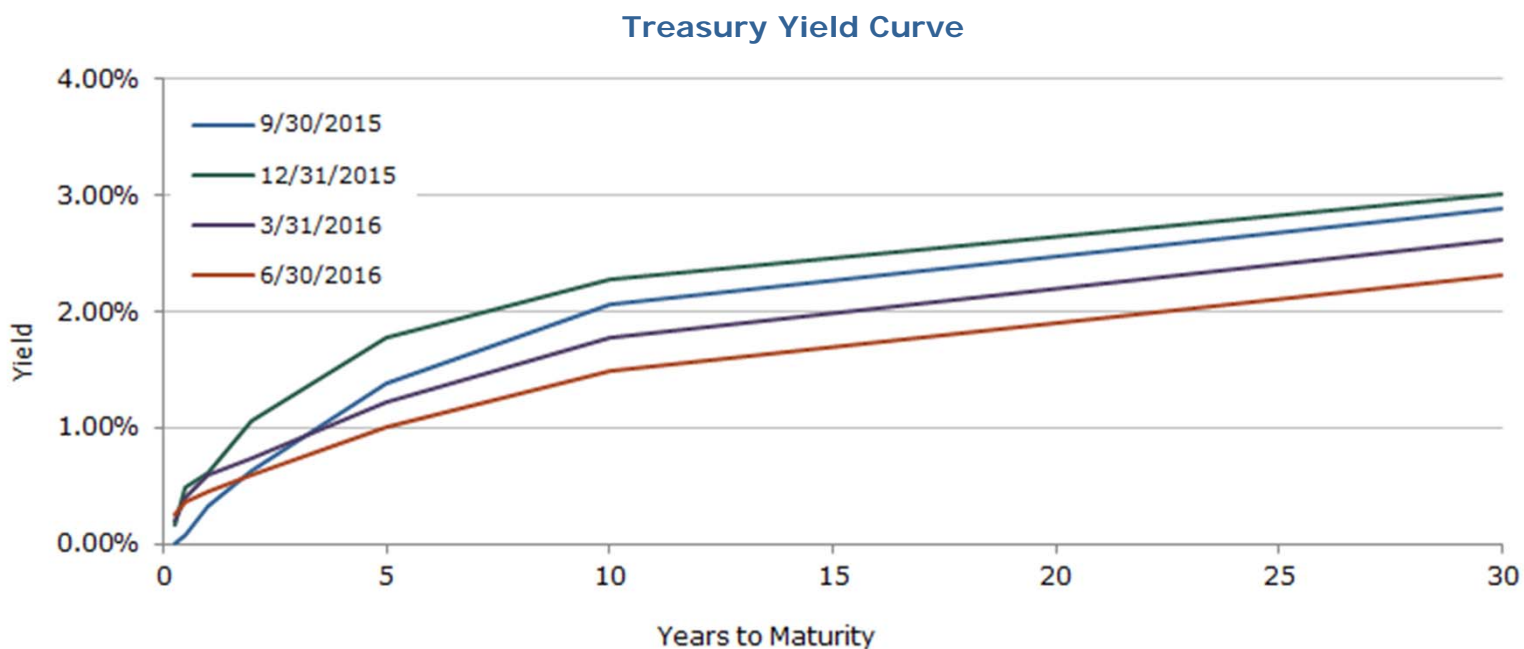


Total Return by Sector



Source: Barclays, BofAML

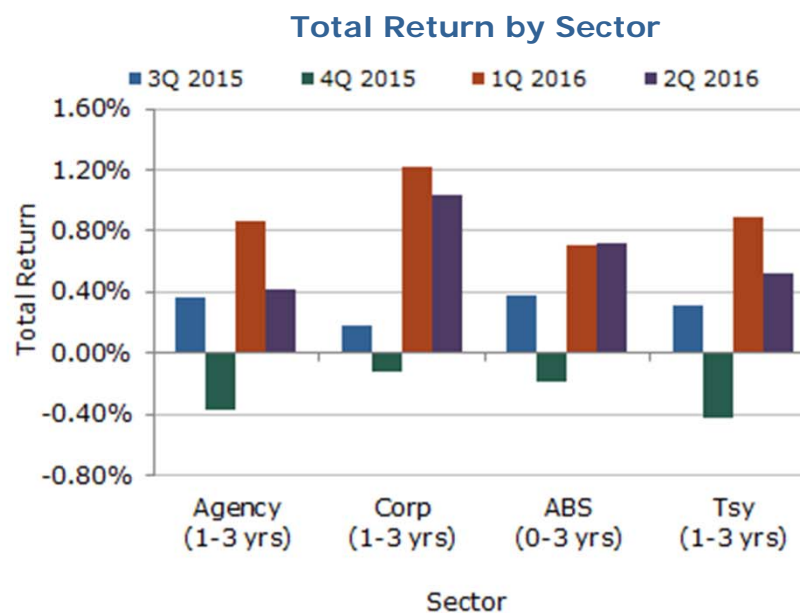
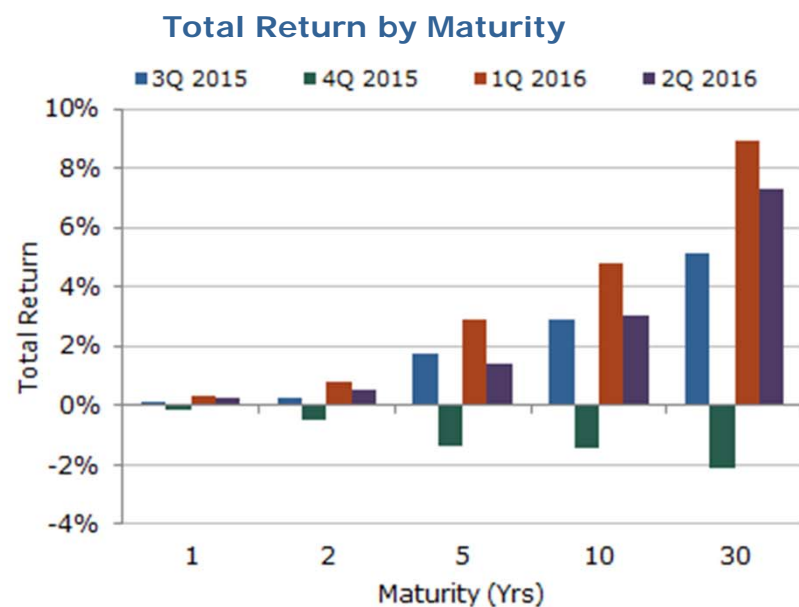
# Short duration review



Treasury Yield Curve	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016
3 Month	0.01%	0.01%	0.16%	0.21%	0.26%
6 Month	0.09%	0.08%	0.49%	0.39%	0.37%
1 Year	0.27%	0.32%	0.62%	0.59%	0.46%
2 Year	0.64%	0.63%	1.06%	0.74%	0.59%
5 Year	1.63%	1.38%	1.77%	1.22%	1.01%
10 Year	2.33%	2.06%	2.28%	1.78%	1.49%
30 Year	3.10%	2.88%	3.01%	2.62%	2.31%

Source: Barclays

# Short duration review



Total Return by Maturity	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016
1	0.11%	0.11%	-0.17%	0.36%	0.29%
2	0.11%	0.29%	-0.45%	0.82%	0.50%
5	-0.66%	1.78%	-1.38%	2.93%	1.38%
10	-3.03%	2.91%	-1.44%	4.78%	3.02%
30	-10.44%	5.14%	-2.09%	8.94%	7.33%

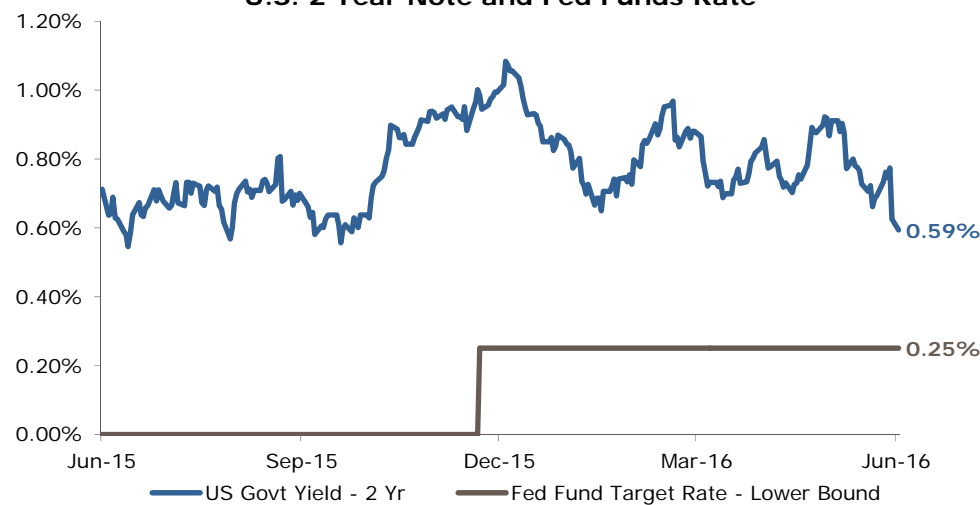
  

Total Return by Sector	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016
Agency (1-3 yrs)	0.16%	0.36%	-0.37%	0.86%	0.41%
Corporate (1-3 yrs)	0.13%	0.18%	-0.13%	1.22%	1.04%
Asset Backed (0-3 yrs)	0.23%	0.38%	-0.19%	0.71%	0.72%
Treasury (1-3 yrs)	0.15%	0.32%	-0.43%	0.90%	0.52%

Source: Barclays, BofAML

# Treasury and duration

U.S. 2 Year Note and Fed Funds Rate



## Review & Commentary

- The outcome of the UK referendum ("Brexit") on June 23<sup>rd</sup> has collapsed expectations of a 2<sup>nd</sup> rate hike by the Federal Reserve. The market was not expecting the result handed down by the UK citizens; the reaction was significant, particularly in the foreign exchange market.
- A poor Nonfarm Payrolls report early in June followed by a flight to quality bid after the Brexit results were revealed has 2 year and 5 year Treasury yields -27 and -36 basis points, respectively, during the month of June.
- The 2 year/5 year yield spread at +39 is the lowest level since 2012. The last cycle saw a low of +33 in July 2012.

U.S. 2s/5s Curve

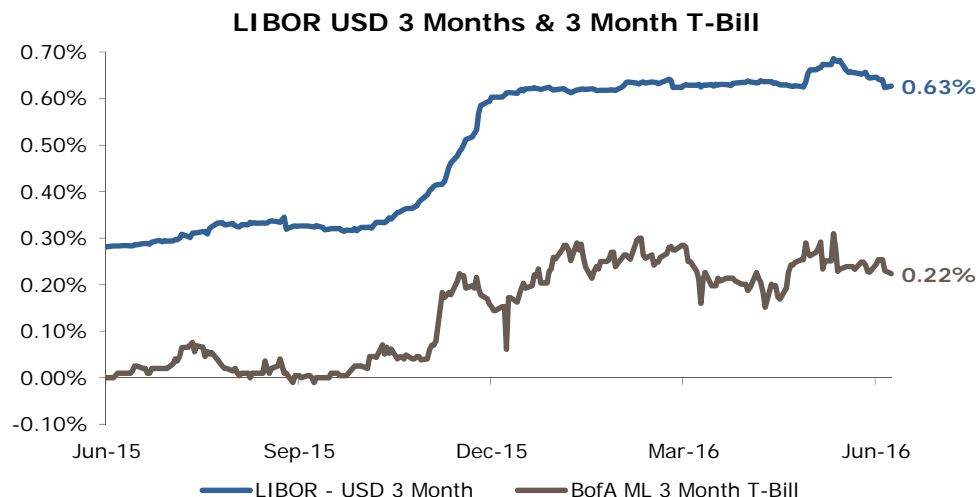


## Strategy

- Portfolios remain significantly underweight U.S. Treasuries versus spread sectors.
- Portfolio durations are 0.15 short of benchmark durations in 1-3 year and 1-5 year strategies. We would look to add duration if yields were to rise even marginally from here.
- We expect the 2 year/5 year curve to remain flat or flatten further as the Federal Reserve has slowed their timeline for rate hikes. The economy is showing little signs of inflation and the probability of a recession has increased.

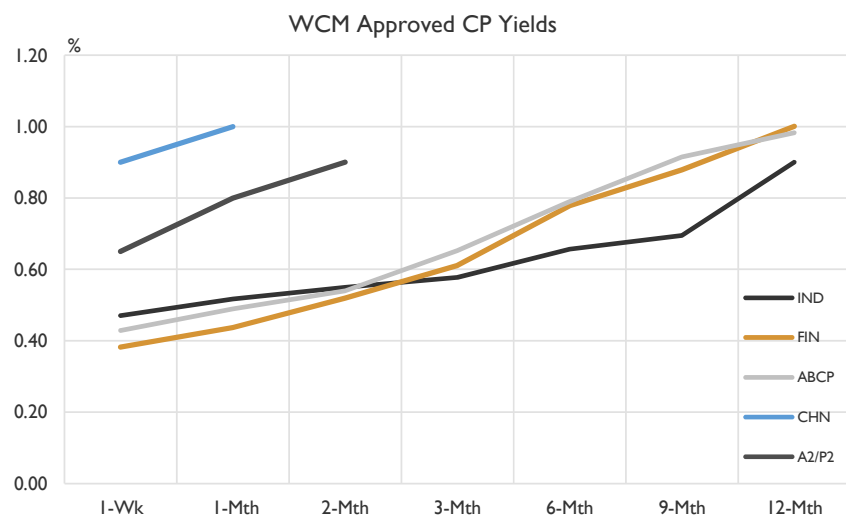
Source: Factset, Wells Capital Management

# Money market instruments



## Review & Commentary

- To date, over \$300 billion in money market fund assets have converted from prime to government strategies. Prime money market funds now total just over \$1tn in assets. It is expected that an additional \$400-\$500bn will leave prime funds between now and October 2016 with the possibility of concentrated redemptions in August and September. Most of these assets are expected to move to government funds.
- Prime fund managers will continue to move WAMs lower, and avoid investing in securities with maturities longer than October 2016. Average 7-day liquidity ratios are around 48% (+10% YoY) and average WAMs are at their lowest levels ever at 26 days.

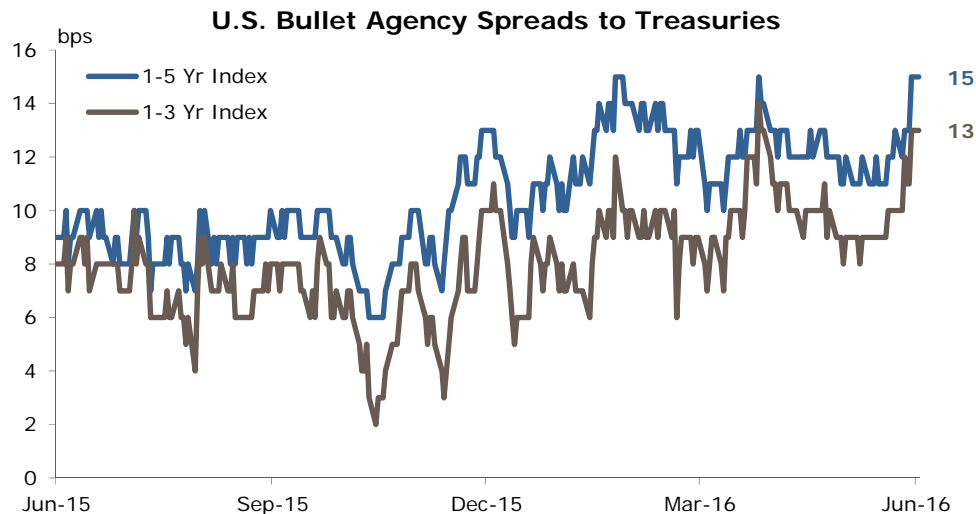


## Strategy

- Benchmark A-1/P-1 unsecured financial CP yields 0.32%, 0.54% and 0.84% in 1, 3 and 6 month maturities. Yields in securities with maturities longer than October are appreciably higher and, as a result, attractive.
- Enhanced cash portfolios with A or better mandates are being limited to a 5% aggregate exposure in Chinese issuers, and we are keeping Chinese issues to 2 week tenors. Yields are unchanged at 0.90% in 1 week and 1.00% in 2 weeks for financial issuers and 0.65% for industrial issuers.
- A-2/P-2 issuers are skewed toward industrial issuers and offer value vs. A-1/P-1 financial issuers, with yields 25-30 basis points higher, though opportunities remain limited due to increased investor demand. We are selectively investing in issues with stable short-term credit outlooks in tenors longer than 30 days for increased supply and yield.

Source: Factset, BofA Merrill Lynch, Wells Capital Management

# U.S. agencies and sovereign, supranational, and foreign agencies



## Review & Commentary

- U.S. Agency excess returns in June were 0 bp in 1-3 year maturities and -1 bps 1-5 year maturity indices.
- Agency yield spreads widened versus Treasuries to cheap levels in late June due to widening credit spreads and a rally in Treasury yields post-Brexit.
- SSA yields remain attractive relative to U.S Treasuries.

