

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

**MONDAY, NOVEMBER 5, 2018
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 July 23, 2018 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC)

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 Approval of Annual Investment Policy for Calendar Year 2019
- B. Consider Adoption of CalOptima Board of Directors' Investment Advisory Committee Meeting Schedule for Calendar Year 2019
- C. Consider Recommending Appointment to the Board of Directors' Investment Advisory Committee

VII. INFORMATION ITEMS

- A. Quarterly Investment Report Presentation by Meketa
- B. Investment Portfolio Presentation by Wells Capital Management
- C. Investment Portfolio Presentation by Logan Circle Partners
- D. Investment Portfolio Presentation by Payden & Rygel
- E. August 2018 Unaudited Financial Statements

VIII. COMMITTEE MEMBER COMMENTS

IX. ADJOURNMENT

MINUTES

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

July 23, 2018

A meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC) was held on Monday, July 23, 2018, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

Chair Patrick Moore called the meeting to order at 3:06 p.m. and led the Pledge of Allegiance.

ROLL CALL

Members Present: Patrick Moore, Chair, Peggy Eckroth, Greg Hamblin, Caroline Harkins, Susan Munson

Members Absent: Rodney Johnson, David Young

Others Present: Laura Wirick, Hanna Schriener, Meketa Investment Group; Asha Joshi, Darren Marco, Jeffrey Cleveland, Payden & Rygel; Scott Pavlak, Wendy Kaszak, Logan Circle Partners; Steve Scharre, Tony Mellville, Wells Capital Management; Michael Schrader, Chief Executive Officer, Ladan Khamseh, Chief Operating Officer, Gary Crockett, Chief Counsel; Nancy Huang, Controller, Faye Heidari, Senior Accountant, Pamela Reichardt, Executive Assistant

MINUTES

Approve Minutes of the April 23, 2018, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Chair Moore, seconded and carried, the Minutes of the April 23, 2018, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 5-0-0, Rodney Johnson and David Young absent)

PUBLIC COMMENT

There were no requests for public comment.

MANAGEMENT REPORTS

Chief Executive Officer (CEO) Report

CEO Michael Schrader reported that CalOptima anticipates continued growth in terms of new programs and services being added by the State for existing members. The California Children's Services (CCS) program will transition to the Whole Child Model Program, effective January 1, 2019. CalOptima is one of five plans state-wide administering this program. Mr. Schrader outlined CalOptima's program implementation and anticipated member impact.

Chief Financial Officer (CFO) Report

CFO Greg Hamblin reported that the CalOptima Fiscal Year 2018-19 Operating and Capital Budgets were approved at the June 7, 2018, Board meeting. The Operating Budget estimates consolidated revenues at nearly \$3.5 billion.

Mr. Hamblin reported that the Whole Child Model program will start in January 2019 and will continue on an annual basis for our existing members. The State will provide projected \$274 million in annual revenue for this program. Staff will complete rate setting for the first six months of the program, as CalOptima awaits further guidance from the State.

Mr. Hamblin reported that the State has delayed June and July capitation payments. The June capitation payment will be delayed by one month, and the July payments will be released in September. These delays will result in slightly slower cash flow from the State. If necessary, Staff will rebalance the Operating Account before quarter end to ensure we have sufficient cash for our daily disbursements.

Mr. Hamblin also reported on Proposition 56. For Medicaid Expansion, CalOptima has an 85% Medical Loss Ratio (MLR) for the first 30 months, which is currently under review by DHCS. Final audit findings from the State will provide calculations of the amounts CalOptima will be required to pay back, if any.

INFORMATION ITEMS

Presentation by Meketa Investment Group

Hanna Schriner, Vice President, Meketa Investment Group, presented the second quarter review and fund update. Total investments at the end of the second quarter were \$1.42 billion. Ms. Schriner also provided an update on overall investment performance against selected benchmarks, along with the investment compliance report. She reported that CalOptima's investment portfolio was in compliance for quarter ended June 30, 2018.

Laura Wirick, Principal, reported on the custom peer group used for benchmarking and on performance attributes for the quarter and throughout the year.

Presentation by Payden & Rygel

Asha Joshi, Managing Principal, Payden & Rygel, provided a firm update and provided a market outlook. Jeffrey Cleveland, Vice President, provided a U.S. economic outlook report. Darren Marco, Vice President, reported on the CalOptima Operating Fund portfolio. He reported that CalOptima's portfolio was in compliance for the quarter.

Presentation by Wells Capital Management

Steve Scharre, Client Relations Director, Wells Capital Management, provided a firm update for the second quarter. He reported that total assets under management by Wells Capital Management were \$382 billion, and in the second quarter, Wells Capital is up \$2 billion from that number. Growth has been in money market funds.

Tony Melville, Portfolio Manager, provided a review of CalOptima's Tier One portfolio and allocation update, as well as a market outlook. He also reported that CalOptima's investment portfolio at Wells Fargo was in compliance for the quarter.

Presentation by Logan Circle Partners

Wendy Kaszak, Vice President of Client Services, Logan Circle Partners, presented a firm update. Scott Pavlak, Senior Portfolio Manager, presented a CalOptima portfolio review and fund performance, as of June 30, 2018, for the Tier One and Tier Two funds. Mr. Pavlak also provided an economic review. Ms. Kaszak reported that all three funds in CalOptima's portfolio were in compliance for the quarter.

Financial Update

Controller Nancy Huang presented a summary of CalOptima's financial performance through April 2018. Ms. Huang also reported on the enrollment summary. CalOptima's overall enrollment totaled about 790,000 members. CalOptima's year to date MLR was approximately 96.6%, and the Administrative Loss Ratio (ALR) was approximately 3.5%. Ms. Huang then reported on the CalOptima balance sheet. Assets for CalOptima totaled \$1.7 billion, and Board-designated reserves remained steady at \$536 million.

ADJOURNMENT

Hearing no further business, Chair Moore adjourned the meeting at 4:51 p.m.

/s/ Pamela Reichardt

Pamela Reichardt
Executive Assistant

Approved: November 5, 2018

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 5, 2018 **Special Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

Report Item

VI. A. Consider Recommending Proposed Changes to the Annual Investment Policy for Calendar Year 2019

Contact

Greg Hamblin, 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) 2019.

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 7, 2017, meeting, the Board approved changes to the AIP for CY 2018. At that time, staff, in conjunction with Meketa Investment Group, Inc., and CalOptima's investment managers, Payden & Rygel, Logan Circle Partners and Wells Capital Management, recommended revisions to the AIP to:

- Delete Temporary Liquidity Guarantee (TLG) Program securities and Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities from the list of permitted investments with U.S. Government related organizations, as both programs expired.
- Add language that prohibits private placement (144a) securities as a permitted investment.
- Revise the maximum holding percentages for State and California Local Agency Obligations from 25% to 30% and Supranational Obligations from 15% to 30%.

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 2019. Staff has reviewed the proposed revisions and recommends the following changes upon Board approval:

- Section III.D.1.a: Increase the maximum term of Operating Fund from four hundred fifty (450) days to two (2) years, unless otherwise specified in the policy. The increase to the term falls within the 5-year term allowed by California Government Code section 53600 et seq.
 - ⊖ Section III.D.2.a.iv: US Treasuries, term assigned changed from 450 days to 2 years.
 - ⊖ Section III.D.2.b.iii: Federal Agencies and U.S. Government Sponsored Enterprises, term assigned changed from 450 days to 2 years.

- ⊖ Section III.D.2.c.ii: State and California Local Agency Obligations, term assigned changed from 450 days to 2 years.
 - ⊖ Section III.D.2.h.ii: Corporate Securities, term assigned changed from 450 days to 2 years.
 - ⊖ Section III.D.2.k.iv: Mortgage or Asset-backed Securities, term assigned changed from 450 days to 2 years.
 - ⊖ Section III.D.2.l.iii: Variables and Floating Rate Securities, term assigned changed from 450 days to 2 years.
 - ⊖ Section III.D.2.m.iii: Supranational Obligations, term assigned changed from 450 days to 2 years.
- Section III.D.2.h.i: Corporate Securities, modify language from “rated ‘A’ or better” to “A” rating category to include “A-” securities.
 - Sections III.D.2.l.ii: Variable and Floating Rate Securities, add the Secured Overnight Financing Rate (SOFR) to the allowed index list.
 - Glossary Term: State and California Local Agency Obligations, revised existing language to allow the purchase of registered warrants, notes or bonds of any of the fifty U.S. states, and local agency within fifty U.S. states, which is consistent with California Code, section 53601.

In addition to the proposed changes noted above, the attached red-lined version of the AIP for CY 2019 reflects some non-substantive formatting revisions.

Fiscal Impact

There is no immediate fiscal impact.

Rationale for Recommendation

The proposed changes to the AIP for CY 2019 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 2019.

Concurrence

Meketa Investment Group, Inc.

Gary Crockett, Chief Counsel

CalOptima Board Action Agenda Referral

Consider Recommending Proposed Changes to the Annual Investment Policy for Calendar Year 2019

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Attachments

2019 Annual Investment Policy with proposed changes.

Authorized Signature

Date

Policy #: GA.3400
Title: **Annual Investments**
Department: Finance
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 01/01/18
Last Review Date: ~~TBD~~Not Applicable
Last Revised Date: ~~TBD~~Not Applicable

Board Approved Policy

I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve capital, provide necessary liquidity, and achieve a market-average rate of return through economic cycles. Each annual review takes effect upon its adoption by the Board of Directors.

II. POLICY

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

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default.
 - a. CalOptima shall seek to ensure that capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of risk: Credit Risk and Market Risk.
 - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio, in accordance with this Policy.
 - ii. Market Risk shall be mitigated by matching maturity dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
 - b. 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.
3. 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.

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 following 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 or other appropriate remedies or sanctions, as determined by the Board of Directors.
 - 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.~~ two (2) years. 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. 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 purposes 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 <u>2 years</u>	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) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days 2 years	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 2 years	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) or by corporations organized within the U.S. as special purpose corporations, trusts, or LLCs, which have program-wide credit enhancements, including but not limited to, overcollateralization, letter of credit, or a surety bond, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency; 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~~ have an "A" rating category 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 <u>2 years</u>	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 <u>2 years</u>	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

1. 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), the Secured Overnight Financing Rate (SOFR), 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 2 years	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.
- iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days 2 years	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

1. 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.
2. CalOptima's Investment Managers must review the respective portfolios they manage to ensure compliance with CalOptima's diversification guidelines on a continuous basis.
3. *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)

INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
B. Federal Agencies and U.S. Government Sponsored Enterprises	100% (Code)
C. State and California Local Agency Obligations	30% (Code 100%)
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)

4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
- Any one Federal Agency or Government Sponsored Enterprise: None
 - Any one repurchase agreement counterparty name:
If maturity/term is ≤ 7 days: 50%
If maturity/term is > 7 days: 25%
5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
- Any one (1) corporation, bank, local agency, or other corporate name for one (1) or more series of securities, and specifically with respect to special purpose vehicles issuers for mortgage or asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer.
6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
- If one (1) Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's 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:
 - The context of the amount in relation to the total portfolio concentration;
 - Market and security specific conditions contributing to a breach of this Policy; and

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

F. Maximum Stated Term

1. Maximum stated terms 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.

G. Rating Downgrades

1. CalOptima may from time to time be invested in a security whose rating is downgraded below the quality criteria permitted by this Policy.
2. If the rating of any security held as an investment falls below the investment guidelines, the Investment Manager shall notify CalOptima's Treasurer, or Designee, within two (2) business days of the downgrade.
 - a. A decision to retain a downgraded security shall be approved by CalOptima's Treasurer, or Designee, within five (5) business days of the downgrade.

H. Investment Restrictions

1. Investment securities shall not be lent to an Investment Manager, or broker-dealer.
2. The investment portfolio or investment portfolios, managed by an Investment Manager, shall not be used as collateral to obtain additional investable funds.
3. Any investment not specifically referred to herein shall be considered a prohibited investment.
4. CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that conflicts with the interests of public health, as determined by the Board of Directors.
5. CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing, or other arrangements.
6. Except as expressly permitted by this Policy, investments in derivative securities shall not be allowed.
7. A list of prohibited investments does not currently exist, however, the Board of Directors shall provide its Investment Managers and Investment Advisor with a list, should such a list be adopted by CalOptima in the future, of organizations that do not comply with this Policy and shall immediately notify its Investment Managers and Investment Advisor of any changes.

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

~~A. California Government Code, §6509.7~~~~B.A.~~ California Government Code, §53600 et seq.~~B.~~ California Government Code, §53601.5~~C.~~ California Government Code, §53608~~C.D.~~ California Government Code, §53635 et seq.~~D.E.~~ California Government Code. §53646, Subdivision (a) and Subdivision (b)~~F.~~ California Government Code, §6509.7~~E.G.~~ Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.**VI. REGULATORY AGENCY APPROVALS**

A. None to Date

VII. BOARD ACTIONS~~A. 11/05/18: Special Meeting of the CalOptima Investment Advisory Committee~~~~A.B.~~ 12/07/17: Regular Meeting of the CalOptima Board of Directors~~B.C.~~ 11/16/17: Regular Meeting of the CalOptima Finance Advisory Committee~~C. 12/03/15: Regular Meeting of the CalOptima Board of Directors~~~~D. 03/05/15: Regular Meeting of the CalOptima Board of Directors~~~~E. 06/05/14: Regular Meeting of the CalOptima Board of Directors~~~~F. 12/05/13: Regular Meeting of the CalOptima Board of Directors~~~~G. 01/03/13: Regular Meeting of the CalOptima Board of Directors~~~~H. 10/04/12: Regular Meeting of the CalOptima Board of Directors~~~~I. 01/06/11: Regular Meeting of the CalOptima Board of Directors~~~~J. 08/05/10: Regular Meeting of the CalOptima Board of Directors~~~~K. 12/04/08: Regular Meeting of the CalOptima Board of Directors~~~~L. 12/07/04: Regular Meeting of the CalOptima Board of Directors~~~~M. 01/07/03: Regular Meeting of the CalOptima Board of Directors~~~~N. 01/11/00: Regular Meeting of the CalOptima Board of Directors~~~~O. 03/03/98: Regular Meeting of the CalOptima Board of Directors~~~~P. 02/04/97: Regular Meeting of the CalOptima Board of Directors~~~~Q. 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	01/01/2018	GA.3400	Annual Investments	Administrative
<u>Revised</u>	<u>TBD</u>	<u>GA.3400</u>	<u>Annual Investments</u>	<u>Administrative</u>

IX. GLOSSARY

Term	Definition
Banker's 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; orc. 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; orb. 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	<p>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.</p>
Broker-Dealer	<p>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.</p>
CalOptima Treasurer	<p>Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.</p>
Capital	<p>Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.</p>
Cash Flow Draws	<p>Amount of cash needs to support CalOptima business operation.</p>
Chief Officers	<p>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.</p>

Term	Definition
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee 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 asset or security 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 five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (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)
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>of the fifty (50) U.S. state and states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally,</u> bonds, notes, warrants, or other evidences of indebtedness of any local agency of <u>within</u> 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.



Policy #: GA.3400
Title: **Annual Investments**
Department: Finance
Section: Not Applicable

CEO Approval: Michael Schrader _____

Effective Date: 01/01/18
Last Review Date: TBD
Last Revised Date: TBD

I. PURPOSE

This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently invested according to the Board of Directors' objectives and the California Government Code to preserve capital, provide necessary liquidity, and achieve a market-average rate of return through economic cycles. Each annual review takes effect upon its adoption by the Board of Directors.

II. POLICY

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

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default.
 - a. CalOptima shall seek to ensure that capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of risk: Credit Risk and Market Risk.
 - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio, in accordance with this Policy.
 - ii. Market Risk shall be mitigated by matching maturity dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
 - b. 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.
3. 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.

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 following 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.

1
2 i. The Board of Directors may renew the delegation of authority annually.
3

4 b. No person may engage in investment transactions except as provided under the terms of this
5 Policy and the procedures established by CalOptima's Treasurer.
6

7 B. CalOptima Treasurer Responsibilities
8

9 1. The Treasurer shall be responsible for:
10

11 a. All actions undertaken and shall establish a system of controls to regulate the activities of
12 subordinate officials and Board-approved Investment Managers;
13

14 b. The oversight of CalOptima's investment portfolio;
15

16 c. Directing CalOptima's investment program and for compliance with this Policy pursuant to
17 the delegation of authority to invest funds or to sell or exchange securities; and
18

19 d. Providing a quarterly report to the Board of Directors in accordance with California
20 Government Code, Section 53646, Subdivision (b).
21

22 2. The Treasurer shall also be responsible for ensuring that:
23

24 a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are
25 established and reviewed monthly.
26

27 b. All Investment Managers are provided a copy of this Policy, which shall be appended to an
28 Investment Manager's investment contract.
29

30 i. Any investments made by an Investment Manager outside this Policy may subject the
31 Investment Manager to termination for cause or other appropriate remedies or
32 sanctions, as determined by the Board of Directors.
33

34 c. Investment diversification and portfolio performance is reviewed monthly to ensure that
35 risk levels and returns are reasonable and that investments are diversified in accordance
36 with this Policy.
37

38 d. All Investment Managers are selected and evaluated for review by the Chief Executive
39 Officer and the Board of Directors.
40

41 C. Investment Advisory Committee
42

43 1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any
44 particular investment, purchase any particular investment product, or conduct business with any
45 particular investment companies, or brokers.
46

47 a. It shall not be the purpose of the Investment Advisory Committee to advise on particular
48 investment decisions of CalOptima.
49

50 2. The Investment Advisory Committee shall be responsible for the following functions:
51

- 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 two (2) years. 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. 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 purposes 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	2 years	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) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and

n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	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	2 years	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) or by corporations organized within the U.S. as special purpose corporations, trusts, or LLCs, which have program-wide credit enhancements, including but not limited to, overcollateralization, letter of credit, or a surety bond, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency; 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 broker-dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
 - 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;
 - 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
 - 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 have an "A" rating category 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	2 years	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	2 years	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), the Secured Overnight Financing Rate (SOFR), 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	2 years	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.

iii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	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 100%)
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)

- Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
 - Any one Federal Agency or Government Sponsored Enterprise: None

ii. Any one repurchase agreement counterparty name:

If maturity/term is ≤ 7 days: 50%

If maturity/term is > 7 days: 25%

5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.

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

6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.

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

ii. 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 of this Policy; and

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

F. Maximum Stated Term

1. Maximum stated terms 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.

G. Rating Downgrades

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

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

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

H. Investment Restrictions

1. Investment securities shall not be lent to an Investment Manager, or broker-dealer.
2. The investment portfolio or investment portfolios, managed by an Investment Manager, shall not be used as collateral to obtain additional investable funds.
3. Any investment not specifically referred to herein shall be considered a prohibited investment.
4. CalOptima reserves the right to prohibit its Investment Managers from making investments in organizations which have a line of business that conflicts with the interests of public health, as determined by the Board of Directors.
5. CalOptima reserves the right to prohibit investments in organizations with which it has a business relationship through contracting, purchasing, or other arrangements.
6. Except as expressly permitted by this Policy, investments in derivative securities shall not be allowed.
7. A list of prohibited investments does not currently exist, however, the Board of Directors shall provide its Investment Managers and Investment Advisor with a list, should such a list be adopted by CalOptima in the future, of organizations that do not comply with this Policy and shall immediately notify its Investment Managers and Investment Advisor of any changes.

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

- A. California Government Code, §53600 et seq.
- B. California Government Code, §53601.5
- C. California Government Code, §53608
- D. California Government Code, §53635 et seq.
- E. California Government Code, §53646, Subdivision (a) and Subdivision (b)
- F. California Government Code, §6509.7
- G. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.

VI. REGULATORY AGENCY APPROVALS

- A. None to Date

VII. BOARD ACTIONS

- A. 11/05/18: Special Meeting of the CalOptima Investment Advisory Committee
- B. 12/07/17: Regular Meeting of the CalOptima Board of Directors
- C. 11/16/17: Regular Meeting of the CalOptima Finance Advisory Committee

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	01/01/2018	GA.3400	Annual Investments	Administrative
Revised	TBD	GA.3400	Annual Investments	Administrative

1 IX. GLOSSARY

Term	Definition
Banker's 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	Appointed by CalOptima’s Board of Directors, the treasurer is a person responsible for overseeing CalOptima’s investment funds.
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.
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee 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.

Term	Definition
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.
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 asset or security 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).

Term	Definition
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 five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (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)
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.
State and California Local Agency Obligations	Registered warrants, notes or bonds of any of the fifty (50) U.S. states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, bonds, notes, warrants, or other evidences of indebtedness of any local agency within 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.

Term	Definition
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 BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 5, 2018 **Special Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

Report Item

VI. B. Adopt CalOptima Board of Directors' Investment Advisory Committee Meeting Schedule for Calendar Year 2019

Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Action

Adopt the meeting schedule of the CalOptima Board of Directors' Investment Advisory Committee for Calendar Year 2019.

Background

On September 10, 1996, the Board of Directors resolved to establish an Investment Advisory Committee under Article VII of the Bylaws to provide advice and recommendations regarding the investment of CalOptima's funds. The Investment Advisory Committee meets on a quarterly basis in the months of January, April, July, and October. The schedule for the upcoming calendar year is adopted at the October meeting, and typically is the 4th Monday at 3:00 p.m.

Discussion

The proposed schedule of meetings for Calendar Year 2019 is as follows:

- January 21, 2019
- April 22, 2019
- July 22, 2019
- October 21, 2019

Unless otherwise notified, all meetings of the Investment Advisory Committee are held at 3:00 p.m., at the CalOptima offices located at 505 City Parkway West, Orange, California.

Fiscal Impact

There is no fiscal impact.

Rationale for Recommendation

The recommended action will confirm the Investment Advisory Committee's meeting schedule for the next year.

Concurrence

None

Attachments

Investment Advisory Committee: Calendar Year 2019 - Proposed Meeting Schedule

Authorized Signature

Date



Investment Advisory Committee

Calendar Year 2019 – Meeting Schedule

All Meetings Held At:

CalOptima- Conference Room 109-N
505 City Parkway West
Orange, California

3:00 – 5:00 P.M.



Monday, January 21, 2019

Monday, April 22, 2019

Monday, July 22, 2019

Monday, October 21, 2019

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 5, 2018 **Special Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

Report Item

VI.C. Consider Recommending Appointment to the CalOptima Board of Directors' Investment Advisory Committee

Contact

Greg Hamblin, Chief Financial Officer, (714) 246-8400

Recommended Action

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

1. David Young for a two-year term beginning October 7, 2018.

Background

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

When creating the IAC, the Board stipulated 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 possessing experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima on its investment activities. The IAC currently has six members due to a recent committee member resignation triggered by a job relocation out of Orange County.

Discussion

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

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

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

Mr. Young was previously appointed to the IAC by the CalOptima Board of Directors on October 6, 2016, for a term ending October 6, 2018.

Fiscal Impact

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

Concurrence

Gary Crockett, Chief Counsel

Attachment

None

Authorized Signature

Date

FUND EVALUATION REPORT

CalOptima

Quarterly Review
September 30, 2018



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

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- 1. Corporate Update**
- 2. 3Q18 Review**
- 3. Quarterly Investment Report Supplement**
- 4. Custom Peer Group**
- 5. Performance Attribution**
- 6. Appendix**
 - Characteristics
 - Holdings
- 7. Disclaimer, Glossary, and Notes**

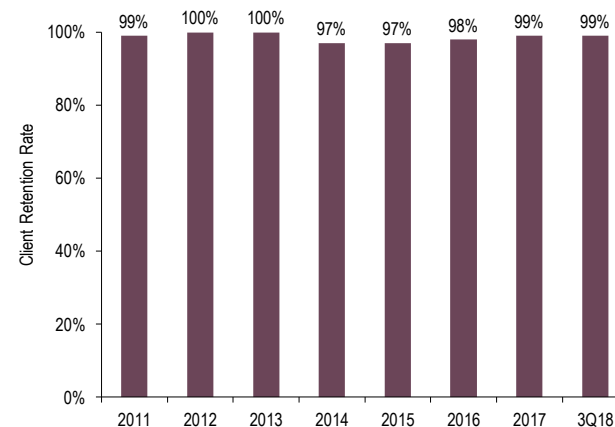
Meketa Investment Group Corporate Update

- Staff of 153, including 102 investment professionals and 32 CFA Charterholders
- 175 clients, with over 300 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- We advise on over \$635 billion in client assets
 - Over \$90 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Client to Consultant Ratio



Client Retention Rate¹



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

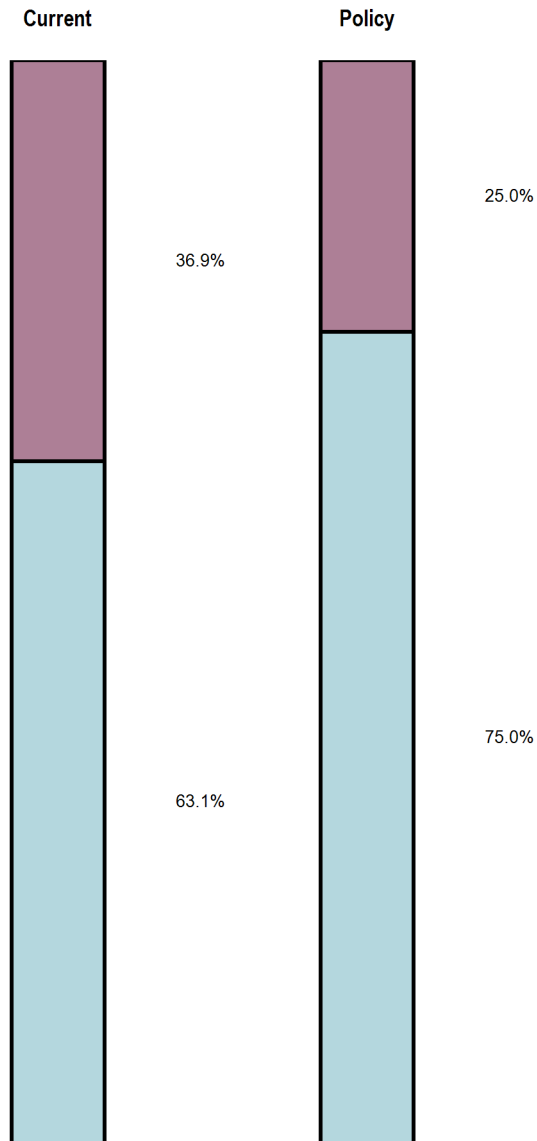
¹ Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.

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

3Q18 Review

As of September 30, 2018



Allocation vs. Targets and Policy

	Current Balance	Current Allocation
Fixed Income	\$540,481,230	37%
Cash	\$922,421,338	63%
Total	\$1,462,902,568	100%

Asset Allocation History
5 Years Ending September 30, 2018



As of September 30, 2018

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,462,902,568	100.000	0.516	1.415	1.052	--	--	0.926	Oct-14
Total Fund(Net)			0.495	1.333	0.975	--	--	0.843	
Fixed Income(Gross)	540,481,230	36.946	0.415	0.633	0.927	--	--	1.027	Oct-14
Fixed Income(Net)			0.393	0.545	0.843	--	--	0.976	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>			<i>0.195</i>	<i>0.036</i>	<i>0.385</i>	<i>0.562</i>	<i>1.086</i>	<i>0.578</i>	<i>Oct-14</i>
Cash(Gross)	922,421,338	63.054	0.564	1.753	1.115	0.736	0.460	1.947	Jul-99
Cash(Net)			0.543	1.673	1.038	0.648	0.346	--	
<i>FTSE T-Bill 3 Months TR</i>			<i>0.500</i>	<i>1.573</i>	<i>0.803</i>	<i>0.492</i>	<i>0.320</i>	<i>1.738</i>	<i>Jul-99</i>

As of September 30, 2018

Trailing Period Performance

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,462,902,568	100.000	--	0.516	1.415	1.052	--	--	0.926	Oct-14
Fixed Income(Gross)	540,481,230	36.946	36.946	0.415	0.633	0.927	--	--	1.027	Oct-14
ICE BofAML 1-3 Yrs US Treasuries TR				0.195	0.036	0.385	0.562	1.086	0.578	Oct-14
Tier One: Payden Low Duration(Gross)	147,932,482	10.112	27.371	0.468	0.801	0.961	0.959	1.563	2.933	Jul-99
Tier One: Payden Low Duration(Net)				0.447	0.719	0.884	0.871	1.448	--	
ICE BofAML 1-3 Yrs US Treasuries TR				0.195	0.036	0.385	0.562	1.086	2.794	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR				0.354	0.277	0.749	0.850	1.676	3.126	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				0.301	0.201	0.600	0.738	1.493	3.014	Jul-99
Tier One: Logan Circle STAMP 1-3 Year(Gross)	147,797,556	10.103	27.346	0.392	0.885	--	--	--	0.890	May-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				0.372	0.804	--	--	--	0.807	
ICE BofAML 1-3 Yrs US Treasuries TR				0.195	0.036	0.385	0.562	1.086	0.272	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR				0.354	0.277	0.749	0.850	1.676	0.613	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				0.301	0.201	0.600	0.738	1.493	0.477	May-16
Tier One: Wells Capital Reserve Account(Gross)	147,252,243	10.066	27.245	0.456	0.535	--	--	--	0.788	Jun-16
Tier One: Wells Capital Reserve Account(Net)				0.438	0.462	--	--	--	0.716	
ICE BofAML 1-3 Yrs US Treasuries TR				0.195	0.036	0.385	0.562	1.086	0.327	Jun-16
ICE BofAML 1-3 Yrs US Corp & Govt TR				0.354	0.277	0.749	0.850	1.676	0.664	Jun-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				0.301	0.201	0.600	0.738	1.493	0.528	Jun-16
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	97,498,949	6.665	18.039	0.307	0.147	0.960	1.314	--	1.123	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				0.275	0.020	0.834	1.188	--	0.997	
ICE BofAML 1-5 Yrs US Treasuries TR				0.051	-0.584	0.288	0.727	1.581	0.618	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR				0.284	-0.313	0.767	1.110	2.330	0.985	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR				0.198	-0.397	0.558	0.952	2.067	0.834	Apr-13

As of September 30, 2018

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cash(Gross)	922,421,338	63.054	63.054	0.564	1.753	1.115	0.736	0.460	1.947	Jul-99
<i>FTSE T-Bill 3 Months TR</i>				<i>0.500</i>	<i>1.573</i>	<i>0.803</i>	<i>0.492</i>	<i>0.320</i>	<i>1.738</i>	<i>Jul-99</i>
Operating: Payden Enhanced Cash(Gross)	356,577,622	24.375	38.657	0.586	1.822	1.184	0.777	0.480	1.958	Jul-99
Operating: Payden Enhanced Cash(Net)				0.565	1.740	1.108	0.690	0.367	--	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.500</i>	<i>1.573</i>	<i>0.803</i>	<i>0.492</i>	<i>0.320</i>	<i>1.738</i>	<i>Jul-99</i>
Operating: Logan Circle Enhanced Cash(Gross)	283,047,921	19.348	30.685	0.549	1.748	--	--	--	1.262	May-16
Operating: Logan Circle Enhanced Cash(Net)				0.528	1.662	--	--	--	1.178	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.500</i>	<i>1.573</i>	<i>0.803</i>	<i>0.492</i>	<i>0.320</i>	<i>0.961</i>	<i>May-16</i>
Operating: Wells Capital Enhanced Cash(Gross)	282,795,795	19.331	30.658	0.567	1.697	--	--	--	1.210	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.549	1.624	--	--	--	1.138	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.500</i>	<i>1.573</i>	<i>0.803</i>	<i>0.492</i>	<i>0.320</i>	<i>0.986</i>	<i>Jun-16</i>

As of September 30, 2018

Asset Class Performance Summary

	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)
Total Fund(Gross)	1.221	0.754	0.842	--	--	--	--	--
Total Fund(Net)	1.147	0.666	0.778	--	--	--	--	--
Fixed Income(Gross)	0.582	0.427	1.775	--	--	--	--	--
Fixed Income(Net)	0.495	0.336	1.699	--	--	--	--	--
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>	<i>0.079</i>	<i>-0.108</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>
Cash(Gross)	1.492	0.858	0.509	0.166	0.131	0.112	0.185	0.137
Cash(Net)	1.427	0.758	0.446	0.058	0.018	-0.023	0.044	-0.008
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</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>

As of September 30, 2018

Trailing Period Performance

	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)
Total Fund(Gross)	1.221	0.754	0.842	--	--	--	--	--
Fixed Income(Gross)	0.582	0.427	1.775	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	0.079	-0.108	1.307	0.876	0.765	0.328	0.776	1.331
Tier One: Payden Low Duration(Gross)	0.695	0.583	1.461	0.893	1.048	0.534	1.248	1.478
Tier One: Payden Low Duration(Net)	0.615	0.508	1.388	0.783	0.933	0.399	1.105	1.331
ICE BofAML 1-3 Yrs US Treasuries TR	0.079	-0.108	1.307	0.876	0.765	0.328	0.776	1.331
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.265	0.336	1.581	0.901	1.246	0.861	1.169	1.947
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.198	0.147	1.492	0.906	1.038	0.656	1.058	1.782
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.842	0.478	--	--	--	--	--	--
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.761	0.395	--	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	0.079	-0.108	1.307	0.876	0.765	0.328	0.776	1.331
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.265	0.336	1.581	0.901	1.246	0.861	1.169	1.947
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.198	0.147	1.492	0.906	1.038	0.656	1.058	1.782
Tier One: Wells Capital Reserve Account(Gross)	0.425	0.403	--	--	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	0.353	0.330	--	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	0.079	-0.108	1.307	0.876	0.765	0.328	0.776	1.331
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.265	0.336	1.581	0.901	1.246	0.861	1.169	1.947
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.198	0.147	1.492	0.906	1.038	0.656	1.058	1.782
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.258	0.140	3.021	1.494	2.095	--	--	--
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.131	0.016	2.894	1.367	1.969	--	--	--
ICE BofAML 1-5 Yrs US Treasuries TR	-0.351	-0.532	2.426	1.376	1.157	-0.027	2.198	2.154
ICE BofAML 1-5 Yrs US Corp & Govt TR	-0.156	0.134	2.649	1.344	2.000	0.718	2.524	2.957
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	-0.220	-0.172	2.570	1.376	1.641	0.409	2.362	2.694

As of September 30, 2018

	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)
Cash(Gross)	1.492	0.858	0.509	0.166	0.131	0.112	0.185	0.137
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</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>
Operating: Payden Enhanced Cash(Gross)	1.580	0.887	0.573	0.166	0.131	0.112	0.185	0.137
Operating: Payden Enhanced Cash(Net)	1.500	0.812	0.505	0.058	0.018	-0.023	0.044	-0.008
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</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>
Operating: Logan Circle Enhanced Cash(Gross)	1.501	0.898	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	1.416	0.814	--	--	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</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>
Operating: Wells Capital Enhanced Cash(Gross)	1.443	0.721	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	1.370	0.649	--	--	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</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>

As of September 30, 2018

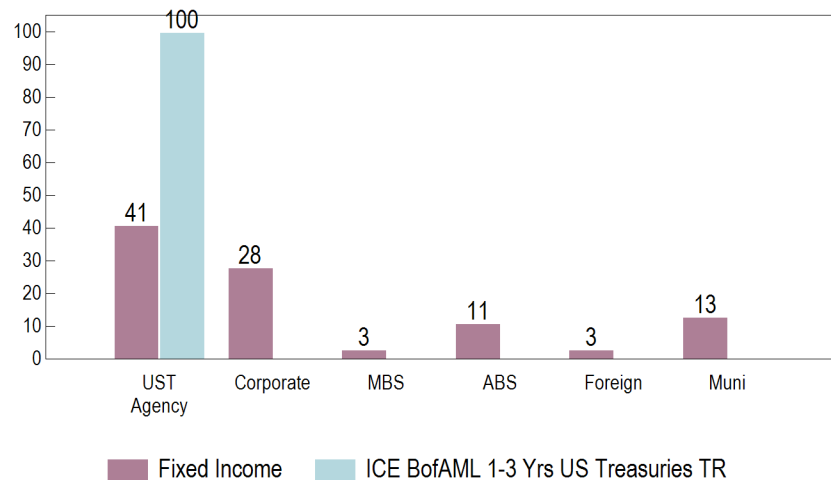
Asset Allocation on September 30, 2018

	Actual	Actual
Tier One: Payden Low Duration	\$147,932,482	27.4%
Tier One: Logan Circle STAMP 1-3 Year	\$147,797,556	27.3%
Tier One: Wells Capital Reserve Account	\$147,252,243	27.2%
Tier Two: Logan Circle STAMP 1-5 Year	\$97,498,949	18.0%
Total	\$540,481,230	100.0%

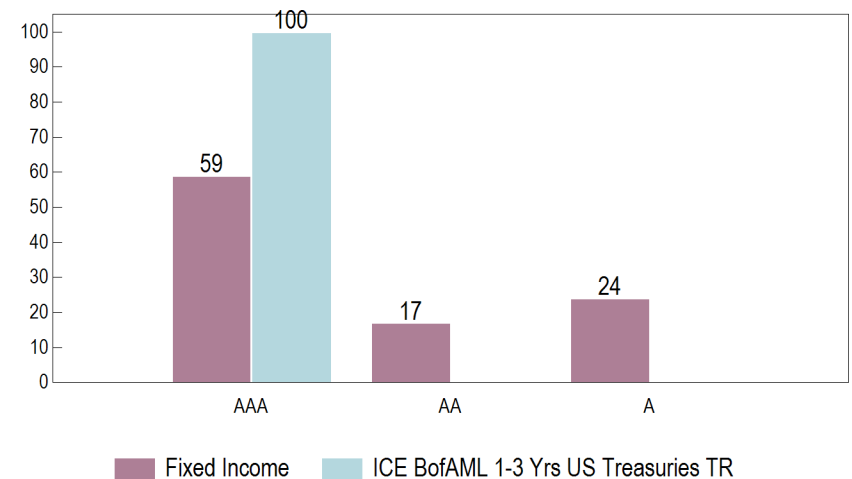
Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.9	2.8	2.7
Average Duration	1.8	1.9	1.7
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Tier One: Payden Low Duration

