

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

**MONDAY, APRIL 24, 2017
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. 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 January 23, 2017 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. Consider Recommending Reappointment to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee for Consideration
- B. Consider Recommending Approval of Proposed Changes to the Annual Investment Policy for Calendar Year 2017

VII. INFORMATION ITEMS

- A. Quarterly Investment Report Presentation by Meketa
- B. Investment Portfolio Presentation by Wells Capital Management
- C. Investment Portfolio Presentation by Payden & Rygel
- D. Investment Portfolio Presentation by Logan Circle Partners
- E. February 2017 Unaudited Financial Statements
- F. Update on Investment Advisory Committee Recruitment Process

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

January 23, 2017

A Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, January 23, 2017, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

The meeting was called to order at 3:01 p.m. Lisa Laird, Acting Chair, led the Pledge of Allegiance.

ROLL CALL

Members Present: Lisa Laird, Acting Chair; Peggy Eckroth, Caroline Harkins, Nancy Huang, Rodney Johnson, David Young,

Members Absent: Patrick Moore

Others Present: Laura Wirick, Ted Benedict, Meketa Investment Group; Larry Manis, Thomas Elder, Jeffrey Cleveland, Darren Marco, Payden & Rygel; Scott Pavlak, Wendy Kaszak, Logan Circle Partners; Tony Mellville, Zach Smith, Gary Schlossberg, Wells Capital Management; Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Eugene Chen, Manager, Accounting; Pamela Reichardt, Executive Assistant

MINUTES

Approve Minutes of the October 24, 2016, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Acting Chair Laird, seconded and carried, the Minutes of the October 24, 2016 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0; Member Moore absent)

PUBLIC COMMENT

There were no requests for public comment.

MANAGEMENT REPORTS

Chief Executive Officer Report

Michael Schrader, Chief Executive Officer, reported that the Governor released his proposed FY 2017-18 budget in January that includes: the continuation of the Cal MediConnect (CMC) Program, known as the OneCare Connect program in Orange County, through December 31, 2019; the discontinuation of the broader Coordinated Care Initiative (CCI) on January 1, 2018; and returns the responsibility for In-Home Supportive Services (IHSS) to the counties. Mr. Schrader briefly reported on the Affordable Care Act (ACA), and noted that CalOptima has joined the Medicaid Plans of America. Mr. Schrader also congratulated Nancy Huang as CalOptima's Interim Chief Financial Officer and Treasurer.

Chief Financial Officer Report

Nancy Huang, Interim Chief Financial Officer and Treasurer, provided an update on the budget impact to CalOptima related to the OneCare Connect program. Staff continues to monitor the program performance. The proposed budget currently under development delays certain initiatives, including the transition of California Children's Services, which will start July 2018. Ms. Huang reported that CalOptima has fully reserved the State's overpayment related to rates, and the total impact of the reconciliation is anticipated in May.

REPORTS

Recommend Reappointment to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee

Action: Action: On motion of Acting Chair Laird, seconded and carried, the Investment Advisory Committee recommended reappointment of Patrick Moore to the Board of Directors' Investment Advisory Committee for a two year term beginning March 7, 2017. (Motion carried 6-0-0; Member Moore absent)

Consideration of a recommendation on the Investment Advisory Committee Chair position was continued to the April 24, 2017, meeting.

INFORMATION ITEMS

Presentation by Meketa Investment Group

Laura Wirick, Senior Vice President, Meketa Investment Group, presented a performance summary, highlighting the current positive returns and the trailing performance across all management accounts. The cash accounts are all strong. Ms. Wirick provided an overview of the Tier 1 account and a detailed explanation of the Annual Investment Expense Analysis, the Custom Peer Groups and the fund performance analysis. She also reported that CalOptima's investment funds are in compliance for the quarter.

Presentation by Payden & Rygel

Larry Manis, Investment Manager, Payden & Rygel, gave a firm update and economic update. Mr. Manis introduced Darren Marco, a new Vice President for the firm. Mr. Manis provided a fourth quarter overview and a 2016 interest rate review. Mr. Marco provided a fund overview, a Tier 1 overview, and fund highlights.

Presentation by Logan Circle Partners

Wendy Kaszak, Vice President of Client Services, Logan Circle Partners, presented an update on the firm. Scott Pavlak, Senior Portfolio Manager, provided a market overview and discussed the current themes, the yield curve positions and the performance attribution. Mr. Pavlak reviewed the Tier 2 portfolio, the Tier 1 portfolio and the Operating Fund for the quarter.

Presentation by Wells Capital Management

Zachary Smith, Managing Director, Wells Capital Management, provided a firm update and introduced, Gary Schlossberg, Senior Economist. Mr. Schlossberg then provided an economic update and showed the fund is looking at growth of 2% to 2.5% in the coming year. Mr. Schlossberg went into further detail on growth cycles. Tony Mellville, Portfolio Manager, reviewed the Tier 1 performance, the portfolio summary and the index comparison.

October 2016 Financial Update

Ms. Huang provided an enrollment summary. As of October 2016, CalOptima had 800,000 members, including approximately 231,000 members enrolled in Medi-Cal Expansion, about one-third of CalOptima's total revenue. Ms. Huang provided an overview of the financial highlights, the balance sheet, and Board-designated reserves.

ADJOURNMENT

Hearing no further business, Acting Chair Laird, adjourned the meeting at 4:57 p.m.

s/s Pamela Reichardt

Pamela Reichardt
Executive Assistant

Approved: April 24, 2017

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 24, 2017 **Special Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

VI. A. Consider Recommending Reappointment to the CalOptima Board of Directors' Investment Advisory Committee

Contact

Nancy Huang, Interim Chief Financial Officer, (714) 246-8400

Recommended Action

Recommend reappointment of Rodney Johnson to the CalOptima Board of Directors' Investment Advisory Committee for a two-year term beginning June 7, 2017.

Background

At a Special Meeting of the CalOptima Board of Directors held on September 10, 1996, the Board authorized the creation of the CalOptima Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the Committee.

When creating the IAC, the Board specified that the Committee would consist of five (5) members; one (1) member would automatically serve by virtue of his or her position as CalOptima's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possess 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 candidate recommended for reappointment, Rodney Johnson, has consistently provided leadership and service to CalOptima's investment strategies through his participation as an IAC member.

Mr. Johnson has served as a member of the IAC since June 6, 2013. Mr. Johnson has extensive experience working with public agencies. He is currently Deputy Treasurer of the Orange County Transportation Authority (OCTA), where he has worked for over 19 years. He is responsible for daily analysis of short-term and long-term cash flow needs, executing investments, overseeing five (5) different investment management firms, and ensuring compliance with the OCTA investment policy. Prior to that, Mr. Johnson held positions at BNY Western Trust Company, Fund Services

Associates, Inc., and Muni Financial Services, Inc. Mr. Johnson has a M.P.A. from California State University Long Beach, and a B.A. from California State University Fullerton. In addition, he was part of CalOptima's investment manager request for proposal (RFP) evaluation team. His current term expires on June 6, 2017.

Fiscal Impact

There is no fiscal impact. Individuals appointed to the IAC are responsible for assisting CalOptima in meeting the objectives of CalOptima's annual investment policy, including preservation of capital, meeting the agency's liquidity needs, and obtaining an acceptable return on investment of available funds.

Rationale for Recommendation

The individual recommended for CalOptima's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC. In addition, the candidate has already provided outstanding service as a member of the IAC.

Concurrence

Gary Crockett, Chief Counsel

Attachment

None

/s/ Michael Schrader
Authorized Signature

4/21/17
Date

CONTINUED TO FUTURE IAC MEETING ON JULY 24, 2017

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken April 24, 2017 **Regular Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

Report Item

VI. B. Consider Recommending Proposed Changes to the Annual Investment Policy for Calendar Year 2017

Contact

Nancy Huang, Interim Chief Financial Officer (714) 246-8400

Recommended Action

Recommend that the Board of Directors ' Finance and Audit Committee (FAC) recommend proposed changes to the Annual Investment Policy (AIP) for Calendar Year (CY) 2017.

Background

At the February 27, 1996, meeting, the CalOptima Board of Directors (Board) approved the original AIP covering investments made between March 1, 1996 and February 28, 1997. In September 1996, the Board authorized the creation of the Investment Advisory Committee (IAC). The IAC reviews the AIP each year, and recommends changes in said policy to the FAC and the Board for their respective approvals.

At the December 1, 2016, meeting, the Board approved the extension of the current AIP for CY 2017. Upon completion of the internal administrative policy review process, Management would present the revised AIP for CY 2017 to the IAC for review and approval.

Discussion

Payden & Rygel, Logan Circle Partners, and Wells Capital Management, CalOptima's investment managers, and Meketa Investment Group, Inc., CalOptima's investment adviser submitted proposed revisions to the AIP for CY 2017. Staff has reviewed the proposed revisions and recommends the following changes upon Board approval:

- Section III.D.1.c.: Add language that prohibits private placement (144a) securities as a permitted investment. CalOptima, as a local government agency, is not a Qualified Institutional Buyer.
- Sections III.E.3.c. and m.: Revise the maximum holding percentages for State and California Local Agency Obligations from 25% to 30% and Supranational Obligations from 15% to 30%. The increase to the holding percentages fall within the allowable limit under California Government Code section 53600 et seq.
- Management recommends all other provisions in the current AIP remain in effect in CY 2017.

On February 6, 2017, Staff completed the internal administrative policy review process. In addition to the proposed changes noted above, the attached red-lined version of the AIP for CY 2017 reflects non-substantive edits that were noted during the review process, as well as other formatting revisions intended to align the AIP with CalOptima's policy and procedure template.

Fiscal Impact

There is no immediate fiscal impact.

Rationale for Recommendation

The proposed changes to the AIP for CY 2017 reflect the recommendations of CalOptima's investment managers, Payden & Rygel, Logan Circle Partners, and Wells Capital Management and concurrence by CalOptima's investment adviser, Meketa Investment Group, Inc. These recommended changes continue to support CalOptima's goals to maintain safety of principal, and achieve a market rate of return while maintaining necessary liquidity during periods of uncertainty. Per the review conducted by Meketa Investment Group, Inc., there were no changes in the California Government Code affecting local agencies noted for the CY 2017.

Concurrence

Meketa Investment Group, Inc.
Gary Crockett, Chief Counsel

Attachments

2017 Annual Investment Policy with proposed changes

/s/ Michael Schrader
Authorized Signature

4/21/17
Date

Policy #: GA.0000
Title: **Annual Investments**
Department: Finance
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: TBD
Last Review Date: Not Applicable
Last Revised Date: Not Applicable

1 **I. PURPOSE**

2
3 This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve
4 Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently
5 invested according to the Board of Directors' objectives and the California Government Code to
6 preserve capital, provide necessary liquidity, and achieve a market-average rate of return through
7 economic cycles.
8

9 **II. POLICY**

10 A. CalOptima investments may only be made as authorized by this Policy.

- 11
12
13 1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter,
14 the Code) as well as customary standards of prudent investment management. Should the
15 provisions of the Code be, or become, more restrictive than those contained herein, such
16 provisions shall be considered immediately incorporated into this Policy and adhered to.
17
18 2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such,
19 each investment transaction shall seek to ensure that large capital losses are avoided from
20 securities or broker-dealer default.
21
22 a. CalOptima shall seek to ensure that capital losses are minimized from the erosion of market
23 value and preserve principal by mitigating the two (2) types of risk: Credit Risk and Market
24 Risk.
25
26 i. Credit Risk shall be mitigated by investing in only permitted investments and by
27 diversifying the investment portfolio, in accordance with this Policy.
28
29 ii. Market Risk shall be mitigated by matching maturity dates, to the extent possible, with
30 CalOptima's expected cash flow draws.
31
32 b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses
33 are inevitable and must be considered within the context of the overall investment return.
34
35 3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that
36 each portfolio contain investments for which there is a secondary market and which offer the
37 flexibility to be easily sold at any time with minimal risk of loss of either the principal or
38 interest based upon then prevailing rates.
39

4. Total Return: CalOptima's investment portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.

a. The performance benchmark for each investment portfolio shall be based upon published market indices for short-term investments of comparable risk and duration.

i. These performance benchmarks shall be reviewed monthly by CalOptima's Treasurer and the Investment Managers and shall be approved by the Board of Directors.

B. The investments purchased by an Investment Manager shall be held by the custodian bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.

C. Investment Managers must certify that they will purchase securities from broker-dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.

D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.

E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

1. CalOptima's Officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with CalOptima, and are not permitted to have any personal financial, or investment holdings, that could be materially related to the performance of CalOptima's investments.

F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for review and adoption by the Board, to ensure that all investments made are in compliance with this Policy.

1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).

2. This policy may only be changed by the Board of Directors.

III. PROCEDURE

A. Delegation of Authority

1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.

- a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.
 - i. The Board of Directors may renew the delegation of authority annually.
- b. No person may engage in investment transactions except as provided under the terms of this Policy and the procedures established by CalOptima's Treasurer.

B. CalOptima Treasurer Responsibilities

1. The Treasurer shall be responsible for:
 - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board approved Investment Managers;
 - b. The oversight of CalOptima's investment portfolio;
 - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
 - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
2. The Treasurer shall also be responsible for ensuring that:
 - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
 - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
 - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause.
 - c. Investment diversification and portfolio performance is reviewed monthly to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
 - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

C. Investment Advisory Committee

1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any particular investment, purchase any particular investment product, or conduct business with any particular investment companies, or brokers.
 - a. It shall not be the purpose of the Investment Advisory Committee to advise on particular investment decisions of CalOptima.

2. The Investment Advisory Committee shall be responsible for the following functions:

- a. Annual review of this Policy before its consideration by the Board of Directors and revision recommendations, as necessary, to the Finance and Audit Committee of the Board of Directors.
- b. Quarterly review of CalOptima's investment portfolio for conformance with this Policy's diversification and maturity guidelines, and recommendations to the Finance and Audit Committee of the Board of Directors, as appropriate.
- c. Provision of comments to CalOptima's staff regarding potential investments and potential investment strategies.
- d. Performance of such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

D. Permitted Investments

1. CalOptima shall invest only in instruments as permitted by the Code, subject to the limitations of this Policy.
 - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of four hundred fifty (450) days. Note that the Code allows for up to five (5) years.
 - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
 - c. As a local government agency, CalOptima is not a Qualified Institutional Buyer, and therefore private placement (144a) securities are prohibited.
 - d. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
2. Permitted investments shall include:
 - a. U.S. Treasuries
 - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
 - ii. U.S. Government securities include:
 - a) Treasury Bills: U.S. Government securities issued and traded at a discount;
 - b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;

- c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;
- d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or bonds, that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation, as measured by the consumer price index (CPI); and
- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purpose of this Policy and are, therefore, permitted investments pursuant to this Policy.
- iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

- b. Federal Agencies and U.S. Government Sponsored Enterprises
- i. These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
- ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
- a) Federal Home Loan Banks (FHLB);
- b) Federal Home Loan Mortgage Corporation (FHLMC);
- c) Federal National Mortgage Association (FNMA);
- d) Federal Farm Credit Banks (FFCB);
- e) Government National Mortgage Association (GNMA);
- f) Small Business Administration (SBA);
- g) Export-Import Bank of the United States;
- h) U.S. Maritime Administration;

- i) Washington Metro Area Transit Authority (WMATA);
- j) U.S. Department of Housing & Urban Development;
- k) Tennessee Valley Authority;
- l) Federal Agricultural Mortgage Company (FAMC);
- m) Temporary Liquidity Guarantee (TLG) Program securities;
- n) Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities;
- o) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- p) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

- iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

c. State and California Local Agency Obligations

- i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or equivalent or better for short-term obligations, or A by Moody's, or A by Standard & Poor's, or better, for long-term debt. Public agency bonds issued for private purposes (e.g., industrial development bonds) are specifically excluded as permitted investments.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

d. Banker's Acceptances

- i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the

bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:

- a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and
- b) May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days
Board-Designated Reserve Funds		
▪ Tier One (1)	180 days	180 days
▪ Tier Two (2)	180 days	180 days

e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
 - a) Rated P-1 by Moody's, or A-1, or better, by Standard & Poor's;
 - b) Have an A, or higher, rating for the issuer's debt, other than CP, if any, as provided for by Moody's, or Standard & Poor's;
 - c) Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000); and
 - d) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	270 days	270 days
Board-Designated Reserve Funds		
▪ Tier One (1)	270 days	270 days
▪ Tier Two (2)	270 days	270 days

f. Negotiable Certificates of Deposit

- i. Negotiable Certificates of Deposit must be issued by a nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-

term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	1 year	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	1 year	5 years
▪ Tier Two (2)	1 year	5 years

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary broker-dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, provided:

- a) A broker-dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
- b) The securities are held free and clear of any lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for CalOptima's custodian;
- c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
- d) The Agent will notify CalOptima's custodian and CalOptima if the valuation of the collateral securities falls outside of policy. . Upon direction by the CalOptima Treasurer, the Agent will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such valuation.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	30 days	1 year
Board-Designated Reserve Funds		
▪ Tier One (1)	30 days	1 year
▪ Tier Two (2)	30 days	1 year

iii. Reverse repurchase agreements are not allowed.

h. Corporate Securities

i. For the purpose of this Policy, permissible corporate securities shall be rated "A" or better by Moody's, Standard & Poor's, or Fitch Ratings Service and:

- a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
- b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e., medium term notes (MTNs).
- c) Under no circumstance can the MTNs or any other corporate security of any one (1) corporate issuer represent more than five percent (5%) of the portfolio.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

i. Money Market Funds

i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):

- a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
- b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

j. Joint Powers Authority Pool

i. A joint powers authority formed pursuant to California Government Code, Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:

- a) Registered or exempt from registration with the Securities and Exchange Commission;
- b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and

c) Assets under management in excess of five hundred million dollars (\$500,000,000).

ii. A joint powers authority pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.

iii. Such investment may not represent more than ten percent (10%) of the joint powers authority pool's assets.

iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds		
▪ Tier One (1)	Not Applicable	Not Applicable
▪ Tier Two (2)	Not Applicable	Not Applicable

k. Mortgage or Asset-backed Securities

i. Pass-through securities are instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.

ii. Though these securities may contain a third party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.

iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:

a) Are rated AA- by a nationally recognized rating service; and

b) Are issued by an issuer having an "A" (Code), or better, rating by a nationally recognized rating service for its long-term debt.

iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years stated final maturity	5 years
▪ Tier Two (2)	5 years stated final maturity	5 years

l. Variable and Floating Rate Securities

i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk.

- a) They should have the same stability, liquidity and quality as traditional money market securities.
- b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.
- c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.
- ii. Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and California Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, federal funds, CP, London Interbank Offered Rate (LIBOR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security.
- a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.
- b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.
- c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.
- iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

m. Supranational Obligations

- i. The three (3) supranational institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
- a) International Bank for Reconstruction and Development (IBRD);
- b) International Finance Corporation (IFC); and
- c) Inter-American Development Bank (IADB).

- ii. Supranational obligations shall be rated AA by two (2) of the three (3) largest nationally recognized rating services. Such investment may not represent more than thirty percent (30%) of invested funds.

- iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

- n. Pooled Investments

- i. Pooled investments include deposits, or investments pooled with those of other local agencies consistent with the requirements of California Government Code, Section 53635 et seq. Such pools may contain a variety of investments but are limited to those permissible under the Code.

E. Diversification Guidelines

- Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one (1) type, industry, or entity, thereby assuring adequate portfolio liquidity should one (1) sector or company experience difficulties.
- CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.
- Table 1: Maximum Percentage (%) of Investment Portfolio, by Instrument Type*

INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)	100% (Code)
B. Federal Agencies and U.S. Government Sponsored Enterprises	100% (Code)
C. State and California Local Agency Obligations	30% (Code)
D. Bankers Acceptances	30% (Code 40%)
E. Commercial Paper	25% (Code)
F. Negotiable Certificates of Deposit	30% (Code)
G. Repurchase Agreements	100% (Code)
H. Corporate Securities	30% (Code)
I. Money Market Funds	20% (Code)
J. Joint Powers Authority Pool	100% (Code)
K. Mortgage or Asset-backed Securities	20% (Code)
L. Variable and Floating Rate Securities	30% (Code)
M. Supranational Obligations	30% (Code)

- 1 a) Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be
2 adhered to on the basis of the entire portfolio:

3
4 i. Any one Federal Agency or Government Sponsored Enterprise: None

5
6 ii. Any one repurchase agreement counterparty name:

7
8 If maturity/term is ≤ 7 days: 50%

9 If maturity/term is > 7 days: 25%

- 10
11 b) Issuer or Counterparty Diversification Guidelines for all other permitted investments
12 described in Section III.D.2.a-n. of this Policy.

13
14 i. Any one (1) corporation, bank, local agency, or other corporate name for one (1) or
15 more series of securities, and specifically with respect to special purpose vehicles
16 issuers for mortgage or asset-backed securities, the maximum applies to all such
17 securities backed by the same type of assets of the same issuer.

- 18
19 c) Each Investment Manager shall adhere to the diversification limits discussed in this
20 subsection.

21
22 i. If one (1) Investment Manager exceeds the aforementioned diversification limits, the
23 Investment Manager shall inform CalOptima's Treasurer and Investment Advisor (if
24 any) by close of business on the day of the occurrence.

25
26 ii. Within the parameters authorized by the Code, the Investment Advisory Committee
27 recognizes the practicalities of portfolio management, securities maturing and changing
28 status, and market volatility, and, as such, will consider breaches in:

29
30 a) The context of the amount in relation to the total portfolio concentration;

31
32 b) Market and security specific conditions contributing to a breach of this Policy; and

33
34 c) The Investment Managers' actions to enforce the spirit of this Policy and decisions
35 made in the best interest of the portfolio.

36
37 F. Maximum Stated Term

- 38
39 1. Maximum stated terms for permitted investments shall be determined based on the settlement
40 date (not the trade date) upon purchase of the security and the stated final maturity of the
41 security.

42
43 G. Rating Downgrades

- 44
45 1. CalOptima may from time to time be invested in a security whose rating is downgraded below
46 the quality criteria permitted by this Policy.

- 47
48 2. If the rating of any security held as an investment falls below the investment guidelines, the
49 Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business
50 days of the downgrade.

- 1 a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or
2 Designee, within five (5) business days of the downgrade.

3
4 **H. Investment Restrictions**

- 5
6 1. Investment securities shall not be lent to an Investment Manager, or broker-dealer.
7
8 2. The investment portfolio or investment portfolios, managed by an Investment Manager, shall
9 not be used as collateral to obtain additional investable funds.
10
11 3. Any investment not specifically referred to herein shall be considered a prohibited investment.
12
13 4. CalOptima reserves the right to prohibit its Investment Managers from making investments in
14 organizations which have a line of business that is visibly in conflict with the interests of public
15 health, as defined by the Board of Directors.
16
17 5. CalOptima reserves the right to prohibit investments in organizations with which it has a
18 business relationship through contracting, purchasing, or other arrangements.
19
20 6. Except as expressly permitted by this Policy, investments in derivative securities shall not be
21 allowed.
22
23 7. A list of prohibited investments does not currently exist, however, the Board of Directors shall
24 provide its Investment Managers and Investment Advisor with a list, should such a list be
25 adopted by CalOptima in the future, of corporations that do not comply with this Policy and
26 shall immediately notify its Investment Managers and Investment Advisor of any changes.
27

28 **IV. ATTACHMENTS**

29
30 Not Applicable
31

32 **V. REFERENCES**

- 33
34 A. California Government Code, §53600 et seq.
35 B. California Government Code, § 6509.7
36 C. California Government Code. §53646, Subdivision (a) and Subdivision (b)
37 D. California Government Code, §53635 et seq.
38 E. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.
39

40 **VI. REGULATORY AGENCY APPROVALS**

- 41
42 A. None to Date
43

44 **VII. BOARD ACTIONS**

- 45
46 A. TBD: Regular Meeting of the CalOptima Board of Directors
47 B. 12/03/15: Regular Meeting of the CalOptima Board of Directors
48 C. 03/05/15: Regular Meeting of the CalOptima Board of Directors
49 D. 06/05/14: Regular Meeting of the CalOptima Board of Directors
50 E. 12/05/13: Regular Meeting of the CalOptima Board of Directors
51 F. 01/03/13: Regular Meeting of the CalOptima Board of Directors

Policy #: GA.0000

Title: Annual Investments

Effective Date: TBD

G. 10/04/12: Regular Meeting of the CalOptima Board of Directors

H. 01/06/11: Regular Meeting of the CalOptima Board of Directors

I. 08/05/10: Regular Meeting of the CalOptima Board of Directors

J. 12/04/08: Regular Meeting of the CalOptima Board of Directors

K. 12/07/04: Regular Meeting of the CalOptima Board of Directors

L. 01/07/03: Regular Meeting of the CalOptima Board of Directors

M. 01/11/00: Regular Meeting of the CalOptima Board of Directors

N. 03/03/98: Regular Meeting of the CalOptima Board of Directors

O. 02/04/97: Regular Meeting of the CalOptima Board of Directors

P. 02/27/96: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	TBD	GA.0000	Annual Investments	Administrative

IX. GLOSSARY

Term	Definition
Bankers Acceptance (BA)	<p>Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:</p> <ul style="list-style-type: none">• Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and• May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.
Benchmark	<p>Benchmarks are usually constructed using unmanaged indices, exchange-traded Funds or mutual fund categories to represent each asset class. Benchmarks are often used as a tool to assess the allocation, risk and return of a portfolio.</p>

Term	Definition
Board-Designated Reserve Funds	<p>Funds established to address unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months' of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:</p> <ol style="list-style-type: none"> 1. Tier One <ol style="list-style-type: none"> a. Used for the benefit and protection of CalOptima's long-term financial viability; b. Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds; or c. May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve Funds having a "floor" equal to Tier Two requirements. 2. Tier Two <ol style="list-style-type: none"> a. Used to meet CalOptima's regulatory compliance requirements; or b. Currently defined as CalOptima's tangible net equity requirements as defined by subdivision (e) of section 1300.76 of Title 28 of the California Code of Regulations.
Bonds	A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.
Broker-Dealer	In financial services, a broker-dealer is a natural person, a company or other organization that engages in the business of trading securities for its own account or on behalf of its customers.
CalOptima Treasurer	The person responsible for running the treasury of an organization. CalOptima Chief Financial Officer serves this role, and presides all aspects of company's financial activities.
Capital	Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.

Term	Definition
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guaranty its validity or convertibility or insure its performance ; so that, if the direct security fails, the creditor may fall back upon the collateral security.
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
Consumer Price Index (CPI)	The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.
Credit Risk	The risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.
Designee	For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).
Finance and Audit Committee (FAC)	A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.
Instrument	Refers to a financial instrument or asset that can be traded. These assets can be cash, bonds, or shares in a company
Investment Advisors	Members of CalOptima Investment Advisory Committee (IAC).
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding the organization's investments.
Investment Managers	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

Term	Definition
Lien	A legal right granted by the owner of property, by a law or otherwise acquired by a creditor
Liquidity	Liquidity describes the degree to which an <u>asset</u> or <u>security</u> can be quickly bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).
Market Risk	The risk of market value fluctuations due to overall changes in the general level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.
Medium Term Notes (MTN)	A debt note that usually matures (is paid back) in 5–10 years, but the term may be less than one year or as long as 100 years. They can be issued on a fixed or floating coupon basis.
Negotiable Certificates of Deposit	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.
Prudent Person Standard	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (California Government Code section 53600.3)
Qualified Institutional Buyer	Refer to 144(a) qualified Institutional Buyers List.
Rate of Return	The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any capital gains realized on the sale of the investment.
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.

Term	Definition
State and California Local Agency Obligations	Registered state warrants, treasury notes or bonds of any U.S. state and bonds, notes, warrants, or other evidences of indebtedness of any local agency of the State of California, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
Supranational Institutions	International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.
Surplus	Assets beyond liabilities.
Underlying Pool of Securities	Those securities and obligations that are eligible for direct investment by local public agencies.
Valuation	An estimation of the worth of a financial instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the valuation of each financial instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual valuations.

CalOptima

(The Orange County Health Authority, a Public Agency)

2017

Annual Investment Policy

Adopted

By the

Board of Directors

On

December 1, 2016

CalOptima Annual Investment Policy

I. PURPOSE

This Annual Investment Policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on and after January 10, 2006. The objective of this Annual Investment Policy is to ensure CalOptima's funds are prudently invested according to the Board of Director's objectives to preserve capital, provide necessary liquidity and to achieve a market-average rate of return through economic cycles.

Investments may only be made as authorized by this Annual Investment Policy. The CalOptima Annual Investment Policy conforms to California Government Code section 53600 et seq. (the Code) as well as customary standards of prudent investment management. Irrespective of these policy provisions, should the provisions of the Code be or become more restrictive than those contained herein, such provisions will be considered immediately incorporated into the Annual Investment Policy and adhered to.

- A. Safety of Principal -- Safety of principal is the foremost objective of CalOptima. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities.
- B. Liquidity -- Liquidity is the second most important objective of CalOptima. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
- C. Total Return -- CalOptima's portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk.

II. OBJECTIVES

Safety of principal is the primary objective of CalOptima. Each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default. CalOptima shall seek to ensure that capital losses are minimized from the erosion of market value. CalOptima shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit risk, the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio according to this Annual Investment Policy.

Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with CalOptima's expected cash flow draws. It is explicitly recognized herein, however that, in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.

III. PRUDENCE

CalOptima's Board of Directors or persons authorized to make investment decisions on behalf of CalOptima, are trustees and fiduciaries subject to the prudent person standard as defined in the Code and shall be applied in the context of managing an overall portfolio.

Investment managers acting in accordance with written procedures and the Annual Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price fluctuations, provided deviations from expectations are reported as soon as possible and appropriate action is taken to control risk.

THE PRUDENT PERSON STANDARD: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (California Government Code section 53600.3)

IV. ETHICS AND CONFLICTS OF INTEREST

CalOptima's officers, employees and Board members and Investment Advisory members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. CalOptima's officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with CalOptima, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of CalOptima's investments.

V. DELEGATION OF AUTHORITY

Authority to manage CalOptima's investment program is derived from an order of the Board of Directors. Management responsibility for the investment program is hereby delegated to CalOptima's Treasurer as appointed by the Board of Directors, for a one-year period following the approval of the Annual Investment Policy. The Board of Directors may renew the delegation of authority annually. No person may engage in investment transactions except as provided under the terms of this Annual Investment Policy and the procedures established by the Treasurer.

The Treasurer shall be responsible for all actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board approved investment managers.

A. Financial Benchmarks

CalOptima's investment portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk. The performance benchmark for each investment portfolio will be based upon published market indices for short-term investments of comparable risk and duration. These performance benchmarks will be reviewed periodically by CalOptima's Treasurer and the Investment Managers and will be approved by the Board of Directors.

B. Safekeeping

The investments purchased by an Investment Manager shall be held by the custodian bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code section 53608.

C. Periodic Review of the Annual Investment Policy

The Treasurer is responsible for providing the Board of Directors with an Annual Investment Policy for review and adoption by the Board and to ensure that all investments made are in compliance with this Annual Investment Policy. This Annual Investment Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code section 53646, subdivision (a).

The Treasurer is responsible for directing CalOptima's investment program and for compliance with this policy pursuant to the delegation of authority to invest funds or to sell or exchange securities. The Treasurer shall make a quarterly report to the Board of Directors in accordance with California Government Code section 53646, subdivision (b).

D. Treasurer's Procedures

The following procedures will be performed by the Treasurer:

1. The Operating Funds and Board-Designated Reserve Funds targeted average maturities will be established and reviewed periodically.
2. All Investment Managers will be provided a copy of the Annual Investment Policy, which will be appended to an Investment Manager's investment contract. Any investments made by an Investment Manager outside the Annual Investment Policy may subject the Investment Manager to termination for cause.
3. Investment diversification and portfolio performance will be reviewed monthly by the Treasurer to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this policy.
4. The Treasurer will evaluate and select all Investment Managers for review and approval by the Chief Executive Officer and the Board of Directors.

E. Duties and Responsibilities of the Investment Advisory Committee:

The Treasurer and staff are responsible for the oversight of CalOptima's investment portfolio. The Board of Directors is responsible for CalOptima's Annual Investment Policy. The Investment Advisory Committee shall not make or direct CalOptima staff to make any particular investment, purchase any particular investment product, or do business with any particular investment companies or brokers. It shall not be the purpose of the Investment Advisory Committee to advise on particular investment decisions of CalOptima.

The duties and responsibilities of the Investment Advisory Committee shall consist of the following:

1. Annually review CalOptima's Annual Investment Policy before its consideration by the Board of Directors and recommend revisions, as necessary, to the Finance and Audit Committee of the Board of Directors.
2. Quarterly review CalOptima's investment portfolio for conformance with CalOptima's Annual Investment Policy diversification and maturity guidelines, and make recommendations to the Finance and Audit Committee of the Board of Directors as appropriate.
3. Provide comments to CalOptima's staff regarding potential investments and potential investment strategies.
4. Perform such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

VI. DEFINITIONS

- A. Operating Funds are intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.
- B. Board-Designated Reserve Funds are established to fund unexpected agency needs and not intended for use in the normal course of business. The amount of Board-Designated Reserve Funds should be offset by any working capital or net current asset deficits. The desired level for these funds is a minimum of 1.4 and maximum of 2.0 months' of capitation revenues as specified by CalOptima Policy GA.3001: Board-Designated Reserve Funds. The Board-Designated Reserve Funds shall be managed and invested as follows:
 1. Tier One
 - a. Used for the benefit and protection of CalOptima's long-term financial viability;
 - b. Used to cover "Special Purposes" as defined in CalOptima Policy GA.3001: Board-Designated Reserve Funds; or

- c. May be used for operational cash flow needs in lieu of a bank line of credit in the event of disruption of monthly capitation revenue receipts from the State, subject to the Board-Designated Reserve Funds having a “floor” equal to Tier Two requirements.
- 2. Tier Two
 - a. Used to meet CalOptima’s regulatory compliance requirements; or
 - b. Currently defined as CalOptima’s tangible net equity requirements as defined by subdivision (e) of section 1300.76 of Title 28 of the California Code of Regulations.

VII. **PERMITTED INVESTMENTS**

CalOptima shall invest only in instruments as permitted by the Code, subject to the limitations of this Annual Investment Policy. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of four hundred fifty (450) days (Code is five years). Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years (Code is five years). As a local government agency, CalOptima is not a Qualified Institutional Buyer, and therefore private placement (144a) securities are prohibited. The Board of Directors must grant express written authority to make an investment or to establish an investment program of a longer term.

Maturity shall mean the stated final maturity of the security. Term or tenure shall mean the remaining time to maturity when purchased.

Permitted investments shall include:

A. U.S. Treasuries

These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.

U.S. Government securities include:

- 1. Treasury Bills: U.S. government Securities issued and traded at a discount;
- 2. Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. government which guarantees interest and principal payments;
- 3. Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;
- 4. Treasury Inflation Protected (TIPs) securities: Special Treasury notes or bonds that offer protection from inflation. Coupon payments and underlying principal

are automatically increased to compensate for inflation as measured by the consumer price index (CPI); and

5. Treasury Floating Rate Notes (FRNs): U.S. Treasury bonds issued with a variable coupon.

U.S. Treasury coupon and principal STRIPS, as well as TIPs are not considered to be derivatives for the purpose of this Annual Investment Policy and are, therefore, permitted investments pursuant to the Annual Investment Policy.

Maximum Term: Operating Funds – 450 days (Code 5 years)
Board Designated Reserve Funds –

Tier One – five years (Code 5 years)

Tier Two – five years (Code 5 years)

B. Federal Agencies and U.S. Government Sponsored Enterprises

These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies", the following are specifically allowed:

1. Federal Home Loan Banks (FHLB);
2. Federal Home Loan Mortgage Corporation (FHLMC);
3. Federal National Mortgage Association (FNMA);
4. Federal Farm Credit Banks (FFCB);
5. Government National Mortgage Association (GNMA);
6. Small Business Administration (SBA);
7. Export-Import Bank of the United States;
8. U.S. Maritime Administration;
9. Washington Metro Area Transit;
10. U.S. Department of Housing & Urban Development;
11. Tennessee Valley Authority;
12. Federal Agricultural Mortgage Company (FAMC);
13. Temporary Liquidity Guarantee (TLG) Program securities;

14. Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities;
15. Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
16. National Credit Union Administration (NCUA) securities.

Any Federal Agency and U.S. Government Sponsored Enterprise security not specifically mentioned above is not a permitted investment.

Maximum Term: Operating Funds – 450 days (Code 5 years)
Board Designated Reserve Funds –

Tier One – five years (Code 5 years)
Tier Two – five years (Code 5 years)

C. State and California Local Agency Obligations

Registered state warrants, treasury notes or bonds of any U.S. state and bonds, notes, warrants or other evidences of indebtedness of any local agency of the State of California, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department, board, agency or authority of the State or local agency. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's or A-1 by Standard & Poor's or equivalent or better for short-term obligations, or A by Moody's or A by Standard & Poor's or better for long-term debt. Public agency bonds issued for private purposes (e.g., industrial development bonds) are specifically excluded as allowable investments.

Maximum Term: Operating Funds –450 days (Code 5 years)
Board Designated Reserve Funds –

Tier One – five years (Code 5 years)
Tier Two – five years (Code 5 years)

D. Bankers Acceptances

Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the bankers acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:

1. Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1 or better by Fitch Ratings or are rated A-1 for short-term deposits by Standard & Poor's or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency; and
2. May not exceed the five percent (5%) limit of any one commercial bank and may not exceed the five percent (5%) limit for any security of any bank.

Maximum Term: Operating Funds – 180 days (Code)
Board Designated Reserve Funds –

Tier One – 180 days (Code)
Tier Two – 180 days (Code)

E. Commercial Paper

Commercial paper (CP) is unsecured promissory notes issued by companies and government entities at a discount. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:

1. Rated P-1 by Moody's or A-1 or better by Standard & Poor's;
2. Have an A or higher rating for the issuer's debt, other than CP, if any, as provided for by Moody's or Standard & Poor's;
3. Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000); and
4. May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

Maximum Term: Operating Funds – 270 days (Code)
Board Designated Reserve Funds

Tier One – 270 days (Code)
Tier Two – 270 days (Code)

F. Negotiable Certificates of Deposit

A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution for a fixed time and interest rate. Negotiable Certificates of Deposit must be issued by a nationally or state-chartered bank or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better by Fitch Ratings, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

Maximum Term: Operating Funds – one year (Code)
Board Designated Reserve Funds –

Tier One – one year (Code 5 years)
Tier Two – one year (Code 5 years)

G. Repurchase Agreements

A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.

U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary broker-dealer subject to the Securities Investors Protection Act or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured and unguaranteed obligation rated P-1 short-term or A-2 long-term or better by Moody's, and A-1 short-term or A long-term or better by Standard & Poor's, provided:

1. A broker-dealer master repurchase agreement signed by the investment manager (acting as "Agent") and approved by CalOptima;
2. The securities are held free and clear of any lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for CalOptima's custodian;
3. A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. § 306.1 et seq. or 31 C.F.R. § 350.0 et seq. in such securities is created for the benefit of CalOptima's custodian and CalOptima; and
4. The Agent provides CalOptima's custodian and CalOptima with valuation of the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such valuation.

Maximum Term: Operating Funds – 30 days (Code 1 year)
 Board Designated Reserve Funds –

Tier One – 30 days (Code 1 year)
Tier Two – 30 days (Code 1 year)

Reverse repurchase agreements are not allowed.

H. Corporate Securities

Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.

1. For the purpose of this Annual Investment Policy, corporate securities that are rated "A" or better by Moody's, Standard & Poor's, or Fitch Ratings Service.

2. Are issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
3. May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e., medium term notes ("MTNs"). Under no circumstance can the MTNs or any other corporate security of any one corporate issuer represent more than five percent (5%) of the portfolio.

Maximum Term: Operating Funds – 450 days (Code 5 years)
Board Designated Reserve Funds –

Tier One – five years (Code 5 years)
Tier Two – five years (Code 5 years)

I. Money Market Funds

Shares of beneficial interest issued by diversified management companies (i.e., money market funds):

1. Which are rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services; and
2. Such investment may not represent more than ten percent (10%) of the money market fund's assets.

J. Joint Powers Authority Pool

Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code section 6509.7. A joint powers authority formed pursuant to California Government Code section 6509.7 may issue shares of beneficial interest to participating public agencies. Each share represents an equal proportional interest in the underlying pool of securities owned by the joint powers authority. The underlying pool of securities are those securities and obligations that are eligible for direct investment by local public agencies. The joint powers authority issuing the shares shall have retained an investment advisor that meets all of the following criteria:

1. Registered or exempt from registration with the Securities and Exchange Commission;
2. No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
3. Assets under management in excess of five hundred million dollars (\$500,000,000).

A joint powers authority pool shall be rated AAA (or equivalent highest ranking) by two of the three largest nationally recognized rating services.

Such investment may not represent more than ten percent (10%) of the joint powers authority pool's assets.

Term: N/A

K. Mortgage or Asset-backed Securities

Pass-through securities are instruments by which the cash flow from the mortgages, receivables or other assets underlying the security is passed-through as principal and interest payments to the investor.

Though these securities may contain a third party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.

Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:

1. Are rated AA- by a nationally recognized rating service; and
2. Are issued by an issuer having an A (Code) or better rating by a nationally recognized rating service for its long-term debt.

Maximum Term: Operating Funds – 450 days (Code 5 years)
Board Designated Reserve Funds –

Tier One – five years stated final maturity (Code 5 years)

Tier Two – five years stated final maturity (Code 5 years)

L. Variable and Floating Rate Securities

Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk. They should have the same stability, liquidity and quality as traditional money market securities. A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates. For the purposes of this Annual Investment Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.

Variable and floating rate securities, which are restricted to investments in permitted Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit, and Municipal Bonds (State and Local Agency Obligations) must utilize a single, market-determined short-term index rate, such as U. S. Treasury bills, Federal Funds, commercial paper, London Interbank Offered Rate (LIBOR), or Securities Industry and Financial Markets Association (SIFMA) that is pre-determined at the time of issuance of the security. In addition, permitted variable and floating rate securities that have an

embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e., dual index notes. Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this policy.

Maximum Term: Operating Funds – 450 days (Code 5 years)
 Board Designated Reserve Funds –
 Tier One – five years (Code 5 years)
 Tier Two – five years (Code 5 years)

M. Supranational Obligations

Supranational institutions are international institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals. The three (3) supranational institutions that issue or unconditionally guarantee obligations that are eligible investments are:

1. International Bank for Reconstruction and Development (IBRD);
2. International Finance Corporation (IFC); and
3. Inter-American Development Bank (IADB).

Supranational obligations shall be rated AA by two of the three largest nationally recognized rating services. Such investment may not represent more than thirty percent (30%) of invested funds.

Maximum Term: Operating Funds – 450 days (Code 5 years)
 Board Designated Reserve Funds –
 Tier One – five years (Code 5 years)
 Tier Two – five years (Code 5 years)

N. Pooled Investments

Pooled investments include deposits or investments pooled with those of other local agencies consistent with the requirements of Government Code section 53635 *et seq.* Such pools may contain a variety of investments but are limited to those permissible under the Code.

VIII. POLICIES

A. Securities Lending

Investment securities shall not be lent to an Investment Manager or broker-dealer.

B. Leverage

The investment portfolio, or investment portfolios managed by an Investment Manager, cannot be used as collateral to obtain additional investable funds.

C. Other Investments

Any investment not specifically referred to herein will be considered a prohibited investment.

D. Underlying Nature of Investments

CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that is visibly in conflict with the interests of public health, as defined by the CalOptima Board of Directors. Furthermore, CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing or other arrangements.

A list of prohibited investments does not currently exist. However, CalOptima's Board of Directors will provide its Investment Managers, and investment advisors with a list, should such a list be adopted by CalOptima in the future, of corporations that do not comply with this Annual Investment Policy and shall immediately notify its Investment Managers and investment advisors of any changes.

E. Investment Managers

Investment Managers must certify that they will purchase securities from broker-dealers (other than themselves) or financial institutions in compliance with California Government Code section 53601.5 and this Annual Investment Policy.

F. Derivatives

Except as expressly permitted by this policy, investments in derivative securities are not allowed.

G. Rating Category

Rating category shall mean with respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.

H. Rating Downgrades

CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Annual Investment Policy.

If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify the Treasurer or designee within two (2) business days of the downgrade. A decision to retain a downgraded security shall be approved by the Treasurer or designee within five (5) business days of the downgrade.

I. Maximum Stated Term

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security.

J. Diversification Guidelines

Diversification guidelines ensure the portfolio is not unduly concentrated in the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.

INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)	100% (Code)
B. Federal Agencies and U.S. Government Sponsored Enterprises	100% (Code)
C. State and California Local Agency Obligations	100% (Code)
D. Bankers Acceptances	30% (Code 40%)
E. Commercial Paper	25% (Code)
F. Negotiable Certificates of Deposit	30% (Code)
G. Repurchase Agreements	100% (Code)
H. Corporate Securities	30% (Code)
I. Money Market Funds	20% (Code)
J. Joint Powers Authority Pool	100% (Code)
K. Mortgage and Asset-backed Securities	20% (Code)
L. Variable and Floating Rate Securities	30% (Code)
M. Supranational Obligations	30% (Code)

1. Issuer or Counterparty Diversification Guidelines – The percentages specified below shall be adhered to on the basis of the entire portfolio:
 - a. Any one Federal Agency or Government Sponsored Enterprise None
 - b. Any one repurchase agreement counterparty name

If maturity/term is \leq 7 days	50%
If maturity/term is $>$ 7 days	25%

2. Issuer/Counterparty Diversification Guidelines for All Other Securities described in Section VII, subsections A-L: Permitted Investments of this Annual Investment Policy.

Any one corporation, bank, local agency, or other corporate name for one or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer.

3. Each Investment Manager shall adhere to the diversification limits discussed in this section. If one Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform the CalOptima Treasurer and Investment Advisor (if any) by close of business on the day of the occurrence. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing, and changing status, and market volatility, and, as such, will consider breaches in:

- a. The context of the amount in relation to the total portfolio concentration;
- b. Market and security specific conditions contributing to a breach in policy; and
- c. The Investment Managers' actions to enforce the spirit of the policy and decisions made in the best interest of the portfolio.

FUND EVALUATION REPORT

CalOptima

Quarterly Review
March 31, 2017



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

BOSTON
MASSACHUSETTS

CHICAGO
ILLINOIS

MIAMI
FLORIDA

PORTLAND
OREGON

SAN DIEGO
CALIFORNIA

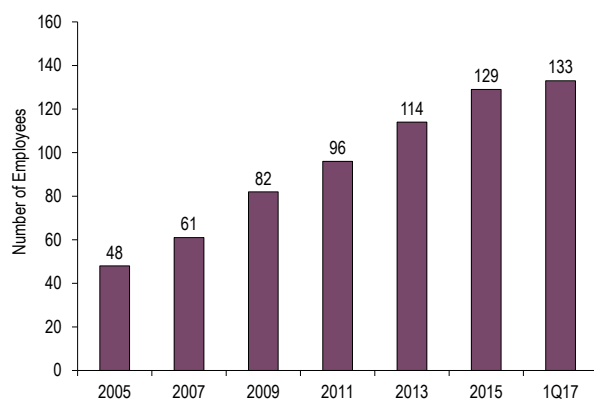
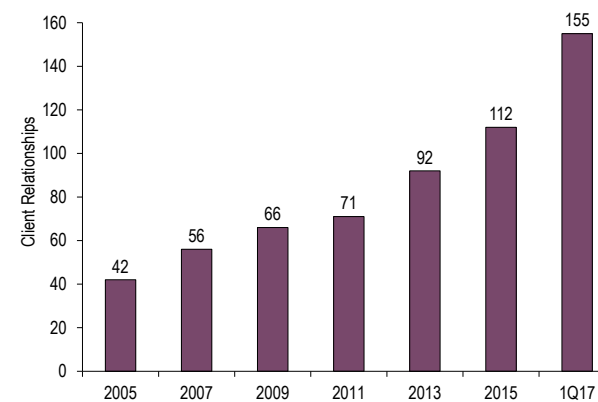
LONDON
UNITED KINGDOM

www.meketagroup.com

- 1. Corporate Update**
- 2. 1Q17 Review**
- 3. Quarterly Investment Report Supplement**
- 4. Custom Peer Group**
- 5. Performance Attribution**
- 6. Holdings**
- 7. Disclaimer, Glossary, and Notes**

Meketa Investment Group Corporate Update

- Staff of 133, including 85 investment professionals and 26 CFA Charterholders
- 155 clients, with over 250 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 \$890 billion
 - Over \$60 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

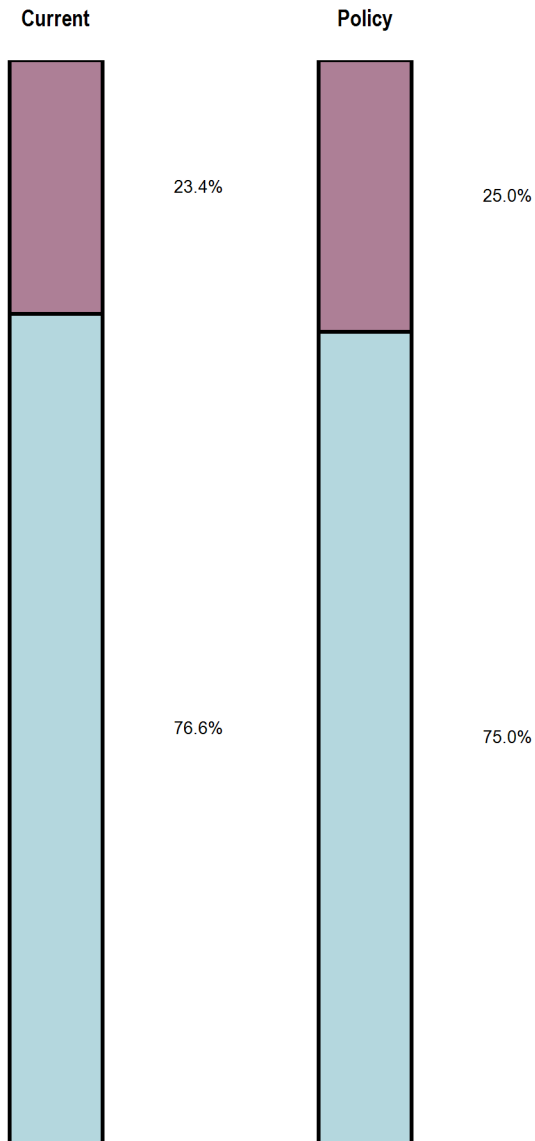
Employee Growth**Client Growth**

Meketa Investment Group is proud to work for over 5 million American families everyday.

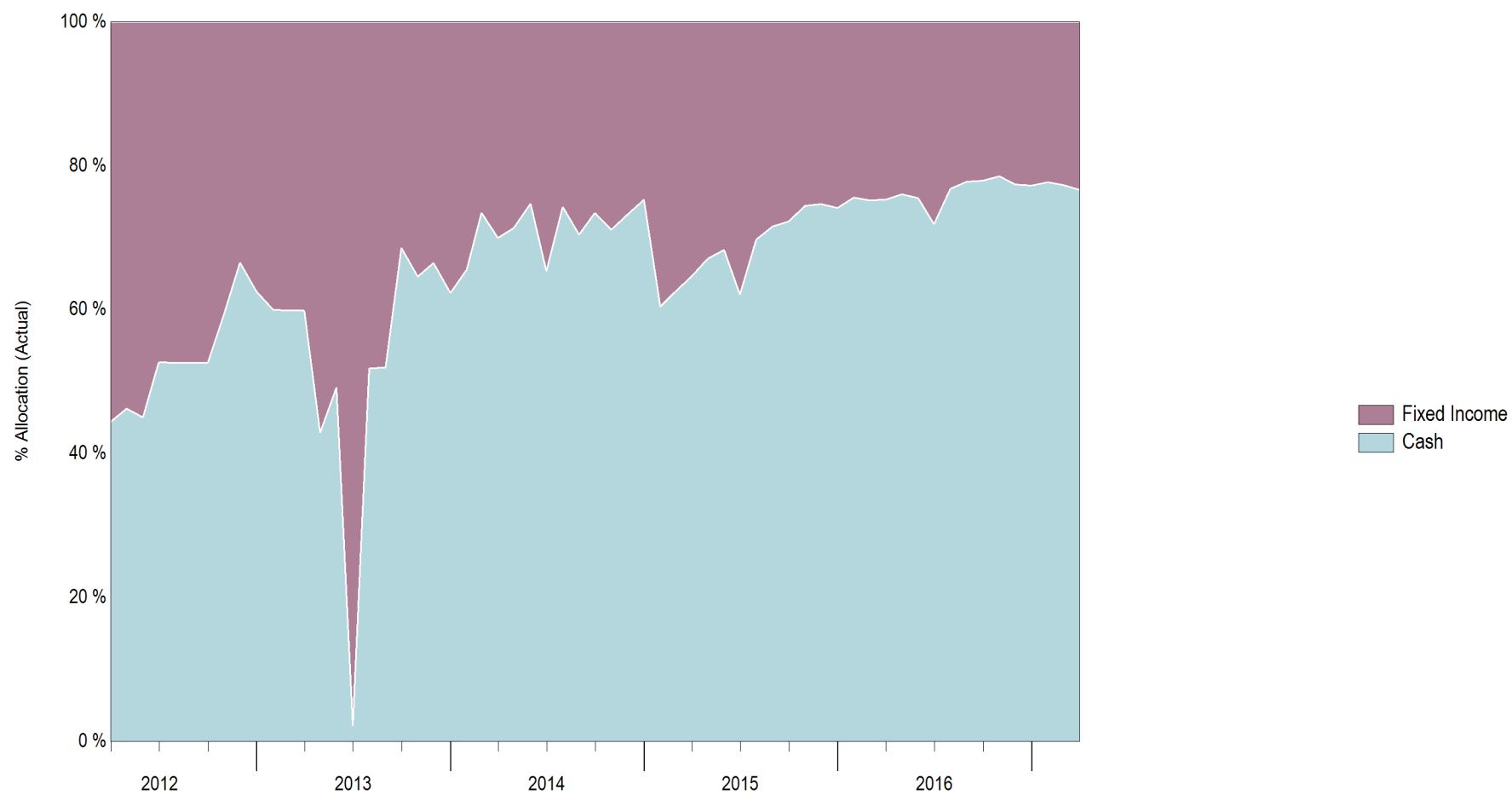
Asset Classes Followed Intensively by Meketa Investment Group

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

1Q17 Review



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
Fixed Income	\$533,049,021	23%
Cash	\$1,748,470,449	77%
Total	\$2,281,519,470	100%

Asset Allocation History
5 Years Ending March 31, 2017

As of March 31, 2017

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund(Gross)	2,281,519,470	100.000	0.271	0.811	--	--	--	0.671	Oct-14
Total Fund(Net)			0.244	0.726	--	--	--	0.582	
Fixed Income(Gross)	533,049,021	23.364	0.417	0.690	--	--	--	1.086	Oct-14
Fixed Income(Net)			0.396	0.607	--	--	--	1.057	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>			<i>0.260</i>	<i>0.245</i>	<i>0.722</i>	<i>0.636</i>	<i>1.998</i>	<i>0.745</i>	<i>Oct-14</i>
Cash(Gross)	1,748,470,449	76.636	0.229	0.845	0.438	0.310	0.764	1.981	Jul-99
Cash(Net)			0.200	0.747	0.343	0.203	--	--	
<i>Citi 3mth Treasury Bill</i>			<i>0.121</i>	<i>0.338</i>	<i>0.147</i>	<i>0.113</i>	<i>0.615</i>	<i>1.771</i>	<i>Jul-99</i>

As of March 31, 2017

Trailing Period Performance

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund(Gross)	2,281,519,470	100.000	--	0.271	0.811	--	--	--	0.671	Oct-14
Fixed Income(Gross)	533,049,021	23.364	23.364	0.417	0.690	--	--	--	1.086	Oct-14
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	0.745	Oct-14
Tier One: Payden Low Duration(Gross)	145,711,189	6.387	27.335	0.387	0.798	0.968	0.880	2.274	3.097	Jul-99
Tier One: Payden Low Duration(Net)				0.368	0.722	0.879	0.776	--	--	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	3.008	Jul-99
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>				0.393	0.697	0.961	0.971	2.346	3.341	Jul-99
Tier One: Logan Circle STAMP 1-3 Year(Gross)	145,451,947	6.375	27.287	0.415	--	--	--	--	0.604	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				0.394	--	--	--	--	0.533	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>				0.393	0.697	0.961	0.971	2.346	0.627	Jun-16
Tier One: Wells Capital Reserve Account(Gross)	145,463,504	6.376	27.289	0.353	--	--	--	--	0.610	Jun-16
Tier One: Wells Capital Reserve Account(Net)				0.335	--	--	--	--	0.550	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>				0.393	0.697	0.961	0.971	2.346	0.627	Jun-16
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	96,422,381	4.226	18.089	0.561	0.495	1.589	--	--	1.267	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				0.530	0.370	1.463	--	--	1.140	
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>				0.372	-0.104	1.139	0.917	2.651	0.832	Apr-13
<i>BofA Merrill Lynch US Corp & Gov 1-5 Yrs</i>				0.558	0.563	1.430	1.377	2.982	1.186	Apr-13

As of March 31, 2017

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Cash(Gross)	1,748,470,449	76.636	76.636	0.229	0.845	0.438	0.310	0.764	1.981	Jul-99
<i>Citi 3mth Treasury Bill</i>				0.121	0.338	0.147	0.113	0.615	1.771	Jul-99
Operating: Payden Enhanced Cash(Gross)	583,022,729	25.554	33.345	0.239	0.927	0.465	0.327	0.772	1.986	Jul-99
Operating: Payden Enhanced Cash(Net)				0.219	0.849	0.377	0.223	--	--	
<i>Citi 3mth Treasury Bill</i>				0.121	0.338	0.147	0.113	0.615	1.771	Jul-99
Operating: Logan Circle Enhanced Cash(Gross)	582,486,068	25.531	33.314	0.244	--	--	--	--	0.707	Jun-16
Operating: Logan Circle Enhanced Cash(Net)				0.223	--	--	--	--	0.638	
<i>Citi 3mth Treasury Bill</i>				0.121	0.338	0.147	0.113	0.615	0.293	Jun-16
Operating: Wells Capital Enhanced Cash(Gross)	582,961,652	25.551	33.341	0.176	--	--	--	--	0.556	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.158	--	--	--	--	0.496	
<i>Citi 3mth Treasury Bill</i>				0.121	0.338	0.147	0.113	0.615	0.293	Jun-16

As of March 31, 2017

Asset Class Performance Summary

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
Total Fund(Gross)	0.842	--	--	--	--	--	--	--
Total Fund(Net)	0.778	--	--	--	--	--	--	--
Fixed Income(Gross)	1.775	--	--	--	--	--	--	--
Fixed Income(Net)	1.699	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>	<i>0.776</i>	<i>1.331</i>	<i>2.692</i>	<i>4.394</i>
Cash(Gross)	0.509	0.166	0.131	0.112	0.185	0.137	0.138	0.774
Cash(Net)	0.446	0.058	0.018	-0.023	0.044	-0.008	-0.003	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>

As of March 31, 2017

Trailing Period Performance

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
Total Fund(Gross)	0.842	--	--	--	--	--	--	--
Fixed Income(Gross)	1.775	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
Tier One: Payden Low Duration(Gross)	1.461	0.893	1.048	0.534	1.248	1.478	2.946	5.823
Tier One: Payden Low Duration(Net)	1.388	0.783	0.933	0.399	1.105	1.331	2.801	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>	1.581	0.901	1.246	0.861	1.169	1.947	3.796	4.576
Tier One: Logan Circle STAMP 1-3 Year(Gross)	--	--	--	--	--	--	--	--
Tier One: Logan Circle STAMP 1-3 Year(Net)	--	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>	1.581	0.901	1.246	0.861	1.169	1.947	3.796	4.576
Tier One: Wells Capital Reserve Account(Gross)	--	--	--	--	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	--	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>	1.581	0.901	1.246	0.861	1.169	1.947	3.796	4.576
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	3.021	1.494	2.095	--	--	--	--	--
Tier Two: Logan Circle STAMP 1-5 Year(Net)	2.894	1.367	1.969	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>	2.426	1.376	1.157	-0.027	2.198	2.154	4.114	5.484
<i>BofA Merrill Lynch US Corp & Gov 1-5 Yrs</i>	2.649	1.344	2.000	0.718	2.524	2.957	5.717	5.052

As of March 31, 2017

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
Cash(Gross)	0.509	0.166	0.131	0.112	0.185	0.137	0.138	0.774
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Payden Enhanced Cash(Gross)	0.573	0.166	0.131	0.112	0.185	0.137	0.138	0.774
Operating: Payden Enhanced Cash(Net)	0.505	0.058	0.018	-0.023	0.044	-0.008	-0.003	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Logan Circle Enhanced Cash(Gross)	--	--	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	--	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Wells Capital Enhanced Cash(Gross)	--	--	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	--	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>

As of March 31, 2017

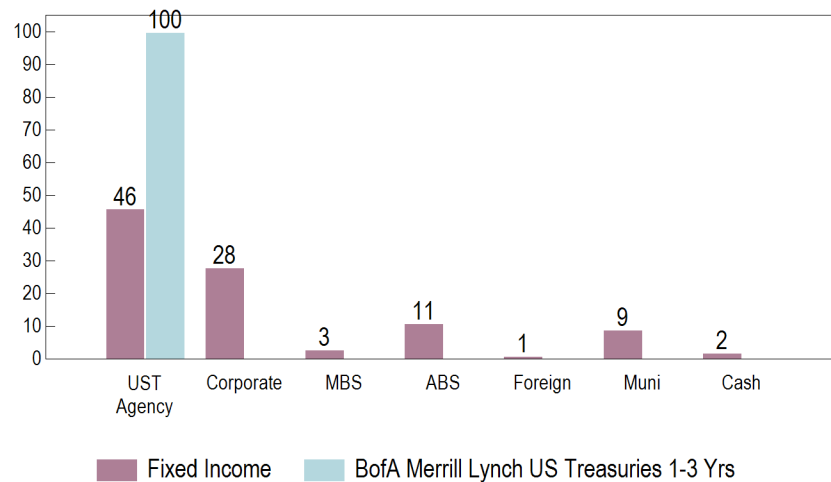
Asset Allocation on March 31, 2017

	Actual	Actual
Tier One: Payden Low Duration	\$145,711,189	27.3%
Tier One: Logan Circle STAMP 1-3 Year	\$145,451,947	27.3%
Tier One: Wells Capital Reserve Account	\$145,463,504	27.3%
Tier Two: Logan Circle STAMP 1-5 Year	\$96,422,381	18.1%
Total	\$533,049,021	100.0%

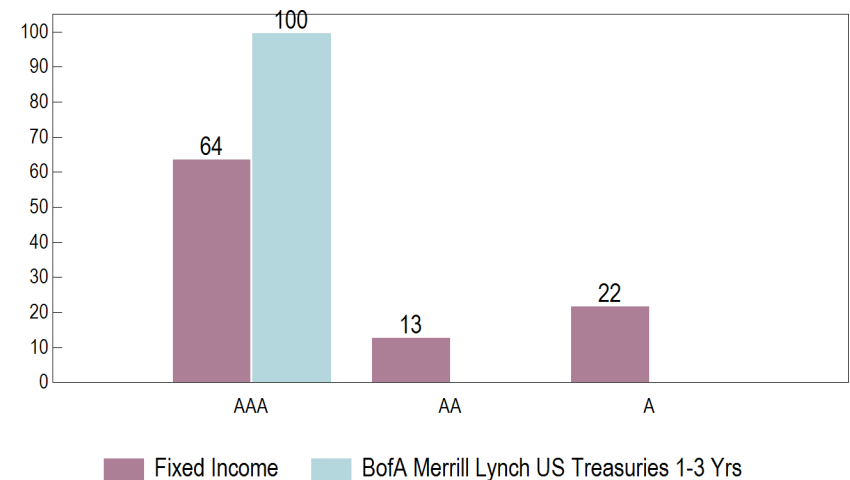
Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.5	1.3	1.5
Average Duration	1.7	1.9	1.8
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Tier One: Payden Low Duration

As of March 31, 2017

Account Information

Account Name	Tier One: Payden Low Duration
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	US Fixed Income Short Term
Benchmark	BofA Merrill Lynch US Treasuries 1-3 Yrs
Universe	eA US Short Duration Fixed Inc Net

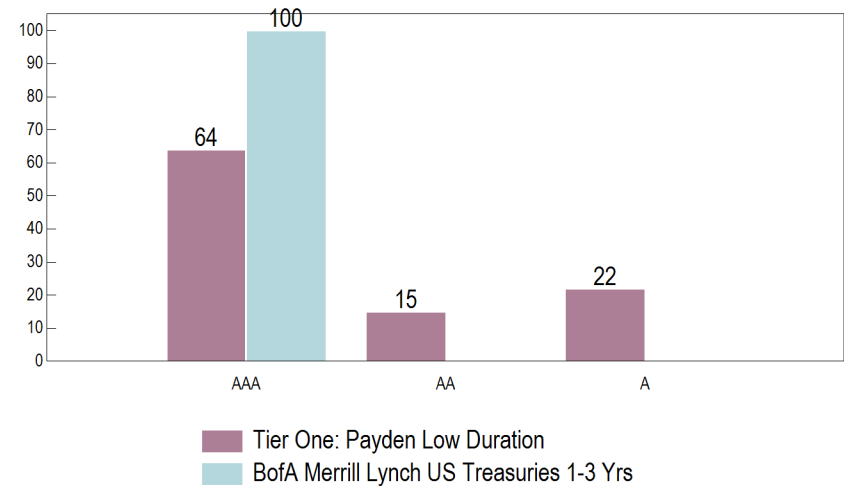
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Payden Low Duration(Gross)	0.387	0.387	0.798	0.968	0.880	2.274	3.097	Jul-99
Tier One: Payden Low Duration(Net)	0.368	0.368	0.722	0.879	0.776	--	--	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.260	0.260	0.245	0.722	0.636	1.998	3.008	Jul-99
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.393	0.393	0.697	0.961	0.971	2.346	3.341	Jul-99

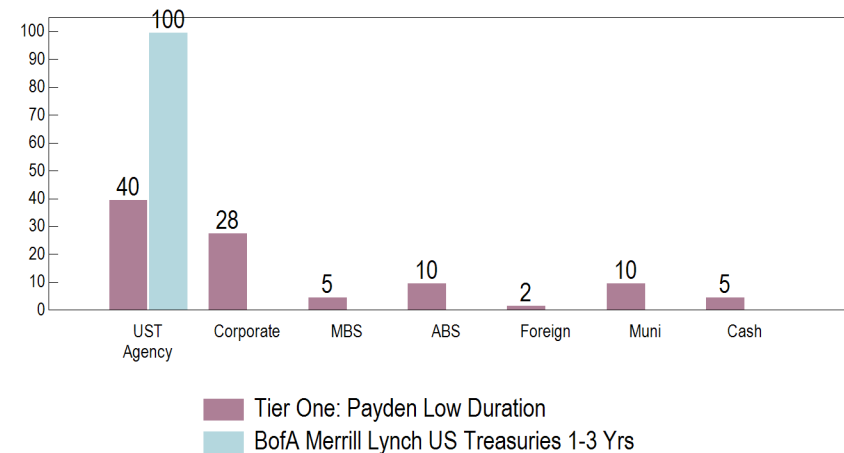
Tier One: Payden Low Duration Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.50	1.27	1.36
Average Duration	1.61	1.89	1.54
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of March 31, 2017