## Recent Sovereign, Supranational and Foreign Agency Trades

Description	Rating	Guarantee	Purchase Spread
ONT 1.25% 06/17/2019	Aa2/A+/AA-	Implicit - Canada	+40*

## Recent U.S. Agency Trades

Description	Rating	Spread vs. TSY
FHLB 0.875% 03/19/2018	Aaa/AA+	+6
FHLMC 1.05% 04/11/2018	Aaa/AA+	AOAS+6**
FHLB 1.125% 06/21/2019	Aaa/AA+	+7*

\*new issue purchases

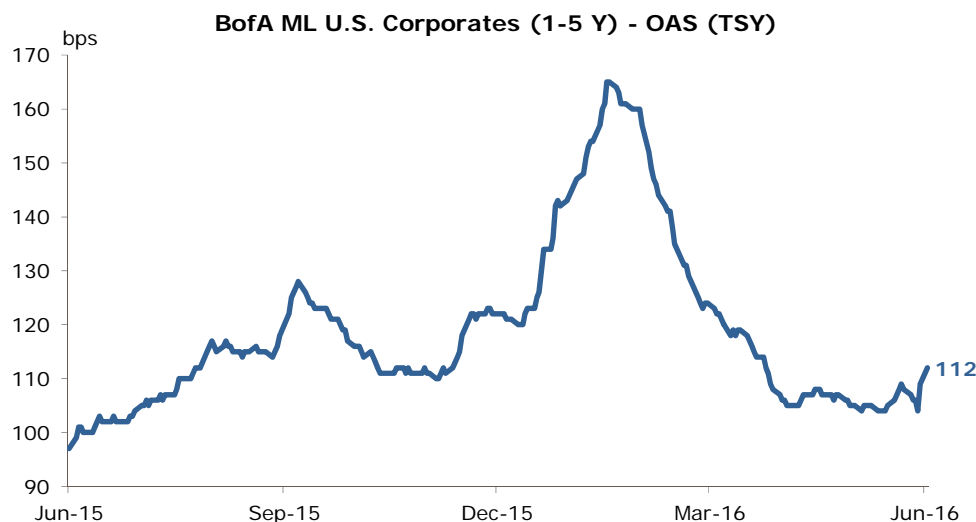
\*\*secondary callable purchase

## Strategy

- U.S. Agency valuations look relatively attractive, but with wider bid/ask spreads the sector is fair value, at best. Bid/ask spreads are 2bps for on-the-run issues, and 6bps for off-the-run issues.
- SSAs, as an alternative to Treasuries and Agencies, are attractive. Given their high quality, SSAs help maintain high average ratings for portfolios.
- SSAs shorter than 3 years do not benefit from roll-down in spreads to Treasuries, making the shorter tenor secondary offerings more attractive.

Source: Factset, BofA Merrill Lynch, Wells Capital Management

# Corporates



## Review & Commentary

- The surprise outcome of the Brexit vote caused a yield spread widening in corporate credit, with UK banks the most impacted subsector.
- Corporate bond yields decreased throughout the month as yield spread widening did not keep pace with the drop in Treasury yields.
- June primary issuance was slow following May's record \$170+bn, likely caused by a combination of factors including all-in yields, summer vacations and Brexit.
- The biggest risk that Brexit poses to existing holdings is headline risk and market sentiment amongst increased uncertainty as opposed to deteriorating credit fundamentals.

## Recent Corporate Purchases

Description	Rating (M/S/F)	Purchase Spread vs. TSY
PSX 2.95% 05/01/2017	A3/BBB+	+53
AET 1.5% 11/15/2017	Baa2/A-/BBB+	+70
PFG 2.25% 10/15/2018	A1/A+	+65
RDSALN 1.625% 11/10/2018	Aa2/A+	+56
BMW 1.5% 04/11/2019	A2/A+	+54
CMCSA 1.974% 04/15/2019	A3/A-/A-	+52
C 2.05% 06/07/2019	Baa1/BBB+/A	105*
AET 1.9% 06/07/2019	Baa2/A-/BBB+	+90*
EMACN 2.15% 6/15/2019	Baa3/BBB	+125*
TGT 2.3% 6/26/2019	A2/A/A-	+43
AET 2.4% 06/15/2021	Baa2/A-/BBB+	105*

\*new issue purchase

Source: Factset, BofA Merrill Lynch, Wells Capital Management

## Strategy

- All-in yields are lower due to lower Treasury yields. Spread widening in domestic industrial securities due to market sentiment as opposed to fundamentals is an opportunity. Our exposure to UK financials is light.
- Investors reaching for yield has caused a flattening of the yield differential between A and BBB-rated securities as the index OAS has stabilized beginning in May and continuing through June. The credit curve in BBB-rated issuers is flat and on occasion inverted between 1 to 3 year maturities, limiting any additional spread compression from roll-down. We are purchasing securities which have a positively-sloped credit curve.
- We emphasize bottom-up analysis as unsystematic risks are high in non-financials. Cheap financing continues to drive M&A activity.



# Mortgage-backed securities

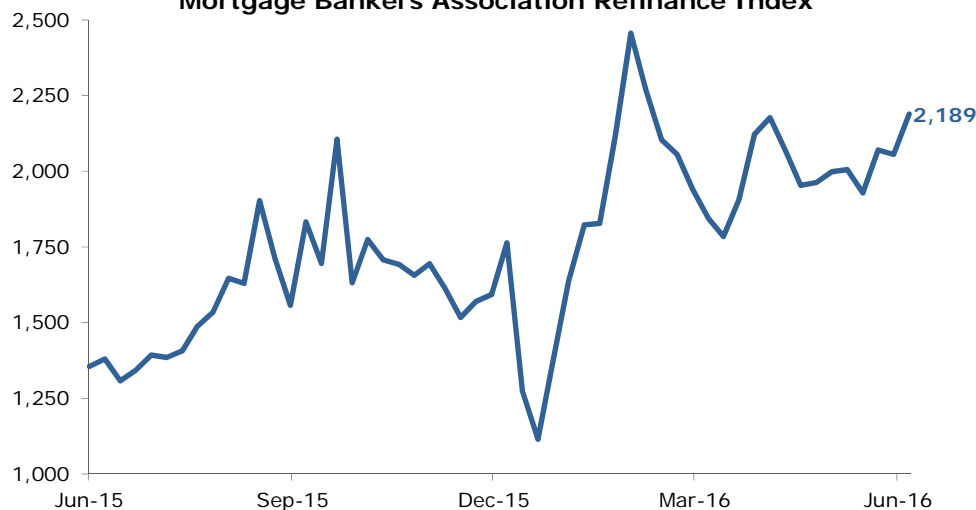
Freddie Mac US 30 Year Mortgage Commitment Rate



## Review & Commentary

- Short duration agency mortgage yield spreads have remained low. However, an increase in the possibility of a Federal Reserve rate hike could cause that basis to weaken.

Mortgage Bankers Association Refinance Index



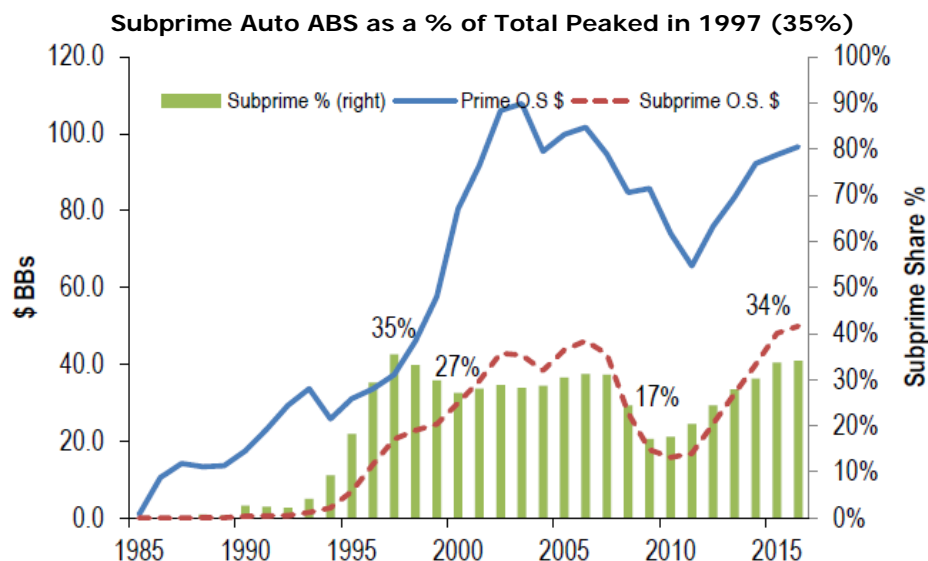
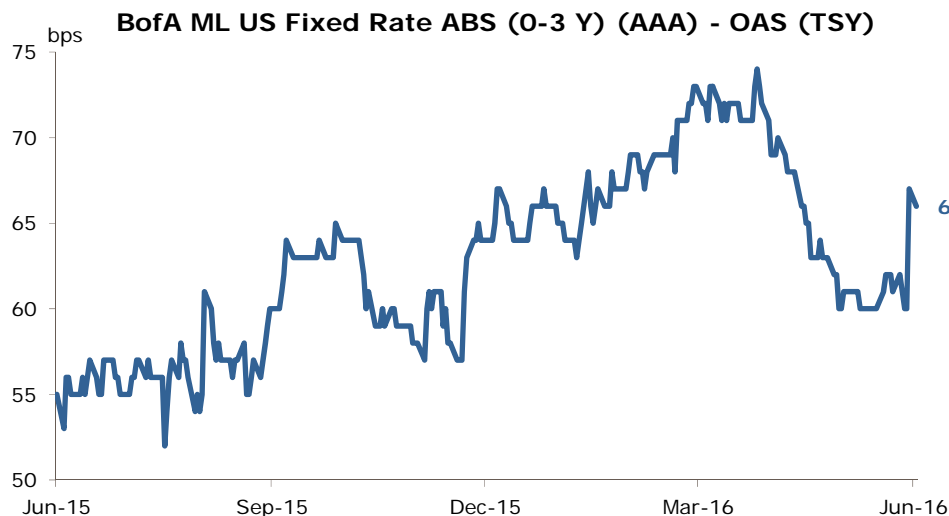
## Strategy

- Lower 10 year Treasury yields increases the attractiveness of refinancing to homeowners. With MBS bonds priced above par, a refinancing event would be negative for mortgage returns.
- We prefer seasoned 15-year and 10-year mortgage pass-through securities over CMO's due to valuations and greater liquidity.
- Agency mortgages look attractive relative to agency debentures.
- Suggested allocation is minimal.

Source: Bloomberg



# Asset-backed securities



Source: Factset, BofA Merrill Lynch, SIFMA, Citi Research

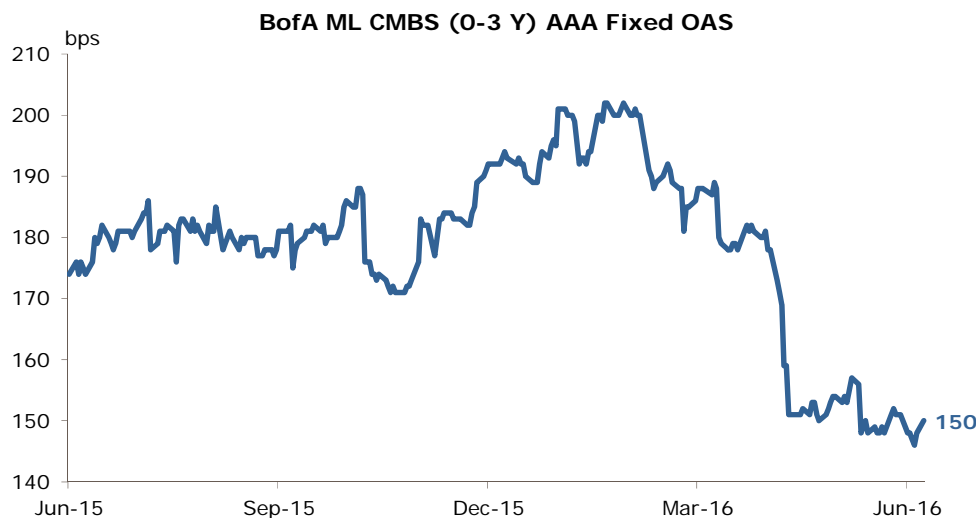
## Review & commentary

- ABS yield spreads were resilient in light trading following the Brexit vote. Senior AAA bonds widened by 1-5 basis points, while subordinate bonds widened by 10-40 basis points.
- Credit card ABS performance continues to be strong despite Synchrony Financial announcing an increase of 20-30bps in expectations of credit card charge-offs over the next 12 months. We have no exposure to Synchrony credit card ABS.
- Primary issuance has lagged YTD 2016 at \$90 billion versus \$120 billion YTD 2015.
- Subprime auto ABS outstanding issuance is at \$50 billion, 34% of all auto ABS, close to the peak level. Smaller subprime lenders have been growing as a percentage of the market and many are "higher-loss" lenders than core sector lenders. Changes in the market composition give the appearance of collateral deterioration.

## Strategy

- Consumer ABS remains attractive given wide yield spreads and strong collateral fundamentals. We favor shorter-dated fixed rate tranches (1-2 year WALs) in prime, auto-related lease bonds and select credit card and subprime issuers.
- Large, liquid, on-the-run names continue to see strong demand and offer incremental yield spread without taking much credit risk. Prime auto lease deals are the most attractive sub-sector in consumer ABS. Residual risk is commensurate with the additional yields offered. Select subprime issuers provide additional risk adjusted yield due to credit support and structural enhancements. Avoid small lenders without funding diversification and those with private equity investors.

# Commercial mortgage-backed securities



## Review & commentary

- Following the Brexit vote and general sentiment in the market, short AAA-rated CMBS yield spreads were wider by 5-10 basis points while subordinated bonds were lower by 0.25% to 0.50% on very low volume.
- While it is too early to measure how impactful Brexit will be to the commercial real estate ("CRE") market, there are two items to consider: 1) foreign investment flows and 2) potential tightening of financing condition. U.S. CRE is likely to be a benefactor due to its perception as a safe haven, although that capital might be subject to stricter lending standards.
- The CMBS new issue calendar is in question. Most, if not all, deals in the queue are being pushed off until after the July 4<sup>th</sup> holiday. The pipeline currently shows \$7 billion across 11 deals slated to be issued by August 2016.

## CMBS Pipeline and Issuance

Loan Sellers / Borrowers	Type	Rate Type	Amount (\$MM)	Anticipated Issuance
<b>Private Label</b>				
JPMCC 2016-JP2	Conduit	Fixed	750	June
SGCMS 2016-C5	Conduit	Fixed	737	June
Westfield, Forest City (San Francisco Centre)	Single borrower	Fixed	560	June
SHOPS 2016-CSTL	Single borrower	Fixed	300	June
DBJPM 2016-C3	Conduit	Fixed	900	July
CGCMT 2016-P4	Conduit	Fixed	750	July
Bank of America, others	Conduit	Fixed	750	July
GSMS 2016-GS3	Conduit	Fixed	750	July
Wells Fargo, others	Conduit	Fixed	750	July
RAIT 2016-FL6	Multiple borrower	Floater	300	July
CSAIL 2016-C7	Conduit	Fixed	750	August
Total Fixed			6,997	
Total Floater			300	

	2011	2012	2013	2014	2015	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 QTD	2016 YTD
<b>Private Label</b>											
Conduit	24,737	32,155	53,094	57,315	62,400	17,226	16,838	15,154	11,409	7,596	19,005
Single Borrower	3,220	10,111	23,849	24,100	31,086	7,476	5,421	5,757	6,261	711	6,971
Multi Borrower Floater	1,403	1,090	1,464	5,574	1,791	899	-	347	297	337	634
Other	1,410	1,742	3,389	3,033	477	365	-	-	-	588	588
Total	30,770	45,098	81,796	90,022	95,754	25,966	22,259	21,258	17,967	9,232	27,199

## Strategy

- CMBS has often overreacted to broad macro events with underperformance in the short run. We are looking to add exposure in shorter, high quality maturities.
- We recommend staying higher in the capital structure, particularly when purchasing CMBS 2.0 and 3.0 deals to mitigate any credit and liquidity concerns. Front-end supply remains low.
- We remain very selective when analyzing legacy (pre-crisis) CMBS super senior tranches for purchase given their very short average lives and negative exposure to fast prepayment speeds. Bonds remain priced to optimistic scenarios.

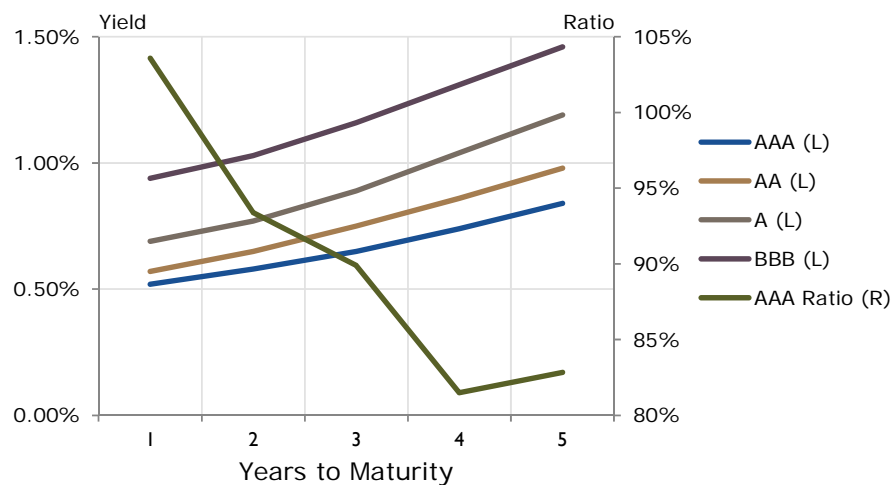
Source: Factset, BofA Merrill Lynch, Markit, Citi Velocity and Citi Research

# Municipals

BofA ML Municipals (1-3 Y) - YTW



Municipal/Treasury Ratios



Source: Factset, BofA Merrill Lynch, MMD

## Review & Commentary

- 38 consecutive weeks of bond fund inflows, peak reinvestment season (June-August) and flight-to-quality has pushed muni yields lower across all maturities. The yield curve continues to flatten and credit spreads are compressing. Investors are reaching for yield, buying lower-quality and longer maturity bonds.
- The sizeable decline in yields could bring additional issuance in the second half of 2016. July and August are expected to combine for -\$17 billion in net supply which should help performance. State and local government credit quality continues to improve although there is significant variance.
- New Jersey benefited from the NJ Supreme Court ruling regarding their pension benefits. Illinois' continuing budget imbalance due to political gridlock for over a year resulted in downgrades from Moody's and S&P to Baa2 and BBB+, respectively.