As of September 30, 2018

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	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

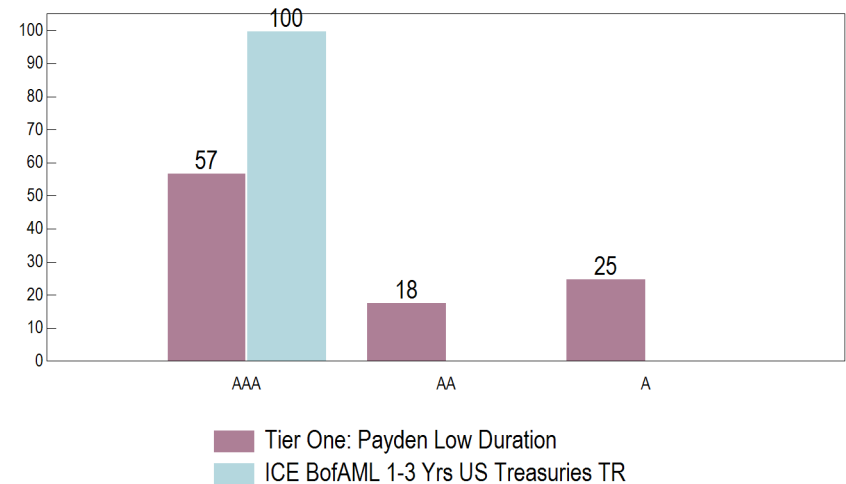
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.468	0.814	0.801	0.961	0.959	1.563	2.933	Jul-99
Tier One: Payden Low Duration(Net)	0.447	0.753	0.719	0.884	0.871	1.448	--	
ICE BofAML 1-3 Yrs US Treasuries TR	0.195	0.287	0.036	0.385	0.562	1.086	2.794	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.354	0.460	0.277	0.749	0.850	1.676	3.126	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.301	0.406	0.201	0.600	0.738	1.493	3.014	Jul-99

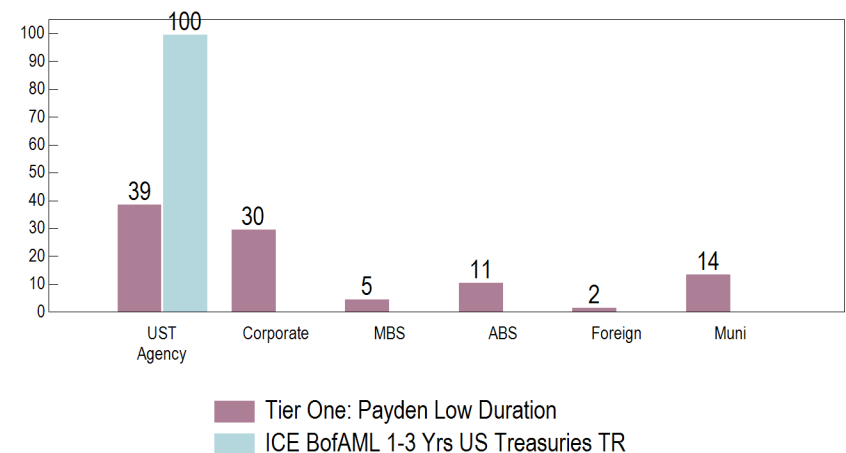
Tier One: Payden Low Duration Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.87	2.80	2.71
Average Duration	1.51	1.87	1.41
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of September 30, 2018

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 Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

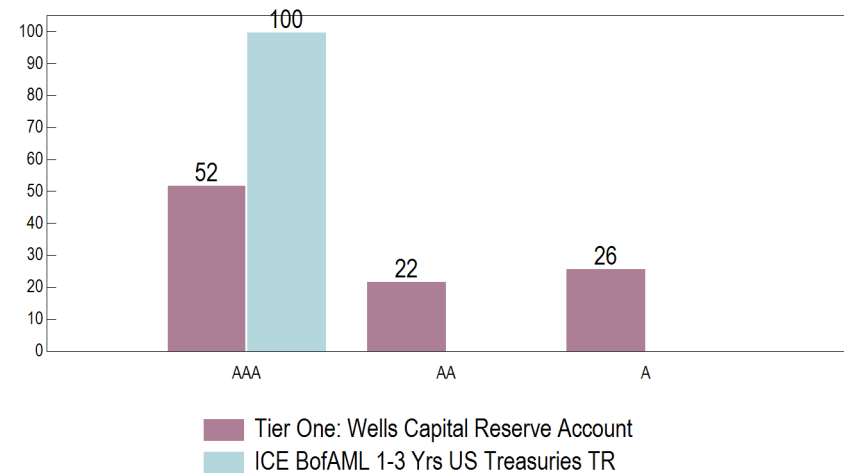
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	0.456	0.655	0.535	--	--	--	0.788	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.438	0.601	0.462	--	--	--	0.716	
ICE BofAML 1-3 Yrs US Treasuries TR	0.195	0.287	0.036	0.385	0.562	1.086	0.327	Jun-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.354	0.460	0.277	0.749	0.850	1.676	0.664	Jun-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.301	0.406	0.201	0.600	0.738	1.493	0.528	Jun-16

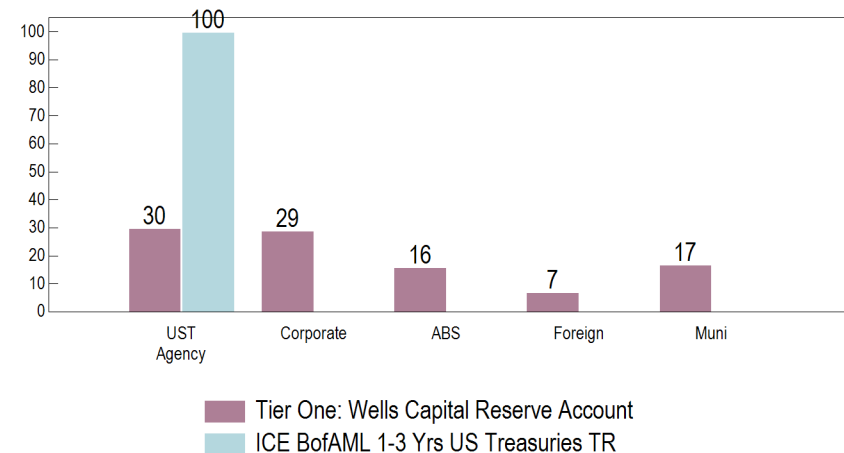
Tier One: Wells Capital Reserve Account Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.96	2.80	2.76
Average Duration	1.69	1.87	1.74
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Logan Circle STAMP 1-3 Year

As of September 30, 2018

Account Information

Account Name	Tier One: Logan Circle STAMP 1-3 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	5/02/16
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

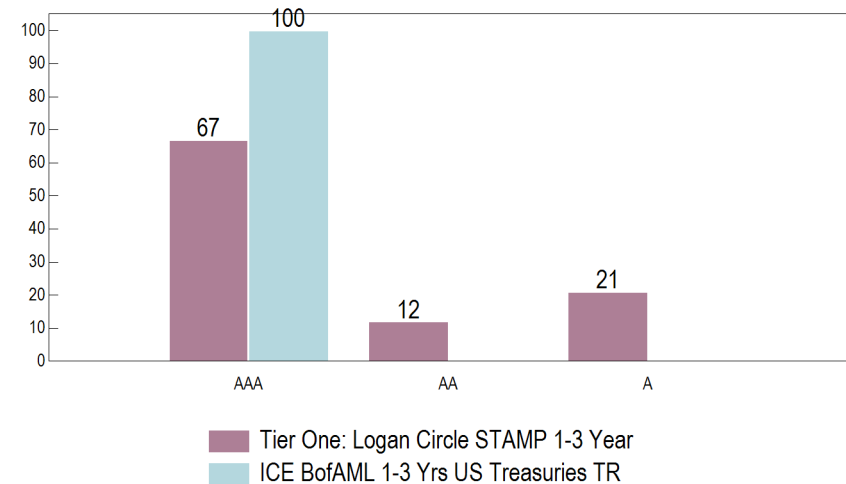
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.392	0.803	0.885	--	--	--	0.890	May-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.372	0.741	0.804	--	--	--	0.807	
ICE BofAML 1-3 Yrs US Treasuries TR	0.195	0.287	0.036	0.385	0.562	1.086	0.272	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.354	0.460	0.277	0.749	0.850	1.676	0.613	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.301	0.406	0.201	0.600	0.738	1.493	0.477	May-16

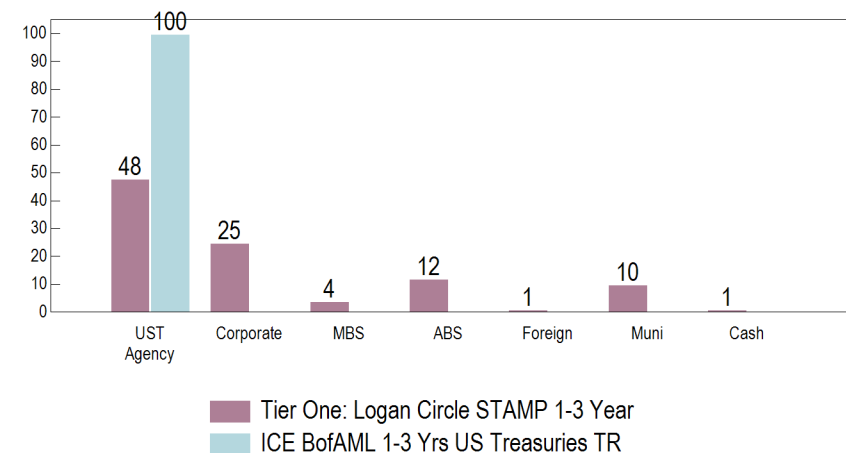
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.92	2.80	2.58
Average Duration	1.73	1.87	1.47
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of September 30, 2018

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	ICE BofAML 1-5 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

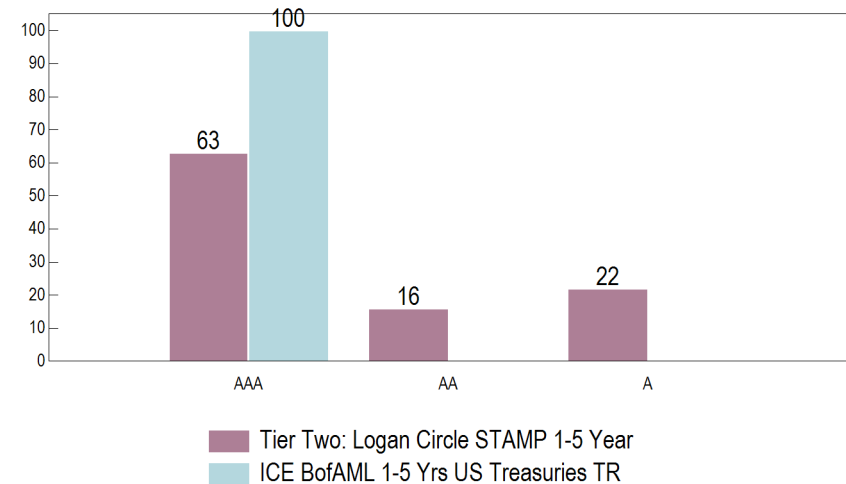
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.307	0.263	0.147	0.960	1.314	--	1.123	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.275	0.168	0.020	0.834	1.188	--	0.997	
ICE BofAML 1-5 Yrs US Treasuries TR	0.051	-0.201	-0.584	0.288	0.727	1.581	0.618	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR	0.284	-0.037	-0.313	0.767	1.110	2.330	0.985	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	0.198	-0.081	-0.397	0.558	0.952	2.067	0.834	Apr-13

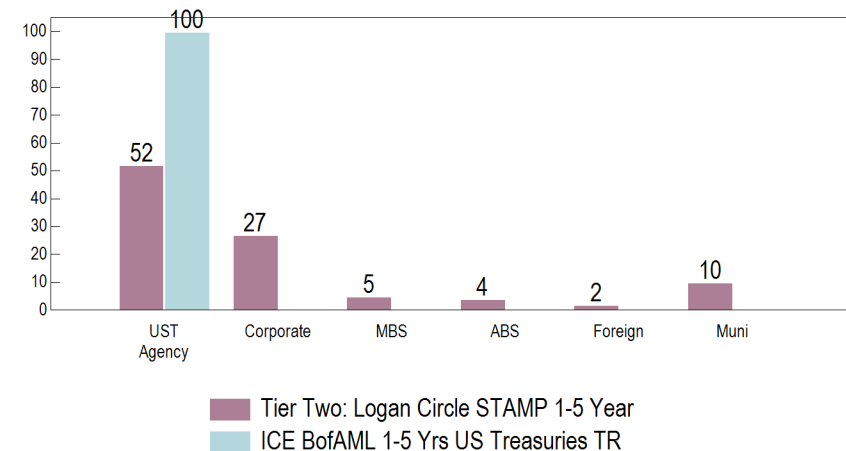
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. ICE BofAML 1-5 Yrs US Treasuries TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	3.04	2.85	2.78
Average Duration	2.48	2.63	2.31
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



As of September 30, 2018

Asset Allocation on September 30, 2018

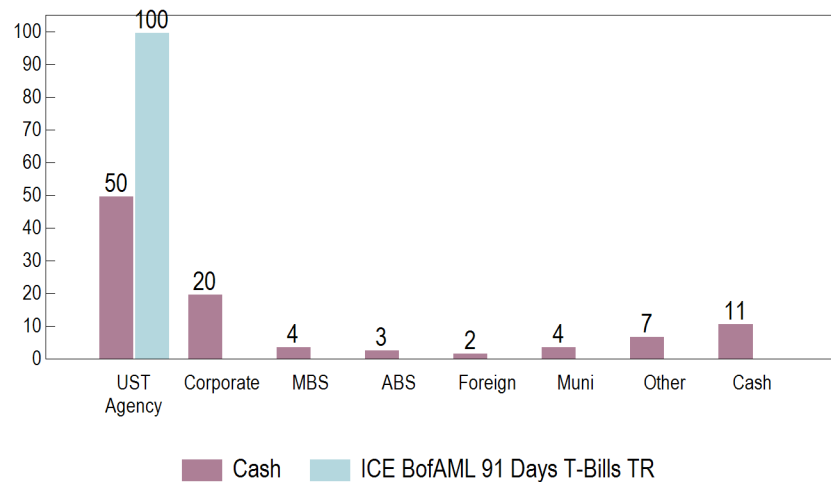
	Actual	Actual
Operating: Logan Circle Enhanced Cash	\$283,047,921	30.7%
Operating: Payden Enhanced Cash	\$356,577,622	38.7%
Operating: Wells Capital Enhanced Cash	\$282,795,795	30.7%
Total	\$922,421,338	100.0%

Cash Characteristics

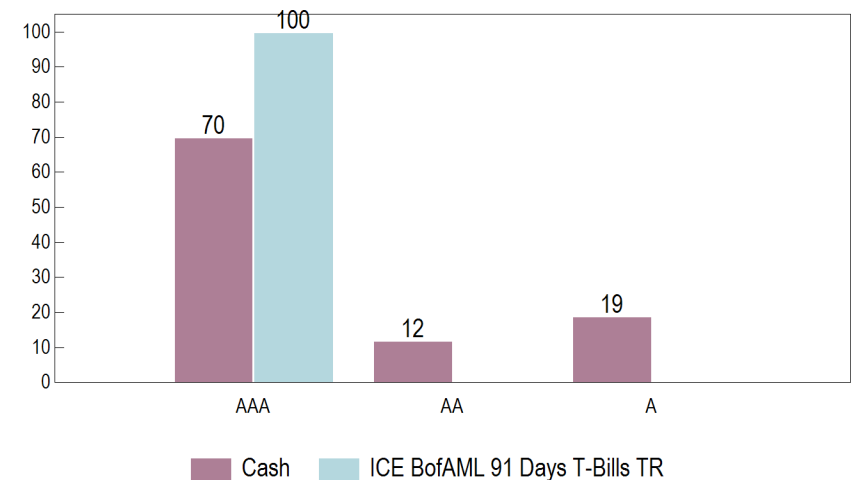
vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.3	2.2	2.1
Average Duration	0.2	0.2	0.2
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Operating: Payden Enhanced Cash

As of September 30, 2018

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	FTSE T-Bill 3 Months TR
Universe	eV US Enh Cash Management Net

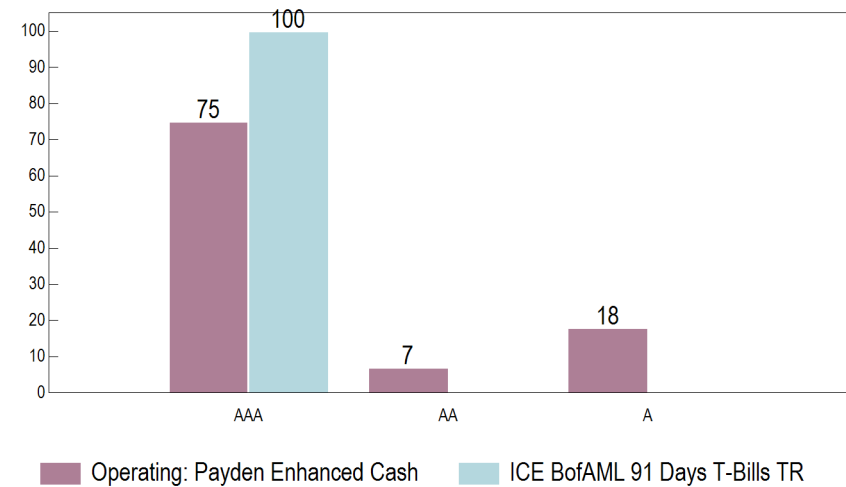
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash(Gross)	0.586	1.492	1.822	1.184	0.777	0.480	1.958	Jul-99
Operating: Payden Enhanced Cash(Net)	0.565	1.429	1.740	1.108	0.690	0.367	--	
FTSE T-Bill 3 Months TR	0.500	1.289	1.573	0.803	0.492	0.320	1.738	Jul-99

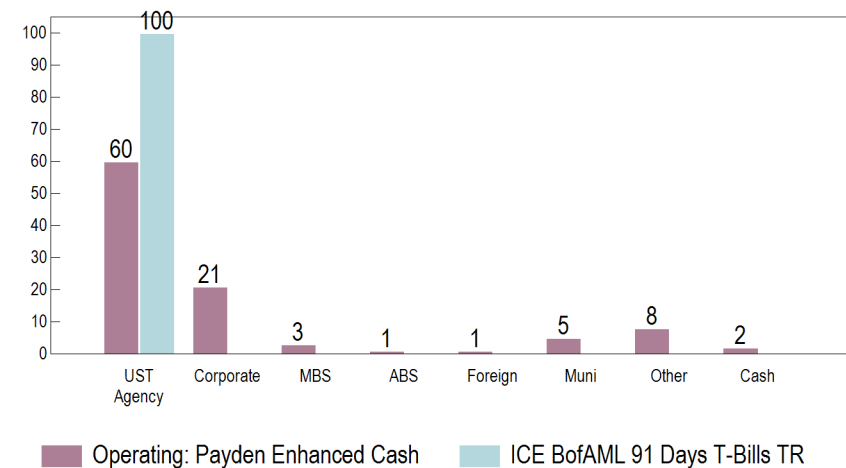
Operating: Payden Enhanced Cash Fixed Income Characteristics
vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.26	2.20	2.19
Average Duration	0.15	0.24	0.13
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Operating: Logan Circle Enhanced Cash

As of September 30, 2018

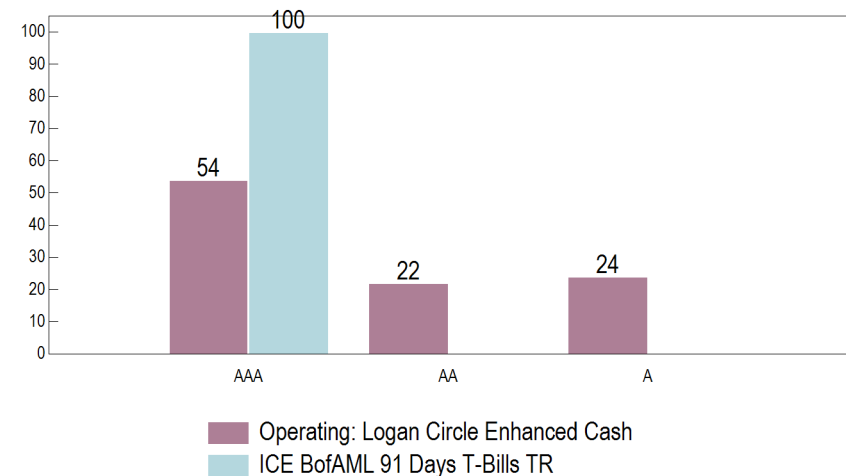
Account Information

Account Name	Operating: Logan Circle Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	5/02/16
Account Type	Cash
Benchmark	FTSE T-Bill 3 Months TR
Universe	eV US Enh Cash Management Net

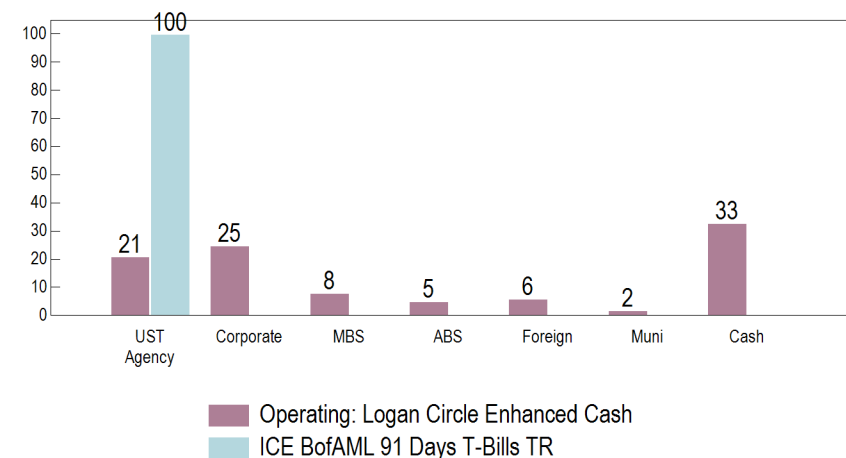
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Logan Circle Enhanced Cash(Gross)	0.549	1.420	1.748	--	--	--	1.262	May-16
Operating: Logan Circle Enhanced Cash(Net)	0.528	1.356	1.662	--	--	--	1.178	
FTSE T-Bill 3 Months TR	0.500	1.289	1.573	0.803	0.492	0.320	0.961	May-16

Credit Quality Allocation



US Sector Allocation

Operating: Logan Circle Enhanced Cash Fixed Income Characteristics
vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.34	2.20	1.72
Average Duration	0.16	0.24	0.08
Average Quality	AA	AAA	AA

Operating: Wells Capital Enhanced Cash

As of September 30, 2018

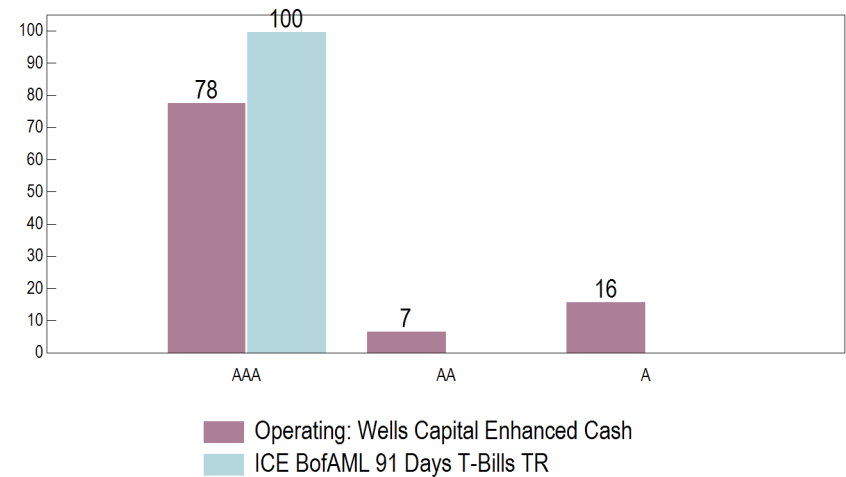
Account Information

Account Name	Operating: Wells Capital Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	Cash
Benchmark	FTSE T-Bill 3 Months TR
Universe	eV US Enh Cash Management Net

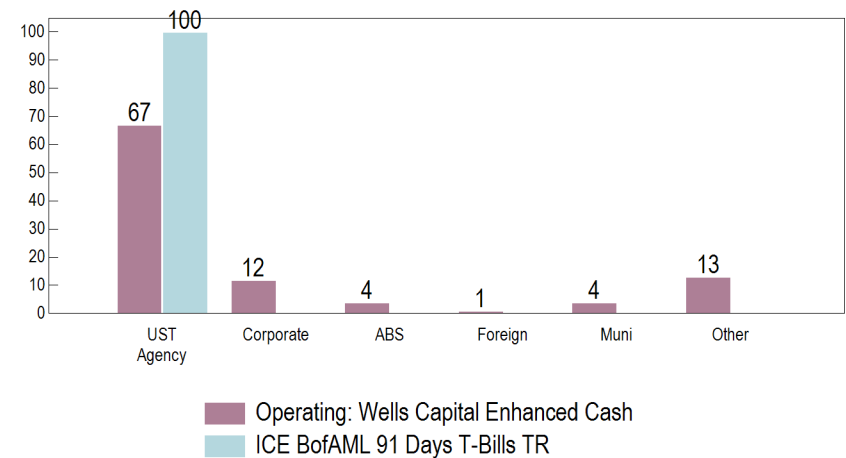
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Wells Capital Enhanced Cash(Gross)	0.567	1.446	1.697	--	--	--	1.210	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.549	1.391	1.624	--	--	--	1.138	
FTSE T-Bill 3 Months TR	0.500	1.289	1.573	0.803	0.492	0.320	0.986	Jun-16

Credit Quality Allocation



US Sector Allocation

Operating: Wells Capital Enhanced Cash Fixed Income Characteristics
vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.41	2.20	2.42
Average Duration	0.17	0.24	0.31
Average Quality	AA	AAA	AA

As of September 30, 2018

Annual Investment Expense Analysis
As Of September 30, 2018

Name	Fee Schedule	Market Value
Fixed Income		\$540,481,230
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$147,932,482
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	\$147,797,556
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$147,252,243
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	\$97,498,949
Cash		\$922,421,338
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$356,577,622
Operating: Logan Circle Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$283,047,921
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$282,795,795
Total		\$1,462,902,568

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 (2018) Maturity and Quality Requirements

Allowable Instruments	Maximum Permitted Maturity			Actual Maximum Maturity							Compliance
	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	140 days	179 days	11 days	4.30 years	2.96 years	2.96 years	4.39 years	Yes
U.S. Agencies	450 days	5 years	5 years	1 day	22 days	274 days	2.90 years	3.75 years	1.95 years	2.90 years	Yes
State & Local Obligations ¹	450 days	5 years	5 years	290 days	336 days	336 days	2.84 years	3.34 years	2.67 years	4.68 years	Yes
Supranationals	450 days	5 years	5 years	301 days	N/A	208 days	3.96 years	2.81 years	2.81 years	3.96 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	53 days	40 days	N/A	N/A	N/A	N/A	N/A	Yes
Commercial Paper	270 days	270 days	270 days	66 days	22 days	176 days	N/A	N/A	N/A	N/A	Yes
Repurchase Agreements	30 days	30 days	30 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Medium Term Notes	450 days	5 years	5 years	224 days	346 days	230 days	3.51 years	2.95 years	2.86 years	4.68 years	Yes
Mortgage/ Asset-Backed	450 days	5 years	5 years	362 days	144 days	N/A	4.32 years	2.70 years	4.46 years	4.32 years	Yes
Variable & Floating Rate	450 days	5 years	5 years	81 days	88 days ²	94 days	4.05 years	2.63 years	N/A	3.01 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 (2018) 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	31.5	166.2	43.7	220.3	29.3	126.0	35.0	512.5
U.S. Agencies	100	2.4	12.8	9.7	48.8	25.0	107.3	11.5	168.9
State & Local Obligations ²	25	5.5	28.9	8.7	44.0	8.2	35.2	7.4	108.2
Supranationals	15	4.0	21.3	0.4	2.2	2.8	12.1	2.4	35.6
Negotiable Certificate of Deposit	30	8.0	42.1	1.0	5.1	0.0	0.0	3.2	47.2
Commercial Paper	25	9.6	50.9	1.5	7.5	8.2	35.3	6.4	93.8
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	16.0	84.7	8.5	42.8	13.6	58.5	12.7	186.1
Money Market Funds	20	0.7	3.7	-1.0	-5.1	0.3	1.2	0.0	-0.1
Mortgage/Asset-Backed	20	6.2	33.0	4.4	22.1	5.5	23.5	5.4	78.6
Variable & Floating Rate	30	16.0	84.8	23.1	116.7	7.2	30.8	15.9	232.3
Total		100.0	528.3	100.0	504.5	100.0	430.0	100.0	1462.9

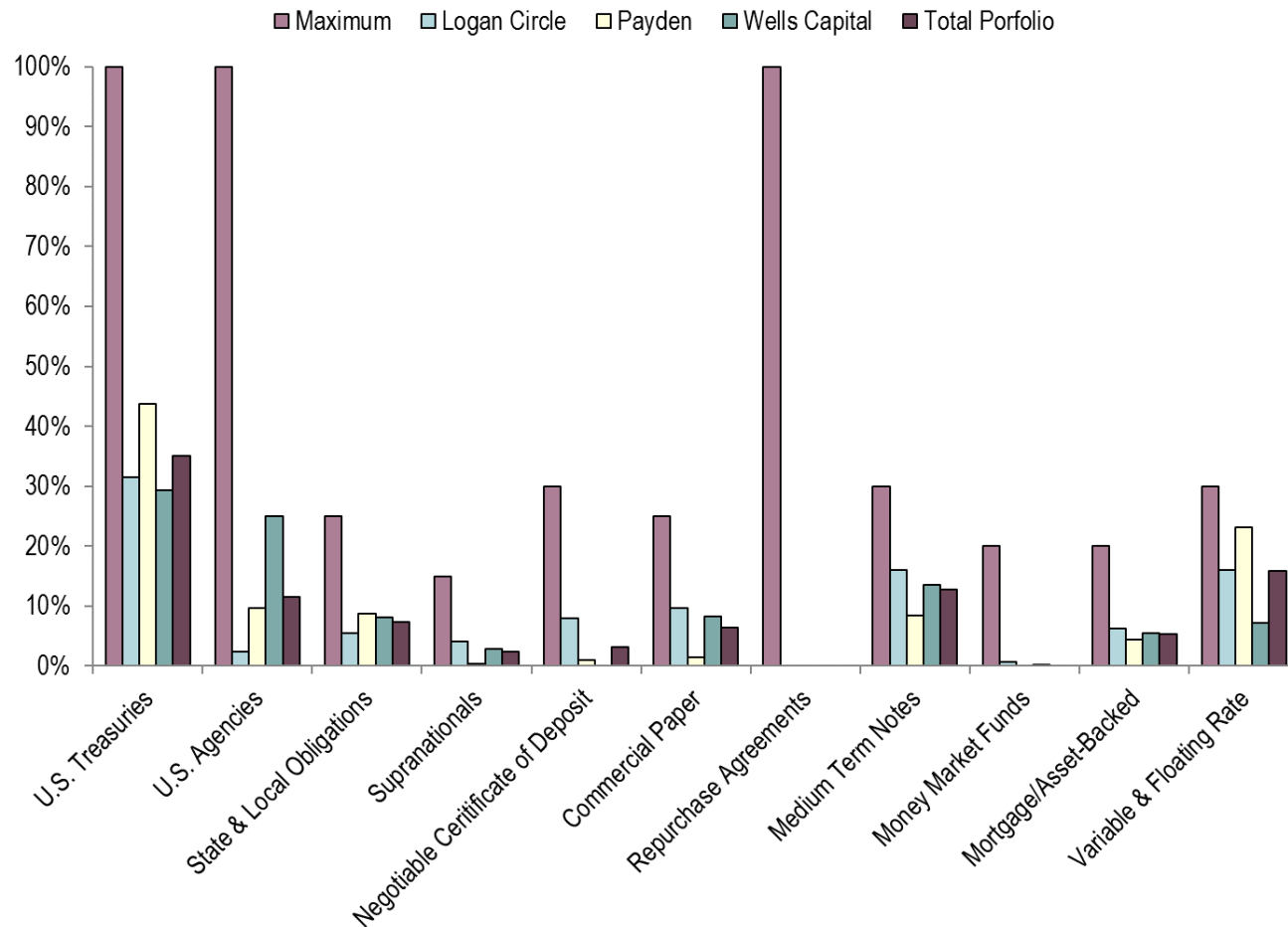
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2018.

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 (2018) Actual vs. Diversity Requirements

As of September 30, 2018



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 ICE BofA Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the ICE BofA Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
 - The Tier One peer group consists of fifteen strategies with a median effective duration of 1.65 years, while the Tier Two peer group consists of ten strategies with a median effective duration of 2.58 years as of June 30, 2018.
- Please note that the analysis is as of June 30, 2018, as the universe of investment managers that had reported data as of September 30, 2018 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 6/30/2018 ¹	2Q 2018 (%)	1 Year (%)	Since Inception ² (%)
Tier One: Logan Circle STAMP 1-3 Year	0.43	0.84	0.78
Peer Group Median Return	0.39	0.57	0.81
Peer Group Rank (percentile)	12	33	65

- The Logan Circle Tier One portfolio outperformed the peer group in the second quarter of 2018 and over the trailing one-year period, ranking in the 12th and 33rd percentiles, respectively. The strategy underperformed the custom peer group since inception.

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 Formal inception date is June 2016.

Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 6/30/2018 ¹	2Q 2018 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.42	0.70	0.91	0.94	1.66
Peer Group Median Return	0.39	0.57	0.98	1.08	1.83
Peer Group Rank (percentile)	18	43	65	72	71

Standard Deviation as of 6/30/2018 ²	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.53	0.53	0.89
Median Standard Deviation	0.71	0.70	0.97
Peer Group Rank (percentile)	8	3	26

- The Payden Tier One portfolio's trailing returns rank in the first quartile of the peer group in the second quarter of 2018 and in the third quartile over the three-, five-, and ten-year trailing periods. The strategy outperformed the custom peer group over the trailing one-year period.
- Standard deviation has ranked favorably versus peers over all trailing periods.

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 6/30/2018¹	2Q 2018 (%)	1 Year (%)	Since Inception² (%)
Tier One: Wells Capital Reserve Account	0.36	0.43	0.59
Peer Group Median Return	0.39	0.57	0.81
Peer Group Rank (percentile)	58	77	80

- The Wells Capital Tier One portfolio underperformed the custom short duration peer group over the second quarter, the trailing one-year, and since inception periods.

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 Formal inception date is June 2016.

Custom Peer Group: Logan Circle Tier Two

Gross of Fees Returns as of 6/30/2018¹	2Q 2018 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	0.31	0.26	1.13	1.40
Peer Group Median Return	0.29	0.25	0.85	1.15
Peer Group Rank (percentile)	41	49	10	27

Standard Deviation as of 6/30/2018²	3 Years (%)	5 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.18	1.18
Median Standard Deviation	1.14	1.10
Peer Group Rank (percentile)	56	58

- Logan Circle's Tier Two portfolio outperformed the peer group over all periods measured, and ranked in the top decile of the custom peer group over the three-year trailing period.
- Standard deviation for the strategy over the trailing three- and five-year periods exceeds the peer group median, ranking in the 56th and 58th percentiles, respectively.

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 September 30, 2018. Attribution data fields will vary slightly across investment managers.

Logan Circle Tier One Performance Attribution¹
Gross of Fees as of 9/30/2018

	ICE BofA Merrill Lynch 1-3 Year U.S. Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A U.S. Corp & Govt	
Benchmark Relative Attribution (basis points)	3Q 2018	1 Year	3Q 2018	1 Year
Duration	-1	32	-1	32
Yield Curve	1	6	1	6
Sector Selection	19	46	9	30
Treasury	12	30	5	17
Agency	0	0	1	1
Corporate	7	14	3	10
Financial	7	11	4	8
Industrial	0	2	-1	1
Utilities	0	1	0	1
MBS	0	0	0	0
CMBS	0	1	0	1
ABS	1	1	1	1
Municipal	-1	0	-1	0
Total Excess Return	20	84	9	68
Logan Circle Tier One Return	39	88	39	88
Benchmark Return	19	4	30	20

¹ Performance attribution provided by Logan Circle.



Payden & Rygel Tier One Performance Attribution¹
Gross of Fees as of 9/30/2018

	ICE BofA Merrill Lynch 1-3 Year U.S. Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A U.S. Corp & Govt	
Benchmark Relative Attribution (basis points)	3Q 2018	1 Year	3Q 2018	1 Year
Duration	10	46	8	54
Yield Curve	-1	-4	-1	-12
Sector Selection	17	35	11	14
Treasury	NA	NA	NA	NA
Agency	1	2	0	1
Corporate	10	21	5	5
Financial	8	14	3	6
Industrial	2	5	1	0
Utilities	0	2	1	-1
MBS	0	0	0	0
CMBS	0	0	0	0
ABS	3	6	3	4
Municipal	3	6	3	4
Residual	0	0	0	4
Total Excess Return	27	77	18	60
Payden & Rygel Tier One Return	46	80	46	80
Benchmark Return	19	2	28	19

¹ Performance attribution provided by Payden & Rygel.