Account Information

Account Name	Tier One: Wells Capital Reserve Account
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	US Fixed Income
Benchmark	BofA Merrill Lynch US Treasuries 1-3 Yrs
Universe	eA US Short Duration Fixed Inc Net

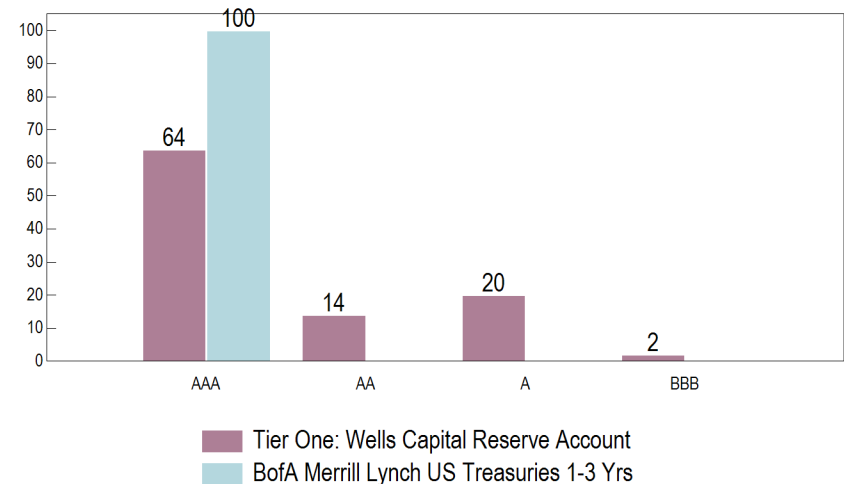
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Wells Capital Reserve Account(Gross)	0.353	0.353	--	--	--	--	0.610	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.335	0.335	--	--	--	--	0.550	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.260	0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.393	0.393	0.697	0.961	0.971	2.346	0.627	Jun-16

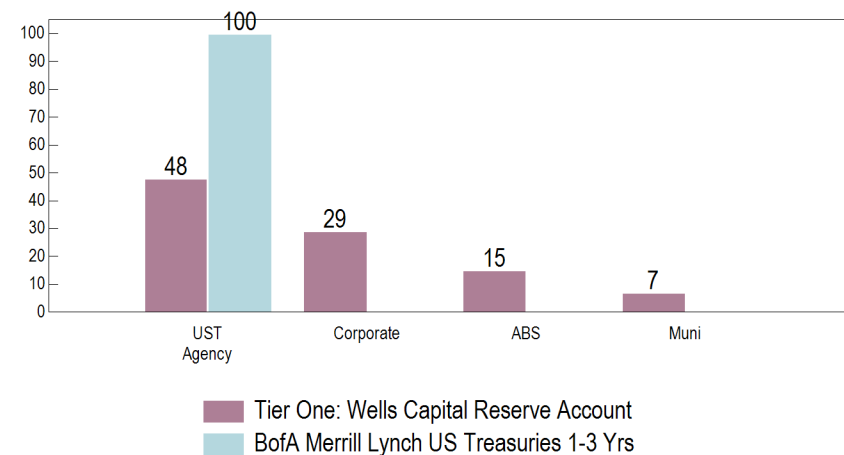
Tier One: Wells Capital Reserve Account Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.49	1.27	1.42
Average Duration	1.63	1.89	1.75
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Logan Circle STAMP 1-3 Year

As of March 31, 2017

Account Information

Account Name	Tier One: Logan Circle STAMP 1-3 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	US Fixed Income
Benchmark	BofA Merrill Lynch US Treasuries 1-3 Yrs
Universe	eA US Short Duration Fixed Inc Net

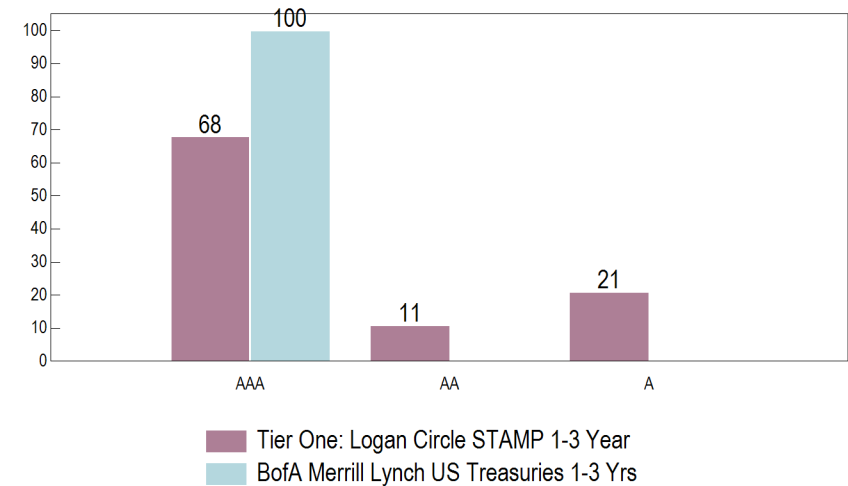
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.415	0.415	--	--	--	--	0.604	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.394	0.394	--	--	--	--	0.533	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.260	0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.393	0.393	0.697	0.961	0.971	2.346	0.627	Jun-16

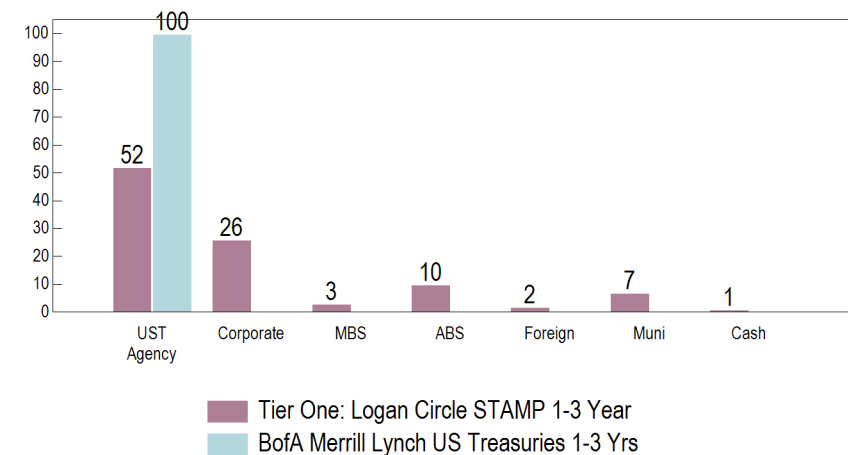
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.43	1.27	1.43
Average Duration	1.52	1.89	1.68
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of March 31, 2017

Account Information

Account Name	Tier Two: Logan Circle STAMP 1-5 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	4/01/13
Account Type	US Fixed Income Short Term
Benchmark	BofA Merrill Lynch US Treasuries 1-5 Yrs
Universe	eA US Short Duration Fixed Inc Net

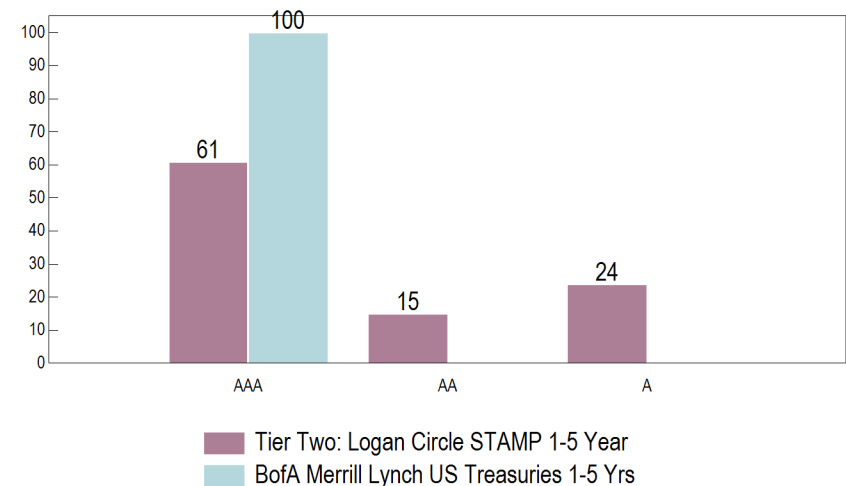
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.561	0.561	0.495	1.589	--	--	1.267	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.530	0.530	0.370	1.463	--	--	1.140	
BofA Merrill Lynch US Treasuries 1-5 Yrs	0.372	0.372	-0.104	1.139	0.917	2.651	0.832	Apr-13
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	0.558	0.558	0.563	1.430	1.377	2.982	1.186	Apr-13

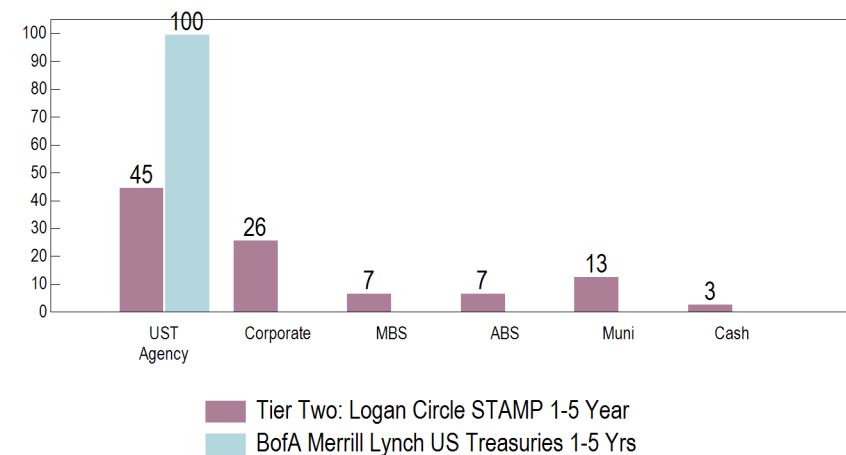
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-5 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.71	1.48	1.76
Average Duration	2.38	2.69	2.58
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



As of March 31, 2017

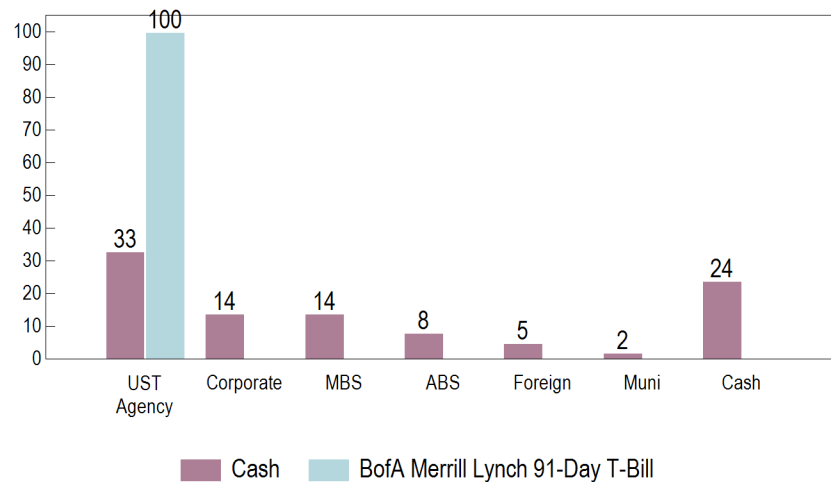
Asset Allocation on March 31, 2017

	Actual	Actual
Operating: Logan Circle Enhanced Cash	\$582,486,068	33.3%
Operating: Payden Enhanced Cash	\$583,022,729	33.3%
Operating: Wells Capital Enhanced Cash	\$582,961,652	33.3%
Total	\$1,748,470,449	100.0%

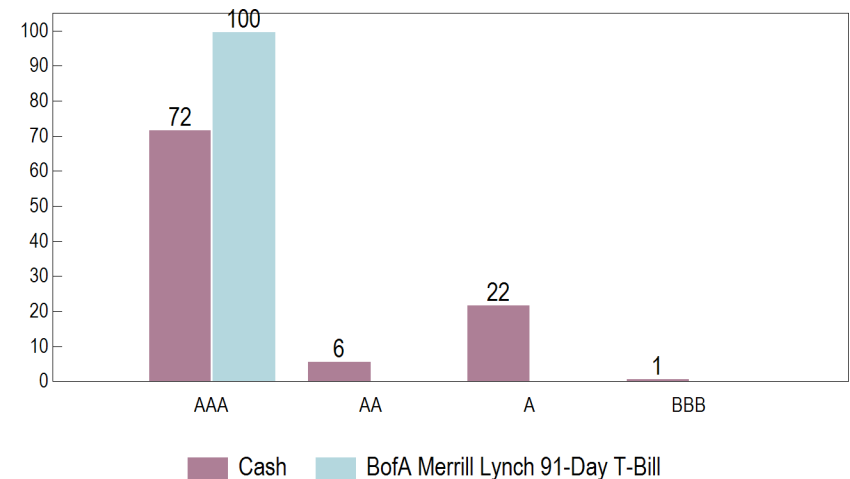
Cash Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.1	0.8	0.8
Average Duration	0.3	0.2	0.2
Average Quality	AA	AAA	AAA

Sector Allocation



Credit Quality Allocation



Operating: Payden Enhanced Cash

As of March 31, 2017

Account Information

Account Name	Operating: Payden Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	Cash Alternatives
Benchmark	Citi 3mth Treasury Bill
Universe	eA US Enh Cash Management Net

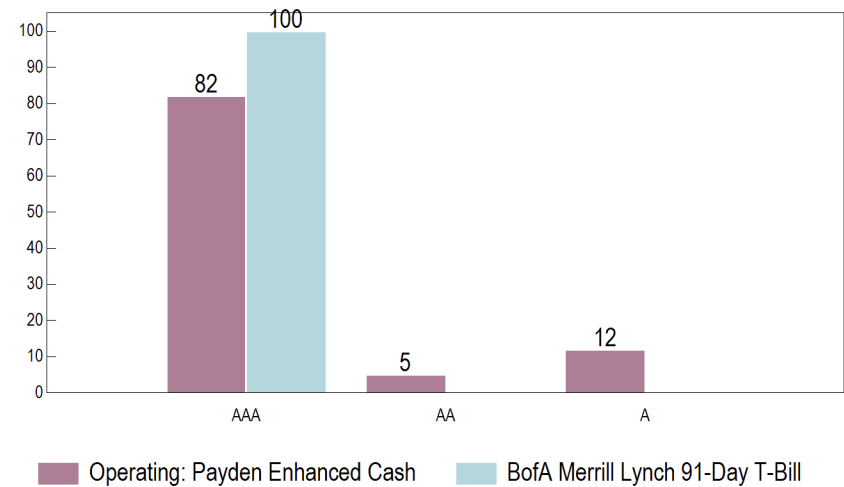
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Payden Enhanced Cash(Gross)	0.239	0.239	0.927	0.465	0.327	0.772	1.986	Jul-99
Operating: Payden Enhanced Cash(Net)	0.219	0.219	0.849	0.377	0.223	--	--	
Citi 3mth Treasury Bill	0.121	0.121	0.338	0.147	0.113	0.615	1.771	Jul-99

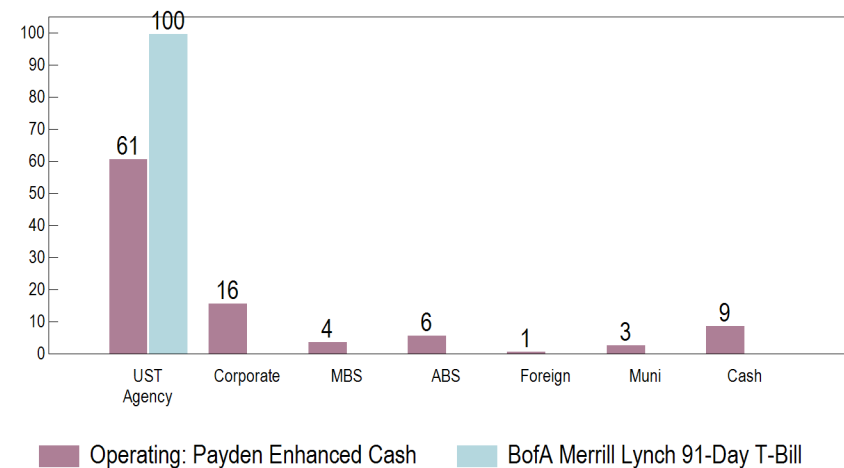
Operating: Payden Enhanced Cash Fixed Income Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.04	0.76	0.81
Average Duration	0.35	0.24	0.34
Average Quality	AA	AAA	AAA

Credit Quality Allocation



US Sector Allocation



Operating: Logan Circle Enhanced Cash

As of March 31, 2017

Account Information

Account Name	Operating: Logan Circle Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	Cash
Benchmark	Citi 3mth Treasury Bill
Universe	eA US Enh Cash Management Net

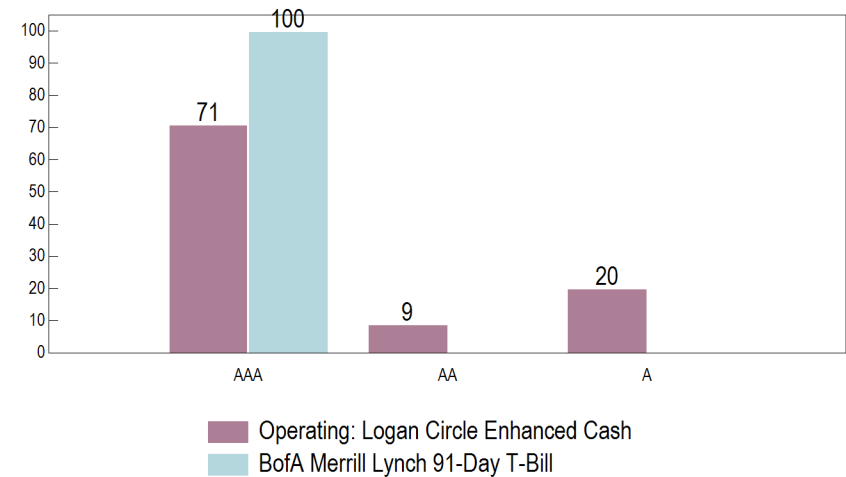
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Logan Circle Enhanced Cash(Gross)	0.244	0.244	--	--	--	--	0.707	Jun-16
Operating: Logan Circle Enhanced Cash(Net)	0.223	0.223	--	--	--	--	0.638	
Citi 3mth Treasury Bill	0.121	0.121	0.338	0.147	0.113	0.615	0.293	Jun-16

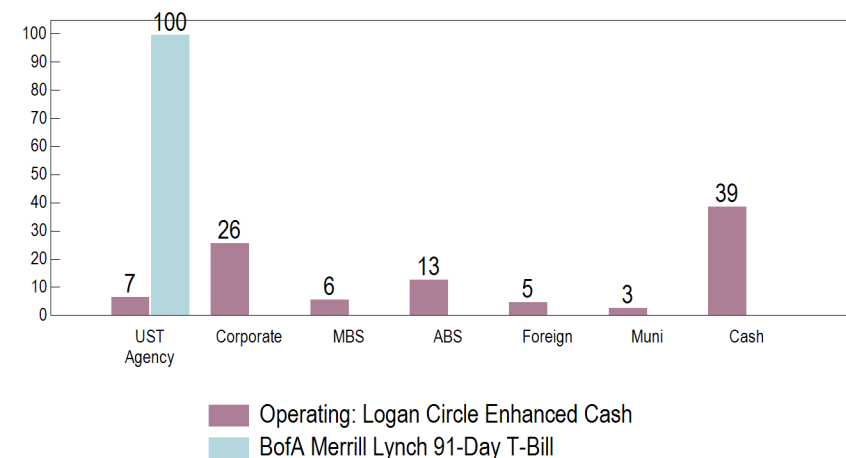
Operating: Logan Circle Enhanced Cash Fixed Income Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.06	0.76	0.89
Average Duration	0.12	0.24	0.12
Average Quality	A	AAA	AAA

Credit Quality Allocation



US Sector Allocation



Operating: Wells Capital Enhanced Cash

As of March 31, 2017

Account Information

Account Name	Operating: Wells Capital Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	Cash
Benchmark	Citi 3mth Treasury Bill
Universe	eA US Enh Cash Management Net

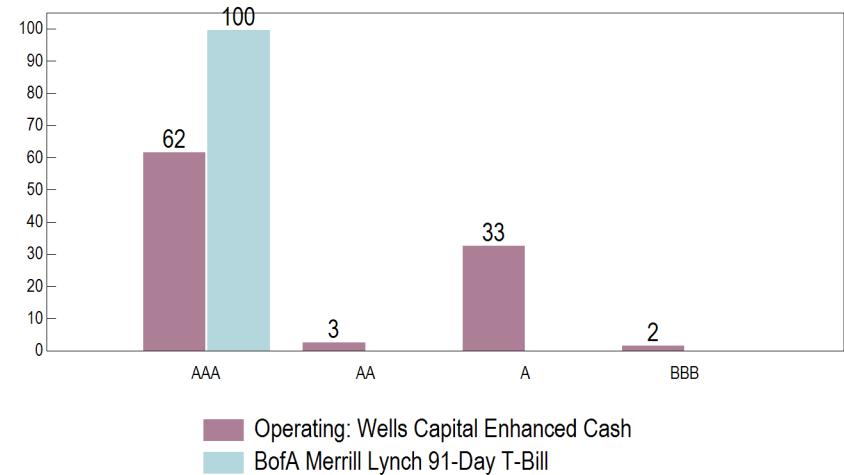
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Wells Capital Enhanced Cash(Gross)	0.176	0.176	--	--	--	--	0.556	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.158	0.158	--	--	--	--	0.496	
Citi 3mth Treasury Bill	0.121	0.121	0.338	0.147	0.113	0.615	0.293	Jun-16

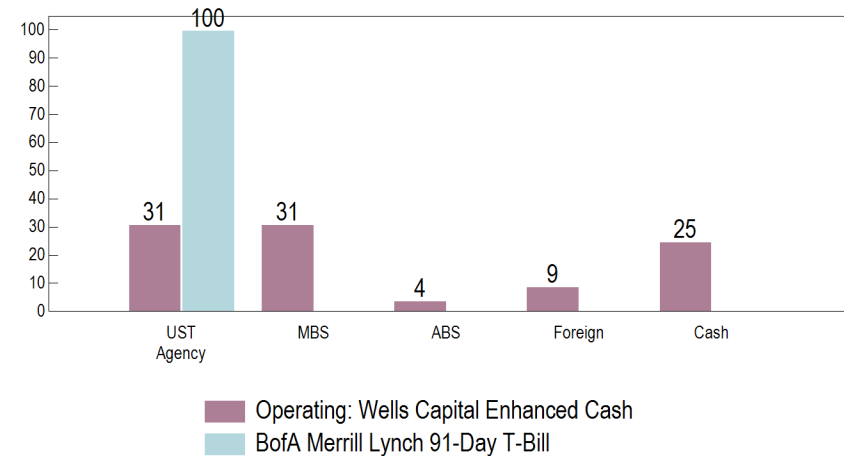
Operating: Wells Capital Enhanced Cash Fixed Income Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.15	0.76	0.67
Average Duration	0.45	0.24	0.16
Average Quality	AA	AAA	AAA

Credit Quality Allocation



US Sector Allocation



As of March 31, 2017

Annual Investment Expense Analysis
As Of March 31, 2017

Name	Fee Schedule	Market Value
Fixed Income		\$533,049,021
Tier One: Payden Low Duration	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$145,711,189
Tier One: Logan Circle STAMP 1-3 Year	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$145,451,947
Tier One: Wells Capital Reserve Account	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$145,463,504
Tier Two: Logan Circle STAMP 1-5 Year	0.15% of First \$50.0 Mil, 0.10% of Next \$250.0 Mil, 0.07% Thereafter	\$96,422,381
Cash		\$1,748,470,449
Operating: Payden Enhanced Cash	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$583,022,729
Operating: Logan Circle Enhanced Cash	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$582,486,068
Operating: Wells Capital Enhanced Cash	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$582,961,652
Total		\$2,281,519,470

Please note that Logan Circle, Payden, and Wells Capital charge their investment management fees on an aggregate basis across Operating Cash, Tier One and Tier Two portfolios.



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	27 days	425 days	334 days	4.92 years	2.96 years	2.12 years	4.92 years	Yes	
U.S. Agencies	450 days	5 years	5 years	NA	131 days	300 days	1.55 years	2.91 years	2.92 years	1.99 years	Yes	
State & Local Obligations ¹	450 days	5 years	5 years	123 days	154 days	NA	4.34 years	2.58 years	2.42 years	4.34 years	Yes	
Supranationals	450 days	5 years	5 years	109 days	NA	291 days	NA	2.12 years	NA	NA	Yes	
Negotiable Cert of Deposit	1 year	1 year	1 year	46 days	186 days	NA	NA	0.45 years	NA	3 days	Yes	
Commercial Paper	270 days	270 days	270 days	21 days	NA	180 days	NA	NA	NA	NA	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	147 days	326 days	360 days	3.69 years	3.74 years	3.00 years	4.38 years	Yes	
Mortgage/ Asset-Backed	450 days	5 years	5 years	354 days	239 days	379 days	4.21 years	2.21 years	2.64 years	4.17 years	Yes	
Variable & Floating Rate	450 days	5 years	5 years	79 days	88 days ²	379 days	2.93 years	110 days	2.00 years	3.69 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.

¹ Includes CA and any other state in the U.S.

² Effective Maturity.



Annual Investment Policy (2016) Diversification Compliance¹

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	11.6	95.4	31.0	226.1	26.1	190.0	22.4	511.5
U.S. Agencies	100	2.8	23.3	24.0	175.0	7.3	52.9	11.0	251.2
State & Local Obligations ²	25	4.9	40.3	4.0	29.3	1.4	10.5	3.5	80.1
Supranationals	30	3.8	31.5	0.4	2.6	4.8	34.8	3.0	68.9
Negotiable Certificate of Deposit	30	20.1	165.3	6.0	43.7	0.0	0.0	1.9	43.7
Commercial Paper	25	7.7	63.5	0.0	0.0	19.4	141.2	6.2	141.2
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	18.1	148.9	6.6	48.1	25.7	187.2	16.8	384.2
Money Market Funds	20	3.9	32.4	0.8	6.1	0.3	2.2	11.8	269.5
Mortgage/Asset-Backed	20	6.3	51.9	5.8	42.5	6.2	44.9	6.1	139.3
Variable & Floating Rate	30	20.9	172.0	21.3	155.4	8.9	64.9	17.2	392.3
Total		100.0	824.4	100.0	728.7	100.0	728.4	100.0	2281.5

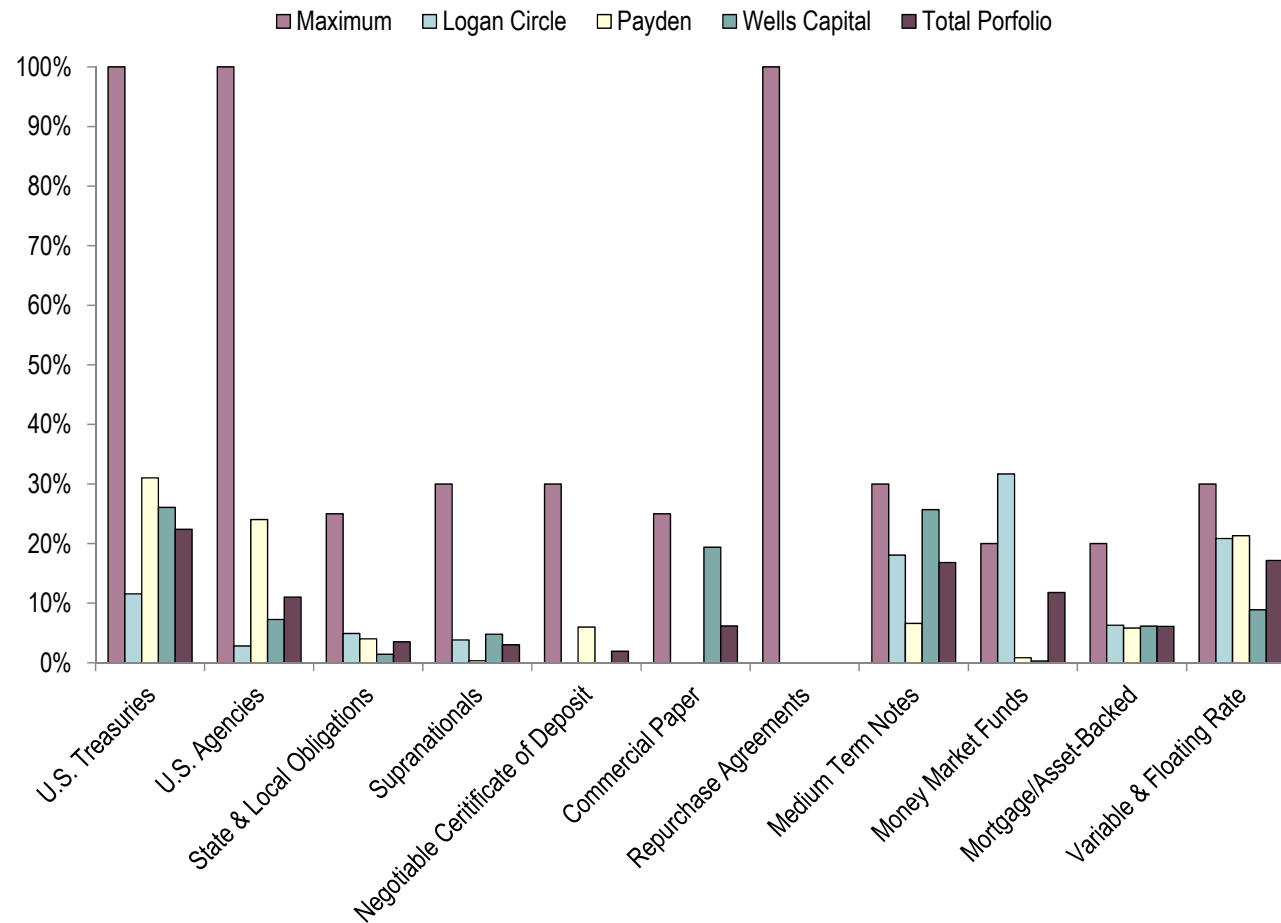
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2016.

¹ Blended allocations for Payden & Rygel, Logan Circle, and Wells Capital accounts.

² Includes CA and any other state in the U.S.

Annual Investment Policy (2016) Actual vs. Diversity Requirements

As of March 31, 2017



Custom Peer Group

Custom Peer Group

- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool 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 comparison¹.
 - 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 thirteen strategies with a median effective duration of 1.8 years, while the Tier Two peer group consists of nine strategies with an average effective duration of 2.5 years as of December 31, 2016.
- Please note that the analysis is as of December 31, 2016, as the universe of investment managers that had reported data as of March 31, 2017 was very small at the date that these materials were submitted.
- 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.

¹ Though this comparison is more accurate than ranking the managers relative to the broad short duration peer group, these peer managers are not subject to the restrictions of the California Government Code. They are likely to have more degrees of freedom to invest across fixed income securities and sectors.

Custom Peer Group: Logan Circle Tier One

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)
Tier One: Logan Circle STAMP 1-3 Year	-0.41
Peer Group Median Return	-0.36
Peer Group Rank (percentile)	77

- The Logan Circle Tier One portfolio underperformed the peer group in the fourth quarter of 2016, ranking in the 77th percentile.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	-0.18	1.14	0.91	0.86	2.38
Peer Group Median Return	-0.36	1.28	1.02	0.99	2.52
Peer Group Rank (percentile)	19	59	77	77	59

Standard Deviation as of 9/30/2016²	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.59	0.54	1.27
Median Standard Deviation	0.78	0.75	1.18
Peer Group Rank (percentile)	87	86	42

- The Payden Tier One portfolio outperformed the peer group in the fourth quarter of 2016, and performance ranks in the third or fourth quartile over the one-, three-, five-, and ten-year trailing periods.
- Standard deviation has ranked favorably versus peers over three- and five-year trailing periods, though ten-year trailing standard deviation is slightly above the peer group median. The ten-year peer group rank is influenced by the tight concentration of peer manager standard deviation between 1.15 and 1.25.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

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

Custom Peer Group: Wells Capital Tier One

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)
Tier One: Wells Capital Reserve Account	-0.31
Peer Group Median Return	-0.36
Peer Group Rank (percentile)	31

- The Wells Capital Tier One portfolio outperformed the short duration peer group in the fourth quarter of 2016, ranking in the 31st percentile of the peer group.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

Custom Peer Group: Logan Circle Tier Two

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)	1 Year (%)	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	-0.99	1.64	1.56
Peer Group Median Return	-0.86	1.50	1.65
Peer Group Rank (percentile)	62	33	59

Standard Deviation as of 12/31/2016²	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.32
Median Standard Deviation	1.21
Peer Group Rank (percentile)	41

- Logan Circle has performed well over the one-year trailing period ended December 31, 2016, ranking in the 33rd percentile of the peer group, though three-year trailing performance ranks slightly below the peer group median.
- Standard deviation for the strategy over the trailing three year period exceeds the peer group median, ranking in the 41st percentile of the peer group.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

² 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

Performance Attribution

- 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.
- 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 investment management fees as of March 31, 2017. Attribution data fields will vary slightly across investment managers.

Logan Circle Tier One Performance Attribution

Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	9 Month
Duration	5	12
Yield Curve	-2	-17
Sector Selection	12	34
Treasury	-2	-3
Agency	0	2
Corporate	9	20
Financial	7	17
Industrial	0	1
Utilities	2	2
MBS	0	2
CMBS	0	1
ABS	1	5
Municipal	4	7
Total Excess Return	15	29
Logan Circle Tier One Return	41	60
Merrill Lynch 1-3 Year Treasury Return	26	32

Payden & Rygel Tier One Performance Attribution
Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	6 Month	1 Year
Duration	3	17	15
Yield Curve	-5	-6	-10
Sector Selection	17	28	51
Treasury ¹	NA	NA	NA
Agency	3	6	8
Corporate	10	16	30
Financial	6	8	19
Industrial	3	5	7
Utilities	1	3	4
MBS	0	0	0
CMBS	1	1	2
ABS	2	4	11
Municipal	0	0	0
Total Excess Return	13	38	55
Payden & Rygel Tier One Return	39	21	80
Merrill Lynch 1-3 Year U.S. Treasury Return	26	-17	25

¹ Treasury sector selection attribution is included in Duration and Yield Curve attribution figures.

Wells Capital Tier One Performance Attribution
Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	6 Month
Duration	-2	2
Sector Selection	NA	NA
Treasury ¹	NA	NA
Agency	0	1
Corporate	8	12
Financial	6	9
Industrial	2	3
Utilities	NA	NA
MBS	NA	NA
CMBS	NA	NA
ABS	2	3
Municipal	0	0
Error Factor	1	4
Total Excess Return	9	22
Wells Capital Tier One Return (%)	35	4
Merrill Lynch 1-3 Year U.S. Treasury Return (%)	26	-18

¹ Treasury sector selection attribution is included in Duration figure.

Logan Circle Tier Two Performance Attribution

Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	1 Year
Duration	3	9
Yield Curve	0	-15
Sector Selection	16	66
Treasury	-4	-15
Agency	0	1
Corporate	13	44
Financial	9	36
Industrial	2	4
Utilities	2	4
MBS	0	2
CMBS	0	7
ABS	0	4
Municipal	7	23
Total Excess Return	19	60
Logan Circle Tier Two Return	56	50
Merrill Lynch 1-5 Year U.S. Treasury Return	37	-10

Holdings

CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash							
	CASH OR STIF	USD	158,617.92	158,617.92	0.00	1.000	0.11%
Total for Cash			158,617.92	158,617.92	0.00		0.11%
Money Markets							
1,350,000.000	BANK OF TOKYO-MITSUBISHI NY YCD	06538M7L7	1,350,000.00	1,351,493.10	1,493.10	100.111	0.94%
	Mat: 8/30/17 Cpn: 1.53%		0.00	12,278.25			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 8/29/16 St Date: 8/30/16						
1,350,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN	06417GPD4	1,350,000.00	1,350,000.00	0.00	100.000	0.93%
	Mat: 9/7/17 Cpn: 1.60%		0.00	1,501.57			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/1/16 St Date: 9/7/16						
1,180,000.000	RABOBANK NEDERLAND NY YCD 3ML FRN	21684BR89	1,180,000.00	1,180,000.00	0.00	100.000	0.81%
	Mat: 9/8/17 Cpn: 1.58%		0.00	1,239.96			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/2/16 St Date: 9/8/16						
1,350,000.000	NORDEA BANK FINLAND YCD	65558LSW3	1,350,000.00	1,350,366.82	366.82	100.027	0.93%
	Mat: 9/8/17 Cpn: 1.35%		0.00	10,175.63			
	Moody's: P-1 S&P: A-1+ Fitch:						
	Tr Date: 9/8/16 St Date: 9/12/16						
1,350,000.000	BNP PARIBAS NY YCD	05582WDW1	1,350,000.00	1,351,340.64	1,340.64	100.099	0.94%
	Mat: 9/13/17 Cpn: 1.52%		0.00	11,286.00			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 9/13/16 St Date: 9/15/16						
Total for Money Markets			6,580,000.00	6,583,200.57	3,200.57		4.54%
			0.00	36,481.40			
Treasuries							
3,200,000.000	U.S. TREASURY NOTE	912828R93	3,200,125.00	3,180,224.13	(19,900.87)	99.382	2.19%
	Mat: 6/30/18 Cpn: 0.63%		706.52	5,027.62			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/8/16 St Date: 7/13/16						
2,170,000.000	U.S. TREASURY NOTE	912828L40	2,177,205.08	2,164,726.99	(12,478.09)	99.757	1.49%
	Mat: 9/15/18 Cpn: 1.00%		3,177.07	1,002.45			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 11/4/16 St Date: 11/7/16						



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CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,730,000.000	U.S. TREASURY NOTE Mat: 11/30/18 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828U40	3,714,581.52 1,946.98	3,717,429.97 12,501.65	2,848.45	99.663	2.56%
7,080,000.000	U.S. TREASURY NOTE Mat: 1/31/19 Cpn: 1.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/25/17 St Date: 1/31/17	912828V56	7,062,151.28 2,414.71	7,066,194.00 13,201.66	4,042.72	99.805	4.86%
1,700,000.000	U.S. TREASURY NOTE Mat: 2/28/19 Cpn: 1.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/28/17 St Date: 3/6/17	912828W30	1,695,342.00 311.82	1,696,158.03 1,663.04	816.03	99.774	1.17%
1,815,000.000	U.S. TREASURY NOTE Mat: 3/15/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/16 St Date: 10/11/16	912828P95	1,817,410.55 1,303.59	1,806,015.70 838.45	(11,394.85)	99.505	1.24%
6,635,000.000	U.S. TREASURY NOTE Mat: 6/15/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/24/16 St Date: 6/29/16	912828R85	6,614,843.76 21,121.44	6,571,701.97 17,065.99	(43,141.79)	99.046	4.52%
5,495,000.000	U.S. TREASURY NOTE Mat: 7/15/19 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/1/16 St Date: 9/6/16	912828S43	5,472,032.62 5,935.50	5,422,850.43 8,652.35	(49,182.19)	98.687	3.73%
5,395,000.000	U.S. TREASURY NOTE Mat: 2/15/20 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/1/17 St Date: 2/15/17	912828W22	5,367,428.92 0.00	5,378,329.56 9,221.43	10,900.64	99.691	3.70%
2,133,000.000	U.S. TREASURY NOTE Mat: 3/15/20 Cpn: 1.63% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/2/17 St Date: 3/15/17	912828W63	2,130,582.22 0.00	2,140,828.05 1,601.20	10,245.83	100.367	1.47%
Total for Treasuries			39,251,702.94 36,917.63	39,144,458.82 70,775.83	(107,244.12)		26.91%

Government Related

1,080,000.000	INTL BANK RECON & DEVELOP Mat: 7/19/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: AAAu Tr Date: 4/12/16 St Date: 4/19/16	459058FE8	1,078,088.40 0.00	1,074,286.80 1,890.00	(3,801.60)	99.471	0.74%
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CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

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	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	1,302,834.00 2,881.67	2,834.00	100.218	0.90%
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	1,485,435.00 5,750.00	(10,065.00)	99.029	1.02%
Total for Government Related			3,873,588.40 0.00	3,862,555.80 10,521.67	(11,032.60)		2.66%

Agencies

1,350,000.000	FNMA C 7/27/17 1X Mat: 7/27/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/16 St Date: 7/27/16	3135G0L68	1,347,975.00 0.00	1,337,701.50 1,800.00	(10,273.50)	99.089	0.92%
1,350,000.000	FHLMC C 12/14/16 Q Mat: 9/14/18 Cpn: 1.15% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/29/16 St Date: 9/14/16	3134GAJQ8	1,350,000.00 0.00	1,346,895.00 733.13	(3,105.00)	99.770	0.92%
1,350,000.000	FHLB Mat: 10/1/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/25/16 St Date: 8/26/16	3130A9AE1	1,349,082.00 0.00	1,342,696.50 5,906.25	(6,385.50)	99.459	0.93%
1,360,000.000	FHLMC Mat: 10/12/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/15/16 St Date: 9/16/16	3137EAED7	1,359,415.20 0.00	1,352,642.40 6,445.83	(6,772.80)	99.459	0.93%
2,900,000.000	FHLB Mat: 1/16/19 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/7/16 St Date: 12/8/16	3130AAE46	2,899,884.00 0.00	2,896,578.00 7,552.08	(3,306.00)	99.882	1.99%
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	3,804,836.90 3,723.61	(16,124.30)	99.343	2.61%
1,490,000.000	FHLB Mat: 3/18/19 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/9/17 St Date: 3/10/17	3130AAXX1	1,486,543.20 0.00	1,490,640.70 1,195.10	4,097.50	100.043	1.02%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,320,000.000	FNMA C 12/13/16 Q Mat: 6/13/19 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/13/16 St Date: 6/15/16	3135G0K77	1,320,000.00 91.67	1,310,971.20 4,950.00	(9,028.80)	99.316	0.90%
935,000.000	FHLMC Mat: 7/19/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/20/16	3137EAEB1	932,737.30 0.00	923,714.55 1,636.25	(9,022.75)	98.793	0.64%
1,420,000.000	FNMA Mat: 8/2/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/29/16 St Date: 8/2/16	3135G0N33	1,417,614.40 0.00	1,401,483.20 2,036.32	(16,131.20)	98.696	0.96%
1,350,000.000	FNMA Mat: 8/28/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/31/16 St Date: 9/2/16	3135G0P49	1,347,894.00 0.00	1,335,285.00 1,162.50	(12,609.00)	98.910	0.92%
870,000.000	FNMA Mat: 2/28/20 Cpn: 1.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/24/17 St Date: 2/28/17	3135G0T29	869,443.20 0.00	868,390.50 1,123.75	(1,052.70)	99.815	0.60%
Total for Agencies			19,501,549.50 91.67	19,411,835.45 38,264.83	(89,714.05)		13.35%

Taxable Muni

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	599,916.00 2,106.00	(576.00)	99.986	0.41%
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	1,600,320.00 3,328.00	320.00	100.020	1.10%
200,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/17 Cpn: 1.51% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERP1	200,000.00 0.00	200,218.00 1,004.67	218.00	100.109	0.14%
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	612,562.00 4,178.50	(4,849.50)	100.420	0.42%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
670,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/18 Cpn: 1.30% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 9/27/16 St Date: 9/29/16	91412GPZ2	672,860.90 3,232.08	668,666.70 3,280.32	(4,194.20)	99.801	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	376,020.00 1,025.63	1,020.00	100.272	0.26%
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	1,505,745.00 11,040.00	5,745.00	100.383	1.04%
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	1,420,412.00 13,673.33	20,412.00	101.458	0.98%
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	755,445.00 5,815.63	(375.00)	100.726	0.52%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	451,696.50 3,054.00	1,696.50	100.377	0.31%
270,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL Mat: 5/15/19 Cpn: 1.75% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 11/16/16 St Date: 12/6/16	544445AY5	270,000.00 0.00	269,784.00 1,509.38	(216.00)	99.920	0.19%
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	2,524,425.00 17,531.25	(5,500.00)	100.977	1.74%
2,000,000.000	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	2,018,160.00 3,891.33	2,012,980.00 8,980.00	(5,180.00)	100.649	1.39%
335,000.000	CA SAN FRANCISCO REDEV AGY TXB Mat: 8/1/19 Cpn: 2.19% Moody's: S&P: A Fitch: Tr Date: 3/10/17 St Date: 3/29/17	79770GFZ4	335,000.00 0.00	336,983.20 40.81	1,983.20	100.592	0.23%



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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	377,322.30 4,387.58	(4,214.30)	101.979	0.26%
Total for Taxable Muni			13,706,206.00 28,943.19	13,712,495.70 80,955.09	6,289.70		9.47%
Credit							
510,000.000	UNITEDHEALTH GROUP Mat: 7/17/17 Cpn: 1.45% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCK6	509,903.10 0.00	510,365.67 1,520.08	462.57	100.072	0.35%
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	800,524.80 1,635.56	(5,371.20)	100.066	0.55%
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	1,202,744.40 3,066.67	(9,963.60)	100.229	0.83%
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	713,476.40 4,010.42	(78,090.60)	101.925	0.49%
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	1,210,591.69 924.31	(2,080.71)	100.049	0.83%
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	1,269,490.00 1,692.71	(84,735.00)	101.559	0.87%
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	250,021.50 1,687.50	176.50	100.009	0.17%
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	1,198,119.60 4,268.80	(2,504.40)	99.843	0.83%



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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	250,970.00 211.44	206.75	100.388	0.17%
123,000.000	JOHN DEERE CAPITAL CORP Mat: 1/16/18 Cpn: 1.35% Moody's: A2 S&P: A Fitch: A Tr Date: 1/13/15 St Date: 1/16/15	24422EST7	122,938.50 0.00	123,095.08 345.94	156.58	100.077	0.08%
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	879,612.80 2,783.00	(132.00)	99.956	0.61%
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	695,026.41 1,783.83	450.36	100.004	0.48%
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	1,200,864.00 3,360.00	1,776.00	100.072	0.83%
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	480,505.92 575.60	505.92	100.105	0.33%
570,000.000	ELI LILLY & CO Mat: 3/1/18 Cpn: 1.25% Moody's: A2 S&P: AA- Fitch: Au Tr Date: 2/24/15 St Date: 3/5/15	532457BK3	569,498.40 0.00	569,409.48 593.75	(88.92)	99.896	0.39%
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	374,751.38 339.84	(248.63)	99.934	0.26%
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	899,945.10 787.50	1,079.10	99.994	0.62%
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	1,275,682.13 292.19	1,091.88	100.054	0.88%



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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	1,221,134.72 8,357.00	2,379.12	100.093	0.84%
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	204,874.96 1,044.36	149.66	99.939	0.14%
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	1,199,844.00 6,880.00	(48.00)	99.987	0.83%
415,000.000	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	414,929.45 0.00	416,240.87 2,016.21	1,311.42	100.299	0.29%
280,000.000	JOHN DEERE CAPITAL Mat: 7/13/18 Cpn: 1.60% Moody's: A2 S&P: A Fitch: A Tr Date: 7/9/15 St Date: 7/14/15	24422ESX8	279,893.60 0.00	280,081.22 970.67	187.62	100.029	0.19%
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	591,705.11 2,335.42	2,454.41	100.289	0.41%
60,000.000	BERKSHIRE HATHAWAY Mat: 8/15/18 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084670BX5	59,992.80 0.00	59,667.60 88.17	(325.20)	99.446	0.04%
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	703,730.98 1,714.03	3,849.98	100.533	0.48%
100,000.000	NEXTERA ENERGY Mat: 9/1/18 Cpn: 1.65% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/25/16 St Date: 9/1/16	65339KAJ9	100,250.00 0.00	99,737.50 137.42	(512.50)	99.738	0.07%
395,000.000	JP MORGAN CHASE Mat: 9/21/18 Cpn: 1.45% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 9/20/16 St Date: 9/23/16	48125LRF1	394,814.35 0.00	393,941.41 127.28	(872.94)	99.732	0.27%



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1,000,000.000	MICROSOFT Mat: 11/3/18 Cpn: 1.30% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 10/29/15 St Date: 11/3/15	594918BF0	999,000.00 0.00	999,690.02 5,344.44	690.02	99.969	0.69%
515,000.000	WELLS FARGO Mat: 11/28/18 Cpn: 1.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 12/1/16 St Date: 12/8/16	94988J5F0	514,572.55 0.00	515,788.98 2,909.75	1,216.43	100.153	0.36%
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	1,315,583.28 7,078.50	(3,189.12)	99.665	0.91%
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	474,042.00 1,919.17	4,356.90	100.860	0.33%
395,000.000	APPLE Mat: 2/8/19 Cpn: 1.55% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/2/17 St Date: 2/9/17	037833CE8	394,699.80 0.00	395,820.81 884.36	1,121.01	100.208	0.27%
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	321,062.40 574.22	1,116.80	100.332	0.22%
450,000.000	BRISTOL-MYERS SQUIBB Mat: 2/27/19 Cpn: 1.60% Moody's: A2 S&P: A+ Fitch: A-u Tr Date: 2/22/17 St Date: 2/27/17	110122BA5	449,640.00 0.00	449,149.49 680.00	(490.51)	99.811	0.31%
200,000.000	CHEVRON Mat: 2/28/19 Cpn: 1.69% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 2/28/17 St Date: 3/3/17	166764BS8	200,000.00 0.00	200,408.00 265.21	408.00	100.204	0.14%
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	550,175.99 806.67	335.49	100.032	0.38%
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	450,773.99 640.50	773.99	100.172	0.31%



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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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	421,012.19 536.67	1,499.39	100.241	0.29%
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	653,146.01 830.56	(8,664.49)	100.484	0.45%
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	791,619.52 596.89	2,219.92	100.205	0.54%
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	523,509.97 531.56	3,629.57	100.675	0.36%
350,000.000	OGLETHORPE POWER Mat: 3/15/19 Cpn: 6.10% Moody's: Baa1 S&P: A Fitch: A Tr Date: 3/29/17 St Date: 4/3/17	677050AE6	377,244.00 1,067.50	376,923.75 1,067.50	(320.25)	107.693	0.26%
325,000.000	CITIBANK Mat: 3/20/19 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/13/17 St Date: 3/20/17	17325FAA6	324,733.50 0.00	326,140.74 198.61	1,407.24	100.351	0.22%
330,000.000	CATERPILLAR FINANCIAL Mat: 3/22/19 Cpn: 1.90% Moody's: A3e S&P: A Fitch: A Tr Date: 3/20/17 St Date: 3/23/17	14912L6W6	329,802.00 0.00	330,207.91 139.33	405.91	100.063	0.23%
120,000.000	JPMORGAN CHASE Mat: 4/23/19 Cpn: 6.30% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 7/15/16 St Date: 7/20/16	46625HHL7	134,949.24 1,870.75	130,298.39 3,318.00	(4,650.85)	108.582	0.09%
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	287,083.76 1,646.96	(2,652.34)	98.994	0.20%
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	666,797.42 3,096.42	(2,733.58)	99.522	0.46%



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140,000.000	CITIGROUP Mat: 6/7/19 Cpn: 2.05% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 6/2/16 St Date: 6/9/16	172967KS9	139,927.20 0.00	139,853.00 908.83	(74.20)	99.895	0.10%
560,000.000	WALT DISNEY COMPANY Mat: 7/12/19 Cpn: 0.88% Moody's: A2 S&P: A Fitch: A Tr Date: 7/7/16 St Date: 7/12/16	25468PDL7	558,118.40 0.00	550,410.56 1,075.28	(7,707.84)	98.288	0.38%
295,000.000	CISCO SYSTEMS Mat: 9/20/19 Cpn: 1.40% Moody's: A1 S&P: AA- Fitch: Tr Date: 9/13/16 St Date: 9/20/16	17275RBG6	294,672.55 0.00	292,613.46 126.19	(2,059.09)	99.191	0.20%
285,000.000	FIFTH THIRD BANK Mat: 9/27/19 Cpn: 1.63% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBH1	284,526.90 0.00	281,950.50 51.46	(2,576.40)	98.930	0.19%
145,000.000	PEPSICO Mat: 10/4/19 Cpn: 1.35% Moody's: A1 S&P: A Fitch: Au Tr Date: 10/3/16 St Date: 10/6/16	713448DJ4	144,978.25 0.00	143,961.66 951.56	(1,016.60)	99.284	0.10%
595,000.000	JOHN DEERE CAPITAL CORP Mat: 10/9/19 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETJ8	593,798.10 0.00	585,771.53 4,173.26	(8,026.57)	98.449	0.40%
475,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/24/16 St Date: 10/31/16	438516BJ4	474,624.75 0.00	471,337.73 2,789.31	(3,287.02)	99.229	0.33%
270,000.000	UNITED TECHNOLOGIES Mat: 11/1/19 Cpn: 1.50% Moody's: A3 S&P: A- Fitch: A-u Tr Date: 10/27/16 St Date: 11/1/16	913017CF4	269,724.60 0.00	267,964.21 1,687.50	(1,760.39)	99.246	0.19%
170,000.000	CATERPILLAR FINANCIAL Mat: 1/10/20 Cpn: 2.10% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Y2	169,813.00 0.00	169,925.20 783.42	112.20	99.956	0.12%
510,000.000	CITIGROUP Mat: 1/10/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LF6	509,796.00 0.00	512,458.21 2,811.38	2,662.21	100.482	0.35%



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510,000.000	BRANCH BANKING & TRUST Mat: 1/15/20 Cpn: 2.10% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAN5	509,959.20 0.00	510,591.63 1,933.75	632.43	100.116	0.35%
545,000.000	US BANK CINCINNATI Mat: 1/24/20 Cpn: 2.00% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 1/19/17 St Date: 1/24/17	90331HNB5	543,850.05 0.00	547,242.68 2,028.61	3,392.63	100.412	0.38%
520,000.000	IBM Mat: 1/27/20 Cpn: 1.90% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 1/24/17 St Date: 1/27/17	459200JN2	519,500.80 0.00	521,502.81 1,756.44	2,002.01	100.289	0.36%
530,000.000	CAPITAL ONE Mat: 1/31/20 Cpn: 2.35% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/26/17 St Date: 1/31/17	14042RFH9	529,682.00 0.00	530,470.11 2,110.43	788.11	100.089	0.37%
495,000.000	SUNTRUST BANK Mat: 1/31/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAR8	494,811.90 0.00	496,004.86 1,856.25	1,192.96	100.203	0.34%
505,000.000	MICROSOFT Mat: 2/6/20 Cpn: 1.85% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 1/30/17 St Date: 2/6/17	594918BV5	504,661.65 0.00	505,979.70 1,427.33	1,318.05	100.194	0.35%
535,000.000	ESTEE LAUDER CO Mat: 2/7/20 Cpn: 1.80% Moody's: A2 S&P: A+ Fitch: Tr Date: 2/6/17 St Date: 2/9/17	29736RAL4	534,925.10 0.00	535,315.64 1,391.00	390.54	100.059	0.37%
225,000.000	PACCAR FINANCIAL Mat: 2/27/20 Cpn: 1.95% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/22/17 St Date: 2/27/17	69371RN69	224,595.00 0.00	225,008.98 414.38	413.98	100.004	0.15%
250,000.000	CITIZENS BANK Mat: 3/2/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAG6	249,762.50 0.00	249,815.75 453.13	53.25	99.926	0.17%
375,000.000	AMERICAN EXPRESS Mat: 3/3/20 Cpn: 2.20% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EE5	374,610.00 0.00	375,933.78 641.67	1,323.78	100.249	0.26%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
465,000.000	WALT DISNEY COMPANY Mat: 3/4/20 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 3/1/17 St Date: 3/6/17	25468PDP8	464,879.10 0.00	466,315.97 629.69	1,436.87	100.283	0.32%
250,000.000	HUNTINGTON NATL BANK Mat: 3/10/20 Cpn: 2.38% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RU9	249,985.00 0.00	250,855.01 346.35	870.01	100.342	0.17%
400,000.000	JOHN DEERE CAPITAL Mat: 3/13/20 Cpn: 2.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/10/17 St Date: 3/15/17	24422ETQ2	399,688.00 0.00	401,968.02 391.11	2,280.02	100.492	0.28%
605,000.000	CONSOLIDATED EDISON Mat: 3/15/20 Cpn: 2.00% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	209115AD6	604,800.35 0.00	604,566.22 974.72	(234.14)	99.928	0.42%
100,000.000	BANK OF AMERICA Mat: 11/9/20 Cpn: 2.15% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 11/4/16 St Date: 11/9/16	06051GGB9	100,000.00 0.00	98,991.00 848.45	(1,009.00)	98.991	0.07%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWG5	504,651.55 0.00	505,398.96 145.89	747.41	100.079	0.35%
500,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.21% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	505,560.00 1,442.71	505,178.00 2,179.41	(382.00)	101.036	0.35%
390,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.96% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	390,000.00 0.00	392,472.60 999.86	2,472.60	100.634	0.27%
510,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.06% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	510,000.00 0.00	510,617.10 669.99	617.10	100.121	0.35%
Total for Credit			41,083,547.59 51,635.67	40,905,864.18 123,171.63	(177,683.41)		28.16%

Mortgage-Backed


CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
40,985.050	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	41,394.63 46.60	40,946.40 49.93	(448.23)	99.906	0.03%
189,997.243	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	194,197.96 0.00	190,046.07 239.55	(4,151.89)	100.026	0.13%
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	1,998,682.00 2,583.33	(21,310.80)	99.934	1.37%
505,912.399	FNA 2014-M8 FA 1MOFRN CMBS Mat: 5/25/18 Cpn: 1.02% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/11/14 St Date: 7/31/14	3136AKQJ5	505,776.81 169.48	506,300.43 444.11	523.62	100.077	0.35%
980,364.690	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	1,004,490.86 394.11	988,961.51 1,970.53	(15,529.35)	100.877	0.68%
792,417.487	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	805,472.21 1,446.69	799,236.24 1,533.99	(6,235.97)	100.861	0.55%
236,345.850	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	250,674.32 561.32	242,502.42 886.30	(8,171.89)	102.605	0.17%
1,873,692.581	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	1,892,455.55 2,484.41	1,874,162.88 2,570.08	(18,292.67)	100.025	1.29%
200,591.873	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	200,088.79 146.12	200,569.61 273.98	480.82	99.989	0.14%
Total for Mortgage-Backed			6,914,543.93 7,745.95	6,841,407.56 10,551.81	(73,136.37)		4.70%

Asset-Backed


CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
324,065.446	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	324,051.41 0.00	323,829.53 133.95	(221.89)	99.927	0.22%
229,064.056	VOLKSWAGEN 2014-2 A3 CAR Mat: 4/22/19 Cpn: 0.95% Moody's: S&P: AAA Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	92867TAC9	228,419.81 18.14	228,545.68 66.49	125.87	99.774	0.16%
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	2,150,159.10 1,376.00	569.11	100.007	1.48%
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	1,846,497.95 1,118.22	(3,210.86)	99.811	1.27%
1,150,000.000	BMW 2017-1 A3 LEASE Mat: 5/20/20 Cpn: 1.98% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/15/17 St Date: 3/22/17	055657AC4	1,149,867.87 0.00	1,153,898.19 569.25	4,030.32	100.339	0.79%
900,000.000	USAA 2016-1 A3 CAR Mat: 6/15/20 Cpn: 1.20% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAC4	899,851.95 0.00	894,040.81 480.00	(5,811.14)	99.338	0.61%
1,155,000.000	BMW 2016-A A3 CAR Mat: 11/25/20 Cpn: 1.16% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/12/16 St Date: 7/20/16	05582QAD9	1,154,994.80 0.00	1,144,010.07 223.30	(10,984.73)	99.049	0.79%
1,360,000.000	CITI 2017-A2 A2 CDT Mat: 1/19/21 Cpn: 1.74% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/19/17 St Date: 1/26/17	17305EGA7	1,359,739.56 0.00	1,361,911.19 4,272.67	2,171.63	100.141	0.94%
1,069,000.000	TOYOTA 2017-A A3 CAR Mat: 2/16/21 Cpn: 1.73% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/7/17 St Date: 3/15/17	89238MAD0	1,068,874.18 0.00	1,069,708.96 821.94	834.78	100.066	0.73%
870,000.000	JOHN DEERE 2017-A A3 EQP Mat: 4/15/21 Cpn: 1.78% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/22/17 St Date: 3/2/17	47787XAC1	869,876.11 0.00	870,039.15 1,247.48	163.04	100.005	0.60%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,080,000.000	SDART 2017-1 B CAR Mat: 6/15/21 Cpn: 2.10% Moody's: Aa1 S&P: AA Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAH8	1,079,917.16 0.00	1,079,220.24 1,008.00	(696.92)	99.928	0.74%
1,240,000.000	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/21/17 St Date: 3/28/17	43814TAC6	1,239,926.22 0.00	1,240,882.88 177.73	956.66	100.071	0.85%
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/18/22 Cpn: 1.21% Moody's: S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	1,340,000.00 0.00	1,345,025.00 767.07	5,025.00	100.375	0.92%
Total for Asset-Backed			14,714,817.88 18.14	14,707,768.76 12,262.10	(7,049.13)		10.10%
Grand Total			145,784,574.17 125,352.25	145,328,204.75 382,984.36	(456,369.41)		100.00%



CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 3/31/2017

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
CASH & CASH EQUIVALENTS												
CASH												
NA9123459	US DOLLARS	.983	4/3/2017		Agency	905,793	905,793.090	0.000	-	.983	.62%	905,793.09
USD120030	USD INTEREST RECEIVABLE	-				466,405	0.000	-	-	-	.32%	466,404.98
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(2,711,163)	(2,711,163.460)	-	-	-	(1.86%)	(2,711,163.46)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				2,717,745	2,717,745.240	-	-	-	1.87%	2,717,745.24
CASH TOTALS							912,374.870					1,378,779.85
CASH & CASH EQUIVALENTS TOTALS							912,374.870					1,378,779.85
FIXED INCOME												
AGENCIES												
3130A5EP0	FEDERAL HOME LOAN BANKS	.625	5/30/2017	5/30/2017	Agency	3,750,000	3,749,546.720	.167	.163	.796	2.58%	3,748,920.00
3130A62S5	FEDERAL HOME LOAN BANKS	.750	8/28/2017	8/28/2017	Agency	3,900,000	3,897,351.580	.408	.408	.901	2.68%	3,897,593.70
3130A7CX1	FEDERAL HOME LOAN BANKS	.875	3/19/2018	3/19/2018	Agency	1,980,000	1,979,694.510	.967	.958	1.114	1.36%	1,975,469.76
3130A6LZ8	FEDERAL HOME LOAN BANKS	.625	10/26/2017	10/26/2017	Agency	2,875,000	2,872,566.670	.569	.567	.970	1.97%	2,869,385.13
3137EADX4	FEDERAL HOME LOAN MORTGAGE CORP	1.000	12/15/2017	12/15/2017	Agency	3,110,000	3,108,642.280	.706	.703	1.017	2.14%	3,109,629.91
3134G8L98	FEDERAL HOME LOAN MORTGAGE CORP	1.050	2/26/2018	2/26/2018	Agency	915,000	915,000.000	.903	.768	1.156	.63%	914,152.71
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP	.750	7/14/2017	7/14/2017	Agency	2,850,000	2,849,452.530	.286	.286	.878	1.96%	2,848,948.35
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,997,977.260	1.550	1.525	1.231	1.37%	1,996,760.00
AGENCIES TOTALS							21,370,231.550					21,360,859.56
ASSET BACKED												
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	7/20/2018	Aaa	500,000	499,966.700	.922	.910	1.421	.34%	499,631.70
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	995,000	994,889.140	1.670	1.638	1.636	.68%	991,675.01
161571FT6	CHASE ISSUANCE TRUST	1.172	12/16/2019	12/15/2017	AAA	2,170,000	2,171,593.940	.714	.047	1.048	1.49%	2,173,123.72
161571GQ1	CHASE ISSUANCE TRUST	1.380	11/15/2019	11/15/2017	AAA	1,500,000	1,503,882.240	.625	.621	1.301	1.03%	1,500,707.70
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.728	4/22/2019	4/20/2017	Aaa	1,000,000	999,966.160	.056	.054	1.128	.69%	1,000,333.20
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.478	1/21/2020	1/22/2018	Aaa	600,000	599,504.730	.806	.055	1.362	.41%	600,768.84
43814KAC5	HONDA AUTO RECEIVABLES 2015-1 OWNER TRUST	1.050	10/15/2018	2/15/2018	Aaa	2,129,132	2,129,130.510	.416	.412	1.266	1.46%	2,127,191.96
477877AD6	JOHN DEERE OWNER TRUST 2014-B	1.070	11/15/2018	12/15/2017	Aaa	310,183	310,157.530	.311	.308	1.217	.21%	310,034.65
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	7/15/2018	Aaa	417,717	418,243.790	.559	.552	1.364	.29%	417,608.34
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	11/15/2018	Aaa	725,000	725,110.170	.837	.825	1.446	.50%	724,963.03
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	7/15/2020	Aaa	450,000	449,938.740	2.371	2.298	1.801	.31%	449,831.07
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	430,000	430,618.560	.447	.443	1.332	.30%	430,005.59
58768MAA9	MERCEDES-BENZ AUTO LEASE TRUST	.750	11/15/2017	5/15/2017		182,018	182,017.750	.088	.084	.727	.13%	182,017.88
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	12/15/2018	AAA	1,675,000	1,677,577.270	.791	.782	1.427	1.15%	1,673,854.80
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	10/15/2018	Aaa	585,000	584,982.750	1.253	1.232	1.538	.40%	584,660.00
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,956.830	2.214	2.158	1.919	.27%	396,968.36
92867VAD2	VOLKSWAGEN AUTO LEASE TRUST	1.250	12/20/2017	7/20/2017	Aaa	470,641	470,619.970	.192	.190	1.322	.32%	470,562.26
ASSET BACKED TOTALS							14,548,156.780					14,533,938.11
CMBS												
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	200,000	203,399.380	2.423	2.343	1.792	.14%	201,528.82
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	218,388	218,828.570	.166	.163	.822	.15%	218,408.24
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	525,229	526,378.440	.807	.800	1.427	.36%	524,822.06