## Strategy

- One to three year municipal/Treasury ratios are attractive at current levels and fairly valued in 4 and 5 year tenors. We expect ratios to go lower as July and August are expected to bring net negative supply.
- We are underweight states pressured by rising under-funded pension liabilities and those impacted by low oil prices.
- High-quality, lower volatility sectors (GOs, public power, water/sewer, transportation) will outperform if yields rise and spreads have troughed.

# Market summary & outlook – Enhanced cash

## Market summary & outlook

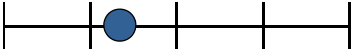
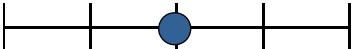
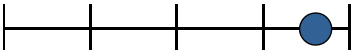
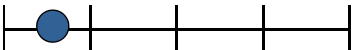
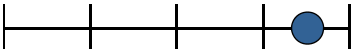
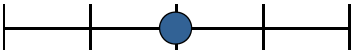

Sector	Target Allocation*	Comments:
Duration and Yield Curve		Portfolios are positioned neutral to slightly long their benchmarks. Expectations of an increase in benchmark rates by the Federal Reserve are put off until 2017.
Government related		SSAs are cheap versus Agencies and Treasuries. The Sovereign, Supranational and Agency (SSAs) asset class is a distinct, high quality, diversifying asset class for investors. Credits are strong with many carrying explicit or implicit government guarantees. Agencies are fair to cheap, but bid/ask spreads remain wide. Limit investments to large, benchmark issues.
Corporate		We remain overweight credit with a preference for domestic financials over industrials based on credit fundamentals and valuation.
Commercial Paper		Commercial paper offers yields of 0.65% to 0.75% out to 3 month maturities and 0.85% to 0.95% out to 6 month maturities in Tier I ABCP. A-2/P-2 commercial paper offers much more attractive yields (with a pick up of 35-40 bps in short tenors) and diversification of issuers. Money market reform has steepened the credit curve in maturities past October.
ABS		Consumer ABS remains attractive given the wide yield spreads and strong collateral fundamentals. We favor shorter-dated fixed rate tranches (1-2 year WALs) in prime auto-related lease bonds. Large, liquid, on-the-run issuers will continue to see strong demand and offer incremental yield without taking much credit risk. Select subprime issuers provide additional risk adjusted yield due to credit support and structural enhancements.
Municipals**		Continued outflows from the tax-exempt MMFs ahead of money market reform has kept the SIFMA (floating-rate) index and very short-dated yields elevated. MMF conversions and liquidations may add pressure to front-end inventories in weeks to come. Strong July reinvestment monies and attractive municipal/Treasury ratios will attract safe-haven investors.

\*Target allocations applicable to an account with 3.25 year maximum maturity, 1 year maximum duration and limited credit rating constraints.

\*\*Allocation applies to tax-advantaged crossover accounts in lieu of taxable alternatives.

# Market summary & outlook – Limited duration

## Market summary & outlook

Sector	Short	Neutral	Long	Comments:
Duration and Yield Curve				Portfolios are short versus benchmark durations and positioned for a flattening of the 2 year/5 year yield spread. With minimal probability of a rate hike in 2016, we will look to add duration opportunistically. 1-3 year and 1-5 year portfolios are 0.15 short benchmark durations.
Government related				SSAs are cheap versus Agencies and Treasuries. The Sovereign, Supranational and Agency (SSAs) asset class is a distinct, high quality, diversifying asset class for investors. Credits are strong with many carrying explicit or implicit government guarantees. Agencies are fair to cheap, but bid/ask spreads remain wide. Limit investments to large, benchmark issues.
Corporate				We remain overweight credit with a strong preference for domestic financials over industrials based on credit fundamentals and valuation.
Agency CMO/MBS				Lower mortgage rates on the horizon means agency mortgages, priced above par, are at significant risk of pre-payments.
ABS				Consumer ABS remains attractive given the wide yield spreads and strong collateral fundamentals. We favor shorter-dated fixed rate tranches (1-2 year WALs) in prime auto-related lease bonds. Large, liquid, on-the-run issuers will continue to see strong demand and offer incremental yield without taking much credit risk. Select subprime issuers provide additional risk adjusted yield due to credit support and structural enhancements.
CMBS				Following the Brexit vote, short, AAA-rated CMBS yield spreads widened 5-10bps. We are looking to add exposure in short, high quality maturities and recommend staying higher up in the capital structure particularly when purchasing deals issued post-credit crisis to mitigate any credit and liquidity concerns. Supply remains an overhang.
Municipals				Demand remains strong for tax-exempt bonds despite steadily declining yields. New issue supply has been easily absorbed with investors receiving poor allocations. Headline issuers have benefitted from lower all-in yields.

# Economic Overview

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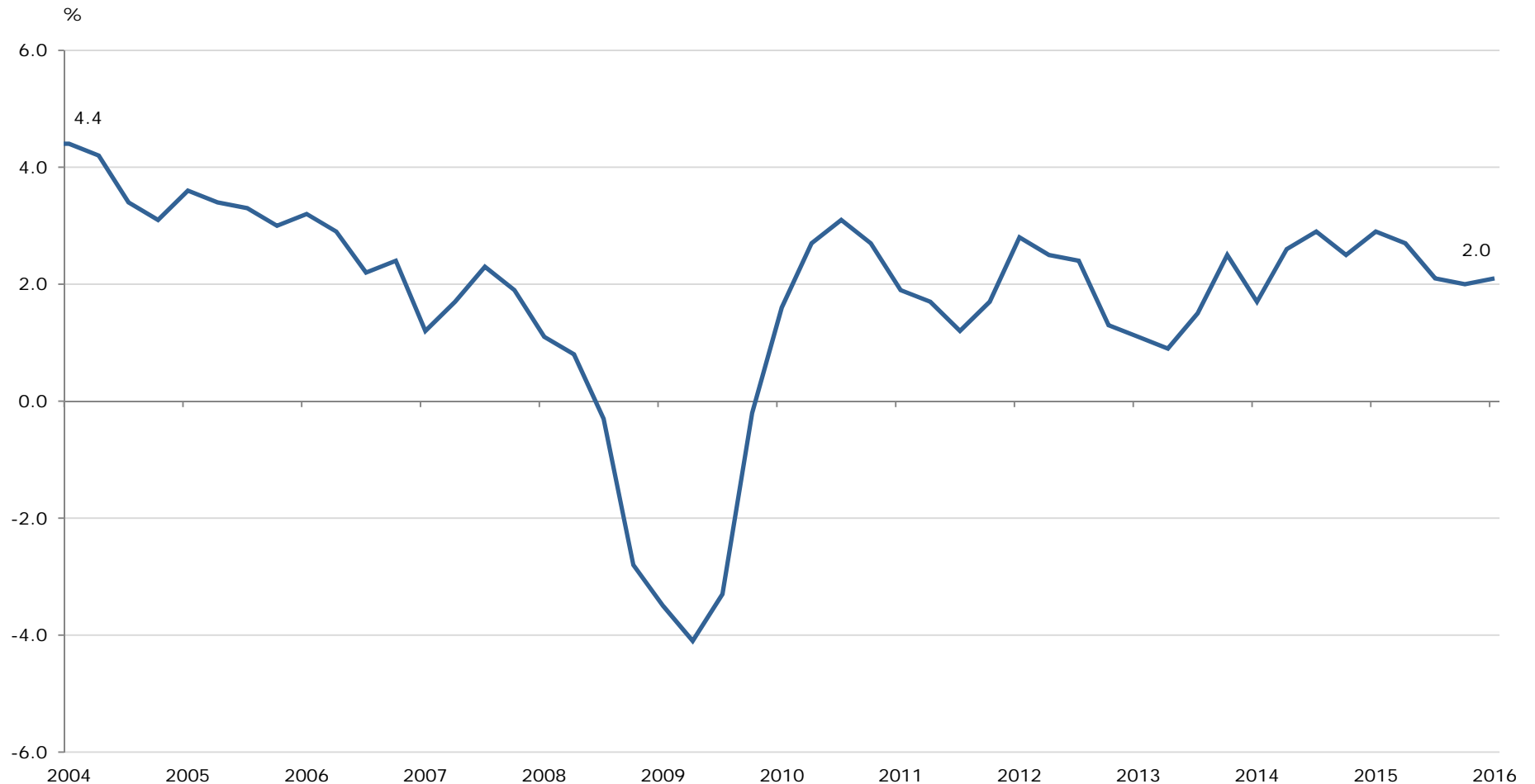
# Economic summary

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<b>Growth:</b>	struggling to hit 2% trend
<b>Employment:</b>	job growth softening
<b>Inflation:</b>	core still below Fed target, but rising
<b>Monetary:</b>	tightening cycle will be gradual and limited
<b>Fiscal:</b>	policy risk rising as election approaches
<b>International:</b>	DM & EM weakness remains a drag

# U.S. GDP: growth rate %YoY

Year over year growth remains near trend



GDP CYOY Index - GDP US Chain YoY, quarterly | Last: 03/31/2016, 2.1  
Source: Bloomberg, Wells Capital Management



# Unemployment rate

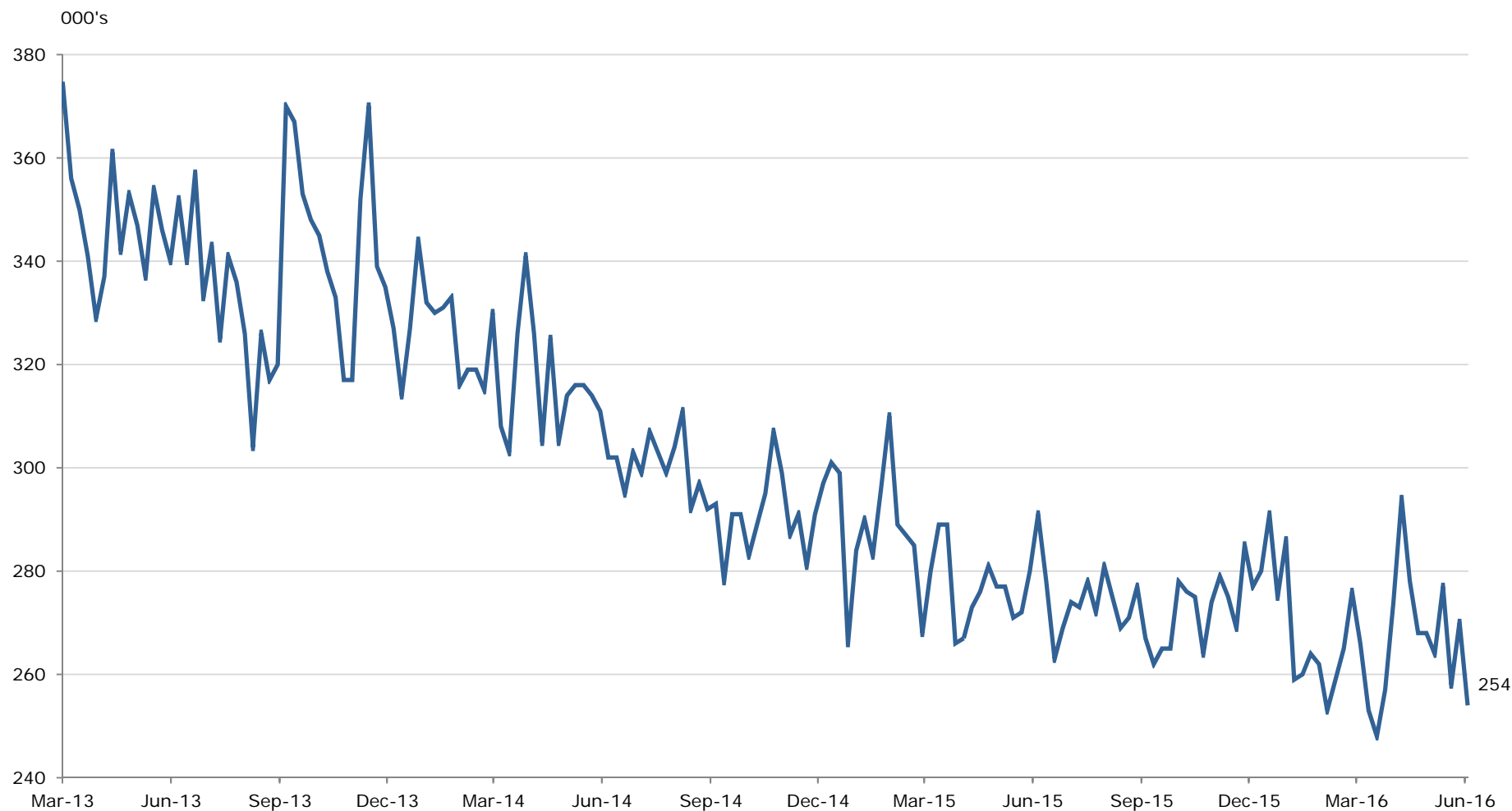
## Drop in participation rate drives May downtick



USURTOT Index - US Unemployment Rate Total SA, monthly | Last: 05/31/2016, 4.7  
Source: Bloomberg, Wells Capital Management

# Initial claims for unemployment insurance (000)

Still trending erratically lower



INJCJC Index - US Initial Jobless Claims, weekly | Last: 07/01/2016, 254  
Source: Bloomberg, Wells Capital Management

# CPI %YoY

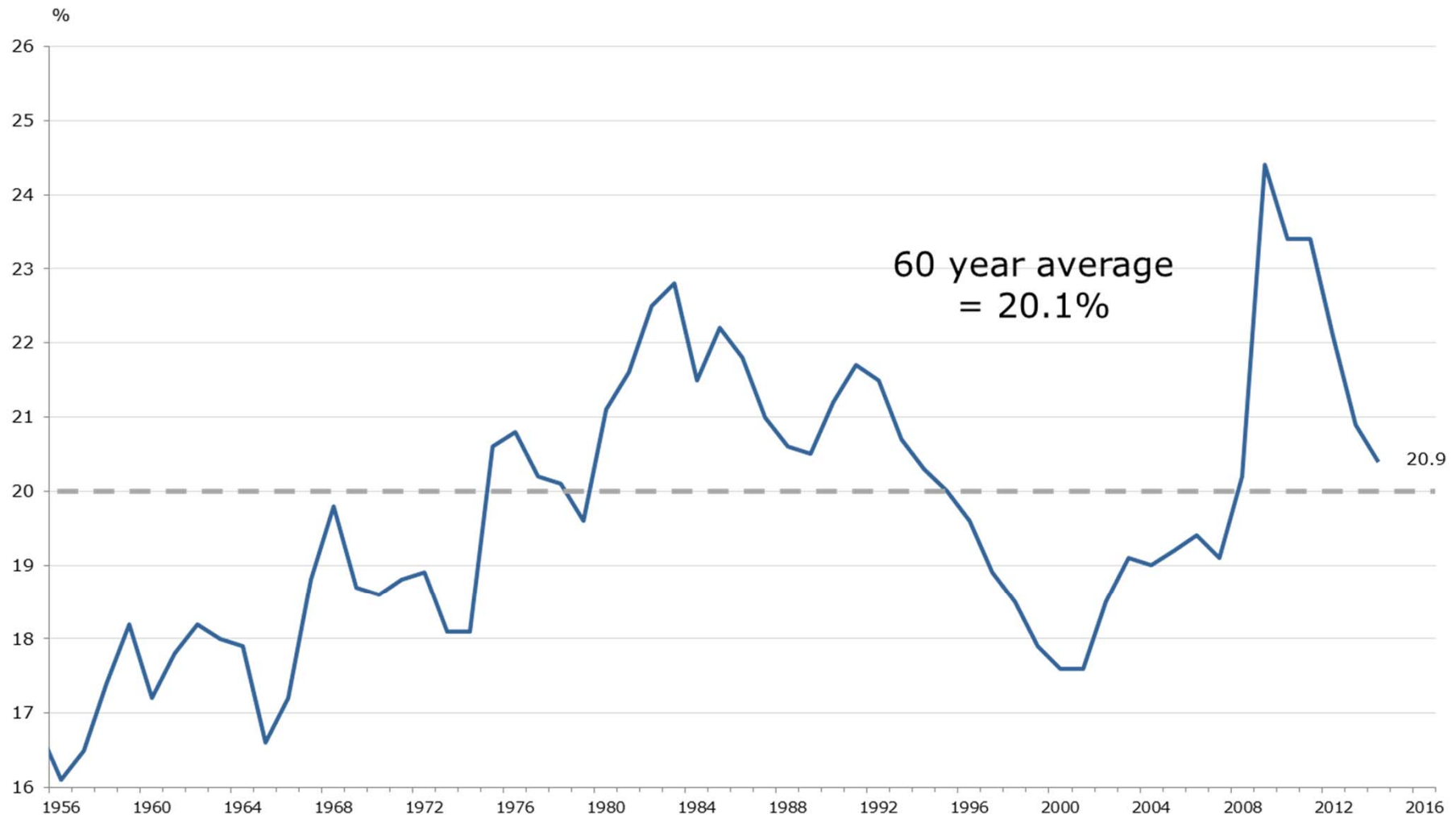
## Energy price recovery starting to push CPI higher



CPI YOY Index - CPI - All Items YoY NSA, monthly | Last: 05/31/2016, 1.0  
Source: Bloomberg, Wells Capital Management

# U.S. federal expenditure as a % of GDP

Federal spending back down near to its historical average share of GDP... But rising again