Wells Capital Tier One Performance Attribution¹
Gross of Fees as of 9/30/2018

	ICE BofA Merrill Lynch 1-3 Year U.S. Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A U.S. Corp & Govt	
Benchmark Relative Attribution (basis points)	3Q 2018	1 Year	3Q 2018	1 Year
Duration	6	12	10	18
Sector Selection	20	37	6	15
Treasury ²	NA	NA	NA	NA
Agency	1	4	0	0
Corporate	12	17	3	5
Financial	8	11	2	4
Industrial	4	5	1	1
Utilities	0	1	0	0
MBS	0	0	0	0
CMBS	0	0	0	0
ABS	4	2	2	1
Municipal	3	8	1	5
Error Factor	0	6	0	4
Total Excess Return	26	49	16	33
Wells Capital Tier One Return (%)	46	53	46	53
Benchmark Return (%)	20	4	30	20

¹ Performance attribution provided by Wells Capital.

² Treasury sector selection attribution is included in Duration figure.



Logan Circle Tier Two Performance Attribution¹
Gross of Fees as of 9/30/2018

	ICE BofA Merrill Lynch 1-5 Year U.S. Treasury		ICE BofA Merrill Lynch 1-5 Year AAA-A U.S. Corp & Govt	
Benchmark Relative Attribution (basis points)	3Q 2018	1 Year	3Q 2018	1 Year
Duration	3	28	2	26
Yield Curve	0	2	0	2
Sector Selection	23	43	9	27
Treasury	11	21	4	13
Agency	0	0	0	-1
Corporate	11	17	4	10
Financial	9	14	5	9
Industrial	1	2	-1	0
Utilities	1	1	0	1
MBS	0	0	0	0
CMBS	0	1	0	1
ABS	1	1	1	1
Municipal	0	3	0	3
Total Excess Return	26	21	11	55
Logan Circle Tier Two Return	31	15	31	15
Benchmark Return	5	-6	20	-40

¹ Performance attribution provided by Logan Circle.



Appendix

Characteristics

Tier One: Payden Low Duration

As of September 30, 2018

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	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

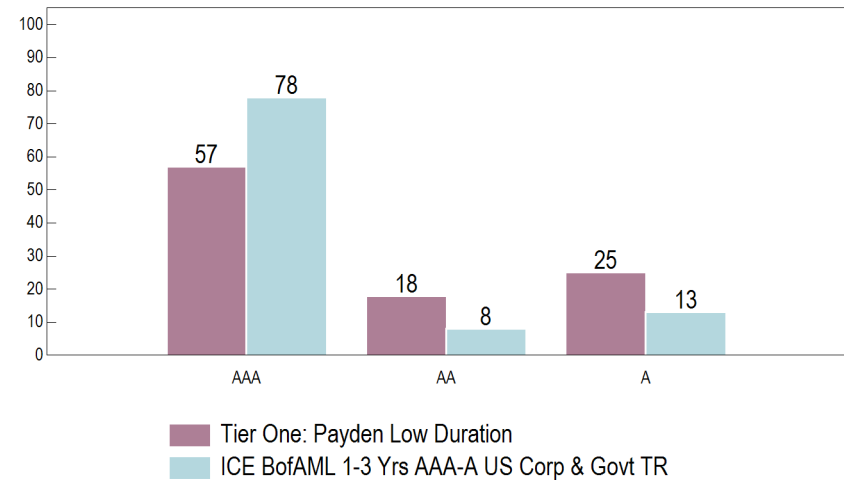
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.468	0.814	0.801	0.961	0.959	1.563	2.933	Jul-99
Tier One: Payden Low Duration(Net)	0.447	0.753	0.719	0.884	0.871	1.448	--	
ICE BofAML 1-3 Yrs US Treasuries TR	0.195	0.287	0.036	0.385	0.562	1.086	2.794	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.354	0.460	0.277	0.749	0.850	1.676	3.126	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.301	0.406	0.201	0.600	0.738	1.493	3.014	Jul-99

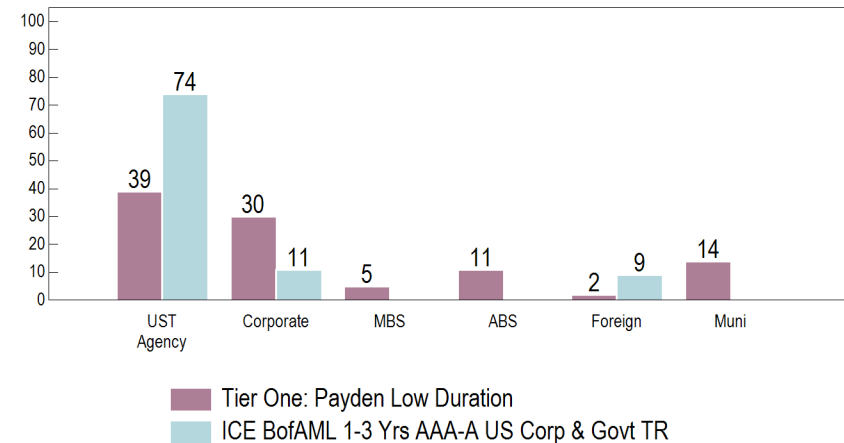
Tier One: Payden Low Duration Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.87	2.91	2.71
Average Duration	1.51	1.88	1.41
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of September 30, 2018

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 Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

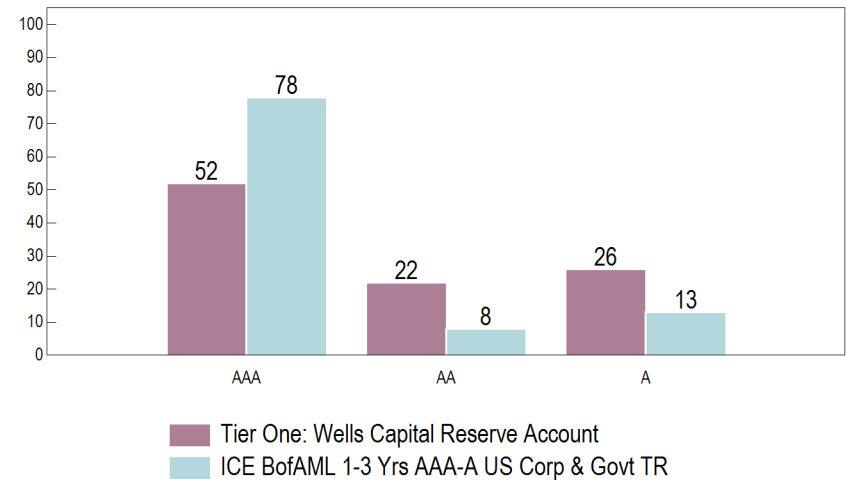
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	0.456	0.655	0.535	--	--	--	0.788	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.438	0.601	0.462	--	--	--	0.716	
ICE BofAML 1-3 Yrs US Treasuries TR	0.195	0.287	0.036	0.385	0.562	1.086	0.327	Jun-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.354	0.460	0.277	0.749	0.850	1.676	0.664	Jun-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.301	0.406	0.201	0.600	0.738	1.493	0.528	Jun-16

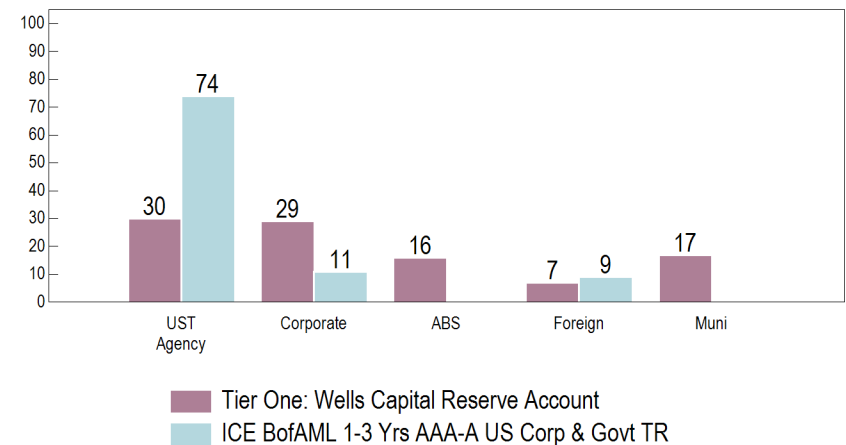
Tier One: Wells Capital Reserve Account Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.96	2.91	2.76
Average Duration	1.69	1.88	1.74
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Logan Circle STAMP 1-3 Year

As of September 30, 2018

Account Information

Account Name	Tier One: Logan Circle STAMP 1-3 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	5/02/16
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

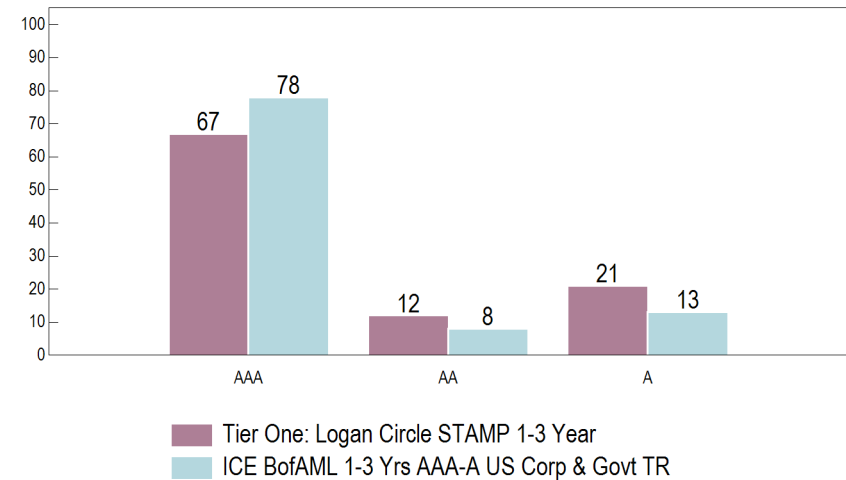
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.392	0.803	0.885	--	--	--	0.890	May-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.372	0.741	0.804	--	--	--	0.807	
ICE BofAML 1-3 Yrs US Treasuries TR	0.195	0.287	0.036	0.385	0.562	1.086	0.272	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.354	0.460	0.277	0.749	0.850	1.676	0.613	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.301	0.406	0.201	0.600	0.738	1.493	0.477	May-16

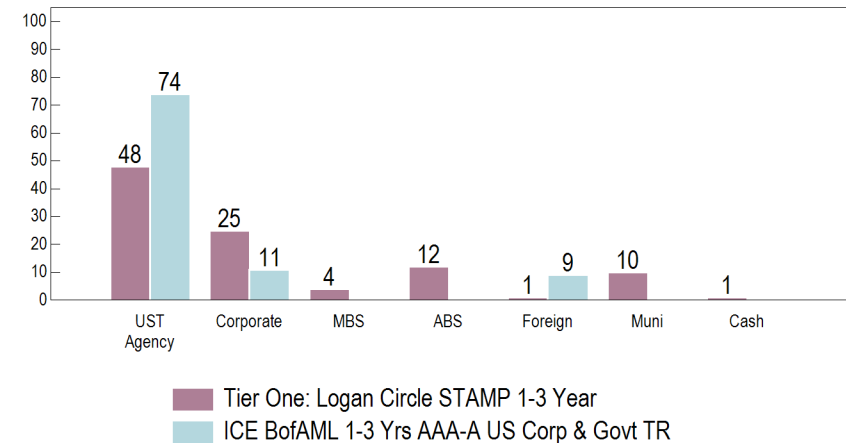
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	2.92	2.91	2.58
Average Duration	1.73	1.88	1.47
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of September 30, 2018

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	ICE BofAML 1-5 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

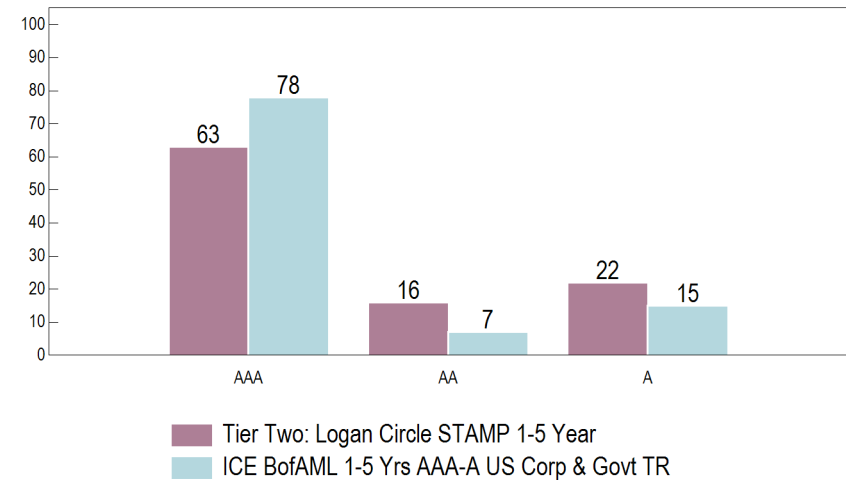
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.307	0.263	0.147	0.960	1.314	--	1.123	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.275	0.168	0.020	0.834	1.188	--	0.997	
ICE BofAML 1-5 Yrs US Treasuries TR	0.051	-0.201	-0.584	0.288	0.727	1.581	0.618	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR	0.284	-0.037	-0.313	0.767	1.110	2.330	0.985	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	0.198	-0.081	-0.397	0.558	0.952	2.067	0.834	Apr-13

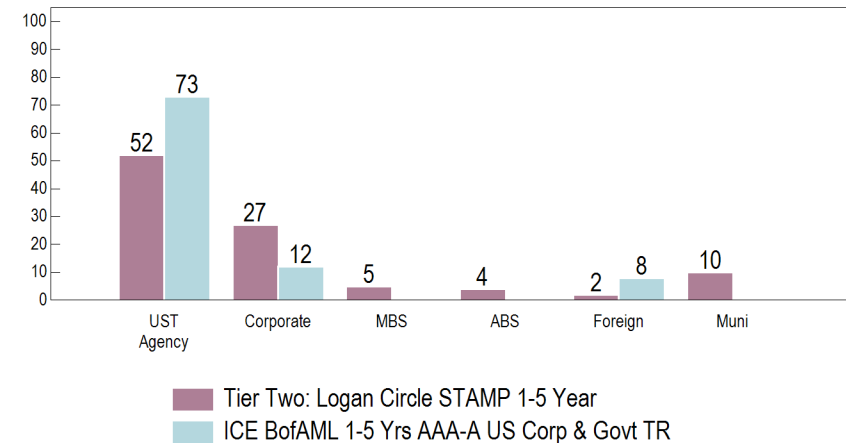
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR

	Portfolio Q3-18	Index Q3-18	Portfolio Q2-18
Fixed Income Characteristics			
Yield to Maturity	3.04	2.98	2.78
Average Duration	2.48	2.62	2.31
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Holdings

CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

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	(1,023,376.04)	(1,023,376.04)	0.00	1.000	(0.69)%
Total for Cash			(1,023,376.04)	(1,023,376.04)	0.00		(0.69)%
Treasuries							
1,000,000.000	U.S. TREASURY NOTE	9128284Q0	999,492.19	995,369.50	(4,122.69)	99.537	0.68%
	Mat: 5/31/20 Cpn: 2.50%		819.67	8,401.64			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/11/18 St Date: 6/12/18						
2,160,000.000	U.S. TREASURY NOTE	912828XU9	2,160,290.67	2,114,108.21	(46,182.46)	97.875	1.44%
	Mat: 6/15/20 Cpn: 1.50%		442.62	9,560.66			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/15/17 St Date: 6/20/17						
4,575,000.000	U.S. TREASURY NOTE	912828XY1	4,568,881.44	4,552,367.02	(16,514.42)	99.505	3.10%
	Mat: 6/30/20 Cpn: 2.50%		2,828.81	28,904.55			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/5/18 St Date: 7/6/18						
3,685,000.000	U.S. TREASURY NOTE	912828Y46	3,681,199.81	3,673,364.61	(7,835.20)	99.684	2.49%
	Mat: 7/31/20 Cpn: 2.63%		552.11	16,297.11			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/27/18 St Date: 7/31/18						
22,645,000.000	U.S. TREASURY NOTE	9128284Y3	22,616,104.50	22,566,273.30	(49,831.20)	99.652	15.29%
	Mat: 8/31/20 Cpn: 2.63%		12,239.25	50,904.33			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 8/28/18 St Date: 8/31/18						
5,330,000.000	U.S. TREASURY NOTE	9128282V1	5,298,873.28	5,185,079.97	(113,793.31)	97.281	3.51%
	Mat: 9/15/20 Cpn: 1.38%		1,907.15	3,239.23			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/15/17 St Date: 9/22/17						
1,095,000.000	U.S. TREASURY NOTE	9128284G2	1,092,775.78	1,082,032.24	(10,743.54)	98.816	0.74%
	Mat: 4/15/21 Cpn: 2.38%		71.06	12,008.35			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 4/11/18 St Date: 4/16/18						
4,035,000.000	U.S. TREASURY NOTE	9128284P2	4,027,657.22	4,010,448.24	(17,208.98)	99.392	2.74%
	Mat: 5/15/21 Cpn: 2.63%		4,712.51	40,007.35			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 5/16/18 St Date: 5/18/18						



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
4,000,000.000	U.S. TREASURY NOTE Mat: 8/15/21 Cpn: 2.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/21/18 St Date: 8/22/18	9128284W7	4,004,790.63 5,189.13	3,985,625.00 14,048.91	(19,165.63)	99.641	2.70%
445,000.000	U.S. TREASURY NOTE Mat: 9/15/21 Cpn: 2.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/25/18 St Date: 9/26/18	9128285A4	442,896.68 371.86	443,331.25 540.88	434.57	99.625	0.30%
Total for Treasuries			48,892,962.20 29,134.18	48,607,999.33 183,913.02	(284,962.87)		32.98%
Government Related							
910,000.000	INTL FINANCE CORP Mat: 1/25/21 Cpn: 2.25% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/18/18 St Date: 1/25/18	45950KCM0	907,324.60 0.00	895,778.52 3,753.75	(11,546.08)	98.437	0.61%
1,350,000.000	INTL BANK RECON & DEVELOP Mat: 7/23/21 Cpn: 2.75% Moody's: Aaa S&P: AAA Fitch: Tr Date: 7/18/18 St Date: 7/25/18	459058GH0	1,346,841.00 0.00	1,342,149.75 6,806.25	(4,691.25)	99.419	0.91%
Total for Government Related			2,254,165.60 0.00	2,237,928.27 10,560.00	(16,237.33)		1.52%
Agencies							
1,020,000.000	FHLMC Mat: 2/16/21 Cpn: 2.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 2/15/18 St Date: 2/16/18	3137EAEL9	1,017,307.20 0.00	1,008,262.86 3,028.13	(9,044.34)	98.849	0.68%
1,460,000.000	FNMA Mat: 6/22/21 Cpn: 2.75% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/22/18 St Date: 6/25/18	3135G0U35	1,459,664.20 0.00	1,453,548.26 10,706.67	(6,115.94)	99.558	0.99%
740,000.000	FNMA C 09/28/18 Q Mat: 6/28/21 Cpn: 2.90% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/18/18 St Date: 6/28/18	3136G4SW4	739,630.00 0.00	736,489.44 5,543.83	(3,140.56)	99.526	0.50%
1,480,000.000	FHLMC BERM C 11/27/18 Mat: 8/27/21 Cpn: 2.90% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/22/18 St Date: 8/27/18	3134GSWC5	1,480,000.00 0.00	1,473,544.24 4,053.56	(6,455.76)	99.564	1.00%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
750,000.000	FFCB AMER 12/18 Mat: 9/13/21 Cpn: 2.96% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/25/18 St Date: 9/26/18	3133EJZD4	746,887.50 801.67	747,539.25 1,110.00	651.75	99.672	0.51%
1,430,000.000	FHLMC Mat: 6/29/22 Cpn: 2.10% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/29/18 St Date: 7/2/18	3134GBTL6	1,386,299.20 250.25	1,379,635.40 7,674.33	(6,663.80)	96.478	0.94%
660,000.000	FFCB 1ML+7.0 FRN Mat: 8/1/22 Cpn: 2.17% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/26/17 St Date: 8/1/17	3133EHTJ2	660,000.00 0.00	661,201.20 1,195.56	1,201.20	100.182	0.45%
730,000.000	FFCB 1ML+8.0 FRN Mat: 9/6/22 Cpn: 2.20% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/29/17 St Date: 9/6/17	3133EHXH1	730,000.00 0.00	731,000.10 1,115.43	1,000.10	100.137	0.49%
Total for Agencies			8,219,788.10 1,051.92	8,191,220.75 34,427.51	(28,567.35)		5.56%
Taxable Muni							
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	1,499,883.00 11,040.00	(117.00)	99.992	1.02%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: AA- Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,399,783.00 13,673.33	(217.00)	99.985	0.96%
750,000.000	CA PASADENA UNIF SCH DIST GO/ULT TXB Mat: 11/1/18 Cpn: 1.86% Moody's: Aa3 S&P: A+ Fitch: Tr Date: 7/23/15 St Date: 7/28/15	702282ND2	755,820.00 3,373.06	749,601.75 5,815.63	(6,218.25)	99.947	0.51%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	449,520.75 3,054.00	(479.25)	99.894	0.31%
750,000.000	CA STATE GO/ULT TXB Mat: 4/1/19 Cpn: 1.59% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 4/21/17 St Date: 4/27/17	13063DAB4	750,000.00 0.00	746,520.75 5,973.75	(3,479.25)	99.536	0.51%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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	268,494.75 1,785.00	(1,505.25)	99.443	0.18%
750,000.000	CA ALAMEDA CNTY JT POWER REV TXB Mat: 6/1/19 Cpn: 2.49% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 3/23/18 St Date: 4/24/18	010831DL6	750,000.00 0.00	748,751.25 6,212.50	(1,248.75)	99.834	0.51%
1,050,000.000	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	1,062,568.50 3,272.50	1,050,399.00 7,363.13	(12,169.50)	100.038	0.72%
750,000.000	CA SAN FRANCISCO BART-SALES TAX TXB Mat: 7/1/19 Cpn: 2.01% Moody's: S&P: AA+ Fitch: AA+ Tr Date: 12/15/17 St Date: 12/28/17	797669XS2	750,000.00 0.00	746,805.00 3,770.63	(3,195.00)	99.574	0.51%
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	333,037.24 1,224.43	(1,962.77)	99.414	0.23%
910,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/19 Cpn: 2.10% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AB2	910,000.00 0.00	905,848.58 3,181.97	(4,151.42)	99.544	0.61%
500,000.000	NY ST GO/ULT-TXBL Mat: 9/1/19 Cpn: 3.60% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 6/1/17 St Date: 6/6/17	649791EJ5	521,530.00 4,750.00	504,112.50 1,500.00	(17,417.50)	100.823	0.34%
370,000.000	CA CALIFORNIA ST UNIV SYS REV TAXABLE Mat: 11/1/19 Cpn: 1.98% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 7/5/17 St Date: 7/7/17	13077CT38	371,431.90 1,344.46	366,936.03 3,055.58	(4,495.87)	99.172	0.25%
590,000.000	CA CULVER CITY RDA-TXBL Mat: 11/1/19 Cpn: 1.63% Moody's: S&P: AA- Fitch: Tr Date: 11/15/17 St Date: 12/4/17	230340AL5	587,185.70 0.00	582,117.01 3,994.79	(5,068.69)	98.664	0.40%
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/19 Cpn: 2.85% Moody's: S&P: AA- Fitch: A+ Tr Date: 2/25/16 St Date: 3/1/16	544587C22	381,536.60 2,983.56	369,844.23 4,387.58	(11,692.37)	99.958	0.25%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
370,000.000	CA SACRAMENTO WTR DIST REV TXB Mat: 11/1/19 Cpn: 2.71% Moody's: S&P: AA+ Fitch: Tr Date: 5/3/18 St Date: 5/30/18	78607QAT2	370,000.00 0.00	369,518.63 3,372.67	(481.37)	99.870	0.25%
665,000.000	CA INLAND VLY REDEV AGY TAB TXB Mat: 3/1/20 Cpn: 3.63% Moody's: S&P: AA Fitch: Tr Date: 5/17/18 St Date: 5/18/18	45750TAG8	672,753.90 5,158.90	672,539.11 2,009.96	(214.80)	101.134	0.46%
285,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL Mat: 5/15/20 Cpn: 2.09% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 4/20/18 St Date: 4/24/18	544445AZ2	281,545.80 2,633.31	280,974.66 2,252.39	(571.14)	98.588	0.19%
260,000.000	CA UNIVERSITY OF CALIFORNIA-TXBL Mat: 5/15/20 Cpn: 1.88% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 9/20/17 St Date: 9/28/17	91412G2R5	260,000.00 0.00	255,051.16 1,843.63	(4,948.84)	98.097	0.17%
690,000.000	CA ST HSG FIN AGY REV-TXBL Mat: 8/1/20 Cpn: 2.30% Moody's: A1 S&P: AA Fitch: Tr Date: 6/21/17 St Date: 6/29/17	13034PZF7	690,000.00 0.00	681,749.67 2,645.00	(8,250.33)	98.804	0.46%
850,000.000	CA SAN FRANCISCO REDEV AGY-TXBL Mat: 8/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 11/10/17 St Date: 11/30/17	79770GGM2	848,886.50 0.00	833,985.15 2,833.33	(14,901.35)	98.116	0.57%
550,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/20 Cpn: 2.26% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AC0	550,000.00 0.00	543,449.50 2,070.75	(6,550.50)	98.809	0.37%
920,000.000	CA SAN DIEGO REDEV AGY TAB PRE-20 TXB Mat: 9/1/20 Cpn: 7.75% Moody's: WR S&P: A- Fitch: Tr Date: 8/30/17 St Date: 9/5/17	79730PDE2	1,078,589.60 792.22	999,953.52 5,941.67	(78,636.08)	108.691	0.68%
220,000.000	CA BRENTWOOD INFRA FIN AUTH REV TXB Mat: 9/2/20 Cpn: 2.59% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVB1	220,000.00 0.00	216,705.72 459.18	(3,294.28)	98.503	0.15%
310,000.000	CA SAN MARCOS REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 12/1/17 St Date: 12/14/17	79876CBQ0	307,904.40 0.00	302,721.51 3,100.00	(5,182.89)	97.652	0.21%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000	CA SAN DIEGO PUBLIC FACS LEASE REV TXB Mat: 10/15/20 Cpn: 2.82% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LS1	500,000.00 0.00	496,642.50 3,913.89	(3,357.50)	99.329	0.34%
350,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/20 Cpn: 3.15% Moody's: S&P: AA- Fitch: A+ Tr Date: 4/26/17 St Date: 5/1/17	544587C30	360,734.50 0.00	349,884.50 4,587.92	(10,850.00)	99.967	0.24%
735,000.000	CA INLAND VLY REDEV AGY TAB TXB Mat: 3/1/21 Cpn: 3.98% Moody's: S&P: AA Fitch: Tr Date: 6/12/18 St Date: 6/14/18	45750TAJ2	750,993.60 8,363.30	751,080.33 2,435.91	86.73	102.188	0.51%
410,000.000	CA ST EDU FACS AUTH REV-CHAPMAN UNV TXB Mat: 4/1/21 Cpn: 2.26% Moody's: A2 S&P: Fitch: Tr Date: 11/9/17 St Date: 11/16/17	130179KQ6	410,000.00 0.00	400,969.34 4,626.85	(9,030.66)	97.797	0.27%
1,400,000.000	CA STATE GO/ULT TXBL Mat: 4/1/21 Cpn: 2.80% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 4/18/18 St Date: 4/25/18	13063DGA0	1,400,056.00 0.00	1,392,301.40 16,986.67	(7,754.60)	99.450	0.95%
299,068.599	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: Aa1 S&P: AA Fitch: AA+ Tr Date: 9/22/17 St Date: 9/26/17	13066YTY5	296,056.98 2,063.45	289,978.11 2,134.60	(6,078.87)	96.960	0.20%
450,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/21 Cpn: 2.48% Moody's: S&P: AA Fitch: AA Tr Date: 5/16/18 St Date: 5/18/18	798170AD8	440,883.00 3,317.00	443,214.00 1,860.00	2,331.00	98.492	0.30%
450,000.000	CA HESPERIA REDEV AGY SUCCESSOR TXB Mat: 9/1/21 Cpn: 3.00% Moody's: S&P: AA Fitch: Tr Date: 9/12/18 St Date: 10/2/18	42806KAQ6	446,715.00 0.00	446,100.75 0.00	(614.25)	99.134	0.30%
520,000.000	CA OAKLAND REDEV AGY PRE-21 TXB Mat: 9/1/21 Cpn: 9.25% Moody's: Baa1 S&P: AA- Fitch: Tr Date: 5/24/18 St Date: 5/29/18	67232PBB8	618,259.20 11,757.78	605,538.44 4,008.33	(12,720.76)	116.450	0.41%
220,000.000	CA BRENTWOOD INFR FIN AUTH REV TXB Mat: 9/2/21 Cpn: 2.81% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVC9	220,000.00 0.00	215,789.86 497.99	(4,210.14)	98.086	0.15%



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560,000.000	CA SAN DIEGO CITY PUB FACS LEASE TXB Mat: 10/15/21 Cpn: 2.99% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LT9	560,000.00 0.00	555,321.20 4,657.33	(4,678.80)	99.165	0.38%
640,000.000	CA POMONA REDEV AGY TAX ALLOCATION TXB Mat: 2/1/22 Cpn: 3.55% Moody's: S&P: A+ Fitch: Tr Date: 9/27/18 St Date: 10/11/18	73209MAD9	640,000.00 0.00	640,899.20 0.00	899.20	100.141	0.43%
Total for Taxable Muni			22,718,451.18 49,809.54	22,466,023.09 148,270.39	(252,428.09)		15.29%
Credit							
570,000.000	CITIZENS BANK Mat: 12/3/18 Cpn: 2.30% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/16/17 St Date: 5/19/17	17401QAC5	572,490.90 6,045.17	569,768.58 4,297.17	(2,722.32)	99.959	0.39%
820,000.000	WISCONSIN ELECTRIC POWER Mat: 12/4/18 Cpn: 1.65% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 12/1/15 St Date: 12/4/15	976843BK7	819,237.40 0.00	818,924.16 4,397.25	(313.24)	99.869	0.56%
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	469,712.83 1,919.17	27.73	99.939	0.32%
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	199,380.00 309.10	(620.00)	99.690	0.13%
650,000.000	AT&T Mat: 3/11/19 Cpn: 2.30% Moody's: Baa2 S&P: BBB Fitch: A- Tr Date: 5/3/16 St Date: 5/12/16	00206RCC4	661,810.50 2,533.19	649,005.50 830.56	(12,805.00)	99.847	0.44%
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	787,400.11 596.89	(1,999.49)	99.671	0.53%
350,000.000	OGLETHORPE POWER Mat: 3/15/19 Cpn: 6.10% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 3/29/17 St Date: 4/3/17	677050AE6	377,244.00 1,067.50	354,893.70 948.89	(22,350.30)	101.398	0.24%



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420,000.000	JPMORGAN CHASE Mat: 4/23/19 Cpn: 6.30% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 7/15/16 St Date: 7/20/16	46625HHL7	455,463.24 10,218.25	428,396.22 11,613.00	(27,067.02)	101.999	0.30%
195,000.000	AMERICAN EXPRESS Mat: 5/3/19 Cpn: 1.88% Moody's: A2 S&P: A- Fitch: A Tr Date: 4/27/17 St Date: 5/3/17	0258M0EK1	194,920.05 0.00	194,098.91 1,503.13	(821.15)	99.538	0.13%
515,000.000	AMGEN Mat: 5/10/19 Cpn: 1.90% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/8/17 St Date: 5/11/17	031162CK4	514,737.35 0.00	512,392.56 3,832.46	(2,344.80)	99.494	0.35%
640,000.000	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	637,027.10 126.88	635,849.60 3,634.67	(1,177.50)	99.352	0.43%
340,000.000	BNY MELLON Mat: 5/15/19 Cpn: 2.20% Moody's: A1 S&P: A Fitch: AA- Tr Date: 9/28/17 St Date: 10/2/17	06406HCU1	342,019.60 2,846.56	339,168.70 2,825.78	(2,850.90)	99.756	0.23%
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	139,369.16 908.83	(558.04)	99.549	0.09%
220,000.000	GOLDMAN SACHS Mat: 7/23/19 Cpn: 1.95% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/17 St Date: 7/24/17	38141GWP5	219,973.60 0.00	218,439.10 810.33	(1,534.50)	99.291	0.15%
480,000.000	IBM Mat: 9/6/19 Cpn: 1.63% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/5/17 St Date: 9/8/17	44932HAA1	479,635.20 0.00	475,514.88 541.67	(4,120.32)	99.066	0.32%
510,000.000	CITIBANK Mat: 9/18/19 Cpn: 1.85% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	17325FAF5	509,989.80 0.00	505,749.66 340.71	(4,240.14)	99.167	0.34%
225,000.000	GILEAD SCIENCES Mat: 9/20/19 Cpn: 1.85% Moody's: A3 S&P: A Fitch: Tr Date: 9/14/17 St Date: 9/21/17	375558BR3	224,921.25 0.00	223,190.10 127.19	(1,731.15)	99.196	0.15%



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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	281,596.25 51.46	(2,930.66)	98.806	0.19%
245,000.000	WAL-MART STORES Mat: 10/9/19 Cpn: 1.75% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 10/11/17 St Date: 10/20/17	931142DY6	244,995.10 0.00	242,805.54 2,048.47	(2,189.57)	99.104	0.17%
400,000.000	PNC BANK Mat: 10/18/19 Cpn: 2.40% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/12/17 St Date: 9/14/17	69353RDZ8	404,552.00 3,893.33	398,397.20 4,346.67	(6,154.80)	99.599	0.27%
430,000.000	PROCTER & GAMBLE Mat: 10/25/19 Cpn: 1.75% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 10/23/17 St Date: 10/25/17	742718EZ8	429,849.50 0.00	425,665.60 3,260.83	(4,183.90)	98.992	0.29%
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	468,276.38 2,789.31	(6,348.38)	98.585	0.32%
165,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.80% Moody's: A2 S&P: A Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	438516BQ8	164,871.30 0.00	163,407.42 1,245.75	(1,463.88)	99.035	0.11%
355,000.000	CHEVRON Mat: 11/15/19 Cpn: 2.19% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 5/8/17 St Date: 5/11/17	166764AN0	357,879.05 3,806.07	352,572.87 2,941.06	(5,306.19)	99.316	0.24%
437,500.000	DUKE ENERGY FLORIDA Mat: 12/15/19 Cpn: 2.10% Moody's: A3 S&P: A- Fitch: Tr Date: 5/24/18 St Date: 5/29/18	26444HAD3	434,962.50 1,888.54	434,822.06 408.33	(140.44)	99.388	0.29%
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	168,198.34 803.25	(1,614.66)	98.940	0.11%
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	505,671.63 2,811.38	(4,124.37)	99.151	0.34%



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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
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	503,823.39 2,261.00	(6,135.81)	98.789	0.34%
760,000.000	WELLS FARGO Mat: 1/15/20 Cpn: 2.40% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 1/16/18 St Date: 1/23/18	94988J5L7	759,361.60 0.00	754,481.64 3,850.67	(4,879.96)	99.274	0.51%
735,000.000	US BANK CINCINNATI Mat: 1/23/20 Cpn: 2.35% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/18/18 St Date: 1/23/18	90331HJN8	734,669.25 0.00	728,733.39 3,262.58	(5,935.86)	99.147	0.49%
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	538,117.20 2,028.61	(5,732.86)	98.737	0.37%
520,000.000	IBM Mat: 1/27/20 Cpn: 1.90% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/24/17 St Date: 1/27/17	459200JN2	519,500.80 0.00	513,859.84 1,756.44	(5,640.96)	98.819	0.35%
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	524,203.13 2,110.43	(5,478.88)	98.906	0.36%
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	489,328.29 1,887.19	(5,483.61)	98.854	0.33%
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	499,021.81 1,427.33	(5,639.84)	98.816	0.34%
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	526,634.21 1,444.50	(8,290.90)	98.436	0.36%
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	221,717.70 414.38	(2,877.30)	98.541	0.15%



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690,000.000	KIMBERLY-CLARK Mat: 3/1/20 Cpn: 1.85% Moody's: A2 S&P: A Fitch: WD Tr Date: 5/5/17 St Date: 5/10/17	494368BP7	689,710.20 2,446.63	678,918.60 1,063.75	(10,791.60)	98.394	0.46%
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	246,278.50 453.13	(3,484.00)	98.511	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	370,779.00 641.67	(3,831.00)	98.874	0.25%
250,000.000	HUNTINGTON NATL BANK Mat: 3/10/20 Cpn: 2.38% Moody's: A3 S&P: A- Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RU9	249,985.00 0.00	247,147.25 346.35	(2,837.75)	98.859	0.17%
730,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.84% Moody's: A3 S&P: A- Fitch: A- Tr Date: 11/14/17 St Date: 11/16/17	446438RV7	734,234.00 2,445.43	732,204.60 1,208.11	(2,029.40)	100.302	0.50%
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	395,432.40 440.00	(4,255.60)	98.858	0.27%
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	594,915.86 537.78	(9,884.49)	98.333	0.40%
665,000.000	APPLE Mat: 5/11/20 Cpn: 1.80% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/17 St Date: 5/11/17	037833CS7	664,321.70 0.00	653,912.46 4,655.00	(10,409.25)	98.333	0.45%
725,000.000	INTEL Mat: 5/11/20 Cpn: 1.85% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/8/17 St Date: 5/11/17	458140AZ3	724,724.50 0.00	713,277.48 5,215.97	(11,447.03)	98.383	0.49%
720,000.000	PNC BANK Mat: 5/19/20 Cpn: 2.00% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/16/17 St Date: 5/19/17	69353RFC7	719,186.40 0.00	707,573.52 5,280.00	(11,612.88)	98.274	0.48%