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 3/31/2017

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)												
CMBS (Continued)												
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	404,977	408,195.600	1.358	1.326	1.679	.28%	405,623.74
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	833,310	845,021.560	1.236	1.209	1.589	.58%	840,362.45
CMBS TOTALS							2,201,823.550					2,190,745.31
CMOS												
31394GB77	FREDDIE MAC REMICS	4.500	7/15/2018	6/15/2018	Agency	281,734	286,450.910	.511	.503	1.742	.20%	285,160.44
31393WN47	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	302,082	307,172.170	.517	.511	(.389)	.21%	309,168.83
31393WVB2	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	738,619	751,465.190	.555	.548	(.063)	.52%	755,945.67
CMOS TOTALS							1,345,088.270					1,350,274.94
CORPORATES												
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	1,867,000	1,881,733.000	1.594	1.543	1.765	1.29%	1,870,190.70
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.523	3/3/2020	3/3/2020	A2	835,000	835,000.000	2.928	.176	1.633	.57%	834,226.79
037833BR0	APPLE INC	1.873	2/22/2019	2/22/2019	Aa1	425,000	428,898.370	1.900	.158	1.182	.30%	431,438.75
06050TLY6	BANK OF AMERICA NA	1.650	3/26/2018	3/26/2018	A+	1,800,000	1,801,825.400	.986	.976	1.610	1.24%	1,800,703.80
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	589,518.030	1.753	1.759	1.851	.40%	583,967.78
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,444,108.380	2.750	2.706	2.118	.98%	1,430,620.18
084664CP4	BERKSHIRE HATHAWAY FINANCE CORP	1.249	1/11/2019	1/11/2019	Aa2	500,000	500,671.160	1.781	.033	1.282	.34%	501,224.00
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	805,000	843,248.520	.917	.896	1.696	.58%	842,744.84
07330NAP0	BRANCH BANKING & TRUST CO	1.482	1/15/2020	1/15/2020	A1	790,000	790,000.000	2.792	.055	1.545	.54%	791,713.51
14916RAE4	CATHOLIC HEALTH INITIATIVES	2.600	8/1/2018	8/1/2018	BBB+	340,000	342,481.000	1.333	1.308	2.137	.24%	342,051.56
17275RAZ5	CISCO SYSTEMS INC	1.652	2/21/2018	2/21/2018	A1	1,100,000	1,104,592.950	.892	.141	1.152	.76%	1,106,002.70
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	2,055,000	2,056,496.790	.844	.842	1.737	1.41%	2,056,056.27
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	1,100,000	1,107,971.160	1.586	1.593	1.982	.76%	1,105,489.00
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	470,000	500,272.980	3.078	2.944	2.227	.34%	494,702.73
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	1,100,000	1,146,976.420	1.003	.958	1.629	.79%	1,145,816.10
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	520,000	527,835.350	2.583	2.472	2.503	.36%	521,729.52
26442CAD6	DUKE ENERGY CAROLINAS LLC	5.100	4/15/2018	4/16/2018	AA-	1,050,000	1,093,772.720	1.039	1.001	1.681	.75%	1,086,805.65
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	1,050,000	1,050,691.290	.908	.892	1.566	.72%	1,048,898.55
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	250,000	249,971.500	1.303	1.318	1.694	.17%	251,463.25
36962G7J7	GENERAL ELECTRIC CO	1.250	5/15/2017	5/15/2017	AA-	230,000	229,997.300	.083	.123	1.203	.16%	230,000.00
38145GAK6	GOLDMAN SACHS GROUP INC/THE	1.920	12/13/2019	12/13/2019	A3	500,000	500,000.000	2.706	.214	1.703	.35%	503,613.00
38147MAA3	GOLDMAN SACHS GROUP INC/THE	2.900	7/19/2018	7/19/2018	A3	1,750,000	1,776,184.800	1.300	1.271	1.886	1.22%	1,772,662.50
44643RRR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,310,000	1,320,322.010	1.511	1.525	1.917	.90%	1,315,554.40
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	1,200,000	1,202,842.570	.833	.874	1.673	.83%	1,200,268.80
46625HJF8	JPMORGAN CHASE & CO	1.938	1/25/2018	1/25/2018	A-	485,000	486,879.150	.819	.071	1.338	.34%	487,916.79
49327M2A1	KEYBANK NA/CLEVELAND OH	1.650	2/1/2018	2/1/2018	A-	1,450,000	1,452,813.190	.833	.831	1.568	1.00%	1,450,974.40
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	593,807.140	2.392	2.335	2.062	.41%	593,563.80
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	800,000	801,109.800	.933	.924	1.605	.55%	798,849.60
59156RAR9	METLIFE INC	6.817	8/15/2018	8/15/2018	A-	435,000	463,784.010	1.372	1.319	1.912	.32%	463,751.76
617446V71	MORGAN STANLEY	6.250	8/28/2017	8/28/2017	A3	275,000	285,912.500	.408	.408	1.522	.19%	280,266.53
61746BDY9	MORGAN STANLEY	2.409	2/1/2019	2/1/2019	A3	770,000	778,544.350	1.836	.102	1.662	.54%	782,544.07
61746BEH5	MORGAN STANLEY	1.842	2/14/2020	2/14/2020	A3	690,000	690,000.000	1.869	.157	1.828	.48%	691,500.75
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,105,939.010	3.206	3.062	2.265	.74%	1,082,812.32

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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)												
CORPORATES (Continued)												
65339KAJ9	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.649	9/1/2018	9/4/2018	BBB+	825,000	824,047.810	1.417	1.407	1.862	.57%	822,550.58
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	950,000	951,480.820	1.214	1.248	1.673	.65%	952,084.30
842434CN0	SOUTHERN CALIFORNIA GAS CO	1.550	6/15/2018	6/15/2018	AA-	410,000	409,839.920	1.206	1.188	1.549	.28%	410,003.69
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.564	1/31/2020	1/31/2020	A-	1,000,000	1,000,000.000	2.753	.093	1.552	.69%	1,004,063.00
90331HMQ3	US BANK NA/CINCINNATI OH	1.350	1/26/2018	1/26/2018	A1	650,000	649,537.040	.819	.805	1.500	.45%	649,205.70
90331HMQ4	US BANK NA/CINCINNATI OH	1.450	1/29/2018	1/29/2018	AA-	1,505,000	1,506,474.210	.828	.805	1.482	1.03%	1,504,595.16
94974BFV7	WELLS FARGO & CO	1.501	4/22/2019	4/22/2019	A	1,000,000	997,898.760	2.061	.065	1.469	.69%	1,003,279.00
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	500,000	512,767.000	3.683	3.483	2.405	.35%	502,535.50
94988JSE3	WELLS FARGO BANK NA	1.654	5/24/2019	5/24/2019	Aa2	415,000	415,915.770	2.150	.155	1.456	.29%	417,733.61
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	415,000	440,568.500	1.006	.942	2.156	.30%	440,949.95
CORPORATES TOTALS							37,692,730.680					37,607,124.89
MORTGAGES												
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	4/25/2019	Agency	104,279	108,143.070	.948	.922	1.479	.07%	107,818.79
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	3/25/2018	Agency	304,120	310,171.040	.491	.486	(1.313)	.21%	312,545.40
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	6/25/2019	Agency	217,049	222,943.010	1.012	.986	1.046	.15%	224,919.08
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	7/15/2020	Agency	110,949	115,299.250	1.415	1.360	1.503	.08%	116,129.93
MORTGAGES TOTALS							756,556.370					761,413.20
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,410,000	1,410,000.000	2.503	2.436	1.817	.96%	1,392,332.70
13034PYC5	CALIFORNIA HOUSING FINANCE AGENCY	1.594	2/1/2018	2/1/2018	A2	1,000,000	1,000,000.000	.833	.832	1.699	.69%	999,130.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	709,957.870	3.583	3.403	1.897	.48%	705,411.10
544445AY5	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	1.750	5/15/2019	5/15/2019	AA	600,000	600,000.000	2.122	2.065	1.838	.41%	598,902.00
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	470,000	470,000.000	.167	.169	1.264	.32%	469,774.40
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	585,000	585,000.000	4.333	4.159	2.151	.39%	570,667.50
68428LDQ4	COUNTY OF ORANGE CA	1.208	6/30/2017	6/30/2017	AA	750,000	750,219.740	.250	.248	1.348	.52%	749,707.50
544587B80	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	1.924	11/1/2017	11/1/2017	A+	1,100,000	1,105,888.160	.583	.581	1.462	.76%	1,102,937.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	612,798.760	3.250	3.121	1.919	.41%	602,058.00
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	1,185,000	1,185,000.000	3.719	3.550	2.175	.80%	1,165,577.85
93265PBQ1	WALNUT ENERGY CENTER AUTHORITY	4.650	1/1/2018	1/2/2018	A+	1,000,000	1,026,020.920	.750	.743	1.495	.70%	1,023,420.00
MUNICIPALS TOTALS							9,454,885.450					9,379,918.05
SOVEREIGN DEBT												
45950KCA6	INTERNATIONAL FINANCE CORP	1.750	9/4/2018	9/4/2018	Aaa	2,500,000	2,527,217.960	1.428	1.407	1.353	1.73%	2,513,977.50
SOVEREIGN DEBT TOTALS							2,527,217.960					2,513,977.50
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,628,730	3,677,634.000	3.041	3.009	1.675	2.53%	3,682,837.99
912828N55	UNITED STATES TREASURY NOTE/BOND	1.000	12/31/2017	1/2/2018	Govt	1,300,000	1,299,352.150	.751	.751	1.026	.89%	1,299,746.50
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,578,174.900	1.457	1.447	1.176	3.13%	4,551,414.54

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As of 3/31/2017

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)												
US TREASURIES (Continued)												
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	4,435,000	4,396,651.150	3.083	2.998	1.547	3.01%	4,378,870.64
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,750,000	2,760,883.540	1.251	1.236	1.141	1.90%	2,757,950.25
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,100,000	6,283,050.510	3.416	3.282	1.649	4.26%	6,196,026.20
912828C73	UNITED STATES TREASURY NOTE/BOND	.875	4/15/2017	4/17/2017	Govt	2,700,000	2,700,000.000	.041	.046	.685	1.86%	2,700,207.90
912828H37	UNITED STATES TREASURY NOTE/BOND	.875	1/15/2018	1/16/2018	Govt	3,750,000	3,742,473.840	.793	.790	1.028	2.58%	3,745,458.75
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	3,910,000	4,032,264.320	3.837	3.662	1.755	2.72%	3,963,457.52
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	950,000	932,732.500	4.916	4.675	1.939	.65%	941,613.40
912828RC6	UNITED STATES TREASURY NOTE/BOND	2.125	8/15/2021	8/16/2021	Govt	4,525,000	4,677,651.490	4.378	4.153	1.843	3.15%	4,578,381.43
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	13,300,000	13,316,615.460	2.751	2.688	1.445	9.07%	13,185,699.80
912828UR9	UNITED STATES TREASURY NOTE/BOND	.750	2/28/2018	2/28/2018	Govt	2,400,000	2,400,000.000	.916	.907	1.059	1.65%	2,393,251.20
US TREASURIES TOTALS							54,797,483.860					54,374,916.12
FIXED INCOME TOTALS							144,694,174.470					144,073,167.68
PORTFOLIO TOTALS							145,606,549.340					145,451,947.53

WELLS CAPITAL - TIER ONE

March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN HONDA FINANCE CORP	HNDA	02665WAC5	US02665WAC55	02665WAC5	1.20%	\$1,750,538.17
APPLE INC	AAPL	037833CK4	US037833CK41	037833CK4	0.95%	\$1,382,776.24
BANK OF AMERICA NA	BAC	06050TME9	US06050TME90	06050TME9	1.53%	\$2,226,243.07
BANK OF NEW YORK MELLON CORP	BK	06406HCU1	US06406HCU14	06406HCU1	0.73%	\$1,066,674.12
BANK OF NEW YORK MELLON CORP	BK	06406HDB2	US06406HDB24	06406HDB2	0.22%	\$326,803.21
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54	084664CK5	1.02%	\$1,488,133.67
BMWLT 161 A3	BMWLT	05581RAD8	US05581RAD89	05581RAD8	0.34%	\$499,836.42
BMWOT 16A A3	BMWOT	05582QAD9	US05582QAD97	05582QAD9	0.74%	\$1,080,173.69
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91	07330NAL9	1.51%	\$2,189,699.97
CAPITAL ONE NA	COF	14042RBS9	US14042RBS94	14042RBS9	0.95%	\$1,388,319.80
Cash	---	CCYUSD	---	CCYUSD	0.01%	\$13,749.21
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03	17305EFW0	1.31%	\$1,907,331.83
CHAIT 155 A	CHAIT	161571GY4	US161571GY45	161571GY4	1.31%	\$1,899,209.87
CHEVRON CORP	CVX	166764BH2	US166764BH21	166764BH2	1.31%	\$1,904,867.33
CISCO SYSTEMS INC	CSCO	17275RAU6	US17275RAU68	17275RAU6	0.21%	\$302,419.60
CITIGROUP INC	C	172967HN4	US172967HN46	172967HN4	0.08%	\$113,524.34
CITIGROUP INC	C	172967HY0	US172967HY01	172967HY0	0.31%	\$450,831.43
CITIGROUP INC	C	172967JH5	US172967JH59	172967JH5	0.50%	\$732,419.22
COAST CMNTY COLLEGE DIST CALIF	CA	190335JD2	US190335JD27	190335JD2	1.00%	\$1,454,297.88
COCA-COLA CO	KO	191216BV1	US191216BV17	191216BV1	1.10%	\$1,600,247.24
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.86%	\$1,257,437.78
EXXON MOBIL CORP	XOM	30231GAL6	US30231GAL68	30231GAL6	0.38%	\$550,058.99
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGJ48	US3133EGJ480	3133EGJ48	1.03%	\$1,495,029.75
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921	3133EGW92	1.03%	\$1,504,656.00
FEDERAL HOME LOAN BANKS	FHLB	313376BR5	US313376BR50	313376BR5	2.44%	\$3,547,482.36
FEDERAL HOME LOAN BANKS	FHLB	313379EE5	US313379EE59	313379EE5	1.35%	\$1,968,013.83
FEDERAL HOME LOAN BANKS	FHLB	313379DT3	US313379DT38	313379DT3	5.18%	\$7,536,177.08
FEDERAL HOME LOAN BANKS	FHLB	3130A7CX1	US3130A7CX17	3130A7CX1	1.36%	\$1,976,047.26
FEDERAL HOME LOAN BANKS	FHLB	3130A8BD4	US3130A8BD45	3130A8BD4	1.37%	\$1,996,742.22
FEDERAL HOME LOAN BANKS	FHLB	3130A9EP2	US3130A9EP21	3130A9EP2	1.02%	\$1,483,834.33
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3137EADX4	US3137EADX42	3137EADX4	1.45%	\$2,115,961.69
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G9Q75	US3134G9Q755	3134G9Q75	0.34%	\$498,110.97
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0E58	US3135G0E585	3135G0E58	1.38%	\$2,006,885.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0P49	US3135G0P490	3135G0P49	0.68%	\$990,293.67
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397	3135G0R39	2.39%	\$3,472,526.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0T29	US3135G0T294	3135G0T29	0.57%	\$824,148.60
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	0.70%	\$1,013,051.91
FIFTH THIRD BANK	FITB	31677QBD0	US31677QBD07	31677QBD0	0.17%	\$252,075.40
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11	31677QBH1	0.34%	\$493,975.28
FREDDIE MAC	FHLMC	3137EAAE5	US3137EAAE51	3137EAAE5	1.03%	\$1,502,235.50
GEORGIA POWER CO	SO	373334KG5	US373334KG57	373334KG5	1.30%	\$1,892,005.86
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19	38145XAA1	0.98%	\$1,422,014.88
HAROT 163 A3	HAROT	438124AC3	US438124AC33	438124AC3	1.23%	\$1,790,069.38
HDMOT 16A A3	HDMOT	41284DAC6	US41284DAC65	41284DAC6	1.37%	\$1,994,888.71
HSBC USA INC	HSBC	40428HPQ9	US40428HPQ91	40428HPQ9	1.52%	\$2,203,803.31
INTERCONTINENTALEXCHANGE INC	ICE	45866FAB0	US45866FAB04	45866FAB0	0.35%	\$512,663.89
JDOT 15B A3	JDOT	47787WAC3	US47787WAC38	47787WAC3	0.43%	\$625,368.13
JDOT 16B A3	JDOT	47788NAC2	US47788NAC20	47788NAC2	0.68%	\$994,346.16
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76	46625HQU7	1.44%	\$2,101,538.25
KEYBANK NA	KEY	49327M2A1	US49327M2A10	49327M2A1	1.03%	\$1,505,133.00

WELLS CAPITAL - TIER ONE
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HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAA8	US55279HAA86	55279HAA8	0.69%	\$999,528.67
MARIN CALIF CMNTY COLLEGE DIST	CA	56781RGL5	US56781RGL50	56781RGL5	0.34%	\$501,819.17
MBART 161 A3	MBART	58769BAD6	US58769BAD64	58769BAD6	1.37%	\$1,990,179.60
MICROSOFT CORP	MSFT	594918BF0	US594918BF05	594918BF0	0.25%	\$356,817.40
MORGAN STANLEY	MS	617446V71	US617446V714	617446V71	0.19%	\$281,842.05
MORGAN STANLEY	MS	61746BDX1	US61746BDX10	61746BDX1	0.77%	\$1,114,377.37
MUFG UNION BANK NA	UNBC	90521APJ1	US90521APJ15	90521APJ1	1.24%	\$1,809,309.77
NALT 16A A3	NALT	65478QAD0	US65478QAD07	65478QAD0	1.24%	\$1,800,145.84
NAROT 16C A3	NAROT	65478WAD7	US65478WAD74	65478WAD7	0.85%	\$1,239,237.06
OREGON ST DEPT ADMINISTRATIVE SVCS LOTTERY REV	OR	68607VS71	US68607VS710	68607VS71	0.69%	\$1,001,210.00
PACCAR FINANCIAL CORP	PCAR	69371RM37	US69371RM374	69371RM37	0.69%	\$1,000,383.06
Payable	---	CCYUSD	---	CCYUSD	-1.73%	-\$2,512,404.50
PNC BANK NA	PNC	69353RER5	US69353RER57	69353RER5	1.28%	\$1,860,808.83
Receivable	---	CCYUSD	---	CCYUSD	1.03%	\$1,501,224.61
SAN DIEGO CNTY CALIF PENSION OBLIG	CA	797398DH4	US797398DH41	797398DH4	1.13%	\$1,645,149.58
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFF8	US79770GFF81	79770GFF8	0.17%	\$250,120.14
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFG6	US79770GFG64	79770GFG6	0.41%	\$601,291.57
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16	83191GAD1	1.42%	\$2,071,407.45
SOUTHERN CALIF PUB PWR AUTH REV	CA	84247PHT1	US84247PHT12	84247PHT1	1.74%	\$2,533,468.50
TAOT 16B A3	TAOT	89231UAD9	US89231UAD90	89231UAD9	0.48%	\$698,147.92
TAOT 16C A3	TAOT	89237WAD9	US89237WAD92	89237WAD9	0.82%	\$1,191,880.76
TAOT 16D A3	TAOT	89231LAD9	US89231LAD91	89231LAD9	0.20%	\$298,048.40
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29	89236TDE2	1.30%	\$1,894,511.74
UNITED STATES TREASURY	UST	912828RH5	US912828RH57	912828RH5	1.38%	\$2,005,935.14
UNITED STATES TREASURY	UST	912828UR9	US912828UR92	912828UR9	1.03%	\$1,496,760.26
UNITED STATES TREASURY	UST	912828VE7	US912828VE70	912828VE7	3.44%	\$5,009,728.24
UNITED STATES TREASURY	UST	912828A75	US912828A750	912828A75	1.39%	\$2,016,917.44
UNITED STATES TREASURY	UST	912828H37	US912828H375	912828H37	0.62%	\$900,563.41
UNITED STATES TREASURY	UST	912828XK1	US912828XK13	912828XK1	3.43%	\$4,991,995.08
UNITED STATES TREASURY	UST	912828L40	US912828L401	912828L40	3.13%	\$4,552,524.53
UNITED STATES TREASURY	UST	912828Q52	US912828Q525	912828Q52	3.42%	\$4,979,567.31
UNITED STATES TREASURY	UST	912828Q94	US912828Q947	912828Q94	1.37%	\$1,998,564.34
UNITED STATES TREASURY	UST	912828R44	US912828R440	912828R44	3.42%	\$4,972,612.32
UNITED STATES TREASURY	UST	912828T83	US912828T834	912828T83	2.74%	\$3,984,472.69
UNITEDHEALTH GROUP INC	UNH	91324PCF7	US91324PCF71	91324PCF7	1.18%	\$1,722,083.33
UNIVERSITY CALIF REVS	CA	91412GSB2	US91412GSB22	91412GSB2	1.04%	\$1,514,084.50
US BANK NA	USB	90331HML4	US90331HML41	90331HML4	1.39%	\$2,027,508.50
USAOT 161 A3	USAOT	90327CAC4	US90327CAC47	90327CAC4	1.20%	\$1,743,092.98
VWALT 15A A3	VWALT	92867VAD2	US92867VAD29	92867VAD2	0.32%	\$470,742.02
WALT DISNEY CO	DIS	25468PDL7	US25468PDL76	25468PDL7	0.44%	\$639,903.64
YUBA CALIF LEVEE FING AUTH REV	CA	988211BL1	US988211BL13	988211BL1	0.69%	\$1,003,271.67

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
CASH & CASH EQUIVALENTS												
CASH												
06427KLJ4	BANK OF MONTREAL CH	1.100	4/3/2017	4/3/2017	A-1	2,000,000	2,000,016.380	.008	.008	1.000	2.07%	2,000,016.38
NA9123459	US DOLLARS	.983	4/3/2017		Agency	440,933	440,932.740	0.000	-	.983	.46%	440,932.74
USD120030	USD INTEREST RECEIVABLE	-				399,160	0.000	-	-	-	.41%	399,159.67
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(401,360)	(401,359.530)	-	-	-	(.42%)	(401,359.53)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				522,004	522,004.420	-	-	-	.54%	522,004.42
CASH TOTALS							2,561,594.010					2,960,753.68
CASH & CASH EQUIVALENTS TOTALS							2,561,594.010					2,960,753.68
FIXED INCOME												
AGENCIES												
3137EACA5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,477,812.880	1.989	1.921	1.344	1.55%	1,492,074.75
3135G0ZB2	FEDERAL NATIONAL MORTGAGE ASSOCIATION	.750	4/20/2017	4/20/2017	Agency	400,000	400,001.200	.053	.054	.789	.41%	399,991.20
AGENCIES TOTALS							1,877,814.080					1,892,065.95
ASSET BACKED												
05522RCT3	BA CREDIT CARD TRUST	1.242	6/15/2020	1/16/2018	AAA	1,250,000	1,248,901.110	.797	.047	1.081	1.30%	1,252,466.63
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	710,000	709,921.720	1.670	1.638	1.636	.73%	707,627.39
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	1.288	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,332.880	1.444	.030	1.149	1.08%	1,044,250.27
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.728	4/22/2019	4/20/2017	Aaa	1,000,000	1,000,108.050	.056	.054	1.128	1.04%	1,000,333.20
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.478	1/21/2020	1/22/2018	Aaa	430,000	429,623.000	.806	.055	1.362	.45%	430,551.00
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	7/15/2020	Aaa	300,000	299,959.060	2.371	2.298	1.801	.31%	299,887.38
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	1,125,000	1,125,487.750	.447	.443	1.332	1.17%	1,125,014.63
65475WAD0	NISSAN AUTO RECEIVABLES 2015-B OWNER TRUST	1.340	3/16/2020	2/15/2019	Aaa	815,000	814,245.180	.947	.934	1.488	.84%	813,869.51
ASSET BACKED TOTALS							6,668,578.750					6,674,000.01
CMBS												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	567,808	568,250.260	.166	.163	.822	.59%	567,861.42
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	746,064	745,147.130	.807	.800	1.427	.77%	745,485.83
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	588,219	593,937.410	1.236	1.209	1.589	.62%	593,197.02
CMBS TOTALS							1,907,334.800					1,906,544.27
CMOS												
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	4/25/2018	Agency	32,103	31,850.760	.465	.460	(.455)	.03%	32,806.90
31392GPN9	FANNIE MAE REMICS	5.000	1/25/2018	12/25/2017	Agency	32,796	32,370.760	.342	.338	1.946	.03%	33,023.91
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	4/25/2018	Agency	59,429	58,969.170	.528	.520	1.511	.06%	60,041.93
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	7/25/2018	Agency	44,398	44,214.900	.531	.525	1.593	.05%	44,534.65
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	6/25/2018	Agency	74,957	74,939.720	.597	.588	1.343	.08%	75,834.12
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	12/15/2019	Agency	139,807	140,186.670	1.249	1.223	1.569	.15%	140,441.17
31393GWV2	FREDDIE MAC REMICS	5.000	12/15/2017	12/15/2017	Agency	28,980	29,050.770	.324	.320	1.810	.03%	29,218.77
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	12/15/2018	Agency	312,173	311,483.370	.676	.666	1.606	.32%	312,749.00
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	10/15/2018	Agency	33,696	33,581.850	.454	.449	1.596	.03%	33,730.25
31393NDD8	FREDDIE MAC REMICS	5.000	3/15/2018	3/15/2018	Agency	24,111	23,904.150	.412	.407	.052	.03%	24,552.20

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)												
CMOS (Continued)												
62888WAA4	NON GUARANTEED NOT V	1.337	12/8/2020	11/5/2020	Aaa	485,187	486,677.350	2.476	.077	1.281	.51%	487,150.90
CMOS TOTALS							1,267,229.470					1,274,083.80
CORPORATES												
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.523	3/3/2020	3/3/2020	A2	555,000	555,000.000	2.928	.176	1.633	.58%	554,486.07
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,980.920	1.594	1.543	1.765	.46%	440,751.96
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,425.110	2.372	2.301	1.908	.68%	655,124.60
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	654,145.600	2.956	2.758	2.260	.68%	657,281.68
037833BR0	APPLE INC	1.873	2/22/2019	2/22/2019	Aa1	385,000	385,000.000	1.900	.158	1.182	.41%	390,832.75
060505DP6	BANK OF AMERICA CORP	5.750	12/1/2017	12/1/2017	BBB+	1,200,000	1,230,307.450	.667	.653	1.749	1.28%	1,231,647.60
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	859,231.910	3.158	3.055	2.290	.89%	858,670.00
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	750,000	760,484.050	2.750	2.706	2.118	.78%	755,609.25
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	1.318	1/12/2018	1/12/2018	Aa2	445,000	444,856.230	.794	.038	1.178	.46%	445,952.30
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	505,000	528,231.640	.917	.896	1.696	.55%	528,678.44
07330NAP0	BRANCH BANKING & TRUST CO	1.482	1/15/2020	1/15/2020	A1	525,000	525,000.000	2.792	.055	1.545	.55%	526,138.73
17275RAZ5	CISCO SYSTEMS INC	1.652	2/21/2018	2/21/2018	A1	875,000	878,472.350	.892	.141	1.152	.91%	879,774.88
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	635,000	634,946.700	.844	.842	1.737	.66%	635,326.39
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	880,000	885,944.620	2.019	1.945	2.047	.92%	888,719.04
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	950,000	952,397.410	1.586	1.593	1.982	.99%	954,740.50
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	480,000	510,490.310	3.078	2.944	2.227	.52%	505,228.32
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	259,535.850	1.003	.958	1.629	.27%	260,412.75
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	210,000	214,628.940	2.583	2.472	2.503	.22%	210,698.46
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	500,000	498,682.790	.908	.892	1.566	.52%	499,475.50
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	725,419.050	4.203	3.949	2.536	.73%	706,887.61
38145GAK6	GOLDMAN SACHS GROUP INC/THE	1.920	12/13/2019	12/13/2019	A3	575,000	578,679.330	2.706	.214	1.703	.60%	579,154.95
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	450,000	501,693.970	4.322	3.874	2.850	.51%	493,612.20
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	460,000	464,015.230	1.511	1.525	1.917	.48%	461,950.40
446438RV7	HUNTINGTON NATIONAL BANK/THE	1.619	3/10/2020	3/10/2020	A3	450,000	450,000.000	2.950	.203	1.663	.47%	450,219.60
48121CYK6	JPMORGAN CHASE BANK NA	6.000	10/1/2017	10/2/2017	A	976,000	994,135.390	.503	.490	1.763	1.03%	996,448.18
49327M2F0	KEYBANK NA/CLEVELAND OH	2.500	12/15/2019	12/16/2019	A-	900,000	914,776.050	2.706	2.599	2.068	.94%	910,160.10
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	500,000	499,193.710	.933	.924	1.605	.52%	499,281.00
55279HAH3	MANUFACTURERS & TRADERS TRUST CO	1.338	7/25/2017	7/25/2017	A	500,000	499,521.680	.322	.074	1.193	.52%	500,371.50
59156RAR9	METLIFE INC	6.817	8/15/2018	8/15/2018	A-	285,000	303,857.210	1.372	1.319	1.912	.32%	303,837.36
61746BDY9	MORGAN STANLEY	2.409	2/1/2019	2/1/2019	A3	800,000	800,000.000	1.836	.102	1.662	.84%	813,032.80
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	828,884.700	3.206	3.062	2.265	.84%	812,109.24
69353RDD7	PNC BANK NA	2.250	7/2/2019	7/2/2019	A	620,000	622,662.070	2.169	2.147	1.904	.65%	624,539.02
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.564	1/31/2020	1/31/2020	A-	660,000	660,000.000	2.753	.093	1.552	.69%	662,681.58
91324PBJ0	UNITEDHEALTH GROUP INC	6.000	2/15/2018	2/15/2018	A-	725,000	752,320.410	.872	.859	1.532	.78%	752,940.78
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	367,418.620	1.539	1.547	1.554	.38%	368,192.34
90331HMV2	US BANK NA/CINCINNATI OH	1.619	1/29/2018	1/29/2018	AA-	500,000	500,000.000	.747	.081	1.220	.52%	501,943.00
92343VDG6	VERIZON COMMUNICATIONS INC	1.750	8/15/2021	8/16/2021	BBB+	800,000	794,147.370	4.372	4.169	2.793	.79%	765,861.60
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	950,000	975,406.220	3.683	3.483	2.405	.99%	954,817.45
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	275,000	292,884.100	1.006	.942	2.156	.30%	292,195.75

CalOptima (The Orange County Health Authority)

Account #: LCEF0023802

As of 3/31/2017

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)												
CORPORATES (Continued)												
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	769,620.040	3.956	3.731	2.492	.78%	747,416.25
CORPORATES TOTALS							25,161,397.030					25,077,201.93
MORTGAGES												
31413XVG5	FANNIE MAE POOL	4.361	6/1/2019	6/25/2019	Agency	600,000	622,382.610	2.236	2.115	3.687	.63%	608,047.27
31385XBG1	FANNIE MAE POOL	6.000	3/1/2018	6/25/2017	Agency	2,914	2,870.300	.150	.148	2.134	0%	2,918.85
31371KT68	FANNIE MAE POOL	5.500	10/1/2017	9/25/2017	Agency	7,857	7,855.240	.268	.264	1.482	.01%	7,911.69
31371KVC2	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	10,728	10,598.910	.306	.302	1.464	.01%	10,819.57
31391WS93	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	4,179	4,116.240	.306	.302	1.494	0%	4,214.25
3138EJRP5	FANNIE MAE POOL	4.380	6/1/2021	5/25/2021	Agency	911,699	998,529.940	3.985	3.632	2.451	1.01%	978,216.63
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	3/25/2018	Agency	435,166	443,692.630	.491	.486	(1.313)	.46%	447,221.65
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,183,938	1,293,681.080	4.051	3.694	2.458	1.31%	1,267,635.96
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	9/15/2018	Agency	36,879	36,693.920	.676	.664	.341	.04%	37,960.81
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	4/15/2018	Govt	15,725	15,637.530	.530	.521	2.172	.02%	15,888.91
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	5/15/2018	Govt	8,160	8,128.100	.571	.561	2.180	.01%	8,251.90
MORTGAGES TOTALS							3,444,186.500					3,389,087.49
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,010,000	1,010,000.000	2.503	2.436	1.817	1.03%	997,344.70
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	Aa2	345,000	345,000.000	1.333	1.313	1.506	.36%	347,032.05
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,262.910	2.503	2.413	1.770	.16%	150,519.00
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	448,008.090	3.333	3.192	2.400	.47%	449,694.00
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	2.583	2.495	1.603	.26%	247,337.30
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	505,548.860	3.583	3.403	1.897	.52%	502,415.10
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	2.333	2.265	1.783	.18%	176,520.75
156792GR8	CERRITOS COMMUNITY COLLEGE DISTRICT	1.312	8/1/2017	8/1/2017	Aa2	500,000	500,000.000	.333	.335	1.042	.52%	500,445.00
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,775.500	2.750	2.644	2.352	.24%	230,894.70
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	3.122	2.994	2.259	.74%	711,410.70
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	415,000	415,000.000	4.333	4.159	2.151	.42%	404,832.50
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	533,035.880	3.289	3.061	1.986	.56%	535,860.00
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	653,346.740	2.583	2.518	1.989	.67%	644,015.65
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	AA-	305,000	305,623.380	2.667	2.559	2.213	.32%	307,720.60
621196XM1	MOUNT DIABLO UNIFIED SCHOOL DISTRICT/CA	3.887	8/1/2017	8/1/2017	Aa2	400,000	403,235.620	.333	.335	1.397	.42%	403,292.00
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	1.333	1.314	1.375	.63%	603,162.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,663.430	1.333	1.316	1.403	.17%	165,297.00
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	2.122	2.060	2.197	.50%	486,168.20
735000QD6	PORT OF OAKLAND	5.000	5/1/2017	5/1/2017	A+	525,000	526,547.240	.083	.085	1.461	.55%	526,533.00
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	362,423.100	3.333	3.172	2.021	.38%	364,411.05

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)												
MUNICIPALS (Continued)												
786005NA2	SACRAMENTO MUNICIPAL UTILITY DISTRICT	5.000	8/15/2017	8/15/2017	AA-	160,000	162,200.440	.372	.374	.873	.17%	162,446.40
79765A7G5	SAN FRANCISCO CITY & COUNTY AIRPORTS COMM-SAN FRANCISCO INTERNATIONAL AIRPORT	5.000	5/1/2017	5/1/2017	A+	600,000	601,679.910	.083	.085	1.379	.62%	601,794.00
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	1.333	1.314	1.435	.63%	603,192.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	796,522.960	3.250	3.121	1.919	.81%	782,675.40
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	845,000	845,000.000	3.719	3.550	2.175	.86%	831,150.45
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	234,503.660	1.917	1.843	1.522	.25%	236,720.25
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa2	285,000	285,912.860	1.333	1.313	1.308	.30%	287,596.35
MUNICIPALS TOTALS							12,303,290.580					12,260,480.15
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	2,384,594	2,397,373.620	3.041	3.009	1.675	2.51%	2,420,150.68
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	7,260,000	7,457,935.470	3.837	3.662	1.755	7.63%	7,359,258.72
912828UB4	UNITED STATES TREASURY NOTE/BOND	1.000	11/30/2019	12/2/2019	Govt	1,100,000	1,092,892.350	2.668	2.614	1.416	1.13%	1,088,055.10
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	6,855,000	6,743,369.220	4.916	4.675	1.939	7.05%	6,794,484.06
912828C73	UNITED STATES TREASURY NOTE/BOND	.875	4/15/2017	4/17/2017	Govt	1,500,000	1,500,054.680	.041	.046	.685	1.56%	1,500,115.50
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,130,000	6,247,578.240	3.416	3.282	1.649	6.46%	6,226,498.46
912828RC6	UNITED STATES TREASURY NOTE/BOND	2.125	8/15/2021	8/16/2021	Govt	8,755,000	8,985,642.660	4.378	4.153	1.843	9.19%	8,858,282.74
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	5,525,000	5,535,789.600	2.751	2.688	1.445	5.68%	5,477,518.15
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	1,280,000	1,263,488.730	3.083	2.998	1.547	1.31%	1,263,800.32
US TREASURIES TOTALS							41,224,124.570					40,988,163.73
FIXED INCOME TOTALS							93,853,955.780					93,461,627.33
PORTFOLIO TOTALS							96,415,549.790					96,422,381.01

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash								
	CASH OR STIF	USD	5,956,356.85		5,956,356.85	0.00	1.000	1.02%
Total for Cash			5,956,356.85		5,956,356.85	0.00		1.02%
Money Markets								
5,760,000.000	SUMITOMO MITSUI NY YCD	86563YFY4	5,760,000.00		5,760,219.17	219.17	100.004	0.99%
	Mat: 4/5/17	Cpn: 1.25%		0.00	35,600.00			
	Moody's: P-1	S&P: A-1						
	Tr Date: 10/3/16	St Date: 10/5/16						
15,000,000.000	FHLB DISCOUNT NOTE	313385EL6	14,994,900.00		14,994,933.29	33.29	99.966	2.57%
	Mat: 4/17/17	Cpn: 0.00%		0.00	300.00			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 3/30/17	St Date: 3/31/17						
1,440,000.000	RABOBANK NEDERLAND NY YCD	21684BXH2	1,437,782.40		1,440,063.40	2,281.00	100.004	0.25%
	Mat: 4/21/17	Cpn: 1.07%		5,906.40	6,848.00			
	Moody's:	S&P:						
	Tr Date: 9/7/16	St Date: 9/9/16						
6,500,000.000	FNMA DISCOUNT NOTE	313589FC2	6,492,651.39		6,492,579.89	(71.50)	99.931	1.11%
	Mat: 5/3/17	Cpn: 0.00%		0.00	3,073.06			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 3/9/17	St Date: 3/9/17						
50,000,000.000	FHLB DISCOUNT NOTE	313385FK7	49,932,631.94		49,920,876.39	(11,755.56)	99.916	8.57%
	Mat: 5/10/17	Cpn: 0.00%		0.00	37,847.22			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 2/9/17	St Date: 2/10/17						
1,650,000.000	MIZUHO BANK LTD YCD	60689D4A8	1,650,000.00		1,650,000.00	0.00	100.000	0.28%
	Mat: 5/24/17	Cpn: 1.10%		252.08	2,621.67			
	Moody's: P-1	S&P: A-1						
	Tr Date: 2/9/17	St Date: 2/13/17						
15,000,000.000	FHLB DISCOUNT NOTE	313385GJ9	14,973,995.83		14,974,468.33	472.50	99.865	2.57%
	Mat: 6/2/17	Cpn: 0.00%		0.00	5,595.83			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 3/14/17	St Date: 3/15/17						
10,000,000.000	FHLB DISCOUNT NOTE	313385GP5	9,980,250.00		9,980,527.67	277.67	99.854	1.71%
	Mat: 6/7/17	Cpn: 0.00%		0.00	5,047.22			
	Moody's: Aaa	S&P: AA+u						
	Tr Date: 3/9/17	St Date: 3/9/17						



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
5,800,000.000	DNB NOR BANK YCD Mat: 6/28/17 Cpn: 1.06% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 3/27/17 St Date: 3/28/17	23340QB28	5,800,000.00 0.00	5,800,000.00 683.11	0.00	100.000	0.99%
3,800,000.000	SWEDBANK NY YCD Mat: 6/29/17 Cpn: 0.99% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 3/28/17 St Date: 3/29/17	87019UZG7	3,800,000.00 0.00	3,800,000.00 313.50	0.00	100.000	0.65%
19,000,000.000	U.S. TREASURY BILL Mat: 7/20/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/21/16	912796KB4	18,894,338.89 0.00	18,881,626.31 73,730.55	(12,712.58)	99.764	3.25%
38,000,000.000	FAMC DISCOUNT NOTE Mat: 7/27/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/27/16 St Date: 7/28/16	31315LJR0	37,750,255.56 0.00	37,728,171.86 169,469.44	(22,083.70)	99.729	6.50%
3,800,000.000	TORONTO DOMINION NY YCD Mat: 8/3/17 Cpn: 1.18% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 2/2/17 St Date: 2/3/17	89113WWA0	3,800,000.00 0.00	3,800,000.00 7,099.67	0.00	100.000	0.65%
20,000,000.000	FHLB DISCOUNT NOTE Mat: 8/9/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/23/17 St Date: 2/24/17	313385KE5	19,939,133.33 0.00	19,925,560.28 13,200.00	(13,573.05)	99.692	3.42%
3,800,000.000	BANK OF TOKYO-MITSUBISHI NY YCD Mat: 8/30/17 Cpn: 1.53% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 8/29/16 St Date: 8/30/16	06538M7L7	3,800,000.00 0.00	3,804,202.80 34,561.00	4,202.80	100.111	0.66%
2,020,000.000	MIZUHO BANK LTD YCD Mat: 9/6/17 Cpn: 1.30% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 3/6/17 St Date: 3/7/17	60689D5J8	2,020,000.00 0.00	2,020,000.00 1,823.61	0.00	100.000	0.35%
3,800,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN Mat: 9/7/17 Cpn: 1.60% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/1/16 St Date: 9/7/16	06417GPD4	3,802,532.00 3,427.08	3,800,000.00 4,226.63	(2,532.00)	100.000	0.65%
3,310,000.000	RABOBANK NEDERLAND NY YCD 3ML FRN Mat: 9/8/17 Cpn: 1.58% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/2/16 St Date: 9/8/16	21684BR89	3,310,000.00 0.00	3,310,000.00 3,478.19	0.00	100.000	0.57%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,800,000.000	NORDEA BANK FINLAND YCD Mat: 9/8/17 Cpn: 1.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/8/16 St Date: 9/12/16	65558LSW3	3,800,000.00 0.00	3,801,032.54 28,642.50	1,032.54	100.027	0.66%
3,800,000.000	BNP PARIBAS NY YCD Mat: 9/13/17 Cpn: 1.52% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/13/16 St Date: 9/15/16	05582WDW1	3,800,000.00 0.00	3,803,773.67 31,768.00	3,773.67	100.099	0.66%
3,800,000.000	WESTPAC BANKING NY YCD Mat: 10/3/17 Cpn: 1.36% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/29/16 St Date: 10/3/16	96121TX52	3,800,000.00 0.00	3,800,174.00 25,840.00	174.00	100.005	0.66%
12,040,000.000	U.S. TREASURY BILL Mat: 2/1/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/2/17	912796LJ6	11,941,392.40 0.00	11,927,120.65 15,712.20	(14,271.75)	99.191	2.05%
Total for Money Markets			231,479,863.74 9,585.56	231,415,330.23 507,481.41	(64,533.51)		39.78%

Treasuries

37,000,000.000	U.S. TREASURY NOTE Mat: 7/31/17 Cpn: 0.63% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/16 St Date: 8/2/16	912828XP0	37,015,898.44 1,256.79	36,977,431.11 38,328.73	(38,467.33)	99.939	6.35%
50,000,000.000	U.S. TREASURY NOTE Mat: 11/15/17 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/7/16 St Date: 9/8/16	912828G20	50,107,421.88 137,907.61	49,977,501.00 165,573.20	(129,920.88)	99.955	8.60%
11,850,000.000	U.S. TREASURY NOTE Mat: 1/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828UJ7	11,831,524.07 39,728.09	11,833,765.38 17,185.77	2,241.31	99.863	2.03%
10,000,000.000	U.S. TREASURY NOTE Mat: 2/28/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/21/17 St Date: 2/22/17	912828UR9	9,982,812.50 36,256.91	9,972,300.00 6,521.74	(10,512.50)	99.723	1.71%
20,000,000.000	U.S. TREASURY NOTE Mat: 3/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/21/17 St Date: 2/22/17	912828Q45	19,961,718.75 73,557.69	19,958,999.60 478.14	(2,719.15)	99.795	3.42%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
27,000,000.000	U.S. TREASURY NOTE Mat: 5/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/9/17 St Date: 3/10/17	912828R51	26,896,171.88 66,057.69	26,923,048.92 79,182.69	26,877.04	99.715	4.63%
Total for Treasuries			155,795,547.52 354,764.78	155,643,046.01 307,270.28	(152,501.51)		26.75%
Government Related							
3,820,000.000	INTL FINANCE CORP FRN Mat: 3/6/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/27/17 St Date: 3/6/17	45950VKP0	3,820,000.00 0.00	3,820,878.60 2,427.82	878.60	100.023	0.66%
Total for Government Related			3,820,000.00 0.00	3,820,878.60 2,427.82	878.60		0.66%
Agencies							
4,200,000.000	FFCB 1ML FRN Mat: 8/1/18 Cpn: 0.92% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/13/16 St Date: 10/14/16	3133EGPA7	4,206,548.14 1,011.95	4,212,348.00 3,343.39	5,799.86	100.294	0.72%
10,000,000.000	FNMA 1ML FRN Mat: 2/28/19 Cpn: 0.98% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/12/16 St Date: 10/13/16	3135G0HZ9	9,965,700.00 6,695.50	10,007,700.00 7,163.33	42,000.00	100.077	1.72%
Total for Agencies			14,172,248.14 7,707.45	14,220,048.00 10,506.72	47,799.86		2.44%
Tax-Exempt							
820,000.000	CA STATE PUBLIC WORKS BOARD Mat: 4/1/17 Cpn: 3.00% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 10/6/16 St Date: 10/13/16	13068LZC2	828,339.40 0.00	820,000.00 11,480.00	(8,339.40)	100.000	0.14%
2,500,000.000	MA STATE GO/LTD NOTES Mat: 4/24/17 Cpn: 2.00% Moody's: MIG1 S&P: SP-1+ Fitch: AA+ Tr Date: 8/24/16 St Date: 8/30/16	57582RKR6	2,522,625.00 0.00	2,501,775.00 29,315.07	(20,850.00)	100.071	0.43%
1,350,000.000	CA LOS ANGELES CNTY TRANS Mat: 6/30/17 Cpn: 3.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 10/19/16 St Date: 10/21/16	544657HT9	1,371,019.50 12,375.00	1,356,804.00 30,375.00	(14,215.50)	100.504	0.24%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,510,000.000	OR STATE TANS GO/LTD Mat: 6/30/17 Cpn: 2.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 10/18/16 St Date: 10/19/16	68609BVE4	3,539,589.30 17,160.00	3,519,722.70 48,750.00	(19,866.60)	100.277	0.61%
4,100,000.000	CA STATE GO/ULT Mat: 8/1/17 Cpn: 4.00% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 10/19/16 St Date: 11/3/16	13063C4D9	4,199,589.00 0.00	4,142,886.00 27,333.33	(56,703.00)	101.046	0.72%
Total for Tax-Exempt			12,461,162.20 29,535.00	12,341,187.70 147,253.40	(119,974.50)		2.14%
Taxable Muni							
3,000,000.000	CA LOS ANGELES REDEV AGY TAX TXB Mat: 9/1/17 Cpn: 0.89% Moody's: Aa3 S&P: AA Fitch: Tr Date: 8/5/16 St Date: 8/25/16	54465AGH9	3,000,000.00 0.00	2,994,210.00 2,232.50	(5,790.00)	99.807	0.51%
Total for Taxable Muni			3,000,000.00 0.00	2,994,210.00 2,232.50	(5,790.00)		0.51%
Credit							
2,240,000.000	HUNTINGTON NATL BANK FRN Mat: 4/24/17 Cpn: 1.47% 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	2,240,589.12 6,121.76	2,761.92	100.026	0.39%
1,150,000.000	GOLDMAN SACHS FRN Mat: 5/22/17 Cpn: 1.72% 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	1,150,968.30 2,088.02	968.30	100.084	0.20%
2,000,000.000	BRANCH BANKING & TRUST FRN Mat: 5/23/17 Cpn: 1.35% 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	2,000,290.00 2,782.07	9,590.00	100.015	0.34%
1,020,000.000	PACCAR FINANCIAL FRN Mat: 6/6/17 Cpn: 1.29% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/31/14 St Date: 8/5/14	69371RL95	1,020,549.90 702.89	1,020,399.84 950.30	(150.06)	100.039	0.18%
1,800,000.000	VERIZON COMMUNICATIONS FRN Mat: 6/9/17 Cpn: 1.51% 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	1,800,828.00 1,732.15	3,790.00	100.046	0.31%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,604,000.000	IBM Mat: 9/14/17 Cpn: 5.70% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 7/11/16 St Date: 7/14/16	459200GJ4	3,804,042.62 68,476.00	3,676,649.43 9,700.77	(127,393.19)	102.016	0.63%
730,000.000	AMERICAN EXPRESS FRN Mat: 9/22/17 Cpn: 1.46% Moody's: A2 S&P: A- Fitch: A Tr Date: 9/18/14 St Date: 9/23/14	0258M0DS5	730,000.00 0.00	730,792.05 295.29	792.05	100.109	0.13%
2,960,000.000	GENERAL MILLS Mat: 10/20/17 Cpn: 1.40% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 10/27/16 St Date: 11/1/16	370334BU7	2,969,116.80 1,151.11	2,961,805.60 18,417.78	(7,311.20)	100.061	0.51%
493,000.000	BERKSHIRE HATHAWAY FRN Mat: 1/12/18 Cpn: 1.32% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 10/13/15 St Date: 10/16/15	084664CD1	491,895.68 25.50	494,111.72 1,425.77	2,216.04	100.226	0.08%
1,800,000.000	WELLS FARGO FRN Mat: 1/22/18 Cpn: 1.78% 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	1,809,381.60 6,056.15	9,381.60	100.521	0.31%
5,000,000.000	JPMORGAN CHASE FRN Mat: 1/25/18 Cpn: 1.94% 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	5,030,675.00 17,763.99	(20,140.70)	100.614	0.87%
1,780,000.000	CATERPILLAR Mat: 2/23/18 Cpn: 1.50% Moody's: A3 S&P: A Fitch: A Tr Date: 12/15/16 St Date: 12/20/16	14912L6P1	1,777,828.40 8,677.50	1,777,677.10 2,818.33	(151.30)	99.870	0.31%
2,000,000.000	WELLS FARGO FRN Mat: 4/23/18 Cpn: 1.67% Moody's: A2 S&P: A Fitch: AA- Tr Date: 1/29/15 St Date: 2/3/15	94974BFBK1	2,003,940.00 542.12	2,009,662.00 6,313.50	5,722.00	100.483	0.35%
3,000,000.000	GOLDMAN SACHS FRN Mat: 4/30/18 Cpn: 2.24% 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	3,027,030.00 11,381.58	(23,360.00)	100.901	0.52%
5,000,000.000	QUALCOMM FRN Mat: 5/18/18 Cpn: 1.32% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AH6	5,000,000.00 0.00	4,999,925.00 7,162.62	(75.00)	99.999	0.86%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,825,000.000	AMERICAN EXPRESS FRN Mat: 5/22/18 Cpn: 1.64% 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	1,832,228.83 3,159.49	3,706.58	100.396	0.31%
3,200,000.000	KEYBANK FRN Mat: 6/1/18 Cpn: 1.57% 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	3,212,572.80 4,338.79	12,572.80	100.393	0.55%
3,200,000.000	PNC BANK FRN Mat: 6/1/18 Cpn: 1.47% 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	3,210,300.80 4,063.23	10,300.80	100.322	0.55%
2,910,000.000	CISCO SYSTEMS FRN Mat: 6/15/18 Cpn: 1.44% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAY8	2,910,000.00 0.00	2,921,226.78 1,980.48	11,226.78	100.386	0.50%
3,000,000.000	FIFTH THIRD BANK FRN Mat: 8/20/18 Cpn: 1.97% 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	3,018,489.00 6,555.00	13,239.00	100.616	0.52%
680,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.72% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	680,403.20 93.55	685,580.76 585.21	5,177.56	100.821	0.12%
3,000,000.000	VERIZON COMMUNICATIONS FRN Mat: 9/14/18 Cpn: 2.87% 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	3,064,164.00 4,306.83	(59,436.00)	102.139	0.53%
1,000,000.000	WELLS FARGO FRN Mat: 9/14/18 Cpn: 1.52% 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	1,002,152.00 760.61	2,152.00	100.215	0.17%
1,270,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/15/18 Cpn: 1.28% Moody's: A2 S&P: A Fitch: A Tr Date: 1/3/17 St Date: 1/6/17	24422ETN9	1,270,000.00 0.00	1,273,553.46 3,823.56	3,553.46	100.280	0.22%
3,000,000.000	US BANCORP FRN Mat: 11/15/18 Cpn: 1.53% 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	3,015,984.00 5,733.75	15,354.00	100.533	0.52%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
5,050,000.000	CHEVRON FRN Mat: 11/16/18 Cpn: 1.55% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 11/9/15 St Date: 11/17/15	166764BB5	5,050,000.00 0.00	5,086,602.40 9,550.46	36,602.40	100.725	0.87%
1,000,000.000	AT&T FRN Mat: 11/27/18 Cpn: 1.96% 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	1,009,381.00 1,798.80	(10,479.00)	100.938	0.17%
2,220,000.000	CITIGROUP FRN Mat: 12/7/18 Cpn: 1.96% 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	2,237,577.96 3,024.24	17,577.96	100.792	0.38%
1,828,000.000	ORACLE FRN Mat: 1/15/19 Cpn: 1.60% 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	1,844,305.76 6,181.45	8,204.97	100.892	0.32%
1,100,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 1.89% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/15/15 St Date: 4/20/15	61746BDN3	1,104,125.00 2,838.99	1,108,855.00 3,876.29	4,730.00	100.805	0.19%
1,430,000.000	CITIBANK FRN Mat: 3/20/19 Cpn: 1.49% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/13/17 St Date: 3/20/17	17325FAB4	1,430,000.00 0.00	1,430,684.97 711.08	684.97	100.048	0.25%
1,075,000.000	CATERPILLAR FINANCIAL FRN Mat: 3/22/19 Cpn: 1.44% Moody's: A3e S&P: A Fitch: A Tr Date: 3/20/17 St Date: 3/23/17	14912L6X4	1,075,000.00 0.00	1,075,373.03 385.98	373.03	100.035	0.18%
1,280,000.000	BRANCH BANKING & TRUST FRN Mat: 5/1/19 Cpn: 1.56% 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	1,285,387.52 3,280.92	5,387.52	100.421	0.22%
700,000.000	MORGAN STANLEY FRN Mat: 7/23/19 Cpn: 1.78% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	61746BDS2	700,350.00 170.30	704,106.20 2,355.17	3,756.20	100.587	0.12%
720,000.000	BERKSHIRE HATHAWAY FRN Mat: 8/15/19 Cpn: 1.30% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084664CL3	720,000.00 0.00	721,776.96 1,169.10	1,776.96	100.247	0.12%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,775,000.000	FIFTH THIRD BANK FRN Mat: 9/27/19 Cpn: 1.74% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBJ7	1,775,000.00 0.00	1,776,073.88 429.67	1,073.88	100.061	0.30%
1,915,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/9/19 Cpn: 1.29% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETK5	1,915,000.00 0.00	1,919,128.74 5,645.58	4,128.74	100.216	0.33%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 1.53% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Z9	1,390,000.00 0.00	1,395,094.35 4,660.49	5,094.35	100.367	0.24%
1,330,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 1.80% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LE9	1,330,000.00 0.00	1,334,983.51 5,386.83	4,983.51	100.375	0.23%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 1.48% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAP0	1,385,000.00 0.00	1,388,553.91 3,705.48	3,553.91	100.257	0.24%
1,150,000.000	SUNTRUST BANK FRN Mat: 1/31/20 Cpn: 1.56% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAS6	1,150,000.00 0.00	1,155,148.55 2,947.71	5,148.55	100.448	0.20%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 1.84% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 2/14/17 St Date: 2/17/17	61746BEH5	1,900,000.00 0.00	1,904,655.00 4,179.82	4,655.00	100.245	0.33%
865,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 1.60% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	865,000.00 0.00	867,275.82 1,156.22	2,275.82	100.263	0.15%
930,000.000	AMERICAN EXPRESS FRN Mat: 3/3/20 Cpn: 1.52% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EF2	930,000.00 0.00	929,535.00 1,140.82	(465.00)	99.950	0.16%
845,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 1.62% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RV7	845,000.00 0.00	845,774.87 836.03	774.87	100.092	0.15%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,325,000.000	GOLDMAN SACHS FRN Mat: 12/27/20 Cpn: 1.88% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWF7	1,325,000.00 0.00	1,323,885.68 346.50	(1,114.33)	99.916	0.23%
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 1.66% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 3/2/17 St Date: 3/9/17	46647PAC0	1,330,000.00 0.00	1,325,128.21 1,407.33	(4,871.79)	99.634	0.23%
1,485,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.21% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	1,485,000.00 0.00	1,500,378.66 6,472.86	15,378.66	101.036	0.26%
880,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.96% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	880,000.00 0.00	885,579.20 2,256.10	5,579.20	100.634	0.15%
1,360,000.000	WALT DISNEY CO FRN Mat: 3/4/22 Cpn: 1.49% Moody's: A2 S&P: A Fitch: A Tr Date: 3/1/17 St Date: 3/6/17	25468PDS2	1,360,000.00 0.00	1,365,070.08 1,463.51	5,070.08	100.373	0.23%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.06% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	1,330,000.00 0.00	1,331,609.30 1,747.22	1,609.30	100.121	0.23%
Total for Credit			95,722,985.54 129,607.90	95,718,962.72 206,432.70	(4,022.82)		16.45%

Mortgage-Backed

2,495,590.390	FHMS K502 A2 CMBS Mat: 8/25/17 Cpn: 1.43% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/16 St Date: 8/4/16	3137B03W2	2,500,464.59 296.56	2,495,785.05 2,965.59	(4,679.55)	100.008	0.43%
568,523.122	NGN 2010-R2 1A 1MOFRN NCUA GNTD Mat: 11/6/17 Cpn: 1.15% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/17/16 St Date: 8/22/16	62888UAA8	568,700.78 239.50	568,641.94 417.10	(58.84)	100.021	0.10%
1,930,000.000	FHMS K701 A2 CMBS Mat: 11/25/17 Cpn: 3.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/16/16 St Date: 11/21/16	3137A7JU5	1,966,187.50 4,162.37	1,945,544.22 6,243.55	(20,643.28)	100.805	0.33%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
5,459,690.875	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/20/16 St Date: 10/25/16	3136A7L26	5,478,458.56 5,507.00	5,461,094.02 6,883.76	(17,364.54)	100.026	0.94%
3,030,000.000	FMPRE 2017-TK01A 1MOFRN CMBS Mat: 2/25/20 Cpn: 1.09% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/16/17	30258EAA3	3,030,000.00 0.00	3,036,875.07 642.19	6,875.07	100.227	0.52%
1,164,343.354	NGN 2011-R4 1A 1MOFRN NCUA GNTD Mat: 3/6/20 Cpn: 1.23% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	62889FAA0	1,164,798.17 471.95	1,164,605.33 918.28	(192.84)	100.023	0.20%
3,915,081.573	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 1.29% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	3,932,282.29 598.45	3,918,068.78 2,526.32	(14,213.51)	100.076	0.67%
687,864.300	FHMS KF02 A1 1MOFRN CMBS Mat: 7/25/20 Cpn: 1.16% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/19/15 St Date: 11/24/15	3137B5J79	687,864.30 330.72	688,237.81 154.93	373.51	100.054	0.12%
6,302,655.845	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 1.34% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	6,325,306.01 2,664.82	6,336,129.25 5,382.36	10,823.24	100.531	1.09%
Total for Mortgage-Backed			25,654,062.21 14,271.36	25,614,981.47 26,134.09	(39,080.74)		4.40%

Asset-Backed

373,524.936	USAA 2016-1 A1 CAR Mat: 9/15/17 Cpn: 0.68% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAA8	373,524.94 0.00	373,526.43 119.94	1.49	100.000	0.06%
3,425,000.000	HONDA 2017-1 A1 CAR Mat: 12/21/17 Cpn: 1.05% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/21/17 St Date: 3/28/17	43814TAA0	3,425,000.00 0.00	3,425,424.70 399.58	424.70	100.012	0.59%
3,710,000.000	JOHN DEERE 2017-A A1 EQP Mat: 3/15/18 Cpn: 0.88% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 2/22/17 St Date: 3/2/17	47787XAA5	3,710,000.00 0.00	3,709,873.86 2,720.67	(126.14)	99.997	0.64%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,877,783.802	SDART 2017-1 A1 CAR Mat: 3/15/18 Cpn: 0.95% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAB1	2,877,783.80 0.00	2,877,824.09 1,291.01	40.29	100.001	0.49%
2,820,000.000	BMW 2017-1 A1 LEASE Mat: 3/20/18 Cpn: 1.00% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/15/17 St Date: 3/22/17	055657AA8	2,820,000.00 0.00	2,820,076.14 783.33	76.14	100.003	0.48%
2,970,000.000	NISSAN 2017-A A1 CAR Mat: 4/16/18 Cpn: 1.00% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/21/17 St Date: 3/28/17	654747AA2	2,970,000.00 0.00	2,970,000.00 330.00	0.00	100.000	0.51%
4,500,000.000	TOYOTA 2016-C A2B CAR 1MOFRN Mat: 1/15/19 Cpn: 1.09% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/1/16 St Date: 8/10/16	89237WAC1	4,500,000.00 0.00	4,502,416.50 2,320.97	2,416.50	100.054	0.77%
6,200,000.000	GEDFT 2014-2 A 1MOFRN FLOOR Mat: 10/20/19 Cpn: 1.43% 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	6,204,929.00 2,951.88	5,187.40	100.080	1.06%
3,650,000.000	CITI 2017-A1 A1 CDT 1MOFRN Mat: 1/19/21 Cpn: 1.19% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/19/17 St Date: 1/26/17	17305EFZ3	3,650,000.00 0.00	3,655,971.40 1,814.02	5,971.40	100.164	0.63%
3,520,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/18/22 Cpn: 1.21% Moody's: S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	3,520,000.00 0.00	3,533,200.00 2,014.98	13,200.00	100.375	0.61%
Total for Asset-Backed			34,046,050.34 1,060.04	34,073,242.12 14,746.38	27,191.78		5.85%
Grand Total			582,108,276.53 546,532.09	581,798,243.70 1,224,485.31	(310,032.84)		100.00%



CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2017

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
CASH & CASH EQUIVALENTS												
ASSET BACKED												
055657AA8	BMW VEHICLE LEASE TRUST	.950	3/20/2018	11/20/2017		4,500,000	4,500,000.000	.336	.334	1.017	.77%	4,500,025.65
43814TAA0	HONDA AUTO RECEIVABLES 2017-1 OWNER TRUST	1.050	12/21/2017	8/21/2017		5,000,000	5,000,000.000	.221	.219	1.065	.86%	5,000,000.00
ASSET BACKED TOTALS							9,500,000.000					9,500,025.65
CASH												
06427KPD3	BANK OF MONTREAL CH	1.080	4/10/2017	4/10/2017	A-1	15,000,000	15,000,000.000	.028	.027	1.077	2.58%	15,000,000.00
06538NST5	BANK TOKYO-MITSUBIS	.990	4/20/2017	4/20/2017	F1	15,000,000	15,000,000.000	.056	.054	.988	2.58%	15,000,000.00
05582WLP7	BNP PARIBAS NY BRH	1.050	4/17/2017	4/17/2017	A-1	15,000,000	15,000,000.000	.047	.046	1.048	2.58%	15,000,000.00
22534HVR9	CREDIT AGRICOLE COR	1.040	4/24/2017	4/24/2017	F1	15,000,000	15,000,000.000	.067	.065	1.038	2.58%	15,000,000.00
23340QXK4	DNB BANK ASA 3(A)2	.960	4/26/2017	4/26/2017	A-1	15,000,000	15,000,000.000	.072	.071	.958	2.58%	15,000,000.00
30229AR35	EXXON CORP DISC D	0.000	4/3/2017	4/3/2017	A-1+	7,500,000	7,499,660.370	.008	.008	.544	1.29%	7,499,660.37
30229ARM3	EXXON CORP DISC D	0.000	4/21/2017	4/21/2017	A-1+	7,500,000	7,496,583.240	.058	.057	.781	1.29%	7,496,583.24
313385DY9	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	4/5/2017	4/5/2017	Agency	3,000,000	2,999,763.360	.014	.014	.568	.51%	2,999,763.36
313385EL6	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	4/17/2017	4/17/2017	Agency	8,500,000	8,497,166.630	.047	.046	.706	1.46%	8,497,166.63
38480JRH2	GRAINGER W W INC D D	0.000	4/17/2017	4/17/2017	P-1	15,000,000	14,994,200.010	.047	.046	.819	2.57%	14,994,200.01
46640PR70	J P MORGAN SEC DIS D	0.000	4/7/2017	4/7/2017	P-1	2,000,000	1,999,683.360	.019	.019	.815	.34%	1,999,683.36
50066BLC3	KOREA DEV BANK NY I	1.010	4/10/2017	4/10/2017	P-1	15,000,000	15,000,000.000	.028	.027	1.008	2.58%	15,000,000.00
60689D2W2	MIZUHO BANK LTD INS	1.100	4/27/2017	4/27/2017	F1	15,000,000	15,000,000.000	.075	.074	1.098	2.58%	15,000,000.00
63743CRK1	NATIONAL RURAL DIS D	0.000	4/19/2017	4/19/2017	F1	11,500,000	11,495,112.530	.053	.052	.815	1.97%	11,495,112.53
63873F4X3	NATIXIS NY BRH INST	1.060	4/19/2017	4/19/2017	A-1	15,000,000	15,000,000.000	.053	.052	1.058	2.58%	15,000,000.00
65602UMS4	NORINCHUKIN BK C/D	1.030	5/16/2017	5/16/2017	A-1	15,000,000	15,000,183.840	.128	.125	1.019	2.58%	15,000,183.84
69372ARC8	PACCAR FINL CORP D D	0.000	4/12/2017	4/12/2017	A-1	15,000,000	14,996,333.070	.033	.033	.851	2.57%	14,995,744.95
83369YJT4	SOCIETE GENERALE NY	.990	4/20/2017	4/20/2017	F1	15,000,000	15,000,000.000	.056	.054	.988	2.58%	15,000,000.00
89113WUT1	TORONTO DOMINION BA	.990	4/17/2017	4/17/2017	A-1+	15,000,000	15,000,000.000	.047	.046	.988	2.58%	15,000,000.00
912796JP5	UNITED STATES TREASURY BILL	0.000	4/27/2017	4/27/2017	Govt	15,000,000	14,991,550.000	.075	.074	.736	2.57%	14,991,550.00
NA9123459	US DOLLARS	.983	4/3/2017		Agency	115,483	115,483.120	0.000	-	.983	.02%	115,483.12
USD120030	USD INTEREST RECEIVABLE	-				1,244,013	0.000	-	-	-	.21%	1,244,012.52
USD120090	USD RECEIVABLE FOR PAYDOWNS	-				664,214	664,213.770	-	-	-	.11%	664,213.77
93884ER72	WASHINGTON GAS/LT D	0.000	4/7/2017	4/7/2017	F1	4,865,000	4,864,262.190	.019	.019	.769	.84%	4,864,262.19
CASH TOTALS							255,614,195.490					256,857,619.89
MUNICIPALS												
190335HB8	COAST COMMUNITY COLLEGE DISTRICT	.795	8/1/2017	8/1/2017	Aa1	4,865,000	4,865,000.000	.333	.335	.947	.83%	4,862,518.85
MUNICIPALS TOTALS							4,865,000.000					4,862,518.85
CASH & CASH EQUIVALENTS TOTALS							269,979,195.490					271,220,164.39
FIXED INCOME												
AGENCIES												
3133EFEC7	FEDERAL FARM CREDIT BANKS	1.122	9/18/2018	9/18/2018	Agency	5,000,000	4,998,459.140	1.469	1.447	.920	.86%	5,015,850.00
3134G72G5	FEDERAL HOME LOAN MORTGAGE CORP	.983	4/20/2017	4/20/2017	Agency	5,000,000	4,999,945.340	.056	.054	.801	.86%	5,000,505.00
AGENCIES TOTALS							9,998,404.480					10,016,355.00