Source: Bloomberg, Wells Capital Management

# Global data cross section

**Eurozone:** slow growth, low inflation

**USA:** moderate growth, slowly tightening labor market

**China:** deceleration persists

**Japan:** slipping back into recession

**UK:** Brexit risk a drag

**Brazil:** recession, rising unemployment and inflation

	GDP YoY	Core CPI YoY	Unemployment	IP YoY
<b>Eurozone</b>	1.7%	0.8%	10.2%	2.0%
<b>USA</b>	2.0%	2.1%	4.7%	-1.1%
<b>China</b>	6.7%	2.0%*	4.0%	6.0%
<b>Japan</b>	0.1%	0.7%	3.2%	-3.3%
<b>UK</b>	2.1%	1.2%	5.1%	1.6%
<b>Brazil</b>	-5.4%	9.3%*	8.2%	-7.2%

\*Headline CPI  
Source: Bloomberg, Wells Capital Management



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# **Financial Summary**

## **April 2016**

**Chet Uma**  
**Chief Financial Officer**

# FY 2015-16: Consolidated Enrollment

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- April 2016 MTD:
  - Overall enrollment was 789,609 member months
    - Actual lower than budget by 4,266 or 0.5%
      - Medi-Cal: favorable variance of 6,105 members
        - Medi-Cal Expansion growth higher than budget
        - SPD enrollment higher than budget due to less than anticipated dual eligible members transferring to OneCare Connect
        - Offset by lower than budget TANF enrollment
      - OneCare Connect: unfavorable variance of 10,323 members
    - 0.5% decrease from prior month
      - Medi-Cal: decrease of 3,617 from March 2016
        - Decreases in TANF of 2,095 and MCE of 1,573
    - 5.6% or 41,672 increase in enrollment from prior year

# FY 2015-16: Consolidated Enrollment (Cont.)

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- April 2016 YTD:
  - Overall enrollment reached 7,803,301 member months
    - Actual lower than budget by 76,225 or 1.0%
      - Medi-Cal: unfavorable variance of 19,387
        - TANF enrollment lower than budget
        - Offset by higher than budget enrollment in Medi-Cal Expansion and SPD categories
      - OneCare Connect: unfavorable variance of 54,179 or 42.9%
      - OneCare: unfavorable variance of 2,729



# FY 2015-16: Consolidated Revenues

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- April 2016 MTD:
  - Actual lower than budget by \$13.3 million or 4.7%
    - OneCare Connect: unfavorable variance of \$14.8 million due to lower enrollment
    - Medi-Cal: favorable to budget by \$3.2 million
      - Favorable volume variance of \$ 1.8 million due to higher enrollment
      - Favorable in price variance of \$1.3 million related to member mix
- April 2016 YTD:
  - Actual lower than budget by \$111.0 million, or 4.2%
    - OneCare Connect: unfavorable variance of \$99.1 million due to lower actual enrollment than budget
    - Medi-Cal: lower than budget by \$4.5 million
      - Member mix in Medi-Cal
      - Prior year revenue adjustment of \$1.5 million

# FY 2015-16: Consolidated Medical Expenses

- April 2016 MTD:

- Actual lower than budget by \$11.6 million or 4.3%
  - OneCare Connect: favorable variance of \$12.6 million due to lower actual enrollment than budget
  - Medi-Cal: unfavorable variance of \$2.4 million
    - Higher LTC expenses due to less than anticipated eligible members transferring to OneCare Connect
    - YTD Health network reinsurance adjustment made in April

- April 2016 YTD:

- Actual lower than budget by \$110.7 million or 4.3%
  - OneCare Connect: favorable variance of \$94.4 million due to lower actual enrollment than budget
  - Medi-Cal: favorable variance of \$10.2 million due to actual utilization and cost variances than budget

- Medical Loss Ratio (MLR):

- April 2016 MTD: Actual: 95.1% Budget: 94.7%
- April 2016 YTD: Actual: 95.8% Budget: 95.9%

# FY 2015-16: Consolidated Administrative Expenses

- April 2016 MTD:
  - Actual lower than budget by \$3.5 million or 27.4%
    - Salaries and Benefits: favorable variance of \$1.4 million driven by lower than budgeted FTE of 171
    - Other categories: favorable variance of \$2.1 million
- April 2016 YTD:
  - Actual lower than budget by \$39.5 million or 31.0%
    - Salaries and Benefits: favorable variance of \$17.3 million due to under budgeted FTE of 2,114
    - Professional Fees and Purchased services: favorable variance of \$8.5 million (\$3.5 million and \$5.0 million, respectively)
    - Printing and Postage: favorable variance of \$4.7 million
- Administrative Loss Ratio (ALR):
  - April 2016 MTD:                      Actual: 3.5%                      Budget: 4.5%
  - April 2016 YTD:                      Actual: 3.5%                      Budget: 4.8%

# FY 2015-16: Change in Net Assets

---

- April 2016 MTD:
  - \$5.7 million surplus
  - \$3.4 million favorable to budget
    - Attributable to:
      - Savings in medical expenses of \$11.6 million
      - Savings in administrative expenses of \$3.5 million
      - Higher investment income of \$1.6 million
      - Offset by lower than budgeted revenue of \$13.3 million
- April 2016 YTD:
  - \$28.9 million surplus
  - \$46.9 million favorable to budget
    - Attributable to:
      - Savings in medical expenses of \$110.7 million
      - Savings in administrative expenses of \$39.5 million
      - Higher investment income of \$7.5 million
      - Offset by lower than budgeted revenue of \$111.0 million

# FY 2015-16: Change in Net Assets (cont.)

- April 2016 YTD variance attributable to:
  - Medi-Cal: \$21.0 million surplus; \$33.6 million favorable to budget
    - Savings in medical expenses of \$10.2 million
    - Savings in administrative expenses of \$27.9 million
    - Offset by lower than budgeted revenue of \$4.5 million
  - OneCare Connect: \$1.2 million deficit; \$6.1 million favorable to budget
    - Favorable medical expenses of \$94.4 million
    - Favorable administrative expenses of \$10.7 million
    - Offset by lower than budgeted revenue of \$99.1 million
  - PACE: \$1.9 million deficit; \$0.2 million favorable to budget
    - Unfavorable medical expenses of \$0.5 million
    - Favorable administrative expenses of \$0.2 million
    - Favorable revenue of \$0.5 million
  - OneCare: \$1.5 million surplus; \$0.8 million unfavorable to budget
    - Favorable medical expenses of \$6.5 million
    - Favorable administrative expenses of \$0.6 million
    - Offset by lower than budgeted revenue of \$7.9 million

# Enrollment Summary:

## April 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
56,497	48,999	7,498	15.3%	Aged	605,487	565,021	40,466	7.2%
648	737	(89)	(12.1%)	BCCTP	6,748	7,366	(618)	(8.4%)
49,047	50,186	(1,139)	(2.3%)	Disabled	523,432	532,272	(8,840)	(1.7%)
3,325	2,508	817	32.6%	LTC	35,612	32,447	3,165	9.8%
224,886	201,306	23,580	11.7%	MCE	2,127,107	1,989,564	137,543	6.9%
<u>437,489</u>	<u>462,028</u>	<u>(24,539)</u>	<u>(5.3%)</u>	TANF	<u>4,346,687</u>	<u>4,537,608</u>	<u>(190,921)</u>	<u>(4.2%)</u>
771,892	765,764	6,128	0.8%	Medi-Cal	7,645,073	7,664,278	(19,205)	(0.3%)
456	479	(23)	(4.8%)	MSSP	4,608	4,790	(182)	(3.8%)
<b>772,348</b>	<b>766,243</b>	<b>6,105</b>	<b>0.8%</b>	<b>Total Medi-Cal</b>	<b>7,649,681</b>	<b>7,669,068</b>	<b>(19,387)</b>	<b>(0.3%)</b>
<b>15,827</b>	<b>26,150</b>	<b>(10,323)</b>	<b>(39.5%)</b>	<b>OneCare Connect</b>	<b>72,147</b>	<b>126,326</b>	<b>(54,179)</b>	<b>(42.9%)</b>
<b>158</b>	<b>144</b>	<b>14</b>	<b>9.7%</b>	<b>PACE</b>	<b>1,285</b>	<b>1,215</b>	<b>70</b>	<b>5.8%</b>
<b>1,276</b>	<b>1,338</b>	<b>(62)</b>	<b>(4.6%)</b>	<b>OneCare</b>	<b>80,188</b>	<b>82,917</b>	<b>(2,729)</b>	<b>(3.3%)</b>
<b><u>789,609</u></b>	<b><u>793,875</u></b>	<b><u>(4,266)</u></b>	<b><u>(0.5%)</u></b>	<b>CalOptima Total</b>	<b><u>7,803,301</u></b>	<b><u>7,879,526</u></b>	<b><u>(76,225)</u></b>	<b><u>(1.0%)</u></b>

# Financial Highlights:

## April 2016

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
789,609	793,875	(4,266)	(0.5%)	Member Months	7,803,301	7,879,526	(76,225)	(1.0%)
268,903,063	282,189,740	(13,286,677)	(4.7%)	Revenues	2,541,609,923	2,652,564,869	(110,954,946)	(4.2%)
255,626,769	267,184,665	11,557,896	4.3%	Medical Expenses	2,434,362,170	2,545,043,946	110,681,776	4.3%
9,326,900	12,839,470	3,512,570	27.4%	Administrative Expenses	87,843,155	127,313,971	39,470,816	31.0%
<b>3,949,394</b>	<b>2,165,605</b>	<b>1,783,789</b>	<b>82.4%</b>	<b>Operating Margin</b>	<b>19,404,598</b>	<b>(19,793,048)</b>	<b>39,197,646</b>	<b>198.0%</b>
1,771,839	202,596	1,569,243	774.6%	Non Operating Income (Loss)	9,452,439	1,761,673	7,690,766	436.6%
<b>5,721,233</b>	<b>2,368,201</b>	<b>3,353,033</b>	<b>141.6%</b>	<b>Change in Net Assets</b>	<b>28,857,037</b>	<b>(18,031,375)</b>	<b>46,888,412</b>	<b>260.0%</b>
95.1%	94.7%	(0.4%)		Medical Loss Ratio	95.8%	95.9%	0.2%	
3.5%	4.5%	1.1%		Administrative Loss Ratio	3.5%	4.8%	1.3%	
<u>1.5%</u>	<u>0.8%</u>	<u>0.7%</u>		Operating Margin Ratio	<u>0.8%</u>	<u>(0.7%)</u>	<u>1.5%</u>	
100.0%	100.0%	0.0%		Total Operating	100.0%	100.0%	0.0%	

# Consolidated Performance Actual vs. Budget: April 2016 (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
3.3	0.1	3.2	Medi-Cal	21.0	(12.7)	33.6
0.0	0.5	(0.5)	OneCare	1.5	2.3	(0.8)
0.8	1.8	(1.0)	OCC	(1.2)	(7.3)	6.1
0.0	0.0	0.0	ASO	0.1	0.0	0.1
<u>(0.1)</u>	<u>(0.2)</u>	<u>0.1</u>	PACE	<u>(1.9)</u>	<u>(2.1)</u>	<u>0.2</u>
<b>3.9</b>	<b>2.2</b>	<b>1.8</b>	<b>Operating</b>	<b>19.4</b>	<b>(19.8)</b>	<b>39.2</b>
<u>1.8</u>	<u>0.2</u>	<u>1.6</u>	Inv./Rental Inc, MCO tax	<u>9.5</u>	<u>1.8</u>	<u>7.7</u>
<b>1.8</b>	<b>0.2</b>	<b>1.6</b>	<b>Non-Operating</b>	<b>9.5</b>	<b>1.8</b>	<b>7.7</b>
<b>5.7</b>	<b>2.4</b>	<b>3.4</b>	<b>TOTAL</b>	<b>28.9</b>	<b>(18.0)</b>	<b>46.9</b>



# Consolidated Revenue & Expense:

## April 2016 MTD

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
<b>Member Months</b>	772,348	1,276	15,827	158	-	789,609
<b>REVENUES</b>						
Capitation revenue	\$ 232,434,806	\$ 1,148,822	\$ 34,362,038	\$ 957,396	\$ -	\$ 268,903,063
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>232,434,806</u>	<u>1,148,822</u>	<u>34,362,038</u>	<u>957,396</u>	<u>-</u>	<u>268,903,063</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	78,303,951	406,419	8,037,102	-	-	86,747,471
Facility inpatient	47,638,932	188,134	6,148,309	-	-	53,975,375
Ancillary	-	72,424	4,203,745	-	-	4,276,169
Skilled Nursing	-	31,146	7,367,937	-	-	7,399,083
Facility outpatient	7,746,705	-	-	288,924	-	8,035,630
Professional Claims	13,215,672	-	-	177,259	-	13,392,930
Prescription drugs	33,149,911	123,195	5,000,024	90,667	-	38,363,798
Long-term care facility payments	38,852,543	-	-	-	-	38,852,543
Contingencies	(1,218,091)	-	-	-	-	(1,218,091)
Medical management	2,431,693	55,180	964,596	-	-	3,451,470
Reinsurance & other	1,629,186	10,242	280,338	419,956	10,668	2,350,390
<b>Total Medical Expenses</b>	<u>221,750,503</u>	<u>886,740</u>	<u>32,002,051</u>	<u>976,806</u>	<u>10,668</u>	<u>255,626,769</u>
<b>GROSS MARGIN</b>	10,684,303	262,082	2,359,987	(19,410)	(10,668)	13,276,294
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	4,735,095	56,163	828,340	71,338	-	5,690,936
Professional fees	294,116	8,000	-	1,938	-	304,054
Purchased Services	676,758	90,279	223,267	0	(17)	990,287
Printing and Postage	393,405	41,690	53,158	0	-	488,253
Depreciation and Amortization	267,760	-	-	2,059	-	269,819
Other Expenses	1,327,026	33,659	4,718	7,706	-	1,373,109
Indirect cost allocation, Occupancy Expense	(302,451)	29,212	481,199	2,482	-	210,442
<b>Total Administrative Expenses</b>	<u>7,391,709</u>	<u>259,003</u>	<u>1,590,682</u>	<u>85,524</u>	<u>(17)</u>	<u>9,326,900</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	3,292,595	3,080	769,305	(104,934)	(10,651)	3,949,394
<b>INVESTMENT INCOME</b>	-	-	-	-	-	1,775,587
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(3,989)
<b>NET GRANT INCOME</b>	-	-	-	-	-	-
<b>OTHER INCOME</b>	242	-	-	-	-	242
<b>CHANGE IN NET ASSETS</b>	<u>\$ 3,292,836</u>	<u>\$ 3,080</u>	<u>\$ 769,305</u>	<u>\$ (104,934)</u>	<u>\$ (10,651)</u>	<u>\$ 5,721,233</u>
<b>BUDGETED CHANGE IN ASSETS</b>	122,695	484,334	1,751,212	(192,636)	-	2,368,201
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>3,170,141</u>	<u>(481,254)</u>	<u>(981,907)</u>	<u>87,702</u>	<u>(10,651)</u>	<u>3,353,033</u>

# Consolidated Revenue & Expense:

## April 2016 YTD

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
<b>Member Months</b>	7,649,681	80,188	72,147	1,285	-	7,803,301
<b>REVENUES</b>						
Capitation revenue	\$ 2,312,158,870	\$ 83,442,147	\$ 138,180,477	\$ 7,828,430	\$ -	\$ 2,541,609,923
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>2,312,158,870</u>	<u>83,442,147</u>	<u>138,180,477</u>	<u>7,828,430</u>	<u>-</u>	<u>2,541,609,923</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	779,088,908	29,652,640	36,351,346	-	-	845,092,894
Facility inpatient	474,292,844	29,558,181	28,182,124	-	-	532,033,149
Ancillary	-	2,457,273	14,495,222	-	-	16,952,495
Skilled Nursing	-	2,293,983	20,836,411	-	-	23,130,394
Facility outpatient	77,485,072	-	-	1,882,616	-	79,367,688
Professional Claims	121,258,927	-	-	1,900,078	-	123,159,005
Prescription drugs	326,018,958	6,822,008	22,963,934	766,423	-	356,571,323
Quality Incentives	-	899,979	-	-	-	899,979
Long-term care facility payments	422,119,074	-	-	-	-	422,119,074
Contingencies	(12,837,615)	-	-	-	-	(12,837,615)
Medical management	26,477,250	3,267,466	6,240,352	-	-	35,985,068
Reinsurance & other	6,588,886	617,587	565,027	4,183,252	(66,037)	11,888,715
<b>Total Medical Expenses</b>	<u>2,220,492,306</u>	<u>75,569,117</u>	<u>129,634,415</u>	<u>8,732,368</u>	<u>(66,037)</u>	<u>2,434,362,170</u>
<b>GROSS MARGIN</b>	91,666,564	7,873,029	8,546,062	(903,939)	66,037	107,247,753
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	45,444,746	3,354,923	5,306,963	821,522	-	54,928,154
Professional fees	2,543,985	202,378	-	29,832	-	2,776,194
Purchased Services	7,361,509	500,291	909,893	7,683	(17)	8,779,359
Printing and Postage	3,135,870	144,388	1,158,323	33,944	(405)	4,472,121
Depreciation and Amortization	2,537,651	-	(1,377)	23,821	-	2,560,095
Other Expenses	10,820,855	364,729	21,579	68,481	13	11,275,657
Indirect cost allocation, Occupancy Expense	(1,142,794)	1,794,838	2,376,641	22,890	-	3,051,576
<b>Total Administrative Expenses</b>	<u>70,701,821</u>	<u>6,361,547</u>	<u>9,772,022</u>	<u>1,008,173</u>	<u>(409)</u>	<u>87,843,155</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	20,964,743	1,511,482	(1,225,960)	(1,912,112)	66,445	19,404,598
<b>INVESTMENT INCOME</b>	-	-	-	-	-	9,560,258
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(108,868)
<b>NET GRANT INCOME</b>	(154)	-	-	-	-	(154)
<b>OTHER INCOME</b>	1,203	-	-	-	-	1,203
<b>CHANGE IN NET ASSETS</b>	<u>\$ 20,965,792</u>	<u>\$ 1,511,482</u>	<u>\$ (1,225,960)</u>	<u>\$ (1,912,112)</u>	<u>\$ 66,445</u>	<u>\$ 28,857,037</u>
<b>BUDGETED CHANGE IN ASSETS</b>	(12,683,508)	2,300,790	(7,276,303)	(2,134,027)	-	(18,031,375)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>33,649,300</u>	<u>(789,308)</u>	<u>6,050,343</u>	<u>221,915</u>	<u>66,445</u>	<u>46,888,412</u>