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440,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 2.86% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	440,000.00 0.00	442,629.44 1,398.04	2,629.44	100.598	0.30%
250,000.000	CITIZENS BANK Mat: 5/26/20 Cpn: 2.20% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAJ0	249,770.00 0.00	245,121.75 1,909.72	(4,648.25)	98.049	0.17%
515,000.000	CITIBANK Mat: 6/12/20 Cpn: 2.10% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 6/6/17 St Date: 6/12/17	17325FAE8	514,778.55 0.00	505,743.39 3,274.54	(9,035.16)	98.203	0.34%
360,000.000	JOHN DEERE CAPITAL CORP Mat: 6/22/20 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 6/19/17 St Date: 6/22/17	24422ETS8	359,780.40 0.00	353,684.88 1,930.50	(6,095.52)	98.246	0.24%
270,000.000	MANUFACTURERS & TRADERS TRUST Mat: 8/17/20 Cpn: 2.05% Moody's: A3 S&P: A Fitch: A Tr Date: 8/14/17 St Date: 8/17/17	55279HAN0	269,773.20 0.00	264,376.44 676.50	(5,396.76)	97.917	0.18%
640,000.000	CATERPILLAR FINANCIAL Mat: 9/4/20 Cpn: 1.85% Moody's: A3 S&P: A Fitch: A Tr Date: 9/5/17 St Date: 9/7/17	14913Q2A6	639,462.40 0.00	624,988.16 888.00	(14,474.24)	97.654	0.42%
730,000.000	UNITEDHEALTH GROUP Mat: 10/15/20 Cpn: 1.95% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 10/18/17 St Date: 10/25/17	91324PDC3	728,788.20 0.00	714,118.85 6,563.92	(14,669.35)	97.825	0.49%
325,000.000	CITIBANK Mat: 10/20/20 Cpn: 2.13% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 10/13/17 St Date: 10/20/17	17325FAJ7	324,886.25 0.00	317,384.60 3,088.63	(7,501.65)	97.657	0.22%
685,000.000	AMERICAN EXPRESS Mat: 10/30/20 Cpn: 2.20% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	025816BP3	684,109.50 0.00	670,889.69 6,321.03	(13,219.82)	97.940	0.46%
200,000.000	FIFTH THIRD BANK Mat: 10/30/20 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/25/17 St Date: 10/30/17	31677QBK4	199,924.00 0.00	195,896.80 1,845.56	(4,027.20)	97.948	0.13%



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370,000.000	PNC BANK Mat: 11/5/20 Cpn: 2.45% Moody's: A2 S&P: A Fitch: A+ Tr Date: 10/18/17 St Date: 10/23/17	69353REU8	373,478.00 4,230.33	364,064.83 3,676.36	(9,413.17)	98.396	0.25%
240,000.000	ANTHEM Mat: 11/21/20 Cpn: 2.50% Moody's: Baa2 S&P: A Fitch: BBB Tr Date: 11/14/17 St Date: 11/21/17	036752AE3	239,572.80 0.00	236,436.24 2,166.67	(3,136.56)	98.515	0.16%
755,000.000	PINNACLE WEST CAPITAL Mat: 11/30/20 Cpn: 2.25% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 11/28/17 St Date: 11/30/17	723484AG6	754,524.35 0.00	736,248.07 5,709.69	(18,276.29)	97.516	0.50%
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	497,011.41 3,428.39	(7,640.15)	98.418	0.34%
435,000.000	JOHN DEERE CAPITAL CORP Mat: 1/8/21 Cpn: 2.35% Moody's: A2 S&P: A Fitch: A Tr Date: 1/3/18 St Date: 1/8/18	24422ETZ2	434,773.80 0.00	428,022.17 2,356.85	(6,751.64)	98.396	0.29%
500,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.77% Moody's: A3 S&P: A- Fitch: Tr Date: 5/3/18 St Date: 5/7/18	05348EBD0	500,156.20 1,466.78	499,850.00 2,961.49	(306.20)	99.970	0.34%
710,000.000	MANUFACTURERS & TRADERS TRUST Mat: 1/25/21 Cpn: 2.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/22/18 St Date: 1/25/18	55279HAR1	709,041.50 0.00	698,595.27 3,416.88	(10,446.23)	98.394	0.47%
740,000.000	SUNTRUST BANK Mat: 1/29/21 Cpn: 2.59% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/26/18 St Date: 2/2/18	86787EAU1	740,000.00 0.00	732,841.24 3,300.81	(7,158.76)	99.033	0.50%
770,000.000	BB&T CORPORATION Mat: 2/1/21 Cpn: 2.15% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/23/17 St Date: 10/26/17	05531FAZ6	769,645.80 0.00	750,491.28 2,759.17	(19,154.52)	97.466	0.51%
390,000.000	JPMORGAN CHASE Mat: 2/1/21 Cpn: 2.60% Moody's: Aa3 S&P: A+ Fitch: AA Tr Date: 1/29/18 St Date: 2/1/18	48125LRK0	390,000.00 0.00	386,856.21 1,692.60	(3,143.79)	99.194	0.26%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
730,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 2.88% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 11/14/17 St Date: 11/16/17	46647PAC0	732,547.70 2,498.96	732,244.02 1,225.15	(303.68)	100.307	0.50%
685,000.000	REGIONS BANK Mat: 4/1/21 Cpn: 2.75% Moody's: Baa2 S&P: A- Fitch: BBB+ Tr Date: 1/23/18 St Date: 1/26/18	759187CB1	684,931.50 0.00	672,417.92 9,418.75	(12,513.58)	98.163	0.46%
725,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 2.65% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	725,000.00 0.00	727,928.28 3,582.24	2,928.28	100.404	0.49%
600,000.000	PACCAR FINANCIAL FRN Mat: 5/10/21 Cpn: 2.60% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/7/18 St Date: 5/10/18	69371RP34	600,000.00 0.00	601,306.80 2,253.77	1,306.80	100.218	0.41%
500,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 2.84% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	500,000.00 0.00	502,924.50 1,772.97	2,924.50	100.585	0.34%
620,000.000	JPMORGAN CHASE FRN Mat: 6/1/21 Cpn: 3.00% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 5/23/17 St Date: 6/1/17	46647PAG1	620,000.00 0.00	623,643.74 1,395.35	3,643.74	100.588	0.42%
500,000.000	WAL-MART STORES Mat: 6/23/21 Cpn: 3.13% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 6/20/18 St Date: 6/27/18	931142EJ8	499,975.00 0.00	501,057.00 4,079.86	1,082.00	100.211	0.34%
845,000.000	BANK OF AMERICA Mat: 7/21/21 Cpn: 2.37% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 7/18/17 St Date: 7/21/17	06051GGP8	845,000.00 0.00	830,222.64 3,892.40	(14,777.36)	98.251	0.56%
770,000.000	WELLS FARGO Mat: 7/23/21 Cpn: 3.33% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 7/16/18 St Date: 7/23/18	94988J5P8	770,000.00 0.00	769,116.04 4,836.03	(883.96)	99.885	0.52%
735,000.000	FIFTH THIRD BANK Mat: 7/26/21 Cpn: 3.35% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/23/18 St Date: 7/26/18	31677QBN8	734,816.25 0.00	732,856.74 4,445.73	(1,959.51)	99.708	0.50%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
730,000.000	CATERPILLAR FINANCIAL Mat: 9/7/21 Cpn: 3.15% Moody's: A3 S&P: A Fitch: A Tr Date: 9/4/18 St Date: 9/7/18	14913Q2N8	729,437.90 0.00	729,299.20 1,533.00	(138.70)	99.904	0.49%
490,000.000	JOHN DEERE CAPITAL CORP Mat: 9/10/21 Cpn: 3.13% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUK3	489,848.10 0.00	488,646.62 893.23	(1,201.48)	99.724	0.33%
360,000.000	BANK OF AMERICA Mat: 10/1/21 Cpn: 2.33% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	06051GGS2	360,000.00 0.00	352,105.20 4,190.40	(7,894.80)	97.807	0.24%
126,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 3.53% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	127,401.12 363.56	127,665.09 901.28	263.97	101.322	0.09%
680,000.000	BANK OF AMERICA Mat: 1/23/22 Cpn: 2.74% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 1/18/18 St Date: 1/23/18	06051GGY9	680,000.00 0.00	668,678.00 3,516.81	(11,322.00)	98.335	0.45%
169,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 3.27% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	169,000.00 0.00	170,934.71 751.73	1,934.71	101.145	0.12%
510,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 3.28% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	510,000.00 0.00	512,928.93 974.93	2,928.93	100.574	0.35%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 3.30% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	510,000.00 0.00	516,838.08 3,174.48	6,838.08	101.341	0.35%
460,000.000	BANK OF AMERICA Mat: 5/17/22 Cpn: 3.50% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 5/14/18 St Date: 5/17/18	06051GHH5	460,000.00 0.00	459,969.18 5,991.07	(30.82)	99.993	0.31%
493,000.000	MORGAN STANLEY FRN Mat: 7/22/22 Cpn: 3.28% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/17 St Date: 7/24/17	61744YAJ7	493,000.00 0.00	497,368.47 3,141.43	4,368.47	100.886	0.34%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
730,000.000	GOLDMAN SACHS FRN Mat: 10/31/22 Cpn: 3.12% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60 700.83	733,841.99 3,925.53	4,557.39	100.526	0.50%
Total for Credit			43,648,749.86 46,578.02	43,220,271.13 225,689.61	(428,478.73)		29.37%
Mortgage-Backed							
154,516.055	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	157,061.64 282.09	154,229.58 299.12	(2,832.06)	99.815	0.10%
211,036.750	FHMS KP03 A2 CMBS Mat: 7/25/19 Cpn: 1.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/7/17 St Date: 6/12/17	3137BNN26	211,564.34 114.78	209,504.41 313.04	(2,059.93)	99.274	0.14%
56,520.450	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	59,947.00 134.24	57,269.12 211.95	(2,677.88)	101.325	0.04%
365,661.688	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	369,323.39 484.85	364,299.23 501.57	(5,024.16)	99.627	0.25%
1,130,000.000	FHMS K005 A2 CMBS Mat: 11/25/19 Cpn: 4.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/12/18 St Date: 6/15/18	31398WD35	1,151,805.47 1,897.08	1,141,563.29 4,065.18	(10,242.18)	101.023	0.77%
1,670,000.000	FHMS KP04 AG1 1MOFRN CMBS Mat: 7/25/20 Cpn: 2.33% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/15/17 St Date: 11/28/17	3137FBUV6	1,670,000.00 0.00	1,671,626.58 649.56	1,626.58	100.097	1.13%
947,473.870	FHMS K504 A2 CMBS Mat: 9/25/20 Cpn: 2.57% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/29/18 St Date: 6/1/18	3137BMLC8	946,881.70 0.00	942,619.96 2,026.02	(4,261.74)	99.488	0.64%
405,240.491	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.68% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/17 St Date: 7/12/17	62888WAB2	407,488.31 100.37	407,295.87 724.16	(192.44)	100.507	0.28%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
303,579.020	FNA 2011-M5 A2 Mat: 7/25/21 Cpn: 2.94% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/28/18	3136A07H4	301,871.39 669.39	301,523.79 743.77	(347.60)	99.323	0.20%
604,224.730	FNA 2018-M5 A2 CMBS Mat: 9/25/21 Cpn: 3.56% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/10/18 St Date: 4/30/18	3136B1XP4	616,243.36 1,732.78	610,272.41 1,792.53	(5,970.95)	101.001	0.41%
686,875.630	FHMS KI02 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 2.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/14/18	3137FGZN8	686,875.63 0.00	687,161.37 264.88	285.74	100.042	0.46%
591,184.940	FHMS K724 A1 CMBS Mat: 3/25/23 Cpn: 2.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/9/18 St Date: 7/12/18	3137BTTZ4	587,212.92 501.46	584,194.18 1,367.61	(3,018.74)	98.818	0.40%
Total for Mortgage-Backed			7,166,275.15 5,917.04	7,131,559.80 12,959.38	(34,715.35)		4.83%
Asset-Backed							
1,060,000.000	MERCEDES 2017-A A3 LEASE Mat: 4/15/20 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/19/17 St Date: 4/26/17	58769DAD2	1,059,975.83 0.00	1,055,745.16 843.29	(4,230.67)	99.599	0.71%
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	1,145,523.05 695.75	(4,344.82)	99.611	0.77%
650,000.000	NISSAN 2017-B A3 LEASE Mat: 9/15/20 Cpn: 2.05% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/3/17 St Date: 10/10/17	65479BAD2	649,886.45 0.00	644,696.65 592.22	(5,189.80)	99.184	0.44%
300,000.000	BMW 2017-2 A3 LEASE Mat: 10/20/20 Cpn: 2.07% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/17/17 St Date: 10/25/17	05584PAD9	299,999.76 0.00	297,696.30 189.75	(2,303.46)	99.232	0.20%
729,978.055	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	729,974.77 0.00	725,025.88 141.13	(4,948.88)	99.322	0.49%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,069,000.000	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	1,061,570.45 821.94	(7,303.73)	99.305	0.72%
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	863,367.99 688.27	(6,508.12)	99.238	0.58%
420,000.000	USAA 2017-1 A3 CAR Mat: 5/17/21 Cpn: 1.70% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/13/17 St Date: 9/20/17	90290AAC1	419,955.73 0.00	416,375.40 317.33	(3,580.33)	99.137	0.28%
1,080,000.000	SDART 2017-1 B CAR Mat: 6/15/21 Cpn: 2.10% Moody's: Aaa S&P: AA Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAH8	1,079,917.16 0.00	1,077,087.24 1,008.00	(2,829.92)	99.730	0.73%
1,500,000.000	TOYOTA 2017-B A3 CAR Mat: 7/15/21 Cpn: 1.76% Moody's: Aaa S&P: AAA Fitch: Tr Date: 5/9/17 St Date: 5/17/17	89190BAD0	1,499,884.95 0.00	1,485,202.50 1,173.33	(14,682.45)	99.014	1.00%
1,238,297.577	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	1,238,223.90 0.00	1,227,601.16 591.63	(10,622.74)	99.136	0.83%
830,000.000	HONDA 2017-3 A3 CAR Mat: 9/20/21 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/25/17 St Date: 9/29/17	43814PAC4	829,910.11 0.00	818,360.91 536.50	(11,549.20)	98.598	0.55%
420,000.000	JOHN DEERE 2017-B A3 EQP Mat: 10/15/21 Cpn: 1.82% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/11/17 St Date: 7/18/17	47788BAD6	419,969.26 0.00	414,343.02 339.73	(5,626.24)	98.653	0.28%
700,000.000	AMEX 2017-4 A CDT Mat: 12/15/21 Cpn: 1.64% Moody's: S&P: AAA Fitch: AAA Tr Date: 5/22/17 St Date: 5/30/17	02582JHG8	699,887.86 0.00	695,601.90 510.22	(4,285.96)	99.372	0.47%
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/15/22 Cpn: 2.46% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	1,340,000.00 0.00	1,345,668.20 1,281.12	5,668.20	100.423	0.91%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,460,000.000	CITI 2017-A3 A3 CDT Mat: 4/7/22 Cpn: 1.92% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 4/4/17 St Date: 4/11/17	17305EGB5	1,459,579.37 0.00	1,437,275.10 13,548.80	(22,304.27)	98.444	0.98%
740,000.000	TOYOTA 2018-A A3 CAR Mat: 5/16/22 Cpn: 2.35% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/23/18 St Date: 1/31/18	89238BAD4	739,991.49 0.00	731,966.56 772.89	(8,024.93)	98.914	0.50%
1,020,000.000	HONDA 2018-3 A3 CAR Mat: 8/22/22 Cpn: 2.95% Moody's: Aaa S&P: Fitch: AAA Tr Date: 8/21/18 St Date: 8/28/18	43815HAC1	1,019,860.06 0.00	1,017,040.98 835.83	(2,819.08)	99.710	0.69%
Total for Asset-Backed			16,575,634.86 0.00	16,460,148.46 24,887.75	(115,486.40)		11.14%
Grand Total			148,452,650.90 132,490.70	147,291,774.79 640,707.67	(1,160,876.12)		100.00%



CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2018

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	2.261	10/1/2018		Agency	981,495	981,495.420	0.000	-	2.261	.66%	981,495.42
USD120030	USD INTEREST RECEIVABLE	-				697,708	0.000	-	-	-	.47%	697,707.86
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(542,278)	(542,277.750)	-	-	-	(.37%)	(542,277.75)
93884FK43	WASHINGTON GAS/LT D	0.000	10/4/2018	10/4/2018	F2	1,350,000	1,349,733.360	.017	.016	2.371	.91%	1,349,733.36
CASH TOTALS							1,788,951.030					2,486,658.89
MUNICIPALS												
15324VAL2	CENTRAL CONTRA COSTA SANITARY DISTRICT	2.620	9/1/2019	9/3/2019	AAA	630,000	630,000.000	.925	.913	2.709	.43%	630,000.00
MUNICIPALS TOTALS							630,000.000					630,000.00
CASH & CASH EQUIVALENTS TOTALS							2,418,951.030					3,116,658.89
FIXED INCOME												
AGENCIES												
3134G9V38	FEDERAL HOME LOAN MORTGAGE CORP	1.500	7/27/2021	7/27/2021	Agency	2,250,000	2,208,318.270	1.831	1.938	2.962	1.49%	2,202,516.00
3134GSTK1	FEDERAL HOME LOAN MORTGAGE CORP	3.000	8/23/2021	8/23/2021	Agency	2,600,000	2,601,262.600	.153	1.141	2.987	1.76%	2,600,015.60
AGENCIES TOTALS							4,809,580.870					4,802,531.60
ASSET BACKED												
02582JHG8	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.640	12/15/2021	5/15/2019	AAA	1,583,000	1,574,622.630	.631	.616	2.670	1.06%	1,572,957.29
02587AAJ3	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.930	9/15/2022	2/18/2020	Aaa	650,000	641,030.750	1.381	1.354	2.986	.43%	640,988.79
05522RCQ9	BA CREDIT CARD TRUST	2.538	6/15/2021	1/15/2019	AAA	1,075,000	1,076,981.420	.297	.046	2.347	.73%	1,076,075.00
055657AC4	BMW VEHICLE LEASE TRUST	1.980	5/20/2020	9/20/2019	Aaa	2,170,000	2,168,529.610	.625	.611	2.637	1.46%	2,161,371.86
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	597,910	597,883.720	.268	.265	2.484	.40%	596,251.22
161571GN8	CHASE ISSUANCE TRUST	2.528	4/15/2021	4/15/2019	AAA	1,415,000	1,418,863.610	.547	.046	2.347	.96%	1,417,405.22
161571HB3	CHASE ISSUANCE TRUST	2.568	5/15/2021	5/15/2019	AAA	1,230,000	1,234,053.990	.631	.047	2.330	.83%	1,232,830.72
17305EFM2	CITIBANK CREDIT CARD ISSUANCE TRUST	2.880	1/23/2023	1/21/2021	Aaa	855,000	853,435.260	2.314	2.211	3.114	.58%	850,551.09
26209BAE9	DRIVE AUTO RECEIVABLES TRUST	-				765,000	764,915.030	-	-	-	.52%	765,224.76
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	11/15/2018		419,805	419,805.170	.088	.087	2.265	.28%	419,703.83
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	10/15/2018	Aaa	24,190	24,190.070	.047	.046	2.661	.02%	24,176.09
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	5/15/2020	Aaa	450,000	449,977.760	.760	.740	2.834	.30%	446,506.88
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	7/15/2019	AAA	1,750,000	1,748,777.310	.509	.499	2.616	1.18%	1,742,824.83
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	11/15/2018	AAA	122,380	122,379.900	.086	.085	2.479	.08%	122,261.87
65477XAE4	NISSAN AUTO LEASE TRUST 2016-B	1.610	1/18/2022	12/15/2018	Aaa	600,000	595,740.710	.214	.211	3.050	.40%	598,185.18
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	4/15/2019	Aaa	889,908	889,888.200	.323	.317	2.436	.60%	887,669.47
65479AAD4	NISSAN AUTO LEASE TRUST 2017-A	1.910	4/15/2020	10/15/2019	Aaa	1,425,000	1,420,435.390	.815	.796	2.653	.96%	1,416,638.67
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.478	10/17/2022	10/15/2020	Aaa	1,540,000	1,540,000.000	2.047	.048	2.545	1.04%	1,542,609.22
65474VAK7	NISSAN MASTER OWNER TRUST RECEIVABLES	2.798	6/15/2021	6/17/2019	Aaa	300,000	301,591.950	.714	.047	2.484	.20%	301,015.47
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,985.770	.714	.705	3.231	.27%	395,377.04
89231UAD9	TOYOTA AUTO RECEIVABLES 2016-B OWNER TRUST	1.300	4/15/2020	7/15/2019	Aaa	83,415	83,273.170	.354	.347	2.558	.06%	83,050.76
ASSET BACKED TOTALS							18,326,361.420					18,293,675.26

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2018

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												
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	619,894	620,526.010	.942	.920	2.762	.42%	615,690.10
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2018	Agency	20,842	20,941.880	.105	.104	2.677	.01%	20,798.34
3137AXHP1	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.573	9/25/2022	9/25/2022	Aaa	1,665,000	1,685,654.180	3.706	3.479	3.176	1.10%	1,628,306.06
3137FBUW4	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.281	10/25/2019	10/25/2019	Agency	1,000,000	1,000,376.160	1.089	.073	2.453	.68%	1,000,106.90
CMBS TOTALS							3,327,498.230					3,264,901.40
CORPORATES												
0258M0EE5	AMERICAN EXPRESS CREDIT CORP	2.200	3/3/2020	3/3/2020	A2	1,265,000	1,250,096.230	1.431	1.390	3.005	.85%	1,250,832.00
031162CM0	AMGEN INC	2.200	5/11/2020	5/11/2020	Baa1	800,000	789,750.080	1.619	1.563	3.109	.53%	788,582.62
06051GGS2	BANK OF AMERICA CORP	2.328	10/1/2021	10/1/2021	A-	1,770,000	1,770,015.960	3.008	1.923	3.315	1.17%	1,731,685.39
06406FAB9	BANK OF NEW YORK MELLON CORP/THE	2.050	5/3/2021	5/3/2021	A1	1,345,000	1,312,648.970	2.597	2.473	3.260	.88%	1,304,772.96
05531FAX1	BB&T CORP	2.750	4/1/2022	4/1/2022	A2	750,000	736,759.920	3.508	3.248	3.377	.50%	734,563.27
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	640,000	634,475.840	1.753	1.679	3.149	.43%	634,306.96
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	581,385.020	.342	.341	2.567	.39%	579,358.73
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,431,096.710	1.342	1.312	3.032	.95%	1,408,267.97
14040HBY0	CAPITAL ONE FINANCI	3.450	4/30/2021	4/30/2021	Baa1	900,000	899,314.260	2.589	2.395	3.491	.61%	899,067.09
14913Q2G3	CATERPILLAR FINANCIAL SERVICES CORP	2.900	3/15/2021	3/15/2021	A	600,000	598,493.070	2.464	2.354	3.201	.40%	595,749.49
808513AW5	CHARLES SCHWAB CORP/THE	3.250	5/21/2021	5/21/2021	A	775,000	774,979.390	2.647	2.455	3.244	.52%	775,095.92
172967KB6	CITIGROUP INC	2.650	10/26/2020	10/26/2020	BBB+	380,000	374,792.740	2.078	1.982	3.302	.25%	375,060.00
172967LC3	CITIGROUP INC	2.900	12/8/2021	12/8/2021	BBB+	1,355,000	1,368,025.870	3.194	2.980	3.592	.90%	1,326,901.35
17401QAN1	CITIZENS BANK NA/PROVIDENCE RI	2.250	10/30/2020	10/30/2020	BBB+	900,000	880,346.880	2.089	1.999	3.546	.59%	876,697.81
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A	470,000	485,768.360	1.586	1.591	3.161	.32%	476,106.79
31677QBK4	FIFTH THIRD BANK/CINCINNATI OH	2.200	10/30/2020	10/30/2020	A-	850,000	832,722.660	2.089	1.998	3.264	.56%	831,872.52
369550BA5	GENERAL DYNAMICS CORP	2.875	5/11/2020	5/11/2020	A2	1,210,000	1,206,530.270	1.619	1.553	3.028	.82%	1,207,076.86
36962G5J9	GENERAL ELECTRIC CO	4.650	10/17/2021	10/18/2021	A	1,025,000	1,063,060.150	3.053	2.787	3.514	.72%	1,058,395.70
375558BB8	GILEAD SCIENCES INC	2.550	9/1/2020	9/1/2020	A3	735,000	727,172.280	1.925	1.862	3.091	.49%	727,611.91
38148PP84	GOLDMAN SACHS BANK USA/NEW YORK NY	3.200	6/5/2020	6/5/2020	A+	500,000	499,902.400	1.686	1.616	2.993	.34%	501,676.27
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	1,470,000	1,565,987.800	2.831	2.608	3.490	1.04%	1,539,085.52
46625HHS2	JPMORGAN CHASE & CO	4.400	7/22/2020	7/22/2020	A-	905,000	924,471.570	1.817	1.727	3.194	.63%	924,077.16
46625HQJ2	JPMORGAN CHASE & CO	2.550	3/1/2021	3/1/2021	A-	880,000	874,722.920	2.425	2.308	3.326	.58%	864,207.18
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	599,985.940	.900	.883	2.815	.40%	593,558.63
49327M2Q6	KEYBANK NA/CLEVELAND OH	2.500	11/22/2021	11/22/2021	A-	500,000	489,827.600	3.150	2.976	3.462	.33%	485,747.67
61746BED4	MORGAN STANLEY	2.625	11/17/2021	11/17/2021	A3	1,085,000	1,060,093.430	3.136	2.956	3.565	.71%	1,054,956.88
61747WAF6	MORGAN STANLEY	5.750	1/25/2021	1/25/2021	A3	1,095,000	1,175,984.530	2.325	2.162	3.441	.78%	1,150,972.51
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,093,619.600	1.714	1.650	3.119	.72%	1,066,228.50
69371RP26	PACCAR FINANCIAL CORP	3.100	5/10/2021	5/10/2021	A1	1,515,000	1,514,655.060	2.617	2.464	3.282	1.02%	1,508,123.14
69353RE53	PNC BANK NA	2.600	7/21/2020	7/21/2020	A	385,000	381,416.690	1.814	1.733	3.007	.26%	382,241.86
69353REP9	PNC BANK NA	2.300	6/1/2020	6/1/2020	A	490,000	483,719.370	1.675	1.614	3.143	.33%	483,302.53
69353RFH6	PNC BANK NA	2.500	1/22/2021	1/22/2021	A	800,000	788,785.060	2.317	2.212	3.304	.53%	785,754.46
69353RFD5	PNC BANK NA	2.682	5/19/2020	5/19/2020	A	500,000	501,744.140	1.644	.144	2.596	.34%	501,576.05
74432QBP9	PRUDENTIAL FINANCIAL INC	4.500	11/15/2020	11/16/2020	A-	835,000	857,598.720	2.131	1.998	3.280	.58%	855,769.32
867914BK8	SUNTRUST BANKS INC	2.900	3/3/2021	3/3/2021	BBB+	760,000	755,390.220	2.431	2.298	3.394	.51%	751,296.18
91324PCH3	UNITEDHEALTH GROUP INC	2.875	12/15/2021	12/15/2021	A-	1,405,000	1,391,517.370	3.214	3.021	3.249	.94%	1,389,056.93

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2018

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)												
91159HHP8	US BANCORP	2.625	1/24/2022	1/24/2022	A+	805,000	791,608.940	3.322	3.121	3.342	.53%	786,972.07
90331HNP4	US BANK NA/CINCINNATI OH	3.150	4/26/2021	4/26/2021	AA-	1,300,000	1,299,933.060	2.578	2.395	3.237	.88%	1,297,200.06
949748CM6	WELLS FARGO & CO	2.600	7/22/2020	7/22/2020	A2	1,650,000	1,633,772.190	1.817	1.751	3.165	1.11%	1,633,632.31
CORPORATES TOTALS							36,402,171.270					36,137,440.57
MORTGAGES												
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	8/25/2019	Agency	59,621	59,620.630	.462	.453	(2.192)	.04%	61,419.92
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	12/25/2018	Agency	4,938	4,966.740	.156	.154	(5.000)	0%	5,087.35
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	6/25/2019	Agency	22,964	23,347.890	.388	.379	2.599	.02%	23,137.73
31381R5T7	FANNIE MAE POOL	3.770	9/1/2021	9/25/2021	Agency	1,805,000	1,842,230.780	2.992	2.712	3.329	1.24%	1,827,171.19
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	9/15/2020	Agency	46,643	46,649.690	.895	.860	3.435	.03%	47,201.02
MORTGAGES TOTALS							1,976,815.730					1,964,017.21
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,245,000	1,245,000.000	1.008	.985	2.960	.83%	1,224,669.15
13034PZF7	CALIFORNIA HOUSING FINANCE AGENCY	2.300	8/1/2020	8/3/2020	A1	1,000,000	1,000,000.000	1.842	1.787	3.264	.67%	982,880.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	703,811.170	2.092	2.008	3.233	.46%	682,420.50
50520PAB6	CITY OF LA VERNE CA	2.992	6/1/2020	6/1/2020	AA+	1,245,000	1,245,000.000	1.675	1.617	3.084	.84%	1,243,157.40
769036AY0	CITY OF RIVERSIDE CA	1.625	6/1/2019	6/3/2019	AA-	1,450,000	1,447,171.800	.675	.667	2.798	.97%	1,438,690.00
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	585,000	585,000.000	2.842	2.743	3.054	.38%	561,307.50
010878AK2	COUNTY OF ALAMEDA CA	3.500	8/1/2019	8/1/2019	AAA	1,250,000	1,260,928.010	.842	.821	2.757	.85%	1,257,637.50
713575S22	PERALTA COMMUNITY COLLEGE DISTRICT	6.159	8/1/2020	8/3/2020	A2	400,000	424,736.530	1.842	1.736	3.698	.28%	417,348.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	606,957.420	1.758	1.702	2.973	.40%	590,358.00
13063A7G3	STATE OF CALIFORNIA	6.200	10/1/2019	10/1/2019	AA-	525,000	542,277.750	1.008	.951	2.863	.37%	542,288.25
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	1,143,214	1,143,213.860	2.340	2.250	3.079	.75%	1,108,254.38
677521DA1	STATE OF OHIO	4.424	5/1/2020	5/1/2020	AA+	2,195,000	2,240,795.480	1.592	1.506	3.103	1.52%	2,239,624.35
91412HDG5	UNIVERSITY OF CALIFORNIA	2.836	5/15/2020	5/15/2020	AA-	1,000,000	1,000,000.000	1.631	1.567	2.983	.68%	997,670.00
MUNICIPALS TOTALS							13,444,892.020					13,286,305.03
SOVEREIGN DEBT												
4581XOCZ9	INTER-AMERICAN DEVELOPMENT BANK	1.750	9/14/2022	9/14/2022	AAA	750,000	741,889.680	3.961	3.780	3.050	.48%	713,878.50
459058GK3	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	2.380	8/21/2020	8/21/2020	AAA	1,090,000	1,090,128.620	1.900	.021	2.429	.74%	1,090,196.20
SOVEREIGN DEBT TOTALS							1,832,018.300					1,804,074.70
US TREASURIES												
912828UH1	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2023	1/17/2023	Govt	1,528,478	1,511,096.530	4.296	4.228	2.939	1.00%	1,479,668.61
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	723,723	729,611.130	3.296	3.251	2.912	.48%	705,803.17
9128283X6	UNITED STATES TREASURY NOTE/BOND	2.250	2/15/2021	2/16/2021	Govt	2,700,000	2,672,678.750	2.380	2.296	2.860	1.80%	2,662,347.66
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	16,400,000	16,112,711.910	1.590	1.548	2.773	10.81%	15,982,312.50
912828Q37	UNITED STATES TREASURY NOTE/BOND	1.250	3/31/2021	3/31/2021	Govt	7,635,000	7,519,558.510	2.505	2.420	2.855	4.97%	7,340,634.94
912828S76	UNITED STATES TREASURY NOTE/BOND	1.125	7/31/2021	8/2/2021	Govt	3,275,000	3,137,270.560	2.840	2.759	2.880	2.11%	3,119,309.58

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2018



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)												
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	11,475,000	11,403,350.610	2.340	2.258	2.858	7.64%	11,285,841.74
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	12,020,000	12,073,803.830	1.923	1.865	2.824	8.03%	11,863,646.12
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	10,900,000	10,906,249.640	1.255	1.231	2.708	7.23%	10,688,386.75
US TREASURIES TOTALS							66,066,331.470					65,127,951.07
FIXED INCOME TOTALS							<u>146,185,669.310</u>					<u>144,680,896.84</u>
PORTFOLIO TOTALS							<u>148,604,620.340</u>					<u>147,797,555.73</u>

WELLS CAPITAL - TIER ONE
SEPTEMBER 30, 2018

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
ALAMEDA CNTY CALIF JT PWRS AUTH LEASE REV	ALAUTL	010831DM4	US010831DM47	010831DM4	1.36%	\$2,003,233.33
AMXCA 171 A	AMXCA	02587AAJ3	US02587AAJ34	02587AAJ3	0.85%	\$1,253,482.86
AMXCA 173 A	AMXCA	02582JHE3	US02582JHE38	02582JHE3	1.06%	\$1,566,794.29
APPLE INC	AAPL	037833CK4	US037833CK41	037833CK4	0.93%	\$1,362,708.88
BANK OF AMERICA CORP	BAC	06051GEE5	US06051GEE52	06051GEE5	1.23%	\$1,818,430.03
BANK OF NEW YORK MELLON CORP	BK	06406HDF3	US06406HDF38	06406HDF3	0.67%	\$993,644.89
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54	084664CK5	1.01%	\$1,484,403.17
BMWLT 172 A3	BMWLT	05584PAD9	US05584PAD96	05584PAD9	0.79%	\$1,165,251.61
BRANCH BANKING AND TRUST CO	BBT	07330NAR6	US07330NAR61	07330NAR6	1.42%	\$2,084,667.90
CALIFORNIA ST	CA	13063DGA0	US13063DGA00	13063DGA0	0.86%	\$1,261,016.67
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	CASWTR	13067WPB2	US13067WPB27	13067WPB2	0.68%	\$999,190.00
Cash	---	CCYUSD	---	CCYUSD	0.00%	\$1.07
CATERPILLAR FINANCIAL SERVICES CORP	CAT	14913Q2J7	US14913Q2J77	14913Q2J7	1.37%	\$2,021,385.00
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03	17305EFW0	1.82%	\$2,682,853.02
CCCIT 17A9 A9	CCCIT	17305EGH2	US17305EGH27	17305EGH2	0.34%	\$495,366.85
CITIBANK NA	C	17325FAE8	US17325FAE88	17325FAE8	0.57%	\$840,204.03
CITIBANK NA	C	17325FAL2	US17325FAL22	17325FAL2	0.81%	\$1,191,560.60
COAST CMNTY COLLEGE DIST CALIF	CSTHGR	190335JD2	US190335JD27	190335JD2	0.98%	\$1,441,606.92
COCA-COLA CO	KO	191216BT6	US191216BT60	191216BT6	0.33%	\$492,986.92
COMET 164 A	COMET	14041NFF3	US14041NFF33	14041NFF3	0.40%	\$592,675.75
COMET 171 A	COMET	14041NFK2	US14041NFK28	14041NFK2	0.64%	\$940,939.01
E I DU PONT DE NEMOURS AND CO	DD	263534CL1	US263534CL10	263534CL1	0.34%	\$498,019.33
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921	3133EGW92	1.01%	\$1,485,165.00
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHEZ2	US3133EHEZ20	3133EHEZ2	2.02%	\$2,970,530.33
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHFL2	US3133EHFL25	3133EHFL2	0.67%	\$988,635.33
FEDERAL HOME LOAN BANKS	FHLB	313383HU8	US313383HU84	313383HU8	1.14%	\$1,678,307.34
FEDERAL HOME LOAN BANKS	FHLB	3130A0JR2	US3130A0JR23	3130A0JR2	4.77%	\$7,021,889.00
FEDERAL HOME LOAN BANKS	FHLB	3130A66T9	US3130A66T96	3130A66T9	2.96%	\$4,352,201.36
FEDERAL HOME LOAN BANKS	FHLB	3130ACM92	US3130ACM925	3130ACM92	0.34%	\$497,307.83
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397	3135G0R39	2.35%	\$3,453,982.39
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0T29	US3135G0T294	3135G0T29	0.55%	\$812,025.23
FIDELITY IMM:GOVT I	FIGXX	316175108	US3161751082	316175108	0.21%	\$309,496.24
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11	31677QBH1	0.34%	\$493,954.28
FITAT 171 A3	FITAT	31679RAD7	US31679RAD70	31679RAD7	0.41%	\$602,833.11
FREDDIE MAC	FHLMC	3137EAE55	US3137EAE551	3137EAE55	1.01%	\$1,481,223.50
GENERAL DYNAMICS CORP	GD	369550BE7	US369550BE71	369550BE7	1.03%	\$1,509,478.00
GEORGIA POWER CO	SO	373334KG5	US373334KG57	373334KG5	1.27%	\$1,864,805.46
GOLDMAN SACHS BANK USA	GS	38148PP84	US38148PP843	38148PP84	0.47%	\$689,170.71
HAROT 172 A3	HAROT	43811BAC8	US43811BAC81	43811BAC8	1.62%	\$2,380,551.08
HAROT 173 A3	HAROT	43814PAC4	US43814PAC41	43814PAC4	0.17%	\$256,460.41
HAWAII ST	HIS	419792SM9	US419792SM99	419792SM9	1.65%	\$2,430,470.46
HONEYWELL INTERNATIONAL INC	HON	438516BQ8	US438516BQ81	438516BQ8	0.83%	\$1,217,264.76
HSBC USA INC	HSBC	40428HPV8	US40428HPV86	40428HPV8	1.49%	\$2,190,843.60
HUNTINGTON NATIONAL BANK	HBAN	44644AAD9	US44644AAD90	44644AAD9	1.37%	\$2,013,083.56
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CX4	US4581X0CX43	4581X0CX4	1.01%	\$1,480,060.96
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BY3	US4581X0BY35	4581X0BY3	0.30%	\$443,701.24
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOP	IBRD	459058FQ1	US459058FQ12	459058FQ1	1.34%	\$1,968,922.67