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2017

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												
02582JGN4	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.282	12/15/2021	5/15/2019	AAA	7,014,000	7,028,675.800	2.131	.052	1.131	1.21%	7,048,983.73
02582JGY0	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2014-3	1.202	5/15/2020	10/16/2017	AAA	6,000,000	6,008,102.110	.547	.047	1.046	1.03%	6,007,720.80
02587TAA1	AMERICAN EXPRESS ISSUANCE TRUST II	1.192	2/15/2019	3/15/2018	AAA	10,000,000	10,012,520.640	.964	.047	1.086	1.72%	10,017,503.00
05580PAD3	BMW VEHICLE LEASE TRUST 2015-1	1.240	12/20/2017	5/20/2017	Aaa	2,732,040	2,732,991.600	.097	.095	1.208	.47%	2,732,038.32
05581RAC0	BMW VEHICLE LEASE TRUST 2016-1	1.478	1/22/2018	8/21/2017	Aaa	3,120,494	3,122,583.450	.214	.055	1.087	.54%	3,123,318.52
05581RAB2	BMW VEHICLE LEASE TRUST 2016-1	1.170	1/22/2018	8/20/2017	Aaa	825,255	825,309.210	.214	.211	1.185	.14%	825,206.77
161571GW8	CHASE ISSUANCE TRUST	1.162	4/15/2019	4/17/2017	AAA	2,800,000	2,799,963.930	.047	.046	1.162	.48%	2,800,000.00
161571FH2	CHASE ISSUANCE TRUST	1.182	5/15/2019	5/15/2017	AAA	8,675,000	8,680,749.500	.131	.046	1.023	1.49%	8,676,735.00
161571FT6	CHASE ISSUANCE TRUST	1.172	12/16/2019	12/15/2017	AAA	7,830,000	7,835,750.350	.714	.047	1.048	1.35%	7,841,271.29
36159LCN4	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.428	10/20/2019	10/20/2017	Aaa	3,610,000	3,607,288.490	.556	.055	1.336	.62%	3,612,431.34
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.478	1/21/2020	1/22/2018	Aaa	2,160,000	2,158,217.520	.806	.055	1.362	.37%	2,162,767.82
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.728	4/22/2019	4/20/2017	Aaa	4,000,000	3,999,955.280	.056	.054	1.128	.69%	4,001,332.80
47788NAA6	JOHN DEERE OWNER TRUST	.640	8/15/2017	4/15/2017		379,063	379,062.830	.042	.041	.649	.07%	379,061.39
47787XAA5	JOHN DEERE OWNER TRUST 2017	.880	3/15/2018	12/15/2017		3,000,000	3,000,000.000	.336	.330	.902	.52%	2,999,825.70
58768MAA9	MERCEDES-BENZ AUTO LEASE TRUST	.750	11/15/2017	5/15/2017		1,005,055	1,005,054.590	.088	.084	.727	.17%	1,005,055.29
65478WAA3	NISSAN AUTO RECEIVABLES 2016-C OWNER TRUST	.620	8/15/2017	4/17/2017		619,203	619,202.920	.047	.046	.619	.11%	619,203.11
89231TAB6	TOYOTA AUTO RECEIVABLES 2015-C OWNER TRUST	.920	2/15/2018	4/15/2017	Aaa	129,169	129,156.120	.042	.041	1.163	.02%	129,152.98
ASSET BACKED TOTALS							63,944,584.340					63,981,607.86
CMBS												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	1.035	4/25/2020	12/25/2019	Agency	4,374,354	4,377,271.400	2.096	.070	1.275	.75%	4,375,075.97
3136ALYC9	FANNIE MAE-ACES	1.637	11/25/2017	11/25/2017	Agency	89,957	89,966.990	.368	.365	1.113	.02%	90,028.83
3136ANA98	FANNIE MAE-ACES	.951	3/25/2019	3/25/2019	Agency	9,558,263	9,561,508.370	1.649	.069	1.175	1.64%	9,562,722.14
3136ANMF1	FANNIE MAE-ACES	.877	11/25/2018	11/25/2018	Agency	6,717,631	6,714,848.110	1.395	.069	1.091	1.15%	6,718,388.24
3136A8G38	FANNIE MAE-ACES	1.246	8/25/2017	8/25/2017	Agency	307,730	307,721.930	.253	.250	1.356	.05%	307,380.86
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	2,321,752	2,323,399.400	.807	.800	1.427	.40%	2,319,952.09
3136AGGF3	FANNIE MAE-ACES	1.532	10/25/2017	8/25/2017	Agency	68,788	68,853.400	.371	.367	1.232	.01%	68,791.91
3137A7JT8	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.776	6/25/2017	6/25/2017	Agency	939,811	941,578.420	.153	.151	1.286	.16%	940,142.84
3137B03W2	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.426	8/25/2017	7/25/2017	AAA	1,257,261	1,258,123.600	.277	.274	1.066	.22%	1,257,273.05
3137ABFV8	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	3.154	2/25/2018	2/25/2018	Agency	4,342,281	4,394,759.920	.839	.826	1.574	.75%	4,390,087.65
CMBS TOTALS							30,038,031.540					30,029,843.58
CMOS												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	1.227	1/8/2020		Aaa	4,226,645	4,246,994.810	2.050	.082	.610	.73%	4,233,128.63
62889FAA0	NCUA GUARANTEED NOTES TRUST 2011-R4	1.157	3/6/2020		Agency	293,177	293,245.200	0.000	.082	0.000	.05%	293,236.17
CMOS TOTALS							4,540,240.010					4,526,364.80
CORPORATES												
025816BH1	AMERICAN EXPRESS CO	1.640	5/22/2018	5/22/2018	A3	1,000,000	1,001,062.500	1.144	.144	1.416	.17%	1,003,793.00

CalOptima (OCHA) - Enhanced Cash

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As of 3/31/2017

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)												
CORPORATES (Continued)												
0258M0DN6	AMERICAN EXPRESS CREDIT CORP	1.370	6/5/2017	6/5/2017	A2	2,066,000	2,065,565.570	.183	.180	1.227	.35%	2,066,535.09
0258M0DM8	AMERICAN EXPRESS CREDIT CORP	1.125	6/5/2017	6/5/2017	A2	7,000,000	7,000,444.880	.178	.180	1.099	1.20%	7,000,273.00
03073EAK1	AMERISOURCEBERGEN CORP	1.150	5/15/2017	5/15/2017	A-	10,000,000	9,999,473.810	.122	.123	1.398	1.72%	9,996,900.00
037833AN0	APPLE INC	1.104	5/5/2017	5/5/2017	Aa1	1,500,000	1,499,974.500	.097	.095	.951	.26%	1,500,220.50
037833AM2	APPLE INC	1.050	5/5/2017	5/5/2017	Aa1	10,820,000	10,822,827.060	.097	.095	.962	1.86%	10,820,562.64
037833AG5	APPLE INC	1.285	5/3/2018	5/3/2018	Aa1	1,500,000	1,500,655.500	1.092	.093	.954	.26%	1,504,873.50
06051GFJ3	BANK OF AMERICA CORP	1.700	8/25/2017	8/25/2017	BBB+	4,268,000	4,273,462.520	.400	.400	1.308	.73%	4,274,619.67
06050TKX9	BANK OF AMERICA NA	1.431	6/15/2017	6/15/2017	A-	10,000,000	10,000,000.000	.211	.207	1.355	1.72%	10,001,580.00
06050TKW1	BANK OF AMERICA NA	6.100	6/15/2017	6/15/2017	A-	2,175,000	2,195,162.600	.206	.207	1.603	.38%	2,194,909.95
59562VAW7	BERKSHIRE HATHAWAY ENERGY CO	1.100	5/15/2017	5/15/2017	A3	15,000,000	15,001,789.680	.122	.123	1.113	2.58%	14,999,670.00
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	1.821	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	1.961	.218	1.256	.28%	1,618,713.60
14912L6Q9	CATERPILLAR FINANCIAL SERVICES CORP	1.753	2/23/2018	2/23/2018	A	1,215,000	1,215,000.000	.897	.147	1.325	.21%	1,220,900.04
166764AX8	CHEVRON CORP	1.398	11/9/2017	11/9/2017	AA-	1,250,000	1,250,000.000	.608	.107	1.167	.22%	1,252,662.50
172967JQ5	CITIGROUP INC	1.727	4/27/2018	4/27/2018	BBB+	2,340,000	2,337,320.480	1.075	.077	1.456	.40%	2,350,017.54
30231GAS1	EXXON MOBIL CORP	1.654	2/28/2018	2/28/2018	AA+	2,355,000	2,355,000.000	.919	.168	1.099	.41%	2,368,986.35
31677QBA6	FIFTH THIRD BANK/CINCINNATI OH	1.350	6/1/2017	6/1/2017	A-	10,000,000	10,002,789.680	.086	.103	1.132	1.72%	10,001,460.00
38141EC49	GOLDMAN SACHS GROUP INC/THE	1.931	12/15/2017	12/15/2017	A3	4,900,000	4,900,392.540	.711	.208	1.464	.84%	4,917,502.80
38148LAD8	GOLDMAN SACHS GROUP INC/THE	1.720	5/22/2017	5/22/2017	A3	5,200,000	5,202,682.180	.144	.142	1.152	.89%	5,204,274.40
437076BJ0	HOME DEPOT INC/THE	1.501	9/15/2017	9/15/2017	A	503,000	503,487.060	.461	.207	1.098	.09%	503,998.96
446438RH8	HUNTINGTON NATIONAL BANK/THE	1.375	4/24/2017	4/24/2017	A3	7,730,000	7,730,050.970	.064	.065	1.412	1.33%	7,729,775.83
24422ESU4	JOHN DEERE CAPITAL CORP	1.313	1/16/2018	1/16/2018	A	1,309,000	1,306,986.200	.794	.050	1.187	.23%	1,311,810.42
48121CVZ6	JPMORGAN CHASE BANK NA	6.000	7/5/2017	7/5/2017	A	6,047,000	6,120,085.760	.261	.261	1.420	1.05%	6,118,735.56
55279HAF7	MANUFACTURERS & TRADERS TRUST CO	1.400	7/25/2017	7/25/2017	A	6,360,000	6,363,309.750	.317	.303	1.597	1.09%	6,355,961.40
617446H51	MORGAN STANLEY	5.550	4/27/2017	4/27/2017	A3	4,452,000	4,466,219.100	.072	.074	1.815	.77%	4,463,855.68
63743HEK4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1.284	5/12/2017	5/12/2017	A	1,000,000	999,955.400	.117	.114	1.087	.17%	1,000,227.00
65339KAB6	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.586	6/1/2017	6/1/2017	BBB+	8,560,000	8,562,724.320	.167	.169	1.419	1.47%	8,562,276.96
68389XAT2	ORACLE CORP	1.209	7/7/2017	7/7/2017	A+	3,000,000	3,001,030.060	.269	.019	1.011	.52%	3,002,766.00
717081DF7	PFIZER INC	1.431	6/15/2018	6/15/2018	A+	500,000	500,769.470	1.217	.214	1.149	.09%	501,863.00
842400GB3	SOUTHERN CALIFORNIA EDISON CO	1.125	5/1/2017	5/1/2017	A+	8,752,000	8,752,000.000	.083	.084	1.231	1.50%	8,751,186.06
92343VCD4	VERIZON COMMUNICATIONS INC	1.506	6/9/2017	6/9/2017	BBB+	4,485,000	4,485,750.880	.194	.191	1.282	.77%	4,486,942.01
929903DU3	WACHOVIA CORP	1.401	6/15/2017	6/15/2017	A	5,000,000	5,000,148.810	.211	.207	1.222	.86%	5,001,875.00
94974BFK1	WELLS FARGO & CO	1.671	4/23/2018	4/23/2018	A	1,052,000	1,053,176.580	1.064	.069	1.355	.18%	1,056,917.05
CORPORATES TOTALS							153,069,297.860					153,146,645.51
MORTGAGES												
31381NUY7	FANNIE MAE POOL	2.623	9/1/2017	9/25/2017	Agency	458,671	460,825.130	.484	.479	2.358	.08%	458,575.25
MORTGAGES TOTALS							460,825.130					458,575.25
MUNICIPALS												
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	1,695,000	1,695,000.000	.167	.169	1.264	.29%	1,694,186.40
542411KT9	LONG BEACH COMMUNITY COLLEGE DISTRICT	.930	8/1/2017	8/1/2017	AA-	1,755,000	1,755,000.000	.333	.335	1.211	.30%	1,753,350.30
546415Z29	STATE OF LOUISIANA	1.087	8/1/2017	8/1/2017	AA-	635,000	635,464.710	.333	.335	1.256	.11%	634,638.05

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Portfolio Profile

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FIXED INCOME (Continued)												
MUNICIPALS (Continued)												
93974DYT9	STATE OF WASHINGTON	.500	8/1/2017	8/1/2017	AA+	9,745,000	9,737,782.640	.333	.335	.773	1.67%	9,736,132.05
MUNICIPALS TOTALS							13,823,247.350					13,818,306.80
SOVEREIGN DEBT												
4581X0CG1	INTER-AMERICAN DEVELOPMENT BANK	1.000	7/14/2017	7/14/2017	AAA	6,982,000	6,985,700.030	.289	.286	1.100	1.20%	6,979,933.33
459058DC4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.125	7/18/2017	7/18/2017	AAA	8,500,000	8,508,539.760	.297	.297	1.155	1.46%	8,499,175.50
459058CG6	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.875	4/17/2017	4/17/2017	AAA	8,502,000	8,502,293.820	.044	.046	.851	1.46%	8,502,076.52
45950KBS8	INTERNATIONAL FINANCE CORP	1.000	4/24/2017	4/24/2017	Aaa	5,000,000	5,000,745.290	.067	.065	1.174	.86%	4,999,405.00
SOVEREIGN DEBT TOTALS							28,997,278.900					28,980,590.35
US TREASURIES												
912828M23	UNITED STATES TREASURY FLOATING RATE NOTE	.950	10/31/2017	10/31/2017	Govt	6,300,000	6,302,305.710	.583	.011	.769	1.08%	6,306,577.20
US TREASURIES TOTALS							6,302,305.710					6,306,577.20
FIXED INCOME TOTALS							311,174,215.320					311,264,866.35
PORTFOLIO TOTALS							581,153,410.810					582,485,030.74

WELLS CAPITAL - OPERATING FUNDS
March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DN6	US0258M0DN61	0258M0DN6	0.20%	\$1,167,455.69
AMERICAN HONDA FINANCE CORP	HNDA	02665WAQ4	US02665WAQ42	02665WAQ4	1.73%	\$10,064,271.11
AMXCA 142 A	AMXCA	02582JGS3	US02582JGS33	02582JGS3	1.72%	\$10,007,469.00
APPLE INC	AAPL	037833AG5	US037833AG56	037833AG5	0.86%	\$5,026,414.43
APPLE INC	AAPL	037833AN0	US037833AN08	037833AN0	0.26%	\$1,502,703.87
BANK OF AMERICA NA	BAC	06050TLY6	US06050TLY63	06050TLY6	1.20%	\$7,004,341.17
BANK OF NEW YORK MELLON CORP	BK	06406HCJ6	US06406HCJ68	06406HCJ6	0.39%	\$2,299,446.85
BANK OF NEW YORK MELLON CORP	BK	06406HDC0	US06406HDC07	06406HDC0	0.93%	\$5,424,805.23
BB&T CORP	BBT	05531FAM5	US05531FAM59	05531FAM5	1.38%	\$8,024,247.56
Cafco, LLC	C	1247P2TE4	US1247P2TE42	1247P2TE4	2.57%	\$14,969,531.25
CAPITAL ONE NA	COF	14042E3Z1	US14042E3Z13	14042E3Z1	0.64%	\$3,702,150.93
Cash	---	CCYUSD	---	CCYUSD	0.04%	\$212,454.27
CCCIT 14A4 A4	CCCIT	17305EFQ3	US17305EFQ35	17305EFQ3	0.52%	\$3,016,271.30
CHAIT 153 A	CHAIT	161571GW8	US161571GW88	161571GW8	0.34%	\$2,001,097.65
CHAIT 155 A	CHAIT	161571GY4	US161571GY45	161571GY4	1.37%	\$7,996,673.16
CHEVRON CORP	CVX	166764BC3	US166764BC34	166764BC3	0.52%	\$3,016,909.00
Chevron Corporation	CVX	16677JUT1	US16677JUT14	16677JUT1	0.17%	\$996,922.17
Chevron Corporation	CVX	16677JV45	US16677JV459	16677JV45	3.42%	\$19,933,360.00
CITIGROUP INC	C	172967HY0	US172967HY01	172967HY0	1.25%	\$7,292,448.76
COMCAST CORP	CMCSA	20030NAU5	US20030NAU54	20030NAU5	0.56%	\$3,256,059.69
COMET 145A A	COMET	14041NET4	US14041NET46	14041NET4	0.26%	\$1,537,470.09
CRC Funding, LLC	C	12619TSK1	US12619TSK15	12619TSK1	1.71%	\$9,986,375.30
CRC Funding, LLC	C	12619TTD6	US12619TTD62	12619TTD6	0.86%	\$4,988,889.70
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAM9	US22546QAM96	22546QAM9	1.71%	\$9,955,493.94
FEDERAL HOME LOAN BANKS	FHLB	3130AAQ43	US3130AAQ433	3130AAQ43	1.71%	\$9,990,830.00
FEDERAL HOME LOAN BANKS	FHLB	313385NS1	US313385NS13	313385NS1	1.71%	\$9,946,410.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G72G5	US3134G72G51	3134G72G5	0.86%	\$5,002,143.88
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	0.33%	\$1,916,067.45
FIFTH THIRD BANK	FITB	31677QAV1	US31677QAV14	31677QAV1	0.86%	\$5,001,400.83
FIFTH THIRD BANK	FITB	31677QBA6	US31677QBA67	31677QBA6	0.47%	\$2,742,683.58
GENERAL ELECTRIC COMPANY	GE	369604BC6	US369604BC61	369604BC6	1.79%	\$10,420,958.33
GOLDMAN SACHS GROUP INC	GS	38141EB99	US38141EB990	38141EB99	1.12%	\$6,501,863.77
HSBC USA INC (NEW)	HSBC	40428HPH9	US40428HPH92	40428HPH9	0.47%	\$2,757,582.90
INTEL CORP	INTC	458140AL4	US458140AL48	458140AL4	1.57%	\$9,170,171.36
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BQ0	US4581X0BQ01	4581X0BQ0CORP	1.50%	\$8,768,367.37
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CL0	US4581X0CL05	4581X0CL0	1.73%	\$10,057,449.44
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CG1	US4581X0CG10	4581X0CG1	1.74%	\$10,141,655.56
INTER-AMERICAN DEVELOPMENT BANK	IADB	45818WAY2	US45818WAY21	45818WAY2	1.72%	\$10,001,584.93
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	45905UTJ3	US45905UTJ33	45905UTJ3	1.72%	\$10,000,480.12
INTERNATIONAL FINANCE CORP	IFC	45950KBV1	US45950KBV17	45950KBV1	0.47%	\$2,767,030.51
JPMORGAN CHASE BANK NA	JPM	48121CYK6	US48121CYK60	48121CYK6	1.86%	\$10,824,795.30
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAF7	US55279HAF73	55279HAF7	1.72%	\$10,019,316.67
MORGAN STANLEY	MS	617446V71	US617446V714	617446V71	0.88%	\$5,124,400.83
MORGAN STANLEY	MS	61744YAD0	US61744YAD04	61744YAD0	0.41%	\$2,380,846.27
NATIONAL RURAL UTILITIES COOP FINANCE CORP	NRUC	63743HEK4	US63743HEK41	63743HEK4	0.17%	\$1,001,902.97
NYSE EURONEXT	ICE	629491AB7	US629491AB74	629491AB7	0.70%	\$4,059,111.11
Old Line Funding, LLC	OLDLLC	67983TRL2	US67983TRL25	67983TRL2	1.54%	\$8,995,525.02
Old Line Funding, LLC	OLDLLC	67983TSF4	US67983TSF48	67983TSF4	2.06%	\$11,985,150.00
ORACLE CORP	ORCL	68389XAT2	US68389XAT28	68389XAT2	0.52%	\$3,011,230.96
PEPSICO INC	PEP	713448CU0	US713448CU00	713448CU0	0.71%	\$4,160,941.82
Pfizer Inc.	PFE	71708ET13	US71708ET137	71708ET13	1.71%	\$9,985,102.80

WELLS CAPITAL - OPERATING FUNDS
March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
Pfizer Inc.	PFE	71708ES14	US71708ES147	71708ES14	0.69%	\$3,997,203.12
PNC BANK NA	PNC	69353REJ3	US69353REJ32	69353REJ3	0.32%	\$1,892,089.08
PRECISION CASTPARTS CORP	PCP	740189AK1	US740189AK18	740189AK1	1.61%	\$9,368,052.22
Receivable	---	CCYUSD	---	CCYUSD	0.00%	\$9,746.35
SOUTHERN CALIFORNIA EDISON CO	EIX	842400GB3	US842400GB36	842400GB3	0.86%	\$5,022,972.50
The Coca-Cola Company	KO	19121AWT4	US19121AWT41	19121AWT4	0.84%	\$4,871,825.00
The Coca-Cola Company	KO	19121AS93	US19121AS930	19121AS93	0.51%	\$2,997,318.75
The Coca-Cola Company	KO	19121AT76	US19121AT763	19121AT76	0.77%	\$4,492,528.52
The Coca-Cola Company	KO	19121ATK7	US19121ATK78	19121ATK7	0.51%	\$2,993,953.32
Thunder Bay Funding, LLC	TBLLC	88602TRA3	US88602TRA33	88602TRA3	3.43%	\$19,995,272.20
Toyota Motor Credit Corporation	TOYOTA	89233GS80	US89233GS802	89233GS80	1.89%	\$10,988,992.63
Toyota Motor Credit Corporation	TOYOTA	89233GW77	US89233GW770	89233GW77	1.02%	\$5,968,240.02
Toyota Motor Credit Corporation	TOYOTA	89233GS49	US89233GS497	89233GS49	0.51%	\$2,997,367.83
UNITED STATES TREASURY	UST	912828PA2	US912828PA23	912828PA2	3.45%	\$20,093,984.59
UNITED STATES TREASURY	UST	912828UA6	US912828UA67	912828UA6	3.43%	\$19,995,015.60
UNITED STATES TREASURY	UST	912828UE8	US912828UE89	912828UE8	1.72%	\$9,998,543.59
UNITED STATES TREASURY	UST	912828UJ7	US912828UJ76	912828UJ7	3.43%	\$20,000,865.52
UNITED STATES TREASURY	UST	912828UR9	US912828UR92	912828UR9	3.42%	\$19,956,803.48
UNITED STATES TREASURY	UST	912828G79	US912828G799	912828G79	1.38%	\$8,023,516.48
UNITED STATES TREASURY	UST	912828XP0	US912828XP00	912828XP0	3.43%	\$20,001,898.23
UNITED STATES TREASURY	UST	912828M72	US912828M722	912828M72	1.72%	\$10,021,906.92
UNITED STATES TREASURY	UST	912828N55	US912828N555	912828N55	4.30%	\$25,057,970.30
VISA INC	V	92826CAA0	US92826CAA09	92826CAA0	2.10%	\$12,254,139.79
WORLD BANK - INTERNATIONAL BANK FOR RECONSTRUCTIO	IBRD	459058CG6	US459058CG66	459058CG6	2.03%	\$11,843,180.07

Disclaimer, Glossary, and Notes

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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.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- $[\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

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.

Wells Capital Management | March 2017

Portfolio review

CalOptima

Presented by:

Tony Melville, CFA, Senior Portfolio Manager

Stephen Scharre, CFA, Client Relations Director

Zachary Smith, Business Development, Insurance Assets



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- II. Short Duration Fixed Income overview
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Wells Capital Management

Wells Capital Management

Wells Capital Management (WellsCap) is a leading institutional investment management firm and part of Wells Fargo Asset Management.

- We are strongly committed to three beliefs that lead to long-term, successful partnerships with our clients:

Independent investment thinking

Our strong investment culture thrives on independent investment thinking.

Rigorous investment risk management

Rigorous, independent investment risk management is imperative to the consistent generation of risk-adjusted alpha.

Client-centric relationships

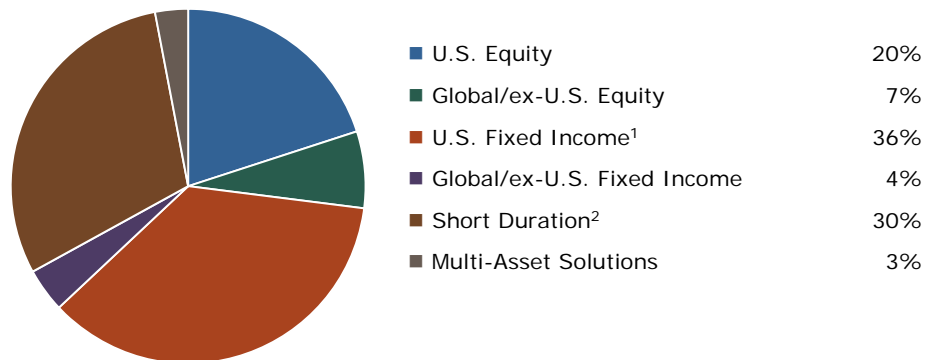
Enduring client relationships are cultivated by being client-centric, not product-centric.

Wells Capital Management

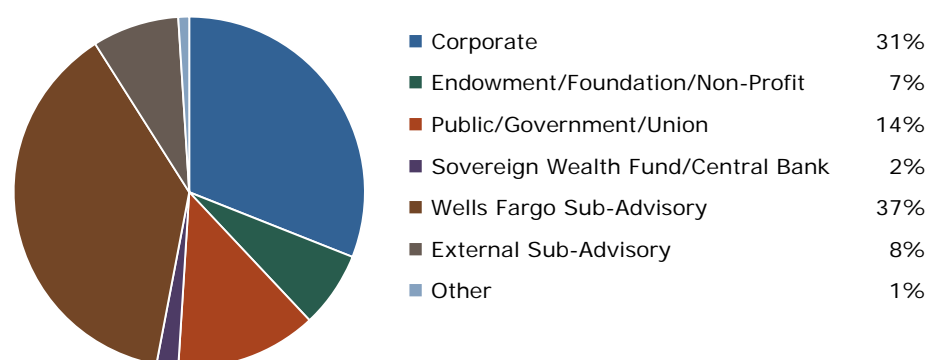
WellsCap profile

- Established in 1996
- AUM in excess of \$330B
- 26 independent investment teams
- Over 1,000 clients in more than 30 countries worldwide
- More than 380 investment professionals with an average firm tenure of 11 years
- Signatory to the Principles for Responsible Investment

Assets under management



Assets by clients



As of December 31, 2016. Total firm assets under management are \$330B. The chart above excludes \$104B in Money Market Mutual Funds and other Wells Fargo Affiliated Money Market Accounts. Assets under management, excluding Money Market Mutual Funds and other Wells Fargo Affiliated Money Market accounts total \$226B.

¹ Includes accounts with durations over 1-5 year benchmarks.

² Includes accounts with durations up to 1-5 year benchmarks, excluding Money Market Funds.

Short Duration Fixed Income overview

Short Duration Fixed Income overview

Providing highly customized short duration fixed income solutions has been a core competency of WellsCap since 1988.

- \$60.7 B¹ in assets under management as of September 30, 2016
- Taxable, municipal and crossover strategies for **offshore and domestic** institutional portfolios
- **Competitive risk-adjusted returns** with primary objectives of **principal preservation and liquidity**
- **Tenured team** of investment professionals
- **Depth of credit research** capabilities across corporate, municipal and structured asset classes
- **Emphasis on risk management** in the construction, management and oversight of client portfolios
- Singular focus on **consultative client partnerships**

The financial strength of our parent company, Wells Fargo Bank, N.A., affords us the resources, capital and stability essential to our ongoing commitment to this core business.

¹ Short Duration AUM managed by Short Duration, Municipal, and Customized Fixed Income teams.

Short Duration Fixed Income investment team

Investment team



Jeffrey L. Weaver, CFA
Senior Portfolio Manager
Head of Money Funds & Short Duration
Entered industry in 1991, WellsCap 1994



Andrew Greenberg, CFA
Senior Portfolio Manager
Short Duration Team Lead
Entered industry in 1986, WellsCap 2002



Anthony J. Melville, CFA
Senior Portfolio Manager
Corporates
Entered industry in 1993, WellsCap 1994



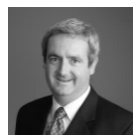
Dean Meddaugh, CFA
Senior Portfolio Manager
ABS, MBS & CMBS
Entered industry in 1994, WellsCap 2004



Raymond M. Wong
Senior Portfolio Manager
Municipals
Entered industry in 1980, WellsCap 2002



James Rutzen, CFA, FRM
Senior Portfolio Manager
Municipals/Crossover
Entered industry in 1986, WellsCap 1996



Travis Dugan, CFA
Senior Portfolio Manager
Governments & Corporates
Entered industry in 1997, WellsCap 2011



Janat Ibraev, CFA
Portfolio Manager
Corporates
Entered industry in 1994, WellsCap 2015



Jonathan Buenaventura
Portfolio Manager
Money Market Securities
Entered industry in 2004, WellsCap 2011



Henri Proutt
Associate Portfolio Manager
Corporates
Entered industry in 2008, WellsCap 2011



Samuel Arocha
Repo Trader
Entered industry in 1989, WellsCap 1989



George Hoch
Portfolio Analyst
Entered industry in 2011, WellsCap 2015

Firm-Wide Credit Research

Money Market Research



Matthew Grimes, CFA
Head of Money Markets
Credit Research
Team of 10 Analysts

Global Credit Research Platform Resources



Jamie Newton, CFA
Co-Head of Global Credit
Research
Team of 9 Analysts



Duncan Warwick-Champion
Co-Head of Global Credit
Research
Team of 9 Analysts

Municipal Credit Research



Thomas Stoeckmann
Head of Municipal
Credit Research
Team of 10 Analysts

Additional firm-wide fixed income resources

Global Investment Grade &
High Yield Credit Research

Money Market Research

Municipal Credit Research

Structured Products Research

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WellsCap Fixed Income research resources

Global Credit Research – 68 Investment professionals

Corporate Research Analysts – 42 Total

Ambreesh Bansal, CFA Construction, Manufacturing, Transportation	Brian Barry, CFA Retail	Alex Basman, CFA Chemicals, Healthcare	Marianne Beyer, CFA Industrials, Paper & Packaging	James Brown, CFA Cable, Telecom, Technology	Matthew Cox, CFA Healthcare, Insurance, Pharmaceuticals
Henry Craik-White Industrials	Paul Davey, CFA Energy, Infrastructure, Utilities	Scott Dreier, CFA Environmental, Utilities	James Fitzpatrick, CFA Media, Telecom, Technology	Rhys Foulkes, CFA Consumer, Paper, Transportation	Nikki Freeman, CFA Entertainment, Media, Restaurants, Utilities
Matthew Grimes, CFA Head of MM Credit Research	Donald Henken, CFA Banking, Financials	Heidi Hermann, CFA Energy, Metals & Mining	Kelly Hunter, CFA Banks, Sovereign	Brian Keller, CFA Energy, Homebuilders	Kevin Maas, CFA Financials, Healthcare
Michael Mallardi Energy	Jodi McGlynn Lodging, REITs, Retailers	Cristiano Mela Construction, Metals & Mining	Robert Montague Financials	David Moon, CFA Autos, Food	Henry Naah Cable, Telecom, Technology
Jamie Newton, CFA Co-Head of Credit Research	Cheryl Ngo Autos, Industrials, Metals & Mining, Services	Oscar Olivas, CFA Energy	Steve Pfeiffer Entertainment, Lodging, Media, Utilities	Bridget Powers Banks, Brokers, Energy, Utilities	Satish Pulle Financials
Andrew Reed, CFA Chemicals, Consumer Products, Restaurants	Maya Sarda Consumer Products, Retail	Mike Shinnars, CFA Banks, Sovereigns	Michael Schueller, CFA Consumer Products, Metals, Utilities	Anna Tabor Sovereigns	Kirstin Thomas Banks, Sovereigns
Lauren Van Biljon, CFA Sovereigns	Duncan Warwick-Champion Co-Head of Credit Research	Beatrice Woo Financials	Michie Yana, CFA Chemicals, Pharmaceuticals	Daniel Zaczekiewicz, CFA Banks, Sovereigns	Marcus Zahn Banks, Insurance

Municipal Research Analysts – 13 Total

Elizabeth Alm, CFA Charter Schools, Higher Education	Jed Bruss, CFA State & Local GOs, Water & Sewer	Ed Clayton Money Markets	Dennis Derby Land Secured, State & Local GOs	Luke Hammer State & Local GOs	Kerry Laurin, CFA State & Local GOs
Kim Nakahara State & Local GOs	Brandon Pae Healthcare, State & Local GOs, Water & Sewer	Michi Rives Money Markets	Todd Sisson Healthcare, Long Term Care	Gilbert Southwell Housing, Land, Sales Tax, Structured	David Statham Money Markets
Thomas Stoeckmann Head of Municipal Credit Research					

Structured Products – 13 Total

Sasha Bessonova Structured Products	Joseph Christensen, CFA Structured Products	Andy Greenberg, CFA Short Duration MBS	Mark Hsu, CFA ABS, CLO, CMBS	Jin Im Structured Products	Chris Kauffman, CFA Agency MBS, ARMs
Brian Krum ABS, Asset-Backed CP	Dean Meddaugh, CFA Short Duration ABS, CMBS	Mira Park, CFA Structured Products	Brian Prucyk, Ph.D. Structured Products	Anant Ramgarhia ABS, CMBS	Maddi Rowlett ABS
Grace Wu CMBS					

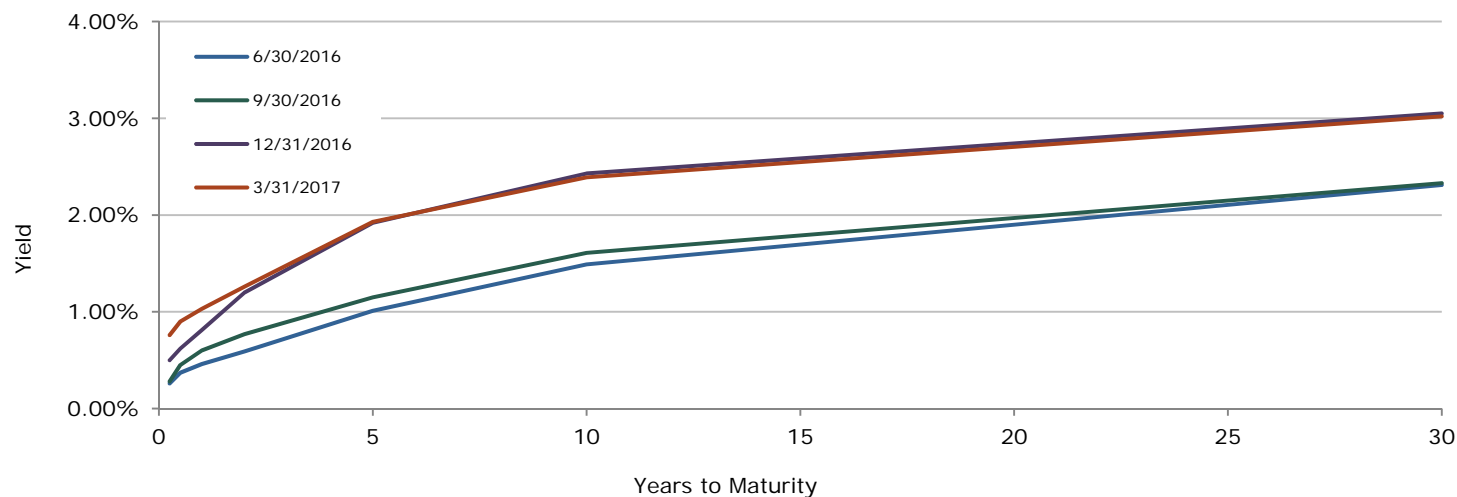
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Market overview

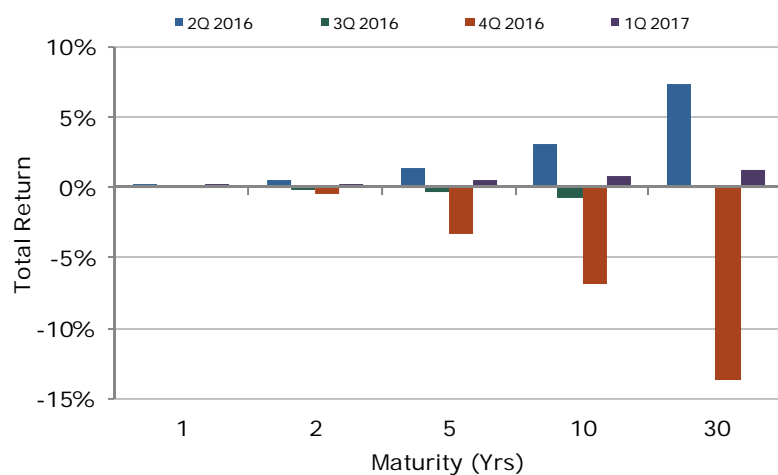
Short duration review

As of March 31, 2017

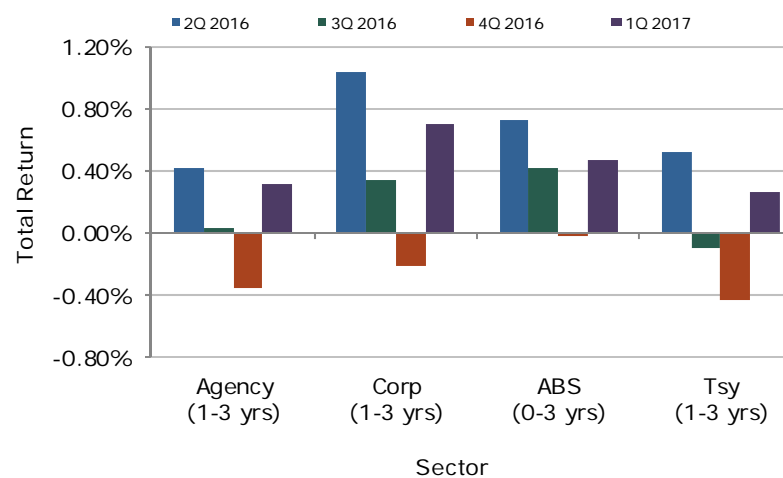
Treasury Yield Curve



Total Return by Maturity



Total Return by Sector

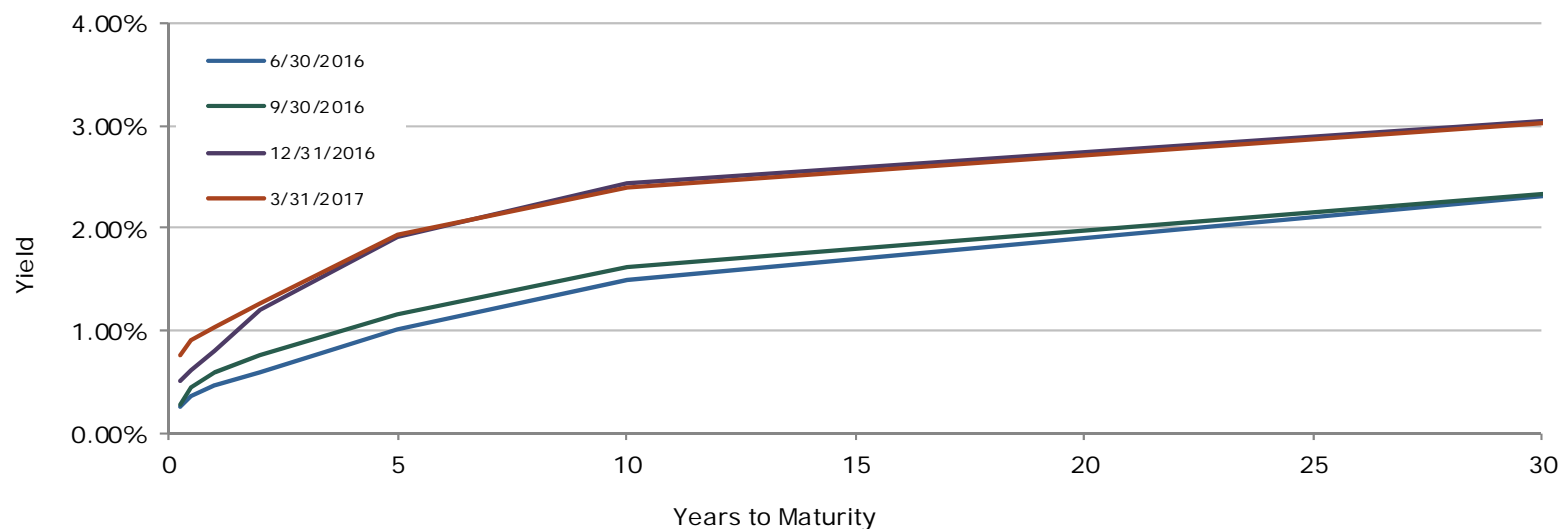


Source: Barclays, BofAML

Short duration review

As of March 31, 2017

Treasury Yield Curve



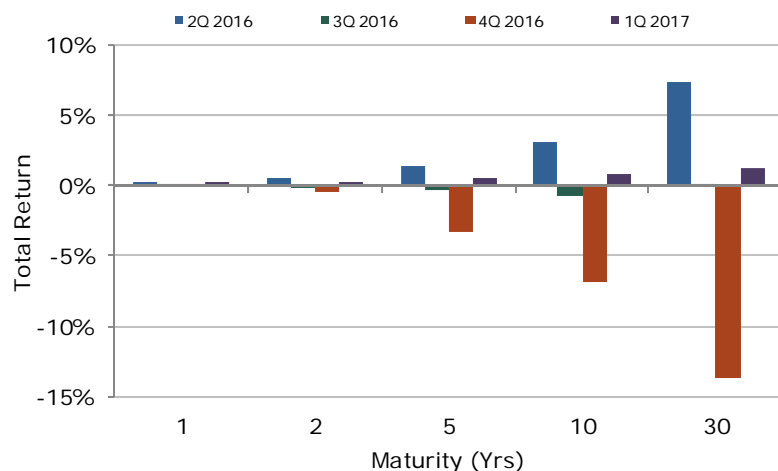
Treasury Yield Curve	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
3 Month	0.21%	0.26%	0.28%	0.50%	0.76%
6 Month	0.39%	0.37%	0.45%	0.62%	0.90%
1 Year	0.59%	0.46%	0.60%	0.81%	1.03%
2 Year	0.74%	0.59%	0.77%	1.20%	1.26%
5 Year	1.22%	1.01%	1.15%	1.92%	1.93%
10 Year	1.78%	1.49%	1.61%	2.43%	2.39%
30 Year	2.62%	2.31%	2.33%	3.05%	3.02%

Source: Barclays

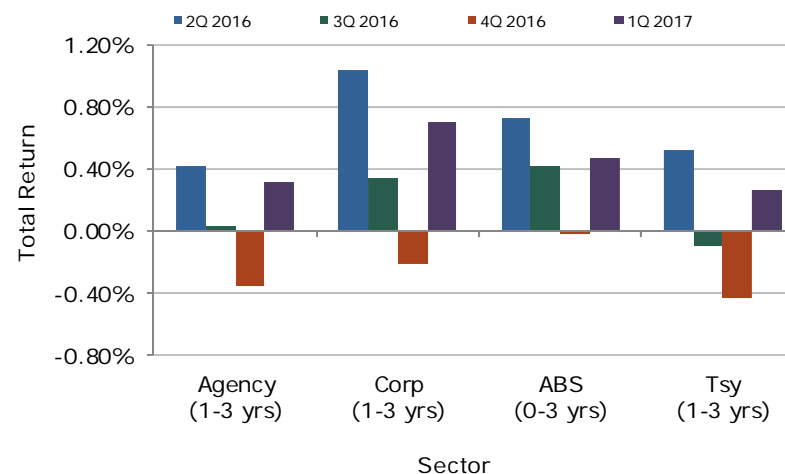
Short duration review

As of March 31, 2017

Total Return by Maturity



Total Return by Sector



Total Return by Maturity	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
1	0.36%	0.29%	0.06%	0.05%	0.16%
2	0.82%	0.50%	-0.11%	-0.54%	0.23%
5	2.93%	1.38%	-0.34%	-3.33%	0.46%
10	4.78%	3.02%	-0.75%	-6.81%	0.78%
30	8.94%	7.33%	0.02%	-13.74%	1.27%

Total Return by Sector	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
Agency (1-3 yrs)	0.86%	0.41%	0.03%	-0.35%	0.31%
Corporate (1-3 yrs)	1.22%	1.04%	0.34%	-0.21%	0.70%
Asset Backed (0-3 yrs)	0.71%	0.72%	0.42%	-0.02%	0.47%
Treasury (1-3 yrs)	0.90%	0.52%	-0.10%	-0.43%	0.26%

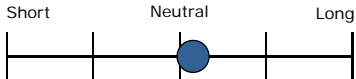

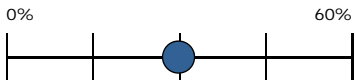
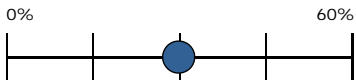

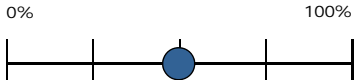
Source: Barclays, BofAML

Economic summary: Big Six Summary

- **Growth:** still stuck at 2% awaiting policy shift
- **Employment:** job growth persists; slack diminishing
- **Inflation:** core inflation edging higher
- **Monetary:** quicker pace of tightening: 3-4 rate hikes in 2017
- **Fiscal:** tax cuts, more spending, wider deficits
- **International:** anti-globalization/populism on the rise

Market summary & outlook – Enhanced cash

Market summary & outlook


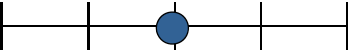
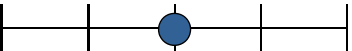



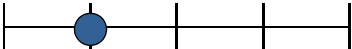
Sector	Target Allocation*	Comments:
Duration and Yield Curve		Portfolios remain positioned slightly long their benchmarks due to the steepness of very front-end yield curve. The market is pricing in 1-2 additional rate hikes in 2017; we expect 2 additional rate hikes.
Government related		The Sovereign, Supranational and Agency (SSAs) are cheap to domestic, A-rated industrials. Credits are strong with many carrying explicit or implicit government guarantees. Agencies are fair, but bid/ask spreads remain wide. Limit investments to large, benchmark issues.
Corporate		The credit curve is flat or inverted from 0-3 years due to heavy selling of front-end bonds by longer duration accounts. Enhanced cash accounts can benefit from corporate bonds inside 13 months trading at a spread over the swap curve, which is currently higher than Treasury rates.
Commercial Paper		Tier-1 commercial paper is yielding 1.00% to 1.20% in 3 month maturities and 1.20% to 1.45% in 6 month maturities. Yields are attractive, particularly ABCP shorter than 6 months.
ABS		ABS remains an attractive asset class with good liquidity. For portfolios with lower risk tolerance, stay in more liquid sectors and higher in the credit structure. For portfolios with higher risk tolerance, consider subordinate tranches of prime auto deals from benchmark issuers and foreign bank credit cards. New issue spread concessions are 3-5 bps.
Municipals**		The recent rate hike combined with seasonal pressures have pushed the SIFMA (floating-rate) index to its highest level of the year at 0.79%. We expect SIFMA to remain elevated from April to early May due to tax season. Muni/Treasury ratios for 1-year tenors are attractive at 90% and are fairly valued at 0.85% in 1 and 2 year tenors. Supply is currently limited, but we expect that to change as new supply should come to the market and investors will sell for tax obligations.

*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.

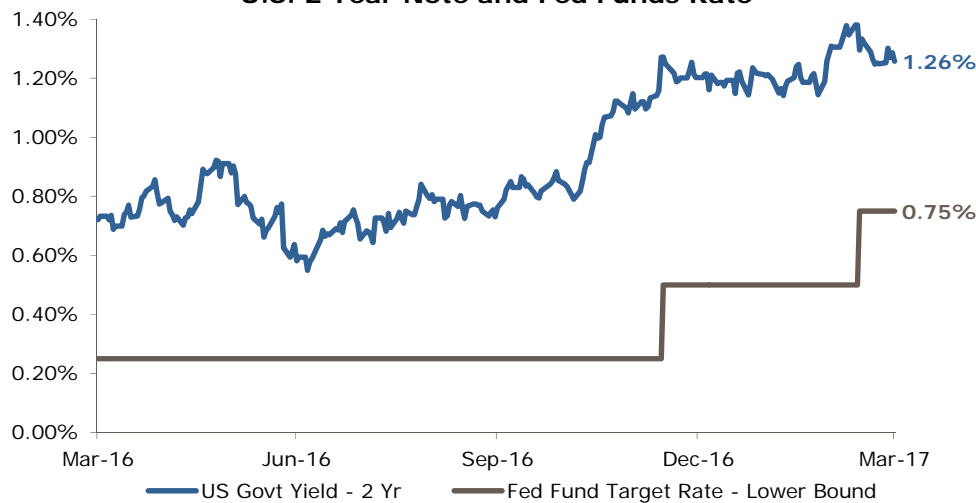
Market summary & outlook – Limited duration

Market summary & outlook

Sector	Underweight	Neutral	Overweight	Comments:
Duration and Yield Curve				Portfolios are 0.05 short versus benchmark durations as Treasuries rallied (yields lower) after the Fed Rate hike and then again after the failure of the GOP healthcare bill. Portfolios remain positioned for a flattening of the 2 year/5 year yield spread. Further rate hikes should pressure 2 year key rates more than 5 year key rates. The market is pricing in 1-2 additional rate hikes in 2017; we expect 2 additional rate hikes.
Government related				The Sovereign, Supranational and Agency (SSAs) are cheap to domestic, A-rated industrials. Credits are strong with many carrying explicit or implicit government guarantees. Agencies are fair, but bid/ask spreads remain wide. Limit investments to large, benchmark issues.
Corporate				Yield spreads on 3 year and longer, A-rated or higher corporate notes are fairly valued when compared to long-term levels. A compression in the spread between A or better and BBB spreads has us cautious on low-BBB, high beta issues.
Agency CMO/MBS				The Federal Reserve's mortgage reinvestment program should begin to taper in early 2018.
ABS				ABS remains an attractive asset class with good liquidity. For portfolios with lower risk tolerance, stay in more liquid sectors and higher in the credit structure. For portfolios with higher risk tolerance, consider subordinate tranches of prime auto deals from benchmark issuers and foreign bank credit cards. New issue spread concessions are 3-5 bps.
CMBS				We recommend staying higher up in the capital structure particularly when purchasing CMBS 2.0 and 3.0 deals to mitigate any credit and liquidity concerns. Primary market supply in the front-end will continued to be very limited.
Municipals				The municipal market's recent underperformance has cheapened muni/Treasury ratios to the 1-year averages of 85% for 3 and 5 year tenors. As municipals typically lag Treasuries, the asset class has not fully participated in the post-Fed rally. Tax-exempt bonds are attractive for the highest tax bracket individuals and fairly valued for crossover buyers at current levels.

Treasury and duration

U.S. 2 Year Note and Fed Funds Rate



Review & Commentary

- 2 year Treasury rates have been range-bound YTD, trading in a range of 1.15% and 1.40%. The 2s/5s curve has flattened as yields have declined.
- Commentary from the Fed during their post-announcement Fed conference was viewed by investors as dovish, sparking the rally in Treasury yields.
- Treasuries rallied further after the bill to repeal of the Affordable Care Act was not brought to a vote, the implications of which had investors questioning the effectiveness of the Trump administration to pass tax cuts and fiscal programs.
- Market expectations for future rate hikes are between 1 and 2 additional hikes in 2017. We expect 2 additional rate hikes in 2017.

U.S. 2s/5s Curve



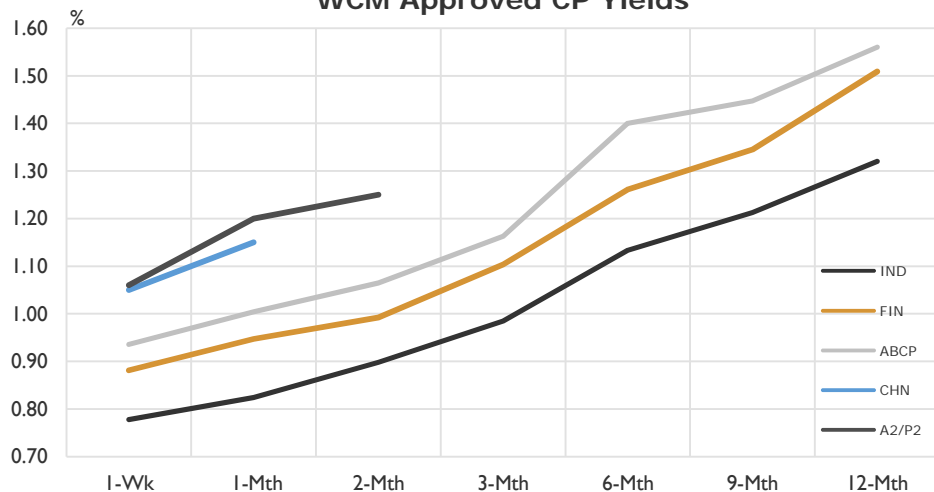
Strategy

- Portfolios were positioned neutral versus benchmark durations mid-month as the 2 year yield encroached upon 1.40%. Following the rally, we are ending the month short 0.05 versus benchmark durations in 1-3 year and 1-5 year strategies.
- Enhanced cash strategies are positioned long benchmark durations. A steeper yield curve at the very front-end compensates investors for very marginally higher interest rate risk.
- We continue to favor a flatter curve as further rate hikes should be most impactful on 2 year and shorter tenors. Historically the yield curve has flattened as the Fed has tightened monetary policy.
- We believe that interest rates are slightly rich at current levels.

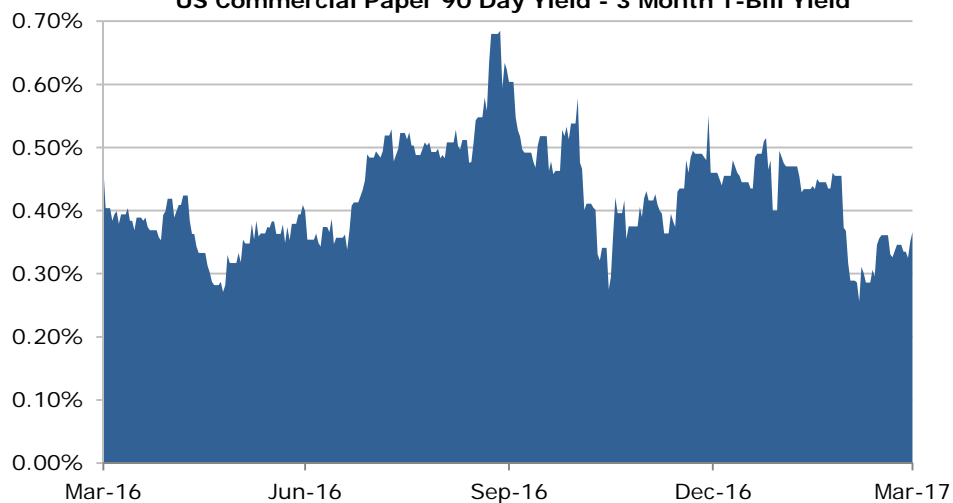
Source: Factset, Wells Capital Management

Money market instruments

WCM Approved CP Yields



US Commercial Paper 90 Day Yield - 3 Month T-Bill Yield



Source: Bloomberg, Wells Capital Management

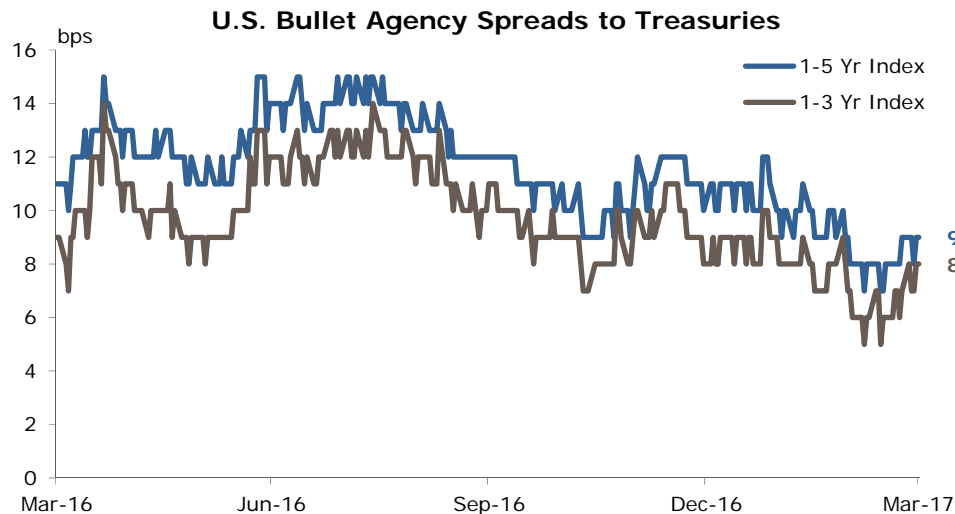
Review & Commentary

- After the Fed rate hike on March 15th, Fed Funds effective and overnight repo rates rose commensurately by 25 bps, while bank funding and LIBOR rates rose to a lesser degree. We expect bank funding rates to move higher in April due to the start of the new fiscal year in Japan and a wave of upcoming CP/CD maturities in Canadian and French banks.
- Tier I CP is yielding 1.00% to 1.20% in 3 month maturities and 1.20% to 1.45% in 6 month maturities.
- Prime fund assets grew by \$19bn to \$395bn while Government fund assets have declined by \$60bn YTD to \$1,473bn.
- Prime fund WAMs were unchanged at 26 days. We expect funds will continue to extend.
- Tier-2 commercial paper issuance was relatively subdued earlier in the month as there was uncertainty around where rates should re-set after the rate hike.

Strategy

- Take advantage of attractive yield levels, particularly ABCP shorter than 6 months.
- Short corporate bonds are more attractive relative to Yankee bank CP in maturities beyond 6 months due to increased liquidity and higher yields.
- We are selectively investing in A-2/P-2-rated issuers with stable short-term credit outlooks and in tenors that offer a sufficient increase in yield over A-1/P-1-rated issuers. A-2/P-2 issuers are skewed toward industrial issuers.
- At the moment, A-2/P-2 issuers do not offer a sufficient yield-pick up to A-1/P-1 issuers in tenors longer than 45 days.

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



Review & Commentary

- SSA yields are very attractive relative to U.S. Treasuries, Agencies and some corporate bonds from domestic industrial issuers. Due to higher benchmark swap rates, SSA spreads over Treasuries can be 30-40 bps.
- U.S. Agency excess returns in March were +1 bp for 1-3 year and 1-5 year maturity indices, respectively.
- Agency yield spreads versus Treasuries were unchanged on the month; bid/ask spreads remain wide.

Recent Sovereign, Supranational and Foreign Agency Trades

Description	Rating	Guarantee	Spread vs. TSY
ONT 1.625% 1/18/19	Aa2/A+	Canadian Provincial	+42
KDB 3% 3/17/19	Aa2/AA-	Implicit - Korea	+72
KBN 1.75% 5/28/19	Aaa/AAA	Implicit - Norway	+37
CPPIB 1.25% 9/20/19	Aaa/AAA	Implicit - Canada	+38
OKB 1.75% 1/24/20	Aa1/AA+	Explicit - Austria	+33
KUNTA 1.5% 3/23/20	Aa1/AA+	Implicit - Finland	+34
SEK 2.375% 3/09/22	Aa1/AA+	Implicit - Sweden	+40

Recent U.S. Agency Trades

Description	Rating	Spread vs. TSY
FNMA 0% 10/09/19	AA-/AA-	+48

*new issue purchases

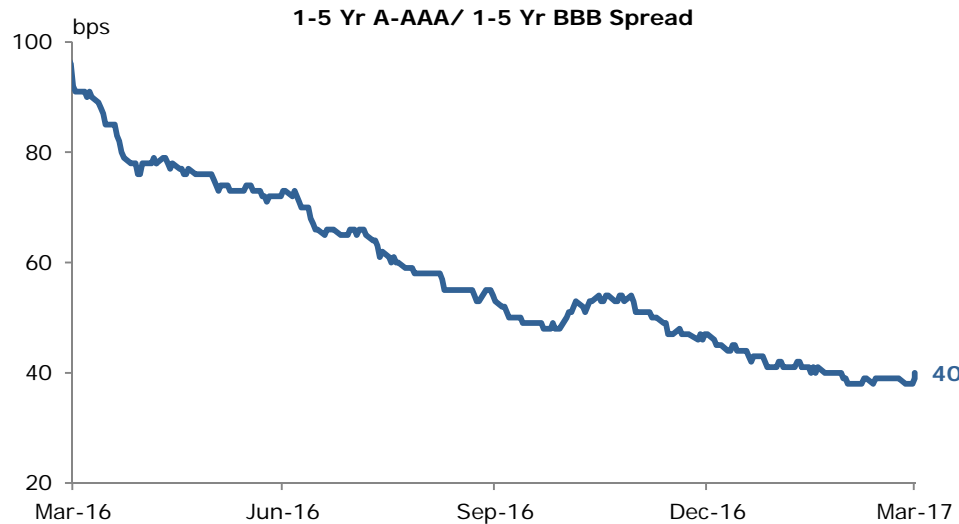
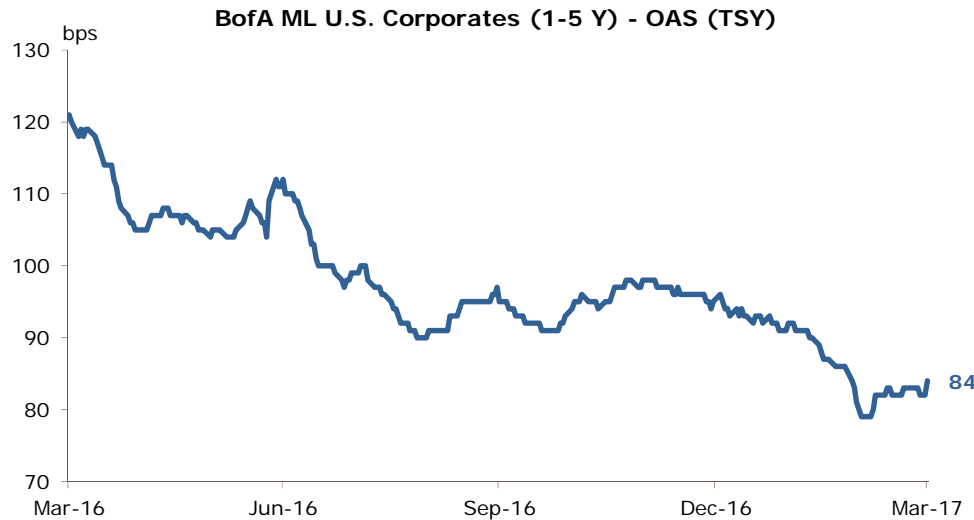
**secondary callable purchase

Source: Factset, BofA Merrill Lynch, Wells Capital Management

Strategy

- U.S. Agency valuations are fair and continue to have wider bid/ask spreads of 2 bps for on-the-run issues, and 6 bps for off-the-run issues.
- U.S. Agencies are most attractive at primary issuance.
- SSAs, as an alternative to Treasuries, Agencies and some industrials are very 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.
- SSAs inside of 1 year are particularly attractive as Treasury and Agency yields remain depressed due to increased demand from money market funds.

Corporates



Source: Factset, BofA Merrill Lynch, Wells Capital Management

Review & Commentary

- Corporate notes performed in-line in March with excess returns of 10 bps and 9 bps in 1-3 year and 1-5 year indices, respectively. YTD excess returns on the indices are +50 and +61 bps. Index spreads were mostly unchanged month-over-month.
- There was significant selling in 1-5 year bonds with a number of foreign investors choosing to lengthen the duration of their portfolio.
- New issue supply has been robust, although we do not expect it to continue. We are currently +12% YTD vs 2016. Supply in 2017 is expected to decline vs. 2016.
- On April 1 the Bloomberg Barclays indices increased the minimum amount outstanding for an issue to be index-eligible from \$250mm to \$300mm. Yield spreads on lower-quality issuers are expected to widen by 5-10 bps.

Strategy

- We do not expect index spreads to tighten meaningfully from here. We are increasingly cautious on low-BBB, high beta issues.
- With LIBOR taking cues from monetary policy, floaters remain attractive.
- Domestic money center banks offer the most value at current spread levels given their strong fundamentals.
- We are buying corporate notes maturing in the first half of 2018 as they are the cheapest on the credit curve.

Mortgage-backed securities

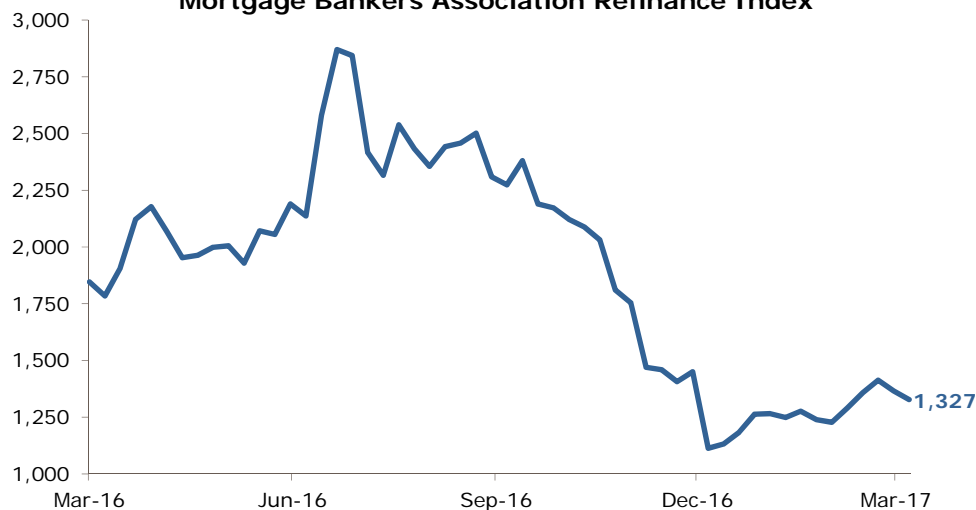
Freddie Mac US 30 Year Mortgage Commitment Rate



Review & Commentary

- Market participants are most concerned about extension risk in light of rising interest rates.
- U.S. banks and the Federal Reserve are the largest buyers of agency mortgages, followed by European and Japanese investors.
- Concerns over a tapering of Fed reinvestment agency pass-throughs in the first half of 2018 are weighing on the sector.

Mortgage Bankers Association Refinance Index

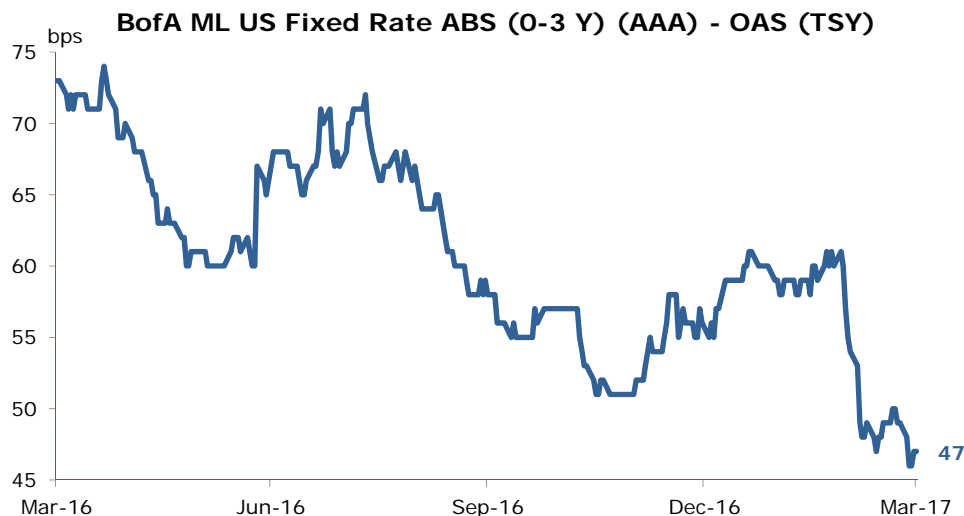


Strategy

- Concerns over extension risk have led us to focus on 15-year sequential CMOs and 10 and 15-year mortgage pass-throughs.
- 10 and 15-year pass-throughs offer greater liquidity than CMOs.
- Agency mortgages look attractive relative to agency debentures.
- Suggested allocation is minimal.