# Balance Sheet:

## As of April 2016

### ASSETS

#### Current Assets

Operating Cash	\$771,431,434
Catastrophic Reserves	11,294,844
Investments	733,144,777
Capitation receivable	76,195,592
Receivables - Other	20,646,564
Prepaid Expenses	5,005,420

<b>Total Current Assets</b>	<b><u>1,617,718,631</u></b>
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#### Capital Assets

Furniture and equipment	27,720,290
Leasehold improvements	11,079,686
505 City Parkway West	46,682,460
	<u>85,482,436</u>
Less: accumulated depreciation	<u>(31,053,566)</u>
Capital assets, net	<b><u>54,428,870</u></b>

#### Other Assets

Restricted deposit & Other	273,099
Board-designated assets	
Cash and cash equivalents	60,816,119
Short term investments	-
Long term investments	412,518,941
Total Board-designated Assets	<u>473,335,060</u>

<b>Total Other Assets</b>	<b><u>473,608,159</u></b>
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Deferred outflows of Resources	3,787,544
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<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>2,149,543,204</u></b>
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### LIABILITIES & FUND BALANCES

#### Current Liabilities

Accounts payable	\$1,683,570
Medical claims liability	532,193,781
Accrued payroll liabilities	9,993,329
Deferred revenue	499,844,638
Deferred revenue - CMS	0
Deferred lease obligations	298,864
Capitation and withholds	414,162,261
Accrued insurance costs	0

<b>Total Current Liabilities</b>	<b><u>1,458,176,444</u></b>
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#### Other (than pensions) post

employment benefits liability	27,962,255
Net Pension Liabilities	1,774,094
Long Term Liabilities	150,000

<b>TOTAL LIABILITIES</b>	<b><u>1,488,062,793</u></b>
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Deferred inflows of Resources	5,580,552
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Tangible net equity (TNE)	87,084,320
Funds in excess of TNE	<u>568,815,538</u>

<b>Net Assets</b>	<b><u>655,899,858</u></b>
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<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>2,149,543,204</u></b>
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**CalOptima**  
A Public Agency  
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April 2016

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**CalOptima - Consolidated**  
**Financial Highlights**  
**For the Ten Months Ended April 30, 2016**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
789,609	793,875	(4,266)	(0.5%)	Member Months	7,803,301	7,879,526	(76,225)	(1.0%)
268,903,063	282,189,740	(13,286,677)	(4.7%)	Revenues	2,541,609,923	2,652,564,869	(110,954,946)	(4.2%)
255,626,769	267,184,665	11,557,896	4.3%	Medical Expenses	2,434,362,170	2,545,043,946	110,681,776	4.3%
9,326,900	12,839,470	3,512,570	27.4%	Administrative Expenses	87,843,155	127,313,971	39,470,816	31.0%
<b>3,949,394</b>	<b>2,165,605</b>	<b>1,783,789</b>	<b>82.4%</b>	<b>Operating Margin</b>	<b>19,404,598</b>	<b>(19,793,048)</b>	<b>39,197,646</b>	<b>198.0%</b>
1,771,839	202,596	1,569,243	774.6%	Non Operating Income (Loss)	9,452,439	1,761,673	7,690,766	436.6%
<b>5,721,233</b>	<b>2,368,201</b>	<b>3,353,033</b>	<b>141.6%</b>	<b>Change in Net Assets</b>	<b>28,857,037</b>	<b>(18,031,375)</b>	<b>46,888,412</b>	<b>260.0%</b>
95.1%	94.7%	(0.4%)		Medical Loss Ratio	95.8%	95.9%	0.2%	
3.5%	4.5%	1.1%		Administrative Loss Ratio	3.5%	4.8%	1.3%	
<u>1.5%</u>	<u>0.8%</u>	<u>0.7%</u>		Operating Margin Ratio	<u>0.8%</u>	<u>(0.7%)</u>	<u>1.5%</u>	
100.0%	100.0%	0.0%		Total Operating	100.0%	100.0%	0.0%	

**CalOptima**  
**Financial Dashboard**  
For the Ten Months Ended April 30, 2016

**MONTH**

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	771,892	765,764	↑	6,128 0.8%
OneCare	1,276	1,338	↓	(62) (4.6%)
OneCare Connect	15,827	26,150	↓	(10,323) (39.5%)
PACE	158	144	↑	14 9.7%
MSSP	456	479	↓	(23) (4.8%)
Total	789,609	793,875	↓	(4,266) (0.5%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 3,293	\$ 123	↑	\$ 3,170 2583.8%
OneCare	3	484	↓	(481) (99.4%)
OneCare Connect	769	1,751	↓	(982) (56.1%)
PACE	(105)	(193)	↑	88 45.5%
ASO	(11)	-	↓	(11) 100.0%
505 Bldg.	(4)	(6)	↑	2 30.5%
Investment Income & Other	1,776	208	↑	1,567 752.4%
Total	\$ 5,721	\$ 2,368	↑	\$ 3,353 141.6%

MLR	Actual	Budget	% Point Var	
Medi-Cal (w/ MSSP)	95.4%	95.7%	↑	0.3
OneCare	77.2%	78.0%	↑	0.8
OneCare Connect	93.1%	90.8%	↓	(2.3)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 7,392	\$ 9,777	↑	\$ 2,385 24.4%
OneCare	259	159	↓	(100) (63.2%)
OneCare Connect	1,591	2,763	↑	1,173 42.4%
PACE	86	141	↑	55 39.3%
Total	\$ 9,327	\$ 12,839	↑	\$ 3,513 27.4%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	765	882	↑	117
OneCare	4	-	↓	(4)
OneCare Connect	241	292	↑	50
PACE	39	45	↑	6
MSSP	16	18	↑	2
Total	1,065	1,236	↑	171

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	1,009	868	↑	141
OneCare	340	-	↓	-
OneCare Connect	66	90	↑	(24)
PACE	4	3	↑	1
MSSP	29	27	↑	2
Total	1,447	988	↑	119

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	7,645,073	7,664,278	↓	(19,205) (0.3%)
OneCare	80,188	82,917	↓	(2,729) (3.3%)
OneCare Connect	72,147	126,326	↓	(54,179) (42.9%)
PACE	1,285	1,215	↑	70 5.8%
MSSP	4,608	4,790	↓	(182) (3.8%)
Total	7,803,301	7,879,526	↓	(76,225) (1.0%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 20,966	\$ (12,684)	↑	\$ 33,649 265.3%
OneCare	1,511	2,301	↓	(789) (34.3%)
OneCare Connect	(1,226)	(7,276)	↑	6,050 83.2%
PACE	(1,912)	(2,134)	↑	222 10.4%
ASO	66	-	↓	66 100.0%
505 Bldg.	(109)	(322)	↑	213 66.2%
Investment Income &	9,561	2,083	↑	7,478 358.9%
Total	\$ 28,858	\$ (18,031)	↑	\$ 46,889 260.0%

MLR	Actual	Budget	% Point Var	
Medi-Cal (w/ MSSP)	96.0%	96.3%	↑	0.3
OneCare	90.6%	89.9%	↓	(0.7)
OneCare Connect	93.8%	94.4%	↑	0.6

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal (w/ MSSP)	\$ 70,702	\$ 98,612	↑	\$ 27,910 28.3%
OneCare	6,362	6,935	↑	573 8.3%
OneCare Connect	9,772	20,511	↑	10,739 52.4%
PACE	1,008	1,256	↑	248 19.7%
Total	\$ 87,844	\$ 127,314	↑	\$ 39,470 31.0%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	7,343	8,732	↑	1,389
OneCare	809	947	↑	137
OneCare Connect	1,445	1,950	↑	505
PACE	350	428	↑	78
MSSP	173	178	↑	5
Total	10,119	12,233	↑	2,114

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	1,041	878	↑	163
OneCare	99	88	↑	12
OneCare Connect	50	65	↑	(15)
PACE	4	3	↑	1
MSSP	27	27	↑	(0)
Total	1,221	1,060	↑	161



**CalOptima - Consolidated  
Statement of Revenue and Expenses  
For the One Month Ended April 30, 2016**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	789,609		793,875		(4,266)	
<b>Revenues</b>						
Medi-Cal	\$ 232,434,806	\$ 300.95	\$ 229,279,745	\$ 299.23	\$ 3,155,062	\$ 1.72
OneCare	1,148,822	900.33	2,925,022	2,186.12	(1,776,200)	(1,285.78)
OneCare Connect	34,362,038	2,171.10	49,115,151	1,878.21	(14,753,113)	292.89
PACE	957,396	6,059.47	869,822	6,040.43	87,574	19.04
<b>Total Operating Revenue</b>	<u>268,903,063</u>	<u>340.55</u>	<u>282,189,740</u>	<u>355.46</u>	<u>(13,286,677)</u>	<u>(14.91)</u>
<b>Medical Expenses</b>						
Medi-Cal	221,750,503	287.11	219,380,484	286.31	(2,370,019)	(0.81)
OneCare	886,740	694.94	2,282,022	1,705.55	1,395,282	1,010.61
OneCare Connect	32,002,051	2,021.99	44,600,665	1,705.57	12,598,614	(316.42)
PACE	976,806	6,182.32	921,494	6,399.26	(55,312)	216.94
ASO for Specialty Mental Health Svcs	10,668	-	-	-	(10,668)	-
<b>Total Medical Expenses</b>	<u>255,626,769</u>	<u>323.74</u>	<u>267,184,665</u>	<u>336.56</u>	<u>11,557,896</u>	<u>12.82</u>
<b>Gross Margin</b>	13,276,294	16.81	15,005,075	18.90	(1,728,780)	(2.09)
<b>Administrative Expenses</b>						
Salaries and benefits	5,690,936	7.21	7,070,763	8.91	1,379,827	1.70
Professional fees	304,054	0.39	708,695	0.89	404,641	0.51
Purchased services	990,287	1.25	1,560,583	1.97	570,296	0.71
Printing and Postage	488,253	0.62	899,830	1.13	411,577	0.52
Depreciation and amortization	269,819	0.34	460,712	0.58	190,893	0.24
Other	1,373,109	1.74	1,737,585	2.19	364,476	0.45
Indirect Cost Allocation, Occupancy Expense	210,442	0.27	401,301	0.51	190,858	0.24
<b>Total Administrative Expenses</b>	<u>9,326,900</u>	<u>11.81</u>	<u>12,839,470</u>	<u>16.17</u>	<u>3,512,570</u>	<u>4.36</u>
<b>Income (Loss) From Operations</b>	3,949,394	5.00	2,165,605	2.73	1,783,789	2.27
<b>Investment income</b>						
Interest income	968,177	1.23	208,333	0.26	759,845	0.96
Realized gain/(loss) on investments	63,165	0.08	-	-	63,165	0.08
Unrealized gain/(loss) on investments	744,245	0.94	-	-	744,245	0.94
<b>Total Investment Income</b>	<u>1,775,587</u>	<u>2.25</u>	<u>208,333</u>	<u>0.26</u>	<u>1,567,255</u>	<u>1.99</u>
<b>Net Rental Income</b>	(3,989)	(0.01)	(5,737)	(0.01)	1,747	0.00
<b>Total Net Operating Tax</b>	(0)	(0.00)	-	-	(0)	(0)
<b>Total Net Grant Income</b>	-	-	-	-	-	-
<b>QAF/IGT</b>	-	-	-	-	-	-
<b>Other Income</b>	242	0.00	-	-	242	0.00
<b>Change In Net Assets</b>	<u>5,721,233</u>	<u>7.25</u>	<u>2,368,201</u>	<u>2.98</u>	<u>3,353,033</u>	<u>4.26</u>
<b>Medical Loss Ratio</b>	<b>95.1%</b>		<b>94.7%</b>		<b>(0.4%)</b>	
<b>Administrative Loss Ratio</b>	<b>3.5%</b>		<b>4.5%</b>		<b>1.1%</b>	

\* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

\*\* Includes MSSP

**CalOptima - Consolidated - Year to Date  
Statement of Revenue and Expenses  
For the Ten Months Ended April 30, 2016**

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	7,803,301		7,879,526		(76,225)	
<b>Revenues</b>						
Medi-Cal	\$ 2,312,158,870	\$ 302.26	\$ 2,316,654,817	\$ 302.08	\$ (4,495,947)	\$ 0.18
OneCare	83,442,147	1,040.58	91,305,827	1,101.17	(7,863,681)	(60.59)
OneCare Connect	138,180,477	1,915.26	237,262,323	1,878.17	(99,081,846)	37.09
PACE	7,828,430	6,092.16	7,341,902	6,042.72	486,527	49.45
<b>Total Operating Revenue</b>	<u>2,541,609,923</u>	<u>325.71</u>	<u>2,652,564,869</u>	<u>336.64</u>	<u>(110,954,946)</u>	<u>(10.93)</u>
<b>Medical Expenses</b>						
Medi-Cal	2,220,492,306	290.27	2,230,726,065	290.87	10,233,759	0.60
OneCare	75,569,117	942.40	82,070,465	989.79	6,501,348	47.39
OneCare Connect	129,634,415	1,796.81	224,027,504	1,773.41	94,393,089	(23.40)
PACE	8,732,368	6,795.62	8,219,911	6,765.36	(512,457)	(30.26)
ASO for Specialty Mental Health Svcs	(66,037)	-	-	-	66,037	-
<b>Total Medical Expenses</b>	<u>2,434,362,170</u>	<u>311.97</u>	<u>2,545,043,946</u>	<u>322.99</u>	<u>110,681,776</u>	<u>11.03</u>
<b>Gross Margin</b>	107,247,753	13.74	107,520,923	13.65	(273,170)	0.10
<b>Administrative Expenses</b>						
Salaries and benefits	54,928,154	7.04	72,256,923	9.17	17,328,769	2.13
Professional fees	2,776,194	0.36	6,271,085	0.80	3,494,891	0.44
Purchased services	8,779,359	1.13	13,743,752	1.74	4,964,393	0.62
Printing and Postage	4,472,121	0.57	9,124,233	1.16	4,652,113	0.58
Depreciation and amortization	2,560,095	0.33	4,607,122	0.58	2,047,027	0.26
Other	11,275,657	1.44	17,292,877	2.19	6,017,221	0.75
Indirect cost allocation, Occupancy Expense	3,051,576	0.39	4,017,978	0.51	966,403	0.12
<b>Total Administrative Expenses</b>	<u>87,843,155</u>	<u>11.26</u>	<u>127,313,971</u>	<u>16.16</u>	<u>39,470,816</u>	<u>4.90</u>
<b>Income (Loss) From Operations</b>	19,404,598	2.49	(19,793,048)	(2.51)	39,197,646	5.00
<b>Investment income</b>						
Interest income	7,811,415	1.00	2,083,326	0.26	5,728,089	0.74
Realized gain/(loss) on investments	272,162	0.03	-	-	272,162	0.03
Unrealized gain/(loss) on investments	1,476,681	0.19	-	-	1,476,681	0.19
<b>Total Investment Income</b>	<u>9,560,258</u>	<u>1.23</u>	<u>2,083,326</u>	<u>0.26</u>	<u>7,476,932</u>	<u>0.96</u>
<b>Net Rental Income</b>	(108,868)	(0.01)	(321,653)	(0.04)	212,785	0.03
<b>Total Net Operating Tax</b>	(0)	(0)	-	-	(0)	(0)
<b>Total Net Grant Income</b>	(154)	(0)	-	-	(154)	(0)
<b>QAF/IGT</b>	-	-	-	-	-	-
<b>Other Income</b>	1,203	0	-	-	1,203	0
<b>Change In Net Assets</b>	<u><b>28,857,037</b></u>	<u><b>3.70</b></u>	<u><b>(18,031,375)</b></u>	<u><b>(2.29)</b></u>	<u><b>46,888,412</b></u>	<u><b>5.99</b></u>
<b>Medical Loss Ratio</b>	<b>95.8%</b>		<b>95.9%</b>		<b>0.2%</b>	
<b>Administrative Loss Ratio</b>	<b>3.5%</b>		<b>4.8%</b>		<b>1.3%</b>	

\* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

\*\* Includes MSSP

**CalOptima - Consolidated - Month to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the One Month Ended April 30, 2016**