WELLS CAPITAL - TIER ONE
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HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058GA5	US459058GA50	459058GA5	1.33%	\$1,955,353.50
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058DW0	US459058DW08	459058DW0	1.36%	\$2,001,584.67
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058GH0	US459058GH04	459058GH0	1.02%	\$1,498,301.50
INTERNATIONAL FINANCE CORP	IFC	45950KCM0	US45950KCM09	45950KCM0	0.91%	\$1,334,172.60
JDOT 2018 A3	JDOT	47788CAC6	US47788CAC64	47788CAC6	0.51%	\$745,385.87
JOHN DEERE CAPITAL CORP	DE	24422ETJ8	US24422ETJ81	24422ETJ8	0.67%	\$989,871.22
JOHN DEERE CAPITAL CORP	DE	24422ETZ2	US24422ETZ24	24422ETZ2	0.67%	\$987,767.06
JPMORGAN CHASE & CO	JPM	46625HMX4	US46625HMX43	46625HMX4	1.35%	\$1,993,193.33
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	LOSGEN	544587K64	US544587K641	544587K64	0.41%	\$602,755.17
LOS ANGELES CALIF WASTEWTR SYS REV	LOSUTL	53945CGW4	US53945CGW47	53945CGW4	0.78%	\$1,146,339.07
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAG5	US55279HAG56	55279HAG5	0.95%	\$1,399,517.00
MARIN CALIF CMNTY COLLEGE DIST	MRNHGR	56781RGL5	US56781RGL50	56781RGL5	0.34%	\$496,869.17
MBART 181 A3	MBART	58772RAD6	US58772RAD61	58772RAD6	1.79%	\$2,640,382.45
MORGAN STANLEY	MS	61761JB32	US61761JB325	61761JB32	0.95%	\$1,400,436.33
NAROT 18B A3	NAROT	65479GAD1	US65479GAD16	65479GAD1	1.27%	\$1,871,875.50
NORTHERN TRUST CORP	NTRS	665859AL8	US665859AL80	665859AL8	0.42%	\$612,585.30
PACCAR FINANCIAL CORP	PCAR	69371RP42	US69371RP427	69371RP42	1.36%	\$2,000,932.00
Payable	---	CCYUSD	---	CCYUSD	-2.71%	-\$3,990,643.13
PNC BANK NA	PNC	69353RFC7	US69353RFC79	69353RFC7	1.34%	\$1,978,472.67
Receivable	---	CCYUSD	---	CCYUSD	2.55%	\$3,750,613.36
SAN DIEGO CALIF TOB SETTLEMENT REV FDG CORP	SDGGEN	797330AD9	US797330AD98	797330AD9	0.69%	\$1,010,360.23
SAN DIEGO CNTY CALIF PENSION OBLIG	SDGFAC	797398DH4	US797398DH41	797398DH4	1.05%	\$1,547,334.58
SAN FRANCISCO CALIF BAY AREA RAPID TRAN DIST SALES	SFOTRN	797669XT0	US797669XT03	797669XT0	1.23%	\$1,813,251.56
SAN MARCOS CALIF REDEV AGY TAX ALLOCATION	SMSDEV	798754DL8	US798754DL82	798754DL8	1.64%	\$2,421,128.40
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16	83191GAD1	1.41%	\$2,080,744.05
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF TH	SJSDEV	798170AC0	US798170AC09	798170AC0	1.01%	\$1,487,452.50
TAOT 17D A3	TAOT	89238KAD4	US89238KAD46	89238KAD4	1.12%	\$1,647,137.28
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TCZ6	US89236TCZ66	89236TCZ6	1.33%	\$1,955,763.11
TULARE CNTY CALIF PENSION OBLIG	TULGEN	899154AT5	US899154AT55	899154AT5	1.36%	\$2,002,118.67
UNITED STATES TREASURY	T	9128282V1	US9128282V18	9128282V1	0.44%	\$652,086.70
UNITED STATES TREASURY	T	9128282Z2	US9128282Z22	9128282Z2	2.91%	\$4,278,818.41
UNITED STATES TREASURY	T	9128283G3	US9128283G32	9128283G3	2.01%	\$2,952,681.16
UNITED STATES TREASURY	T	9128283L2	US9128283L27	9128283L2	1.49%	\$2,191,419.83
UNITED STATES TREASURY	T	9128284B3	US9128284B36	9128284B3	2.02%	\$2,969,048.17
UNITED STATES TREASURY	T	9128284G2	US9128284G23	9128284G2	2.04%	\$2,996,806.59
UNITED STATES TREASURY	T	9128285A4	US9128285A44	9128285A4	2.71%	\$3,989,705.88
UNITEDHEALTH GROUP INC	UNH	91324PDC3	US91324PDC32	91324PDC3	0.71%	\$1,047,249.97
UNIVERSITY CALIF REVS	UNVHGR	91412GSB2	US91412GSB22	91412GSB2	1.02%	\$1,496,715.00
UNIVERSITY CALIF REVS	UNVHGR	91412HBG7	US91412HBG74	91412HBG7	1.37%	\$2,016,773.33
US BANK NA	USB	90331HML4	US90331HML41	90331HML4	1.36%	\$2,002,482.50
VALET 181 A3	VALET	92868LAD3	US92868LAD38	92868LAD3	1.77%	\$2,600,625.24
VISA INC	V	92826CAB8	US92826CAB81	92826CAB8	1.28%	\$1,879,546.29
WALMART INC	WMT	931142EJ8	US931142EJ83	931142EJ8	1.37%	\$2,020,331.44
YUBA CALIF LEVEE FING AUTH REV	YUBGEN	988211BL1	US988211BL13	988211BL1	0.68%	\$994,111.67

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												
NA9123459	US DOLLARS	2.261	10/1/2018		Agency	265,487	265,486.700	0.000	-	2.261	.27%	265,486.70
USD120030	USD INTEREST RECEIVABLE	-				489,157	0.000	-	-	-	.50%	489,156.61
CASH TOTALS							265,486.700					754,643.31
CASH & CASH EQUIVALENTS TOTALS							265,486.700					754,643.31
FIXED INCOME												
AGENCIES												
3134G9V38	FEDERAL HOME LOAN MORTGAGE CORP	1.500	7/27/2021	7/27/2021	Agency	500,000	490,742.380	1.831	1.938	2.962	.50%	489,448.00
3134GSTK1	FEDERAL HOME LOAN MORTGAGE CORP	3.000	8/23/2021	8/23/2021	Agency	1,500,000	1,500,726.880	.153	1.141	2.987	1.54%	1,500,009.00
AGENCIES TOTALS							1,991,469.260					1,989,457.00
ASSET BACKED												
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	426,650	426,632.120	.268	.265	2.484	.44%	425,465.69
17305EFM2	CITIBANK CREDIT CARD ISSUANCE TRUST	2.880	1/23/2023	1/21/2021	Aaa	565,000	563,963.050	2.314	2.211	3.114	.58%	562,060.08
26209BAE9	DRIVE AUTO RECEIVABLES TRUST	-				200,000	199,977.900	-	-	-	.21%	200,058.76
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	11/15/2018		419,805	419,805.170	.088	.087	2.265	.43%	419,703.83
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	5/15/2020	Aaa	300,000	299,986.460	.760	.740	2.834	.31%	297,671.25
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	7/15/2019	AAA	1,380,000	1,377,730.500	.509	.499	2.616	1.41%	1,374,341.86
65475WAD0	NISSAN AUTO RECEIVABLES 2015-B OWNER TRUST	1.340	3/16/2020	2/15/2019	Aaa	156,392	156,318.460	.190	.188	2.517	.16%	156,046.89
ASSET BACKED TOTALS							3,444,413.660					3,435,348.36
CMBS												
3137FBUW4	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.281	10/25/2019	10/25/2019	Agency	500,000	500,187.600	1.089	.073	2.453	.51%	500,053.45
3137AXHP1	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.573	9/25/2022	9/25/2022	Aaa	1,100,000	1,113,488.630	3.706	3.479	3.176	1.10%	1,075,757.76
CMBS TOTALS							1,613,676.230					1,575,811.21
CMOS												
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	10/25/2018	Agency	11	10.810	.075	.073	2.094	0%	10.80
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	2/15/2020	Agency	42,855	42,862.350	.686	.672	2.842	.04%	42,582.39
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	2/15/2019	Agency	13,367	13,367.160	.128	.126	2.599	.01%	13,346.81
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	11/15/2018	Agency	131	131.140	.051	.050	2.360	0%	131.01
62888WAA4	NON GUARANTEED NOT V	2.640	12/8/2020	11/5/2020	Aaa	378,711	379,410.780	1.694	.019	2.723	.39%	379,693.08
CMOS TOTALS							435,782.240					435,764.09
CORPORATES												
0258M0EE5	AMERICAN EXPRESS CREDIT CORP	2.200	3/3/2020	3/3/2020	A2	820,000	810,346.880	1.431	1.390	3.005	.83%	810,816.00
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	628,744.690	1.464	1.407	3.112	.64%	623,791.35
06051GEU9	BANK OF AMERICA CORP	3.300	1/11/2023	1/11/2023	A-	370,000	367,786.100	4.286	3.943	3.652	.37%	364,863.06
06051GGS2	BANK OF AMERICA CORP	2.328	10/1/2021	10/1/2021	A-	1,295,000	1,290,718.740	3.008	1.923	3.315	1.30%	1,266,967.56
06406RAE7	BANK OF NEW YORK MELLON CORP/THE	2.950	1/29/2023	1/30/2023	A1	1,000,000	995,612.130	4.336	3.997	3.564	1.00%	975,489.79
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	854,948.590	1.753	1.679	3.149	.86%	842,438.94
14040HBY0	CAPITAL ONE FINANCI	3.450	4/30/2021	4/30/2021	Baa1	600,000	599,545.920	2.589	2.395	3.491	.61%	599,378.06
808513AW5	CHARLES SCHWAB CORP/THE	3.250	5/21/2021	5/21/2021		510,000	509,986.020	2.647	2.455	3.244	.52%	510,063.12

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)												
172967LC3	CITIGROUP INC	2.900	12/8/2021	12/8/2021	BBB+	900,000	908,568.560	3.194	2.980	3.592	.90%	881,336.69
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A	480,000	496,523.820	1.586	1.591	3.161	.50%	486,236.73
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	721,683.100	2.711	2.579	3.393	.71%	693,978.44
369550BE7	GENERAL DYNAMICS CORP	3.000	5/11/2021	5/11/2021	A2	800,000	795,157.860	2.619	2.470	3.214	.82%	795,721.81
36962G5J9	GENERAL ELECTRIC CO	4.650	10/17/2021	10/18/2021	A	675,000	699,835.750	3.053	2.787	3.514	.71%	696,992.29
38148PP84	GOLDMAN SACHS BANK USA/NEW YORK NY	3.200	6/5/2020	6/5/2020	A+	480,000	479,907.000	1.686	1.616	2.993	.49%	481,609.22
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	995,000	1,059,693.600	2.831	2.608	3.490	1.07%	1,041,761.97
44644AAB3	HUNTINGTON NATIONAL BANK/THE	2.500	8/7/2022	8/8/2022	A-	445,000	430,248.100	3.858	3.618	3.671	.44%	426,402.78
46625HHS2	JPMORGAN CHASE & CO	4.400	7/22/2020	7/22/2020	A-	595,000	607,738.170	1.817	1.727	3.194	.62%	607,542.45
46625HJH4	JPMORGAN CHASE & CO	3.200	1/25/2023	1/25/2023	A-	1,000,000	986,519.570	4.325	3.989	3.560	1.01%	985,662.62
46625HJE1	JPMORGAN CHASE & CO	3.250	9/23/2022	9/23/2022	A-	920,000	943,696.500	3.986	3.711	3.489	.94%	911,865.70
49327M2T0	KEYBANK NA/CLEVELAND OH	2.300	9/14/2022	9/14/2022	A-	1,675,000	1,664,887.580	3.961	3.744	3.494	1.64%	1,601,575.62
55279HAL4	MANUFACTURERS & TRADERS TRUST CO	2.500	5/18/2022	5/18/2022	A	900,000	903,958.870	3.639	3.395	3.535	.89%	868,429.13
61746BED4	MORGAN STANLEY	2.625	11/17/2021	11/17/2021	A3	715,000	698,666.790	3.136	2.956	3.565	.71%	695,202.00
61747WAF6	MORGAN STANLEY	5.750	1/25/2021	1/25/2021	A3	730,000	782,557.080	2.325	2.162	3.441	.79%	767,315.01
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	819,981.760	1.714	1.650	3.119	.82%	799,671.37
68389XBR5	ORACLE CORP	2.625	2/15/2023	2/15/2023	A+	1,000,000	974,329.760	4.381	4.068	3.355	1.00%	970,481.25
69371RP26	PACCAR FINANCIAL CORP	3.100	5/10/2021	5/10/2021	A1	1,000,000	999,774.560	2.617	2.464	3.282	1.02%	995,460.82
69353RFH6	PNC BANK NA	2.500	1/22/2021	1/22/2021	A	1,300,000	1,279,849.720	2.317	2.212	3.304	1.31%	1,276,850.99
74432QBP9	PRUDENTIAL FINANCIAL INC	4.500	11/15/2020	11/16/2020	A-	615,000	631,582.150	2.131	1.998	3.280	.65%	630,297.17
867914BK8	SUNTRUST BANKS INC	2.900	3/3/2021	3/3/2021	BBB+	500,000	496,977.760	2.431	2.298	3.394	.51%	494,273.80
91159HHP8	US BANCORP	2.625	1/24/2022	1/24/2022	A+	530,000	521,219.170	3.322	3.121	3.342	.53%	518,130.68
90331HNP4	US BANK NA/CINCINNATI OH	3.150	4/26/2021	4/26/2021	AA-	840,000	839,957.500	2.578	2.395	3.237	.86%	838,190.81
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A2	950,000	964,977.170	2.192	2.098	3.299	.96%	935,046.29
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	762,124.190	2.464	2.351	3.267	.75%	734,724.75
CORPORATES TOTALS							26,528,105.160					26,128,568.27
MORTGAGES												
31381R5T7	FANNIE MAE POOL	3.770	9/1/2021	9/25/2021	Agency	1,190,000	1,214,511.120	2.992	2.712	3.329	1.24%	1,204,617.02
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,153,765	1,221,113.710	2.739	2.482	3.318	1.21%	1,182,482.26
3138EJRP5	FANNIE MAE POOL	4.381	6/1/2021	5/25/2021	Agency	792,673	834,347.090	2.583	2.346	3.287	.83%	813,395.68
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	12/25/2018	Agency	7,066	7,104.710	.156	.154	(5.000)	.01%	7,279.48
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	11/15/2018	Agency	1,288	1,287.510	.088	.087	(5.000)	0%	1,297.05
MORTGAGES TOTALS							3,278,364.140					3,209,071.49
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	885,000	885,000.000	1.008	.985	2.960	.89%	870,547.95
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,103.990	1.008	.980	2.927	.15%	148,501.50
13034PZH3	CALIFORNIA HOUSING FINANCE AGENCY	2.512	8/1/2021	8/2/2021	A1	675,000	675,000.000	2.842	2.710	3.427	.68%	658,401.75
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	448,904.940	1.842	1.786	3.265	.45%	442,921.50
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	501,109.440	2.092	2.008	3.233	.50%	486,040.50
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	1.092	1.063	2.996	.25%	242,349.10
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,896.060	1.258	1.227	3.033	.23%	228,491.20

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)												
MUNICIPALS (Continued)												
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	1.631	1.575	2.947	.72%	705,326.05
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	415,000	415,000.000	2.842	2.743	3.054	.41%	398,192.50
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	517,693.150	1.797	1.710	3.033	.52%	510,545.00
899154AV0	COUNTY OF TULARE CA	3.348	6/1/2023	6/1/2023	A1	1,000,000	1,000,000.000	4.675	4.262	3.502	1.02%	993,400.00
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	654,306.590	1.092	1.068	2.919	.66%	643,819.15
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	Aa2	305,000	305,272.660	1.175	1.143	2.979	.31%	303,529.90
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	.631	.615	3.279	.50%	485,560.60
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	359,062.160	1.842	1.779	3.032	.36%	353,828.50
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	788,851.410	1.758	1.702	2.973	.79%	767,465.40
784710AB1	SSM HEALTH CARE CORP	3.688	6/1/2023	6/1/2023	A+	100,000	100,535.100	4.425	4.116	3.665	.10%	100,093.29
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	815,203	815,203.130	2.340	2.250	3.079	.81%	790,274.22
91412HDJ9	UNIVERSITY OF CALIFORNIA	3.283	5/15/2022	5/16/2022	AA-	545,000	545,000.000	3.631	3.366	3.250	.56%	545,599.50
MUNICIPALS TOTALS							9,840,938.630					9,674,887.61
SOVEREIGN DEBT												
4581XOCZ9	INTER-AMERICAN DEVELOPMENT BANK	1.750	9/14/2022	9/14/2022	AAA	1,000,000	989,276.630	3.961	3.780	3.050	.98%	951,838.00
459058GK3	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	2.380	8/21/2020	8/21/2020	AAA	725,000	725,085.080	1.900	.021	2.429	.74%	725,130.50
SOVEREIGN DEBT TOTALS							1,714,361.710					1,676,968.50
US TREASURIES												
912828UH1	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2023	1/17/2023	Govt	1,009,887	998,406.800	4.296	4.228	2.939	1.00%	977,638.19
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	2,995,100	3,000,544.760	3.296	3.251	2.912	3.00%	2,920,939.27
9128283X6	UNITED STATES TREASURY NOTE/BOND	2.250	2/15/2021	2/16/2021	Govt	5,300,000	5,247,001.340	2.380	2.296	2.860	5.36%	5,226,089.86
912828Q37	UNITED STATES TREASURY NOTE/BOND	1.250	3/31/2021	3/31/2021	Govt	2,890,000	2,825,393.530	2.505	2.420	2.855	2.85%	2,778,576.95
912828S76	UNITED STATES TREASURY NOTE/BOND	1.125	7/31/2021	8/2/2021	Govt	8,250,000	7,985,742.040	2.840	2.759	2.880	8.06%	7,857,802.76
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	2,000,000	1,953,534.470	1.590	1.548	2.773	2.00%	1,949,062.50
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	5,400,000	5,458,809.200	1.923	1.865	2.824	5.47%	5,329,757.83
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	5,505,000	5,566,927.790	2.340	2.258	2.858	5.55%	5,414,253.49
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	3,125,000	3,086,295.730	3.423	3.277	2.906	3.09%	3,008,056.63
912828L57	UNITED STATES TREASURY NOTE/BOND	1.750	9/30/2022	9/30/2022	Govt	7,835,000	7,673,099.360	4.005	3.789	2.933	7.68%	7,487,015.84
912828L99	UNITED STATES TREASURY NOTE/BOND	1.375	10/31/2020	11/2/2020	Govt	4,895,000	4,848,377.850	2.090	2.031	2.834	4.87%	4,751,018.18

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)												
912828UN8	UNITED STATES TREASURY NOTE/BOND	2.000	2/15/2023	2/15/2023	Govt	955,000	922,053.690	4.380	4.141	2.943	.94%	918,217.58
US TREASURIES TOTALS							49,566,186.560					48,618,429.08
FIXED INCOME TOTALS							98,413,297.590					96,744,305.61
PORTFOLIO TOTALS							98,678,784.290					97,498,948.92

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

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	(4,033,375.86)	(4,033,375.86)	0.00	1.000	(1.13)%
Total for Cash			(4,033,375.86)	(4,033,375.86)	0.00		(1.13)%
Money Markets							
2,500,000.000	NATL RURAL UTILITIES CP	63743DK18	2,497,236.11	2,497,220.14	(15.97)	99.994	0.70%
	Mat: 10/1/18 Cpn: 0.00%		0.00	2,763.89			
	Moody's: P-1 S&P: A-1 Fitch: NR						
	Tr Date: 9/10/18 St Date: 9/11/18						
17,000,000.000	FNMA DISCOUNT NOTE	313589H97	16,999,050.83	16,998,059.17	(991.66)	99.989	4.77%
	Mat: 10/2/18 Cpn: 0.00%		0.00	0.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/28/18 St Date: 10/1/18						
2,500,000.000	WISCONSIN GAS CP	97670SK51	2,497,697.92	2,497,694.45	(3.47)	99.969	0.70%
	Mat: 10/5/18 Cpn: 0.00%		0.00	1,688.19			
	Moody's: P-1 S&P: A-1 Fitch: F2						
	Tr Date: 9/20/18 St Date: 9/20/18						
2,500,000.000	COOPERATIEVE RABOBANK 3ML FRN YCD	21684B5K6	2,500,000.00	2,500,100.25	100.25	100.004	0.70%
	Mat: 10/11/18 Cpn: 2.36%		0.00	13,456.71			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 4/10/18 St Date: 4/11/18						
27,000,000.000	U.S. TREASURY BILL	912796NZ8	26,958,808.50	26,957,938.13	(870.38)	99.937	7.57%
	Mat: 10/11/18 Cpn: 0.00%		0.00	26,480.25			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/12/18 St Date: 9/13/18						
2,500,000.000	MUFG BANK LTD 1ML FRN YCD	55379WBQ8	2,500,000.00	2,499,950.00	(50.00)	99.998	0.70%
	Mat: 10/17/18 Cpn: 2.54%		158.02	2,467.93			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 4/17/18 St Date: 4/18/18						
2,500,000.000	WESTPAC BANKING NY YCD	96121T4V7	2,493,253.50	2,499,258.48	6,004.98	99.970	0.71%
	Mat: 10/19/18 Cpn: 1.71%		24,818.75	41,087.50			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 5/16/18 St Date: 5/17/18						
25,000,000.000	FHLB DISCOUNT NOTE	313385L53	24,968,718.75	24,968,069.44	(649.31)	99.872	7.00%
	Mat: 10/22/18 Cpn: 0.00%		0.00	0.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/28/18 St Date: 10/1/18						



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,500,000.000	NATL RURAL UTILITIES CP Mat: 10/22/18 Cpn: 0.00% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/28/18 St Date: 10/1/18	63743DKN0	2,496,835.42 0.00	2,496,571.67 0.00	(263.75)	99.863	0.70%
20,000,000.000	U.S. TREASURY BILL Mat: 10/25/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/27/18	912796QE2	19,967,644.44 0.00	19,967,283.33 4,622.22	(361.11)	99.854	5.60%
67,000,000.000	U.S. TREASURY BILL Mat: 11/1/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/2/18	912796QF9	66,663,564.15 0.00	66,657,519.26 221,825.83	(6,044.89)	99.814	18.76%
15,000,000.000	U.S. TREASURY BILL Mat: 11/8/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/6/18 St Date: 8/9/18	912796PD5	14,950,369.02 0.00	14,949,654.03 17,109.31	(715.00)	99.773	4.20%
2,500,000.000	CREDIT SUISSE NY YCD Mat: 11/9/18 Cpn: 1.86% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 5/16/18 St Date: 5/17/18	22549LDY8	2,492,563.89 26,220.83	2,498,736.90 43,916.67	6,173.01	99.950	0.71%
30,000,000.000	U.S. TREASURY BILL Mat: 1/3/19 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/27/18	912796PK9	29,823,150.83 0.00	29,819,865.42 7,218.33	(3,285.41)	99.418	8.36%
2,500,000.000	TORONTO DOMINION NY YCD 3ML FRN Mat: 1/18/19 Cpn: 2.41% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 4/26/18 St Date: 4/27/18	89113XK78	2,500,000.00 0.00	2,499,097.50 12,565.78	(902.50)	99.964	0.70%
2,500,000.000	TOYOTA MOTOR CREDIT 3ML FRN CPI Mat: 1/18/19 Cpn: 2.42% Moody's: P-1 S&P: A-1+ Fitch: F1 Tr Date: 4/23/18 St Date: 4/24/18	89233AB32	2,500,000.00 0.00	2,500,250.00 11,603.31	250.00	100.010	0.70%
1,220,000.000	SVENSKA HANDELSBANKEN NY YCD 3ML FRN Mat: 1/28/19 Cpn: 2.38% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 5/2/18 St Date: 5/3/18	86958JE88	1,220,000.00 0.00	1,219,525.42 5,078.91	(474.58)	99.961	0.34%
2,500,000.000	CREDIT AGRICOLE NY FRN YCD Mat: 2/12/19 Cpn: 2.37% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 5/16/18 St Date: 5/18/18	22532XJK5	2,500,000.00 0.00	2,498,127.50 6,919.06	(1,872.50)	99.925	0.70%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,400,000.000	NATL BANK OF CANADA FRN YCD Mat: 2/14/19 Cpn: 2.54% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/18/18 St Date: 9/19/18	63307UMF5	1,401,272.60 3,554.95	1,398,770.80 4,739.93	(2,501.80)	99.912	0.39%
2,500,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN Mat: 2/28/19 Cpn: 2.52% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 4/18/18 St Date: 4/20/18	06417GXV5	2,500,725.00 7,771.09	2,501,377.50 5,430.66	652.50	100.055	0.70%
3,000,000.000	U.S. TREASURY BILL Mat: 3/21/19 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/18/18 St Date: 9/20/18	912796RC5	2,965,162.17 0.00	2,964,517.17 2,105.58	(645.00)	98.881	0.83%
10,000,000.000	U.S. TREASURY BILL Mat: 3/28/19 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/27/18	912796PX1	9,883,166.11 0.00	9,880,481.11 2,567.78	(2,685.00)	98.824	2.77%
2,290,000.000	BNP PARIBAS NY YCD 3ML FRN Mat: 4/17/19 Cpn: 2.51% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 4/16/18 St Date: 4/17/18	05582W3L6	2,290,000.00 0.00	2,290,000.00 12,115.12	0.00	100.000	0.65%
2,500,000.000	DNB BANK ASA FRN CD Mat: 5/16/19 Cpn: 2.37% Moody's: P-1 S&P: A-1 Fitch: NR Tr Date: 5/15/18 St Date: 5/16/18	23341VGH8	2,500,000.00 0.00	2,498,047.50 7,555.47	(1,952.50)	99.922	0.70%
2,350,000.000	NORDEA BANK NY YCD FRN Mat: 5/21/19 Cpn: 2.38% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 5/18/18 St Date: 5/21/18	65590AWK8	2,350,000.00 0.00	2,350,573.40 6,374.84	573.40	100.024	0.66%
Total for Money Markets			250,419,219.24 62,523.64	250,408,688.55 459,693.27	(10,530.70)		70.35%
Government Related							
2,370,000.000	IBRD FRN SOFR+22 Mat: 8/21/20 Cpn: 2.12% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/14/18 St Date: 8/21/18	459058GK3	2,370,000.00 0.00	2,371,758.54 5,722.23	1,758.54	100.074	0.67%
Total for Government Related			2,370,000.00 0.00	2,371,758.54 5,722.23	1,758.54		0.67%
Tax-Exempt							



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
600,000.000	CA SAN MARCOS REDEV AGY TAB Mat: 10/1/18 Cpn: 1.50% Moody's: S&P: AA- Fitch: Tr Date: 12/1/17 St Date: 12/14/17	79876CBN7	598,158.00 0.00	599,941.20 4,500.00	1,783.20	99.990	0.17%
Total for Tax-Exempt			598,158.00 0.00	599,941.20 4,500.00	1,783.20		0.17%
Taxable Muni							
1,500,000.000	CA SAN DIEGO CITY PUB FACS LEASE TXB Mat: 10/15/18 Cpn: 2.57% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LQ5	1,500,000.00 0.00	1,499,998.50 10,700.00	(1.50)	100.000	0.42%
3,800,000.000	CA CULVER CITY RDA-TXBL Mat: 11/1/18 Cpn: 1.50% Moody's: S&P: AA- Fitch: Tr Date: 11/15/17 St Date: 12/4/17	230340AK7	3,795,516.00 0.00	3,796,766.20 23,750.00	1,250.20	99.915	1.07%
1,000,000.000	CA LONG BEACH TIDELANDS REV-TXBL Mat: 11/1/18 Cpn: 1.79% Moody's: A1 S&P: Fitch: Tr Date: 11/22/17 St Date: 11/27/17	54245HAJ3	1,000,160.00 598.00	999,237.00 7,475.00	(923.00)	99.924	0.28%
2,185,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: AA- Fitch: A+ Tr Date: 9/11/17 St Date: 9/12/17	544587B98	2,194,520.40 10,167.42	2,184,661.33 21,340.17	(9,859.08)	99.985	0.62%
500,000.000	CA SACRAMENTO WTR DIST REV TXB Mat: 11/1/18 Cpn: 2.31% Moody's: S&P: AA+ Fitch: Tr Date: 5/3/18 St Date: 5/30/18	78607QAS4	500,000.00 0.00	499,909.50 3,875.36	(90.50)	99.982	0.14%
2,100,000.000	CA SAN JOSE FIN AUTH CP TXB Mat: 12/20/18 Cpn: 2.38% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/28/18 St Date: 9/28/18	79815WCB2	2,100,000.00 0.00	2,100,000.00 416.50	0.00	100.000	0.59%
1,245,000.000	HI STATE GO/ULT TXB Mat: 1/1/19 Cpn: 2.20% Moody's: Aa1 S&P: AA+ Fitch: AA Tr Date: 1/31/18 St Date: 2/14/18	419792WZ5	1,245,000.00 0.00	1,244,056.29 6,847.50	(943.71)	99.924	0.35%
2,750,000.000	CA POMONA REDEV AGY TAX ALLOCATION TXB Mat: 2/1/19 Cpn: 2.65% Moody's: S&P: A+ Fitch: Tr Date: 9/27/18 St Date: 10/11/18	73209MAA5	2,750,000.00 0.00	2,750,371.25 0.00	371.25	100.014	0.77%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,500,000.000	CA STATE GO/ULT TXB Mat: 4/1/19 Cpn: 1.59% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 4/27/18 St Date: 5/1/18	13063DAB4	2,481,420.00 4,071.00	2,488,402.50 19,912.50	6,982.50	99.536	0.70%
1,600,000.000	CA UNIVERSITY OF CALIFORNIA TXBL PRE-19 Mat: 5/15/19 Cpn: 6.27% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 7/11/18 St Date: 7/13/18	91412F7X9	1,650,160.00 16,162.67	1,634,524.80 37,898.67	(15,635.20)	102.158	0.47%
210,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/19 Cpn: 2.36% Moody's: Aa2 S&P: AA Fitch: Tr Date: 6/27/18 St Date: 6/29/18	91412GUW3	209,714.40 606.76	209,677.65 1,875.44	(36.75)	99.847	0.06%
280,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE Mat: 7/1/19 Cpn: 1.80% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 6/25/18 St Date: 6/27/18	91412GSB2	277,902.80 2,458.52	278,174.40 1,257.20	271.60	99.348	0.08%
1,000,000.000	CA HESPERIA REDEV AGY SUCCESSOR TXB Mat: 9/1/19 Cpn: 2.50% Moody's: S&P: AA Fitch: Tr Date: 9/12/18 St Date: 10/2/18	42806KAN3	997,190.00 0.00	996,825.00 0.00	(365.00)	99.683	0.28%
Total for Taxable Muni			20,701,583.60 34,064.37	20,682,604.42 135,348.33	(18,979.19)		5.84%

Credit

1,100,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 3.19% 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	1,102,714.80 6,728.87	(1,410.20)	100.247	0.31%
1,125,000.000	KEY BANK Mat: 3/8/19 Cpn: 2.35% Moody's: A3 S&P: A- Fitch: A- Tr Date: 2/6/18 St Date: 2/8/18	49327M2N3	1,125,922.50 11,015.63	1,123,877.25 1,689.06	(2,045.25)	99.900	0.32%
3,700,000.000	FIFTH THIRD BANK Mat: 3/15/19 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/17/18 St Date: 7/19/18	31677QBF5	3,692,822.00 29,312.22	3,694,923.60 3,782.22	2,101.60	99.863	1.04%
3,750,000.000	PNC BANK Mat: 7/2/19 Cpn: 2.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 7/18/18 St Date: 7/20/18	69353RDD7	3,734,962.50 4,218.75	3,736,222.50 20,859.38	1,260.00	99.633	1.05%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,500,000.000	BNY MELLON Mat: 9/11/19 Cpn: 2.30% Moody's: A1 S&P: A Fitch: AA- Tr Date: 7/16/18 St Date: 7/18/18	06406HCW7	2,487,750.00 20,284.72	2,488,885.00 3,194.44	1,135.00	99.555	0.70%
895,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 1/7/20 Cpn: 2.56% Moody's: A2 S&P: A Fitch: A Tr Date: 6/4/18 St Date: 6/7/18	24422EUF4	895,000.00 0.00	896,252.11 7,370.10	1,252.11	100.140	0.25%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 2.84% 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	1,397,433.72 9,106.03	7,433.72	100.535	0.39%
2,580,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 3.12% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LE9	2,589,062.50 5,984.84	2,598,413.46 18,567.37	9,350.96	100.714	0.73%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 2.79% 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	1,389,080.21 8,262.59	4,080.21	100.295	0.39%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 3.12% 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	1,904,586.60 7,902.10	4,586.60	100.241	0.54%
2,645,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 2.86% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	2,648,329.80 6,516.81	2,655,334.02 5,675.01	7,004.22	100.391	0.75%
3,845,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.84% Moody's: A3 S&P: A- Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RV7	3,862,490.00 10,283.82	3,856,611.90 6,363.29	(5,878.10)	100.302	1.08%
470,000.000	WELLS FARGO FRN Mat: 3/25/20 Cpn: 2.64% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 9/18/18 St Date: 9/25/18	94988J5S2	470,000.00 0.00	470,169.20 197.92	169.20	100.036	0.13%
1,230,000.000	GENERAL DYNAMICS FRN Mat: 5/11/20 Cpn: 2.63% Moody's: A2 S&P: A+ Fitch: WD Tr Date: 5/8/18 St Date: 5/11/18	369550BB3	1,230,000.00 0.00	1,233,744.12 4,399.71	3,744.12	100.304	0.35%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,900,000.000	CAPITAL ONE FINL FRN Mat: 5/12/20 Cpn: 3.10% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 8/16/17 St Date: 8/21/17	14040HBQ7	1,909,842.00 764.42	1,913,220.20 8,011.77	3,378.20	100.696	0.54%
2,380,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 2.86% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	2,380,000.00 0.00	2,394,222.88 7,562.13	14,222.88	100.598	0.67%
405,000.000	CITIZENS BANK FRN Mat: 5/26/20 Cpn: 2.88% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAK7	405,000.00 0.00	406,381.05 1,102.13	1,381.05	100.341	0.11%
1,595,000.000	BB&T CORPORATION FRN Mat: 6/15/20 Cpn: 2.90% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 8/16/17 St Date: 8/21/17	05531FAW3	1,605,335.60 5,389.44	1,604,965.56 13,923.33	(370.04)	100.625	0.45%
1,850,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 6/22/20 Cpn: 2.66% Moody's: A2 S&P: A Fitch: A Tr Date: 3/27/18 St Date: 3/29/18	24422ETR0	1,852,442.00 913.03	1,855,139.30 955.56	2,697.30	100.278	0.52%
1,250,000.000	JPMORGAN CHASE FRN Mat: 9/1/20 Cpn: 2.55% Moody's: Aa3 S&P: A+ Fitch: AA Tr Date: 8/23/18 St Date: 8/30/18	48125LRQ7	1,250,000.00 0.00	1,251,217.50 2,835.33	1,217.50	100.097	0.35%
1,250,000.000	GOLDMAN SACHS FRN Mat: 9/15/20 Cpn: 3.53% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/16/18 St Date: 3/20/18	38141GVQ4	1,270,962.50 577.17	1,270,852.50 1,717.98	(110.00)	101.668	0.36%
1,325,000.000	GOLDMAN SACHS FRN Mat: 12/27/20 Cpn: 3.11% 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	1,331,703.18 458.01	6,703.18	100.506	0.37%
1,585,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.77% Moody's: A3 S&P: A- Fitch: Tr Date: 11/8/17 St Date: 11/15/17	05348EBD0	1,585,000.00 0.00	1,584,524.50 9,387.94	(475.50)	99.970	0.45%
1,820,000.000	WELLS FARGO FRN Mat: 1/15/21 Cpn: 2.65% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 1/16/18 St Date: 1/23/18	94988J5M5	1,820,000.00 0.00	1,825,263.44 10,312.71	5,263.44	100.289	0.51%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
645,000.000	BB&T CORPORATION FRN Mat: 2/1/21 Cpn: 2.56% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/23/17 St Date: 10/26/17	05531FBA0	645,000.00 0.00	644,165.37 2,801.29	(834.63)	99.871	0.18%
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 2.88% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 3/2/17 St Date: 3/9/17	46647PAC0	1,330,000.00 0.00	1,334,088.42 2,232.12	4,088.42	100.307	0.37%
1,760,000.000	REGIONS BANK FRN Mat: 4/1/21 Cpn: 2.72% Moody's: Baa2 S&P: A- Fitch: BBB+ Tr Date: 1/23/18 St Date: 1/26/18	759187CC9	1,760,000.00 0.00	1,760,915.20 12,089.32	915.20	100.052	0.50%
1,235,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 2.65% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	1,235,000.00 0.00	1,239,988.17 6,102.17	4,988.17	100.404	0.35%
1,900,000.000	PACCAR FINANCIAL FRN Mat: 5/10/21 Cpn: 2.60% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/7/18 St Date: 5/10/18	69371RP34	1,900,000.00 0.00	1,904,138.20 7,136.93	4,138.20	100.218	0.54%
850,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 2.84% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	850,000.00 0.00	854,971.65 3,014.05	4,971.65	100.585	0.24%
1,270,000.000	UNITEDHEALTH GROUP FRN Mat: 6/15/21 Cpn: 2.59% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 6/14/18 St Date: 6/19/18	91324PDG4	1,270,000.00 0.00	1,272,297.43 1,281.21	2,297.43	100.181	0.36%
3,900,000.000	BANK OF AMERICA FRN Mat: 7/21/21 Cpn: 3.01% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 7/18/17 St Date: 7/21/17	06051GGN3	3,901,790.00 1,530.06	3,922,097.40 22,803.54	20,307.40	100.567	1.11%
640,000.000	WELLS FARGO FRN Mat: 7/23/21 Cpn: 2.85% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 7/16/18 St Date: 7/23/18	94988J5Q6	640,000.00 0.00	641,711.36 3,543.01	1,711.36	100.267	0.18%
1,350,000.000	CATERPILLAR FINANCIAL FRN Mat: 9/7/21 Cpn: 2.60% Moody's: A3 S&P: A Fitch: A Tr Date: 9/4/18 St Date: 9/7/18	14913Q2P3	1,350,000.00 0.00	1,351,150.20 2,337.13	1,150.20	100.085	0.38%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,250,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 9/10/21 Cpn: 2.59% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUJ6	1,250,000.00 0.00	1,250,723.75 1,886.40	723.75	100.058	0.35%
1,785,000.000	BANK OF AMERICA FRN Mat: 10/1/21 Cpn: 2.99% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	06051GGU7	1,785,000.00 0.00	1,796,266.92 13,479.31	11,266.92	100.631	0.51%
377,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 3.53% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	377,000.00 0.00	381,982.06 2,696.68	4,982.06	101.322	0.11%
753,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 3.27% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/3/17 St Date: 10/5/17	949746SP7	760,805.82 1,714.72	761,620.34 3,349.43	814.52	101.145	0.21%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 3.28% 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	1,337,638.19 2,542.45	7,638.19	100.574	0.38%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 3.30% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00 0.00	1,342,765.60 8,247.43	17,765.60	101.341	0.38%
2,000,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 2.70% Moody's: A1 S&P: A+ Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	2,010,180.00 564.72	2,015,358.00 6,887.71	5,178.00	100.768	0.57%
1,240,000.000	JPMORGAN CHASE FRN Mat: 6/18/22 Cpn: 2.95% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 6/11/18 St Date: 6/18/18	46647PAT3	1,240,000.00 0.00	1,243,207.88 1,319.66	3,207.88	100.259	0.35%
Total for Credit			68,878,822.22 101,909.34	69,040,824.72 264,114.79	162,002.50		19.44%