Source: Bloomberg, Wells Capital Management

Asset-backed securities



Review & commentary

- 2017 YTD US ABS issuance stands at \$57bn vs. \$41bn last year. Credit card issuance is up \$13bn vs. last year, explaining the YoY increase. New issue concessions, which had been double-digits in 2016, are currently ~5bps. Demand remains robust.
- ABS investors are bullish on the sector due to strong inflows, higher front-end rates and rising swap spreads. Despite tight yield spreads, few investors are concerned with fundamentals and do not expect spreads to widen.
- Domestic bank credit cards and on-the-run prime auto loans trade at even spreads. The relationship had been a 10 basis point differential with credit cards trading through auto loans.
- Secondary markets are active and liquidity is excellent.

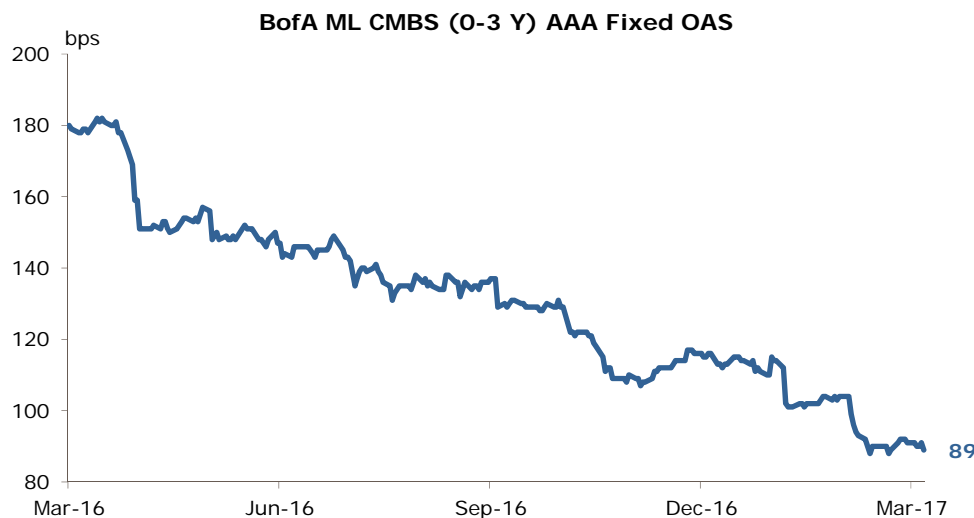
2016-2017 U.S. Issuance by Sector			
Sector	2017 YTD Issuance ⁽¹⁾ (\$mm)	2016 YTD Issuance (\$mm)	FY 2016 Issuance (\$mm)
Auto	27,555	26,197	95,074
Credit Card	15,892	2,375	34,616
Equipment	3,081	2,894	10,701
Student Loans	3,218	1,316	13,329
Esoteric	7,099	7,732	44,035
Total	56,845	40,515	197,755

Source: Factset, BofA Merrill Lynch, MUFG

Strategy

- Prime auto lease deals are the most attractive subsector in consumer ABS picking 15 bps to prime auto loan deals. Residual risk is manageable, especially with the structural protections.
- Canadian, UK and US bank credit card issuers offer good value versus on-the-run prime auto loan issues.
- Select subprime issuers provide an incremental yield pick-up for the additional risk. Most deals offer plenty of credit support and structural enhancements for protection against losses.
- The primary market offers better relative value based on wider spreads compared to the secondary market.

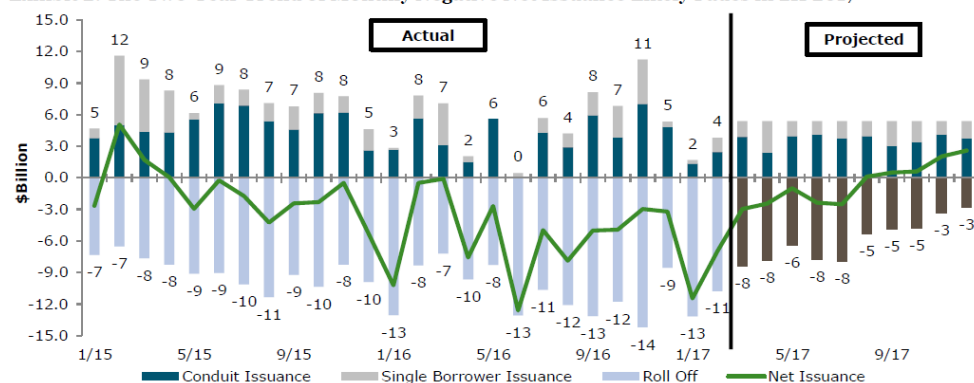
Commercial mortgage-backed securities



Review & commentary

- Low new issue volume and high roll-off have both helped support CMBS spreads. Looking ahead, that support will begin to fade in August as net issuance should increase as maturities lessen. New issue volumes are not expected to pick-up.
- Fundamentals are performing in-line with expectations. Policy risks affecting trade, travel and the dollar can play in commercial real estate fundamentals. Hotels may be the direct point of impact to an adverse development.

Exhibit 2: The Two-Year Trend of Monthly Negative Net Issuance Likely Fades in 2H 2017



Source: Intex Solutions, Inc., Trepp, LLC, and Wells Fargo Securities.

Strategy

- 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 is extremely low. Despite steady supply in longer tenor maturities, shorter tenor tranches are very small and have been issued at tight levels.
- We are not buying legacy (pre-crisis) CMBS super senior tranches given their very short average lives and negative exposure to fast prepayment speeds. Bonds remain priced to optimistic scenarios.

Source: Factset, BofA Merrill Lynch, Wells Fargo Securities

Municipals

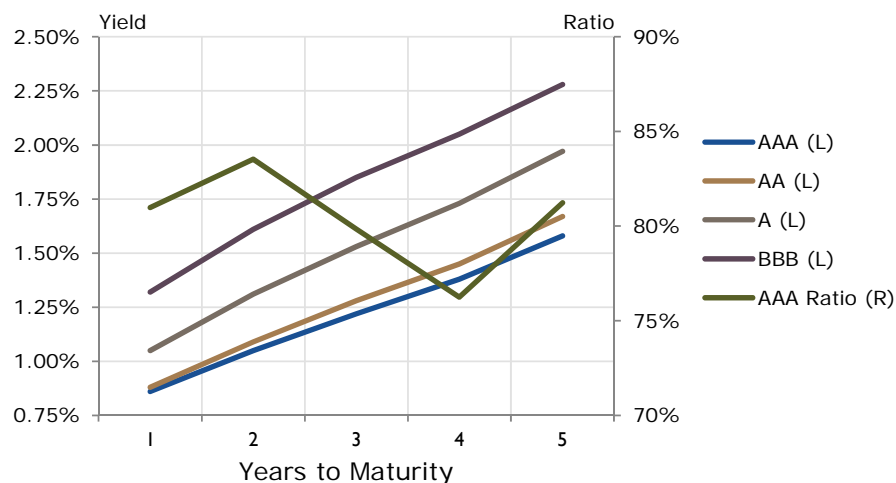
BofA ML Municipals (1-3 Y) - YTW



Review & commentary

- Current yields are supported by much lower supply, relatively attractive valuations and light dealer positions.
- Technicals typically weaken during the spring and recent fund flows have been volatile.
- Municipals have performed well, in part, due to investors not expecting tax legislation to be passed this year.
- Rising pension and other post-employment benefit (OPEB) liabilities continue to pressure budgets, especially for those municipalities that are poorly funded.
- New Jersey General Obligation debt was downgraded at Moody's to A3. The state GOs are currently rated A3/A-.

Municipal/Treasury Ratios



Source: Factset, BofA Merrill Lynch, MMD, Wells Capital Management

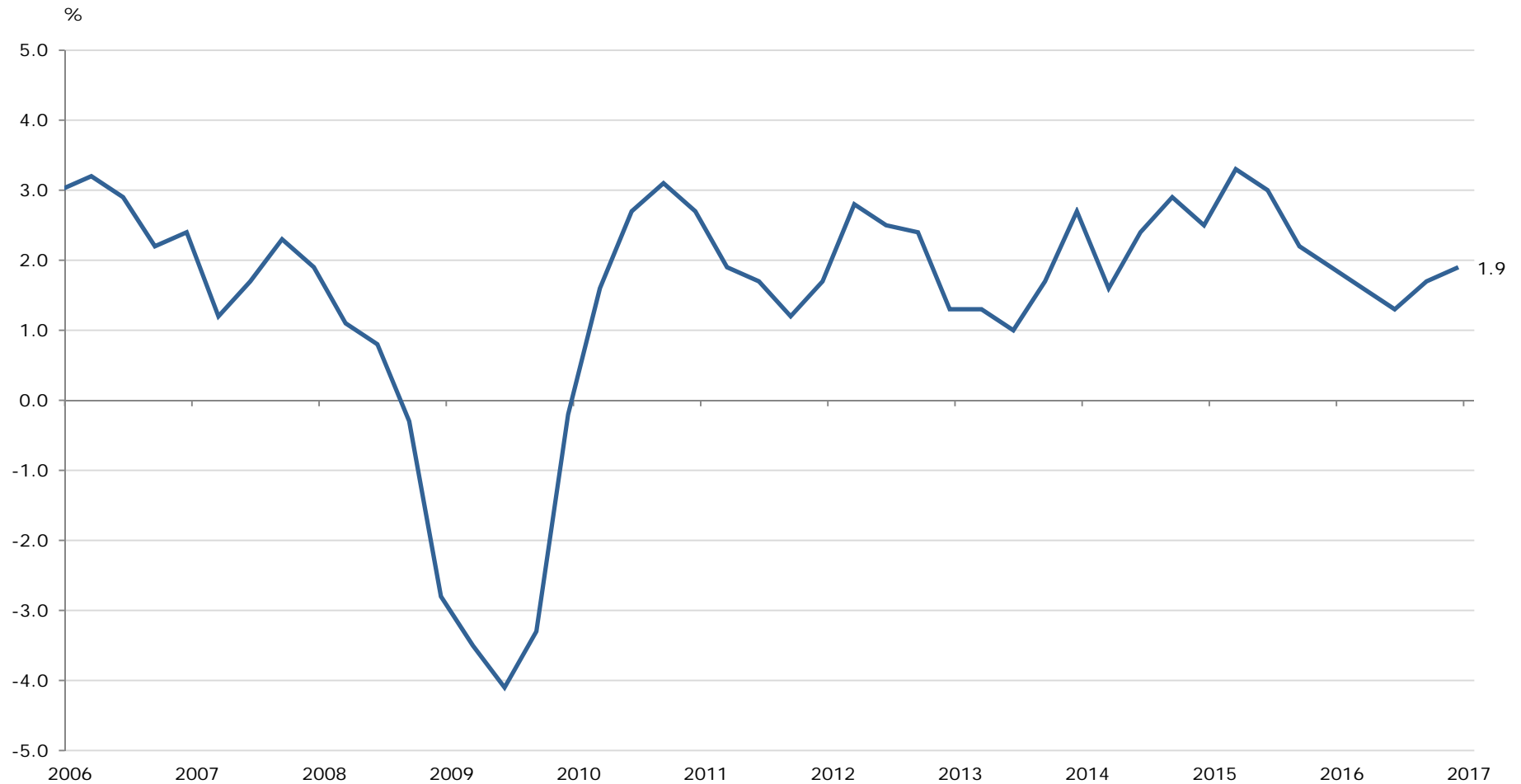
Strategy

- The weaker seasonal period of April – May should offer opportunities to position tax-exempt bonds at attractive levels.
- We see the most value in essential service revenue, infrastructure and dedicated tax bonds that are mostly insulated from pension and OPEB issues.
- Pre-refunded bonds are attractive at current spreads and provide strong liquidity.
- Bonds subject to the AMT are attractive and spreads could tighten substantially if the proposal to eliminate the tax is passed.
- Credit ratings of select general obligation bonds of state and local governments which are facing increased liabilities due to pension and other post-employment benefits will remain under pressure. We are being cautious on new purchases in the sector.

Economic overview

U.S. GDP: growth rate %YoY

Another year of near 2% growth



Source: Bloomberg, Wells Capital Management. GDP CYOY Index – GDPUS Chain YoY, quarterly | Last: 12/31/2016, 1.9

Unemployment rate (U-3)

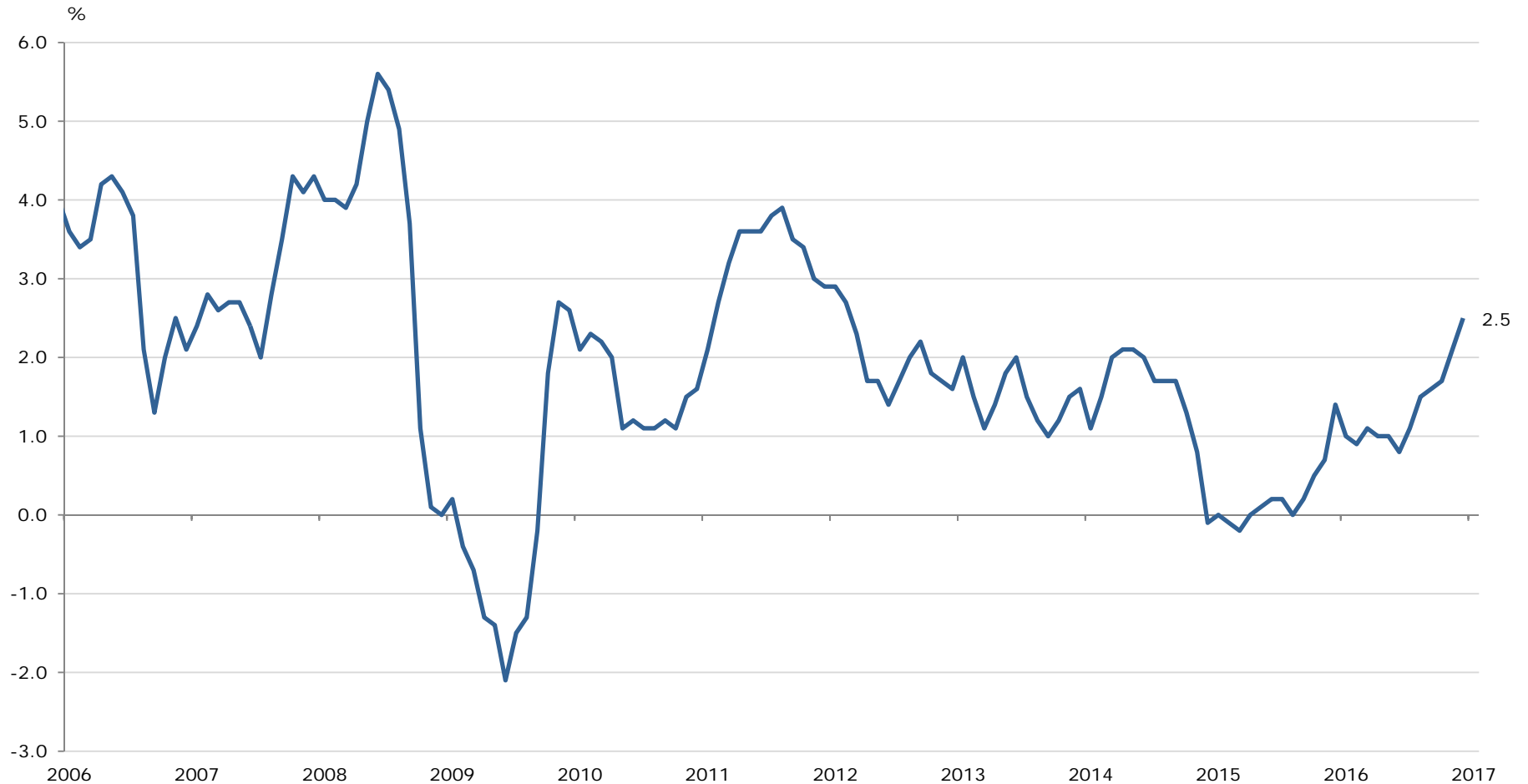
Still grinding lower



Source: Bloomberg, Wells Capital Management. USURTOT Index – U.S. Unemployment Rate Total S.A., monthly | Last: 02/28/2017, 4.7

CPI %YoY

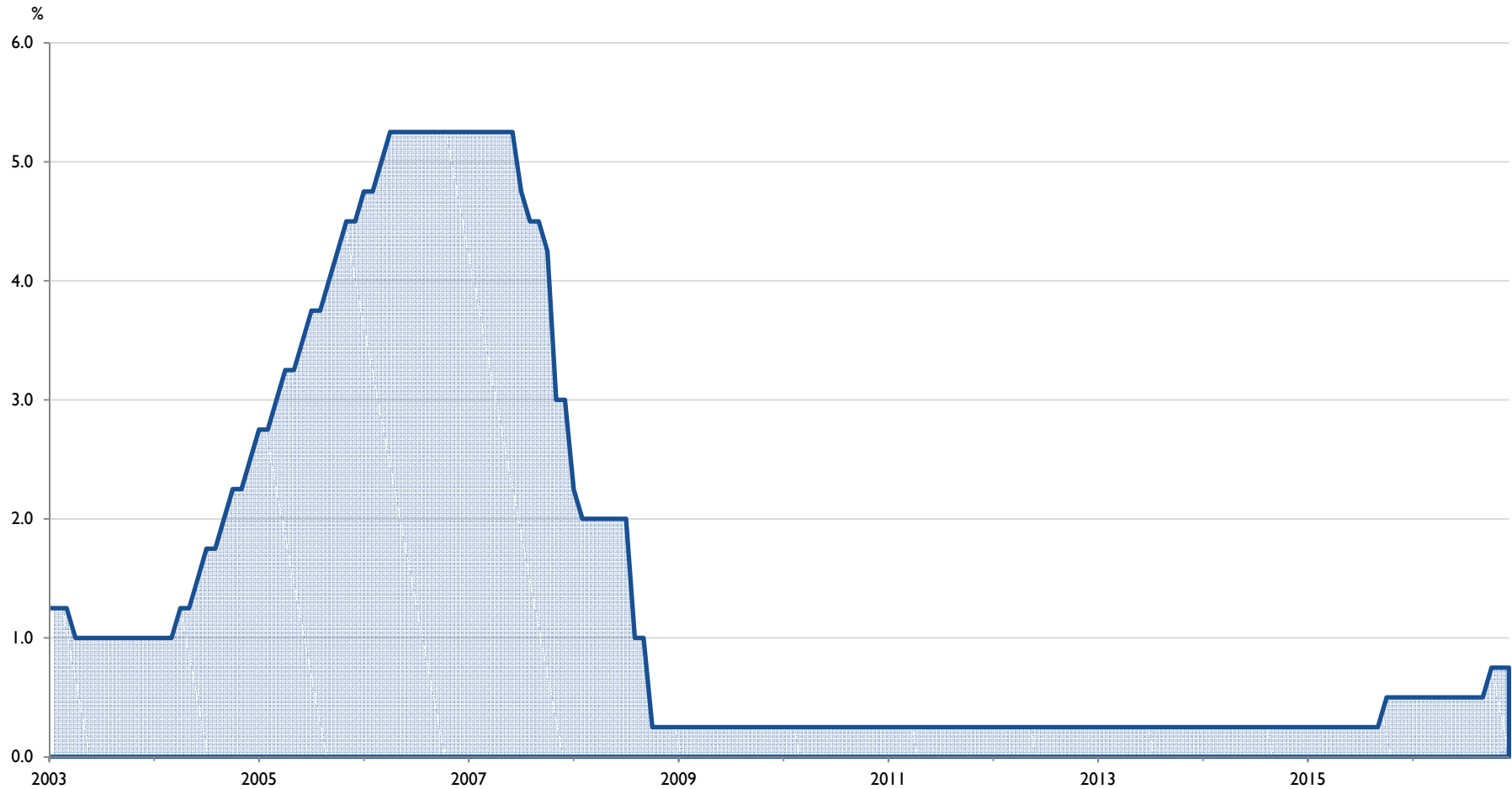
Energy price recovery boosting headline inflation



Source: Bloomberg, Wells Capital Management. CPI YoY Index – CPI – All Items YoY N.S.A., monthly | Last: 01/31/2017, 2.5

Federal funds target rate

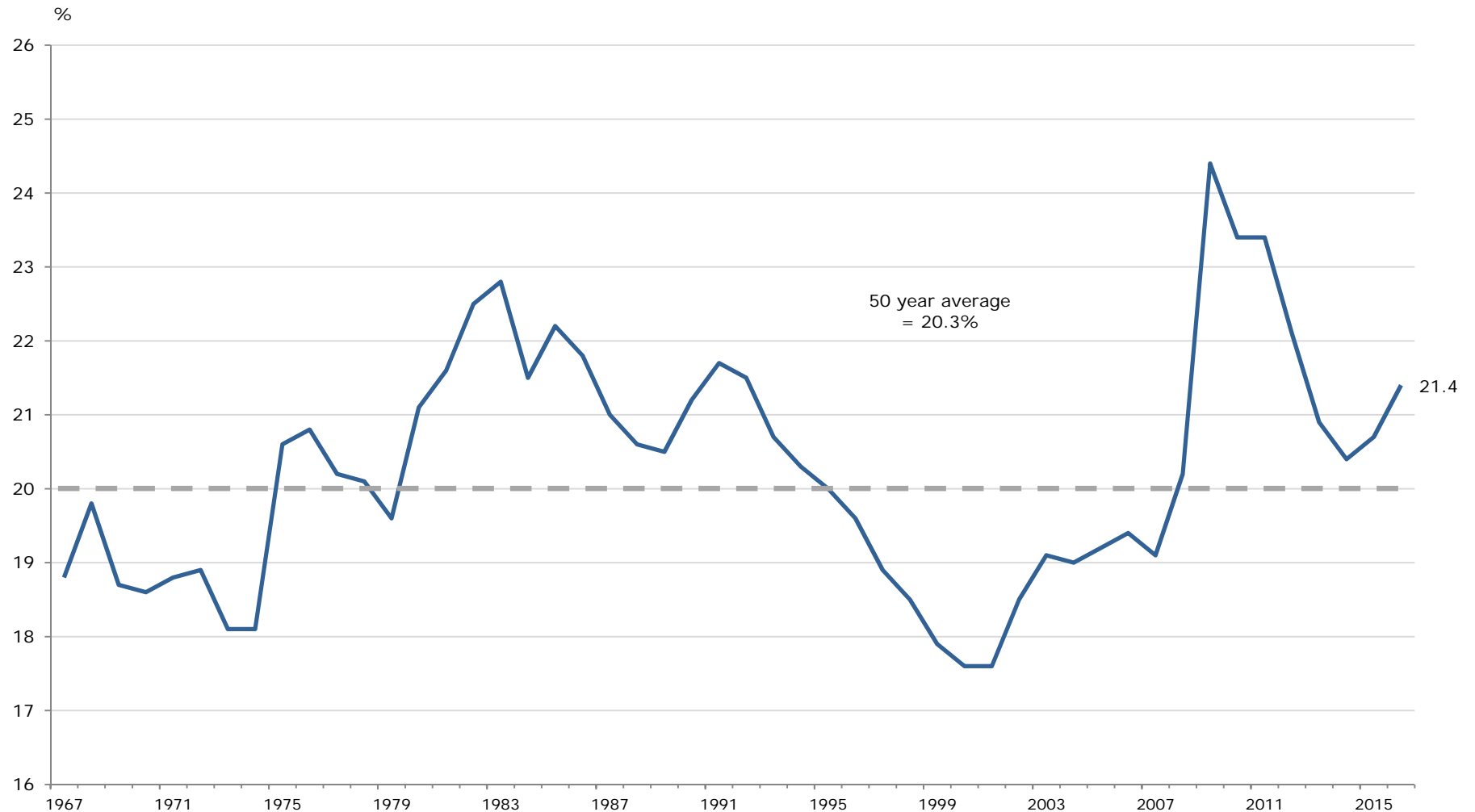
Two rate hikes in this cycle so far



Source: Bloomberg, Wells Capital Management. FDTR Index – Federal Funds Target Rate U.S. monthly | Last: 02/28/2017, 0.75

U.S. federal expenditure as a % of GDP

Federal spending rising again as share of GDP



Source: Bloomberg, Wells Capital Management

Global data cross section

	GDP YoY	Core CPI YoY	Unemployment	IP YoY
Eurozone	1.7%	0.9%	9.6%	2.0%
USA	1.9%	2.3%	4.7%	0.0%
China	6.7%	0.8%*	4.0%	6.0%
Japan	1.6%	0.1%	3.0%	3.2%
UK	2.0%	1.6%	4.8%	3.2%
Brazil	-2.5%	4.8%*	12.6%	1.4%

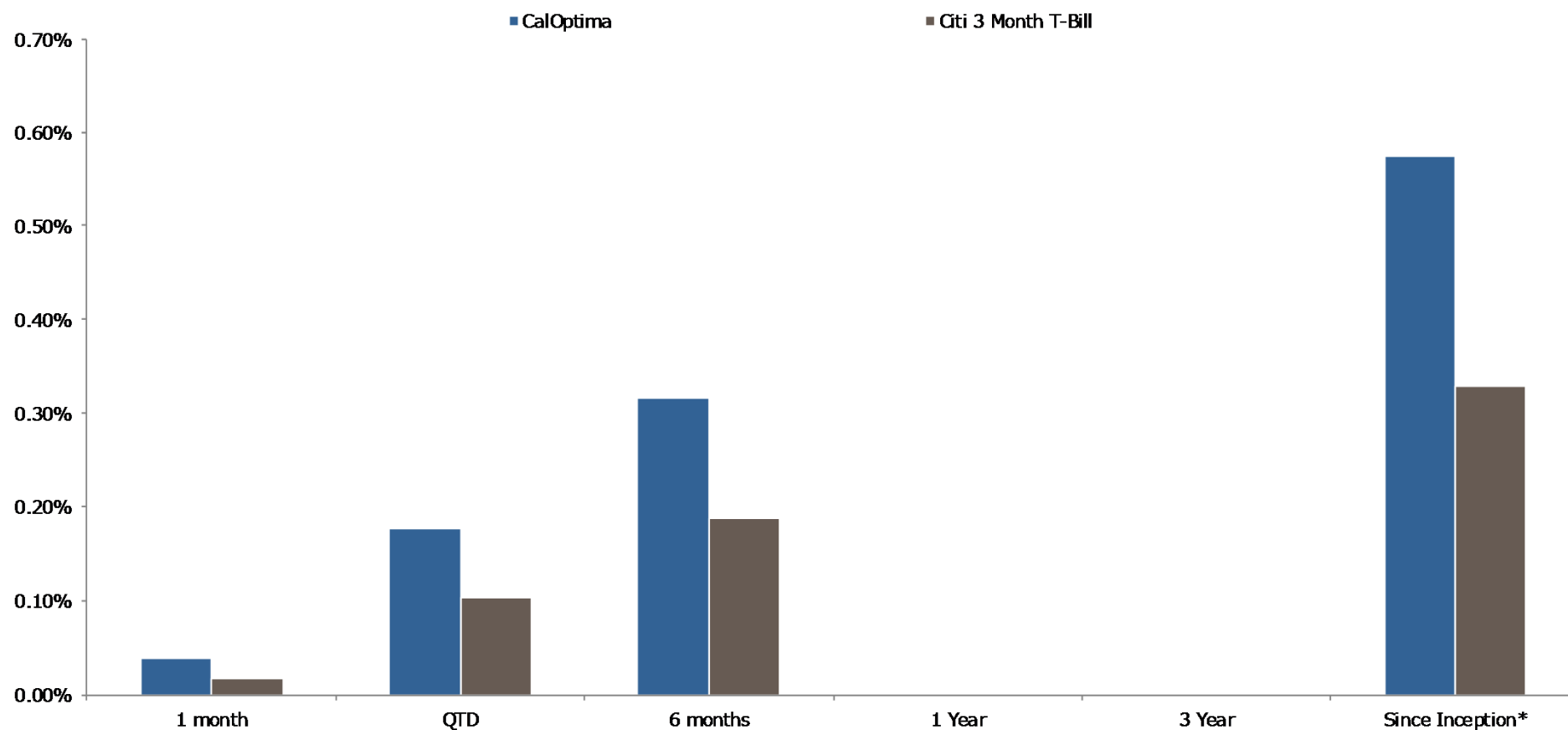
Source: Bloomberg, Wells Capital Management. *Headline CPI

CalOptima

Performance summary

	1 month	QTD	6 months	1 Year	3 Year	Since Inception*
CalOptima	0.04%	0.18%	0.32%	-	-	0.58%
Citi 3 Month T-Bill	0.02%	0.10%	0.19%	-	-	0.33%

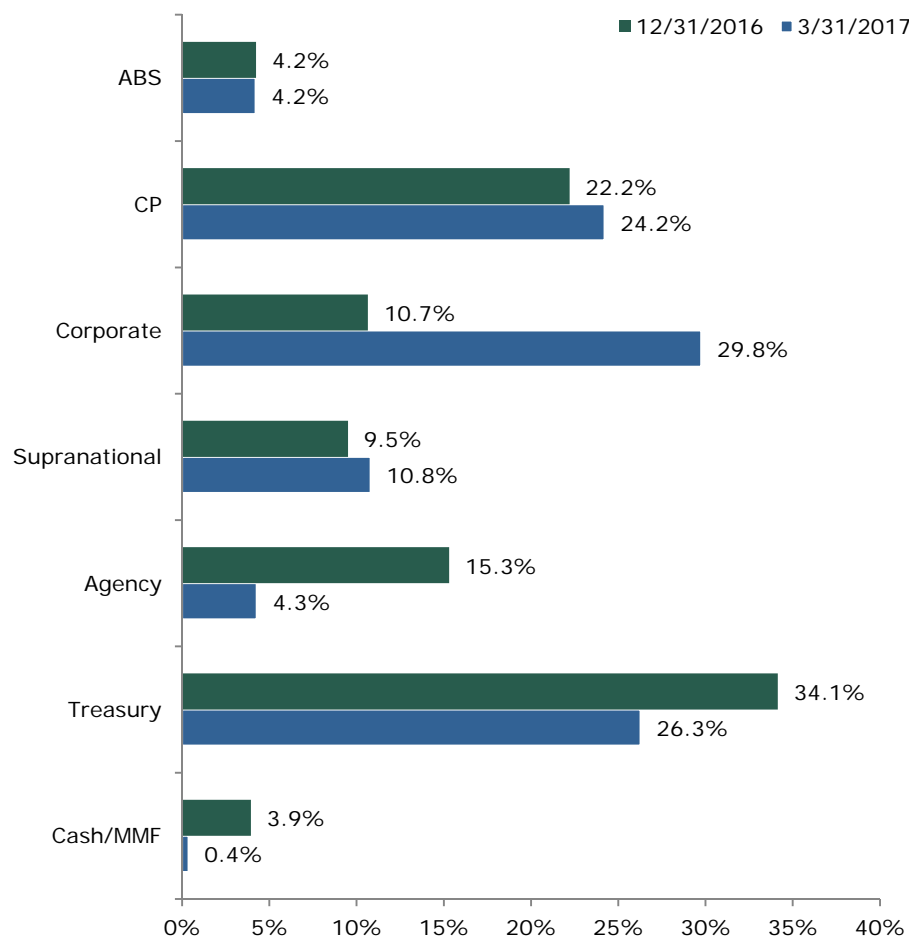
Returns are presented gross of management fees. Returns for periods greater than one year are annualized.



*Inception Date is May 3, 2016

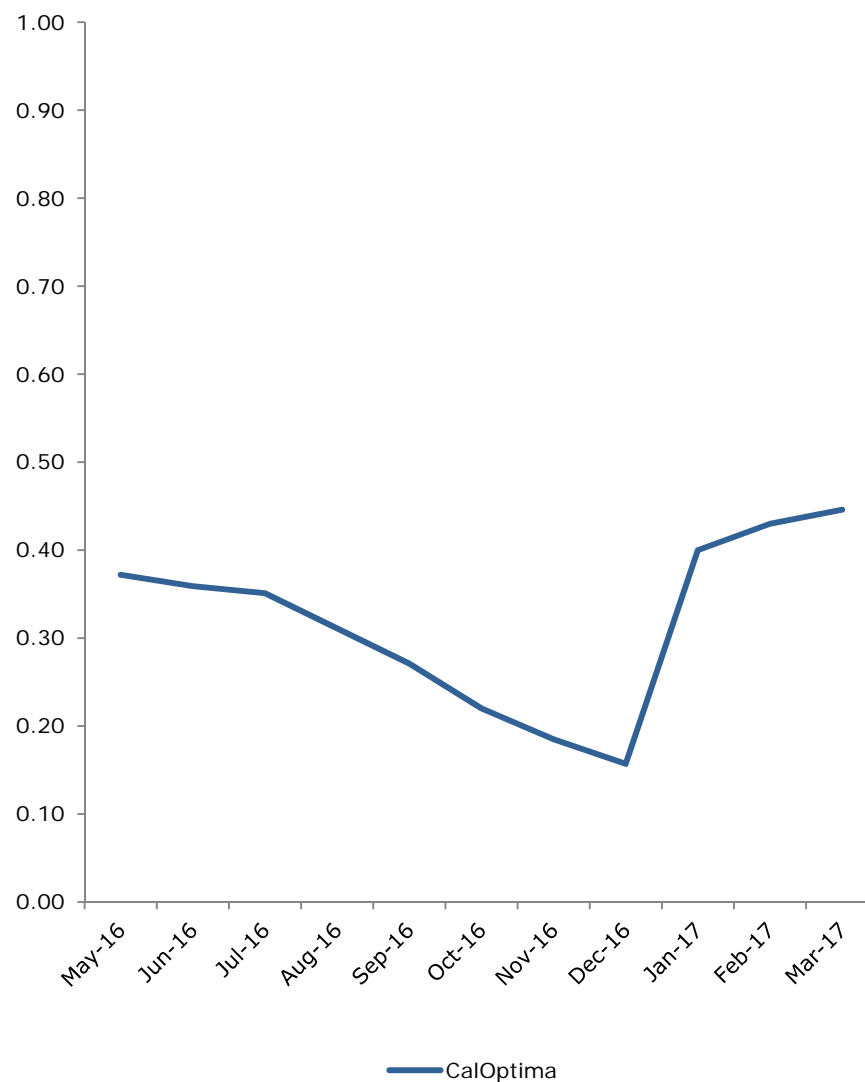
Portfolio changes

Allocation over time



	3/31/2017	12/31/2016	Change
Market Value	\$582,961,652	\$601,695,718	-\$18,734,066

Duration



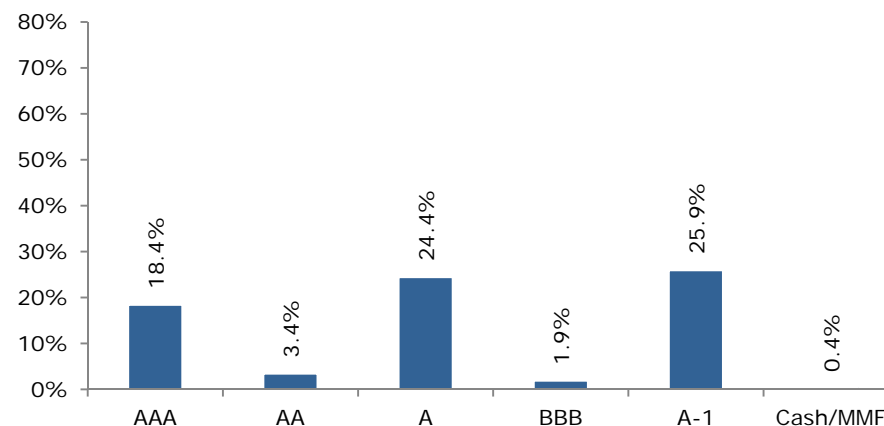
Portfolio summary

As of March 31, 2017

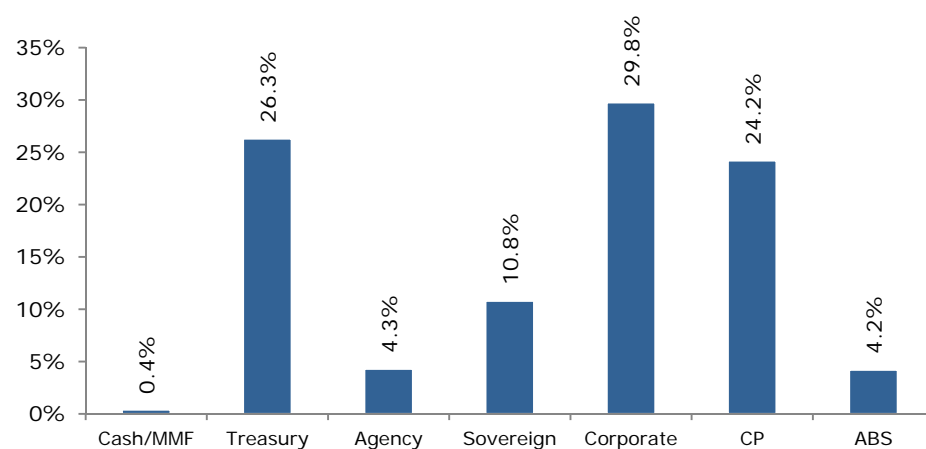
Characteristics

Name	CalOptima
Market Value (\$)	582,961,652
Average Effective Maturity (yrs)	0.49
Duration	0.45
Purchase Yield (%)	1.06
Current Market Yield (%)	1.15
Average Quality	AA

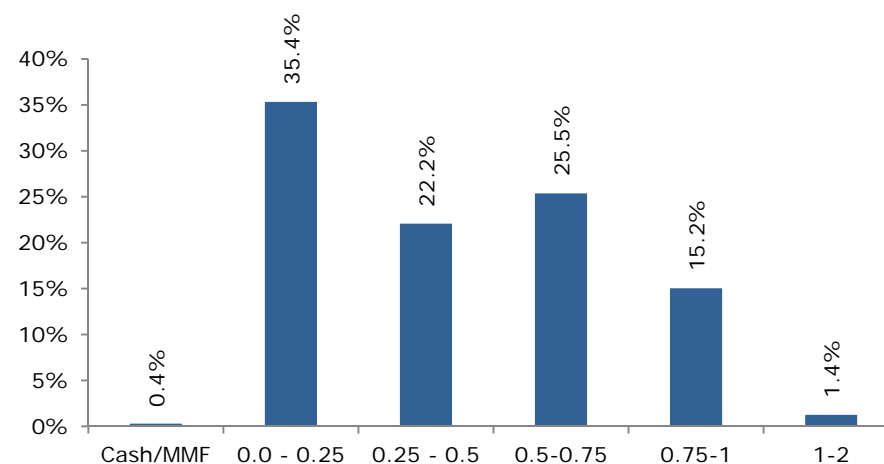
Credit quality



Security type



Duration

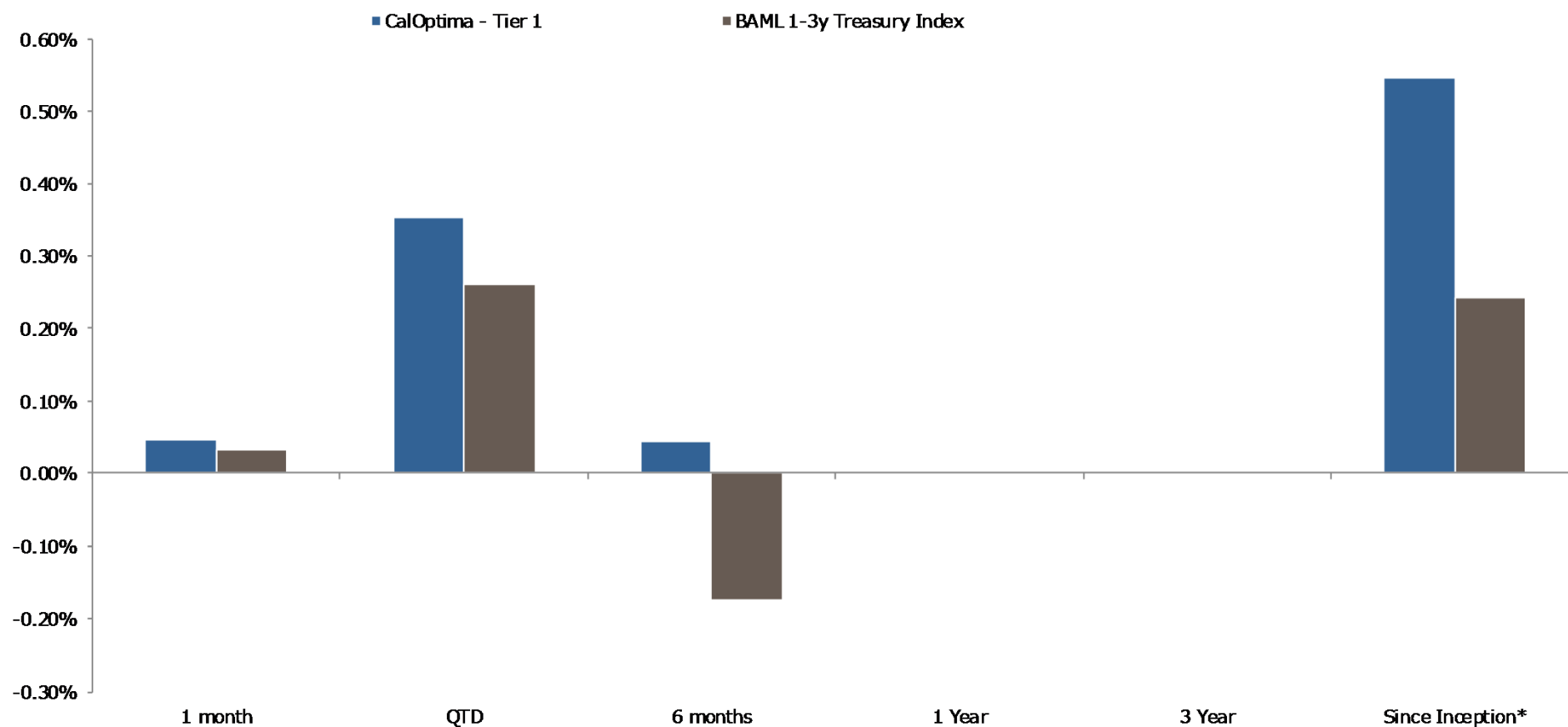


CalOptima – Tier 1

Performance summary

	1 month	QTD	6 months	1 Year	3 Year	Since Inception*
CalOptima - Tier 1	0.05%	0.35%	0.04%	-	-	0.55%
BAML 1-3y Treasury Index	0.03%	0.26%	-0.18%	-	-	0.24%

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



*Inception Date is May 3, 2016

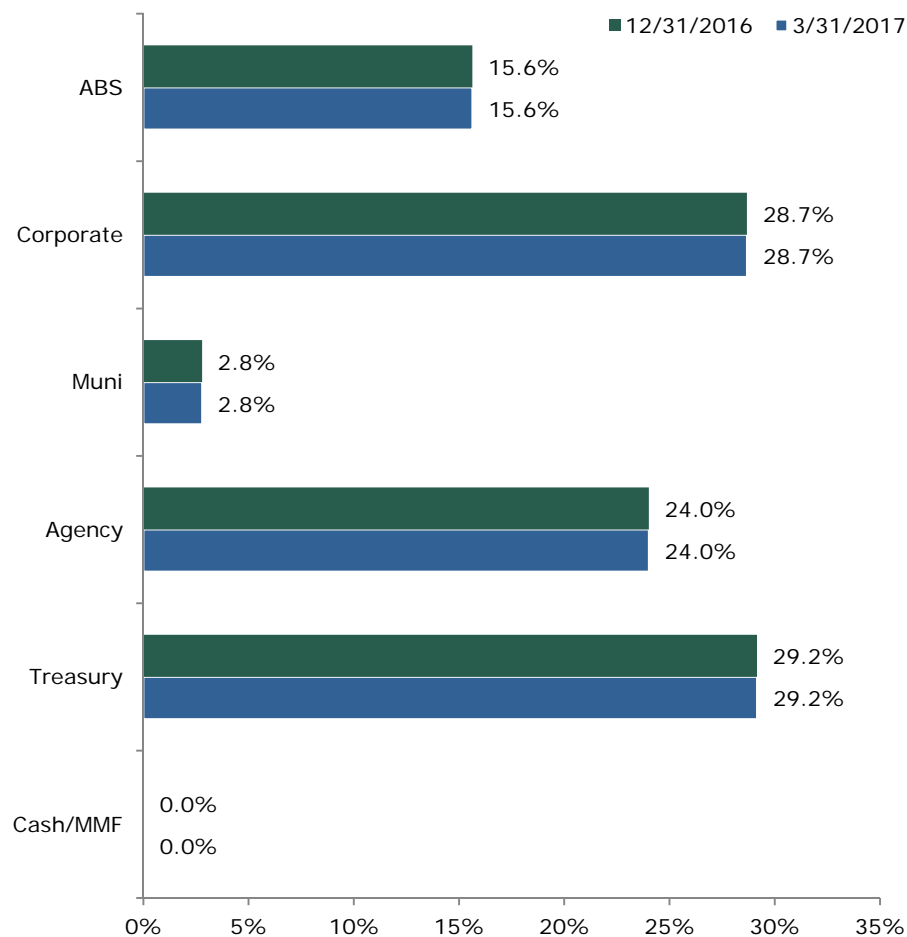
Performance attribution

(In basis points)	1Q 2017	6 Month	Since Inception*
Duration	-2	2	-1
Curve			
Sector Selection			
Agency	0	1	3
Corporate			
Financial	6	9	7
Industrial	2	3	9
Utilities			
MBS			
CMBS			
ABS	2	3	6
Municipal	0	0	0
Error factor	1	4	5
Total Contribution	9	22	29
((Strategy)) Return	35	4	61
((Benchmark)) Return	26	-18	32

* from 6/1/2016

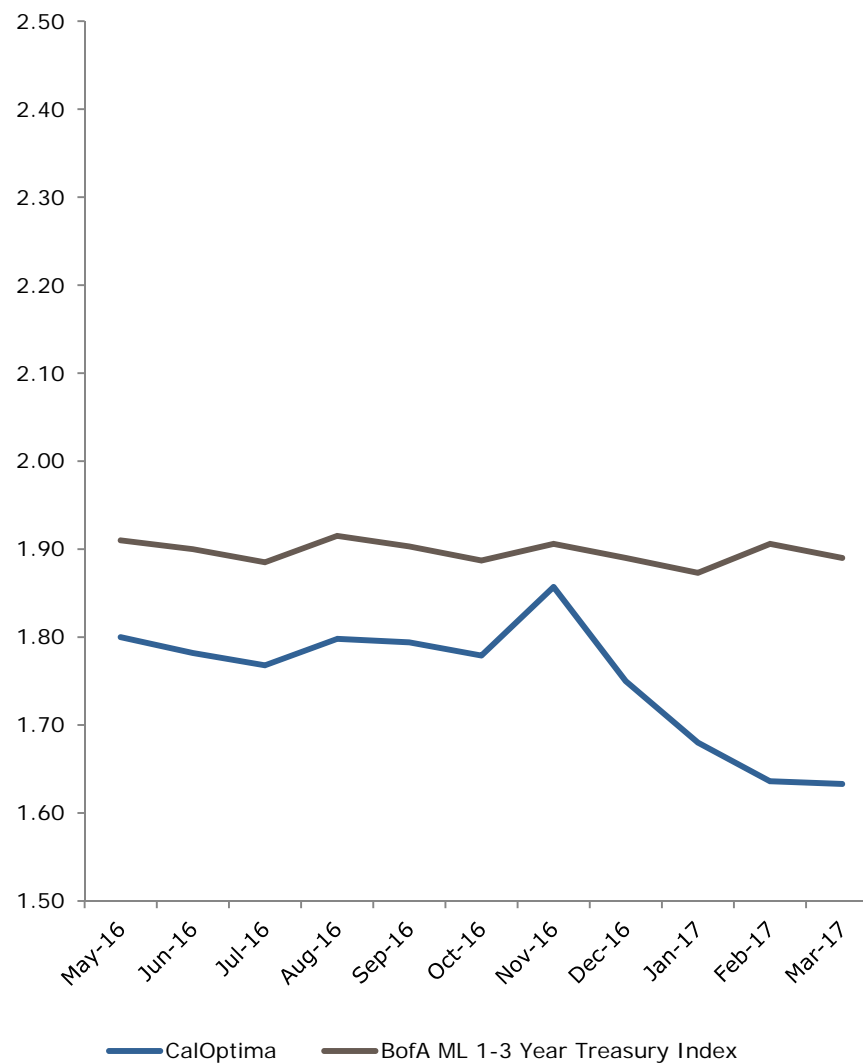
Portfolio changes

Allocation over time



	3/31/2017	12/31/2016	Change
Market Value	\$145,463,504	\$144,950,870	\$512,634

Duration



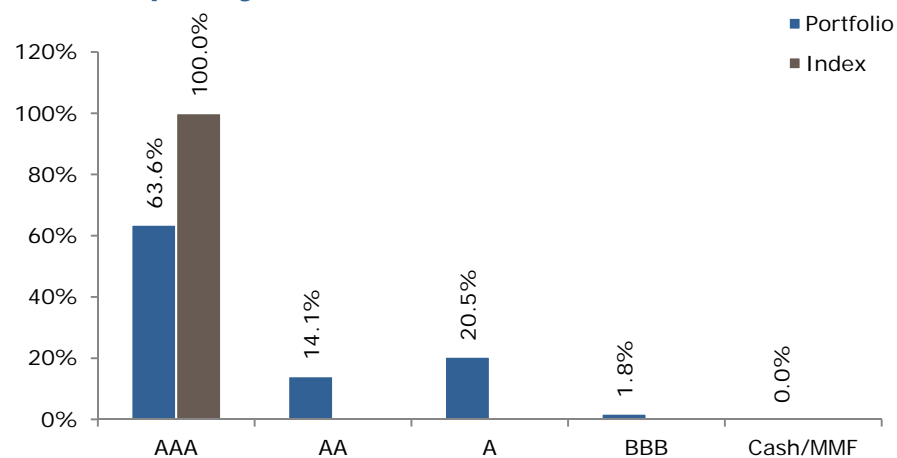
Index comparison

March 31, 2017

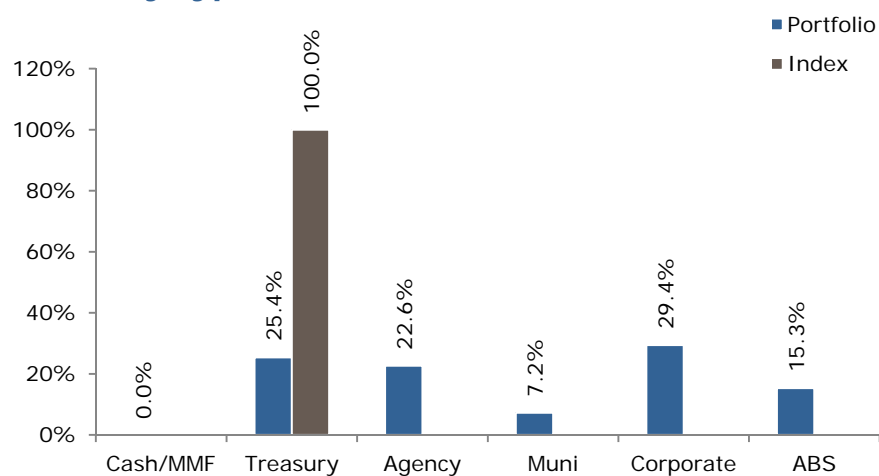
Characteristics

Name	CalOptima – Tier 1	Index*
Market Value (\$)	145,463,504	---
Average Effective Maturity (yrs)	1.67	1.94
Duration	1.63	1.89
Purchase Yield (%)	1.26	---
Current Market Yield (%)	1.49	1.27
Average Quality	AA+	AAA
*BofA ML 1-3 Year Treasury Index		

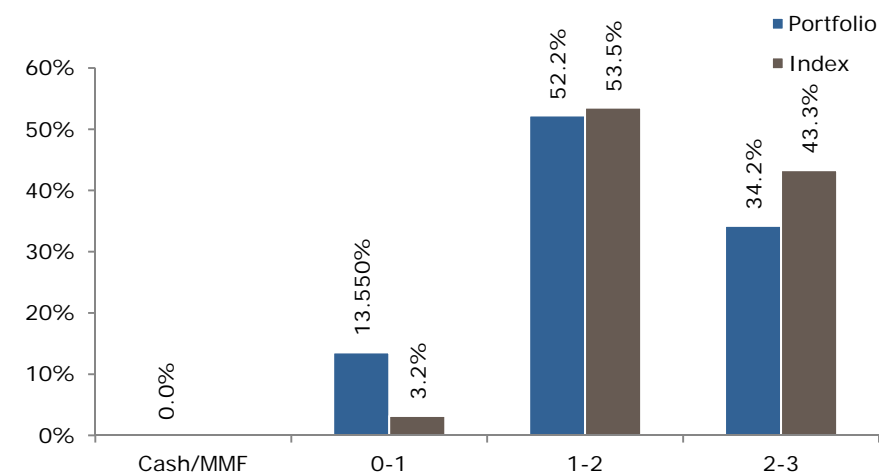
Credit quality



Security type



Duration





LOS ANGELES | BOSTON | LONDON | PARIS

CalOptima Investment Advisory Committee Meeting

April 24, 2017

Asha B. Joshi, CFA
Managing Principal

(213) 830-4247
ajoshi@payden.com

Darren T. Marco
Vice President

(213) 830-4643
dmarco@payden.com

Firm Update



Overview

Assets under management: \$113.0 billion as of 3/31/17.

Independence

- Payden & Rygel remains 100% owned by 21 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

180 Employees worldwide.

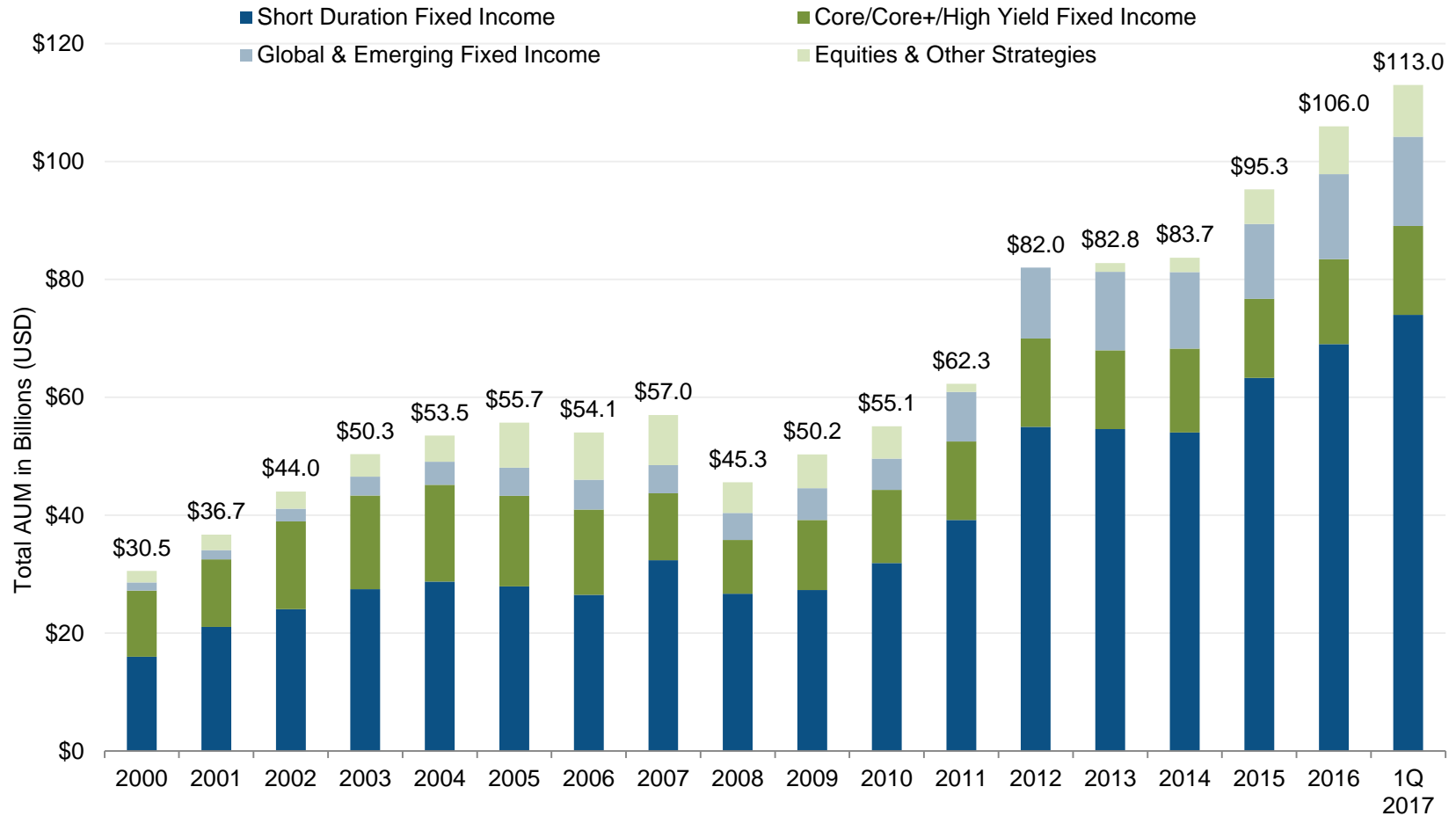
Locations

- Los Angeles – Headquarters: 152 people
- Boston – Client Portfolio Management: 8 people
- London – Client Portfolio Management, research and trading: 20 people

Financial Stability

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

Payden & Rygel Assets Under Management Trends



Source: Payden & Rygel as of 3/31/2017.



Contents

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Market Update and Portfolio Review

II

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I

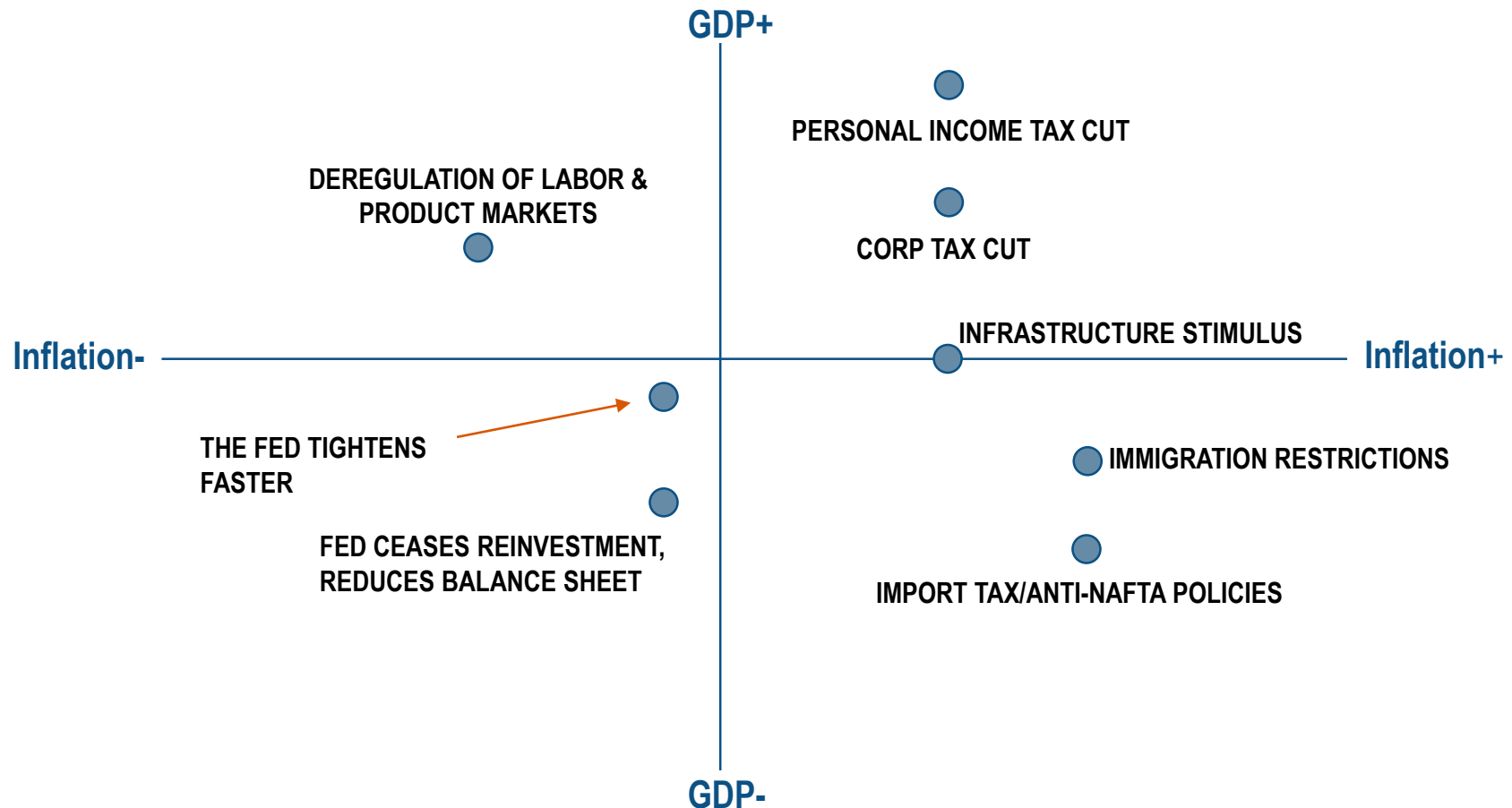
Market Update and Portfolio Review

Economic Policy: The Good, The Bad, The Ugly



Financial markets responded positively to the election of Donald Trump. Stocks, government bond yields and the US dollar have all risen since November. Why? In general, investors think that the new administration's policy tilt will be pro-growth and pro-business. Our take: it depends on the actual timing, size, composition and magnitude of policy changes enacted. Some policies (e.g., anti-trade policies) would be negative for the economic growth outlook. Others, such as deregulation and income tax cuts, would be a boost to activity. Still others, such as infrastructure spending, may boost inflation but not have as much as the desired impact on GDP growth since the economy is already near full capacity.

Policies Plotted According to Their Estimated Effect on Inflation and GDP



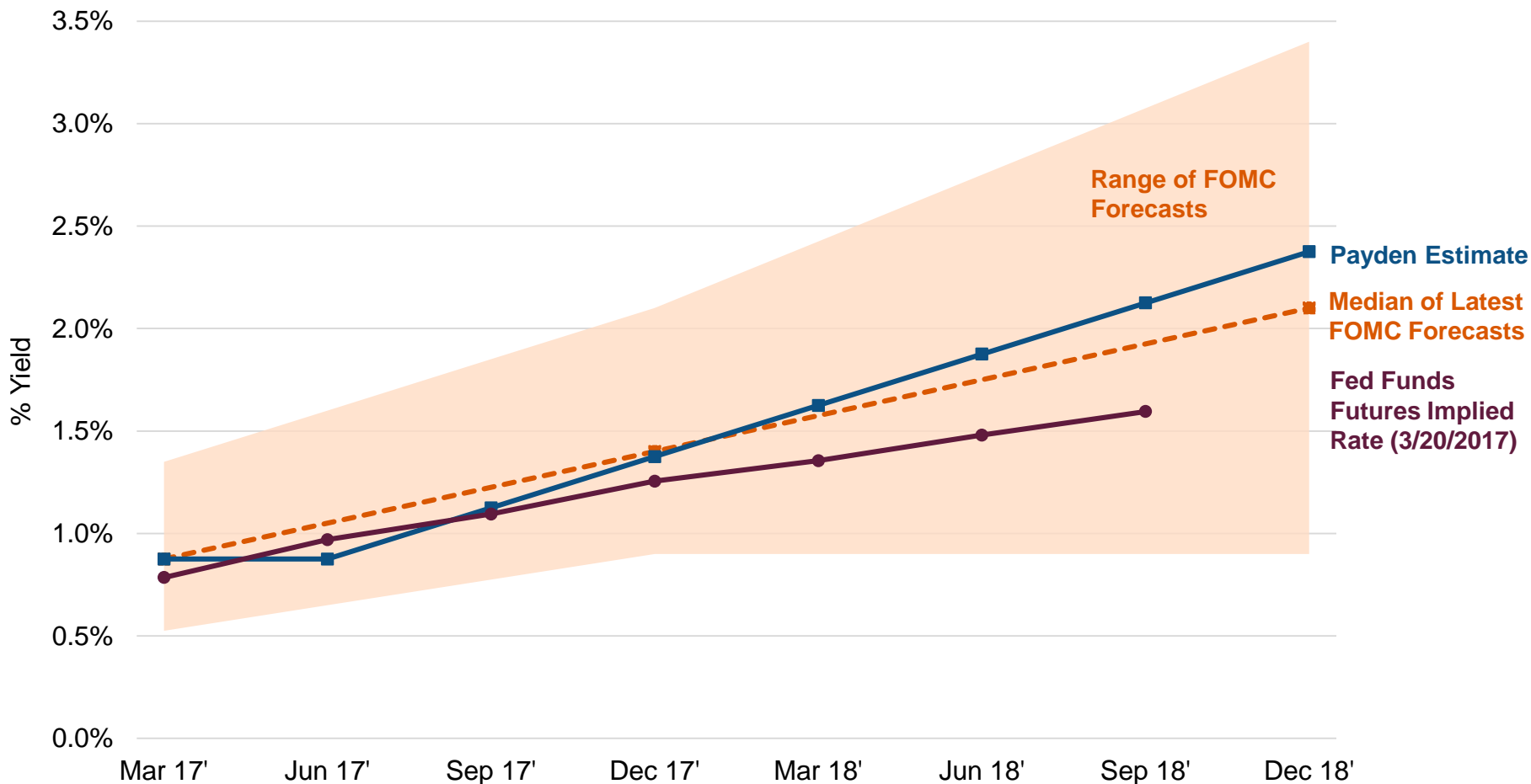
Source: Payden Economics

The FOMC “Dots” Point to 3 Rate Hikes in 2017. We See 3-4 Hikes During the Year.



One of the questions we hear most is “how many times will the Fed hike rates in 2017?” Our best answer: not even the Fed knows the answer to that question. It depends. The infamous “dot plot,” from which we created the chart below, indicates that the median FOMC member sees 3 rate hikes in 2017. As of late, the Fed has changed their rhetoric and seems more comfortable with hiking. Thus, even though the data haven’t changed much, we foresee 3-4 rate hikes this year.