	<u>Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Behavioral Health ASO</u>	<u>Consolidated</u>
<b>Member Months</b>	772,348	1,276	15,827	158	-	789,609
<b>REVENUES</b>						
Capitation revenue	\$ 232,434,806	\$ 1,148,822	\$ 34,362,038	\$ 957,396	\$ -	\$ 268,903,063
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>232,434,806</u>	<u>1,148,822</u>	<u>34,362,038</u>	<u>957,396</u>	<u>-</u>	<u>268,903,063</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	78,303,951	406,419	8,037,102	-	-	86,747,471
Facility inpatient	47,638,932	188,134	6,148,309	-	-	53,975,375
Ancillary		72,424	4,203,745	-	-	4,276,169
Skilled Nursing		31,146	7,367,937	-	-	7,399,083
Facility outpatient	7,746,705	-	-	288,924	-	8,035,630
Professional Claims	13,215,672	-	-	177,259	-	13,392,930
Prescription drugs	33,149,911	123,195	5,000,024	90,667	-	38,363,798
Long-term care facility payments	38,852,543	-	-	-	-	38,852,543
Contingencies	(1,218,091)	-	-	-	-	(1,218,091)
Medical management	2,431,693	55,180	964,596	-	-	3,451,470
Reinsurance & other	1,629,186	10,242	280,338	419,956	10,668	2,350,390
<b>Total Medical Expenses</b>	<u>221,750,503</u>	<u>886,740</u>	<u>32,002,051</u>	<u>976,806</u>	<u>10,668</u>	<u>255,626,769</u>
<b>GROSS MARGIN</b>	10,684,303	262,082	2,359,987	(19,410)	(10,668)	13,276,294
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	4,735,095	56,163	828,340	71,338	-	5,690,936
Professional fees	294,116	8,000	-	1,938	-	304,054
Purchased Services	676,758	90,279	223,267	0	(17)	990,287
Printing and Postage	393,405	41,690	53,158	0	-	488,253
Depreciation and Amortization	267,760	-	-	2,059	-	269,819
Other Expenses	1,327,026	33,659	4,718	7,706	-	1,373,109
Indirect cost allocation, Occupancy Expense	(302,451)	29,212	481,199	2,482	-	210,442
<b>Total Administrative Expenses</b>	<u>7,391,709</u>	<u>259,003</u>	<u>1,590,682</u>	<u>85,524</u>	<u>(17)</u>	<u>9,326,900</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	3,292,595	3,080	769,305	(104,934)	(10,651)	3,949,394
<b>INVESTMENT INCOME</b>	-	-	-	-	-	1,775,587
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(3,989)
<b>NET GRANT INCOME</b>	-	-	-	-	-	-
<b>OTHER INCOME</b>	242	-	-	-	-	242
<b>CHANGE IN NET ASSETS</b>	<u>\$ 3,292,836</u>	<u>\$ 3,080</u>	<u>\$ 769,305</u>	<u>\$ (104,934)</u>	<u>\$ (10,651)</u>	<u>\$ 5,721,233</u>
<b>BUDGETED CHANGE IN ASSETS</b>	122,695	484,334	1,751,212	(192,636)	-	2,368,201
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>3,170,141</u>	<u>(481,254)</u>	<u>(981,907)</u>	<u>87,702</u>	<u>(10,651)</u>	<u>3,353,033</u>

**CalOptima - Consolidated - Year to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the Ten Months Ended April 30, 2016**

	Medi-Cal	OneCare	OneCare Connect	PACE	Behavioral Health ASO	Consolidated
<b>Member Months</b>	7,649,681	80,188	72,147	1,285	-	7,803,301
<b>REVENUES</b>						
Capitation revenue	\$ 2,312,158,870	\$ 83,442,147	\$ 138,180,477	\$ 7,828,430	\$ -	\$ 2,541,609,923
Other Income	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>2,312,158,870</u>	<u>83,442,147</u>	<u>138,180,477</u>	<u>7,828,430</u>	<u>-</u>	<u>2,541,609,923</u>
<b>MEDICAL EXPENSES</b>						
Provider capitation	779,088,908	29,652,640	36,351,346	-	-	845,092,894
Facility inpatient	474,292,844	29,558,181	28,182,124	-	-	532,033,149
Ancillary		2,457,273	14,495,222	-	-	16,952,495
Skilled Nursing		2,293,983	20,836,411	-	-	23,130,394
Facility outpatient	77,485,072	-	-	1,882,616	-	79,367,688
Professional Claims	121,258,927	-	-	1,900,078	-	123,159,005
Prescription drugs	326,018,958	6,822,008	22,963,934	766,423	-	356,571,323
Quality Incentives		899,979	-	-	-	899,979
Long-term care facility payments	422,119,074	-	-	-	-	422,119,074
Contingencies	(12,837,615)	-	-	-	-	(12,837,615)
Medical management	26,477,250	3,267,466	6,240,352	-	-	35,985,068
Reinsurance & other	6,588,886	617,587	565,027	4,183,252	(66,037)	11,888,715
<b>Total Medical Expenses</b>	<u>2,220,492,306</u>	<u>75,569,117</u>	<u>129,634,415</u>	<u>8,732,368</u>	<u>(66,037)</u>	<u>2,434,362,170</u>
<b>GROSS MARGIN</b>	91,666,564	7,873,029	8,546,062	(903,939)	66,037	107,247,753
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries, wages & employee benefits	45,444,746	3,354,923	5,306,963	821,522	-	54,928,154
Professional fees	2,543,985	202,378	-	29,832	-	2,776,194
Purchased Services	7,361,509	500,291	909,893	7,683	(17)	8,779,359
Printing and Postage	3,135,870	144,388	1,158,323	33,944	(405)	4,472,121
Depreciation and Amortization	2,537,651		(1,377)	23,821	-	2,560,095
Other Expenses	10,820,855	364,729	21,579	68,481	13	11,275,657
Indirect cost allocation, Occupancy Expense	(1,142,794)	1,794,838	2,376,641	22,890	-	3,051,576
<b>Total Administrative Expenses</b>	<u>70,701,821</u>	<u>6,361,547</u>	<u>9,772,022</u>	<u>1,008,173</u>	<u>(409)</u>	<u>87,843,155</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	20,964,743	1,511,482	(1,225,960)	(1,912,112)	66,445	19,404,598
<b>INVESTMENT INCOME</b>	-	-	-	-	-	9,560,258
<b>NET RENTAL INCOME</b>	-	-	-	-	-	(108,868)
<b>NET GRANT INCOME</b>	(154)	-	-	-	-	(154)
<b>OTHER INCOME</b>	1,203	-	-	-	-	1,203
<b>CHANGE IN NET ASSETS</b>	<u>\$ 20,965,792</u>	<u>\$ 1,511,482</u>	<u>\$ (1,225,960)</u>	<u>\$ (1,912,112)</u>	<u>\$ 66,445</u>	<u>\$ 28,857,037</u>
<b>BUDGETED CHANGE IN ASSETS</b>	(12,683,508)	2,300,790	(7,276,303)	(2,134,027)	-	(18,031,375)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	<u>33,649,300</u>	<u>(789,308)</u>	<u>6,050,343</u>	<u>221,915</u>	<u>66,445</u>	<u>46,888,412</u>

**April 30, 2016 Unaudited Financial Statements**

**SUMMARY**

**MONTHLY RESULTS:**

- Change in Net Assets is \$5.7 million, \$3.4 million favorable to budget
- Operating surplus is \$3.9 million with a surplus in non-operating of \$1.8 million

**YTD RESULTS:**

- Change in Net Assets is \$28.9 million, \$46.9 million favorable to budget
- Operating surplus is \$19.4 million, and non-operating surplus is \$9.5 million

**Change in Net Assets by LOB (\$millions)**

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
3.3	0.1	3.2	Medi-Cal	21.0	(12.7)	33.6
0.0	0.5	(0.5)	OneCare	1.5	2.3	(0.8)
0.8	1.8	(1.0)	OCC	(1.2)	(7.3)	6.1
0.0	0.0	0.0	ASO	0.1	0.0	0.1
<u>(0.1)</u>	<u>(0.2)</u>	<u>0.1</u>	PACE	<u>(1.9)</u>	<u>(2.1)</u>	<u>0.2</u>
<b>3.9</b>	<b>2.2</b>	<b>1.8</b>	<b>Operating</b>	<b>19.4</b>	<b>(19.8)</b>	<b>39.2</b>
<u>1.8</u>	<u>0.2</u>	<u>1.6</u>	Inv./Rental Inc, MCO tax	<u>9.5</u>	<u>1.8</u>	<u>7.7</u>
<b>1.8</b>	<b>0.2</b>	<b>1.6</b>	<b>Non-Operating</b>	<b>9.5</b>	<b>1.8</b>	<b>7.7</b>
<b>5.7</b>	<b>2.4</b>	<b>3.4</b>	<b>TOTAL</b>	<b>28.9</b>	<b>(18.0)</b>	<b>46.9</b>

**CalOptima**  
**Enrollment Summary**  
For the Ten Months Ended April 30, 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
56,497	48,999	7,498	15.3%	Aged	605,487	565,021	40,466	7.2%
648	737	(89)	(12.1%)	BCCTP	6,748	7,366	(618)	(8.4%)
49,047	50,186	(1,139)	(2.3%)	Disabled	523,432	532,272	(8,840)	(1.7%)
3,325	2,508	817	32.6%	LTC	35,612	32,447	3,165	9.8%
224,886	201,306	23,580	11.7%	MCE	2,127,107	1,989,564	137,543	6.9%
437,489	462,028	(24,539)	(5.3%)	TANF	4,346,687	4,537,608	(190,921)	(4.2%)
771,892	765,764	6,128	0.8%	Medi-Cal	7,645,073	7,664,278	(19,205)	(0.3%)
456	479	(23)	(4.8%)	MSSP	4,608	4,790	(182)	(3.8%)
<b>772,348</b>	<b>766,243</b>	<b>6,105</b>	<b>0.8%</b>	<b>Total Medi-Cal</b>	<b>7,649,681</b>	<b>7,669,068</b>	<b>(19,387)</b>	<b>(0.3%)</b>
<b>15,827</b>	<b>26,150</b>	<b>(10,323)</b>	<b>(39.5%)</b>	<b>OneCare Connect</b>	<b>72,147</b>	<b>126,326</b>	<b>(54,179)</b>	<b>(42.9%)</b>
<b>158</b>	<b>144</b>	<b>14</b>	<b>9.7%</b>	<b>PACE</b>	<b>1,285</b>	<b>1,215</b>	<b>70</b>	<b>5.8%</b>
<b>1,276</b>	<b>1,338</b>	<b>(62)</b>	<b>(4.6%)</b>	<b>OneCare</b>	<b>80,188</b>	<b>82,917</b>	<b>(2,729)</b>	<b>(3.3%)</b>
<b>789,609</b>	<b>793,875</b>	<b>(4,266)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>7,803,301</b>	<b>7,879,526</b>	<b>(76,225)</b>	<b>(1.0%)</b>
<b>Enrollment (By Network)</b>								
46,397	44,471	1,926	4.3%	HMO	435,012	435,333	(321)	(0.1%)
228,784	237,686	(8,902)	(3.7%)	PHC	2,256,898	2,340,853	(83,955)	(3.6%)
343,458	357,441	(13,983)	(3.9%)	Shared Risk Group	3,424,311	3,522,546	(98,235)	(2.8%)
153,253	126,166	27,087	21.5%	Fee for Service	1,528,852	1,365,546	163,306	12.0%
771,892	765,764	6,128	0.8%	Medi-Cal	7,645,073	7,664,278	(19,205)	(0.3%)
456	479	(23)	(4.8%)	MSSP	4,608	4,790	(182)	(3.8%)
<b>772,348</b>	<b>766,243</b>	<b>6,105</b>	<b>0.8%</b>	<b>Total Medi-Cal</b>	<b>7,649,681</b>	<b>7,669,068</b>	<b>(19,387)</b>	<b>(0.3%)</b>
<b>15,827</b>	<b>26,150</b>	<b>(10,323)</b>	<b>(39.5%)</b>	<b>OneCare Connect</b>	<b>72,147</b>	<b>126,326</b>	<b>(54,179)</b>	<b>(42.9%)</b>
<b>158</b>	<b>144</b>	<b>14</b>	<b>9.7%</b>	<b>PACE</b>	<b>1,285</b>	<b>1,215</b>	<b>70</b>	<b>5.8%</b>
<b>1,276</b>	<b>1,338</b>	<b>(62)</b>	<b>(4.6%)</b>	<b>OneCare</b>	<b>80,188</b>	<b>82,917</b>	<b>(2,729)</b>	<b>(3.3%)</b>
<b>789,609</b>	<b>793,875</b>	<b>(4,266)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>7,803,301</b>	<b>7,879,526</b>	<b>(76,225)</b>	<b>(1.0%)</b>

CalOptima  
Enrollment Trend by Network Type  
Fiscal Year 2016

Network Type	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	MMs
<b>HMO</b>													
Aged	275	274	276	268	271	266	278	279	292	321	-	-	2,800
BCCTP	-	-	-	-	2	4	3	8	3	-	-	-	20
Disabled	1,705	1,709	1,719	1,715	1,731	1,719	1,730	1,762	1,772	1,774	-	-	17,336
MCX	9,194	9,431	9,678	9,990	10,203	10,411	10,388	10,966	11,395	11,966	-	-	103,622
TANF	30,496	30,681	30,806	31,011	30,829	31,059	30,898	31,405	31,713	32,336	-	-	311,234
	41,670	42,095	42,479	42,984	43,036	43,459	43,297	44,420	45,175	46,397	-	-	435,012
<b>PHC</b>													
Aged	1,209	1,265	1,286	1,264	1,316	1,355	1,342	1,368	1,395	1,426	-	-	13,226
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	8,147	8,148	8,139	8,080	8,141	8,031	7,995	7,989	7,982	7,953	-	-	80,605
MCX	31,591	32,558	33,426	34,638	35,529	36,352	35,625	35,756	36,915	36,841	-	-	349,231
TANF	179,126	179,848	180,626	181,957	182,035	182,975	180,992	180,811	182,902	182,564	-	-	1,813,636
	220,073	221,819	223,477	225,939	227,021	228,713	225,954	225,924	229,194	228,784	-	-	2,256,898
<b>Shared Risk Group</b>													
Aged	7,127	7,221	7,326	7,156	7,377	7,406	7,401	7,456	7,523	7,542	-	-	73,535
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	15,565	15,485	15,439	15,178	15,245	15,067	14,906	14,838	14,833	14,761	-	-	151,317
MCX	125,793	127,941	130,404	133,133	135,550	138,081	133,138	133,838	137,814	136,404	-	-	1,332,096
TANF	186,142	186,379	186,841	188,949	188,873	189,378	185,442	184,420	186,187	184,751	-	-	1,867,362
	334,627	337,026	340,010	344,416	347,045	349,932	340,887	340,552	346,357	343,458	-	-	3,424,310
<b>Fee for Service (Dual)</b>													
Aged	52,530	52,110	51,992	51,739	51,522	51,041	43,625	43,676	43,398	43,439	-	-	485,072
BCCTP	35	35	34	33	36	47	35	32	34	33	-	-	354
Disabled	25,713	25,495	25,271	25,063	24,900	24,467	20,344	20,231	20,109	19,929	-	-	231,522
LTC	3,391	3,395	3,337	3,347	3,311	3,228	3,089	2,993	2,928	2,939	-	-	31,958
MCX	2,904	2,965	2,934	3,034	3,007	3,152	3,023	3,084	3,031	2,976	-	-	30,110
TANF	1,358	1,383	1,381	1,361	1,346	1,387	1,169	1,195	1,181	1,168	-	-	12,929
	85,931	85,383	84,949	84,577	84,122	83,322	71,285	71,211	70,681	70,484	-	-	791,945
<b>Fee for Service (Non-Dual)</b>													
Aged	2,401	2,671	1,925	3,122	3,136	3,318	3,581	3,234	3,697	3,769	-	-	30,854
BCCTP	629	620	594	693	683	652	648	614	626	615	-	-	6,374
Disabled	3,962	4,076	3,598	4,454	4,222	4,283	4,473	4,438	4,516	4,630	-	-	42,652
LTC	406	389	255	388	380	371	367	354	358	386	-	-	3,654
MCX	25,032	26,395	24,324	29,312	30,062	31,335	35,646	35,939	37,304	36,699	-	-	312,048
TANF	28,959	29,852	31,084	32,224	33,662	34,021	38,963	38,289	37,601	36,670	-	-	341,325
	61,389	64,003	61,780	70,193	72,145	73,980	83,678	82,868	84,102	82,769	-	-	736,907
<b>MEDI-CAL TOTAL</b>													
Aged	63,542	63,541	62,805	63,549	63,622	63,386	56,227	56,013	56,305	56,497	-	-	605,487
BCCTP	664	655	628	726	721	703	686	654	663	648	-	-	6,748
Disabled	55,092	54,913	54,166	54,490	54,239	53,567	49,448	49,258	49,212	49,047	-	-	523,432
LTC	3,797	3,784	3,592	3,735	3,691	3,599	3,456	3,347	3,286	3,325	-	-	35,612
MCX	194,514	199,290	200,766	210,107	214,351	219,331	217,820	219,583	226,459	224,886	-	-	2,127,107
TANF	426,081	428,143	430,738	435,502	436,745	438,824	437,464	436,120	439,584	437,489	-	-	4,346,690
	743,690	750,326	752,695	768,109	773,369	779,410	765,101	764,975	775,506	771,892	-	-	7,645,073
<b>PACE</b>	101	114	119	123	124	129	135	140	142	158	-	-	1,285
<b>OneCare</b>	13,021	12,803	12,628	12,455	12,166	11,891	1,375	1,288	1,285	1,276	-	-	80,188
<b>OneCare Connect</b>	2	954	1,666	2,496	3,189	4,437	12,090	15,550	15,936	15,827	-	-	72,147
<b>MSSP</b>	455	458	466	466	465	464	461	458	459	456	-	-	4,608
<b>TOTAL</b>	757,269	764,655	767,574	783,649	789,313	796,331	779,162	782,411	793,328	789,609	-	-	7,803,301

## **ENROLLMENT:**

**Overall MTD** enrollment was 789,609

- Unfavorable to budget by 4,266
- Decreased (3,719) or (0.5%) from prior month
- Increased 41,672 or 5.6% from prior year (April 2015)

**Medi-Cal** enrollment was 772,348

- Favorable to budget by 6,105 primarily driven by:
  - TANF unfavorable by (24,539)
  - Offset with Medi-Cal Expansion favorable by 23,580 and aged by 7,498
- Decreased (3,617) from prior month

**OneCare** enrollment was 1,276

- Unfavorable to budget by (62)
- Decreased (9) from prior month

**OneCare Connect** enrollment was 15,827

- Unfavorable to budget by (10,323)
- Decreased (109) from prior month (Includes retroactivity)