Mortgage-Backed

1,840,000.000	FHMS KP04 AG2 1MOFRN CMBS Mat: 10/25/19 Cpn: 2.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/15/17 St Date: 11/28/17	3137FBUW4	1,840,000.00 0.00	1,840,684.48 709.55	684.48	100.037	0.52%
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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,030,000.000	FMPRE 2017-KT01 A 1MOFRN CMBS Mat: 2/25/20 Cpn: 2.53% 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	3,035,293.41 1,278.76	5,293.41	100.175	0.85%
2,303,821.526	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 2.54% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	2,313,943.25 352.16	2,307,249.61 3,087.11	(6,693.64)	100.149	0.65%
4,903,409.944	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.68% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	4,921,031.57 2,073.20	4,928,280.04 8,762.39	7,248.47	100.507	1.38%
782,650.093	FHMS KI01 A CMBS 1MOFRN Mat: 9/25/22 Cpn: 2.27% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/19/18 St Date: 3/22/18	3137FEC81	783,016.96 1,399.40	783,006.98 296.59	(9.98)	100.046	0.22%
1,167,688.571	FHMS KI02 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 2.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/14/18	3137FGZN8	1,167,688.57 0.00	1,168,174.33 450.30	485.76	100.042	0.33%
Total for Mortgage-Backed			14,055,680.35 3,824.76	14,062,688.85 14,584.70	7,008.50		3.95%
Asset-Backed							
1,014,172.670	SDART 2018-3 A1 CAR Mat: 6/17/19 Cpn: 2.45% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 6/20/18 St Date: 6/27/18	80285GAA0	1,014,172.67 0.00	1,014,185.85 966.28	13.18	100.001	0.28%
1,029,683.023	JOHN DEERE 2018-B A1 EQP Mat: 8/15/19 Cpn: 2.54% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 7/18/18 St Date: 7/25/18	47788EAA6	1,029,683.02 0.00	1,029,767.46 1,015.09	84.43	100.008	0.29%
514,109.440	MERCEDES 2018-1 A1 CAR Mat: 8/15/19 Cpn: 2.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 7/17/18 St Date: 7/25/18	58772RAA2	514,109.44 0.00	514,123.84 469.84	14.40	100.003	0.14%
Total for Asset-Backed			2,557,965.13 0.00	2,558,077.15 2,451.21	112.01		0.72%
Grand Total			355,548,052.69 202,322.10	355,691,207.56 886,414.54	143,154.87		100.00%



CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2018

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												
26209BAA7	DRIVE AUTO RECEIVABLES TRUST	2.451	9/16/2019	1/15/2019	Aaa	1,500,000	1,500,000.000	.159	.159	2.659	.53%	1,500,000.00
80285GAA0	SANTANDER DRIVE AUTO RECEIVABLES TRUST 2018-3	2.450	6/17/2019	11/15/2018		176,891	176,879.020	.085	.084	2.490	.06%	176,891.83
80285MAA7	SANTANDER DRIVE AUTO RECEIVABLES TRUST 2018-4	2.413	8/15/2019	2/15/2019	Aaa	2,006,232	2,006,231.820	.176	.176	2.617	.71%	2,005,765.97
ASSET BACKED TOTALS							3,683,110.840					3,682,657.80
CASH												
06370REY1	BANK OF MONTREAL IN	2.270	11/2/2018	11/2/2018	P-1	8,000,000	8,000,815.840	.097	.095	2.259	2.83%	8,000,815.84
23341VJY8	DNB BANK ASA 3(A)2	2.200	10/29/2018	10/29/2018	A-1	7,000,000	7,000,236.580	.086	.084	2.211	2.47%	7,000,236.58
46640QM32	J P MORGAN SEC DIS D	0.000	12/3/2018	12/3/2018	P-1	7,000,000	6,971,824.950	.181	.179	2.456	2.46%	6,971,824.95
46640QKG5	J P MORGAN SECS DI D	0.000	10/16/2018	10/16/2018	P-1	6,000,000	5,994,487.520	.050	.049	2.489	2.12%	5,994,487.52
50000EK29	KOCH INDUSTRIES DI D	0.000	10/2/2018	10/2/2018	P-1	8,000,000	7,999,546.650	.011	.011	2.088	2.83%	7,999,546.65
55379WQK8	MUFG BANK LTD NY BR	2.110	10/15/2018	10/15/2018	F1	9,000,000	8,999,912.670	.047	.046	2.212	3.18%	8,999,912.67
63743DK42	NATIONAL RURAL DIS D	0.000	10/4/2018	10/4/2018	F1	9,000,000	8,998,462.460	.017	.016	2.113	3.18%	8,998,462.46
63743DKR1	NATIONAL RURAL DIS D	0.000	10/25/2018	10/25/2018	F1	4,450,000	4,443,384.320	.075	.073	1.985	1.57%	4,443,384.32
63873NMR9	NATIXIS NY INSTL C/	1.810	11/20/2018	11/20/2018	F1	9,000,000	8,993,833.380	.147	.144	2.260	3.18%	8,993,833.38
69372BKC3	PACCAR FINL CORP D D	0.000	10/12/2018	10/12/2018	A-1	9,000,000	8,994,334.960	.039	.038	2.154	3.18%	8,994,334.96
71112KK42	PEOPLES GAS LGT DI D	0.000	10/4/2018	10/4/2018	F2	6,000,000	5,998,875.000	.017	.016	2.317	2.12%	5,998,875.00
87019VNC7	SWEDBANK (SPARBANK)	2.230	10/10/2018	10/10/2018	A-1+	9,000,000	9,000,319.050	.033	.032	2.160	3.18%	9,000,319.05
NA9123459	US DOLLARS	2.261	10/1/2018		Agency	42,017,452	42,017,451.920	0.000	-	2.261	14.84%	42,017,451.92
USD120030	USD INTEREST RECEIVABLE	-				1,056,585	0.000	-	-	-	.37%	1,056,585.03
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(40,881,955)	(40,881,955.360)	-	-	-	(14.44%)	(40,881,955.36)
CASH TOTALS							92,531,529.940					93,588,114.97
MUNICIPALS												
50520PAA8	CITY OF LA VERNE CA	2.702	6/1/2019	6/3/2019	AA+	620,000	620,000.000	.675	.667	2.849	.22%	620,000.00
MUNICIPALS TOTALS							620,000.000					620,000.00
CASH & CASH EQUIVALENTS TOTALS							96,834,640.780					97,890,772.77
FIXED INCOME												
AGENCIES												
3136G4TH6	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.320	1/30/2020	1/30/2020	Agency	6,000,000	6,004,754.550	1.339	.016	2.567	2.11%	5,985,396.78
AGENCIES TOTALS							6,004,754.550					5,985,396.78
ASSET BACKED												
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	11/15/2018		577,232	577,232.100	.088	.087	2.265	.20%	577,092.76
65474VAN1	NISSAN MASTER OWNER TRUST RECEIVABLES	2.588	4/15/2022	4/15/2020	Aaa	5,000,000	5,021,443.610	1.547	.049	2.484	1.77%	5,019,294.00
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.478	10/17/2022	10/15/2020	Aaa	5,125,000	5,125,000.000	2.047	.048	2.545	1.81%	5,133,683.29
ASSET BACKED TOTALS							10,723,675.710					10,730,070.05
CMBS												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	2.502	4/25/2020	12/25/2019	Agency	3,008,266	3,008,820.690	.815	.074	2.472	1.06%	3,006,429.03
3136ANA98	FANNIE MAE-ACES	2.409	3/25/2019	3/25/2019	Agency	913,171	913,077.270	.226	.073	2.460	.32%	911,834.75
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	1,328,343	1,322,959.160	.942	.920	2.762	.47%	1,319,335.91

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2018

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)												
3136ANMF1	FANNIE MAE-ACES	2.327	11/25/2018	11/25/2018	Agency	422,159	422,105.440	.136	.073	1.465	.15%	422,024.77
31398GGH6	FANNIE MAE-ACES	4.001	1/25/2019	1/25/2019	Agency	21,602	21,672.510	.303	.299	2.988	.01%	21,611.87
3136AJ6Z4	FANNIE MAE-ACES	2.034	3/25/2019	3/25/2019	Agency	258,651	258,177.530	.329	.325	2.523	.09%	257,897.93
3136A4M97	FANNIE MAE-ACES	2.430	1/25/2019	1/25/2019	Agency	73,221	73,213.140	.230	.227	2.573	.03%	73,080.79
31398MC46	FANNIE MAE-ACES	4.450	9/25/2019	9/25/2019	Agency	436,090	440,168.790	.908	.878	3.179	.16%	439,828.03
31398F2N0	FANNIE MAE-ACES	4.287	7/25/2019	7/25/2019	Agency	526,515	528,887.990	.539	.525	3.390	.19%	527,596.26
3137AQVW5	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.086	3/25/2019	2/25/2019	Agency	1,750,000	1,745,313.560	.288	.284	2.653	.62%	1,744,801.45
3137ANMN2	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.220	12/25/2018	11/25/2018	Aaa	4,662,745	4,659,437.020	.122	.120	2.495	1.64%	4,654,356.44
3137AL6V6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.323	10/25/2018	10/25/2018	Aaa	1,194,441	1,194,560.410	.075	.073	2.494	.42%	1,192,437.43
31398E2E3	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	5.053	1/25/2019	1/25/2019	Agency	421,034	423,981.930	.153	.151	2.461	.15%	421,288.97
3137FBUW4	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.281	10/25/2019	10/25/2019	Agency	3,830,000	3,831,440.080	1.089	.073	2.453	1.35%	3,830,409.43
CMBS TOTALS							18,843,815.520					18,822,933.06
CMOS												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	2.571	1/8/2020	1/8/2020	Aaa	2,364,565	2,369,746.650	.858	.101	2.601	.84%	2,367,995.94
CMOS TOTALS							2,369,746.650					2,367,995.94
CORPORATES												
0258M0DL0	AMERICAN EXPRESS CREDIT CORP	2.887	3/18/2019	3/18/2019	A2	5,678,000	5,689,515.250	.475	.220	2.517	2.01%	5,688,947.18
0258M0DU0	AMERICAN EXPRESS CREDIT CORP	3.041	5/26/2020	5/26/2020	A2	2,000,000	2,013,731.180	1.578	.166	2.655	.71%	2,015,771.14
06051GFE4	BANK OF AMERICA CORP	3.207	4/1/2019	4/1/2019	A-	3,100,000	3,110,052.360	.514	.260	2.443	1.10%	3,112,944.52
06051GFD6	BANK OF AMERICA CORP	2.650	4/1/2019	4/1/2019	A-	5,000,000	4,999,815.660	.508	.494	2.635	1.77%	5,000,359.25
06051GGU7	BANK OF AMERICA CORP	2.987	10/1/2021	10/1/2021	A-	2,300,000	2,305,544.870	2.008	.264	2.795	.82%	2,313,846.00
05531FAR4	BB&T CORP	3.003	2/1/2019	2/1/2019	A2	7,000,000	7,012,602.070	.267	.092	2.509	2.48%	7,009,972.55
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	3.024	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	.467	.217	2.408	.57%	1,604,859.79
07330NAL9	BRANCH BANKING & TRUST CO	1.450	5/10/2019	5/10/2019	A1	4,000,000	3,971,068.860	.617	.602	2.587	1.40%	3,972,322.20
140420NE6	CAPITAL ONE BANK USA NA	2.150	11/21/2018	11/21/2018	BBB+	8,000,000	7,997,593.860	.147	.146	2.499	2.82%	7,995,680.00
17325FAK4	CITIBANK NA	2.647	10/20/2020	10/20/2020	A+	2,000,000	2,000,000.000	2.061	.067	2.702	.71%	2,001,728.00
17401QAD3	CITIZENS BANK NA/PROVIDENCE RI	2.500	3/14/2019	3/14/2019	BBB+	5,345,000	5,342,406.550	.461	.442	2.705	1.89%	5,339,941.55
31677QBL2	FIFTH THIRD BANK/CINCINNATI OH	2.589	10/30/2020	10/30/2020	A-	1,000,000	999,993.320	2.011	.087	2.703	.35%	999,692.03
31677QBB4	FIFTH THIRD BANK/CINCINNATI OH	2.375	4/25/2019	4/25/2019	A-	2,185,000	2,181,513.630	.575	.559	2.680	.77%	2,181,194.87
38148LAB2	GOLDMAN SACHS GROUP INC/THE	3.507	4/23/2020	4/23/2020	A3	2,000,000	2,022,205.980	1.486	.078	2.737	.72%	2,025,399.70
49326EEE9	KEYCORP	2.300	12/13/2018	12/13/2018	BBB+	8,298,000	8,295,510.600	.208	.195	2.428	2.93%	8,295,177.19
61746BEH5	MORGAN STANLEY	3.119	2/14/2020	2/14/2020	A3	2,000,000	2,002,988.210	.381	.128	2.599	.71%	2,004,718.58
61746BDN3	MORGAN STANLEY	3.192	1/24/2019	1/24/2019	A3	5,494,000	5,504,017.190	.322	.071	2.538	1.95%	5,507,350.42
69353RFD5	PNC BANK NA	2.682	5/19/2020	5/19/2020	A	2,000,000	2,004,954.370	1.644	.144	2.596	.71%	2,006,304.20
94988J5S2	WELLS FARGO BANK NA	2.640	3/25/2020	3/25/2020	AA-	1,000,000	1,000,000.000	1.403	.017	2.688	.35%	1,000,141.08
CORPORATES TOTALS							70,053,513.960					70,076,350.25

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2018



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)												
MORTGAGES												
3138L6SH2	FANNIE MAE POOL	2.320	5/1/2019	5/25/2019	Agency	2,294,288	2,288,418.870	.654	.635	2.772	.81%	2,284,550.94
MORTGAGES TOTALS							2,288,418.870					2,284,550.94
MUNICIPALS												
70914PPD8	COMMONWEALTH OF PENNSYLVANIA	4.050	7/15/2019	7/15/2019	Aa3	3,000,000	3,029,202.750	.797	.774	2.807	1.07%	3,029,100.00
797299LQ5	SAN DIEGO PUBLIC FACILITIES FINANCING AUTHORITY	2.568	10/15/2018	10/15/2018	AA-	1,000,000	1,000,000.000	.047	.046	2.592	.35%	999,980.00
68608KLD8	STATE OF OREGON	4.875	10/1/2018	10/1/2018	AA+	675,000	674,999.970	.008	.008	4.761	.24%	675,000.00
MUNICIPALS TOTALS							4,704,202.720					4,704,080.00
SOVEREIGN DEBT												
458182DX7	INTER-AMERICAN DEVELOPMENT BANK	1.000	5/13/2019	5/13/2019	AAA	5,000,000	4,955,222.640	.625	.611	2.604	1.75%	4,950,580.00
459058EV1	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.250	7/26/2019	7/26/2019	AAA	5,000,000	4,948,874.300	.828	.811	2.604	1.75%	4,944,860.00
459058GK3	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	2.380	8/21/2020	8/21/2020	AAA	4,855,000	4,856,129.700	1.900	.021	2.429	1.72%	4,855,873.90
459058ER0	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.000	10/5/2018	10/5/2018	AAA	3,020,000	3,019,577.200	.019	.019	1.558	1.07%	3,019,667.80
SOVEREIGN DEBT TOTALS							17,779,803.840					17,770,981.70
US TREASURIES												
912828P53	UNITED STATES TREASURY NOTE/BOND	.750	2/15/2019	2/15/2019	Govt	8,500,000	8,453,145.080	.380	.379	2.333	2.99%	8,449,199.24
912828L81	UNITED STATES TREASURY NOTE/BOND	.875	10/15/2018	10/15/2018	Govt	20,000,000	19,989,843.750	.046	.046	1.962	7.06%	19,991,108.00
912828T83	UNITED STATES TREASURY NOTE/BOND	.750	10/31/2018	10/31/2018	Govt	24,000,000	23,973,965.570	.090	.089	1.932	8.47%	23,974,482.00
US TREASURIES TOTALS							52,416,954.400					52,414,789.24
FIXED INCOME TOTALS							185,184,886.220					185,157,147.96
PORTFOLIO TOTALS							282,019,527.000					283,047,920.73

WELLS CAPITAL - OPERATING FUND
SEPTEMBER 30, 2018

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
ALLSTATE CORP	ALL	020002BE0	US020002BE09	020002BE0	0.28%	\$801,142.14
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0EK1	US0258M0EK14	0258M0EK1	0.35%	\$1,003,016.33
AMERICAN HONDA FINANCE CORP	HNDA	02665WBJ9	US02665WBJ99	02665WBJ9	0.71%	\$2,021,168.57
AMXCA 132 A	AMXCA	02582JGG9	US02582JGG94	02582JGG9	0.46%	\$1,291,461.73
AMXCA 141 A	AMXCA	02582JGN4	US02582JGN46	02582JGN4	0.35%	\$1,002,922.38
ANAHEIM CALIF REDEV AGY SUCCESSOR AGY TAX ALLOCATI	ANADEV	032564AN6	US032564AN61	032564AN6	0.25%	\$702,002.00
BANK OF AMERICA CORP	BAC	06051GFE4	US06051GFE44	06051GFE4	0.29%	\$830,072.51
BANK OF AMERICA CORP	BAC	06051GFD6	US06051GFD60	06051GFD6	0.58%	\$1,646,648.25
BANK OF AMERICA NA	BAC	06050TMH2	US06050TMH22	06050TMH2	0.35%	\$1,002,882.08
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CP4	US084664CP42	084664CP4	0.82%	\$2,314,834.53
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91	07330NAL9	0.61%	\$1,732,848.89
Cafco, LLC	C	1247P3MD1	US1247P3MD15	1247P3MD1	1.76%	\$4,975,901.65
Cash	---	CCYUSD	---	CCYUSD	-23.34%	-\$65,999,855.40
CATERPILLAR FINANCIAL SERVICES CORP	CAT	14912L6R7	US14912L6R76	14912L6R7	0.34%	\$947,967.74
CATERPILLAR FINANCIAL SERVICES CORP	CAT	14913Q2P3	US14913Q2P38	14913Q2P3	0.35%	\$1,002,585.21
CHAIT 145 A	CHAIT	161571GN8	US161571GN89	161571GN8	0.77%	\$2,180,835.70
CHEVRON CORP	CVX	166751AJ6	US166751AJ66	166751AJ6	0.88%	\$2,499,781.02
CITIBANK NA	C	17325FAM0	US17325FAM05	17325FAM0	0.44%	\$1,254,970.83
EXXON MOBIL CORP	XOM	30231GAP7	US30231GAP72	30231GAP7	0.71%	\$1,996,522.67
Exxon Mobil Corporation	XOM	30229BK22	US30229BK220	30229BK22	0.88%	\$2,499,416.10
FEDERAL FARM CREDIT BANKS	FFCBND	313312DF4	US313312DF42	313312DF4	3.50%	\$9,889,680.00
FEDERAL FARM CREDIT BANKS	FFCBND	313312BT6	US313312BT63	313312BT6	1.40%	\$3,966,160.00
FEDERAL FARM CREDIT BANKS	FFCBND	313312LV0	US313312LV00	313312LV0	1.72%	\$4,877,150.00
FEDERAL HOME LOAN BANKS	FHLB	3133XU3G6	US3133XU3G68	3133XU3G6	0.36%	\$1,023,195.50
FEDERAL HOME LOAN BANKS	FHLBDN	313384DQ9	US313384DQ91	313384DQ9	1.75%	\$4,941,905.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G92B2	US3134G92B29	3134G92B2	1.94%	\$5,483,630.47
FEDERAL HOME LOAN MORTGAGE CORP	FREDN	313396AT0	US313396AT06	313396AT0	3.55%	\$10,031,501.80
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0G72	US3135G0G721	3135G0G72	0.84%	\$2,387,589.51
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMDN	313589K85	US313589K851	313589K85	14.13%	\$39,962,480.00
FIDELITY IMM:GOVT I	FIGXX	316175108	US3161751082	316175108	23.73%	\$67,114,006.18
FIFTH THIRD BANK	FITB	31677QBB4	US31677QBB41	31677QBB4	0.53%	\$1,502,740.49
FITAT 171 A2B	FITAT	31679RAC9	US31679RAC97	31679RAC9	0.32%	\$903,834.82
GENERAL DYNAMICS CORP	GD	369550BF4	US369550BF47	369550BF4	0.71%	\$2,020,819.00
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058FC2	US459058FC26	459058FC2	0.49%	\$1,397,087.92
JPMORGAN CHASE BANK NA	JPM	48125LRQ7	US48125LRQ76	48125LRQ7	0.71%	\$2,007,504.00
Kaiser Foundation Hospitals	KPERM	48306BKH7	US48306BKH77	48306BKH7	0.88%	\$2,496,829.38
LOS ANGELES CALIF	LOS	544351MK2	US544351MK20	544351MK2	1.30%	\$3,690,147.82
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	LOSGEN	544587K49	US544587K492	544587K49	0.74%	\$2,096,653.55
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAE0	US55279HAE09	55279HAE0	0.35%	\$1,003,009.22
MUFG UNION BANK NA	UNBC	90520EAF8	US90520EAF88	90520EAF8	0.36%	\$1,006,293.50
NAROT 17B A2B	NAROT	65478GAC4	US65478GAC42	65478GAC4	0.49%	\$1,381,368.44
National Securities Clearing Corporation	DEPTCC	63763QQR1	US63763QQR10	63763QQR1	1.75%	\$4,937,329.15
Old Line Funding, LLC	OLDLLC	67983UL92	US67983UL929	67983UL92	0.88%	\$2,493,495.83
Old Line Funding, LLC	OLDLLC	67983UN82	US67983UN826	67983UN82	1.41%	\$3,973,525.32
PNC BANK NA	PNC	69353REV6	US69353REV69	69353REV6	0.76%	\$2,162,234.21

WELLS CAPITAL - OPERATING FUND
SEPTEMBER 30, 2018

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
Receivable	---	CCYUSD	---	CCYUSD	0.02%	\$53,152.60
SACRAMENTO CALIF SUBN WTR DIST REV	SCRWTR	78607QAS4	US78607QAS49	78607QAS4	0.36%	\$1,007,590.72
TAOT 17D A2B	TAOT	89238KAC6	US89238KAC62	89238KAC6	0.66%	\$1,862,750.13
The Coca-Cola Company	KO	19121BKJ7	US19121BKJ79	19121BKJ7	0.88%	\$2,496,968.05
The Coca-Cola Company	KO	19121BNH8	US19121BNH86	19121BNH8	1.40%	\$3,971,325.00
Thunder Bay Funding, LLC	TBLLC	88602UKN9	US88602UKN99	88602UKN9	1.77%	\$4,992,660.00
Thunder Bay Funding, LLC	TBLLC	88602ULF5	US88602ULF56	88602ULF5	0.88%	\$2,492,533.33
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TEV3	US89236TEV35	89236TEV3	0.53%	\$1,510,653.83
TULARE CNTY CALIF PENSION OBLIG	TULGEN	899154AR9	US899154AR99	899154AR9	0.52%	\$1,463,651.43
UNITED STATES TREASURY	B	912796NZ8	US912796NZ81	912796NZ8	21.20%	\$59,965,920.00
UNITED STATES TREASURY	B	912796QB8	US912796QB86	912796QB8	16.26%	\$45,992,226.00
UNITEDHEALTH GROUP INC	UNH	91324PDG4	US91324PDG46	91324PDG4	0.53%	\$1,503,854.92
UNIVERSITY CALIF REVS	UNVHGR	91412HBF9	US91412HBF91	91412HBF9	0.39%	\$1,108,338.00
US BANK NA	USB	90331HNE9	US90331HNE98	90331HNE9	0.32%	\$902,640.16
VALET 181 A2B	VALET	92868LAC5	US92868LAC54	92868LAC5	1.06%	\$3,003,189.01
WALMART INC	WMT	931142EH2	US931142EH28	931142EH2	0.71%	\$2,011,045.70

Disclaimer, Glossary, and Notes

WE HAVE PREPARED THIS REPORT (THIS “REPORT”) FOR SOLE BENEFIT OF THE INTENDED RECIPIENT (THE “RECIPIENT”).

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE “FORWARD-LOOKING STATEMENTS,” WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECT,” “AIM,” “ANTICIPATE,” “TARGET,” “PROJECT,” “ESTIMATE,” “INTEND,” “CONTINUE” OR “BELIEVE,” OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

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. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

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 | September 2018

Portfolio review

CalOptima

Presented by:

Tony Melville, CFA, Senior Portfolio Manager

Stephen Scharre, CFA, Client Relations Director

Gary Schlossberg, Senior Economist



Table of contents

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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

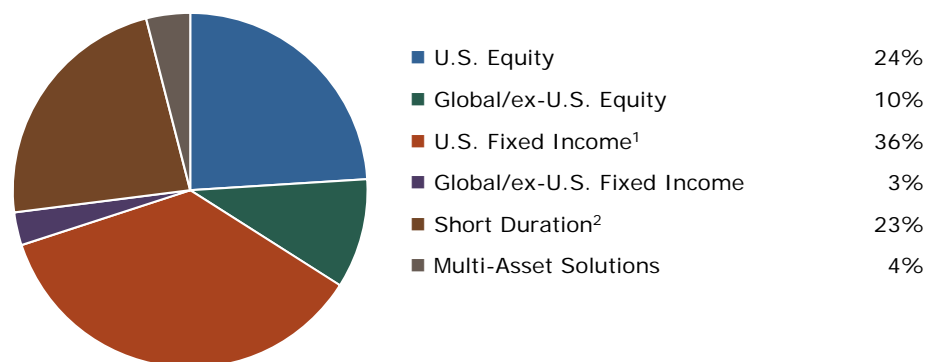
Enduring client relationships are cultivated by being client-centric, not product-centric.

Wells Capital Management

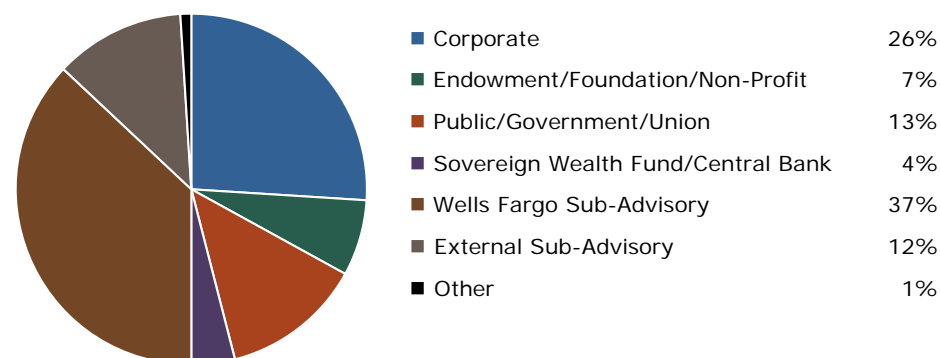
WellsCap profile

- Established in 1996
- AUM in excess of \$384 billion
- 28 independent investment teams
- Over 1,000 clients in more than 47 countries worldwide
- 485 investment professionals with an average firm tenure of 10 years
- Signatory to the Principles for Responsible Investment

Assets under management



Assets by clients



As of June 30, 2018. Total firm assets under management are in excess of \$384B. All figures shown are in USD. The charts above excludes \$109B 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 \$275B. Total firm assets under management includes \$5B in Non-Discretionary AUM and Notional AUM.

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.

Source: Wells Capital Management.

Short Duration Fixed Income overview

WFAM Short Duration Fixed Income overview

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

- \$55.23 billion in assets under management¹ as of June 30, 2018
- 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 affiliate company, Wells Fargo Bank, N.A., affords us the resources, capital and stability essential to our ongoing commitment to this core business.

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

WFAM Short Duration Fixed Income investment team

Investment team



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



Andrew Greenberg, CFA
Senior Portfolio Manager
Short Duration Team Lead
Entered industry: 1986
Joined firm: 2002



Anthony J. Melville, CFA
Senior Portfolio Manager
Corporates
Entered industry: 1993
Joined firm: 1994



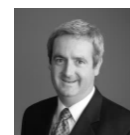
Dean Meddaugh, CFA
Senior Portfolio Manager
ABS, MBS & CMBS
Entered industry: 1994
Joined firm: 2004



Raymond M. Wong
Senior Portfolio Manager
Municipals
Entered industry: 1980
Joined firm: 2002



James Rutzen, CFA, FRM
Senior Portfolio Manager
Municipals/Crossover
Entered industry: 1986
Joined firm: 1996



Travis Dugan, CFA
Senior Portfolio Manager
Governments & Corporates
Entered industry: 1997
Joined firm: 2011



Janat Ibraev, CFA
Portfolio Manager
Corporates
Entered industry: 1994
Joined firm: 2015



Jonathan Buenaventura
Portfolio Manager
Money Market Securities
Entered industry: 2004
Joined firm: 2011



Henri Proutt
Associate Portfolio Manager
Corporates
Entered industry: 2008
Joined firm: 2011



George Hoch
Associate Portfolio Manager
Entered industry: 2011
Joined firm: 2015



Samuel Arocha
Repo Trader
Entered industry: 1989
Joined firm: 1989

Fixed Income portfolio specialists



Michael Rodgers
Senior Portfolio Specialist
Entered industry: 1992
Joined firm: 1992



Daniel Sarnowski
Portfolio Specialist
Entered industry: 2002
Joined firm: 2002



Tammy Ho
Portfolio Analyst
Entered industry in 2017
Joined firm: 2017

Firm-Wide Credit Research

Money Market Research



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



Jamie Newton, CFA
Co-Head of Global Credit
Research
Team of 11 Analysts



Duncan Warwick-Champion
Co-Head of Global Credit
Research
Team of 10 Analysts



Thomas Stoeckmann
Head of Municipal
Credit Research
Team of 12 Analysts

Global Credit Research Platform Resources

Municipal Credit Research

Additional firm-wide fixed income resources

U.S. High Yield

Non-U.S. High Yield

Structured Products Research

Quantitative & Applied

Macro / Economic

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WellsCap Fixed Income research resources

Global Credit Research –74 Investment professionals

Corporate Research Analysts – 45 Total

Ambreesh Bansal, CFA Capital Goods, Transportation	Brian Barry, CFA Lodging, Retail	Alex Basman, CFA Chemicals, Healthcare	Marianne Beyer, CFA Capital Goods, European, Paper, Packaging	James Brown, CFA Cable/Satellite TV, Technology, Telecom, REITS	Matthew Cox, CFA Healthcare, Insurance, Pharmaceuticals
Henry Craik-White Industrials	Paul Davey, CFA Energy, Infrastructure, Transportation, Utilities	Dominic Delia Utilities	Scott Dreier, CFA Environmental, Utilities	James Fitzpatrick, CFA Media, Telecom, Technology	Stephane Fieeve Industrials
Ali Gardo, CFA Chemicals, Consumer Products, Tobacco	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 Building Products, Energy, Homebuilders
Kevin Maas, CFA Autos, Banks & Thrifts, Healthcare	Michael Mallardi Air & Rail, Commodities, Specialty Finance	Jodi McGlynn Lodging, REITs, Retailers	Robert McHenry Consumer Products, Food & Drug, Retail	Cristiano Mela Construction, Metals & Mining	Nashat Moin ESG
Robert Montague Financials	David Moon, CFA Autos, Food	Mike Murphy TMT, HY Industrials	Henry Naah Cable/Satellite TV, Technology, Telecom	Jamie Newton, CFA Co-Head of Credit Research	Cheryl Ngo Capital Goods, Environmental, Leisure, Restaurants, Services
Oscar Olivas, CFA Energy, Insurance	Manola Perrone Infrastructure, Utilities	Steve Pfeiffer Gaming, Hotels, Media, Utilities	Bridget Powers Banks, Brokers, Energy, Utilities	Satish Pulle Financials	Maya Sarda Consumer Products, Food & Drug, Retail
Mike Shinnars, CFA Banks, Sovereigns	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 – 15 Total

Elizabeth Alm, CFA Education, Special Tax	Jed Bruss, CFA Education, GOs	Ed Clayton Money Markets	Dennis Derby GOs, High Yield, Resource Recovery	Luke Hammer GOs, Transportation, Water	Ladson Hart Money Markets
Kerry Laurin, CFA Electric, GOs, IDR, PCR	Kim Nakahara Education, GOs, Water	Brandon Pae GOs, Healthcare, Tobacco	Michi Rives GOs, Leasing, Water	Francisco San emeterio GOs, Water	Todd Sisson GOs, Healthcare
Gilbert Southwell Housing, Special Tax, Structured	David Statham Money Markets	Thomas Stoeckmann Charter Schools, Transportation			

Structured Products – 14 Total

Sasha Bessonova, CFA, FRM 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
Mike Shinnars, CFA Structured Products	Grace Wu CMBS				

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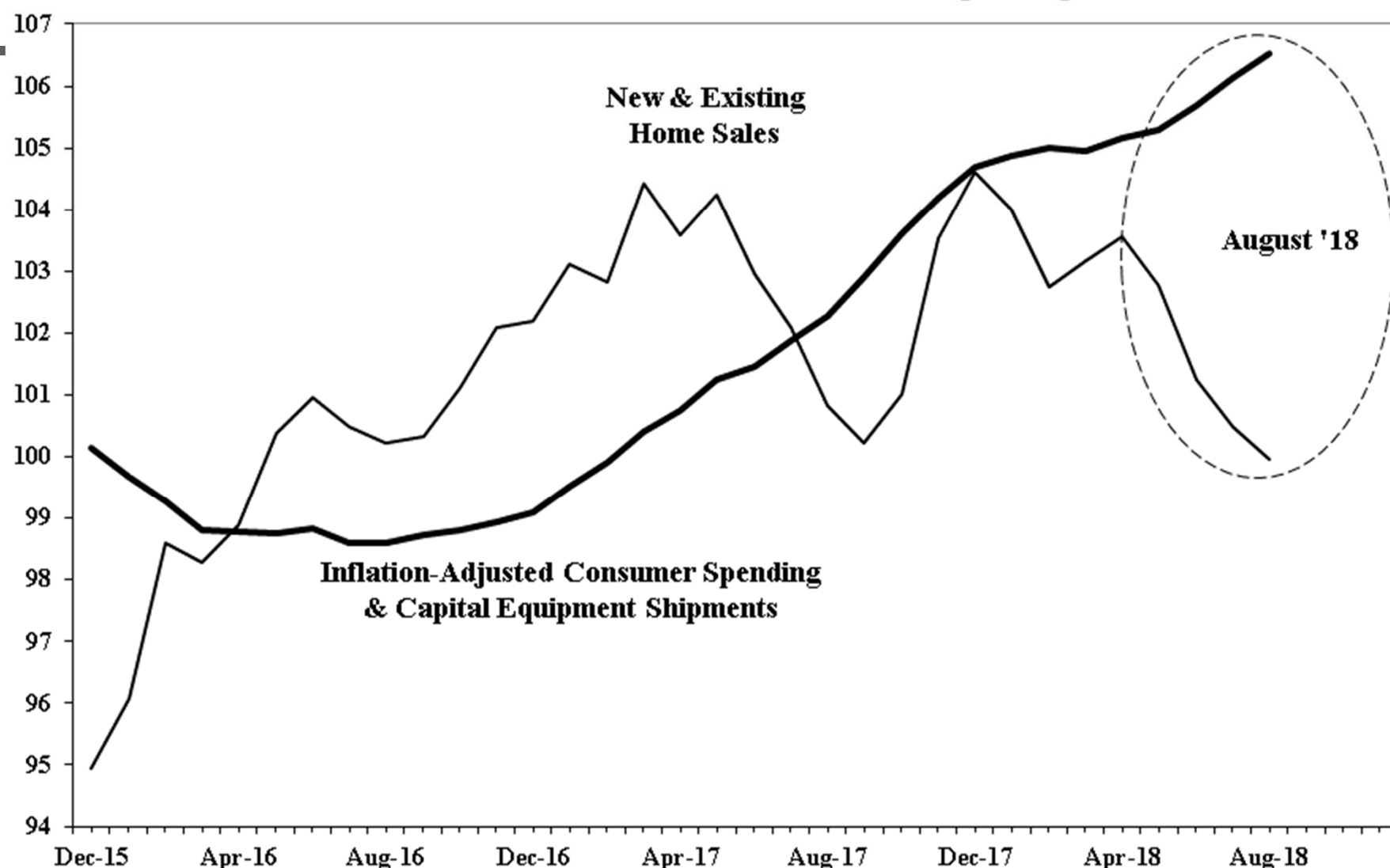
CalOptima

The Economic and Financial-Market Outlook Into 2020: *A Bumpy Transition From The Post-"Meltdown" Economy*

Gary Schlossberg, *Senior Economist*

A GROWTH CYCLE CENTERED INCREASINGLY ON CONSUMER AND INVESTMENT SPENDING

Index: December 2015=100; Three-Month Moving Averages



Housing has slowed most of this year after a remarkable long run of support during most of this growth cycle, apparently succumbing to pressure on "affordability" after years of sizable home-price increases and, perhaps, to the adverse effects of recent tax reform. Economic strength is centering increasingly on dominant consumer spending and business investment, chief beneficiaries of those tax cuts and supported by other late-cycle strengths. Still, narrowing support could leave the economy more vulnerable to the growth slowdown viewed by some as setting the stage for an early end to the round of rate hikes by the Fed sometime during the first half of next year.