Path of Federal Funds Rate Under Various Scenarios



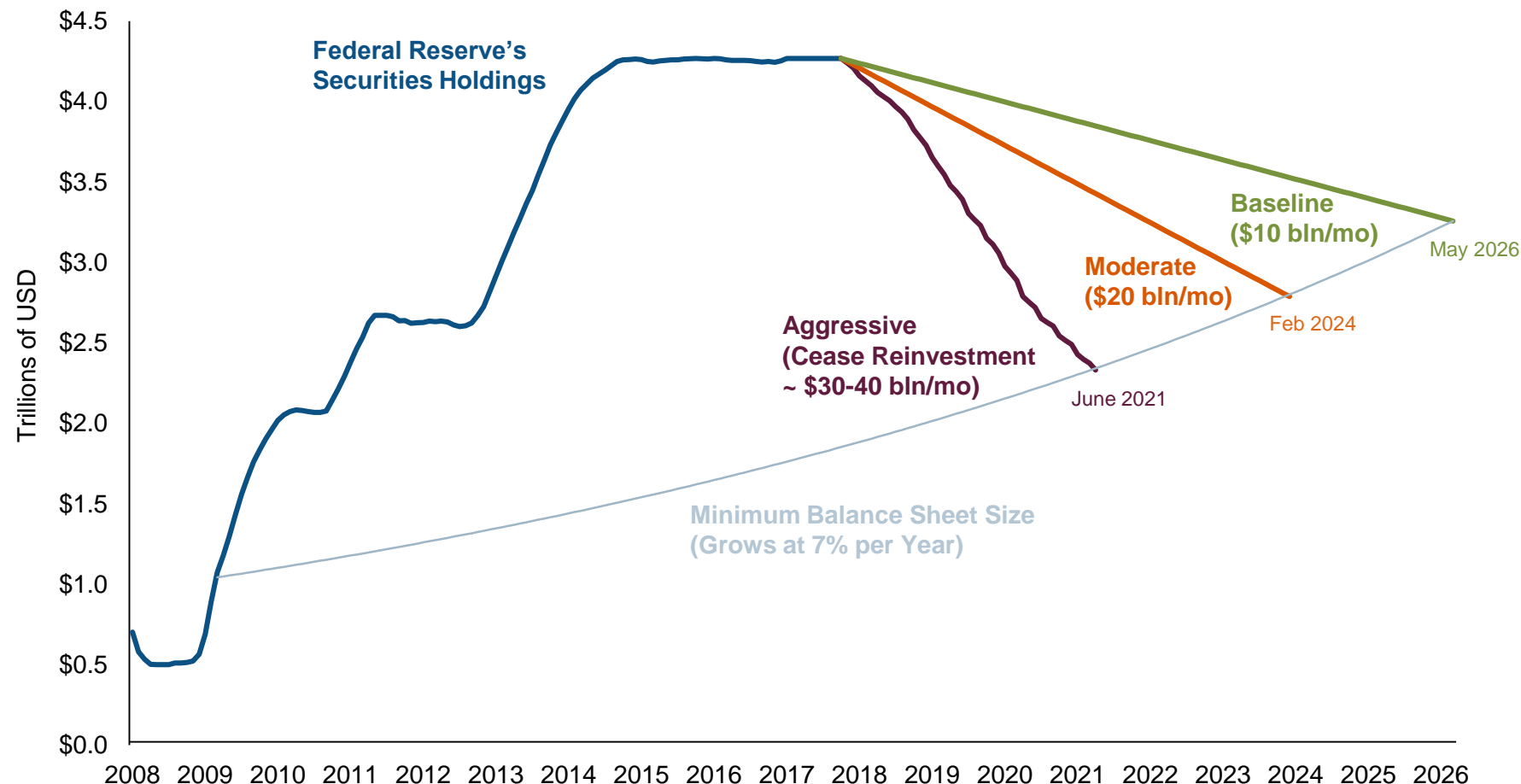
Source: FOMC, Bloomberg, Payden Estimates

And We Don't Expect the Fed's Balance Sheet To Return to "Normal" For Awhile. Even an Aggressive Path of Balance Sheet Diminution Would Take 3.5 Years To Complete



The minutes of the Federal Reserve's March FOMC meeting indicated that the Committee expected the balance sheet to begin shrinking in a "passive and predictable manner", starting sometime in late-2017. Below we envision three scenarios for the Fed's balance sheet run-off: an aggressive path, a moderate path, and our baseline path. No matter which path the Fed chooses, the minimum size of the balance sheet (a function of the Fed's currency liability) will grow overtime.

Path of the Federal Reserve's Balance Sheet Under Various Scenarios

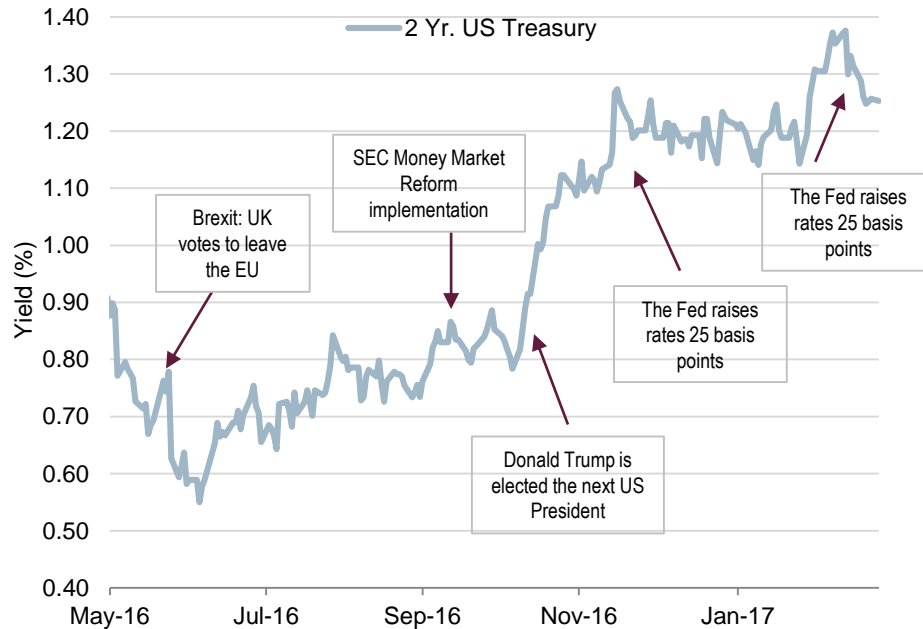


Source: Federal Reserve, Payden Economics

Low Duration Themes: Higher Rates, Money Market Reform, and Political Change

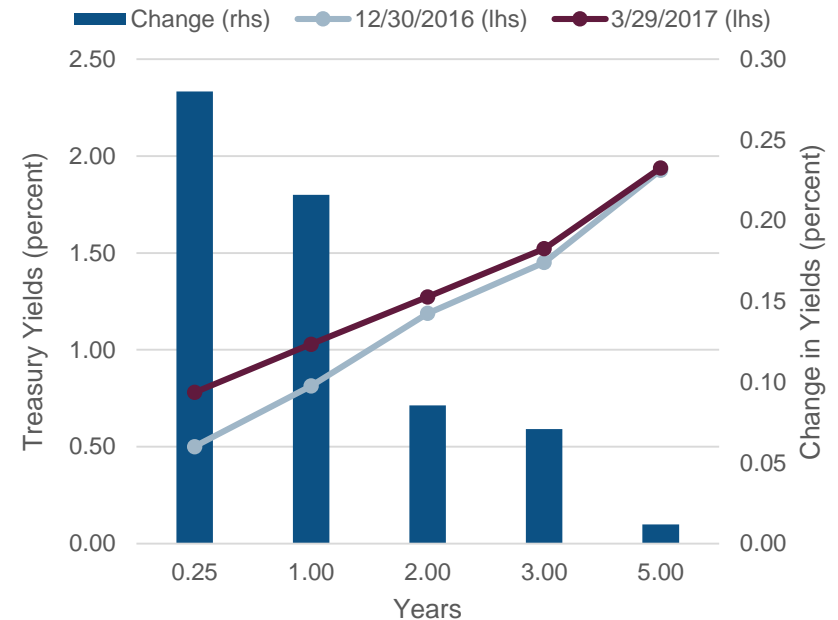


US Two-Year Treasury Yield Has More Than Doubled Since Lows



Source: Bloomberg.

The Immediate Front-End Moved the Most in the Recent Quarter



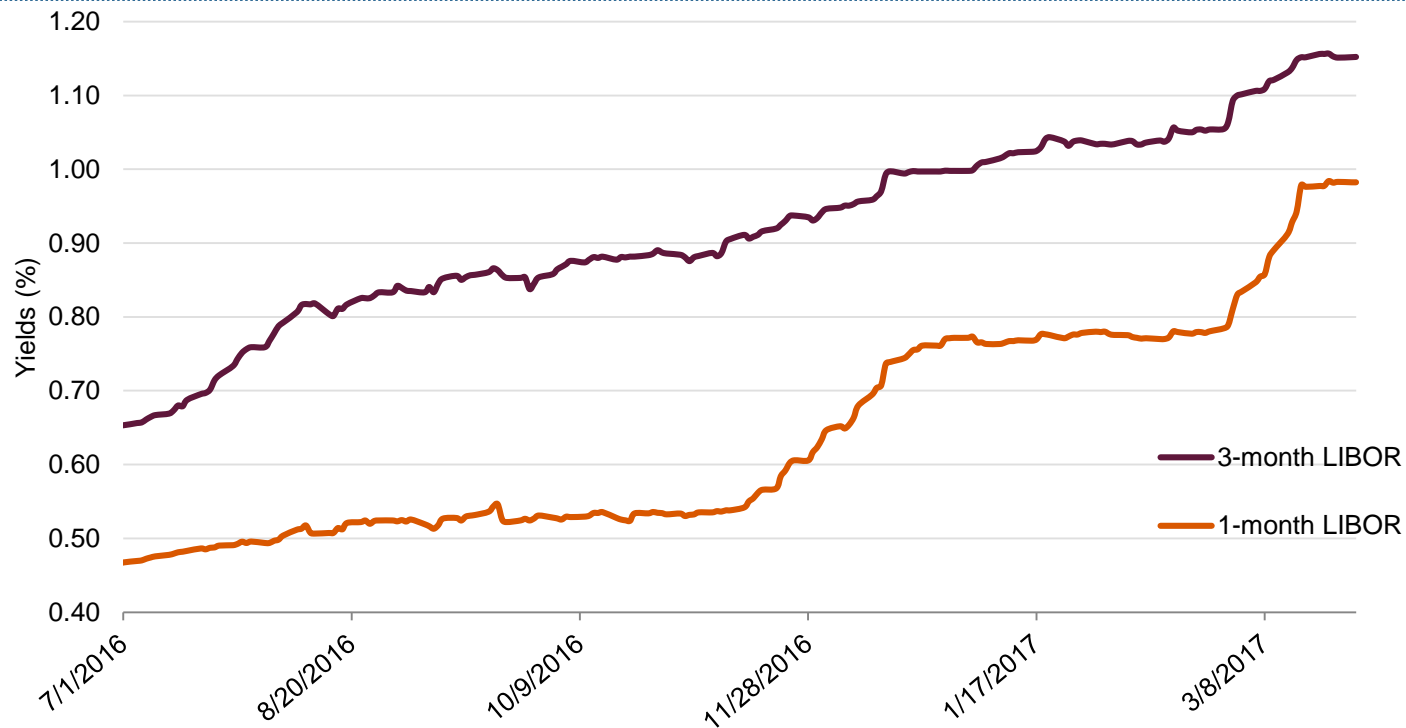
Source: Bloomberg.

- Rates continue on their upward trajectory following a surprising US Presidential Election and an active Fed
- After the March rate hike, interest rates moved lower following a dovish interpretation of the move (e.g. no change in the Fed's future forecast of the number of hikes)
- Overall, maturities less than 1 year moved the most in the 3 months ending March 31, 2017
- ~2 additional hikes remain priced in for the remainder of 2017 with June probabilities above 50%

LIBOR of Love



Both 1-month and 3-month LIBOR absolute levels continue to drift higher



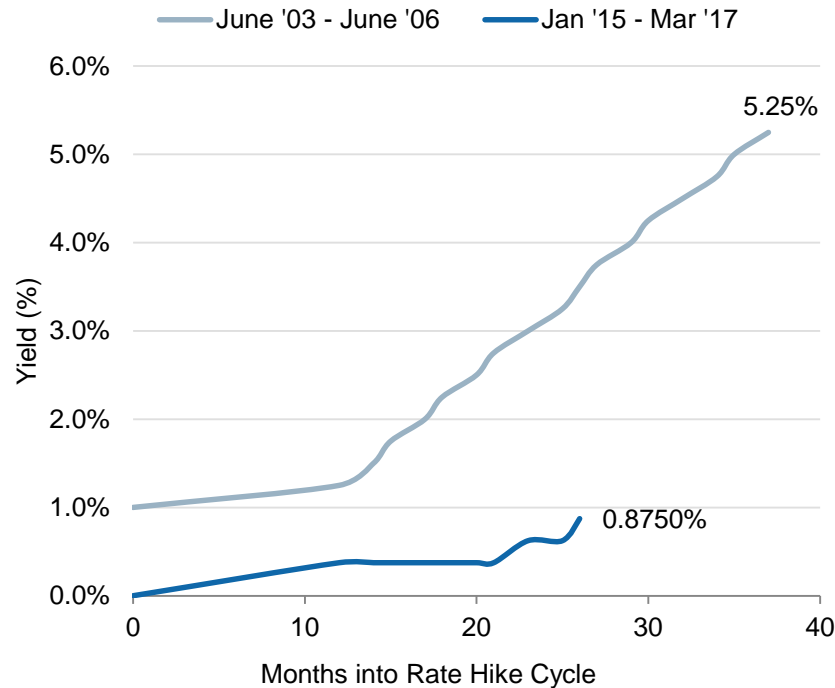
Source: Bloomberg.

- 3-month & 1-month LIBOR continued to remain elevated and reset higher at a faster pace ahead of the March FOMC rate hike
- 25% of the Operating Fund portfolio is in corporate FRNs, agency debentures, and asset-backed securities with coupons indexed to 3-month and 1-month LIBOR, all of which benefit from the indexes resetting to higher absolute levels

Is This Time Different? Looking at Two Different Hiking Cycles



Fed Monetary Policy Rate Hike Cycles



BofA Merrill Lynch US Treasury Index Total Returns

June '03 - June '06	Cumulative Return (%)	Annual Return (%)	Annualized Volatility (%)
3m T-bill	7.41	2.35	0.38
2 Yr. US Treasury	3.85	1.23	1.46
5 Yr. US Treasury	(0.24)	(0.08)	4.58
January '15 - March '17	Cumulative Return (%)	Annual Return (%)	Annualized Volatility (%)
3m T-bill	0.48	0.21	0.06
2 Yr. US Treasury	1.32	0.58	0.80
5 Yr. US Treasury	2.35	1.04	3.35

- Shorter duration securities significantly outperformed longer duration securities during the last hiking cycle
- Volatility as expected increases the further out the curve you go
- Short duration strategies with tactical long duration positions may be an optimal strategy during this normalization cycle not only because the market has had constantly changing expectations for future hikes but so has the Fed

Source: Bank of America Merrill Lynch Indices (G001,GA02 & GA05)

Carry & Rolldown Are Key to Fixed Income Analysis



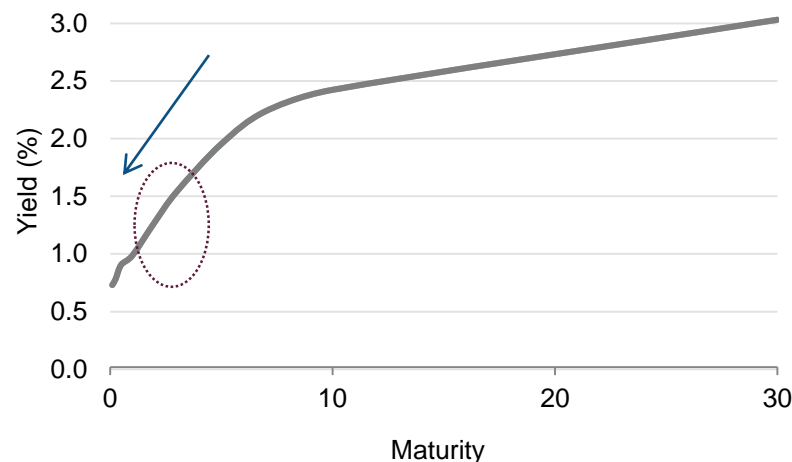
Treasury Curve Income Return (Carry) & Price (Rolldown) to 2017 Year End¹

Maturity (Yrs.)	Spot Yield	Income Return (Carry)	Rolldown - Price Return	Total Return	Return vs. Cash ²	Breakeven vs. Cash
2	1.27	0.95	0.17	1.12	0.38	0.31
3	1.51	1.14	0.45	1.58	0.84	0.39
4	1.79	1.34	0.59	1.93	1.19	0.39
5	1.94	1.46	0.45	1.91	1.17	0.29

¹ 3 calendar quarters assumed from March 29, 2017

² Cash estimate determined from T-bill curve adjusted for horizon; 0.74% assumed
 Rolldown assumes no change in curve. All figures other than maturity in percent.

Rolldown is Best Where the Curve is Steep



What are carry and rolldown?

- Carry is the portion of the expected return attributed to the net income earned.
- Rolldown is the portion of the expected return that is attributed to the capital gain/loss of a bond position if the yield curve remains unchanged and the bond simply ages.
- Together they represent the potential total return of a bond in an unchanged yield environment over a specified time period.

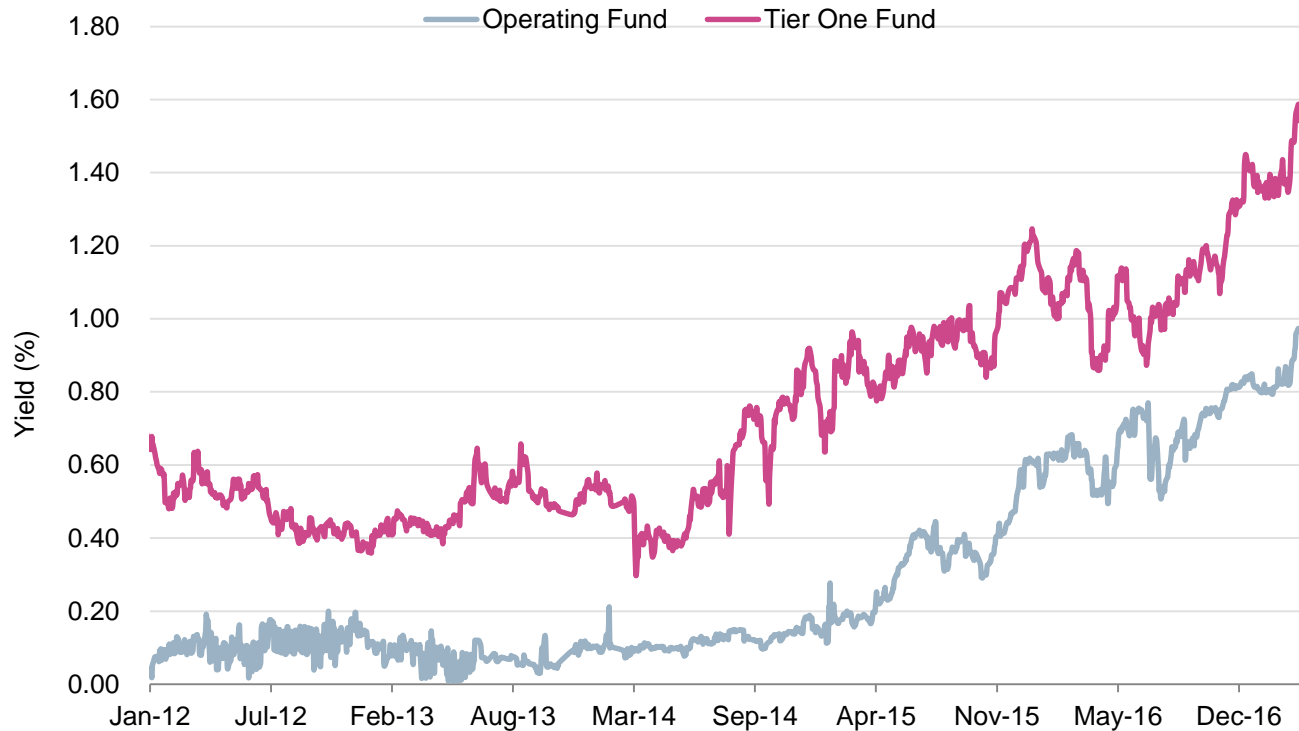
Why do they matter?

- Carry and rolldown allow us to compare various bonds with different tenors and coupons to determine relative attractiveness.
- When the yield curve steepens, roll increases and typically makes a specific point in the curve more attractive.
- The higher the carry, the more income you will earn over the life of the bond.
- The higher the carry and roll, the more cushion against rising rates.
- When investing using a total return framework, we look to maximize carry plus rolldown return.

CalOptima Portfolio Yields on the Rise



Yield to Maturity (YTM) for both the Operating and Tier One Fund Has Risen Above 1%

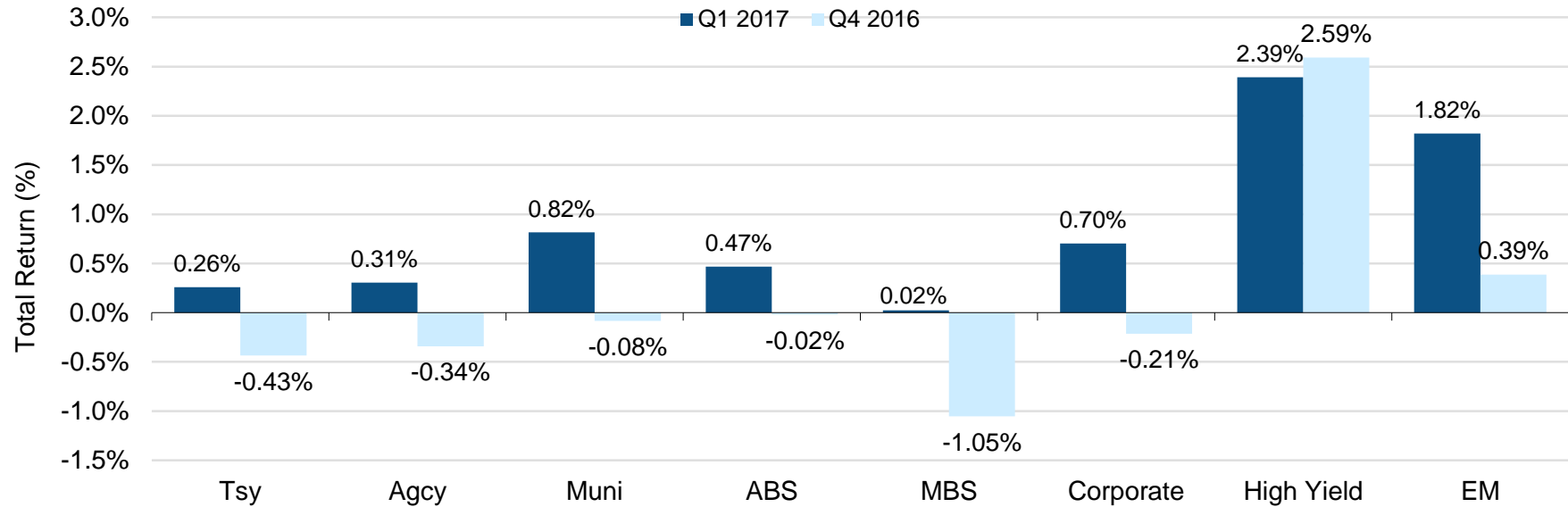


Interest rates finally appear to be on a steady rise, affected by an active Fed trying to normalize its unprecedented monetary stimulus of the recent past and possible inflationary fiscal stimulus from a Republican-controlled White House and Congress. The move higher in rates has begun to benefit both portfolios managed in the enhanced cash and low duration 1-3 Year fixed income space. While volatile, short-term spikes to higher rates can be detrimental to fixed income portfolio performance, a steady climb can lead to higher interest income and more opportunistic reinvestment options benefiting bond portfolios.

US Bond Market Returns - 1st Quarter 2017



Sector Total Returns: 1-3 Year Maturity



Source: BofA Merrill Lynch Indices and JP Morgan Indices (EM Only)

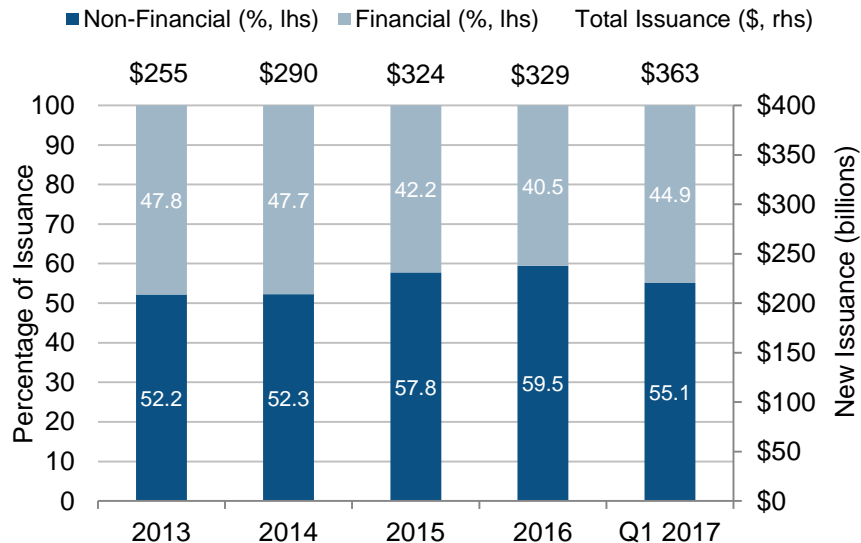
- Returns were positive to start 2017 across all sectors in the front-end of the curve (1-3 year tenors)
- Even in the wake of rising interest rates, sectors highly correlated to interest rate movements (i.e. Treasuries, agencies, and MBS) posted positive returns as higher coupons provided incremental interest income to offset adverse price movements
- ABS and Corporate credit continued to perform well following an active start to the new issue calendar
- The performance of asset classes not utilized by CalOptima, High Yield and EM, are represented to show the “risk-on” appetite for investors in the past quarter

Corporate Credit Investment Grade New Issuance - Q1 2017



- Q1 2017 set the record for the largest quarterly new issuance in history with over \$360 billion
- The month of January accounted for over \$167 billion alone
- Floating rate corporate issuance in Q1 2017 was the highest since Q1 2011
- Financial new issuance increased modestly as compared to Q1 issuance in the prior calendar year
- 3-month LIBOR and other short-term rates (T-bills) continue on their upward trajectory benefiting floating rate securities which have coupons indexed off these benchmark rates

2013 - Q1 2017 Corporate Credit New Issuance



Fixed vs. Float Investment Grade New Issuance

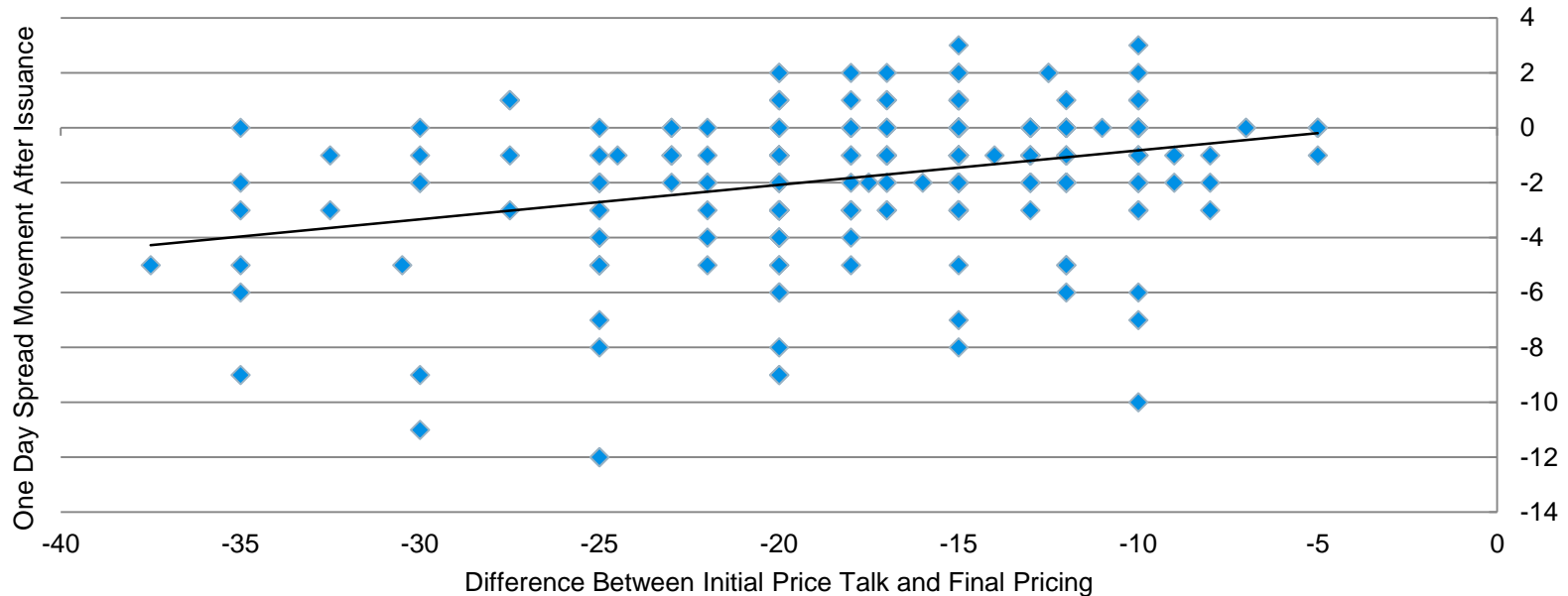
Year	Fixed	Float
2013	85%	15%
2014	89%	11%
2015	93%	7%
2016	92%	8%
Q1 2017	84%	16%

Why is New Issue Such a Big Deal?



New Issue Offers Attractive Levels for Investors, Even After Tightening Significantly Before Pricing

Highly Demanded Deals Tend to Tighten Before and After Pricing*



- Participation in new issue is integral to the success of many of our strategies
- We source half of the corporates we buy from the primary market
- This requires careful deal selection as well as awareness of market technicals
- One trend we have noticed - the more an issue tightens before final pricing (a function of demand), the more likely the deal is to tighten after pricing
- 68% of deals have positive new issue price concessions, only 16% are negative, making us confident either way
- Our strong street relationships and optimal size have helped us to achieve high allocations in new issue deals: our average deal allocation is 73% of firm demand vs. an overall average of just 38% for the street at large

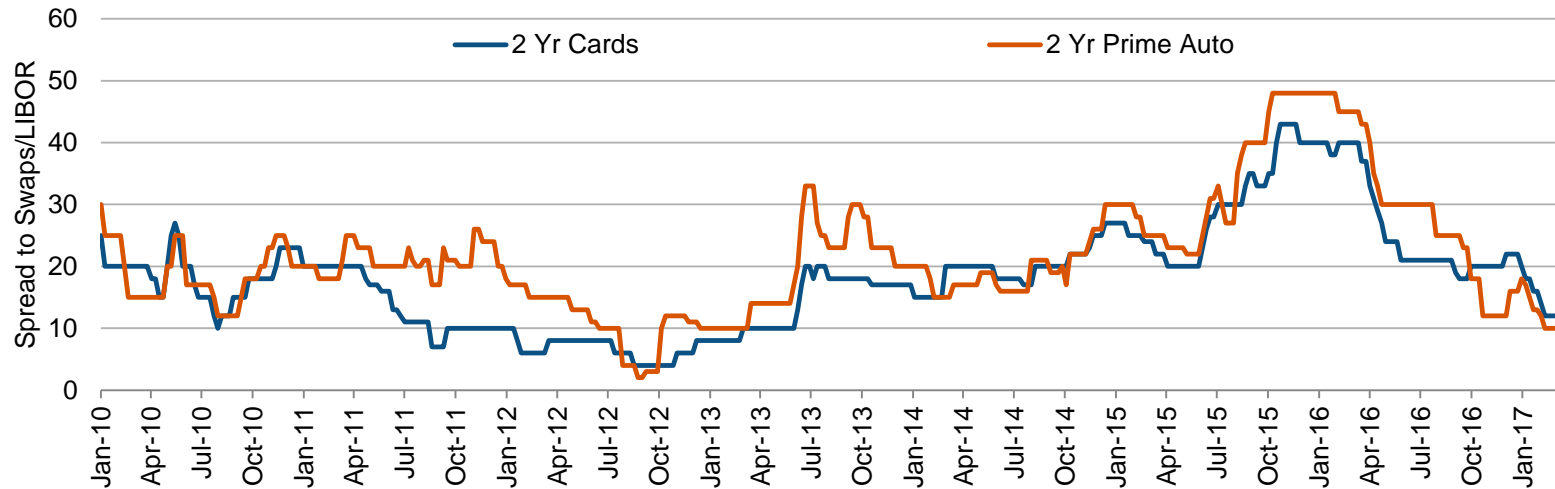
**Based on all USD IG issuance YTD as of March 22, 2017.*

Source: Payden & Rygel Calculations

Why We Continue to Like ABS Securities



Relative Value Remains Compelling - Yield Pickup Over LIBOR



Source: J.P. Morgan

As well as the following:

- Structural enhancements transform the underlying collateral into **AAA-rated** ABS bonds with overcollateralization (more collateral than par amounts of bonds in a securitization), reserve funds and subordination providing credit enhancement to senior ABS bondholders (the bonds you own)
- Monthly amortization provides a constant stream of cash (principal and interest) that offer the portfolio the **opportunity to reinvest at higher rates**; Certain tranches, such as the A-1 class off many sequential pay deals owned in the Operating Fund, have short (3-4 month) weighted average lives that allow for this opportunity
- **Underwriting standards** have tightened since the crisis and are more closely scrutinized

Operating Fund Portfolio as of March 31, 2017

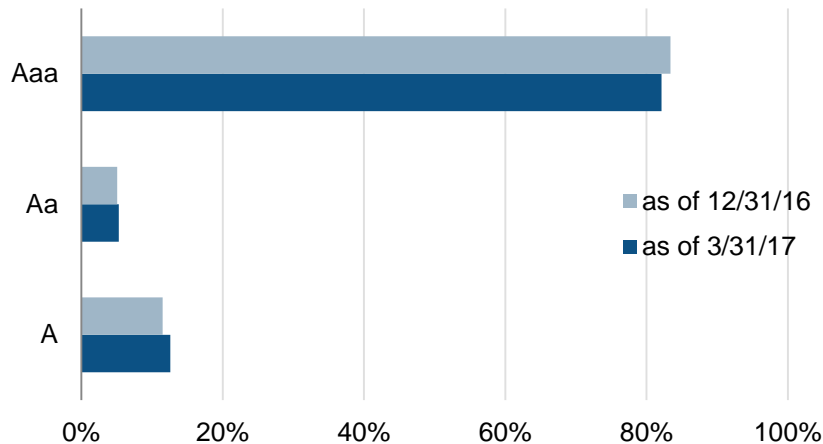


Summary Data

	03/31/2017	Benchmark
Market Value	\$583,022,729	-
Yield to Maturity (%)	1.04	0.72
Effective Duration	0.35	0.15
Average Rating	Aa1	Aaa/AA+u

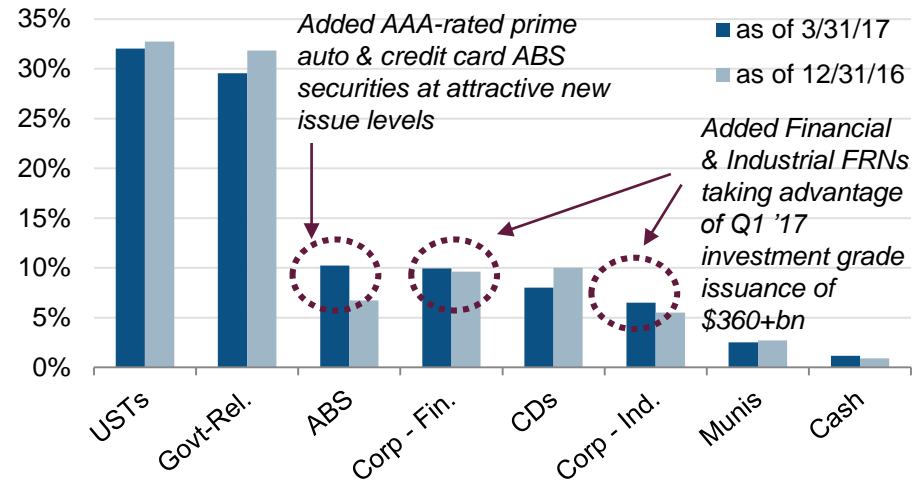
Modestly longer duration vs. benchmark with significant yield pickup

Credit Quality Breakdown - Percentage of Portfolio

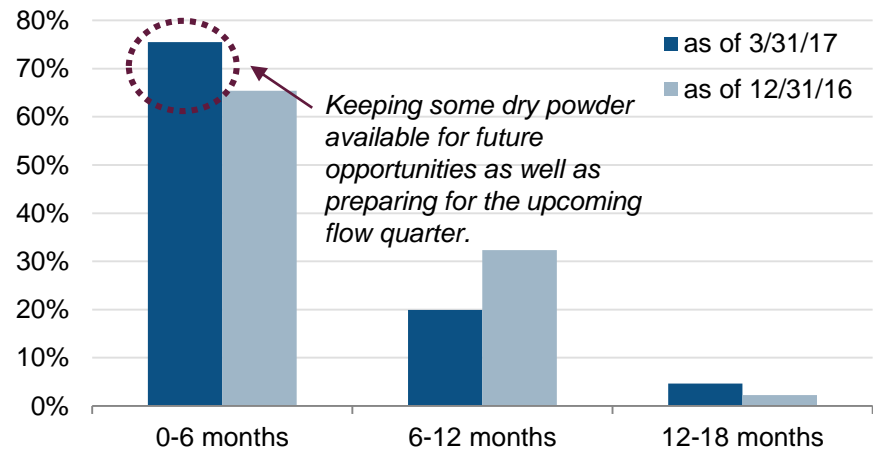


Source: Payden & Rygel Calculations

Portfolio Sector Allocation



Duration Distribution



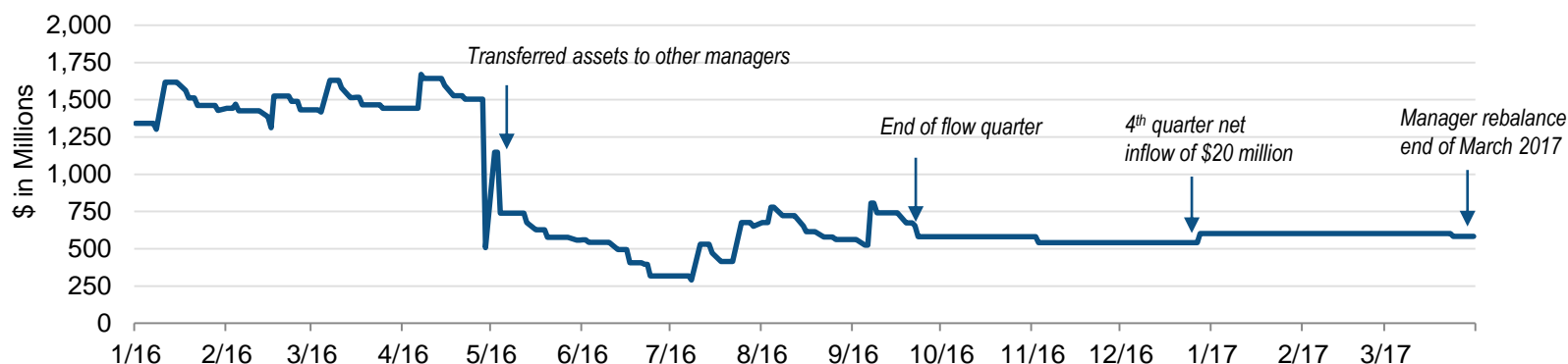
Operating Fund Performance: Returns & Strategy



Portfolio Returns (As of 3/31/17)

	Q1 2017	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Operating Fund (Gross)	0.24%	0.93%	0.46%	0.33%
Operating Fund (Net)	0.22%	0.85%	0.38%	0.22%
Citigroup 3 Month Treasury Bill Index	0.12%	0.34%	0.15%	0.11%
Net Alpha	+0.10%	+0.51%	+0.23%	+0.11%

Operating Fund Market Value History



- Primarily added highly rated, prime auto (Toyota, Honda, BMW) and industrial financial captive (John Deere) fixed-rate, first pay ABS sequentials that offer a yield pickup over other short duration securities
- Added floating rate credit card ABS indexed off 1-month LIBOR to take advantage of higher resets
- Took advantage of the heavy Q1 2017 new issue calendar adding 2-3 year industrial and financial FRNs
- Reinvested investment maturities in agency discount notes to prepare for our flow quarter (Q2 2017)

Tier One Fund Portfolio as of March 31, 2017

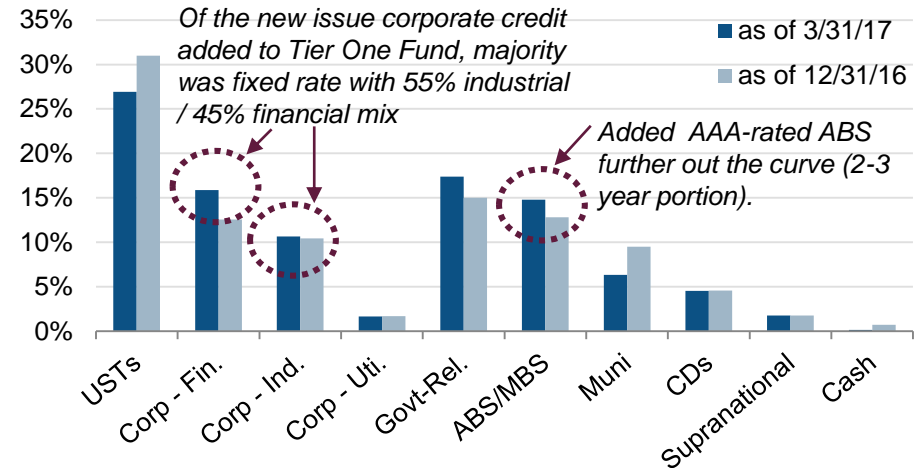


Summary Data

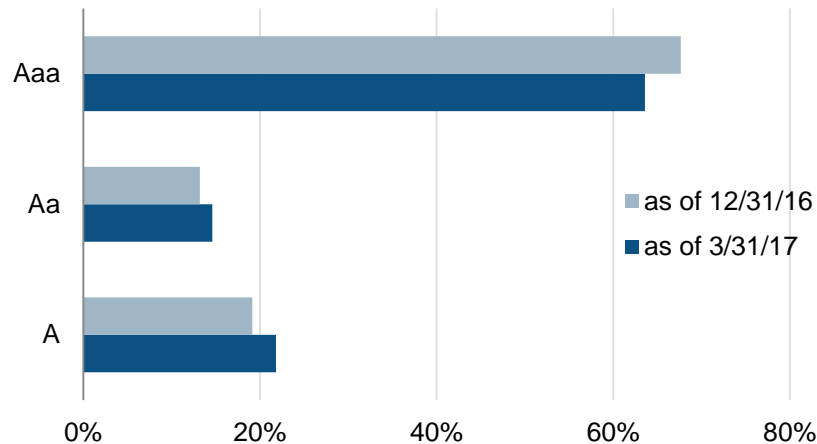
	03/31/2017	Benchmark
Market Value	\$145,711,189	-
Yield to Maturity (%)	1.50	1.25
Effective Duration	1.61	1.82
Average Rating	Aa1	Aaa/AA+u

Shorter duration,
but higher yield
with little
sacrifice in
overall credit
quality

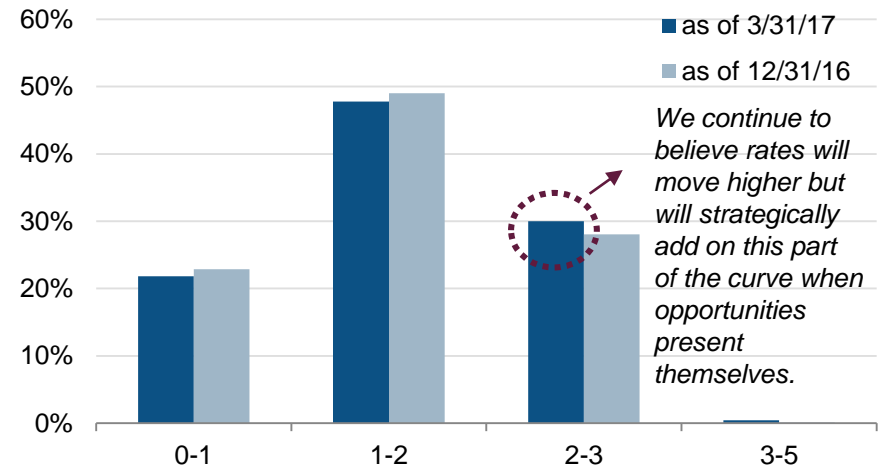
Portfolio Sector Allocation



Credit Quality Breakdown - Percentage of Portfolio



Duration Distribution



Source: Payden.

Tier One Fund Performance: Returns & Strategy



Portfolio Returns (As of 3/31/17)

	Q1 2017	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Tier One Fund (Gross)	0.39%	0.80%	0.97%	0.88%
Tier One Fund (Net)	0.37%	0.72%	0.88%	0.78%
Merrill Lynch 1-3 Year Treasury*	0.26%	0.25%	0.72%	0.64%
Net Alpha	+0.11%	+0.47%	+0.16%	+0.14%

*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.

Interest Income Continues to Contribute to the Portfolio's Total Return

	Jan-17	Feb-17	Mar-17	Q1 2017
Beginning Market Value	\$145,148,288	\$145,397,302	\$145,602,803	\$145,148,288
Interest Income	\$160,298	\$160,864	\$175,112	\$496,274
Amortization	(\$9,753)	(\$8,815)	(\$6,972)	(\$25,540)
Realized Gain/(Loss)	\$2,686	(\$30,464)	(\$63,682)	(\$91,460)
Change in Unrealized Gain/(Loss)	\$93,247	\$82,137	\$3,071	\$178,455
Net Contributions / (Withdrawals)	\$0	\$0	\$0	\$0
STIF Interest & other	\$2,535	\$1,780	\$857	\$5,172
Ending Market Value	\$145,397,302	\$145,602,803	\$145,711,189	\$145,711,189

CalOptima – Compliance Report – As of March 31, 2017



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	31.02%	450 Days	5 Years	425	Days	2.96	Years	TSY	TSY
Federal Agencies	100	24.02%	450 Days	5 Years	131	Days	2.91	Years	AGY	AGY
State of CA & Other Municipal Obligations	25	4.02%	450 Days	5 Years	154	Days	2.58	Years	A2/A	A
Supranationals	15	0.35%	450 Days	5 Years			2.12	Years	Aa2/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	6.00%	1 Year	1 Year	186	Days	0.45	Years	A1/P1	A1/P1
Repurchase Agreements	100	0.00%	30 Days	30 Days					TSY	n/a
Medium Term Notes & Depository Notes	30	6.60%	450 Days	5 Years	326	Days	3.74	Years	A3/A-	A-
Money Market & other Mutual Funds (combined)	20	0.84%	N/A	N/A	1	Days	0.00	Years	Aaa/AAA	AAA
Mortgage & Asset-Backed Securities (combined)	20	5.83%	450 Days	5 Years	239	Days	2.21	Years	Aa3/AA-	AA+
Variable & Floating Rate Securities	30	21.32%	450 Days	5 Years	88	Days	0.30	Years	A3/A-	A-

100.00%

Diversification Guidelines

Maximum per Corporate Issuer	5%	1.11%
Repurchase Agreements (Maturity > 7 days)	25%	0.00%
Repurchase Agreements (Maturity < = 7 days)	50%	0.00%



II

Biographies

Biographies



Joan A. Payden, CFA®
President and CEO

1983 – Established Payden & Rygel

Joan Payden, CFA®, is the President and Chief Executive Officer of Payden & Rygel, the global investment management firm that she founded in 1983. Payden has overseen the firm's international expansion and its growth to more than \$110 billion in assets under management. In 1992 the firm launched Payden & Rygel Investment Group, a family of mutual funds, of which she is chairman and chief executive officer. Subsequently many of these strategies were duplicated in UCITS funds domiciled in Ireland. In 1998 Payden & Rygel Global Ltd. was founded in London. At the same time, the firm established Metzler/Payden LLC, its joint venture with Metzler Bank, Germany's oldest private bank. She is a member of the Payden & Rygel Investment Policy Committee and serves as chairman of the board. She serves on the board of visitors of the Anderson School of Business at UCLA, and is a trustee of the University of Southern California, Loyola Marymount University and Occidental College. She is also a member of the board of the Los Angeles Sports Council, the California Chamber of Commerce, and the Natural History Museum of Los Angeles. She is past chairman of the Investment Counsel Association of America.

Joan Payden holds the Chartered Financial Analyst® designation. She is a graduate of the Advanced Management Program at Harvard Business School and earned a BA from Trinity College in Mathematics and Physics.



James P. Sarni, CFA®
Managing Principal

1991 – Joined Payden & Rygel

James Sarni, CFA®, is a Managing Principal at Payden & Rygel and a member of the Executive Committee of the board of directors. Sarni is a member of the firm's Investment Policy Committee and serves as a Senior Portfolio Manager advising pension funds, insurance companies, corporations, health care organizations, Taft-Hartley plans, universities and endowments. Sarni is a director of Payden & Rygel Global Ltd. and Payden Global Funds plc. He is also a frequent speaker with financial media and is regularly quoted on topics related to investing and the economy.

Prior to joining Payden & Rygel, Sarni was a Vice President and senior portfolio manager at First Interstate Bank where he managed the trust department's commingled bond funds as well as institutional client portfolios.

James Sarni is a member of the University of Southern California's (USC) Marshall School of Business Board of Leaders and also the Board of Directors of USC's Center for Investment Studies, the Pasadena City College Foundation, Descanso Gardens and Mayfield Junior School. He is also a member of the CFA® Institute. He is past president of the Washington, DC-based Investment Adviser Association, CFA® Society of Los Angeles and St. Philip the Apostle School board of trustees.

Sarni holds the Chartered Financial Analyst® designation. He earned an MBA with an emphasis in finance and a BS from the University of Southern California.



Brian W. Matthews, CFA®
Managing Principal and CFO

1986 – Joined Payden & Rygel

Brian Matthews, CFA®, is a Managing Principal and the Chief Financial Officer at Payden & Rygel, and is a member of the Executive Committee of the board of directors. Matthews is a member of the firm's Investment Policy Committee and serves as a Senior Portfolio Manager advising institutional clients, including corporations, pension funds, insurance companies and foundations and endowments. He is a director of Metzler/Payden LLC, the firm's joint venture with Metzler Bank of Frankfurt, Germany. Matthews is also co-chairman of Payden/Kravitz LLC, a joint venture specializing in cash balance retirement plans.

Prior to joining Payden & Rygel, Matthews was an investment officer at Brown Brothers Harriman & Company in New York, where he was responsible for managing fixed-income portfolios and asset/liability management.

Matthews is a member of the CFA® Society of Los Angeles, the CFA® Institute and the Investment Counsel Association of America, Inc. He is past chairman of the board of directors for the Boy Scouts of America Los Angeles Area Council and serves on the board of directors for Oaks Christian School, St. Anne's, Kids in Sports, and the board of visitors for Pepperdine University and is a board member of the Patron of the Arts in the Vatican Museums.

Brian Matthews holds the Chartered Financial Analyst® designation. He earned a BS in Economics at the University of Notre Dame.



Mary Beth Syal, CFA®
Managing Principal

1991 – Joined Payden & Rygel

Mary Beth Syal, CFA®, is a Managing Principal at Payden & Rygel and a member of the Executive Committee of the board of directors. Syal is a member of the firm's Investment Policy Committee. She directs the firm's low duration strategies and also serves as a Senior Portfolio Manager advising corporations, insurance companies and family offices. She is a trustee of The Payden & Rygel Investment Group, the sponsor of the Paydenfunds, for which Payden & Rygel is the investment adviser.

Prior to joining Payden & Rygel, Syal was a Portfolio Manager and strategist at Amervest Company, Inc., where she was the co-chair of the Investment Strategy Committee.

Mary Beth Syal is a member of the CFA® Society of Los Angeles and the CFA® Institute. In addition, she serves on the Investment Committee of the Western Province of the Religious of the Sacred Heart of Mary.

Syal holds the Chartered Financial Analyst® designation. She earned a BA degree in Government from Smith College in Northampton, Massachusetts.

Biographies



Scott J. Weiner, PhD
Managing Principal

1993 – Joined Payden & Rygel

Scott Weiner, PhD, is a Managing Principal at Payden & Rygel and a member of the Executive Committee that manages the firm. Weiner is also a member of the firm's Investment Policy Committee which directs investment strategy and monitors the risk controls for the firm and its clients. As a frequent speaker at industry forums, he specializes in topics relating to asset allocation, risk management and international investing.

Prior to joining Payden & Rygel, Weiner was a senior strategy member of the investment arm of First Interstate. More previously, he was with Goldman Sachs in New York as one of the strategists in the 1980s developing expertise in the mortgage market.

Scott Weiner earned a PhD in Pharmaceutical Chemistry from the University of California, San Francisco focusing on theoretical macromolecular biophysical chemistry. He received an AB degree in Mathematics from Occidental College in Los Angeles.



Edward S. Garlock, Esq.
Managing Principal and General Counsel

1997 – Joined Payden & Rygel

Edward S. Garlock, Esq., is a Managing Principal at Payden & Rygel, a member of the firm's board of directors, and a member of the Executive Committee of the board of directors. He is responsible for legal, regulatory and compliance issues for the firm and its global subsidiaries in London and Dublin. He oversees similar issues for Metzler/Payden LLC, the firm's joint venture with Metzler Bank of Frankfurt, Germany, and Payden/Kravitz Investment Advisers LLC, the firm's joint venture with Kravitz Investment Services, Inc.

Prior to joining Payden & Rygel, Garlock was a Senior Vice President, group general counsel and corporate secretary at First Interstate Bancorp.

Edward Garlock is a member of the American Bar Association and the American Corporate Counsel Association. He serves on the board of directors of the Rose Bowl Operating Company, which operates the Rose Bowl Stadium in Pasadena, California.

Garlock earned a JD degree from Northwestern University School of Law and an AB degree in History from Stanford University.



Asha B. Joshi, CFA®
Managing Principal

1994 – Joined Payden & Rygel

Asha Joshi, CFA®, is a Managing Principal at Payden & Rygel. Joshi is a member of the firm's Investment Policy committee and board of directors. She is a Senior Portfolio Manager serving institutional clients including public plans, corporations, universities and endowments. She chairs the firm's Best Execution Committee and also serves on the board of Payden & Rygel Global Ltd.

Prior to joining Payden & Rygel, Joshi was vice president, Global Capital Markets at CIBC/Wood Gundy and previously, vice president at First Interstate Bank, Ltd where she was responsible for risk management of the Bank's derivatives portfolio.

Joshi is a past president of the CFA® Society of Los Angeles and a member of the CFA® Institute. She currently serves on the board of the California Council on Economic Education where she chairs the Program Committee.

Asha Joshi holds the Chartered Financial Analyst designation. She earned an MBA, with an emphasis in finance, and an MA degree from UCLA the year that she was a Rotary Foundation Ambassadorial Fellow. Joshi received an undergraduate degree with the highest honors from Bangalore University in India.



Michael E. Salvay, CFA®
Managing Principal

1997 – Joined Payden & Rygel

Michael Salvay, CFA®, is a Managing Principal at Payden & Rygel. He is a member of the firm's Investment Policy Committee and serves as Senior Portfolio Manager advising public pension plans, endowments and universities and corporations. He directs the core bond architecture group and has extensive experience in developing customized mandates for active and passive index replication portfolios as well as hedging programs. Salvay is also a trustee of The Payden & Rygel Investment Group, the sponsor of the Paydenfunds, for which Payden & Rygel is the investment advisor.

Prior to joining Payden & Rygel, Salvay was a Senior Portfolio Manager at Dewey Square Investors in Boston, where he specialized in mortgage-backed securities and duration immunization strategies.

Michael Salvay holds the Chartered Financial Analyst® designation and is a member of the CFA® Institute. He earned an MBA from the Amos Tuck School at Dartmouth College and a BA in Economics from the University of California, San Diego.

Biographies



Robin B.B. Creswell, FCSI

Managing Principal-London

1998 – Joined Payden & Rygel

Robin Creswell is a Managing Principal at Payden & Rygel and is a member of the firm's board of directors. He is responsible for the firm's London office; Payden & Rygel Global Ltd.

Creswell's 38-year career in the financial industry began in banking. He was then a leading figure in the development of the global hedge fund and derivatives industry in the 1990s. He was responsible for launching the first publicly offered hedge funds in a number of jurisdictions, including Japan, Australia and Hong Kong.

Prior to joining Payden & Rygel, Creswell was responsible for global distribution at ED&F Man. Subsequently he established the fund management company, Greystone International Ltd., for Chicago-based futures broker Gelderman, Inc. later acquired by the Man Group.

Robin Creswell is a Trustee of the Charities Aid Foundation where he Chairs the Investment Advisory Committee and Trustee of a number of other non-profit organisations. He is a Fellow of the Securities & Investment Institute and a member of the CFA® Society of the UK.



Gregory T. Morrison, CPA, CFA®

Managing Principal

1998 – Joined Payden & Rygel

Gregory T. Morrison, CPA, CFA®, is a Managing Principal at Payden & Rygel and a member of the Executive Committee of the board of directors. He is responsible for the firm's technology initiatives and proprietary development, including trading, risk management, analytics, and investment performance and accounting systems. He also oversees the firm's SOC 1 reporting process.

Prior to joining Payden & Rygel, Morrison was a member of the assurance and advisory services practice of Deloitte & Touche, where he specialized in audits of global investment managers and securities brokers and dealers. He is a member of the CFA® Institute, the CFA® Society of Los Angeles and the American Institute of Certified Public Accountants.

Greg Morrison is a Certified Public Accountant and holds the Chartered Financial Analyst designation. He earned a BS in Accounting and Management from Washington University in St. Louis, Missouri.



Kristin Johnson Ceva, PhD, CFA®

Managing Principal

1998 – Joined Payden & Rygel

Kristin Ceva, PhD, CFA®, is a Managing Principal at Payden & Rygel. Ceva is a member of the firm's Investment Policy Committee and is a Senior Portfolio Manager directing the firm's emerging market debt strategies. She also is a frequent speaker at industry forums, focusing on topics related to international investing and emerging markets.

Prior to joining Payden & Rygel, Ceva worked as a consultant for Deloitte & Touche, and with a number of international policy institutes including: the Pacific Council on International Policy, the Center for U.S.-Mexican Studies and the North America Forum at Stanford University.

Ceva serves as board member for EMpower, a non-profit organization founded by emerging markets financial professionals to support at-risk youth, and is on the California Committee of Human Rights Watch.

Kristin Ceva holds the Chartered Financial Analyst® designation. She earned a PhD from Stanford University in Political Science with an emphasis on international political economy. She was a Fulbright Scholar based in Mexico City. Ceva has completed extensive economic and political research on emerging markets and is fluent in Spanish. She received a BBA in Finance from Texas A&M University.



Justin G. Bullion, CFA®

Managing Principal

2010 – Joined Payden & Rygel

Justin G. Bullion, CFA®, is a Managing Principal at Payden & Rygel. He is responsible for the firm's US east coast office in Boston. Bullion serves as a Senior Client Portfolio Manager for US and global institutional clients, regularly coordinating with the firm's Los Angeles headquarters and non-US efforts.

Prior to joining Payden & Rygel, Bullion was a fixed income professional at Wellington Management Company, LLP, where he held roles in portfolio management, product management, and business management. He also previously spent time in various fixed income roles with Miller Anderson & Sherrerd LLP (now Morgan Stanley Investment Management) and Blackstone (now BlackRock) Financial Management.

Bullion is a member of the Boston Security Analysts Society. He serves on the advisory boards of The Trust for Public Land (Massachusetts), UNCF New England, University of Pennsylvania Volleyball, and ARZU Studio Hope.

Justin Bullion holds the Chartered Financial Analyst® designation. He earned a BA in Sociology from the University of Pennsylvania.

Biographies



James T. Wong, CFA®
Managing Principal

1995 – Joined Payden & Rygel

James Wong, CFA®, is a Managing Principal and Co-Manager of both the domestic large-cap and global equity strategies at Payden & Rygel. He has worked with the firm's equity products since their inception. Wong has more than 20 years of equity portfolio management experience, during which he has managed the breadth of equity styles and market capitalizations. He has extensive experience managing long/short portfolios, creating hedging strategies using derivatives and developing customized investment solutions for client specific needs. Wong is also a member of the Investment Policy Committee.

Before joining Payden & Rygel, Wong was a trader at the Union Bank of Switzerland where he focused on mortgage-backed securities. Previously, he was in the corporate finance group at Salomon Brothers Inc.

Wong holds the Chartered Financial Analyst® designation and the FINRA series 7, 3 and 63 licenses. He earned an MBA degree from The Anderson School at the University of California, Los Angeles with an emphasis in finance. Wong received a BS degree in Economics from The Wharton School, University of Pennsylvania with a concentration in finance.



David P. Ballantine, CFA®, CFP
Principal

1991 – Joined Payden & Rygel

David Ballantine, CFA®, CFP, is a Principal and Senior Fixed-Income Portfolio Strategist at Payden & Rygel. He oversees the firm's trading operations and is a key member of the portfolio management team responsible for developing strategies for short- and intermediate-term fixed-income portfolios.

Prior to joining Payden & Rygel, Ballantine traded corporate, asset-backed and mortgage securities at The Capital Group and worked in the fixed-income department at Fidelity Investments.

David Ballantine is a member of the CFA® Institute, Investment Counsel Association of America, Inc. and the Financial Planning Association. He is also a member of the Leadership of Southern California and the L.A. Works Organization.

Ballantine holds the Chartered Financial Analyst® designation and is a certified financial planner. He earned a BS in Business Administration from the University of New Hampshire.



Nigel Jenkins, ASIP
Managing Principal-London

2006 – Joined Payden & Rygel

Nigel Jenkins is a Managing Principal at Payden & Rygel Global Ltd. He is a member of the firm's Investment Policy Committee and directs the Global Fixed Income strategy team, which manages all global, European and UK benchmarked fixed-income portfolios. He also oversees the Interest Rate and Currency strategy teams.

Prior to joining Payden & Rygel, Jenkins was a founding partner of Centric Capital LLP, a fixed income and currency hedge fund. Previously he was head of global fixed-income at WestLB, and a director of the fixed income & currency group at Rothschild Asset Management, both in London.

Nigel Jenkins holds the ASIP designation of the UK Society of Investment Professionals, a member society of the CFA® Institute. He earned an MA degree in Economics from the University of Cambridge.



Yot Chattrabhuti
Principal

1997 – Joined Payden & Rygel

Yot Chattrabhuti is a Principal and Director of Operations at Payden & Rygel. He is responsible for the planning, development and implementation of the firm's operational policies, procedures, guidelines and strategies.

Prior to joining Payden & Rygel, Chattrabhuti was a vice president at the Bank of America where he served in various managerial capacities including domestic custody, securities processing and employee benefit trust.

Chattrabhuti is a member of the Investment Company Institute Operations Committee, a national association of the American investment company industry.

Yot Chattrabhuti holds the FINRA series 6, 63 and 26 licenses. He earned a BS in Political Science, with an emphasis on international relations, from Chulalongkorn University in Bangkok.

Biographies



Erinn R. King, CFA®

Principal

2010 – Joined Payden & Rygel

Erinn King, CFA®, is a Principal at Payden & Rygel. Based in the firm's Boston office, King is responsible for client relations and business development for East Coast and global clients. She also serves as a liaison to the firm's London office and the Metzler/Payden joint-venture.

Prior to joining Payden & Rygel, King was a Vice President at Wellington Management Company, LLP, where she held roles in fixed-income portfolio communications and insurance relationship management. King also worked for Concordia Capital LLC prior to joining Wellington.

King is a director on the board for the Boston Security Analysts Society, as well as chair of programs and education. She is also a trustee for Jose Mateo Ballet Theatre.

Erinn King holds the Chartered Financial Analyst® designation. She earned an MBA in Finance at Boston University and also holds an MFA in Dance from the University of Oklahoma.



Jeffrey C. Cleveland

Principal – Chief Economist

2006 – Joined Payden & Rygel

Jeffrey Cleveland is a Principal and The Chief Economist at Payden & Rygel. He is responsible for developing views on the US and global economy. His research areas include macroeconomics, central banks and the money markets, money supply, and credit cycles. Cleveland is a frequent speaker at industry forums and is often quoted in the financial media on topics related to the economy and investing. He has appeared on CNBC, Bloomberg Television and Fox Business News.

Prior to joining Payden & Rygel, Cleveland was a Senior Associate at David Taussig & Associates in Newport Beach, California, where he managed the firm's fiscal and economic impact studies and consulting services.

Jeffrey Cleveland is a member of the National Association for Business Economics (NABE). He received NABE's Time Series Analysis and Economic Forecasting Certificate. Cleveland earned a MA in International Political Economy with an emphasis in international money and finance from Claremont Graduate University, and a BA in Economics/Global Political Economy from Whittier College through the Whittier Scholars Program.

An avid open-water swimmer, Cleveland swam across the English Channel in September 2008, across the Catalina Channel in 2009 and around Manhattan in 2010. He was the 34th person in history to complete this "triple crown" of open water swimming.



Mark J. Morris, CFA®

Principal-London

2002 – Joined Payden & Rygel

Mark Morris is a Principal with Payden & Rygel Global Ltd. responsible for global client relationships and portfolio management in the United Kingdom and in continental Europe.

Prior to joining Payden & Rygel, Morris was a Managing Director at Credit Suisse Asset Management Ltd where he oversaw a variety of global fixed-income mandates and was a senior member of the Fixed-Income Asset Allocation Committee. Previously he worked in the project finance divisions of Barclays National Industrial Bank in Johannesburg, South Africa, and subsequently at Bank of America in London.

Mark is a member of the CFA® Institute and the CFA® Society of the UK.

Mark Morris holds the Chartered Financial Analyst designation®. He received a BSc in Electrical Engineering and an MBA from the University of Cape Town.



Arthur Hovsepian, CFA®

Principal

2004 – Joined Payden & Rygel

Arthur Hovsepian, CFA®, is a Principal and Emerging Market Debt Strategist at Payden & Rygel. He heads up Asia sovereign research and is also the lead local market strategist with a focus on Asia and Africa.

Prior to joining Payden & Rygel, Hovsepian was a portfolio associate with Pacific Investment Management Company in the global fixed income group, where he was responsible for the currency risk management process for global portfolios.

Arthur Hovsepian holds the Chartered Financial Analyst® designation and is a member of the CFA® Institute and the CFA® Society of Los Angeles. He received an MBA from The UCLA Anderson School of Management and a BS in Economics and Statistics from University College London.

Biographies



Bradley Hersh

Principal – Treasurer

1998 – Joined Payden & Rygel

Bradley Hersh is Principal and Treasurer of Payden & Rygel. As a Senior Financial Officer, he is responsible for accounting, budgeting and financial reporting. He also manages mutual fund accounting, regulatory issues and management reporting for Paydenfunds, the firm's family of no-load, low-expense mutual funds.

Prior to joining Payden & Rygel, Hersh was the assistant controller responsible for accounting and financial functions at Sierra Capital Management. He was the assistant treasurer for the Sierra Trust Funds where he managed mutual fund accounting, regulatory issues and management reporting.

Bradley Hersh earned an MBA with an emphasis in finance from the University of Southern California. He received a BBA with an emphasis in accounting from Baylor University.



Darren Marco

Vice President

2016 – Joined Payden & Rygel

Darren Marco is Vice President at Payden & Rygel. He is responsible for the implementation and monitoring of investment policies and strategies for a variety of institutional clients, including corporations, endowments, foundations, insurance companies, pension funds and private clients.

Prior to joining Payden & Rygel, Darren was at Toyota Financial Services, where he was a treasury manager responsible for short-term debt issuance and oversight of the company's internally and externally-managed investments. Previously, Darren held various fixed income sales and analyst roles with a focus on mortgage-backed securities at large US banks and primary Wall Street dealers.