**PACE** enrollment was 158

- Favorable to budget by 14
- Increased 16 from prior month

**Overall YTD** enrollment was 7,803,301

- Unfavorable to budget by (76,225)
- Increased 789,609 or 12.8% from prior month
- Increased 757,207 or 10.7% from prior year (April 2015)



**CalOptima - MediCal Total  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Month			
Actual	Budget	\$ Variance	% Variance
772,348	766,243	6,105	0.8%
232,434,806	229,279,745	3,155,062	1.4%
0	0	0	0.0%
232,434,806	229,279,745	3,155,062	1.4%
78,303,951	82,599,736	4,295,785	5.2%
47,638,932	43,586,511	(4,052,421)	(9.3%)
7,746,705	10,015,104	2,268,398	22.6%
13,215,672	19,822,544	6,606,872	33.3%
33,149,911	31,752,511	(1,397,400)	(4.4%)
38,852,543	32,110,317	(6,742,226)	(21.0%)
(1,218,091)	(4,729,014)	(3,510,923)	(74.2%)
2,431,693	3,675,569	1,243,876	33.8%
1,629,186	547,205	(1,081,981)	(197.7%)
221,750,503	219,380,484	(2,370,019)	(1.1%)
10,684,303	9,899,261	785,043	7.9%
4,735,095	5,764,782	1,029,687	17.9%
294,116	552,495	258,379	46.8%
676,758	1,085,071	408,313	37.6%
393,405	661,329	267,925	40.5%
0	0	0	0.0%
267,760	458,456	190,696	41.6%
1,327,026	1,661,338	334,312	20.1%
(302,451)	(406,906)	(104,455)	(25.7%)
7,391,709	9,776,565	2,384,857	24.4%
9,137,866	11,435,237	2,297,371	20.1%
0	11,435,237	11,435,237	100.0%
9,137,866	0	(9,137,866)	0.0%
(0)	0	(0)	0.0%
0	617,857	(617,857)	(100.0%)
0	525,179	525,179	100.0%
0	92,679	92,679	100.0%
0	0	0	0.0%
0	0	0	0.0%
242	0	242	0.0%
3,292,836	122,695	3,170,141	2583.8%
95.4%	95.7%	0.3%	0.3%
3.2%	4.3%	1.1%	25.4%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	7,649,681	7,669,068	(19,387)	(0.3%)
Revenues				
Capitation revenue	2,312,158,870	2,316,654,817	(4,495,947)	(0.2%)
Grant & other income	0	0	0	0.0%
Total Operating Revenues	2,312,158,870	2,316,654,817	(4,495,947)	(0.2%)
Medical Expenses				
Provider capitation	779,088,908	832,991,362	53,902,453	6.5%
Facility inpatient	474,292,844	427,049,368	(47,243,477)	(11.1%)
Facility outpatient	77,485,072	103,305,741	25,820,669	25.0%
Professional Claims	121,258,927	183,671,163	62,412,236	34.0%
Prescription drugs	326,018,958	312,205,671	(13,813,287)	(4.4%)
Long-term care facility payments	422,119,074	375,858,715	(46,260,359)	(12.3%)
Contingencies	(12,837,615)	(47,290,141)	(34,452,526)	(72.9%)
Medical Management	26,477,250	37,472,544	10,995,293	29.3%
Reinsurance & other	6,588,886	5,461,643	(1,127,243)	(20.6%)
Total Medical Expenses	2,220,492,306	2,230,726,065	10,233,759	0.5%
Gross Margin	91,666,564	85,928,752	5,737,812	6.7%
Administrative Expenses				
Salaries, wages & employee benefits	45,444,746	58,909,697	13,464,951	22.9%
Professional fees	2,543,985	5,600,988	3,057,003	54.6%
Purchased services	7,361,509	10,447,084	3,085,575	29.5%
Printing and postage	3,135,870	6,624,895	3,489,026	52.7%
Occupancy expenses	0	0	0	0.0%
Depreciation & amortization	2,537,651	4,584,562	2,046,911	44.6%
Other operating expenses	10,820,855	16,508,200	5,687,345	34.5%
Indirect cost allocation	(1,142,794)	(4,063,166)	(2,920,372)	(71.9%)
Total Administrative Expenses	70,701,821	98,612,260	27,910,439	28.3%
Operating Tax				
Tax revenue	93,052,394	115,199,943	22,147,548	19.2%
Premium tax expense	0	115,199,943	115,199,943	100.0%
Sales tax expense	93,052,394	0	(93,052,394)	0.0%
Total Net Operating Tax	(0)	0	(0)	0.0%
Grant Income				
Grant Revenue	0	3,089,286	(3,089,286)	(100.0%)
Grant expense - Service Partner	0	2,625,893	2,625,893	100.0%
Grant expense - Adminisitrative	154	463,393	463,239	100.0%
Total Net Grant Income	(154)	0	(154)	0.0%
QAF and IGT - Net	0	0	0	0.0%
Other income	1,203	0	1,203	0.0%
Change in Net Assets	20,965,792	(12,683,508)	33,649,300	265.3%
Medical Loss Ratio	96.0%	96.3%	0.3%	0.3%
Admin Loss Ratio	3.1%	4.3%	1.2%	28.2%

## **MEDI-CAL INCOME STATEMENT – APRIL MONTH:**

**REVENUES** of \$232.4 million are favorable to budget by \$3.2 million, driven by:

- Price related variance of: \$1.3 million related to aid code mix
- Volume related variance of: \$1.8 million due to the higher enrollment

**MEDICAL EXPENSES:** Overall \$221.8 million, unfavorable to budget by (\$2.4) million due to:

- **Capitation** is favorable to budget \$4.3 million due to:
  - Price related variance of: \$5.0 million
  - Volume related variance of: (\$0.7) million
- **Total Claim Payments** are unfavorable to budget (\$3.3) million due to:
  - Price related variance of: (\$2.2) million
  - Volume related variance of: (\$1.1) million
- **Contingencies** are unfavorable to budget (\$3.5) million driven by:
  - Expense due to risk corridor recovery to bring FY16 MLR to 95% and prior years to 85% per DHCS contract

**ADMINISTRATION EXPENSES** are \$7.4 million, favorable to budget \$2.4 million, driven by:

- Salary & Benefits: \$1.0 million favorable to budget
- Non-Salary: \$1.4 million favorable to budget across most categories

**CHANGE IN NET ASSETS** is \$3.3 million for the month, favorable to budget by \$3.2 million

**CalOptima - OneCare Connect  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
15,827	26,150	(10,323)	(39.5%)	Member Months	72,147	126,326	(54,179)	(42.9%)
34,362,038	49,115,151	(14,753,113)	(30.0%)	Revenues				
				Capitation revenue	138,180,477	237,262,323	(99,081,846)	(41.8%)
34,362,038	49,115,151	(14,753,113)	(30.0%)	Total Operating Revenue	138,180,477	237,262,323	(99,081,846)	(41.8%)
8,037,102	14,294,632	6,257,531	43.8%	Medical Expenses				
6,148,309	5,677,937	(470,372)	(8.3%)	Provider capitation	36,351,346	69,053,593	32,702,246	47.4%
4,203,745	4,193,283	(10,462)	(0.2%)	Inpatient	28,182,124	27,580,343	(601,781)	(2.2%)
7,367,937	14,146,568	6,778,631	47.9%	Ancillary	14,495,222	20,172,003	5,676,781	28.1%
5,000,024	3,611,876	(1,388,149)	(38.4%)	Skilled nursing facilities	20,836,411	68,375,677	47,539,267	69.5%
0	435,148	435,148	100.0%	Prescription drugs	22,963,934	23,824,873	860,939	3.6%
964,596	1,392,235	427,638	30.7%	Quality incentives	0	2,102,087	2,102,087	100.0%
280,338	848,986	568,648	67.0%	Medical management	6,240,352	8,817,701	2,577,350	29.2%
				Other medical expenses	565,027	4,101,227	3,536,200	86.2%
32,002,051	44,600,665	12,598,614	28.2%	Total Medical Expenses	129,634,415	224,027,504	94,393,089	42.1%
2,359,987	4,514,486	(2,154,499)	(47.7%)	Gross Margin	8,546,062	13,234,819	(4,688,757)	(35.4%)
828,340	1,221,163	392,823	32.2%	Administrative Expenses				
0	108,367	108,367	100.0%	Salaries, wages & employee benefits	5,306,963	8,497,586	3,190,623	37.5%
223,267	421,451	198,183	47.0%	Professional fees	0	182,765	182,765	100.0%
53,158	198,598	145,440	73.2%	Purchased services	909,893	2,476,970	1,567,078	63.3%
0	0	0	0.0%	Printing and postage	1,158,323	2,040,157	881,834	43.2%
4,718	7,495	2,777	37.0%	Depreciation & amortization	(1,377)	0	1,377	0.0%
481,199	806,201	325,002	40.3%	Other operating expenses	21,579	268,819	247,240	92.0%
				Indirect cost allocation, Occupancy expense	2,376,641	7,044,824	4,668,183	66.3%
1,590,682	2,763,274	1,172,592	42.4%	Total Administrative Expenses	9,772,022	20,511,122	10,739,099	52.4%
373,375	0	373,375	0.0%	Operating Tax				
373,375	0	(373,375)	0.0%	Tax revenue	1,217,751	0	1,217,751	0.0%
				Sales tax expense	1,217,751	0	(1,217,751)	0.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
769,305	1,751,212	(981,907)	(56.1%)	Change in Net Assets	(1,225,960)	(7,276,303)	6,050,343	83.2%
93.1%	90.8%	(2.3%)	(2.6%)	Medical Loss Ratio	93.8%	94.4%	0.6%	0.6%

**ONECARE CONNECT INCOME STATEMENT – APRIL MONTH:**

**REVENUES** of \$34.4 million are unfavorable to budget by (\$14.8) million due to lower enrollment

**MEDICAL EXPENSES** are favorable to budget \$12.6 million due to:

- Across most categories due to lower enrollment

**ADMINISTRATIVE EXPENSES** are favorable to budget by \$1.2 million

**CHANGE IN NET ASSETS** is \$0.8 million, unfavorable to budget by (\$1.0) million

**CalOptima - OneCare  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,276	1,338	(62)	(4.6%)	Member Months	80,188	82,917	(2,729)	(3.3%)
				Revenues				
1,148,822	2,925,022	(1,776,200)	(60.7%)	Capitation revenue	83,442,147	91,305,827	(7,863,681)	(8.6%)
1,148,822	2,925,022	(1,776,200)	(60.7%)	Total Operating Revenue	83,442,147	91,305,827	(7,863,681)	(8.6%)
				Medical Expenses				
406,419	1,043,009	636,591	61.0%	Provider capitation	29,652,640	30,823,081	1,170,442	3.8%
188,134	860,437	672,303	78.1%	Inpatient	29,558,181	32,511,852	2,953,671	9.1%
72,424	55,639	(16,784)	(30.2%)	Ancillary	2,457,273	3,410,771	953,499	28.0%
31,146	48,703	17,557	36.0%	Skilled nursing facilities	2,293,983	3,075,745	781,762	25.4%
123,195	160,311	37,116	23.2%	Prescription drugs	6,822,008	4,469,787	(2,352,221)	(52.6%)
0	17,835	17,835	100.0%	Quality incentives	899,979	1,105,276	205,297	18.6%
55,180	(110,972)	(166,152)	(149.7%)	Medical management	3,267,466	4,010,786	743,320	18.5%
10,242	207,059	196,817	95.1%	Other medical expenses	617,587	2,663,166	2,045,579	76.8%
886,740	2,282,022	1,395,282	61.1%	Total Medical Expenses	75,569,117	82,070,465	6,501,348	7.9%
262,082	643,000	(380,918)	(59.2%)	Gross Margin	7,873,029	9,235,362	(1,362,333)	(14.8%)
				Administrative Expenses				
56,163	(108)	(56,271)	(52026.1%)	Salaries, wages & employee benefits	3,354,923	3,975,839	620,916	15.6%
8,000	36,833	28,833	78.3%	Professional fees	202,378	377,333	174,955	46.4%
90,279	44,532	(45,746)	(102.7%)	Purchased services	500,291	724,380	224,089	30.9%
41,690	35,736	(5,954)	(16.7%)	Printing and postage	144,388	417,514	273,126	65.4%
33,659	41,672	8,014	19.2%	Other operating expenses	364,729	422,321	57,592	13.6%
29,212	0	(29,212)	0.0%	Indirect cost allocation, Occupancy expense	1,794,838	1,017,186	(777,652)	(76.5%)
259,003	158,666	(100,337)	(63.2%)	Total Administrative Expenses	6,361,547	6,934,572	573,025	8.3%
3,080	484,334	(481,254)	(99.4%)	Change in Net Assets	1,511,482	2,300,790	(789,308)	(34.3%)
=====	=====	=====	=====		=====	=====	=====	=====
77.2%	78.0%	0.8%	1.1%	Medical Loss Ratio	90.6%	89.9%	(0.7%)	(0.8%)
22.5%	5.4%	(17.1%)	(315.6%)	Admin Loss Ratio	7.6%	7.6%	(0.0%)	(0.4%)

**CalOptima - PACE**  
**Statement of Revenues and Expenses**  
**For the Ten Months Ended April 30, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
158	144	14	9.7%	Member Months	1,285	1,215	70	5.8%
				Revenues				
682,640	574,895	107,744	18.7%	Medi-Cal capitation revenue	5,352,919	4,860,153	492,766	10.1%
274,757	294,927	(20,170)	(6.8%)	MediCare capitation revenue	2,465,857	2,481,750	(15,892)	(0.6%)
0	0	0	0.0%	MediCare Part D revenue	9,654	0	9,654	0.0%
957,396	869,822	87,574	10.1%	Total Operating Revenues	7,828,430	7,341,902	486,527	6.6%
				Medical Expenses				
226,680	244,137	17,456	7.2%	Clinical salaries & benefits	2,192,146	2,403,077	210,930	8.8%
0	0	0	0.0%	Pace Center Support salaries & benefits	0	0	0	0.0%
0	0	0	0.0%	Provider capitation	0	0	0	0.0%
288,924	120,384	(168,540)	(140.0%)	Claims payments to hospitals	1,882,616	1,015,740	(866,876)	(85.3%)
177,259	230,594	53,336	23.1%	Professional claims	1,900,078	1,945,634	45,556	2.3%
90,667	77,760	(12,907)	(16.6%)	Prescription drugs	766,423	656,100	(110,323)	(16.8%)
866	12,757	11,891	93.2%	Long-term care facility payments	105,697	32,556	(73,141)	(224.7%)
55,804	93,600	37,797	40.4%	Patient transportation	501,293	789,750	288,458	36.5%
49,413	54,141	4,729	8.7%	Depreciation & amortization	571,703	541,413	(30,290)	(5.6%)
37,655	38,370	715	1.9%	Occupancy expenses	376,549	376,890	341	0.1%
16,383	21,690	5,307	24.5%	Utilities & Facilities expense	149,304	156,844	7,540	4.8%
0	2,329	2,329	100.0%	Purchased services	1,449	23,672	22,223	93.9%
21,925	9,764	(12,161)	(124.5%)	Indirect allocation	172,830	82,383	(90,446)	(109.8%)
0	0	0	0.0%	Reinsurance	0	0	0	0.0%
11,231	15,968	4,737	29.7%	Other expenses	112,281	195,852	83,571	42.7%
976,806	921,494	(55,312)	(6.0%)	Total Medical Expenses	8,732,368	8,219,911	(512,457)	(6.2%)
(19,410)	(51,672)	32,262	62.4%	Gross Margin	(903,939)	(878,009)	(25,930)	(3.0%)
				Administrative Expenses				
71,338	84,927	13,588	16.0%	Salaries, wages & employee benefits	821,522	873,801	52,279	6.0%
1,938	11,000	9,062	82.4%	Professional fees	29,832	110,000	80,168	72.9%
0	9,530	9,530	100.0%	Purchased services	7,683	95,317	87,634	91.9%
0	4,167	4,167	100.0%	Printing and postage	33,944	41,667	7,722	18.5%
2,059	2,256	197	8.7%	Depreciation & amortization	23,821	22,560	(1,261)	(5.6%)
7,706	27,079	19,373	71.5%	Other operating expenses	68,481	93,538	25,057	26.8%
2,482	2,006	(477)	(23.8%)	Indirect cost allocation, Occupancy expense	22,890	19,135	(3,756)	(19.6%)
85,524	140,965	55,441	39.3%	Total Administrative Expenses	1,008,173	1,256,018	247,845	19.7%
(104,934)	(192,636)	87,702	45.5%	Change in Net Assets	(1,912,112)	(2,134,027)	221,915	10.4%
102.0%	105.9%	3.9%	3.7%	Medical Loss Ratio	111.5%	112.0%	0.4%	0.4%
8.9%	16.2%	7.3%	44.9%	Admin Loss Ratio	12.9%	17.1%	4.2%	24.7%

**CalOptima - Behavioral Health ASO**  
**Statement of Revenues and Expenses**  
**For the Ten Months Ended April 30, 2016**

	Month			
Actual	Budget	\$ Variance	% Variance	
0	0	0	0.0%	
0	0	0	0.0%	
10,668	0	(10,668)	(100.0%)	
0	0	0	0.0%	
10,668	0	(10,668)	(100.0%)	
(10,668)	0	(10,668)	(100.0%)	
0	0	0	0.0%	
0	0	0	0.0%	
(17)	0	17	100.0%	
0	0	0	0.0%	
0	0	0	0.0%	
0	0	0	0.0%	
0	0	0	0.0%	
(17)	0	17	100.0%	
(10,651)	0	(10,651)	(100.0%)	
0.0%	0.0%	0.0%	0.0%	
0.0%	0.0%	0.0%	0.0%	

Revenues  
Other Income  
  
Total Operating Revenues

Medical Expenses  
Other Medical  
Medical management  
  
Total Medical Expenses

Gross Margin

Administrative Expenses  
Salaries, wages & employee benefits  
Professional fees  
Purchased services  
Printing and postage  
Depreciation & amortization  
Other operating expenses  
Indirect cost allocation, Occupancy expense  
  