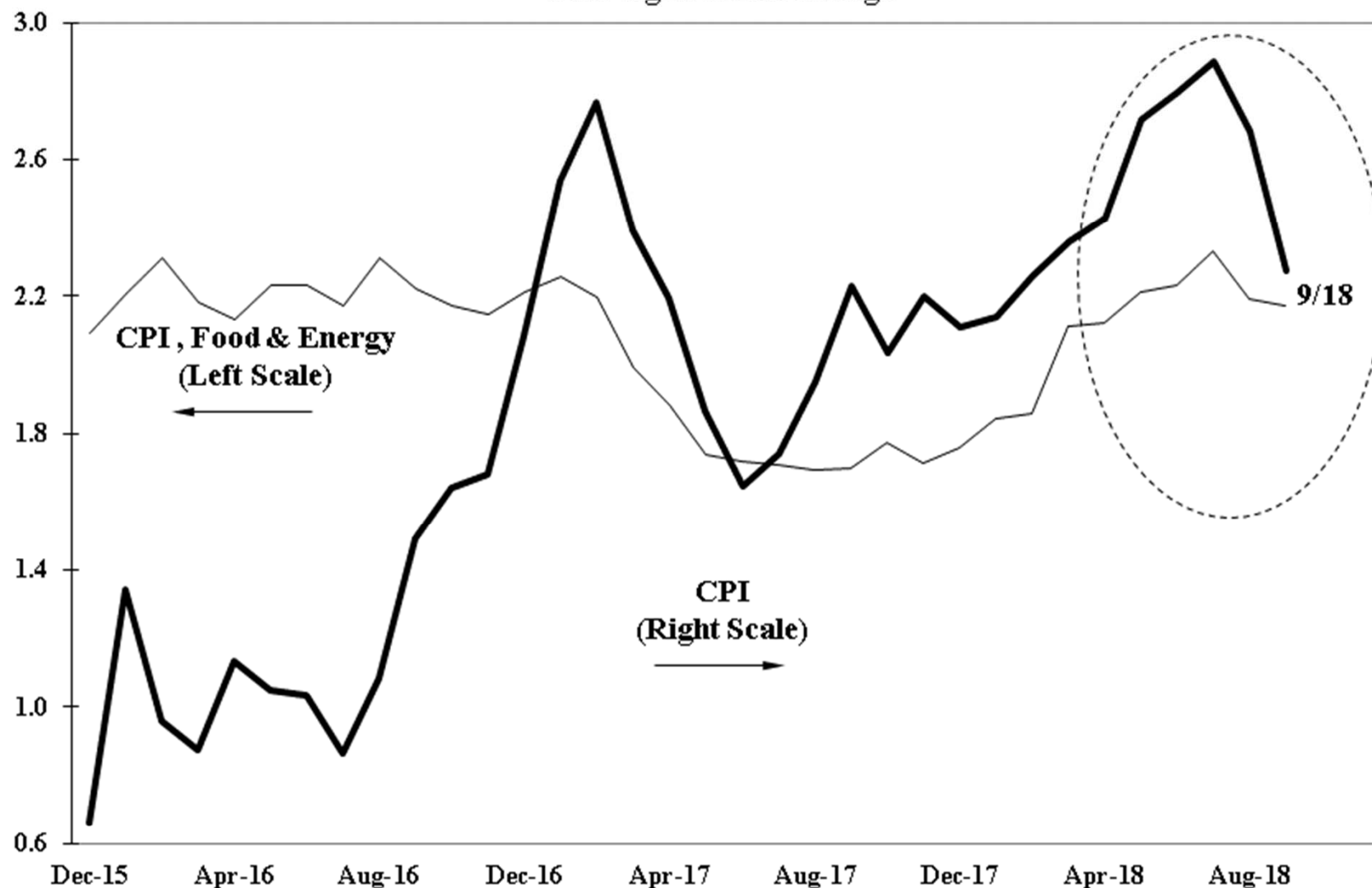
Sources: U.S. Commerce Department

BEHIND THE SHIFT TOWARD MORE MODERATE—BUT RESPECTABLE—ECONOMIC GROWTH IN 2019

- **Fiscal Stimulus Winds Down**
- **Tariffs And Rising Oil Costs Begin To “Bite”**
- **Even Modest Rate Increases Weigh On A More Interest-Sensitive Economy**
- **Ample Credit Becomes Less So In The Financial Market**

WILL ANOTHER BOUT OF "DISINFLATION" SIDETRACK INTEREST-RATE INCREASES?

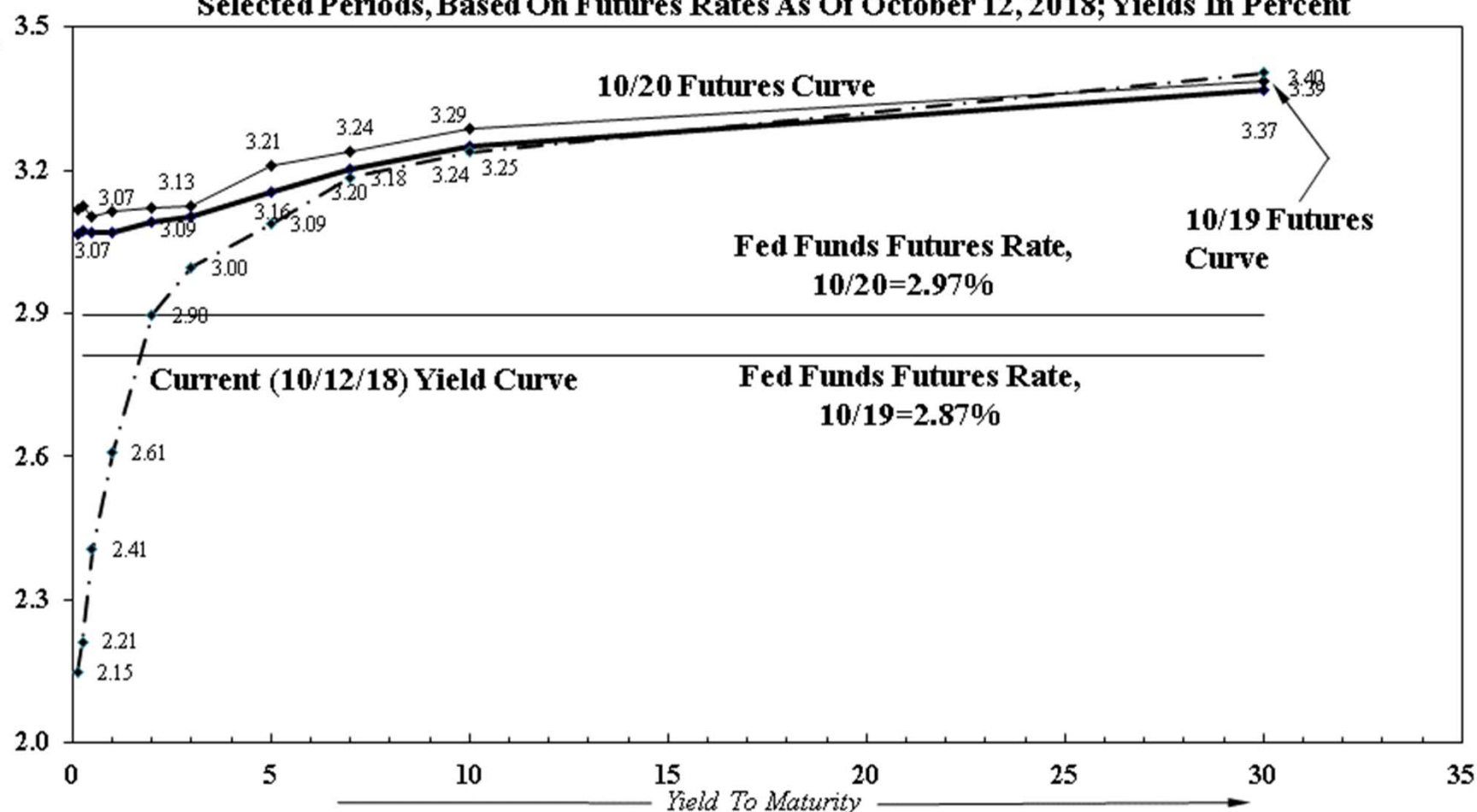
Year-Ago Percent Change



Overall and "core" consumer price inflation is rolling over again, in a milder version of the inflation's unexpected slowdown a year ago. Slowing inflation, amid dwindling excess capacity and a tightening labor market, is a reminder of the lingering adjustment to "disinflation" created, in part, by adjustment to the financial "meltdown" a decade ago. Low and declining inflation has been central to historically low interest rates fostering asset-price inflation and leveraging contributing to distortions and imbalances in the financial market, leaving asset markets vulnerable to heightened turbulence as interest rates move back in line with prevailing economic growth and inflation.

Source: U.S. Dep't Of Labor

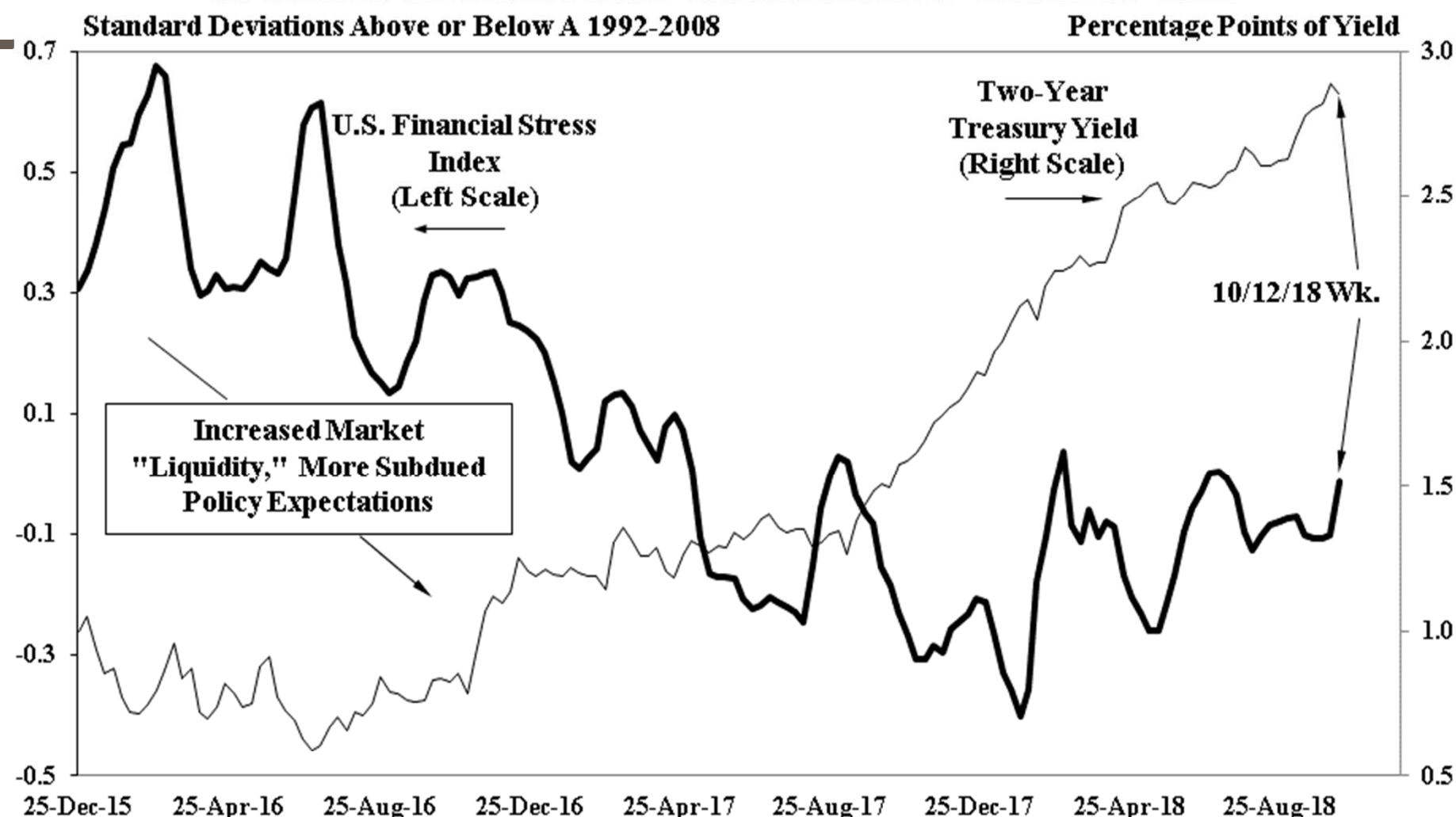
**A "HAWKISH" SPIN TO THE FED'S LATEST POLICY MEETING
SENDS LONGER-TERM, INFLATION-SENSITIVE RATES LOWER**
Selected Periods, Based On Futures Rates As Of October 12, 2018; Yields In Percent



"Hawkish" elements in the Fed's decision to raise interest rates an eighth time in this "up cycle" produced unexpected slippage in longer-term rates by lowering investors' inflation expectations a notch. Reinforcing removal of "accommodative" from the description of policy in the Fed's communique, the growing number of FOMC members anticipating a December rate hike and the multiple rate increases anticipated by policy makers into 2020 were signs of moderating economic growth and more subdued inflation. Fresh "safe haven" demand also may have contributed to rate declines last week from worries over a confrontation between the European Union and Italy over the country's budget proposal. At issue is whether the Fed will proceed with multiple rate increases amid more moderate growth and subdued inflation. More likely is a revival of inflation as growth continues to push up against a fully employed economy, allowing short- and long-term rates to converge in a so-called "flattening" of the Treasury yield curve (the path traced by interest rates at various maturities).

Source: Bloomberg Financial News, Inc.

**CREDIT CONDITIONS BECOMING LESS "EASY"
AS THE FED'S INTEREST-RATE "NORMALIZATION" BEGINS TO "BITE"**



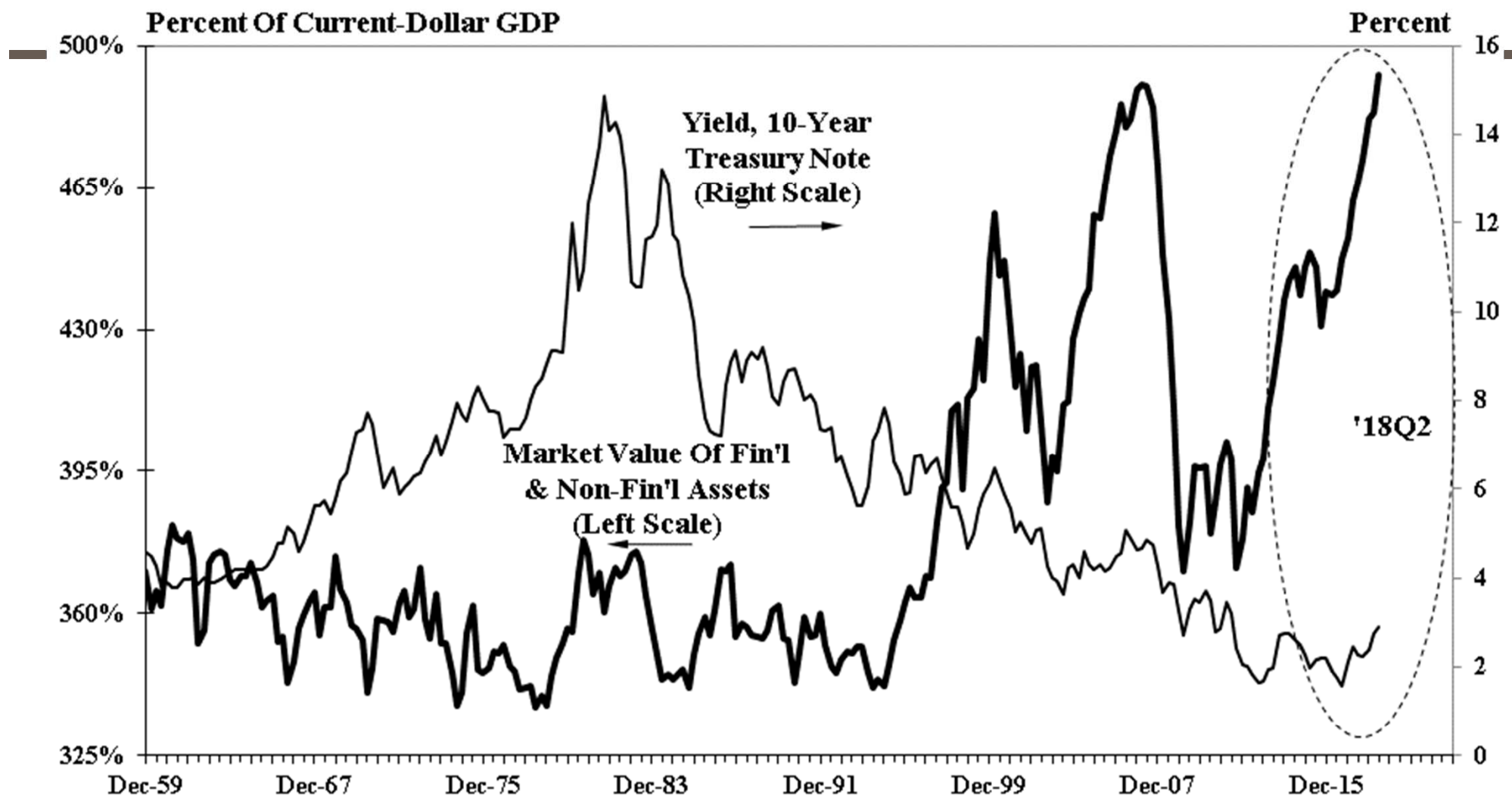
Multiple rate increases since December 2015 and bouts of heightened volatility finally have begun to gain traction this year after remaining unusually "easy" through the early stages of this interest-rate "up cycle." Several measures of financial stress (based on risk, funds flows and the cost of "shorting" the market) are at their least accommodative since July, though still "easy" enough to keep so-called quality spreads tight and, until recently, encourages a "reach for return" in riskier assets. The extent to which stress indexes tighten further likely will depend on the trajectory of interest rates, keyed, in turn to economic growth and inflation.

Source: BofA Merrill Lynch, Inc.; Federal Reserve Bank of New York

OUTLOOK RISKS

- **How Big A Threat From Trade Protectionism?**
- **“Systemic” Risks From Emerging-Market Contagion**
- **Navigating A Sea-Change In The Asset-Market Environment**
 - Rich, Increasingly Leveraged Asset Values Confront Less Stimulative Interest Rates*
 - Bracing For A Market-“Liquidity” Stress Test*
- **Post-Election Policy Uncertainties In A Divided Government**

**MORE VOLATILE, ELEVATED ASSET VALUES
DURING THE PAST DECADE'S PERIOD OF LOW AND DECLINING INTEREST RATES**



An extended, decade-long period of low and declining interest has created a more highly charged backdrop for financial assets. The secular decline in interest rates dating back to the early 1980s has fostered stock-like returns in the bond market, rfalling to levels low enough to encourage a reach for yield and return inflating asset values. Those same low interest rates translate to cheap funding costs encouraging portfolio leveraging, adding to the potential volatility of a highly charged financial market.

U.S. Federal Reserve Board; U.S. Commerce Department

WFAM– Disclosure

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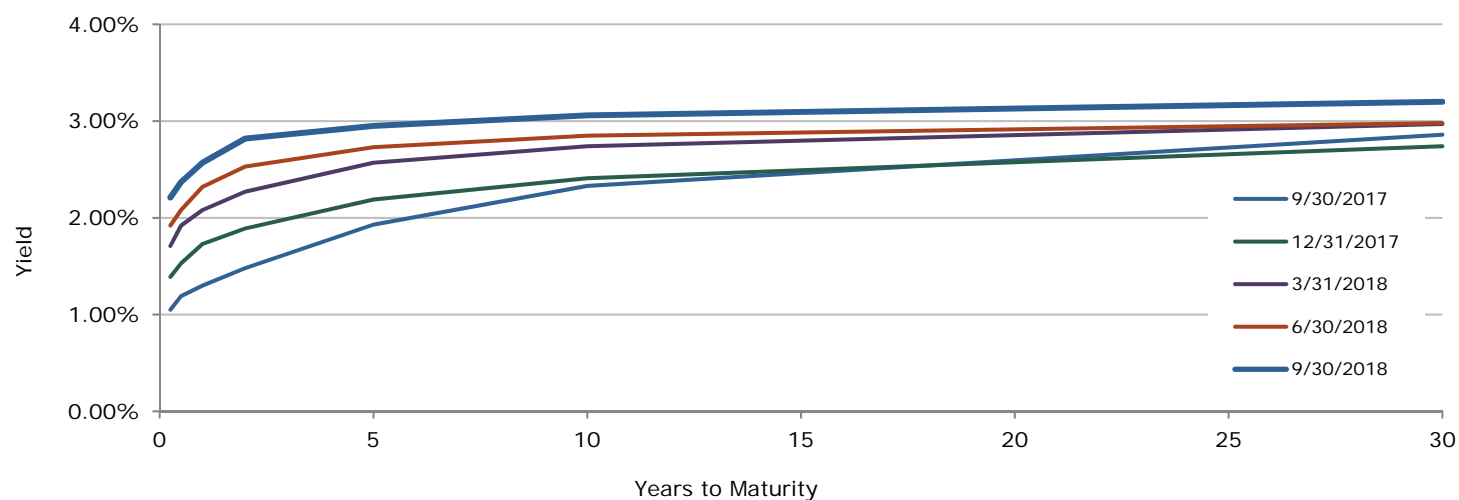
NOT FDIC INSURED – NO BANK GUARANTEE – MAY LOSE VALUE

Market overview

Short duration review

September 30, 2018

Treasury Yield Curve



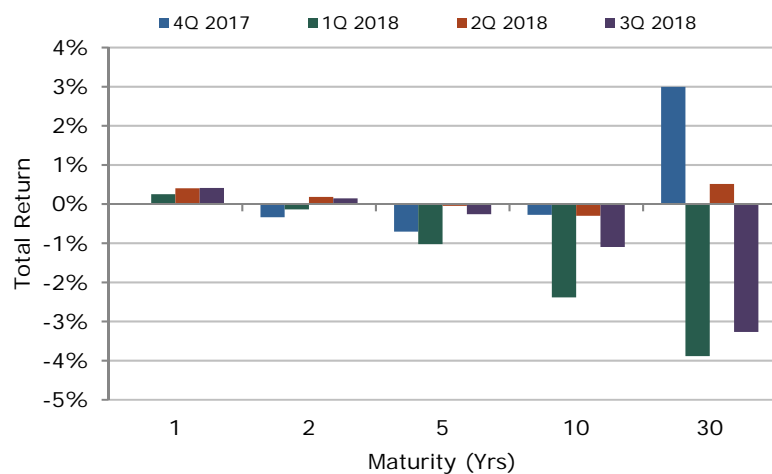
Treasury Yield Curve	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018
3 Month	1.05%	1.39%	1.71%	1.92%	2.21%
6 Month	1.19%	1.53%	1.92%	2.08%	2.37%
1 Year	1.30%	1.73%	2.08%	2.32%	2.57%
2 Year	1.48%	1.89%	2.27%	2.53%	2.82%
5 Year	1.93%	2.19%	2.57%	2.73%	2.95%
10 Year	2.33%	2.41%	2.74%	2.85%	3.06%
30 Year	2.86%	2.74%	2.97%	2.98%	3.20%

Source: Bloomberg Barclays

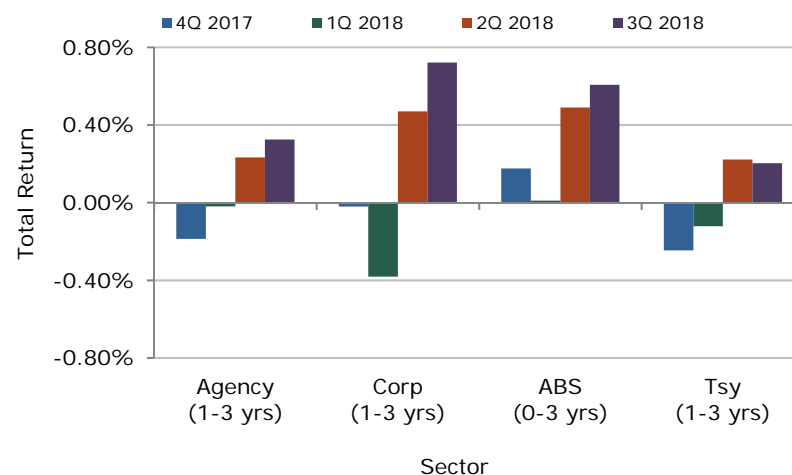
Short duration review

September 30, 2018

Total Return by Maturity



Total Return by Sector



Total Return by Maturity	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
1	0.25%	0.01%	0.25%	0.40%	0.41%
2	0.18%	-0.34%	-0.14%	0.18%	0.15%
5	0.25%	-0.71%	-1.03%	-0.05%	-0.26%
10	0.27%	-0.28%	-2.39%	-0.30%	-1.10%
30	0.32%	3.00%	-3.89%	0.51%	-3.27%

Total Return by Sector	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
Agency (1-3 yrs)	0.29%	-0.19%	-0.02%	0.23%	0.33%
Corporate (1-3 yrs)	0.61%	-0.02%	-0.38%	0.47%	0.72%
Asset Backed (0-3 yrs)	0.43%	0.18%	0.01%	0.49%	0.61%
Treasury (1-3 yrs)	0.24%	-0.25%	-0.12%	0.22%	0.20%

Source: Bloomberg Barclays, ICE BofAML

Economic summary

September 30, 2018

Growth:	Stronger growth reflects solid consumer sector
Employment:	labor market remains firm
Inflation:	core ticking higher
Monetary:	upside risk to the tightening path
Fiscal:	election-related uncertainty
International:	trade war still brewing, populism still stirring

Market summary & outlook – Enhanced cash

Market summary & outlook

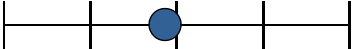


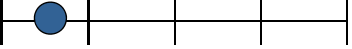
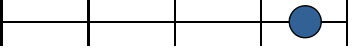


Sector	Target Allocation*	Comments:
Duration and Yield Curve		Enhanced cash strategies are positioned neutral to long benchmarks given the attractiveness of the very front-end of the yield curve.
Government related		Sovereign, Supranational and Foreign Agencies (SSAs) continue to offer value for high quality, constrained accounts. Agencies are fair, but bid/ask spreads remain wide for smaller issues. Limit investments to large, benchmark issues.
Corporate		The consumer is strong and supportive of corporate earnings but we are cautious on companies stretching their borrowing capacity at this point in the economic cycle. Portfolios are overweight financials and underweight non-financials. FRNs are attractive at new issue concessions.
Commercial Paper		Look for opportunities to invest in CP to early December or over year-end, where attractive and taking into consideration rhetoric for the possibility of an additional December rate hike. A-2/P-2 rated issuers with stable short-term credit outlooks remain attractive despite spread compression versus A-1/P-1 rated issuers.
ABS		ABS remains an attractive, high-quality, low-risk asset class with good liquidity. For portfolios with a lower risk tolerance, stay in the more liquid sectors such as bank credit cards and prime auto loans/leases and stay up in the credit structure. For those portfolios with a higher risk tolerance, consider subordinate tranches of prime auto deals, foreign credit card bank deals and select benchmark subprime issuers.
Municipals**		The SIFMA (floating-rate) index at 1.53% is 65% of 1-month LIBOR, close to the long-term average of 67%. Yields are at multi-year highs and inventories of short-dated notes (maturities less than 13-months) are elevated after heavy issuance in the late summer months. Municipals remain expensive for corporate taxpayers.

*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.

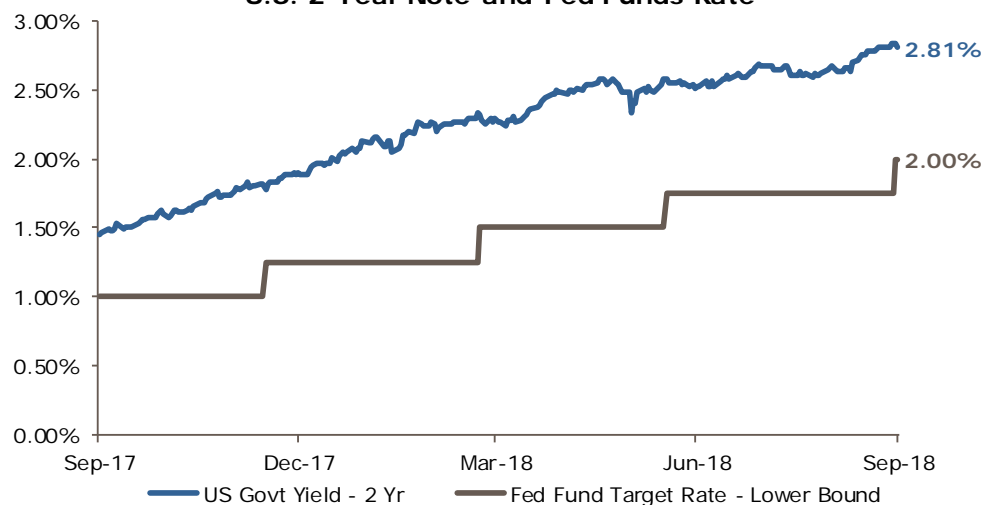
Market summary & outlook – Limited duration

Market summary & outlook

Sector	Underweight	Neutral	Overweight	Comments:
Duration and Yield Curve				Portfolios in the 1-3 year and 1-5 year strategies are -0.10 short their benchmark durations. Our base case is for one more rate hike in 2018 at the December meeting with additional hikes in 2019.
Government related				Sovereign, Supranational and Foreign Agencies (SSAs) continue to offer value for high quality or constrained accounts. Agencies are fair, but bid/ask spreads remain wide for smaller issues. Limit investments to large, benchmark issues.
Corporate				The consumer is strong and supportive of corporate earnings but we are cautious on companies stretching their borrowing capacity at this point in the economic cycle. Portfolios are overweight financials and underweight non-financials.
Agency CMO/MBS				With the Federal Reserve reducing mortgage reinvestments by \$20bn per month in the fourth quarter, this tapering should put pressure on mortgage spreads. Concerns over extension risk have led to a focus on 15-year sequential CMOs and seasoned 10- and 15-year mortgage pass-throughs.
ABS				ABS remains an attractive, high-quality, low-risk asset class with good liquidity. For portfolios with a lower risk tolerance, stay in the more liquid sectors such as bank credit cards and prime auto loans/leases and stay up in the credit structure. For those portfolios with a higher risk tolerance, consider subordinate tranches of prime auto deals, foreign credit card bank deals and select benchmark subprime issuers.
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. New issue supply in the front end will continue to be very limited.
Municipals				Higher municipal/Treasury ratios have made tax-exempt notes more attractive for the highest tax bracket but remain expensive for corporate taxpayers. Taxable securities are more attractive for crossover investors at current yield ratios. A weaker supply/demand technical may provide a more attractive entry point for tax-exempt investors.

Treasury and duration

U.S. 2 Year Note and Fed Funds Rate



Review & Commentary

- The 2 year Treasury Note yield moved higher in September. Currently, the 2 year note yields 2.81%. The 2s/5s curve has steepened 4 bps from the lowest level this past month and is currently at +13.
- The FOMC met on September 26 and, as expected, raised rates 25 bps to 2.00%-2.25%. Fed Funds futures implied probabilities are pricing in 74% probability of a 25 bps hike at the December 19 meeting.
- The Fed's balance sheet normalization program continues and holdings of both U.S Treasury and Agency Mortgage securities are gradually being reduced. As 2018 progresses, the impact of this program will increase.

U.S. 2s/5s Curve

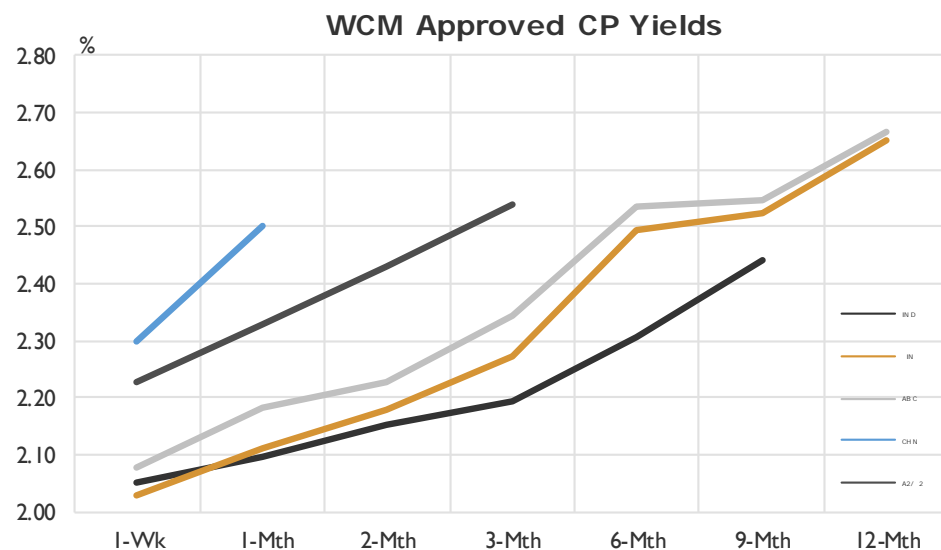


Strategy

- Portfolios in the 1-3 year and 1-5 year strategies are -0.10 short their benchmark durations. Our base case is for one more rate hike in 2018 at the December meeting with additional hikes in 2019.
- Enhanced cash strategies are positioned neutral vs benchmarks given the attractiveness of the front-end of the yield curve.
- The curve will remain relatively flat as the Fed tightens monetary policy, however, we have been reducing curve flattening positions.