Darren earned an MBA from the University of Texas at Austin and received his BA in political science from Princeton University. He holds the Financial Regulatory Authority series 7, 63, and 24 licenses.



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



April 24th, 2017

Scott Pavlak, CFA – *Senior Portfolio Manager*

Wendy Kaszak – *Client Services*

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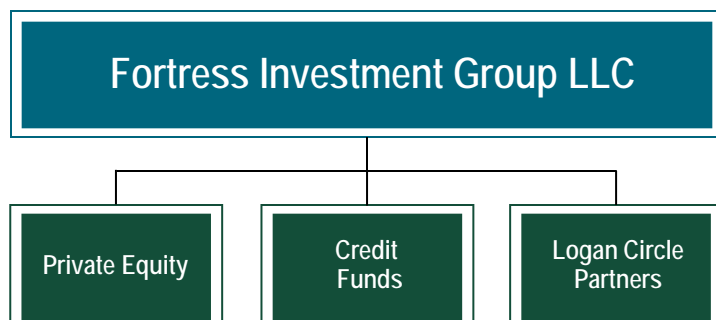
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SECTION I

Firm Overview

ORGANIZATIONAL OVERVIEW

Ownership Structure



LCP Institutional Clients

Client Type ¹ (Millions as of 12/31/2016)	
Sub-Advisory	\$12,616
Corporate	\$12,666
Public	\$3,586
Insurance	\$1,477
Other	\$3,090
TOTAL:	\$33,435

Firm Overview

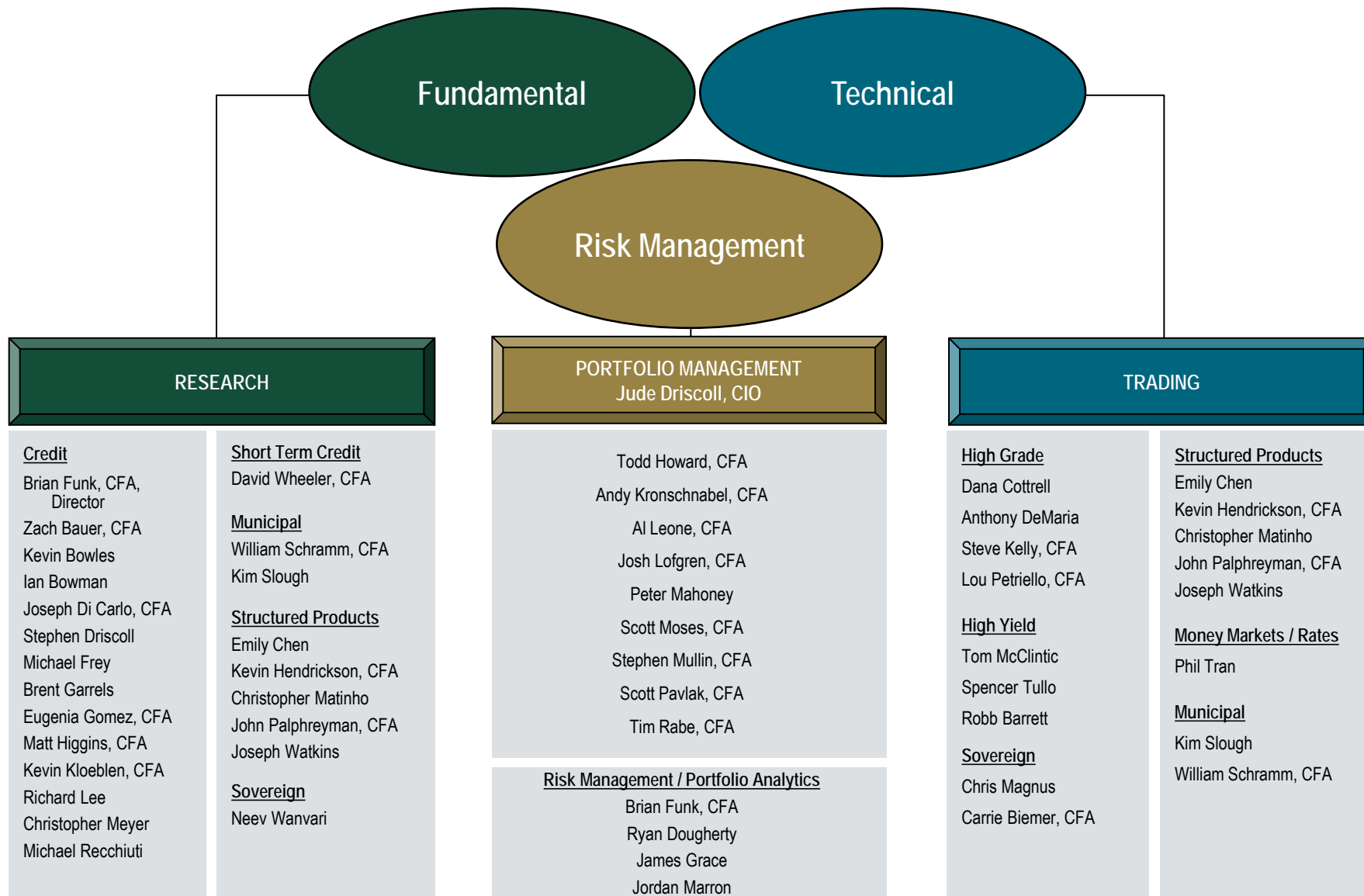
- Logan Circle Partners (“Logan Circle” or “LCP”) is a Fortress Investment Group LLC company.
- Fortress is a diversified asset manager with assets under management of \$70 billion¹.
- Logan Circle is dedicated solely to the institutional marketplace.
- Deep team of highly experienced
 - Portfolio Managers
 - Traders
 - Research Analysts
 - Client Service Professionals

LCP Employees

80 Employees (as of 3/31/2017)	
Portfolio Management	10
Research	20
Trading	14
Risk Management / Portfolio Analytics	4
Client Services	14
Legal / Compliance	4
Administration / Operations	14

¹ Based on unaudited estimates and are subject to change. Fee paying assets under management as of 12/31/2016.

FIXED INCOME TEAM – 47 Investment Professionals



SECTION II

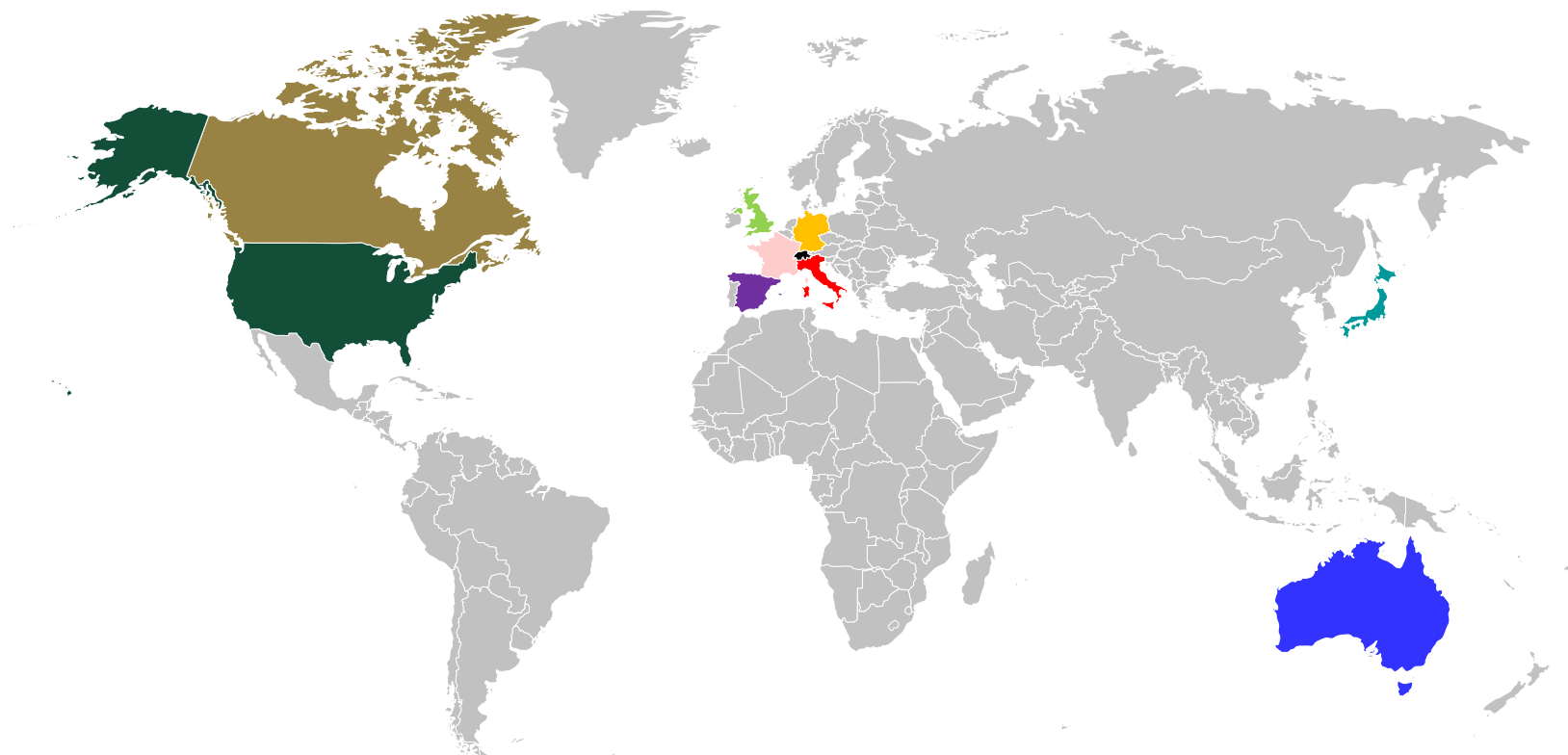
Market Review

CURRENT THEMES

- **GDP**
First-half growth will remain in the 2% area as the new administration's fiscal stimulus agenda encounters resistance. Full-year growth largely dependent on scope and timing of implementation of tax reform initiatives. Disconnect exists between "soft" sentiment and "hard" economic data. Potential trade battles loom and represent headwinds to net exports while shifting government spending priorities have limited near-term impact. Personal consumption, which has been the primary driver of GDP growth, will need help from business fixed investment to propel GDP higher.
- **Consumer**
Most measures of consumer confidence at new highs, reflecting financial market strength, continued labor market stability and potential tax reform. Healthcare costs continue to represent an increasing share of consumer spending and disposable income, a trend that could be exacerbated absent meaningful healthcare reform. Other consumer indicators including retail and auto sales show signs of moderating.
- **Business**
Prospect of corporate tax and regulatory reform has lifted confidence but policy enactment needed to move business fixed investment higher and extend the business cycle. Recent improvement in revenue trends could mitigate late-cycle stress in credit metrics. Small business confidence at post-recession highs. A less stringent regulatory environment should improve business profitability. Relaxation of Dodd-Frank provisions to benefit the financial sector.
- **Employment**
Recent pickup in participation rate signals healthier employment picture. Further improvement could result in an uptick in the unemployment rate as more workers re-enter the labor force. Recent increase in manufacturing and construction employment bears watching. Average hourly earnings in the service sector continue to rise with the biggest gainers at the lower end of the earnings spectrum.
- **Residential / Commercial Real Estate**
Home price appreciation will remain in the low to mid-single digits with large geographic divergences. Multi decade low inventories in lower priced homes hamper first-time home buyer participation while demand for higher priced homes continues to trend lower. Refinancing of fixed-rate loans will remain weak at the current level of interest rates. Commercial property prices in most markets remain firm despite some weakness within the retail sub-sector. Foreign capital flows into commercial real estate continue to moderate. Risk retention requirements and competitive bank portfolio lending environment constrain CMBS securitization.
- **Inflation**
Core PCE continues to edge higher as rents, healthcare insurance and medical costs escalate. Firmer wage growth underpins headline inflation while the Fed signals tolerance regarding inflation temporarily exceeding target. Domestic fiscal stimulus success expected to have negative (higher) long-term inflation implications if free trade policies are tested. Five-year and ten-year inflation expectations have converged.
- **U.S. Monetary Policy**
Market and Federal Reserve expectations have converged around two additional federal funds rate increases for the remainder of the year. Fed less data dependent in quest to achieve monetary policy normalization. Discussion regarding the reduction of the Federal Reserve's on-balance sheet assets will lead to heightened market volatility. New administration to fill three Board of Governors seats this year.
- **Central Banks / International**
Central bank policies continue to diverge as ECB and BOJ stimulus persists. Brexit negotiation window opens with significant implications for longer term viability of the European Union. New administration's more confrontational style fosters less stable geopolitical environment. U.S./China relations take center stage on multiple fronts including trade, currency, and regional security.

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.

WORLD INTEREST RATES – as of March 31, 2017*



Country	United States	Canada	United Kingdom	Italy	Spain	France	Germany	Switzerland	Japan	Australia
2-Year	1.26%	0.75%	0.12%	-0.07%	-0.18%	-0.31%	-0.75%	-0.90%	-0.20%	1.75%
	0.07	0.00	0.07	0.13	0.12	0.39	0.05	0.16	(0.01)	(0.08)
5-Year	1.92%	1.12%	0.56%	1.10%	0.48%	0.12%	-0.39%	-0.58%	-0.13%	2.24%
	(0.01)	0.01	0.09	0.51	0.22	0.24	0.16	0.13	(0.01)	(0.09)
10 Year	2.39%	1.62%	1.14%	2.31%	1.65%	0.97%	0.33%	-0.12%	0.07%	2.70%
	(0.06)	(0.10)	(0.10)	0.50	0.27	0.29	0.12	0.10	0.02	(0.06)
30-Year	3.01%	2.30%	1.72%	3.27%	2.89%	1.97%	1.11%	0.28%	0.85%	-
	(0.06)	(0.01)	(0.14)	0.35	0.28	0.36	0.17	(0.07)	0.13	-

*Shaded rows indicate change from December 31, 2016.

U.S. GDP GROWTH – as of March 31, 2017

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	-1.20	1.26	0.79	-0.19	-1.16	-1.89
	2Q	4.00	2.56	1.12	0.02	-0.41	0.67
	3Q	5.00	2.52	1.16	0.46	0.50	0.32
	4Q	2.30	3.07	0.22	-0.07	-1.14	0.23
2015	1Q	2.00	1.63	0.61	0.45	-1.65	1.01
	2Q	2.60	1.94	0.70	0.57	-0.08	-0.52
	3Q	2.00	1.81	0.92	0.34	-0.52	-0.57
	4Q	0.90	1.53	-0.03	0.18	-0.45	-0.36
2016	1Q	0.80	1.11	-0.15	0.28	0.01	-0.41
	2Q	1.40	2.88	-0.18	-0.30	0.18	-1.16
	3Q	3.50	2.03	0.02	0.14	0.85	0.49
	4Q	2.10	2.40	0.46	0.03	-1.82	1.01

Source: Federal Reserve, Bloomberg

CONGRESSIONAL BUDGET OFFICE – as of March 31, 2017

(\$ Billions)	1973	1983	1993	2003	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2020*
Revenues	231	601	1,154	1,782	2,407	2,568	2,524	2,105	2,163	2,303	2,450	2,775	3,021	3,250	3,267	3,878
Outlays	246	808	1,409	2,160	2,655	2,729	2,983	3,518	3,457	3,603	3,537	3,455	3,506	3,688	3,854	4,562
Social Security	48	169	302	470	544	581	612	678	701	725	768	808	845	882	910	1,121
Medicare	9	56	143	274	377	436	456	500	520	560	551	585	600	634	692	849
Medicaid	5	19	76	161	181	191	201	251	273	275	251	265	301	350	368	450
Income Security	14	64	117	196	200	203	261	350	437	404	354	340	311	300	304	315
Retirement & Disability	18	58	68	100	113	122	129	138	138	144	144	153	158	161	164	176
Defense	77	210	292	405	520	548	612	657	689	699	671	626	596	583	584	628
Other	57	144	212	401	494	410	458	758	502	566	579	457	466	554	592	643
Net Interest	17	90	199	153	227	237	253	187	196	230	220	221	229	223	241	380
Deficit (-) or Surplus Total	-15	-208	-255	-378	-248	-161	-459	-1,413	-1,294	-1,300	-1,087	-680	-485	-438	-587	-684
Total U.S. Debt	466	1,372	4,351	6,760	8,451	8,951	9,986	11,876	13,529	14,764	16,051	16,719	17,794	18,120	19,433	22,447

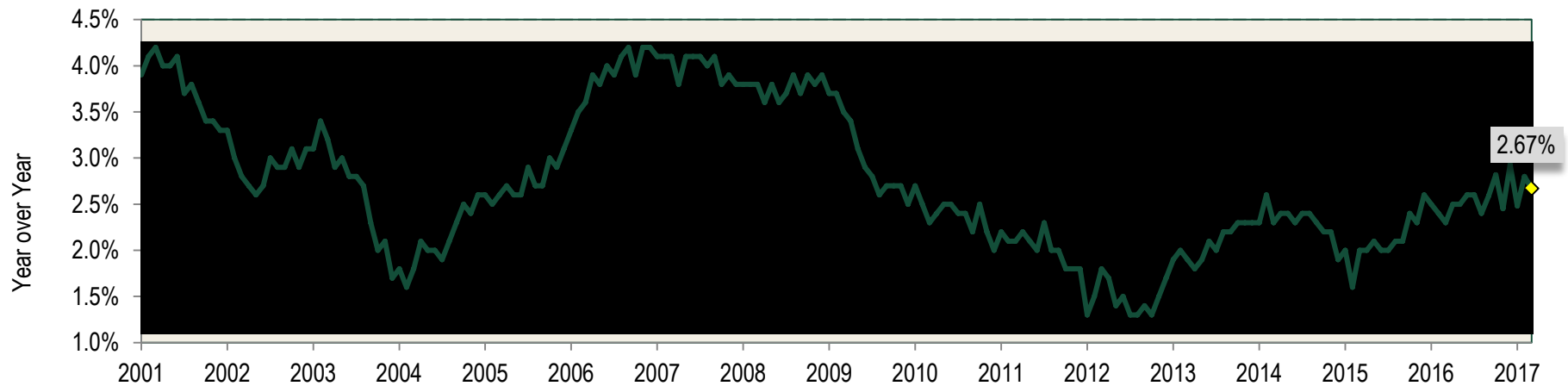
*Indicates estimates

Source: Congressional Budget Office

U.S. EMPLOYMENT – as of March 31, 2017

	Labor Force Participation Rate	Unemployment Rate	Non-Farm Payroll
Average (1982 – 2014)	65.7%	6.4%	124,942
Current	63.0%	4.5%	98,000
Average (2015 – 2017)	62.7%	5.0%	204,593

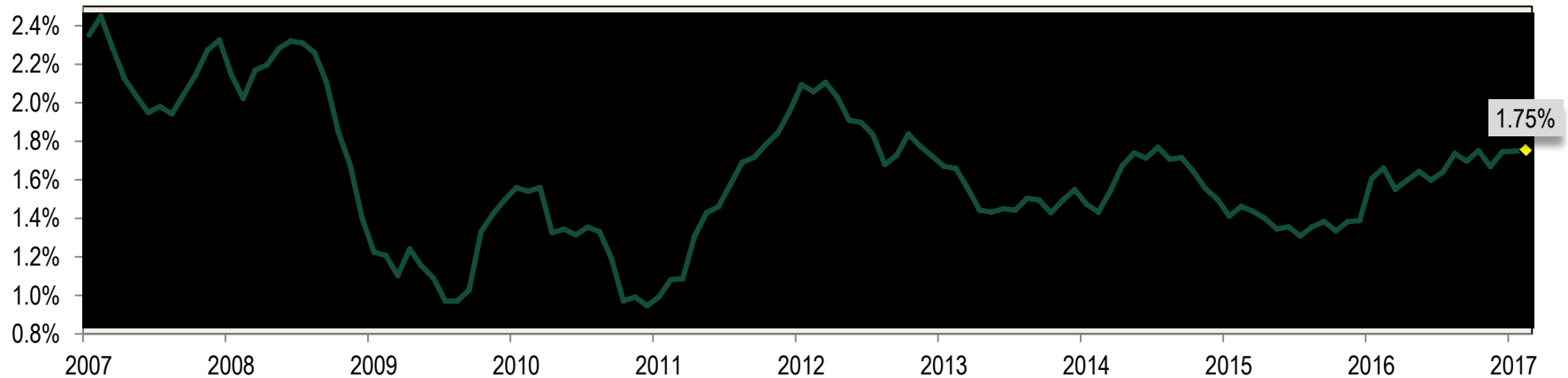
U.S. Average Hourly Earnings – as of March 31, 2017



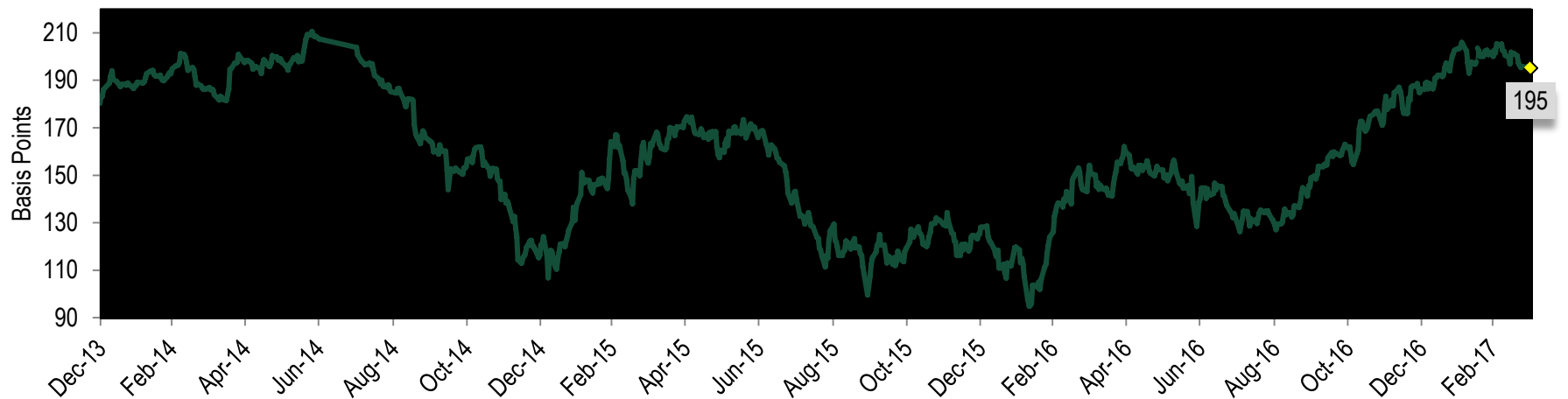
Source: Federal Reserve, Bloomberg

U.S. INFLATION – as of March 31, 2017

PCE Core YOY – as of March 31, 2017

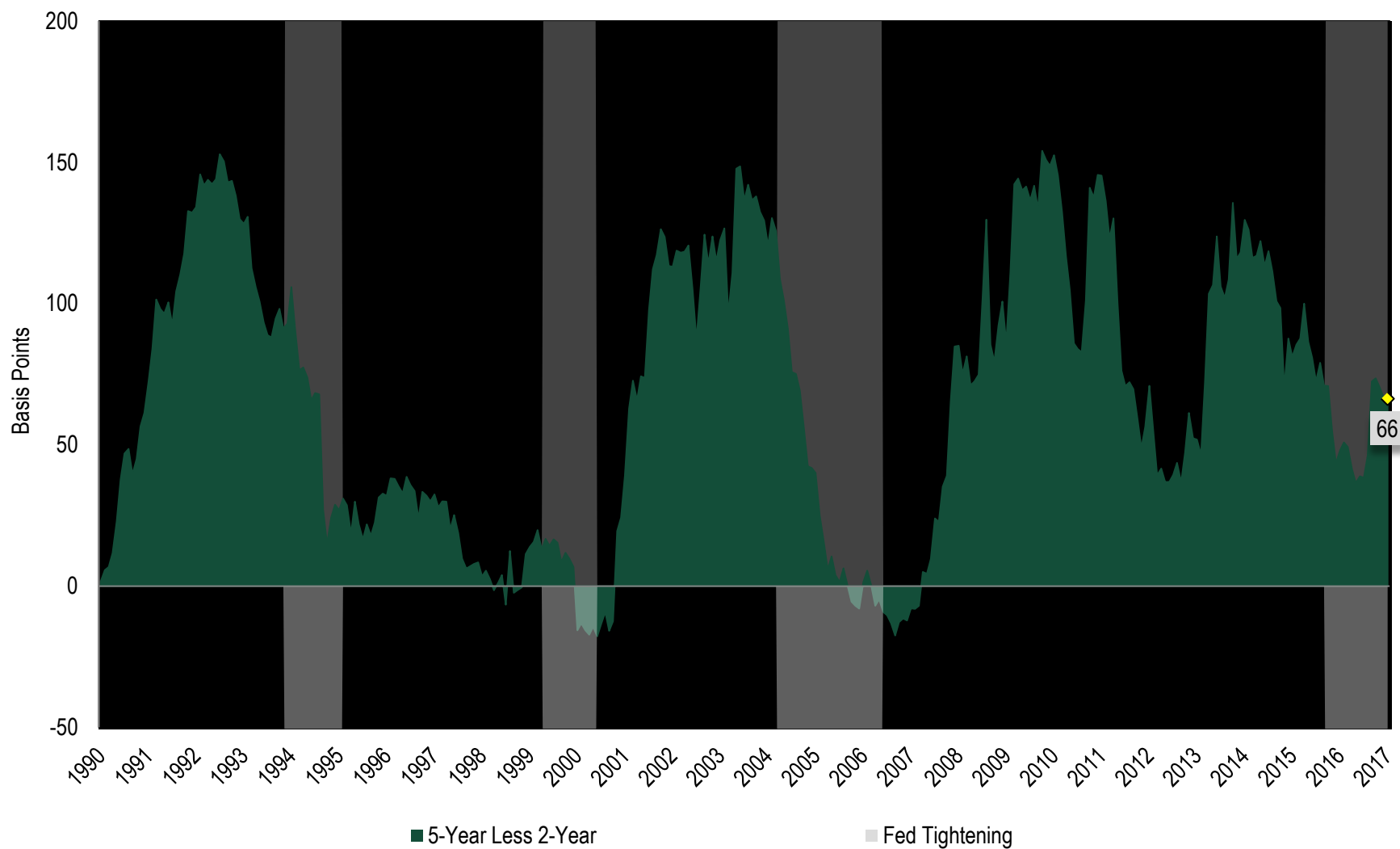


5-Year TIPS Breakeven Rate – as of March 31, 2017



Source: Bloomberg

YIELD CURVE POSITIONING – as of March 31, 2017



Source: Bloomberg

MARKET REVIEW

BofA Merrill Lynch Corporate Year End OAS – as of March 31, 2017

OAS (bps)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Corporate (1–5)	174	70	61	65	62	196	639	166	136	227	110	89	99	121	96	84
Financial (1–5)	165	51	50	57	56	212	663	204	158	308	126	93	96	104	100	87
Industrial (1–5)	176	86	73	75	69	181	624	135	116	164	96	85	103	134	92	82
Utilities (1–5)	236	79	63	73	71	175	576	155	131	169	110	99	89	120	101	91
Corporate (All)	188	95	83	92	91	200	573	180	161	252	152	128	144	173	130	124
High Yield (All)	890	418	310	371	289	591	1803	622	531	709	526	400	504	695	422	392

Corporate Allocation

	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17
BofA ML 1-5 Year Corporate OAS (bps)	89	78	68	78	99	89	101	126	121	121	112	95	96	84
CalOptima Tier Two	30%	23%	24%	20%	25%	29%	29%	23%	24%	26%	21%	23%	28%	26%
CalOptima Tier One	-	-	-	-	-	-	-	-	-	-	22%	24%	26%	26%
CalOptima Operating Fund	-	-	-	-	-	-	-	-	-	-	25%	25%	17%	26%

Source: Bank of America Merrill Lynch

SECTION III

Portfolio Review

PERFORMANCE – as of March 31, 2017

	1Q 2017	1 Year	3 Year	Since Inception ¹ (4/1/13)
Tier Two (<i>Gross of fees</i>)	0.56%	0.50%	1.59%	1.27%
Tier Two (<i>Net of fees</i>)	0.53%	0.37%	1.46%	1.14%
Bank of America Merrill Lynch 1-5 Years U.S. Treasury ²	0.37%	-0.10%	1.14%	0.83%

	1Q 2017	Since Inception ¹ (5/2/16)
Tier One (<i>Gross of fees</i>)	0.41%	0.60%
Tier One (<i>Net of fees</i>)	0.39%	0.54%
Bank of America Merrill Lynch 1-3 Years U.S. Treasury ²	0.26%	0.32%

	1Q 2017	Since Inception ¹ (5/2/16)
Operating Fund (<i>Gross of fees</i>)	0.24%	0.70%
Operating Fund (<i>Net of fees</i>)	0.22%	0.63%
Citigroup 3-Month Treasury Bill ²	0.12%	0.29%

Past performance is not indicative of future results. ¹Performance for periods greater than one year are annualized. Performance returns as of 03/31/17 is preliminary and subject to change.

²The 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 \$250 million and a maturity range from one to five years, inclusive, reflecting total return. ²The 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 March 31, 2017

Tier Two	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CBMS	Asset Backed	Municipal	Excess Return
1Q 2017	3	0	-4	0	13	0	0	0	7	19
2016	6	-10	-7	2	35	1	6	5	17	55

Tier One	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CBMS	Asset Backed	Municipal	Excess Return
1Q 2017	5	-2	-2	0	9	0	0	1	4	15
2H 2016	16	-14	-2	3	10	2	1	4	3	23

Operating Fund	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CBMS	Asset Backed	Municipal	Excess Return
1Q 2017	2	-1	9	0	1	0	0	1	0	12
2H 2016	3	-3	19	-1	5	0	0	1	0	24

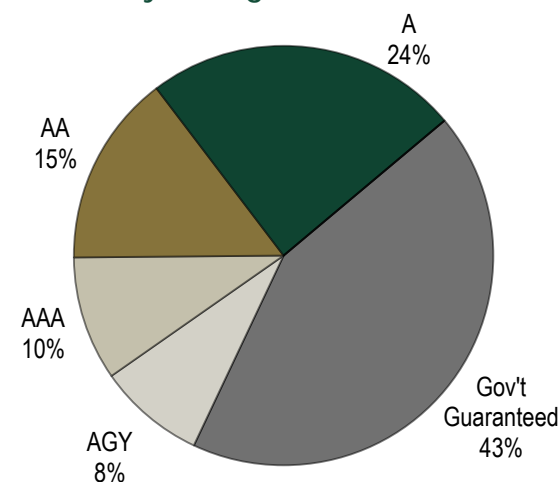
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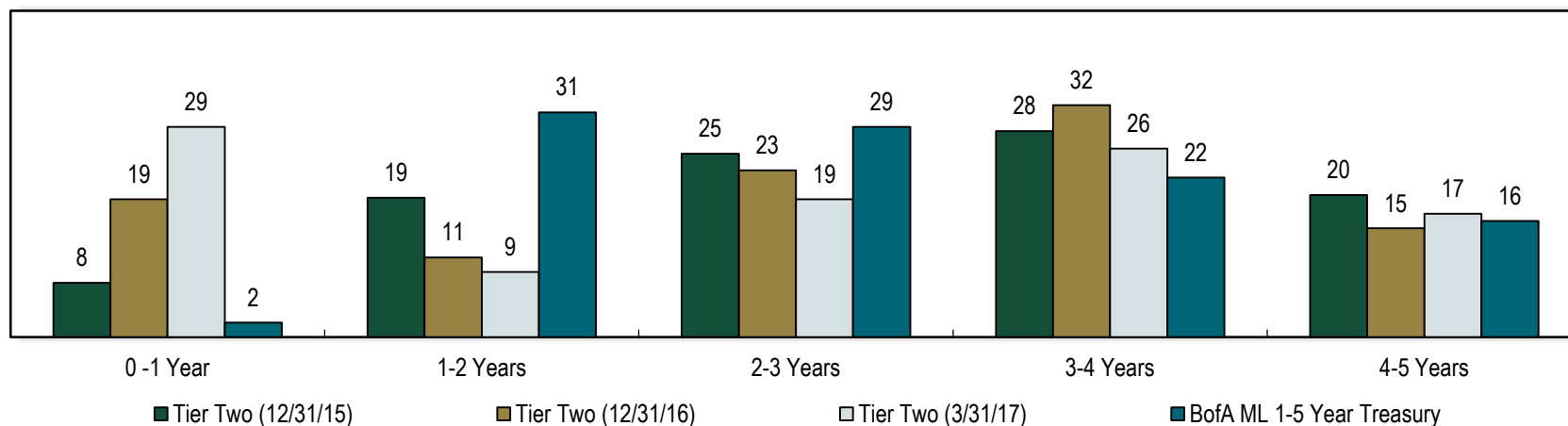
TIER TWO PORTFOLIO – as of March 31, 2017

	Tier Two	BofA ML U.S. Treasury 1-5 Year ¹
Yield to Maturity	1.71%	1.48%
Duration	2.38 Years	2.70 Years
Spread Duration	1.05	NA
Average Quality (<i>Moody's</i>)	Aa2	TSY
Fixed / Floating	89% / 11%	NA
Market Value	\$96,422,381	NA

Quality Ratings Distribution



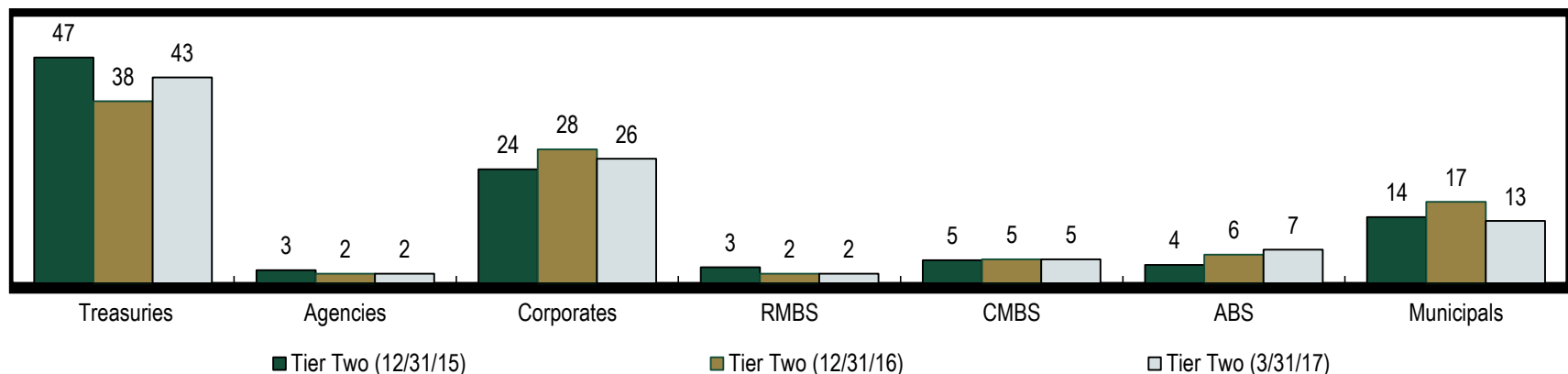
Duration Distribution (% Market Value)



Past performance is not indicative of future results. ¹ 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 \$250 million and a maturity range from one to five years, inclusive, reflecting total return.

TIER TWO PORTFOLIO – as of March 31, 2017

Sector Distribution (% Market Value)



Treasuries/Agencies

- Added Treasuries in the three to five-year area of the yield curve after interest rate sell off
- Sold a short International Bank for Reconstruction and Development due to mature April 2017 to fund Treasury buys
- Increased our TIPS position in the first quarter on a backup on breakeven rates

Corporates

- Sold fixed-rate corporates to reduce sector exposure including HSBC USA 1-year, BB&T Corp. 1-year, American Express Co. 1-year, Comcast 4-year, Oracle Corp. 4-year, Intel Corp. 4-year, Amgen 4-year and Goldman Sachs 2-year
- Purchased floating-rate corporates including Branch Banking & Trust 3-year, SunTrust Bank 3-year, American Express 3-year, Huntington National Bank 3-year, Goldman Sachs 2-year and fixed-rate Wilmington Trust 1-year, and MetLife 1-year

Structured Products

- Bought Nissan auto and John Deere equipment ABS
- Bought Fannie Mae DUS pool backed by multifamily loans originated in 2011
- Sold Freddie Mac CMO backed by 15-year residential loans originated in 2003

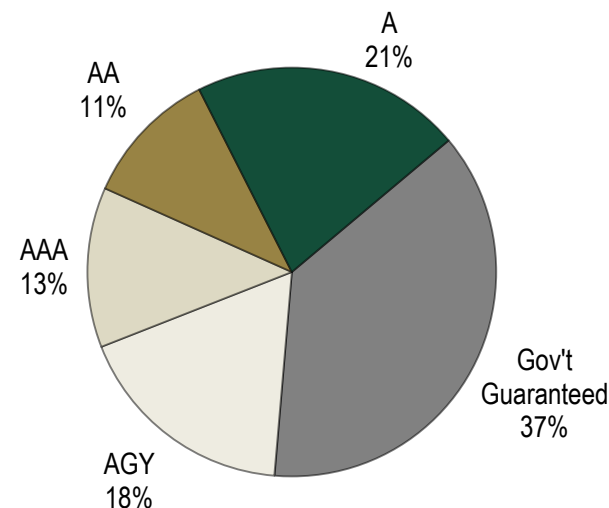
Municipals

- Trimmed State and Local Government exposure: California 2-year, Connecticut 3-year, Los Angeles, CA 3-year, San Diego, CA 2-year
- Sold Higher Education bonds: University of California 2-year, University of California Medical Center 4-year

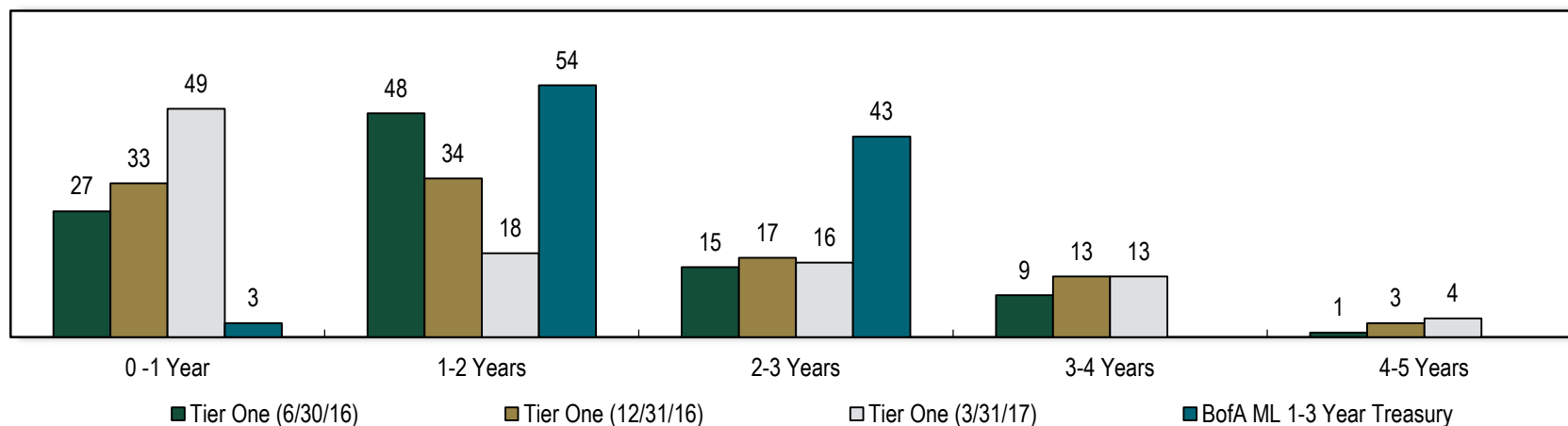
TIER ONE PORTFOLIO – as of March 31, 2017

	Tier One	BofA ML U.S. Treasury 1-3 Year ¹
Yield to Maturity	1.43%	1.27%
Duration	1.52 Years	1.89 Years
Spread Duration	0.74	NA
Average Quality (<i>Moody's</i>)	Aa2	TSY
Fixed / Floating	91% / 9%	NA
Market Value	\$145,451,948	NA

Quality Ratings Distribution



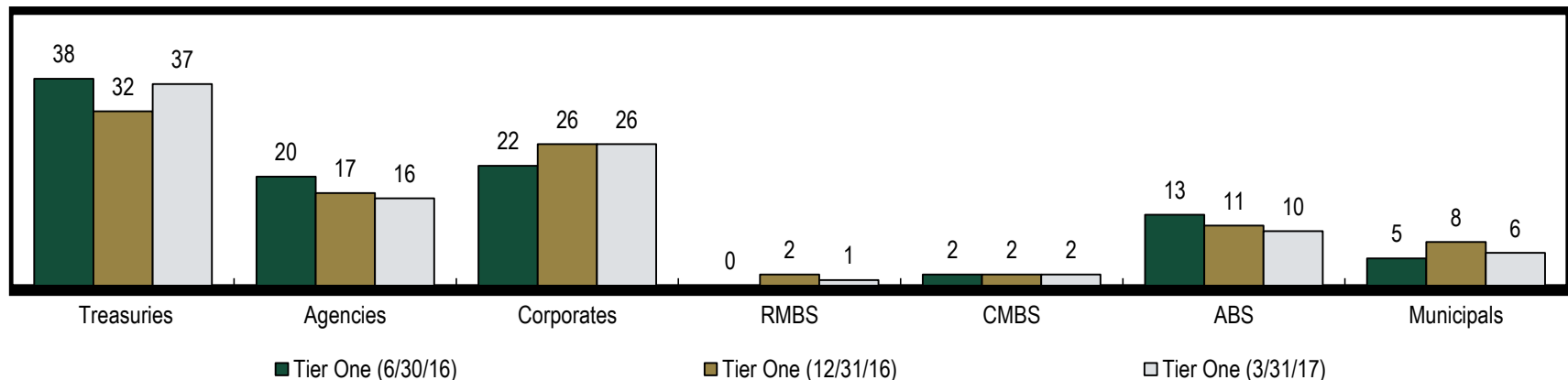
Duration Distribution (% Market Value)



Past performance is not indicative of future results. ¹ 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 \$250 million and a maturity range from one to three years, inclusive, reflecting total return.

TIER ONE PORTFOLIO – as of March 31, 2017

Sector Distribution (% Market Value)



Treasuries/Agencies

- Added Treasuries in the two to five-year area of the yield curve after interest rate sell off
- Increased our TIPS position in the first quarter on a backup on breakeven rates

Structured Products

- Paydowns on prime auto tranches reduced auto abs exposure
- Bought John Deere equipment ABS

Corporates

- Sold short-dated fixed-rate corporates to fund floating-rate corporate purchases
- Purchased floating-rate corporates including Berkshire Hathaway 2-year, Branch Banking & Trust 3-year, SunTrust Bank 3-year, Morgan Stanley 3-year, American Express 3-year and fixed-rate Wilmington Trust Corp. 1-year, U.S. Bank 1-year and MetLife 1-year

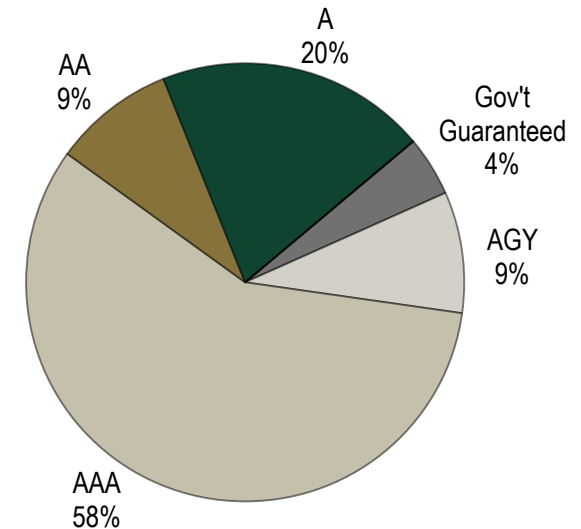
Municipals

- Sold State and Local Government exposure: California 2-year, Connecticut 3-year

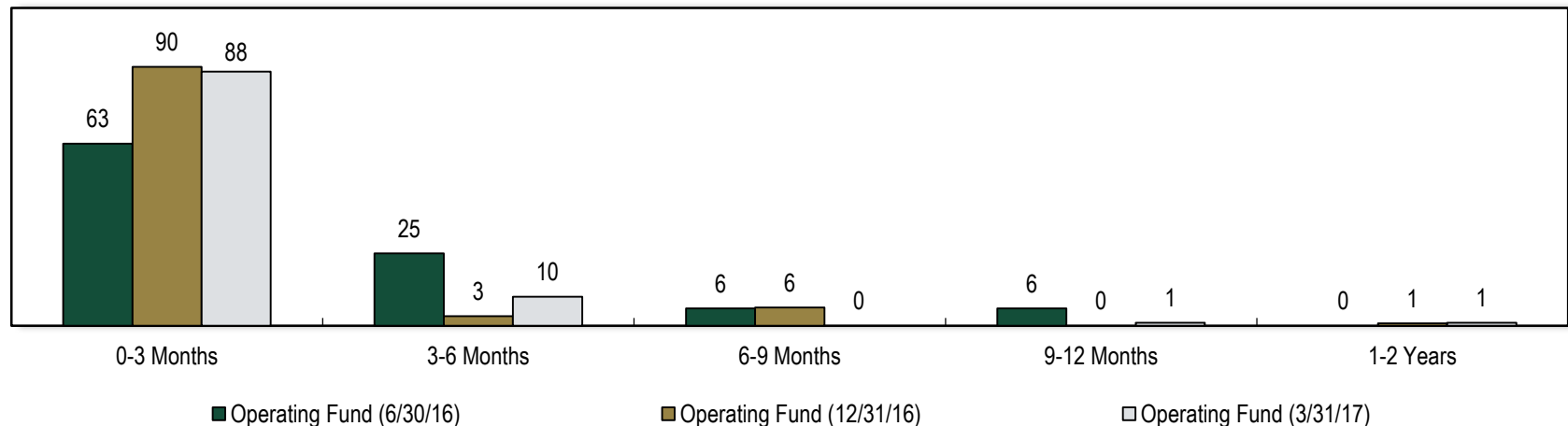
OPERATING FUND PORTFOLIO – as of March 31, 2017

	Operating Fund	Citigroup 3-Month Treasury Bill ¹
Yield to Maturity	1.06%	0.75%
Duration	0.12 Years	0.25 Years
Spread Duration	0.27	NA
Average Quality (<i>Moody's</i>)	Aa3	TSY
Fixed / Floating	74% / 26%	NA
Market Value	\$582,486,068	NA

Quality Ratings Distribution



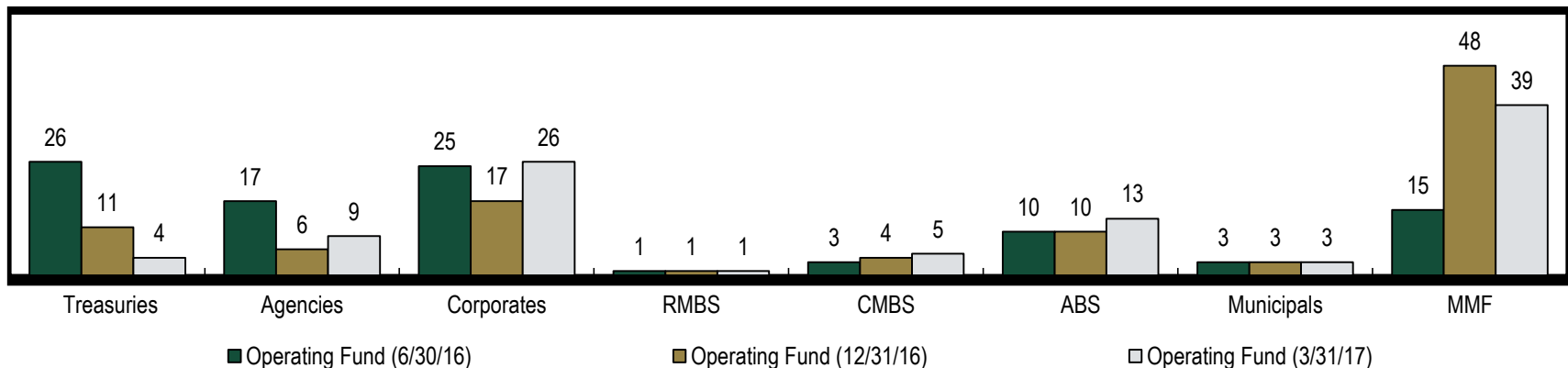
Duration Distribution (% Market Value)



Past performance is not indicative of future results. ¹ 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 March 31, 2017

Sector Distribution (% Market Value)



Treasuries/Agencies

- Purchased the three Washington, D.C. based supranational issuers Inter-American Development Bank, International Bank for Reconstruction and Development and International Finance Corporation
- Used proceeds from Treasury maturities to reinvest in higher yielding money market instruments (commercial paper and certificates of deposit)

Structured Products

- Increased exposure to short tenor ABS via purchases of BMW and Honda auto deals, John Deere equipment and Chase and Amex credit cards
- Added to agency multifamily CMBS positions with purchases of Freddie Mac and Fannie Mae bonds

Corporates

- Used proceeds from cash-equivalent maturities (e.g. commercial paper and certificates of deposit) to purchase short-dated corporates, including banks, industrials and electric utilities maturing in 2017

TIER TWO PORTFOLIO COMPLIANCE – as of March 31, 2017

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)	43	5 Years	4.92 Years	TSY	TSY
Agencies	100 (Code)	2	5 Years	1.99 Years	AGY	AGY
Corporate	30 (Code)	26	5 Years	4.38 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	14	5 Years	4.17 Years	AA-	AAA
Municipals	25 (Code 100)	13	5 Years	4.34 Years	A-	A-
Commercial Paper	25 (Code)	NA	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	2	1 Year	3 Days	A1/P1	A1/P1
Variable & Floating Rate Securities*	30 (Code)	11	5 Years	3.69 Years	A-	A-

*May include securities from other sectors such as US Governments, Agencies, Corporates and Structured.

TIER ONE PORTFOLIO COMPLIANCE – as of March 31, 2017

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)	37	5 Years	4.92 Years	TSY	TSY
Agencies	100 (Code)	16	5 Years	1.43 Years	AGY	AGY
Corporate	30 (Code)	26	5 Years	3.69 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	13	5 Years	4.21 Years	AA-	AAA
Municipals	25 (Code 100)	6	5 Years	4.34 Years	A-	A+
Commercial Paper	25 (Code)	NA	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	NA	1 Year	NA	A1/P1	NA
Variable & Floating Rate Securities*	30 (Code)	9	5 Years	2.93 Years	A-	A-

* May include securities from various asset classes such as Corporates, Structured and US Governments..

OPERATING FUND PORTFOLIO COMPLIANCE – as of March 31, 2017

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)	4	450 Days	27 Days	TSY	TSY
Agencies	100 (Code)	9	450 Days	109 Days	AGY	AGY
Corporate	30 (Code)	26	450 Days	147 Days	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	16	450 Days	354 Days	AA-	AAA
Municipals	25 (Code 100)	3	450 Days	123 Days	A-	AA-
Commercial Paper	25 (Code)	11	270 Days	21 Days	A1/P1	A1/P1
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	28	1 Year	46 Days	A1/P1	A1/P1
Variable & Floating Rate Securities*	30 (Code)	26	450 Days	79 Days	A-	A-

*May include securities from various asset Classes such as Corporates, Structured and US Governments. Contains Treasuries, Agencies, Corporate, Mortgages, and Asset-Backed securities which fall within the sector guidelines and reset in less than 450 days.



CalOptima
Better. Together.

Financial Summary

February 2017

Nancy Huang

Interim Chief Financial Officer

FY 2016-17: Consolidated Enrollment

- February 2017 MTD:
 - Overall enrollment was 791,103 member months
 - Actual lower than budget by 14,913 or 1.9%
 - Medi-Cal: unfavorable variance of 9,551 members
 - Lower than budget in TANF aid categories
 - OneCare Connect: unfavorable variance of 5,470 members
 - 0.5% or 4,249 decrease from prior month
 - Medi-Cal: decrease of 4,112 from January
 - OneCare Connect: decrease of 124 from January
 - OneCare: decrease of 23 from January
 - PACE: increase of 10 from January

FY 2016-17: Consolidated Enrollment

- February 2017 YTD:

- Overall enrollment was 6,378,684 member months
 - Actual lower than budget by 40,606 or 0.6%
 - Medi-Cal: unfavorable variance of 3,658 members
 - Medi-Cal Expansion (MCE) 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 37,108 members or 21.1%
 - PACE: unfavorable variance of 1 members or 0.1%
 - OneCare: favorable variance of 161 members or 1.7%

FY 2016-17: Consolidated Revenues

- February 2017 MTD:
 - Actual lower than budget by \$6.8 million or 2.4%
 - Medi-Cal: favorable to budget by \$11.7 million or 5.0%
 - Price related favorable variance of \$14.6 million due to:
 - \$4.8 million of LTC revenue for non-LTC members
 - \$4.2 million for IHSS
 - Remaining from member mix difference versus budget
 - Volume related unfavorable variance of \$2.9 million
 - OneCare Connect: unfavorable variance of \$18.4 million or 42.3%
 - Unfavorable volume variance of \$11.0 million
 - Unfavorable price variance of \$7.4 million
 - OCC Medicare Part A and B revenue decreases due to base rate and RAF score changes
 - OCC Medi-Cal adjustments related to prior year updates.
 - OCC Medi-Cal cohorts mix true-up for prior periods

FY 2016-17: Consolidated Revenues (con't.)

- February 2017 YTD:
 - Actual lower than budget by \$31.7 million or 1.4%
 - Medi-Cal: favorable to budget by \$88.1 million or 4.7%
 - OneCare Connect: unfavorable variance of \$120.2 million or 33.4%
 - Medi-Cal revenue unfavorable \$40.4 million
 - Medicare revenue unfavorable \$79.8 million
 - OneCare: unfavorable \$0.5 million or 4.4%
 - PACE: favorable \$0.9 million

FY 2016-17: Consolidated Medical Expenses

- February 2017 MTD:
 - Actual higher than budget by \$3.1 million or 1.2%
 - Medi-Cal: unfavorable variance of \$18.8 million
 - MLTSS unfavorable variance \$14.7 million
 - LTC unfavorable variance \$14.7 million
 - \$6.9 million higher LTC Claim expense due to less than anticipated members enrolling in OneCare Connect
 - \$2.0 million variance from FY17 mandated rate accrual
 - IHSS related unfavorable variance approximately \$5.4 million
 - Provider Capitation unfavorable variance of \$12.9 million related to one additional HMO network beginning in February
 - Facilities expenses favorable variance of \$7.0 million due to one shared risk group network moving to HMO model in February
 - OneCare Connect: favorable variance of \$15.6 million
 - Favorable volume variance of \$10.3 million
 - Favorable price variance of \$5.3 million
 - Lower than budget prescription drugs and LTC costs

FY 2016-17: Consolidated Medical Expenses (Cont.)

- February 2017 YTD:

- Actual lower than budget by \$1.0 million
 - Medi-Cal: unfavorable variance of \$107.6 million
 - Unfavorable price variance of \$108.7 million
 - IHSS estimated expense \$42.7 million higher than budget
 - Long Term Care expense \$40.8 million higher than budget
 - Facilities expense \$10.6 million higher than budget
 - Favorable volume variance of \$1.0 million
 - OneCare Connect: favorable variance of \$107.2 million
 - Favorable volume variance of \$71.4 million
 - Favorable price variance of \$35.8 million

- Medical Loss Ratio (MLR):

- February 2017 MTD: Actual: 96.0% Budget: 92.6%
- February 2017 YTD: Actual: 96.7% Budget: 95.4%

FY 2016-17: Consolidated Administrative Expenses

- February 2017 MTD:

- Actual lower than budget by \$2.1 million or 18.5%
 - Salaries and Benefits: favorable variance of \$1.3 million
 - Other categories: favorable variance of \$0.8 million

- February 2017 YTD:

- Actual lower than budget by \$19.0 million or 20.4%
 - Salaries and Benefits: favorable variance of \$12.8 million driven by lower than budgeted FTE
 - Other categories: favorable variance of \$6.1 million

- Administrative Loss Ratio (ALR):

- February 2017 MTD: Actual: 3.4% Budget: 4.1%
- February 2017 YTD: Actual: 3.3% Budget: 4.1%

FY 2016-17: Change in Net Assets

- February 2017 MTD:

- \$3.7 million surplus
- \$5.8 million unfavorable to budget
 - Lower than budgeted revenue of \$6.8 million
 - Lower than budgeted administrative expenses of \$2.1 million
 - Higher than budgeted medical expenses of \$3.1 million
 - Higher than budgeted investment income of \$2.0 million

- February 2017 YTD:

- \$7.1 million surplus
- \$5.4 million unfavorable to budget
 - Lower than budgeted revenue of \$31.7 million
 - Lower than budgeted medical expenses of \$1.0 million
 - Lower than budgeted administrative expenses of \$19.0 million
 - Higher than budgeted investment income of \$5.9 million

Enrollment Summary: February 2017

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,819	55,872	3,947	7.1%	Aged	468,234	442,521	25,713	5.8%
618	679	(61)	(9.0%)	BCCTP	4,975	5,415	(440)	(8.1%)
48,693	47,325	1,368	2.9%	Disabled	388,478	379,454	9,024	2.4%
327,943	343,267	(15,324)	(4.5%)	TANF Child	2,667,305	2,724,654	(57,349)	(2.1%)
98,357	108,884	(10,527)	(9.7%)	TANF Adult	814,218	875,411	(61,193)	(7.0%)
3,257	2,726	531	19.5%	LTC	26,101	21,581	4,520	20.9%
234,719	224,204	10,515	4.7%	MCE	1,859,408	1,783,341	76,067	4.3%
773,406	782,957	(9,551)	(1.2%)	Medi-Cal	6,228,719	6,232,377	(3,658)	(0.1%)
16,222	21,692	(5,470)	(25.2%)	OneCare Connect	138,671	175,779	(37,108)	(21.1%)
194	200	(6)	(3.0%)	PACE	1,459	1,460	(1)	(0.1%)
1,281	1,167	114	9.8%	OneCare	9,835	9,674	161	1.7%
791,103	806,016	(14,913)	(1.9%)	CalOptima Total	6,378,684	6,419,290	(40,606)	(0.6%)

Financial Highlights: February 2017

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
791,103	806,016	(14,913)	(1.9%)	Member Months	6,378,684	6,419,290	(40,606)	(0.6%)
275,065,163	281,859,471	(6,794,308)	(2.4%)	Revenues	2,222,592,702	2,254,327,683	(31,734,981)	(1.4%)
264,197,736	261,080,635	(3,117,101)	(1.2%)	Medical Expenses	2,149,134,529	2,150,139,207	1,004,677	0.0%
9,352,941	11,470,815	2,117,874	18.5%	Administrative Expenses	73,831,259	92,790,136	18,958,877	20.4%
1,514,486	9,308,021	(7,793,535)	(83.7%)	Operating Margin	(373,086)	11,398,341	(11,771,427)	(103.3%)
2,175,714	132,617	2,043,098	1540.6%	Non Operating Income (Loss)	7,490,167	1,124,734	6,365,433	566.0%
3,690,200	9,440,638	(5,750,438)	60.9%	Change in Net Assets	7,117,081	12,523,074	(5,405,994)	(43.2%)
96.0%	92.6%	(3.4%)		Medical Loss Ratio	96.7%	95.4%	(1.3%)	
3.4%	4.1%	0.7%		Administrative Loss Ratio	3.3%	4.1%	0.8%	
<u>0.6%</u>	<u>3.3%</u>	(2.8%)		Operating Margin Ratio	<u>(0.0%)</u>	<u>0.5%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: February 2017 (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>
3.2	8.8	(5.6)	Medi-Cal	4.3	9.9	(5.6)
(0.1)	0.0	(0.1)	OneCare	(0.3)	0.2	(0.5)
(1.7)	0.6	(2.3)	OCC	(5.2)	3.0	(8.2)
<u>0.0</u>	<u>(0.1)</u>	<u>0.1</u>	PACE	<u>0.7</u>	<u>(1.8)</u>	<u>2.5</u>
1.4	9.3	(7.9)	Operating	(0.5)	11.4	(11.9)
<u>2.3</u>	<u>0.1</u>	<u>2.1</u>	Inv./Rental Inc, MCO tax	<u>7.6</u>	<u>1.1</u>	<u>6.5</u>
2.3	0.1	2.1	Non-Operating	7.6	1.1	6.5
3.7	9.4	(5.8)	TOTAL	7.1	12.5	(5.4)

Consolidated Revenue & Expense:

February 2017 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	538,687	234,719	773,406	1,281	16,222	194	791,103
REVENUES							
Capitation Revenue	\$ 138,281,268	\$ 109,083,952	\$ 247,365,220	\$ 1,325,118	\$ 25,134,734	\$ 1,240,091	\$ 275,065,163
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>138,281,268</u>	<u>109,083,952</u>	<u>247,365,220</u>	<u>1,325,118</u>	<u>25,134,734</u>	<u>1,240,091</u>	<u>275,065,163</u>
MEDICAL EXPENSES							
Provider Capitation	39,473,179	48,806,830	88,280,009	405,341	8,052,308	-	96,737,659
Facilities	23,632,438	23,464,976	47,097,415	298,893	7,197,011	237,676	54,830,996
Ancillary	-	-	-	11,280	831,025	-	842,306
Skilled Nursing	-	-	-	135,811	-	-	135,811
Professional Claims	7,091,859	8,041,046	15,132,904	-	-	226,458	15,359,362
Prescription Drugs	17,368,544	15,889,723	33,258,267	400,003	1,613,064	90,238	35,361,572
Long-term Care Facility Payments	47,474,400	2,341,069	49,815,469	-	6,378,067	7,327	56,200,863
Medical Management	2,603,881	-	2,603,881	60,680	914,846	404,986	3,984,393
Reinsurance & Other	(642,116)	1,150,896	508,780	4,500	89,568	141,928	744,775
Total Medical Expenses	<u>137,002,185</u>	<u>99,694,540</u>	<u>236,696,726</u>	<u>1,316,509</u>	<u>25,075,889</u>	<u>1,108,613</u>	<u>264,197,736</u>
Medical Loss Ratio	99.1%	91.4%	95.7%	99.4%	99.8%	89.4%	96.0%
GROSS MARGIN	1,279,083	9,389,412	10,668,494	8,609	58,845	131,478	10,867,427
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,304,162	21,174	855,733	91,332	6,272,401
Professional fees			186,049	13,913	-	19,250	219,212
Purchased services			996,926	23,483	159,300	6,238	1,185,948
Printing and Postage			245,448	9,854	26,171	68	281,541
Depreciation and Amortization			342,720	-	-	2,065	344,785
Other expenses			726,256	0	40,295	6,029	772,580
Indirect cost allocation, Occupancy expense			(403,146)	22,850	654,511	2,260	276,475
Total Administrative Expenses			<u>7,398,414</u>	<u>91,274</u>	<u>1,736,010</u>	<u>127,243</u>	<u>9,352,941</u>
Admin Loss Ratio			3.0%	6.9%	6.9%	10.3%	3.4%
INCOME (LOSS) FROM OPERATIONS			3,270,080	(82,664)	(1,677,164)	4,234	1,514,486
INVESTMENT INCOME			-	-	-	-	2,243,095
NET RENTAL INCOME			-	-	-	-	8,315
NET GRANT INCOME			(75,814)	-	-	-	(75,814)
OTHER INCOME			119	-	-	-	119
CHANGE IN NET ASSETS			<u>\$ 3,194,385</u>	<u>\$ (82,664)</u>	<u>\$ (1,677,164)</u>	<u>\$ 4,234</u>	<u>\$ 3,690,200</u>
BUDGETED CHANGE IN ASSETS			8,793,252	21,100	613,429	(119,759)	9,440,638
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,598,868)</u>	<u>(103,764)</u>	<u>(2,290,593)</u>	<u>123,994</u>	<u>(5,750,438)</u>

Consolidated Revenue & Expense:

February 2017 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	4,369,311	1,859,408	6,228,719	9,835	138,671	1,459	6,378,684
REVENUES							
Capitation Revenue	\$ 1,104,769,361	\$ 857,257,146	\$ 1,962,026,508	\$ 10,645,302	\$ 239,820,446	\$ 10,100,447	\$ 2,222,592,702
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,104,769,361</u>	<u>857,257,146</u>	<u>1,962,026,508</u>	<u>10,645,302</u>	<u>239,820,446</u>	<u>10,100,447</u>	<u>2,222,592,702</u>
MEDICAL EXPENSES							
Provider Capitation	265,588,210	344,179,570	609,767,780	3,248,784	58,451,088	-	671,467,652
Facilities	221,087,153	239,503,261	460,590,414	2,561,807	71,367,924	2,049,747	536,569,893
Ancillary	-	-	-	332,542	6,045,806	-	6,378,348
Skilled Nursing	-	-	-	466,932	-	-	466,932
Professional Claims	74,189,149	69,359,217	143,548,366	-	-	1,684,042	145,232,408
Prescription Drugs	144,275,943	132,497,552	276,773,495	3,399,865	39,246,868	675,654	320,095,882
Long-term Care Facility Payments	364,802,673	16,156,082	380,958,754	-	47,339,711	43,380	428,341,845
Medical Management	23,164,940	-	23,164,940	180,543	7,922,288	3,155,993	34,423,764
Reinsurance & Other	(3,688,966)	8,189,275	4,500,309	36,771	734,302	886,424	6,157,805
Total Medical Expenses	<u>1,089,419,101</u>	<u>809,884,957</u>	<u>1,899,304,058</u>	<u>10,227,244</u>	<u>231,107,988</u>	<u>8,495,239</u>	<u>2,149,134,529</u>
Medical Loss Ratio	98.6%	94.5%	96.8%	96.1%	96.4%	84.1%	96.7%
GROSS MARGIN	15,350,261	47,372,189	62,722,450	418,058	8,712,458	1,605,208	73,458,173
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			42,119,125	133,128	6,403,332	736,006	49,391,591
Professional Fees			1,011,226	134,270	316,552	33,805	1,495,853
Purchased services			5,738,413	189,059	1,087,987	34,692	7,050,151
Printing and Postage			1,679,951	69,971	489,813	2,265	2,241,999
Depreciation and Amortization			2,528,986	-	-	16,378	2,545,363
Other expenses			7,929,432	2,071	289,669	56,539	8,277,710
Indirect cost allocation, Occupancy expense			(2,695,720)	185,730	5,320,121	18,459	2,828,591
Total Administrative Expenses			<u>58,311,413</u>	<u>714,229</u>	<u>13,907,474</u>	<u>898,143</u>	<u>73,831,259</u>
Admin Loss Ratio			3.0%	6.7%	5.8%	8.9%	3.3%
INCOME (LOSS) FROM OPERATIONS			4,411,037	(296,171)	(5,195,016)	707,065	(373,086)
INVESTMENT INCOME			-	-	-	-	7,564,063
NET RENTAL INCOME			-	-	-	-	41,970
NET GRANT INCOME			(116,712)	-	-	-	(116,712)
OTHER INCOME			847	-	-	-	847
CHANGE IN NET ASSETS			<u>\$ 4,295,170</u>	<u>\$ (296,171)</u>	<u>\$ (5,195,016)</u>	<u>\$ 707,065</u>	<u>\$ 7,117,081</u>
BUDGETED CHANGE IN ASSETS			<u>9,939,847</u>	<u>199,975</u>	<u>3,018,682</u>	<u>(1,760,164)</u>	<u>12,523,074</u>
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,644,677)</u>	<u>(496,147)</u>	<u>(8,213,698)</u>	<u>2,467,228</u>	<u>(5,405,994)</u>