Total Administrative Expenses

Change in Net Assets

Medical Loss Ratio  
Admin Loss Ratio

Actual	Budget	\$ Variance	% Variance	
0	0	0	0.0%	
0	0	0	0.0%	
(66,037)	0	66,037	100.0%	
0	0	0	0.0%	
(66,037)	0	66,037	100.0%	
66,037	0	66,037	100.0%	
0	0	0	0.0%	
0	0	0	0.0%	
(17)	0	17	100.0%	
(405)	0	405	100.0%	
0	0	0	0.0%	
13	0	(13)	(100.0%)	
0	0	0	0.0%	
(409)	0	409	100.0%	
66,445	0	66,445	100.0%	
0.0%	0.0%	0.0%	0.0%	
0.0%	0.0%	0.0%	0.0%	

**CalOptima - Building 505 City Parkway  
Statement of Revenues and Expenses  
For the Ten Months Ended April 30, 2016**

Actual	Month Budget	\$ Variance	% Variance
24,056	20,473	3,583	17.5%
24,056	20,473	3,583	17.5%
1,235	2,085	850	40.8%
38,393	22,912	(15,480)	(67.6%)
144,089	136,086	(8,003)	(5.9%)
14,549	15,110	561	3.7%
14,355	161,923	147,568	91.1%
31,927	0	(31,927)	0.0%
(216,501)	(311,907)	(95,406)	(30.6%)
28,046	26,210	(1,836)	(7.0%)
(3,989)	(5,737)	1,747	30.5%
=====	=====	=====	=====

Revenues

Rental income

Total Operating Revenue

Administrative Expenses

Professional fees

Purchase services

Depreciation & amortization

Insurance expense

Repair and maintenance

Other Operating Expense

Indirect allocation, Occupancy expense

Total Administrative Expenses

Change in Net Assets

Actual	Year - To - Date Budget	\$ Variance	% Variance
327,636	204,733	122,903	60.0%
327,636	204,733	122,903	60.0%
12,272	20,850	8,578	41.1%
262,709	229,124	(33,585)	(14.7%)
1,441,306	1,360,863	(80,443)	(5.9%)
145,488	151,103	5,615	3.7%
981,573	1,619,231	637,658	39.4%
525,441	0	(525,441)	0.0%
(2,932,286)	(2,854,786)	77,500	2.7%
436,504	526,385	89,882	17.1%
(108,868)	(321,653)	212,785	66.2%
=====	=====	=====	=====



**OTHER STATEMENTS – APRIL MONTH:**

**ONECARE INCOME STATEMENT**

- **Change in Net Assets** is \$3.1 thousand, (\$481.3) thousand unfavorable to budget
- **Medical Expenses** are \$1.4 million favorable to budget
- **Administration Expenses** are \$259.0 thousand, (\$100.3) thousand unfavorable to budget

**PACE INCOME STATEMENT**

- **Change in Net Assets** for the month is (\$104.9) thousand, which is operating favorable to budget by \$87.7 thousand

**505 CITY PARKWAY BUILDING INCOME STATEMENT**

- **Change in Net Assets** for the month is (\$4.0) thousand which is favorable to budget \$1.7 thousand

**CalOptima**  
**BALANCE SHEET**  
**April 30, 2016**

**ASSETS**

Current Assets

Operating Cash	\$771,431,434
Catastrophic Reserves	11,294,844
Investments	733,144,777
Capitation receivable	76,195,592
Receivables - Other	20,646,564
Prepaid Expenses	5,005,420

<b>Total Current Assets</b>	<b>1,617,718,631</b>
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Capital Assets

Furniture and equipment	27,720,290
Leasehold improvements	11,079,686
505 City Parkway West	46,682,460
	85,482,436
Less: accumulated depreciation	(31,053,566)
Capital assets, net	<b>54,428,870</b>

Other Assets

Restricted deposit & Other	273,099
Board-designated assets	
Cash and cash equivalents	60,816,119
Short term investments	-
Long term investments	412,518,941
Total Board-designated Assets	473,335,060

Total Other Assets	<b>473,608,159</b>
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Deferred outflows of Resources	<b>3,787,544</b>
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<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b>2,149,543,204</b>
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**LIABILITIES & FUND BALANCES**

Current Liabilities

Accounts payable	\$1,683,570
Medical claims liability	532,193,781
Accrued payroll liabilities	9,993,329
Deferred revenue	499,844,638
Deferred revenue - CMS	0
Deferred lease obligations	298,864
Capitation and withholds	414,162,261
Accrued insurance costs	0

<b>Total Current Liabilities</b>	<b>1,458,176,444</b>
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Other (than pensions) post

employment benefits liability	27,962,255
Net Pension Liabilities	1,774,094
Long Term Liabilities	150,000

<b>TOTAL LIABILITIES</b>	<b>1,488,062,793</b>
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Deferred inflows of Resources	<b>5,580,552</b>
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Tangible net equity (TNE)	87,084,320
Funds in excess of TNE	568,815,538

<b>Net Assets</b>	<b>655,899,858</b>
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<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b>2,149,543,204</b>
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**CalOptima**  
**Statement of Cash Flows**  
**April 30, 2016**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	5,721,233	28,857,037
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	413,908	4,001,401
Changes in assets and liabilities:		
Prepaid expenses and other	8,612	(5,005,420)
Catastrophic reserves		
Capitation receivable	18,460,808	482,523,455
Medical claims liability	(35,506,375)	(138,139,519)
Deferred revenue	(5,082,770)	288,833,592
Payable to providers	12,553,972	123,529,349
Accounts payable	(1,457,846)	(21,885,089)
Other accrued liabilities	557,707	1,817,134
Net cash provided by/(used in) operating activities	<u>(4,330,752)</u>	<u>764,531,940</u>
GASB 68 CalPERS Adjustments	-	1,163,367
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	260,158,880	12,647,831
Purchase of property and equipment	(1,303,334)	(5,080,883)
Change in Board designated reserves	(492,530)	(13,054,033)
Net cash provided by/(used in) investing activities	<u>258,363,016</u>	<u>(5,487,084)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	254,032,265	760,208,223
CASH AND CASH EQUIVALENTS, beginning of period	<u>\$528,694,013</u>	<u>22,518,055</u>
CASH AND CASH EQUIVALENTS, end of period	<u><b>\$ 782,726,278</b></u>	<u><b>\$ 782,726,278</b></u>

## **BALANCE SHEET:**

**ASSETS** decreased (\$23.2) million from March

- **Cash and Cash Equivalents** increased by \$254.0 million from March based upon month-end cut-off and cash funding requirements
- **Capitation Receivables** decreased (\$19.6) million based upon receipt timing and receivables
- **Investments** decreased (\$260.2) million due to month-end cut-off and cash funding requirements

**LIABILITIES** decreased (\$28.9) million from March

- **Deferred Revenue** decreased by (\$5.1) million from March due to:
  - Medi-Cal Expansion and Long Term Care receivables
- **Medical Claim Liability** decreased by (\$35.5) million from March due to the \$42.1M QAF liability paid in April
- **Incentives and Risk Pool** increased \$12.8 million based upon timing of pool estimates, recalculations and payouts

**NET ASSETS** are \$655.9 million

**CalOptima Foundation**  
**Statement of Revenues and Expenses**  
**For the Ten Months Ended April 30, 2016**  
**Consolidated**

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>			
73,759	0	73,759	0.0%	Income - Grant	259,913	331,766	(71,853) (21.7%)
34,321	0	34,321	0.0%	In Kind Revenue - HITEC Grant	281,053	0	281,053 0.0%
0	0	0	0.0%	In Kind Revenue - Foundation Corporate	123	0	123 0.0%
108,080	0	108,080	0.0%	Total Operating Revenue	541,089	331,766	209,323 63.1%
				<b>Operating Expenditures</b>			
22,110	7,373	(14,737)	(199.9%)	Personnel	200,026	73,734	(126,292) (171.3%)
11,509	3,559	(7,950)	(223.4%)	Taxes and Benefits	96,277	35,590	(60,687) (170.5%)
0	0	0	0.0%	Travel	2,113	0	(2,113) 0.0%
209	0	(209)	0.0%	Supplies	1,716	0	(1,716) 0.0%
8,000	0	(8,000)	0.0%	Contractual	166,698	310,766	144,068 46.4%
66,981	231,282	164,301	71.0%	Other	86,016	2,333,819	2,247,803 96.3%
108,810	242,214	133,405	55.1%	Total Operating Expenditures	552,847	2,753,909	2,201,062 79.9%
0	0	0	0.0%	Investment Income	0	0	0 0.0%
(730)	(242,214)	(241,485)	(99.7%)	Program Income	(11,758)	(2,422,143)	(2,410,385) (99.5%)
=====	=====	=====	=====	=====	=====	=====	=====

**CalOptima Foundation  
Balance Sheet  
April 30, 2016**

<b><u>ASSETS</u></b>		<b><u>LIABILITIES &amp; NET ASSETS</u></b>	
Operating cash	2,894,845	Accounts payable-Current	32,488
Grants receivable	32,488	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
<b>Total Current Assets</b>	<b><u>2,927,334</u></b>	Grants-Foundation	0
		<b>Total Current Liabilities</b>	<b><u>32,488</u></b>
		<b>Total Liabilities</b>	<b>32,488</b>
		<b>Net Assets</b>	<b>2,894,845</b>
<b>TOTAL ASSETS</b>	<b><u><u>2,927,334</u></u></b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u><u>2,927,334</u></u></b>

**CALOPTIMA FOUNDATION INCOME STATEMENT:**

- For April, expenses are equal to revenue
- YTD expenses are \$11.8 thousand higher than revenue due to non-grant expenses from the Foundation reserve

**Budget Allocation Changes**  
Reporting changes for April 2016

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	MediCal	Human Resources Professional Fees	Human Resources Professional Fees	\$19,428	Re-purpose funds for CareerBuilder Professional Searches & Software	2016
July	Capital	Facilities - Car Charging Station	PACE - Blinds	\$13,000	Re-purpose FY15 unspent Board approved budget to purchase blinds for PACE	2016
July	Capital	Facilities - Board Breakout Room 104 & 105	PACE - Water Softener	\$40,000	Re-purpose FY15 unspent Board approved budget to purchase water softener for PACE	2016
July	Capital	Facilities - Car Charging Station	Facilities - Beacon Space Re-Wiring	\$26,000	Re-purpose FY15 unspent Board approved budget to re-wire the 7th floor space previously occupied by Beacon	2016
August	MediCal	Executive - Other Pay	Compliance - Professional	\$99,000	Funds needed for Susan Miller Consulting for DHCS/DHMC	2016
August	OneCare	Compliance - Professional	Executive - Other Pay	\$99,000	Re-allocate funds from department for DHCS/DHMC consulting services	2016
August	OneCare Connect	Community Relations - Public Activities; Printing	Community Relations - Professional Fees	\$10,000	Consulting services to address opt-out rate for OneCare Connect specifically in the Vietnamese community	2016
September	MediCal	IGT - Security Audit Remediation	IGT - Case Management	\$99,000	Re-allocate funds from IGT Security Audit Remediation to fund services done by Altruista	2016
September	MediCal	Human Resources - Professional Fees - Sal & Comp Research; Executive Coaching	Human Resources - Professional Fees	\$29,000	Re-purpose additional funds needed to cover SageView, CalOptima's 457b Plan Review	2016
September	MediCal	Government/Legislative Affairs - Membership	Government/Legislative Affairs - Professional Fees	\$42,612	Re-allocate funds from Membership for consultation services that strengthen relationship between CalOptima & local Vietnamese providers	2016
September	MediCal	IS Application Development - Professional Fees	IS Application Development - Maintenance HW/SW	\$18,400	Re-allocate funds for add-on service by Ceridian for ACA reporting requirement, which is annual filing of ACA forms required by the Taxing Authority	2016
October	MediCal	IS Application Mgmt - Professional Fees	Quality Analytics - Purchased Services - Member Satisfaction Surveys	\$75,000	Transfer of funds budgeted in IS Application Mgmt to Quality Analytics for Member Experience Survey	2016
October	MediCal	Quality Analytics - Incentives	Quality Analytics - Purchased Services - Access & Avail Study	\$80,000	Funds needed for the Timely Access Survey for 2016	2016
October	OneCare	Health Network Provider Relations - In Home Assessments	Health Network Provider Relations - RADV Plan Audit	\$25,000	Additional funds needed for the RADV Plan Audit	2016
October	MediCal	Human Resources - Purchased Services	Human Resources - Professional Fees - Sal & Comp Research	\$18,500	Funds needed for Pearl Meyer Salary Structure review and Senior Management benchmarking	2016
November	MediCal	Cultural & Linguistic - Member Communications	Grievances & Appeals Resolution Office - Purchased Services & Office Supplies	\$40,000	Funds needed to cover office supplies & services from ImageNet	2016
November	MediCal	eBusiness - Purchased Services	eBusiness - Purchased Services	\$11,648	Re-purpose funds from FY16 AMA Royalty to pay for SAAS License Fee	2016
November	OneCare	Quality Analytics - Member Communications - QIP Activities	Quality Analytics - Purchased Services - Member Satisfaction Surveys	\$20,000	Funds needed to cover OC Group Level CAHPS (member experience) survey	2016
November	MediCal	Process Excellence - Professional Fees	Executive - Other Pay	\$50,000	Funds needed to cover RADV Plan Audit Chart Administrative Fee	2016
November	OneCare	Executive Office - Other Pay	Health Network Provider Relations - RADV Plan Audit	\$50,000	Funds needed to cover RADV Plan Audit Chart Administrative Fee	2016
December	PACE	PACE - DME	PACE - Recreation Therapy Supplies	\$10,000	Funds needed for member recreation therapy supplies	2016
December	MediCal	Compliance - Professional Fees	Audit & Oversight - Professional Fees	\$12,500	Re-allocate funds from Compliance to Audit & Oversight for review of audit tools and protocols for A&O audit processes	2016
December	MediCal	IS-Infrastructure - Minor Equipment & Supplies	IS-Infrastructure - Software Maintenance	\$29,000	Funds needed for maintenance expense relating to the HPCA e-mail archiving system	2016
January	MediCal	Facilities - Repairs & Maintenance - Building	Facilities - Comp Supply/Minor Equipment	\$75,000	Funds needed for signage, furniture, adds move and change and other additional FF&E	2016
January	Capital	Facilities - 10th Floor Renovation - Common Corridor	Facilities - 505 Building Tiles	\$11,500	Funds needed for purchased of floor tiles as part of upcoming remodel of common area restroom throughout the building	2016
January	MediCal	Executive Office - Professional Fees	Executive Office - Purchased Services	\$15,000	Re-purpose \$15,000 specified for Prof Fees - Legal to be used for an armed security officer at all board of directors meeting	2016
January	Capital	Facilities - Board Dias/Table	PACE - Water Softener	\$36,000	Re-purposed unspent board approved budget of \$36,000 specified for Board Dias/Table to be used for PACE Water Softener	2016
January	Capital	Facilities - Board Dias/Table	Facilities - Sound Recording System	\$46,000	Re-purposed unspent board approved budget of \$46,000 specified for Board Dias/Table to be used for Sound Recording System	2016
February	MediCal	Community Relations - Public Activities	Community Relations - Professional Fees	\$17,000	Re-allocate funds from Public Activities to Professional Fees to cover community liaison consultants to assist with community relation functions.	2016
February	Capital	IS-Applications Management - Altruista Provider Portal Network	IS-Applications Management - Claims Editor	\$31,700	Re-allocate capital funds to cover full cost of the claim editor program	2016
February	OneCare	Audit & Oversight - Professional Fees	Compliance - Professional Fees	\$75,000	Re-allocate professional fees funds from Audit & Oversight to Compliance to cover Deloitte audit expenses	2016
March	OneCare Connect	Communications - Public Activities, Printing	Communications - Advertising	\$75,182	Re-allocate funds from Public Activities and Printing to Advertising	2016
April	MediCal	Health Ed & Disease Mgmt - Purchased Services - Childhood Obesity	Health Ed & Disease Mgmt - Professional Fees	\$40,000	Re-allocate funds from Purchased Services - Childhood Obesity to Professional Fees to pay for Group Needs Assessment which is a requirement for DHCS	2016
April	MediCal	IS-Infrastructure - Purchased Services - Disaster Recovery Services	IS-Infrastructure - Subscriptions	\$76,000	Re-allocate funds from Purchased Services (Disaster Recovery Technology Services) to Subscriptions to pay for Gartner Renewal (5/1/16 - 4/30/17) and other subscription related expenses	2016
April	MediCal	Medical Management - Professional Fees - Recruiting Utilization Management & Quality Analytics Directors	Medical Management - Professional Fees - Organ Transplant Vendor (Axia)	\$60,000	Re-purpose funds from Professional Fees - Recruiting Utilization Management & Quality Analytics Directors to pay for Organ Transplant Vendor (Axia)	2016
April	OneCare	Cultural & Linguistic Services - Member Communications	Cultural & Linguistic Services - Purchased Services - Interpreting	\$20,000	Re-allocate funds from Member Communication to Purchased Services - Interpreting to pay for interpreting services	2016
April	MediCal	Human Resources - Purchased Services	Human Resources - Professional Fees, Training & Seminars, Office Supplies	\$10,000	Re-allocate funds from Purchased Services to Professional Fees, Training & Seminars, and Office Supplies to pay for FutureSense training assessment, Skillsoft (LMS) training courses, and office supplies	2016
April	MediCal	IS-Infrastructure - Telephone	IS-Infrastructure - Software Maintenance	\$21,000	Re-allocate funds from Telephone to Software Maintenance to cover cost of Microsoft Agreement/Licenses	2016

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000. This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.