Balance Sheet:

As of February 2017

ASSETS

Current Assets

Operating Cash	\$338,960,313
Catastrophic Reserves	11,371,279
Investments	1,527,088,724
Capitation receivable	317,132,174
Receivables - Other	20,020,278
Prepaid Expenses	12,096,533

Total Current Assets	<u>2,226,669,301</u>
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Capital Assets Furniture and equipment	33,303,693
Leasehold improvements	8,334,007
505 City Parkway West	49,269,863
	<u>90,907,563</u>
Less: accumulated depreciation	(35,997,907)
Capital assets, net	<u>54,909,656</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	1,999,127
Long term investments	530,660,511
Total Board-designated Assets	<u>532,659,637</u>
Total Other Assets	<u>532,959,637</u>

Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473

TOTAL ASSETS & OUTFLOWS	<u>2,819,541,612</u>
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$29,941,908
Medical claims liability	634,186,444
Accrued payroll liabilities	9,616,865
Deferred revenue	917,826,164
Deferred lease obligations	222,558
Capitation and withholds	517,557,114

Total Current Liabilities	<u>2,109,351,053</u>
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Other employment benefits liability	29,495,473
Net Pension Liabilities	11,756,286
Long Term Liabilities	100,000

TOTAL LIABILITIES	<u>2,150,702,812</u>
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Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640

Tangible net equity (TNE)	94,660,013
Funds in excess of TNE	572,024,247

Net Assets	<u>666,684,260</u>
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TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>2,819,541,612</u>
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Board Designated Reserve and TNE Analysis As of February 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,602,803				
	Tier 1 - Logan Circle	145,347,467				
	Tier 1 - Wells Capital	145,395,335				
		436,345,605	291,461,558	456,942,231	144,884,047	(20,596,626)
TNE Requirement	Tier 2 - Logan Circle	96,314,032	94,660,013	94,660,013	1,654,020	1,654,020
Consolidated:		532,659,637	386,121,571	551,602,244	146,538,067	(18,942,607)
<i>Current reserve level</i>		<i>1.93</i>	<i>1.40</i>	<i>2.00</i>		



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Medi-Cal

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OneCare (HMO SNP)

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OneCare Connect

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PACE

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CalOptima Cash Flow Forecast Summary
as of 03/31/17

Components	Funds for Weekly Clearance	Operating Acct	Tier 1	Tier 2	Total Portfolio
Financial Institution	US Bank/Union Bank				
Balance @3/31/17	233,615,521	1,748,468,242	436,626,641	96,422,381	\$ 2,515,132,785

Fund Allocation Details	Operating	Tier 1	Tier 2	Total
(in million)				
Payden	583	146		729
Logan	582	145	96	824
Wells	583	145		728
Total:	1,748	437	96	2,281

12-mon Cash Forecast (in millions)		Actual	Forecast	Forecast	Forecast	Forecast	Forecast
		as of 03/31/17	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2
a.	Funds for Weekly Clearance	234	-	-	-	-	-
b.	Tier 1 and 2 Reserve	533	533	533	533	533	533
c.	Operating Acct Itemized Outflows:						
	Delay of May and Jun Cap Revenue		(400)	400			
	HQAF		(84)				
	MCE Rate Recoup Overpayment		(120)	(120)	(120)	(120)	
	Contingency Payable (MCE 85% MLR)				(100)	(100)	
	Shared Risk Payout (FY15)			(14)		(156)	
	Shared Risk Payout (FY16)						(183)
	MCO Tax						
	Operating Acct Balance:	1,748	1,144	1,410	1,190	814	631
(a+b+c)	Remaining Balance:	2,515	1,677	1,943	1,723	1,347	1,164

Note:

- 1) Delay in March Capitation, warrant dated 04/19/17
- 2) Shared Risk Payout will be released after MCE 85% MLR reconciliation with DHCS



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UNAUDITED FINANCIAL STATEMENTS

February 2017

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CalOptima - Consolidated
Financial Highlights
For the Eight Months Ended February 28, 2017

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
791,103	806,016	(14,913)	(1.9%)	Member Months	6,378,684	6,419,290	(40,606)	(0.6%)
275,065,163	281,859,471	(6,794,308)	(2.4%)	Revenues	2,222,592,702	2,254,327,683	(31,734,981)	(1.4%)
264,197,736	261,080,635	(3,117,101)	(1.2%)	Medical Expenses	2,149,134,529	2,150,139,207	1,004,677	0.0%
9,352,941	11,470,815	2,117,874	18.5%	Administrative Expenses	73,831,259	92,790,136	18,958,877	20.4%
1,514,486	9,308,021	(7,793,535)	(83.7%)	Operating Margin	(373,086)	11,398,341	(11,771,427)	(103.3%)
2,175,714	132,617	2,043,098	1540.6%	Non Operating Income (Loss)	7,490,167	1,124,734	6,365,433	566.0%
3,690,200	9,440,638	(5,750,438)	60.9%	Change in Net Assets	7,117,081	12,523,074	(5,405,994)	(43.2%)
96.0%	92.6%	(3.4%)		Medical Loss Ratio	96.7%	95.4%	(1.3%)	
3.4%	4.1%	0.7%		Administrative Loss Ratio	3.3%	4.1%	0.8%	
<u>0.6%</u>	<u>3.3%</u>	(2.8%)		Operating Margin Ratio	<u>(0.0%)</u>	<u>0.5%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

CalOptima
Financial Dashboard
For the Eight Months Ended February 28, 2017

MONTH

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	773,406	782,957	↓	(9,551) (1.2%)
OneCare	1,281	1,167	↑	114 9.8%
OneCare Connect	16,222	21,692	↓	(5,470) (25.2%)
PACE	194	200	↓	(6) (3.0%)
Total	791,103	806,016	↓	(14,913) (1.9%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 3,194	\$ 8,793	↓	\$ (5,599) (63.7%)
OneCare	(83)	21	↓	(104) (491.8%)
OneCare Connect	(1,677)	613	↓	(2,291) (373.4%)
PACE	4	(120)	↑	124 103.5%
505 Bldg.	8	(76)	↑	84 111.0%
Investment Income & Other	2,243	208	↑	2,035 976.7%
Total	\$ 3,690	\$ 9,441	↓	\$ (5,750) (60.9%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	95.7%	92.5%	↓	(3.2)
OneCare	99.4%	89.5%	↓	(9.8)
OneCare Connect	99.8%	93.3%	↓	(6.4)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,398	\$ 8,934	↑	\$ 1,535 17.2%
OneCare	91	122	↑	30 24.9%
OneCare Connect	1,736	2,295	↑	559 24.4%
PACE	127	120	↓	(7) (5.9%)
Total	\$ 9,353	\$ 11,471	↑	\$ 2,118 18.5%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	840	886		46
OneCare	4	3		(1)
OneCare Connect	227	239		12
PACE	45	59		14
Total	1,116	1,186		70

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	920	884		37
OneCare	320	389		(69)
OneCare Connect	71	91		(19)
PACE	4	3		1
Total	1,316	1,367		(51)

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	6,228,719	6,232,377	↓	(3,658) (0.1%)
OneCare	9,835	9,674	↑	161 1.7%
OneCare Connect	138,671	175,779	↓	(37,108) (21.1%)
PACE	1,459	1,460	↓	(1) (0.1%)
Total	6,378,684	6,419,290	↓	(40,606) (0.6%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 4,295	\$ 9,940	↓	\$ (5,645) (56.8%)
OneCare	(296)	200	↓	(496) (248.1%)
OneCare Connect	(5,195)	3,019	↓	(8,214) (272.1%)
PACE	707	(1,760)	↑	2,467 140.2%
505 Bldg.	42	(542)	↑	584 107.7%
Investment Income & Other	7,565	1,667	↑	5,898 353.9%
Total	\$ 7,118	\$ 12,523	↓	\$ (5,405) (43.2%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	96.8%	95.6%	↓	(1.2)
OneCare	96.1%	90.8%	↓	(5.3)
OneCare Connect	96.4%	94.0%	↓	(2.4)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 58,311	\$ 72,263	↑	\$ 13,951 19.3%
OneCare	714	826	↑	112 13.5%
OneCare Connect	13,907	18,754	↑	4,846 25.8%
PACE	898	948	↑	50 5.2%
Total	\$ 73,831	\$ 92,790	↑	\$ 18,959 20.4%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	6,734	7,087		353
OneCare	29	24		(5)
OneCare Connect	1,802	1,909		106
PACE	328	456		128
Total	8,772	9,476		704

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	925	879		46
OneCare	335	403		(68)
OneCare Connect	77	92		(15)
PACE	4	3		1
Total	1,341	1,378		(36)

CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended February 28, 2017

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	791,103		806,016		(14,913)	
Revenues						
Medi-Cal	\$ 247,365,220	\$ 319.84	\$ 235,671,471	\$ 301.00	\$ 11,693,749	\$ 18.84
OneCare	1,325,118	1,034.44	1,359,960	1,165.35	(34,842)	(130.91)
OneCare Connect	25,134,734	1,549.42	43,572,000	2,008.67	(18,437,266)	(459.24)
PACE	1,240,091	6,392.22	1,256,040	6,280.20	(15,950)	112.02
Total Operating Revenue	<u>275,065,163</u>	<u>347.70</u>	<u>281,859,471</u>	<u>349.69</u>	<u>(6,794,308)</u>	<u>(2.00)</u>
Medical Expenses						
Medi-Cal	236,696,726	306.04	217,944,455	278.36	(18,752,271)	(27.68)
OneCare	1,316,509	1,027.72	1,217,355	1,043.15	(99,154)	15.43
OneCare Connect	25,075,889	1,545.80	40,663,219	1,874.57	15,587,330	328.78
PACE	1,108,613	5,714.50	1,255,607	6,278.04	146,994	563.54
Total Medical Expenses	<u>264,197,736</u>	<u>333.96</u>	<u>261,080,635</u>	<u>323.91</u>	<u>(3,117,101)</u>	<u>(10.05)</u>
Gross Margin	10,867,427	13.74	20,778,836	25.78	(9,911,410)	(12.04)
Administrative Expenses						
Salaries and Benefits	6,272,401	7.93	7,585,333	9.41	1,312,932	1.48
Professional fees	219,212	0.28	445,418	0.55	226,206	0.28
Purchased services	1,185,948	1.50	1,051,208	1.30	(134,740)	(0.19)
Printing and Postage	281,541	0.36	475,916	0.59	194,375	0.23
Depreciation and Amortization	344,785	0.44	385,117	0.48	40,333	0.04
Other	772,580	0.98	1,100,518	1.37	327,938	0.39
Indirect cost allocation, Occupancy expense	276,475	0.35	427,305	0.53	150,830	0.18
Total Administrative Expenses	<u>9,352,941</u>	<u>11.82</u>	<u>11,470,815</u>	<u>14.23</u>	<u>2,117,874</u>	<u>2.41</u>
Income (Loss) From Operations	1,514,486	1.91	9,308,021	11.55	(7,793,535)	(9.63)
Investment income						
Interest income	1,834,957	2.32	208,333	0.26	1,626,624	2.06
Realized gain/(loss) on investments	(21,095)	(0.03)	-	-	(21,095)	(0.03)
Unrealized gain/(loss) on investments	429,233	0.54	-	-	429,233	0.54
Total Investment Income	<u>2,243,095</u>	<u>2.84</u>	<u>208,333</u>	<u>0.26</u>	<u>2,034,762</u>	<u>2.58</u>
Net Rental Income	8,315	0.01	(75,717)	(0.09)	84,032	0.10
Total Net Grant Income	(75,814)	(0.10)	-	-	(75,814)	(0)
Other Income	119	0.00	-	-	119	0.00
Change In Net Assets	<u>3,690,201</u>	<u>4.66</u>	<u>9,440,638</u>	<u>11.71</u>	<u>(5,750,438)</u>	<u>(7.05)</u>
Medical Loss Ratio	96.0%		92.6%		(3.4%)	
Administrative Loss Ratio	3.4%		4.1%		0.7%	

* 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 Eight Months Ended February 28, 2017**

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	6,378,684		6,419,290		(40,606)	
Revenues						
Medi-Cal	\$ 1,962,026,508	\$ 315.00	\$ 1,873,906,455	\$ 300.67	\$ 88,120,053	\$ 14.32
OneCare	10,645,302	1,082.39	11,137,106	1,151.24	(491,804)	(68.85)
OneCare Connect	239,820,446	1,729.42	360,069,051	2,048.42	(120,248,605)	(319.00)
PACE	10,100,447	6,922.86	9,215,072	6,311.69	885,375	611.16
Total Operating Revenue	<u>2,222,592,702</u>	<u>348.44</u>	<u>2,254,327,683</u>	<u>351.18</u>	<u>(31,734,981)</u>	<u>(2.74)</u>
Medical Expenses						
Medi-Cal	1,899,304,058	304.93	1,791,703,764	287.48	(107,600,294)	(17.44)
OneCare	10,227,244	1,039.88	10,111,153	1,045.19	(116,092)	5.31
OneCare Connect	231,107,988	1,666.59	338,296,858	1,924.56	107,188,870	257.97
PACE	8,495,239	5,822.64	10,027,432	6,868.10	1,532,193	1,045.46
Total Medical Expenses	<u>2,149,134,529</u>	<u>336.92</u>	<u>2,150,139,207</u>	<u>334.95</u>	<u>1,004,677</u>	<u>(1.97)</u>
Gross Margin	73,458,173	11.52	104,188,477	16.23	(30,730,304)	(4.71)
Administrative Expenses						
Salaries and Benefits	49,391,591	7.74	62,232,913	9.69	12,841,321	1.95
Professional fees	1,495,853	0.23	3,298,850	0.51	1,802,997	0.28
Purchased services	7,050,151	1.11	7,654,679	1.19	604,528	0.09
Printing and Postage	2,241,999	0.35	3,722,111	0.58	1,480,112	0.23
Depreciation and Amortization	2,545,363	0.40	3,080,938	0.48	535,575	0.08
Other	8,277,710	1.30	9,377,358	1.46	1,099,647	0.16
Indirect cost allocation, Occupancy expense	2,828,591	0.44	3,423,288	0.53	594,697	0.09
Total Administrative Expenses	<u>73,831,259</u>	<u>11.57</u>	<u>92,790,136</u>	<u>14.45</u>	<u>18,958,877</u>	<u>2.88</u>
Income (Loss) From Operations	(373,086)	(0.06)	11,398,341	1.78	(11,771,427)	(1.83)
Investment income						
Interest income	11,609,816	1.82	1,666,667	0.26	9,943,149	1.56
Realized gain/(loss) on investments	204,359	0.03	-	-	204,359	0.03
Unrealized gain/(loss) on investments	(4,250,112)	(0.67)	-	-	(4,250,112)	(0.67)
Total Investment Income	<u>7,564,063</u>	<u>1.19</u>	<u>1,666,667</u>	<u>0.26</u>	<u>5,897,396</u>	<u>0.93</u>
Net Rental Income	41,970	0.01	(541,933)	(0.08)	583,904	0.09
Total Net Grant Income	(116,712)	(0)	-	-	(116,712)	(0)
Other Income	847	0.00	-	-	847	0.00
Change In Net Assets	<u>7,117,082</u>	<u>1.12</u>	<u>12,523,074</u>	<u>1.95</u>	<u>(5,405,993)</u>	<u>(0.84)</u>
Medical Loss Ratio	96.7%		95.4%		(1.3%)	
Administrative Loss Ratio	3.3%		4.1%		0.8%	

* 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 February 28, 2017**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	538,687	234,719	773,406	1,281	16,222	194	791,103
REVENUES							
Capitation Revenue	\$ 138,281,268	\$ 109,083,952	\$ 247,365,220	\$ 1,325,118	\$ 25,134,734	\$ 1,240,091	\$ 275,065,163
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>138,281,268</u>	<u>109,083,952</u>	<u>247,365,220</u>	<u>1,325,118</u>	<u>25,134,734</u>	<u>1,240,091</u>	<u>275,065,163</u>
MEDICAL EXPENSES							
Provider Capitation	39,473,179	48,806,830	88,280,009	405,341	8,052,308	-	96,737,659
Facilities	23,632,438	23,464,976	47,097,415	298,893	7,197,011	237,676	54,830,996
Ancillary	-	-	-	11,280	831,025	-	842,306
Skilled Nursing	-	-	-	135,811	-	-	135,811
Professional Claims	7,091,859	8,041,046	15,132,904	-	-	226,458	15,359,362
Prescription Drugs	17,368,544	15,889,723	33,258,267	400,003	1,613,064	90,238	35,361,572
Long-term Care Facility Payments	47,474,400	2,341,069	49,815,469	-	6,378,067	7,327	56,200,863
Medical Management	2,603,881	-	2,603,881	60,680	914,846	404,986	3,984,393
Reinsurance & Other	(642,116)	1,150,896	508,780	4,500	89,568	141,928	744,775
Total Medical Expenses	<u>137,002,185</u>	<u>99,694,540</u>	<u>236,696,726</u>	<u>1,316,509</u>	<u>25,075,889</u>	<u>1,108,613</u>	<u>264,197,736</u>
Medical Loss Ratio	99.1%	91.4%	95.7%	99.4%	99.8%	89.4%	96.0%
GROSS MARGIN	1,279,083	9,389,412	10,668,494	8,609	58,845	131,478	10,867,427
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,304,162	21,174	855,733	91,332	6,272,401
Professional fees			186,049	13,913	-	19,250	219,212
Purchased services			996,926	23,483	159,300	6,238	1,185,948
Printing and Postage			245,448	9,854	26,171	68	281,541
Depreciation and Amortization			342,720	-	-	2,065	344,785
Other expenses			726,256	0	40,295	6,029	772,580
Indirect cost allocation, Occupancy expense			(403,146)	22,850	654,511	2,260	276,475
Total Administrative Expenses			<u>7,398,414</u>	<u>91,274</u>	<u>1,736,010</u>	<u>127,243</u>	<u>9,352,941</u>
Admin Loss Ratio			3.0%	6.9%	6.9%	10.3%	3.4%
INCOME (LOSS) FROM OPERATIONS			3,270,080	(82,664)	(1,677,164)	4,234	1,514,486
INVESTMENT INCOME			-	-	-	-	2,243,095
NET RENTAL INCOME			-	-	-	-	8,315
NET GRANT INCOME			(75,814)	-	-	-	(75,814)
OTHER INCOME			119	-	-	-	119
CHANGE IN NET ASSETS			<u>\$ 3,194,385</u>	<u>\$ (82,664)</u>	<u>\$ (1,677,164)</u>	<u>\$ 4,234</u>	<u>\$ 3,690,200</u>
BUDGETED CHANGE IN ASSETS			8,793,252	21,100	613,429	(119,759)	9,440,638
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,598,868)</u>	<u>(103,764)</u>	<u>(2,290,593)</u>	<u>123,994</u>	<u>(5,750,438)</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Eight Months Ended February 28, 2017

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	4,369,311	1,859,408	6,228,719	9,835	138,671	1,459	6,378,684
REVENUES							
Capitation Revenue	\$ 1,104,769,361	\$ 857,257,146	\$ 1,962,026,508	\$ 10,645,302	\$ 239,820,446	\$ 10,100,447	\$ 2,222,592,702
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,104,769,361</u>	<u>857,257,146</u>	<u>1,962,026,508</u>	<u>10,645,302</u>	<u>239,820,446</u>	<u>10,100,447</u>	<u>2,222,592,702</u>
MEDICAL EXPENSES							
Provider Capitation	265,588,210	344,179,570	609,767,780	3,248,784	58,451,088	-	671,467,652
Facilities	221,087,153	239,503,261	460,590,414	2,561,807	71,367,924	2,049,747	536,569,893
Ancillary	-	-	-	332,542	6,045,806	-	6,378,348
Skilled Nursing	-	-	-	466,932	-	-	466,932
Professional Claims	74,189,149	69,359,217	143,548,366	-	-	1,684,042	145,232,408
Prescription Drugs	144,275,943	132,497,552	276,773,495	3,399,865	39,246,868	675,654	320,095,882
Long-term Care Facility Payments	364,802,673	16,156,082	380,958,754	-	47,339,711	43,380	428,341,845
Medical Management	23,164,940	-	23,164,940	180,543	7,922,288	3,155,993	34,423,764
Reinsurance & Other	(3,688,966)	8,189,275	4,500,309	36,771	734,302	886,424	6,157,805
Total Medical Expenses	<u>1,089,419,101</u>	<u>809,884,957</u>	<u>1,899,304,058</u>	<u>10,227,244</u>	<u>231,107,988</u>	<u>8,495,239</u>	<u>2,149,134,529</u>
Medical Loss Ratio	98.6%	94.5%	96.8%	96.1%	96.4%	84.1%	96.7%
GROSS MARGIN	15,350,261	47,372,189	62,722,450	418,058	8,712,458	1,605,208	73,458,173
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			42,119,125	133,128	6,403,332	736,006	49,391,591
Professional Fees			1,011,226	134,270	316,552	33,805	1,495,853
Purchased services			5,738,413	189,059	1,087,987	34,692	7,050,151
Printing and Postage			1,679,951	69,971	489,813	2,265	2,241,999
Depreciation and Amortization			2,528,986			16,378	2,545,363
Other expenses			7,929,432	2,071	289,669	56,539	8,277,710
Indirect cost allocation, Occupancy expense			(2,695,720)	185,730	5,320,121	18,459	2,828,591
Total Administrative Expenses			<u>58,311,413</u>	<u>714,229</u>	<u>13,907,474</u>	<u>898,143</u>	<u>73,831,259</u>
Admin Loss Ratio			3.0%	6.7%	5.8%	8.9%	3.3%
INCOME (LOSS) FROM OPERATIONS			4,411,037	(296,171)	(5,195,016)	707,065	(373,086)
INVESTMENT INCOME			-	-	-	-	7,564,063
NET RENTAL INCOME			-	-	-	-	41,970
NET GRANT INCOME			(116,712)	-	-	-	(116,712)
OTHER INCOME			847	-	-	-	847
CHANGE IN NET ASSETS			<u>\$ 4,295,170</u>	<u>\$ (296,171)</u>	<u>\$ (5,195,016)</u>	<u>\$ 707,065</u>	<u>\$ 7,117,081</u>
BUDGETED CHANGE IN ASSETS			9,939,847	199,975	3,018,682	(1,760,164)	12,523,074
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(5,644,677)</u>	<u>(496,147)</u>	<u>(8,213,698)</u>	<u>2,467,228</u>	<u>(5,405,994)</u>

February 28, 2017 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is \$3.7 million, \$5.8 million unfavorable to budget
- Operating surplus is \$1.5 million with a surplus in non-operating of \$2.3 million

YEARLY RESULTS:

- Change in Net Assets is \$7.1 million, \$5.4 million unfavorable to budget
- Operating deficit is \$0.4 million with a surplus in non-operating of \$7.6 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>
3.2	8.8	(5.6)	Medi-Cal	4.3	9.9	(5.6)
(0.1)	0.0	(0.1)	OneCare	(0.3)	0.2	(0.5)
(1.7)	0.6	(2.3)	OCC	(5.2)	3.0	(8.2)
<u>0.0</u>	<u>(0.1)</u>	<u>0.1</u>	PACE	<u>0.7</u>	<u>(1.8)</u>	<u>2.5</u>
1.4	9.3	(7.9)	Operating	(0.5)	11.4	(11.9)
<u>2.3</u>	<u>0.1</u>	<u>2.1</u>	Inv./Rental Inc, MCO tax	<u>7.6</u>	<u>1.1</u>	<u>6.5</u>
2.3	0.1	2.1	Non-Operating	7.6	1.1	6.5
3.7	9.4	(5.8)	TOTAL	7.1	12.5	(5.4)

CalOptima
Enrollment Summary
For the Eight Months Ended February 28, 2017

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,819	55,872	3,947	7.1%	Aged	468,234	442,521	25,713	5.8%
618	679	(61)	(9.0%)	BCCTP	4,975	5,415	(440)	(8.1%)
48,693	47,325	1,368	2.9%	Disabled	388,478	379,454	9,024	2.4%
327,943	343,267	(15,324)	(4.5%)	TANF Child	2,667,305	2,724,654	(57,349)	(2.1%)
98,357	108,884	(10,527)	(9.7%)	TANF Adult	814,218	875,411	(61,193)	(7.0%)
3,257	2,726	531	19.5%	LTC	26,101	21,581	4,520	20.9%
234,719	224,204	10,515	4.7%	MCE	1,859,408	1,783,341	76,067	4.3%
773,406	782,957	(9,551)	(1.2%)	Medi-Cal	6,228,719	6,232,377	(3,658)	(0.1%)
16,222	21,692	(5,470)	(25.2%)	OneCare Connect	138,671	175,779	(37,108)	(21.1%)
194	200	(6)	(3.0%)	PACE	1,459	1,460	(1)	(0.1%)
1,281	1,167	114	9.8%	OneCare	9,835	9,674	161	1.7%
791,103	806,016	(14,913)	(1.9%)	CalOptima Total	6,378,684	6,419,290	(40,606)	(0.6%)

Enrollment (By Network)								
137,671	49,306	88,365	179.2%	HMO	477,759	383,749	94,010	24.5%
223,929	236,106	(12,177)	(5.2%)	PHC	1,835,122	1,878,564	(43,442)	(2.3%)
243,106	339,846	(96,740)	(28.5%)	Shared Risk Group	2,626,724	2,724,621	(97,897)	(3.6%)
168,700	157,699	11,001	7.0%	Fee for Service	1,289,114	1,245,451	43,663	3.5%
773,406	782,957	(9,551)	(1.2%)	Medi-Cal	6,228,719	6,232,377	(3,658)	(0.1%)
16,222	21,692	(5,470)	(25.2%)	OneCare Connect	138,671	175,779	(37,108)	(21.1%)
194	200	(6)	(3.0%)	PACE	1,459	1,460	(1)	(0.1%)
1,281	1,167	114	9.8%	OneCare	9,835	9,674	161	1.7%
791,103	806,016	(14,913)	(1.9%)	CalOptima Total	6,378,684	6,419,290	(40,606)	(0.6%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2017

Network Type	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	MMs
HMO													
Aged	351	350	355	368	363	381	379	3,103	-	-	-	-	5,650
BCCTP	1	1	1	(8)	2	1	1	1	-	-	-	-	-
Disabled	1,799	1,797	1,813	1,866	1,853	1,858	1,875	5,780	-	-	-	-	18,641
TANF Child	24,211	24,455	24,733	24,928	24,987	25,083	24,928	53,811	-	-	-	-	227,136
TANF Adult	7,929	7,872	7,914	7,850	8,029	7,967	7,871	25,446	-	-	-	-	80,878
LTC	-	-	-	-	-	-	-	3	-	-	-	-	3
MCE	12,989	13,224	13,464	14,034	13,897	14,116	14,200	49,527	-	-	-	-	145,451
	47,280	47,699	48,280	49,038	49,131	49,406	49,254	137,671	-	-	-	-	477,759
PHC													
Aged	1,495	1,464	1,488	1,458	1,427	1,419	1,408	1,439	-	-	-	-	11,598
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	7,903	7,872	7,862	7,865	7,804	7,779	7,783	7,751	-	-	-	-	62,619
TANF Child	169,358	168,529	169,733	169,714	168,615	168,294	165,979	164,330	-	-	-	-	1,344,552
TANF Adult	15,260	14,945	14,649	14,593	14,161	13,880	13,457	13,195	-	-	-	-	114,140
LTC	-	-	-	4	-	-	-	-	-	-	-	-	4
MCE	38,002	38,200	37,601	38,070	37,874	37,886	37,361	37,214	-	-	-	-	302,208
	232,018	231,010	231,333	231,705	229,881	229,258	225,988	223,929	-	-	-	-	1,835,122
Shared Risk Group													
Aged	7,658	7,627	7,635	7,726	7,528	7,546	7,501	4,834	-	-	-	-	58,055
BCCTP	-	-	-	8	1	-	-	-	-	-	-	-	9
Disabled	14,428	14,307	14,189	14,253	14,073	14,084	14,005	10,083	-	-	-	-	109,422
TANF Child	118,748	118,149	118,421	117,922	116,971	116,744	114,746	84,105	-	-	-	-	905,806
TANF Adult	63,849	62,814	62,579	62,266	61,355	60,893	59,355	40,848	-	-	-	-	473,959
LTC	-	-	-	3	3	3	5	3	-	-	-	-	17
MCE	140,640	140,811	137,172	139,776	139,565	140,094	138,165	103,233	-	-	-	-	1,079,456
	345,323	343,708	339,996	341,954	339,496	339,364	333,777	243,106	-	-	-	-	2,626,724
Fee for Service (Dual)													
Aged	43,684	45,173	45,173	45,522	46,007	46,233	46,592	46,682	-	-	-	-	365,066
BCCTP	27	26	24	23	23	23	25	27	-	-	-	-	198
Disabled	19,790	20,086	20,071	20,264	20,375	20,497	20,471	20,510	-	-	-	-	162,064
TANF Child	3	2	2	3	4	3	3	2	-	-	-	-	22
TANF Adult	1,179	1,162	1,184	1,197	1,181	1,216	1,220	1,200	-	-	-	-	9,539
LTC	2,868	2,910	2,941	2,906	2,940	2,914	2,914	2,913	-	-	-	-	23,306
MCE	2,960	2,975	2,721	2,750	2,822	2,893	2,818	2,842	-	-	-	-	22,781
	70,511	72,334	72,116	72,665	73,352	73,779	74,043	74,176	-	-	-	-	582,976
Fee for Service (Non-Dual)													
Aged	3,746	2,850	3,183	3,608	3,450	3,667	3,600	3,761	-	-	-	-	27,865
BCCTP	606	608	598	589	594	595	587	590	-	-	-	-	4,767
Disabled	4,533	4,269	4,390	4,368	4,488	4,548	4,567	4,569	-	-	-	-	35,732
TANF Child	22,710	23,011	22,504	23,069	23,658	23,949	25,193	25,695	-	-	-	-	189,789
TANF Adult	15,792	16,253	16,501	17,109	17,090	17,340	17,949	17,668	-	-	-	-	135,702
LTC	368	370	362	314	334	328	357	338	-	-	-	-	2,771
MCE	35,946	36,543	37,812	36,999	38,607	39,499	42,203	41,903	-	-	-	-	309,512
	83,701	83,904	85,350	86,056	88,221	89,926	94,456	94,524	-	-	-	-	706,138
MEDI-CAL TOTAL													
Aged	56,934	57,464	57,834	58,682	58,775	59,246	59,480	59,819	-	-	-	-	468,234
BCCTP	634	635	623	613	620	619	613	618	-	-	-	-	4,975
Disabled	48,453	48,331	48,325	48,616	48,593	48,766	48,701	48,693	-	-	-	-	388,478
TANF Child	335,030	334,146	335,393	335,636	334,235	334,073	330,849	327,943	-	-	-	-	2,667,305
TANF Adult	104,009	103,046	102,827	103,015	101,816	101,296	99,852	98,357	-	-	-	-	814,218
LTC	3,236	3,280	3,303	3,227	3,277	3,245	3,276	3,257	-	-	-	-	26,101
MCE	230,537	231,753	228,770	231,629	232,765	234,488	234,747	234,719	-	-	-	-	1,859,408
	778,833	778,655	777,075	781,418	780,081	781,733	777,518	773,406	-	-	-	-	6,228,719
PACE	177	179	179	180	183	183	184	194	-	-	-	-	1,459
OneCare	1,171	1,164	1,192	1,220	1,228	1,275	1,304	1,281	-	-	-	-	9,835
OneCare Connect	18,902	18,245	17,727	17,352	17,067	16,810	16,346	16,222	-	-	-	-	138,671
TOTAL	799,083	798,243	796,173	800,170	798,559	800,001	795,352	791,103	-	-	-	-	6,378,684

ENROLLMENT:

Overall MTD enrollment was 791,103

- Unfavorable to budget by 14,913
- Decreased 4,249 or 0.5% from prior month
- Increased 9,150 or 1.21% from prior year (February 2016)

Medi-Cal enrollment was 773,406

- Unfavorable to budget by 9,551
 - Expansion favorable by 10,515
 - SPD favorable by 5,254
 - LTC favorable by 531
 - TANF unfavorable by 25,851
- Decreased 4,112 from prior month

OneCare Connect enrollment was 16,222

- Unfavorable to budget by 5,470
- Decreased 124 from prior month

OneCare enrollment was 1,281

- Favorable to budget by 114
- Decreased 23 from prior month

PACE enrollment at 194

- Unfavorable to budget by 6
- Increased 10 from prior month

**CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017**

Month			
Actual	Budget	\$ Variance	% Variance
773,406	782,957	(9,551)	(1.2%)
247,365,220	235,671,471	11,693,749	5.0%
247,365,220	235,671,471	11,693,749	5.0%
88,280,009	75,405,608	(12,874,402)	(17.1%)
47,097,415	54,072,193	6,974,778	12.9%
15,132,904	16,985,532	1,852,628	10.9%
33,258,267	31,814,728	(1,443,539)	(4.5%)
49,815,469	35,126,865	(14,688,604)	(41.8%)
2,603,881	4,522,862	1,918,981	42.4%
508,780	16,667	(492,113)	(2,952.7%)
236,696,726	217,944,455	(18,752,271)	(8.6%)
10,668,494	17,727,016	(7,058,522)	(39.8%)
5,304,162	6,533,976	1,229,814	18.8%
186,049	329,611	143,562	43.6%
996,926	829,632	(167,295)	(20.2%)
245,448	312,092	66,645	21.4%
342,720	383,061	40,342	10.5%
726,256	1,086,094	359,838	33.1%
(403,146)	(540,702)	(137,556)	(25.4%)
7,398,414	8,933,764	1,535,350	17.2%
10,318,640	8,868,854	(1,449,786)	(16.3%)
10,320,351	0	(10,320,351)	0.0%
(1,711)	8,868,854	8,870,565	100.0%
0	0	0	0.0%
50,000	287,500	(237,500)	(82.6%)
103,063	250,000	146,938	58.8%
22,752	37,500	14,748	39.3%
(75,814)	0	(75,814)	0.0%
119	0	119	0.0%
3,194,386	8,793,252	(5,598,866)	(63.7%)
=====	=====	=====	=====
95.7%	92.5%	(3.2%)	(3.5%)
3.0%	3.8%	0.8%	21.1%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	6,228,719	6,232,377	(3,658)	(0.1%)
Revenues				
Capitation revenue	1,962,026,508	1,873,906,455	88,120,053	4.7%
Total Operating Revenues	1,962,026,508	1,873,906,455	88,120,053	4.7%
Medical Expenses				
Provider capitation	609,767,780	600,633,308	(9,134,472)	(1.5%)
Facilities	460,590,414	450,034,071	(10,556,344)	(2.3%)
Professional Claims	143,548,366	137,109,733	(6,438,633)	(4.7%)
Prescription drugs	276,773,495	272,764,322	(4,009,173)	(1.5%)
MLTSS	380,958,754	295,443,168	(85,515,586)	(28.9%)
Medical Management	23,164,940	35,585,828	12,420,889	34.9%
Reinsurance & other	4,500,309	133,333	(4,366,976)	(3,275.2%)
Total Medical Expenses	1,899,304,058	1,791,703,764	(107,600,294)	(6.0%)
Gross Margin	62,722,450	82,202,691	(19,480,241)	(23.7%)
Administrative Expenses				
Salaries, wages & employee benefits	42,119,125	53,739,551	11,620,426	21.6%
Professional fees	1,011,226	2,498,430	1,487,205	59.5%
Purchased services	5,738,413	6,016,844	278,431	4.6%
Printing and postage	1,679,951	2,501,053	821,102	32.8%
Depreciation & amortization	2,528,986	3,064,489	535,503	17.5%
Other operating expenses	7,929,432	8,763,245	833,813	9.5%
Indirect cost allocation	(2,695,720)	(4,320,768)	(1,625,048)	(37.6%)
Total Administrative Expenses	58,311,413	72,262,844	13,951,431	19.3%
Operating Tax				
Tax Revenue	93,981,982	70,654,093	(23,327,889)	(33.0%)
Premium tax expense	81,897,543	0	(81,897,543)	0.0%
Sales tax expense	12,084,439	70,654,093	58,569,653	82.9%
Total Net Operating Tax	0	0	0	0.0%
Grant Income				
Grant Revenue	657,500	2,300,000	(1,642,500)	(71.4%)
Grant expense - Service Partner	619,438	2,000,000	1,380,563	69.0%
Grant expense - Administrative	154,775	300,000	145,225	48.4%
Total Net Grant Income	(116,712)	0	(116,712)	0.0%
Other income	847	0	847	0.0%
Change in Net Assets	4,295,172	9,939,847	(5,644,675)	(56.8%)
	=====	=====	=====	=====
Medical Loss Ratio	96.8%	95.6%	(1.2%)	(1.2%)
Admin Loss Ratio	3.0%	3.9%	0.9%	22.9%

MEDI-CAL INCOME STATEMENT – FEBRUARY MONTH:

REVENUES of \$247.4 million are favorable to budget by \$11.7 million, driven by:

- Price related favorable variance of \$14.6 million due:
 - \$4.8 million of LTC revenue for non-LTC members
 - \$4.2 million for IHSS
 - Remaining from member mix
- Volume related unfavorable variance of: \$2.9 million

MEDICAL EXPENSES: Overall \$236.7 million, unfavorable to budget by \$18.8 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget \$14.7 million due to:
 - LTC unfavorable variance of \$14.7 million driven by:
 - \$6.9 million higher LTC claim expense due to less than anticipated members enrolling in OneCare Connect
 - \$2.0 million variance from FY17 mandated rate increase
 - IHSS related unfavorable variance of approximately \$5.4 million
- **Provider capitation** expenses are unfavorable to budget \$12.9 million due to:
 - Additional HMO network beginning February
- **Facilities** expenses are favorable to budget \$7.0 million due to:
 - Shared risk group network moves to HMO model beginning February

ADMINISTRATIVE EXPENSES are \$7.4 million, favorable to budget \$1.5 million, driven by:

- Salary & Benefits: \$1.2 million favorable to budget
- Non-Salary: \$0.3 million favorable to budget

CHANGE IN NET ASSETS is \$3.2 million for the month, unfavorable to budget by \$5.6 million

CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
16,222	21,692	(5,470)	(25.2%)	Member Months	138,671	175,779	(37,108)	(21.1%)
				Revenues				
6,326,729	11,499,334	(5,172,605)	(45.0%)	Medi-Cal Capitation revenue	54,977,185	95,406,364	(40,429,179)	(42.4%)
18,808,005	32,072,666	(13,264,661)	(41.4%)	Medicare Capitation revenue	184,843,261	264,662,687	(79,819,426)	(30.2%)
25,134,734	43,572,000	(18,437,266)	(42.3%)	Total Operating Revenue	239,820,446	360,069,051	(120,248,605)	(33.4%)
				Medical Expenses				
8,052,308	9,595,921	1,543,613	16.1%	Provider capitation	58,451,088	79,288,882	20,837,794	26.3%
7,197,011	10,910,702	3,713,691	34.0%	Facilities	71,367,924	91,278,972	19,911,048	21.8%
831,025	678,739	(152,286)	(22.4%)	Ancillary	6,045,806	5,500,077	(545,729)	(9.9%)
6,378,067	10,246,296	3,868,229	37.8%	Long Term Care	47,339,711	83,029,468	35,689,757	43.0%
1,613,064	7,362,071	5,749,008	78.1%	Prescription drugs	39,246,868	64,231,555	24,984,687	38.9%
914,846	1,244,781	329,935	26.5%	Medical management	7,922,288	9,905,672	1,983,383	20.0%
89,568	624,707	535,140	85.7%	Other medical expenses	734,302	5,062,231	4,327,930	85.5%
25,075,889	40,663,219	15,587,330	38.3%	Total Medical Expenses	231,107,988	338,296,858	107,188,870	31.7%
58,845	2,908,781	(2,849,936)	(98.0%)	Gross Margin	8,712,458	21,772,193	(13,059,735)	(60.0%)
				Administrative Expenses				
855,733	938,801	83,069	8.8%	Salaries, wages & employee benefits	6,403,332	7,580,540	1,177,207	15.5%
0	86,521	86,521	100.0%	Professional fees	316,552	612,562	296,010	48.3%
159,300	181,216	21,916	12.1%	Purchased services	1,087,987	1,434,698	346,711	24.2%
26,171	148,414	122,243	82.4%	Printing and postage	489,813	1,103,785	613,973	55.6%
40,295	2,910	(37,385)	(1,284.7%)	Other operating expenses	289,669	522,000	232,332	44.5%
654,511	937,491	282,980	30.2%	Indirect cost allocation, Occupancy Expense	5,320,121	7,499,925	2,179,804	29.1%
1,736,010	2,295,353	559,343	24.4%	Total Administrative Expenses	13,907,474	18,753,511	4,846,037	25.8%
20,800	0	20,800	0.0%	Operating Tax				
20,800	0	(20,800)	0.0%	Tax Revenue	(465,034)	0	(465,034)	0.0%
				Sales tax expense	(465,034)	0	465,034	0.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
(1,677,164)	613,429	(2,290,593)	(373.4%)	Change in Net Assets	(5,195,016)	3,018,682	(8,213,698)	(272.1%)
99.8%	93.3%	-6.4%	-6.9%	Medical Loss Ratio	96.4%	94.0%	-2.4%	-2.6%
6.9%	5.3%	-1.6%	-31.1%	Admin Loss Ratio	5.8%	5.2%	-0.6%	-11.3%

ONECARE CONNECT INCOME STATEMENT – FEBRUARY MONTH:

REVENUES of \$25.1 million are unfavorable to budget by \$18.4 million driven by:

- Volume related unfavorable variance of \$11.0 million due to lower enrollment
- Price related unfavorable variance of \$7.4 million due:
 - OCC Medicare Part A and B rate decreases due to base rate and RAF score changes
 - OCC Medi-Cal member mix true-up

MEDICAL EXPENSES are favorable to budget \$15.6 million due to:

- Volume related favorable variance of \$10.3 million across most categories related to the provider group moving to HMO in February as well as lower long term care expenses
- Price related favorable variance of \$5.3 million

ADMINISTRATIVE EXPENSES are favorable to budget by \$0.6 million

CHANGE IN NET ASSETS is (\$1.7) million, \$2.3 million unfavorable to budget

CalOptima - OneCare
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,281	1,167	114	9.8%	Member Months	9,835	9,674	161	1.7%
1,325,118	1,359,960	(34,842)	(2.6%)	Revenues	10,645,302	11,137,106	(491,804)	(4.4%)
1,325,118	1,359,960	(34,842)	(2.6%)	Capitation revenue	10,645,302	11,137,106	(491,804)	(4.4%)
				Total Operating Revenue	10,645,302	11,137,106	(491,804)	(4.4%)
405,341	371,623	(33,718)	(9.1%)	Medical Expenses	3,248,784	3,028,236	(220,548)	(7.3%)
298,893	295,218	(3,675)	(1.2%)	Provider capitation	2,561,807	2,474,998	(86,809)	(3.5%)
11,280	42,570	31,290	73.5%	Inpatient	332,542	379,681	47,139	12.4%
135,811	20,051	(115,760)	(577.3%)	Ancillary	466,932	180,362	(286,570)	(158.9%)
400,003	445,967	45,964	10.3%	Skilled nursing facilities	3,399,865	3,696,445	296,580	8.0%
60,680	50,848	(9,832)	(19.3%)	Prescription drugs	180,543	260,853	80,309	30.8%
4,500	(8,923)	(13,423)	(150.4%)	Medical management	36,771	90,578	53,807	59.4%
1,316,509	1,217,355	(99,154)	(8.1%)	Other medical expenses	10,227,244	10,111,153	(116,092)	(1.1%)
8,609	142,605	(133,996)	(94.0%)	Total Medical Expenses	418,058	1,025,953	(607,896)	(59.3%)
21,174	21,221	47	0.2%	Gross Margin				
13,913	17,619	3,707	21.0%	Administrative Expenses	133,128	171,338	38,210	22.3%
23,483	39,373	15,889	40.4%	Salaries, wages & employee benefits	134,270	119,524	(14,746)	(12.3%)
9,854	13,710	3,857	28.1%	Professional fees	189,059	195,089	6,030	3.1%
0	89	89	100.0%	Purchased services	69,971	103,370	33,399	32.3%
22,850	29,494	6,644	22.5%	Printing and postage	2,071	709	(1,362)	(192.2%)
91,274	121,505	30,232	24.9%	Other operating expenses	185,730	235,949	50,219	21.3%
(82,664)	21,100	(103,764)	(491.8%)	Indirect cost allocation, Occupancy Expense	714,229	825,978	111,749	13.5%
				Total Administrative Expenses	(296,171)	199,975	(496,147)	(248.1%)
				Change in Net Assets				
99.4%	89.5%	-9.8%	-11.0%	Medical Loss Ratio	96.1%	90.8%	-5.3%	-5.8%
6.9%	8.9%	2.0%	22.9%	Admin Loss Ratio	6.7%	7.4%	0.7%	9.5%

CalOptima - PACE
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
194	200	(6)	(3.0%)	Member Months	1,459	1,460	(1)	(0.1%)
				Revenues				
951,854	895,572	56,282	6.3%	Medi-Cal capitation revenue	7,621,075	6,533,711	1,087,364	16.6%
288,237	360,469	(72,232)	(20.0%)	Medicare capitation revenue	2,479,372	2,681,361	(201,989)	(7.5%)
1,240,091	1,256,040	(15,950)	(1.3%)	Total Opera ing Revenues	10,100,447	9,215,072	885,375	9.6%
				Medical Expenses				
304,704	400,506	95,802	23.9%	Clinical salaries & benefits	2,327,017	3,192,077	865,061	27.1%
0	0	0	0.0%	Pace Center Support salaries & benefits	0	0	0	0.0%
237,676	235,175	(2,501)	(1.1%)	Claims payments to hospitals	2,049,747	1,860,402	(189,345)	(10.2%)
226,458	251,665	25,207	10.0%	Professional Claims	1,684,042	1,972,862	288,820	14.6%
90,238	121,406	31,168	25.7%	Prescrip ion drugs	675,654	1,036,104	360,450	34.8%
7,327	24,086	16,759	69.6%	Long-term care facility payments	43,380	190,538	147,158	77.2%
91,112	74,767	(16,345)	(21.9%)	Patient Transportation	630,305	591,458	(38,848)	(6.6%)
49,564	49,349	(215)	(0.4%)	Depreciation & amortization	393,063	394,792	1,729	0.4%
37,655	37,214	(441)	(1.2%)	Occupancy expenses	302,389	297,712	(4,677)	(1.6%)
12,988	13,833	845	6.1%	Utilities & Facilities Expense	132,410	110,664	(21,746)	(19.7%)
75	274	199	72.6%	Purchased Services	1,114	2,167	1,053	48.6%
16,587	24,547	7,960	32.4%	Indirect Alloca ion	140,642	196,376	55,734	28.4%
34,229	22,785	(11,444)	(50.2%)	O her Expenses	115,477	182,281	66,804	36.6%
1,108,613	1,255,607	146,994	11.7%	Total Medical Expenses	8,495,239	10,027,432	1,532,193	15.3%
131,478	433	131,044	30,234.2%	Gross Margin	1,605,208	(812,361)	2,417,568	297.6%
				Administrative Expenses				
91,332	91,334	2	0.0%	Salaries, wages & employee benefits	736,006	741,484	5,478	0.7%
19,250	11,667	(7,583)	(65.0%)	Professional fees	33,805	68,333	34,528	50.5%
6,238	988	(5,250)	(531.4%)	Purchased services	34,692	8,048	(26,644)	(331.1%)
68	1,700	1,631	96.0%	Printing and postage	2,265	13,903	11,638	83.7%
2,065	2,056	(9)	(0.4%)	Depreciation & amortization	16,378	16,449	72	0.4%
6,029	11,426	5,396	47.2%	O her operating expenses	56,539	91,404	34,865	38.1%
2,260	1,023	(1,237)	(121.0%)	Indirect cost allocation, Occupancy Expense	18,459	8,182	(10,277)	(125.6%)
127,243	120,193	(7,051)	(5.9%)	Total Administrative Expenses	898,143	947,803	49,660	5.2%
4,234	(119,759)	123,994	103.5%	Change in Net Assets	707,065	(1,760,164)	2,467,228	140.2%
=====	=====	=====	=====		=====	=====	=====	=====
89.4%	100.0%	10.6%	10.6%	Medical Loss Ratio	84.1%	108.8%	24.7%	22.7%
10.3%	9.6%	-0.7%	-7.2%	Admin Loss Ra io	8.9%	10.3%	1.4%	13.5%

CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017

Actual	Month		% Variance
	Budget	\$ Variance	
24,955	21,285	3,670	17.2%
24,955	21,285	3,670	17.2%
1,525	2,085	560	26.8%
30,533	22,405	(8,129)	(36.3%)
158,984	210,141	51,157	24.3%
16,000	14,300	(1,700)	(11.9%)
62,137	200,171	138,034	69.0%
33,843	0	(33,843)	0.0%
(286,384)	(352,100)	(65,716)	(18.7%)
16,640	97,002	80,362	82.8%
8,315	(75,717)	84,032	111.0%
=====	=====	=====	=====

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		% Variance
	Budget	\$ Variance	
193,350	170,279	23,071	13.5%
193,350	170,279	23,071	13.5%
11,622	16,680	5,058	30.3%
239,555	179,238	(60,317)	(33.7%)
1,255,974	1,681,126	425,152	25.3%
128,004	114,402	(13,602)	(11.9%)
774,790	1,537,565	762,775	49.6%
346,752	0	(346,752)	0.0%
(2,605,317)	(2,816,799)	(211,482)	(7.5%)
151,380	712,213	560,833	78.7%
41,970	(541,933)	583,904	107.7%
=====	=====	=====	=====

OTHER STATEMENTS – FEBRUARY MONTH:

ONECARE INCOME STATEMENT

REVENUES of \$1.3 million are in line with budget

MEDICAL EXPENSES are \$1.3 million, \$0.1 million unfavorable to budget

CHANGE IN NET ASSETS is (\$82.7) thousand, \$103.8 thousand unfavorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$4.2 thousand; \$124.0 thousand favorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$8.3 thousand; \$84.0 thousand favorable to budget

CalOptima
BALANCE SHEET
February 28, 2017

ASSETS

Current Assets

Operating Cash	\$338,960,313
Catastrophic Reserves	11,371,279
Investments	1,527,088,724
Capitation receivable	317,132,174
Receivables - Other	20,020,278
Prepaid Expenses	12,096,533

Total Current Assets

2,226,669,301

Capital Assets Furniture and equipment

33,303,693

Leasehold improvements

8,334,007

505 City Parkway West

49,269,863

90,907,563

Less: accumulated depreciation

(35,997,907)

Capital assets, net

54,909,656

Other Assets Restricted deposit & Other

300,000

Board-designated assets

Cash and cash equivalents

1,999,127

Long term investments

530,660,511

Total Board-designated Assets

532,659,637

Total Other Assets

532,959,637

Deferred outflows of Resources - Pension Contributions

3,787,544

Deferred outflows of Resources - Difference in Experience

1,215,473

TOTAL ASSETS & OUTFLOWS

2,819,541,612

LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$29,941,908
Medical claims liability	634,186,444
Accrued payroll liabilities	9,616,865
Deferred revenue	917,826,164
Deferred lease obligations	222,558
Capitation and withholds	517,557,114

Total Current Liabilities

2,109,351,053

Other employment benefits liability

29,495,473

Net Pension Liabilities

11,756,286

Long Term Liabilities

100,000

TOTAL LIABILITIES

2,150,702,812

Deferred inflows of Resources - Excess Earnings

502,900

Deferred inflows of Resources - changes in Assumptions

1,651,640

Tangible net equity (TNE)

94,660,013

Funds in excess of TNE

572,024,247

Net Assets

666,684,260

TOTAL LIABILITIES, INFLOWS & FUND BALANCES

2,819,541,612

CalOptima
Board Designated Reserve and TNE Analysis
as of February 28, 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,602,803				
	Tier 1 - Logan Circle	145,347,467				
	Tier 1 - Wells Capital	145,395,335				
		436,345,605	291,461,558	456,942,231	144,884,047	(20,596,626)
TNE Requirement	Tier 2 - Logan Circle	96,314,032	94,660,013	94,660,013	1,654,020	1,654,020
Consolidated:		532,659,637	386,121,571	551,602,244	146,538,067	(18,942,607)
<i>Current reserve level</i>		<i>1.93</i>	<i>1.40</i>	<i>2.00</i>		

CalOptima
Statement of Cash Flows
February 28, 2017

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	3,690,200	7,117,081
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	344,785	2,545,363
Changes in assets and liabilities:		
Prepaid expenses and other	523,845	(5,312,287)
Catastrophic reserves		
Capitation receivable	41,171,161	149,598,556
Medical claims liability	252,586	35,491,586
Deferred revenue	(100,058,807)	327,123,523
Payable to providers	(9,398,294)	115,730,812
Accounts payable	10,570,255	22,311,703
Other accrued liabilities	814,616	6,881,681
Net cash provided by/(used in) operating activities	<u>(52,089,653)</u>	<u>661,488,019</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	9,201,863	(507,824,092)
Purchase of property and equipment	(37,446)	(2,459,455)
Change in Board designated reserves	(884,481)	(56,824,272)
Net cash provided by/(used in) investing activities	<u>8,279,936</u>	<u>(567,107,819)</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 (43,809,717)	 94,380,199
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$394,141,309</u>	 <u>255,951,393</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u><u>\$ 350,331,592</u></u>	 <u><u>\$ 350,331,592</u></u>

BALANCE SHEET:

ASSETS decreased \$94.1 million from January

- **Cash and Cash Equivalents** decreased by \$43.5 million due to the timing of state checks received, month-end cut-off and cash funding requirements driven by fewer number of days in month
- **Short-term Investments** decreased \$9.5 million due to payment receipt timing and cash funding requirements
- **Net Capitation Receivables** decreased \$43.2 million based upon payment receipt timing and receivables

LIABILITIES decreased \$94.1 million from January

- **Deferred Revenue** decreased \$100.1 million driven by DHS overpayments
- **Total Capitation Payable** decreased \$9.4 million based upon timing of pool estimates, recalculations and payouts
- **Accrued Expenses** increased \$10.4 million based on the timing of sales tax payments

NET ASSETS are \$666.7 million

**CalOptima Foundation
Balance Sheet
February 28, 2017**

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,893,139	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,893,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>0</u>
		Total Liabilities	<u>0</u>
		Net Assets	<u>2,893,139</u>
TOTAL ASSETS	<u>2,893,139</u>	TOTAL LIABILITIES & NET ASSETS	<u>2,893,139</u>

CalOptima Foundation
Statement of Revenues and Expenses
For the Eight Months Ended February 28, 2017
Consolidated

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
				Revenues			
0	2,264	(2,264)	(100.0%)	Income - Grant	27,164	18,115	9,049 50.0%
2,083	0	2,083	0.0%	In Kind Revenue - HITEC Grant	70,329	0	70,329 0.0%
2,083	2,264	(181)	(8.0%)	Total Operating Revenue	97,493	18,115	79,378 438.2%
				Operating Expenditures			
0	6,184	6,184	100.0%	Personnel	27,195	49,474	22,279 45.0%
0	2,985	2,985	100.0%	Taxes and Benefits	26,240	23,878	(2,362) (9.9%)
0	0	0	0.0%	Travel	(3)	0	3 0.0%
0	0	0	0.0%	Supplies	7,009	10,000	2,991 29.9%
0	0	0	0.0%	Contractual	20,388	17,174	(3,214) (18.7%)
2,083	232,065	229,982	99.1%	Other	18,370	1,856,522	1,838,151 99.0%
2,083	241,234	239,151	99.1%	Total Operating Expenditures	99,200	1,957,048	1,857,848 94.9%
0	0	0	0.0%	Investment Income	0	0	0 0.0%
0 (238,970)	(238,970)	(100.0%)		Program Income	(1,706)	(1,938,932)	(1,937,226) (99.9%)
=====	=====	=====	=====	=====	=====	=====	=====

CALOPTIMA FOUNDATION – FEBRUARY MONTH

INCOME STATEMENT:

Revenues

- Revenues from Health Information Technology for Economic and Clinical Health Act (HITECH) and in-kind contributions from CalOptima
- The Foundation recognized \$97,493 FY17 YTD in total operating revenues
 - HITECH Grant revenue totaled \$27,164 YTD which leaves \$0 remaining in HITECH Grant funding as of February 2017
 - CalOptima in-kind contribution totaled \$70,329 YTD
- Revenue budget variances attributed to:
 - YTD CalOptima grant budget is \$0, as the ONC grant funding was to have ended in the previous fiscal year. The grant was extended through September 26, 2016
 - CalOptima in-kind revenue was not included in FY17 budget

Expenses

- Operating expenses were \$99,200 for grant related activities incurred YTD FY17
- Expense categories include staff services, travel and miscellaneous supplies
 - \$1.9 million favorable variance YTD
 - FY17 budget was based on remaining fund balance in Foundation total assets
 - Actual expenses were much lower than anticipated for CalOptima support activities

BALANCE SHEET:

Assets

- Cash of \$2.9 million remains from the FY14 transfer of \$3.0 million from CalOptima for grants and programs in support of providers and the community

Liabilities

- \$0

Budget Allocation Changes
Reporting changes for February 2017

Transfer Month	Line of Business	From	To	Amount	Expense Description
July	OneCare Connect	Office of Compliance - Professional Fees (Consultant for Annual CPE Audit & CMS Mock Audit)	Office of Compliance - Professional Fees - Consultant for DMHC Mock Audit	\$69,000	Re-purpose \$53,631 from Professional Fees (Consultant for Annual CPE Audit) and \$15,369 from Professional Fees (Consultant for CMS Mock Audit) to pay for consultant for DMHC Mock Audit
July	COREC	REC - Other	REC - Comp Supply/Minor Equip	\$10,000	Re-allocate funds to cover costs for computer equipment upgrade which is approved ONC grant managers
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$63,810	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Ceridian Software Maintenance
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$15,010	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Talentova Learning Management System
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$23,900	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for Silk Road
July	Medi-Cal	Claims Administration - Purchased Services - Integration of Claim Editing Software	Claims Administration - Purchased Services - LTC Rate Adjustments	\$98,000	Re-purpose funds from within Purchased Services (Integration of Claim Editing Software) to pay for LTC Adjustments (TriZetto Robot Process)
July	Medi-Cal	Human Resources - Advertising, Travel, Comp Supply/Minor Equip, Subscriptions, Courier/Delivery	Human Resources - Professional Fees (Salary & Compensation Research), Public Activities, Office Supplies, Food Service Supplies, Professional Dues, Training & Seminars, Cert /Cont. Education	\$84,491	Re-allocate HR FY17 Budget based on HR dept's past spending trends to better meet department's need
July	Medi-Cal	IS-Infrastructure - Telephone - General Telecommunication and Network Connectivity	IS-Infrastructure - Purchased Services - Disaster Recovery Services	\$35,575	Re-allocate funds from Telephone (General Telecommunication and Network Connectivity) to Purchased Services to pay for Disaster Recovery Services
August	Medi-Cal	Other Pay	Quality Analytics - Purchased Services	\$67,000	Re-allocate funds to Quality Analytics Purchased Services for additional funds that is needed for CG-CAHPS survey
August	Medi-Cal	Other Pay	Community Relations - Professional Fees & Printing	\$43,640	Re-allocate funds to Community Relations Professional Fees and Printing budgets for contracts with Tony Lam and Communications Lab and printing costs of Community Option Fair
August	Medi-Cal	IS-Application Management - Purchased Services - Healthcare Productivity Automation	IS-Application Management - Purchased Services - Direct Hire Fees	\$10,957	Re-purpose funds from Purchased Services (Healthcare Productivity Automation) to pay for Direct Hire fees
August	Medi-Cal	Other Pay	IS-Application Development - Comp Supplies/Minor Equipments	\$20,400	Re-allocate funds to cover costs of DocuSign, Box, and Primal Script 2016
August	Medi-Cal	Claims Administration - Purchased Services	Claims Administration - Office Supplies, Training & Seminars, Printing	\$15,000	Re-allocate funds from Purchased Services (Integration of Claim Editing Software & Inventory Management Forecasting) to Office Supplies, Training & Seminars, and Printing to better meet department's needs
September	Medi-Cal	Health Education & Disease Management - Professional Fees	Health Education & Disease Management - Other Operating Expenses	\$30,000	Re-allocate funds from Professional Fees (Childhood Obesity Program Design & Evaluation) to Member & Provider Incentives to support incentives for the Group Needs Assessment (GNA) and other Health Education / Disease Management activities.
October	Capital	Facilities - Relocate Trash Enclosure	Facilities - 505 Sound Recording System	\$50,555	Re-allocate from Relocate Trash Enclosure project for additional funds that are needed for the 505 Sound Recording System project.
October	Medi-Cal	IS-Infrastructure - Professional Fees - Enterprise Identity Access Management	IS-Infrastructure - HW/SW Maintenance - Information Security Data Loss Prevention Solution	\$21,041	Re-allocate from Professional Services for an Enterprise Identity Access Management to HW/SW Maintenance for Information Security Data Loss Prevention Solution Annual Maintenance on additional funds that are needed.
October	Medi-Cal	Facilities - Computer Supply/Minor Equipment - Office Furniture & Equipment	Facilities - Computer Supply/Minor Equipment - Other Articles of Minor Equipment	\$27,000	Repurpose funds in Comp supply/minor equipment for re-upholstering chairs in the member service lobby and other minor equipment expenses to better meet the Department's need.
December	Medi-Cal	Human Resources - Professional Fees - Executive Coaching	Human Resources - Professional Fees - Consultant Fees	\$20,000	Repurpose from Executive Coaching for interim director of HR consultant fees
December	Medi-Cal	Health Education & Disease Management - Medical Management Activities	Health Education & Disease Management - Medical Management Activities	\$75,000	Repurpose funds for the department printing and postage needs
January	Medi-Cal	IS-Application Development - Finance Reporting Tool to Great Plains	IS-Application Development - Great Plains Software Upgrade	\$20,000	Re-allocate funds from Finance Reporting Software for Great Plains budget to Great Plains Software Upgrade budget for additional funds are needed to complete the project.
February	Medi-Cal	IS-Application Management - Purchased Services	IS-Application Development - Purchased Services	\$19,320	Re-allocate funds from IS Application Management Purchased Services budget for direct placement fee needed in the Department.
February	Medi-Cal	IS-Application Management - Comp supply/Minor Equip	IS-Infrastructure - Subscriptions	\$30,000	Re-allocate funds from Computer Supply/Minor Equipment for Gartner Subscription needed in the Department.
February	Medi-Cal	IS-Infrastructure - Training & Seminars	IS-Infrastructure - Subscriptions	\$30,000	Re-allocate funds from Training & Seminars for Gartner Subscription needed in the Department.



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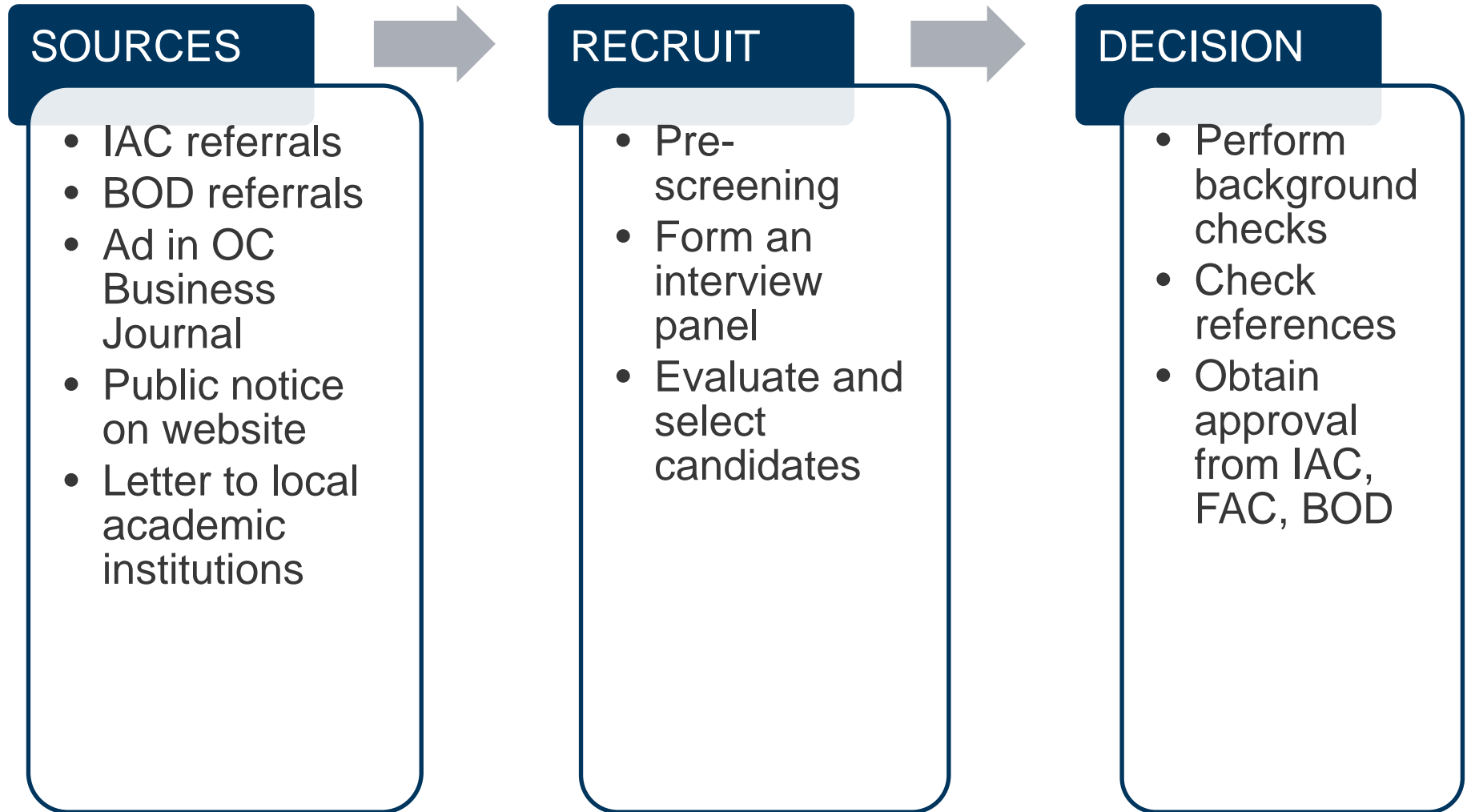
IAC Member Recruitment Process

April 24, 2017

Nancy Huang

Interim Chief Financial Officer & Treasurer

IAC Recruitment Process



IAC Recruitment Timeline

Timeline	Action
March – May 2017	<ul style="list-style-type: none">• Advertise and Receive Applications
May – June 2017	<ul style="list-style-type: none">• Evaluate and Screen Candidates• Conduct In-Person Interviews• Select Final Candidate
July – October 2017	<ul style="list-style-type: none">• July: Recommendation to IAC• September: Recommendation to FAC• October: Recommendation to BOD

Recommendations/Discussion

- Any Suggestions and Recommendations?



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Medi-Cal

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OneCare (HMO SNP)

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OneCare Connect

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PACE

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