Source: Factset, Wells Capital Management

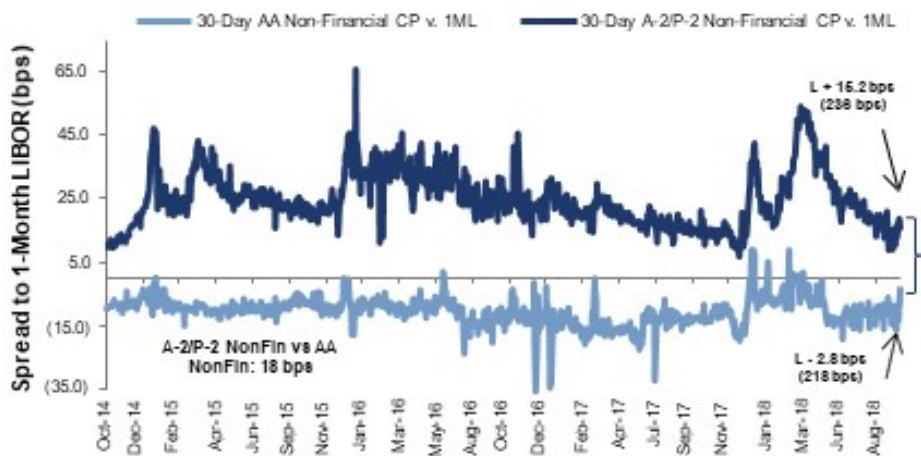
Money market instruments



Review & Commentary

- 3 month LIBOR finally saw an uptick after remaining range-bound since the end of March. Though a modest increase of 7 bps to 2.39% is still noteworthy, the LIBOR-OIS spread is lower by 3 bps and is currently 18 bps.
- There has been a steady compression in the spread between non-financial A-1/P-1 CP and A-2/P-2 CP since the wides seen at the end of the first quarter.
- Money market funds have been the most active buyers of the inaugural SOFR-linked floaters. Of the \$6.6bn SOFR-linked FRNs issued by Fannie Mae, Credit Suisse and Sheffield (Barclays ABCP), MMFs held \$4.5bn or 68% at the end of August. It is a point of note that the majority of MMFs participating are non-rated funds by S&P, though some rated funds have participated.

USCP Spread Differentials Declining

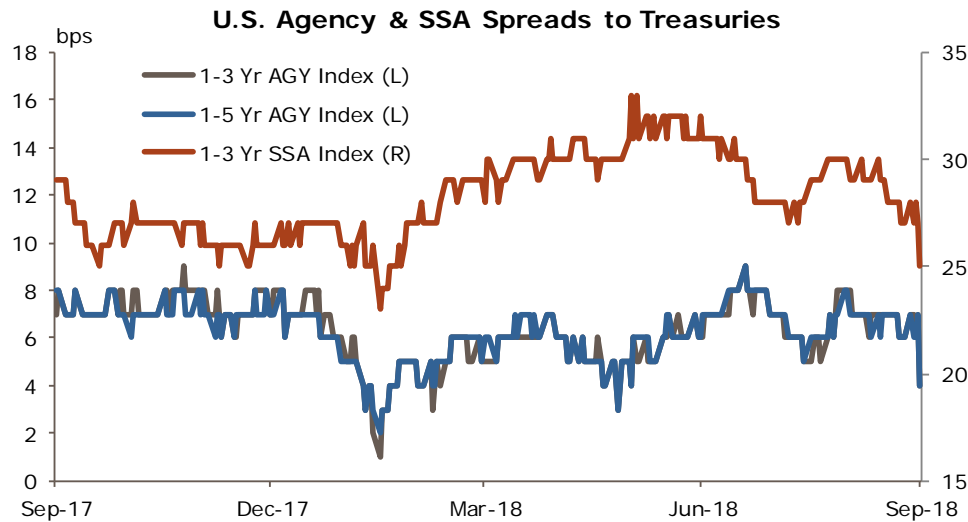


Strategy

- Following the expected Fed rate hike on September 26, look for opportunities to invest in CP to early December or over year-end, where attractive and taking into consideration rhetoric for the possibility of an additional December rate hike.
- With the continued rise of short-term rates and bear flattening of the yield curve, attractive opportunities exist in short corporate bonds, particularly FRNs which have exhibited better total return with less volatility than fixed rate.
- Select A-2/P-2 rated issuers with stable short-term credit outlooks remain attractive despite spread compression versus A-1/P-1 rated issuers. A-2/P-2 rated issuers are skewed toward industrial issuers.

Source: Goldman Sachs, Bloomberg, Wells Capital Management

U.S. agencies and sovereign, supranational, and foreign agencies (SSAs)



Review & Commentary

- SSAs are fairly valued and continue to represent value for high quality and constrained accounts. SSA yield spreads over Treasuries and Agencies of 18-26 bps can still represent value versus some industrial corporate bond issuers.
- U.S. Agency excess returns in September were +5 bps for the ICE BAML 1-3 year index and +6 bps for the 1-5 year index.
- Agencies are fairly valued. Bid/ask spreads remain wide for smaller issues.

Recent Sovereign, Supranational and Foreign Agency Trades

Description	Rating	Guarantee	Spread vs. TSY
None			

Recent U.S. Agency Trades

Description	Rating	Spread vs. TSY
FHLB 2.625% 10/01/2020	Aaa/AA+	+8*

*new issue purchases

Strategy

- U.S. Agency valuations range from fair to rich. Bid/ask spreads for off-the-run issues can be as wide as 6 bps. Limit investments to large, benchmark issues.
- FNMA sub-debt is less attractive at spreads of 13 bps over Treasuries.
- Implicitly guaranteed issuers are favored over explicitly guaranteed issuers for the additional yield advantage over Treasuries.
- SSAs shorter than 3 years do not benefit from roll-down in yield spreads to Treasuries. Index managers typically sell 1-year bonds, which makes 1-year and shorter secondary offerings the most attractive.

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

Asset-backed securities

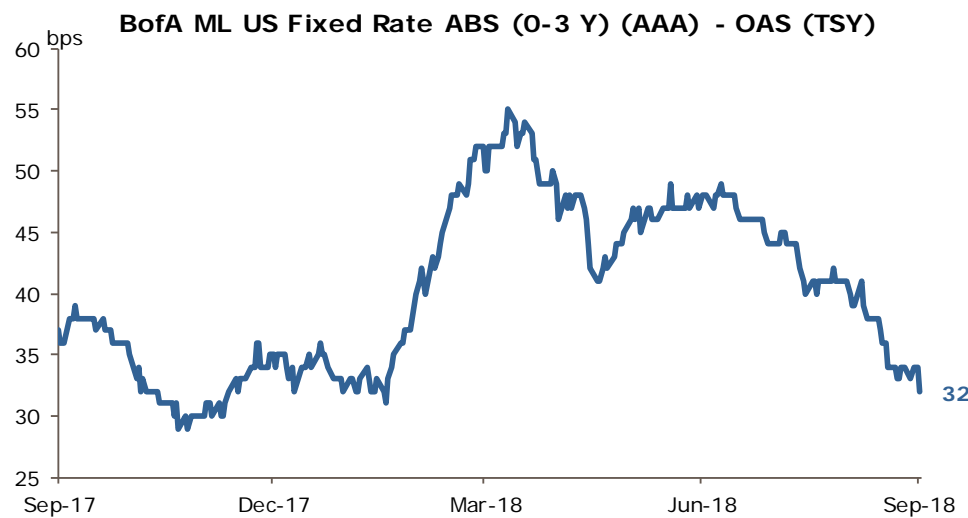


Exhibit 11: Post-Crisis AAA/A Spread Comparison



Source: YieldBook, Wells Fargo Securities, Factset, ICE BofA Merrill Lynch, Wells Capital Management

Review & commentary

- 2018 YTD issuance stands at \$180bn vs \$164bn YTD 2017. Auto ABS and Non-Flow ABS continue to dominate the calendar while Credit Card issuance is lagging. Auto ABS issuance and Non-Flow ABS issuance are up \$9bn and \$10bn respectively while Credit Card issuance is down \$9bn.
- Manheim Used Vehicle Index for August 2018 came in at 139.7 vs 136.9 last month marking a new all-time high. The latest reading is well above the 20 year long-term average of 122.8 and the recession low of 98.0 in December 2008.
- With spread differentials between single-A corporate and AAA ABS near historical lows, we recommend an overweight to ABS sector relative to the corporate sector. Consumers' leverage has steadily declined, while corporate leverage is higher. Move up in quality while maintaining liquidity and higher yields.
- Credit card ABS continues to exhibit strong fundamentals; delinquencies and charge-off rates are near historical lows.

Strategy

- Prime auto lease deals are the most attractive sub-sector in consumer ABS with an additional 10 bps in yield over prime auto loan deals. Residual risk is manageable given the latest Manheim Used Vehicle Index as well as the structural protections in deals.
- Canadian, UK, and US bank credit card issuers offer good value versus on-the-run prime auto loan issuers.
- Select benchmark subprime issuers provide incremental yield pickup with plenty of credit support and structural enhancements for protection against losses.
- Subordinated tranches offer value over the nearest weighted average life AAA senior bonds when picking 15 bps or more of incremental yield.

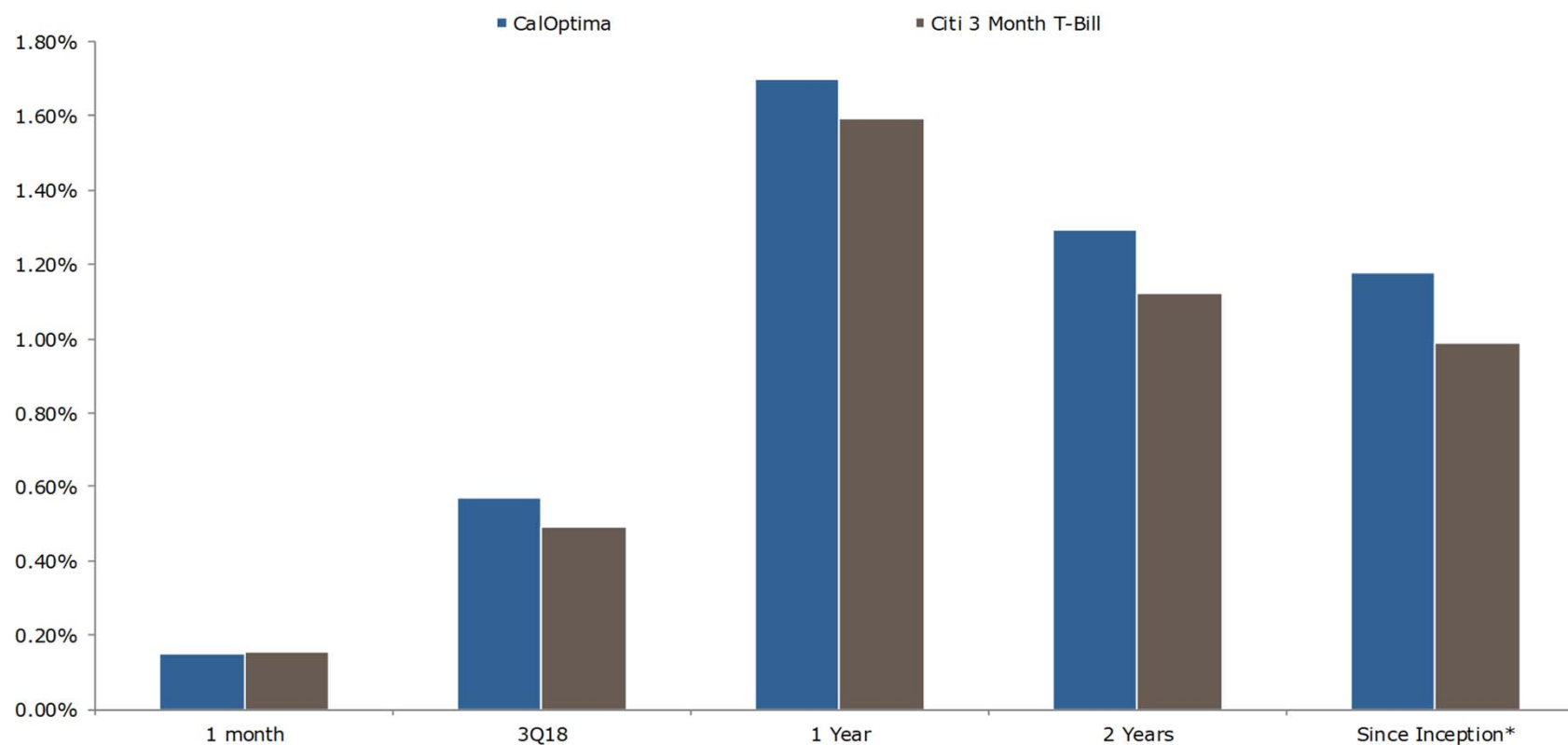
CalOptima

Performance summary

As of September 30, 2018

	1 month	3Q18	1 Year	2 Years	Since Inception*
CalOptima	0.15%	0.57%	1.70%	1.29%	1.18%
Citi 3 Month T-Bill	0.15%	0.49%	1.59%	1.12%	0.99%

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

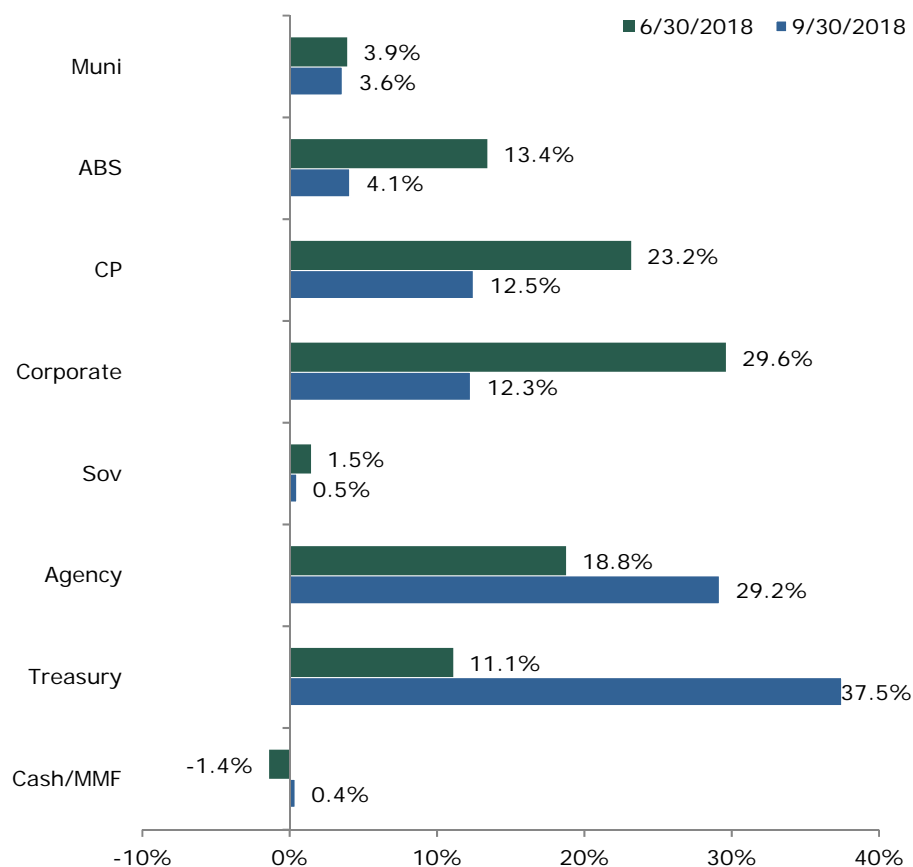


*Inception Date is May 3, 2016
Source: Clearwater

Portfolio changes

As of September 30, 2018

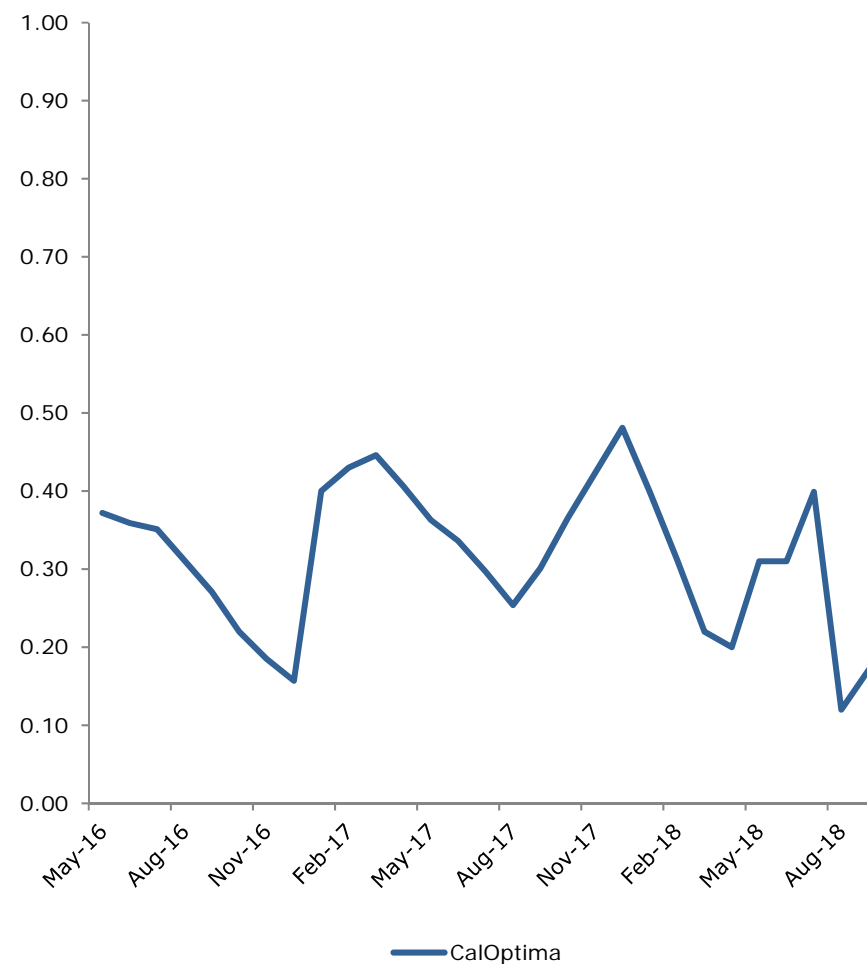
Allocation over time



	9/30/2018	6/30/2018	Change
Market Value	\$256,428,154	\$454,630,272	-\$198,202,118

Source: Clearwater

Duration



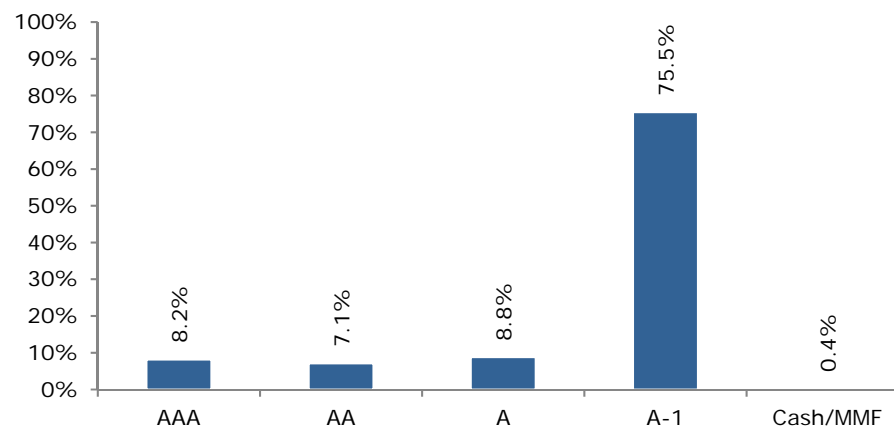
Portfolio summary

As of September 30, 2018

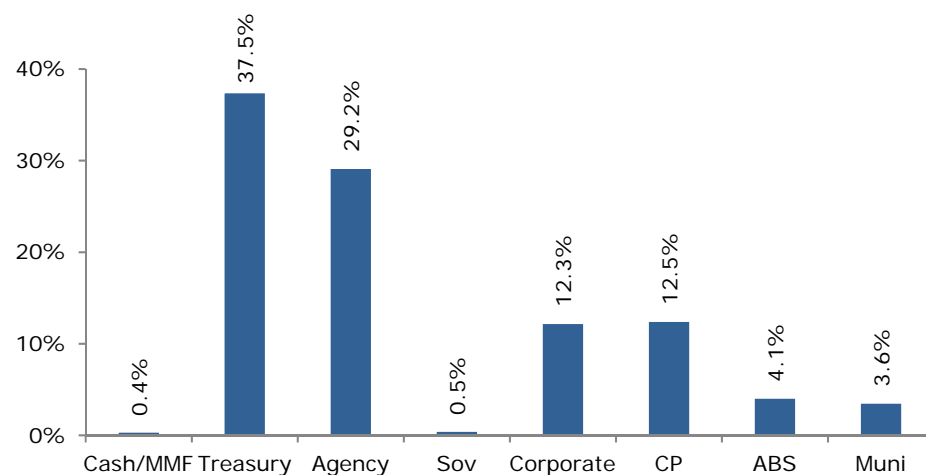
Characteristics

Name	CalOptima
Market Value (\$)	\$282,795,795
Average Effective Maturity (yrs)	0.31
Duration	0.17
Purchase Yield (%)	2.11
Current Market Yield (%)	1.97
Average Quality	AA+

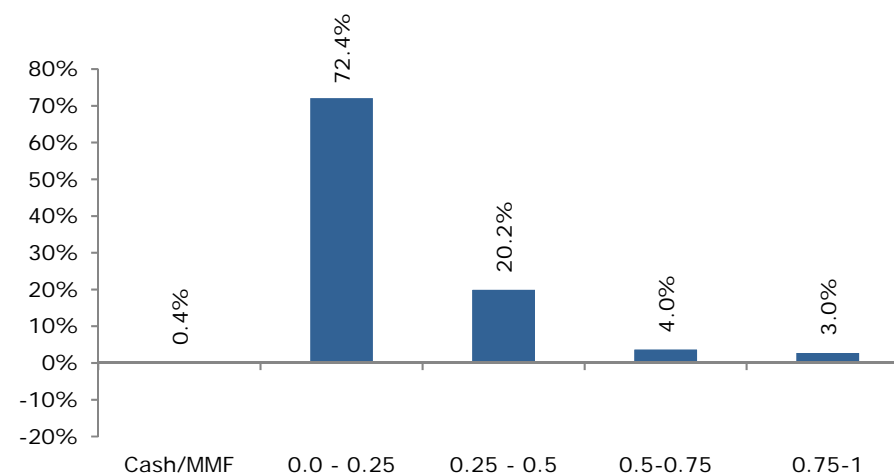
Credit quality



Security type



Duration



Source: Clearwater

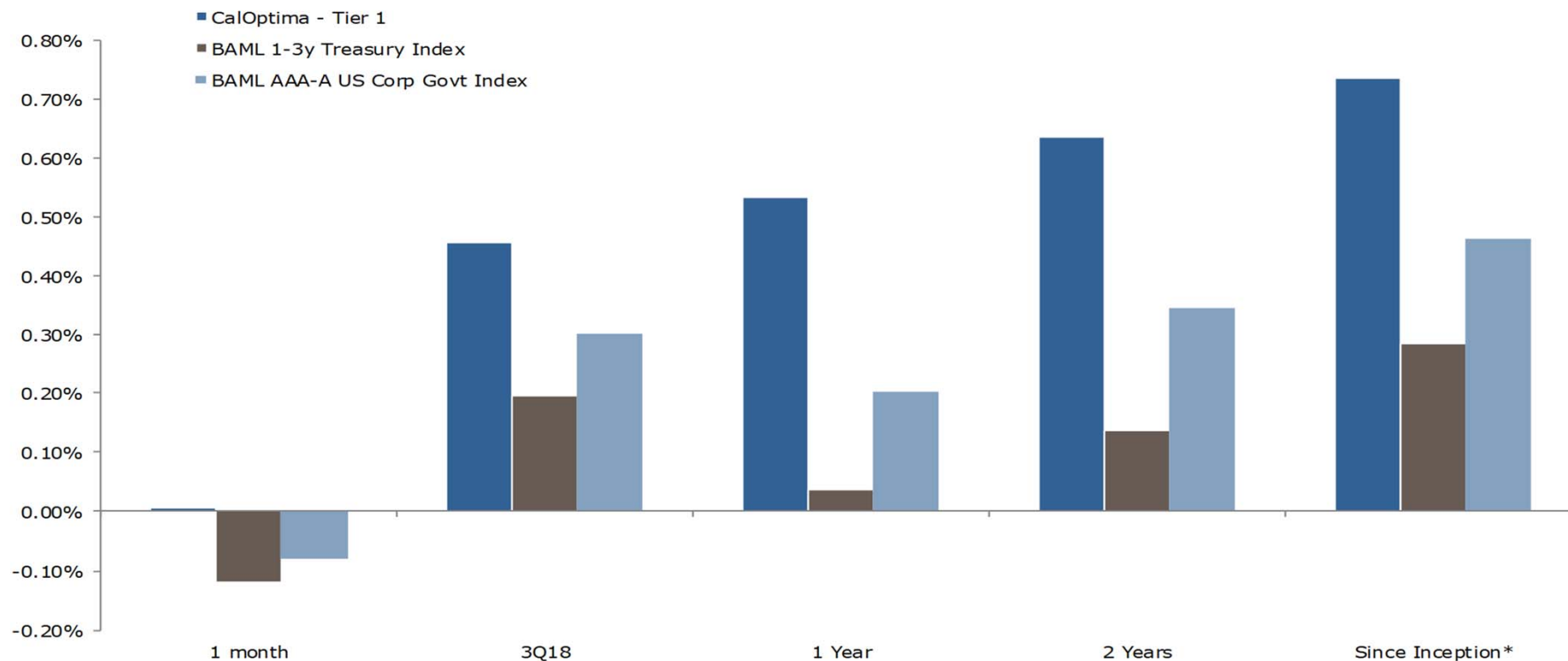
CalOptima – Tier 1

Performance summary

As of September 30, 2018

	1 month	3Q18	1 Year	2 Years	Since Inception*
CalOptima - Tier 1	0.01%	0.46%	0.53%	0.64%	0.74%
BAML 1-3y Treasury Index	-0.12%	0.20%	0.04%	0.14%	0.29%
BAML AAA-A US Corp Govt Index	-0.08%	0.30%	0.20%	0.35%	0.46%

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



*Inception Date is May 3, 2016
Source: Clearwater

Performance attribution

Performance Attribution - BAML 1-3 yr Treasury Index				
(In basis points)	3Q 2018	YTD	1 Year	Since Inception*
Duration	6	13	12	17
Curve				
Sector Selection				
Agency	1	3	4	7
Corporate				
Financial	8	8	11	30
Industrial	4	4	5	19
Utilities	0	0	1	2
MBS				
CMBS				
ABS	4	0	2	13
Municipal	3	4	8	11
Error Factor	0	4	6	8
Total Contribution	26	36	49	107
((Strategy)) Return	46	65	53	184
((Benchmark)) Return	20	29	4	77
*Since inception date of 6/1/16, unannualized				

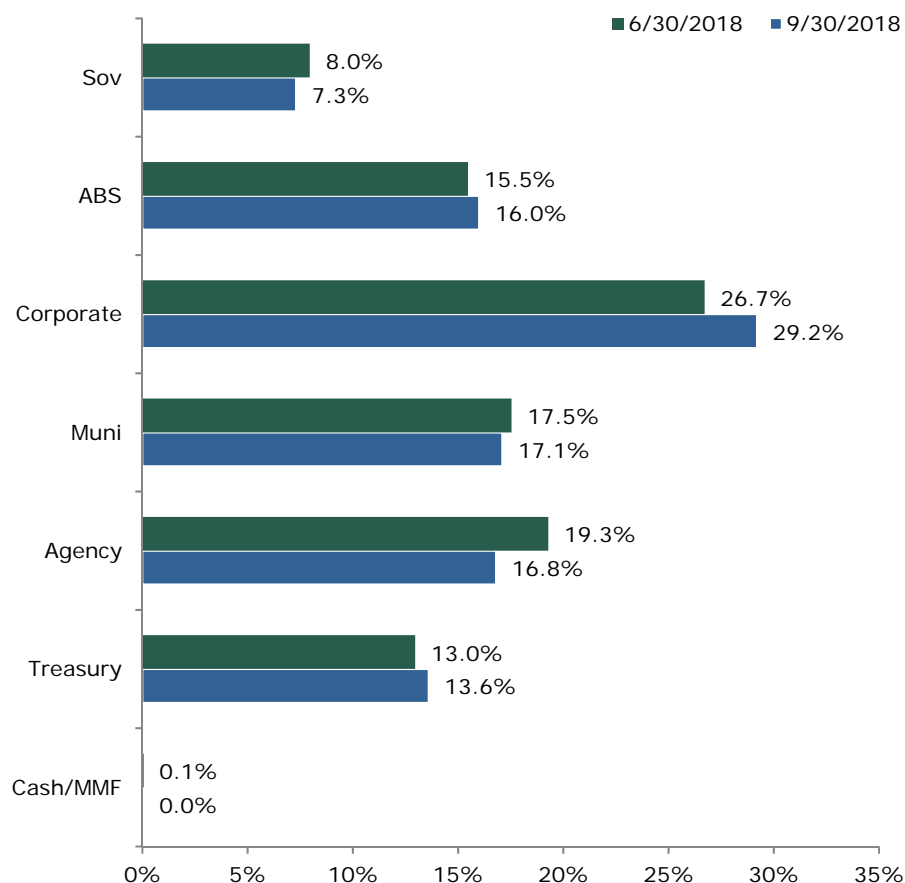
Performance attribution

Performance Attribution - BAML 1-3 yr AAA - A US Corp & Govt Index				
(In basis points)	3Q 2018	YTD	1 Year	Since Inception*
Duration	10	16	18	23
Curve				
Sector Selection				
Agency	0	0	0	2
Corporate				
Financial	2	2	4	18
Industrial	1	1	1	3
Utilities	0	0	0	0
MBS				
CMBS				
ABS	2	-1	1	8
Municipal	1	2	5	4
Error Factor	0	4	4	5
Total Contribution	16	24	33	63
((Strategy)) Return	46	65	53	184
((Benchmark)) Return	30	41	20	124
*Since inception date of 6/1/16, unannualized				

Portfolio changes

As of September 30, 2018

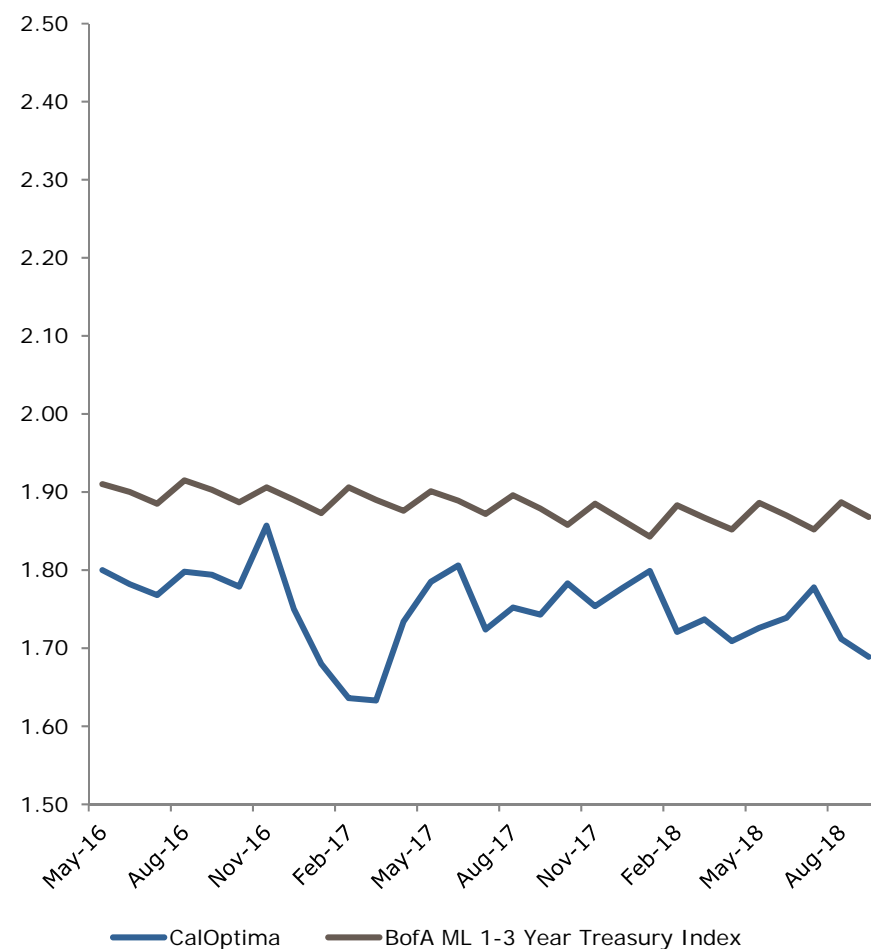
Allocation over time



	9/30/2018	6/30/2018	Change
Market Value	\$147,252,243	\$146,584,001	\$668,242

Source: Clearwater

Duration



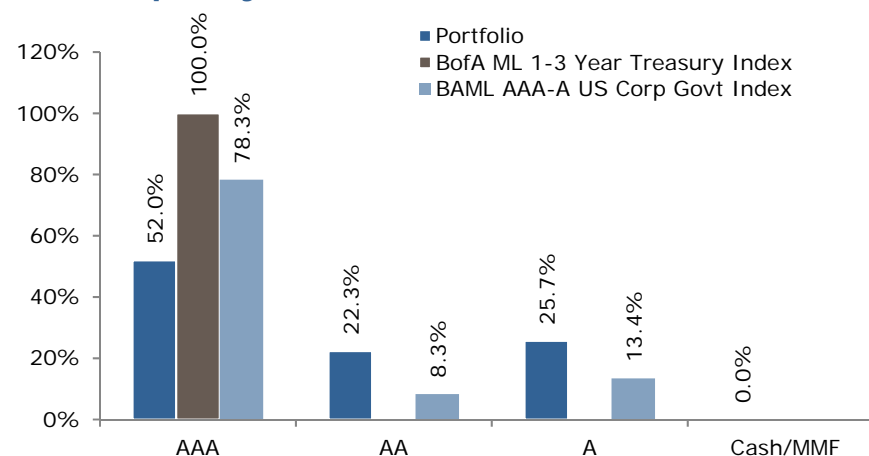
Index comparison

As of September 30, 2018

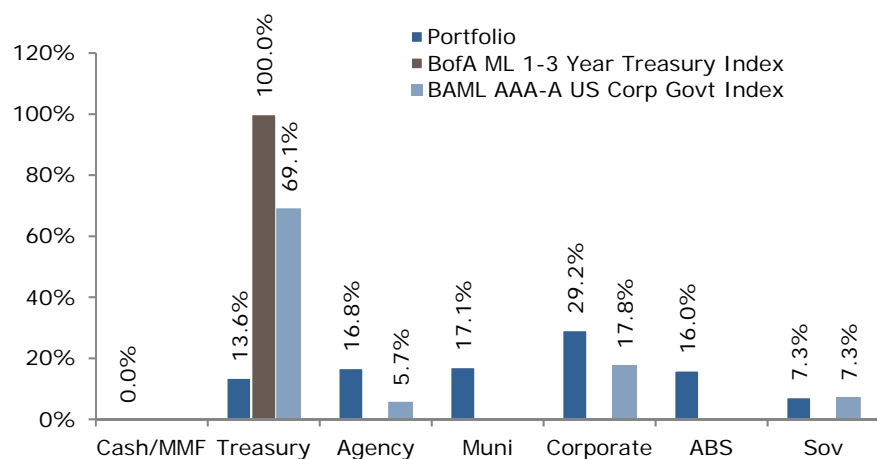
Characteristics

Name	CalOptima – Tier 1	BofA ML 1-3 Year Treasury Index	BAML AAA- A US Corp Govt Index
Market Value (\$)	147,252,243	---	---
Average Effective Maturity (yrs)	1.75	1.94	1.87
Duration	1.69	1.87	1.80
Purchase Yield (%)	2.25	---	---
Current Market Yield (%)	2.96	2.81	2.88
Average Quality	AA	AAA	AAA

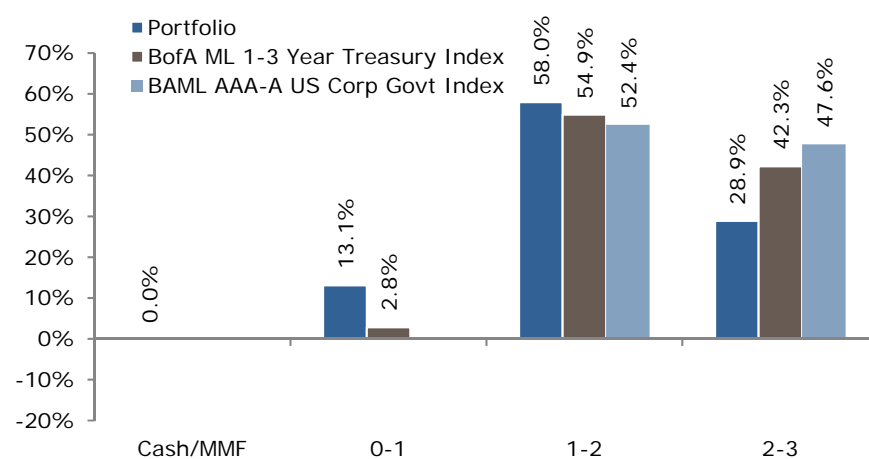
Credit quality



Security type



Duration



Source: Clearwater

Contents

SECTION I

Firm Overview

SECTION II

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Portfolio Review

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



November 5th, 2018

Wendy Kaszak – *Client Service*

Scott Pavlak, CFA – *Portfolio Management*

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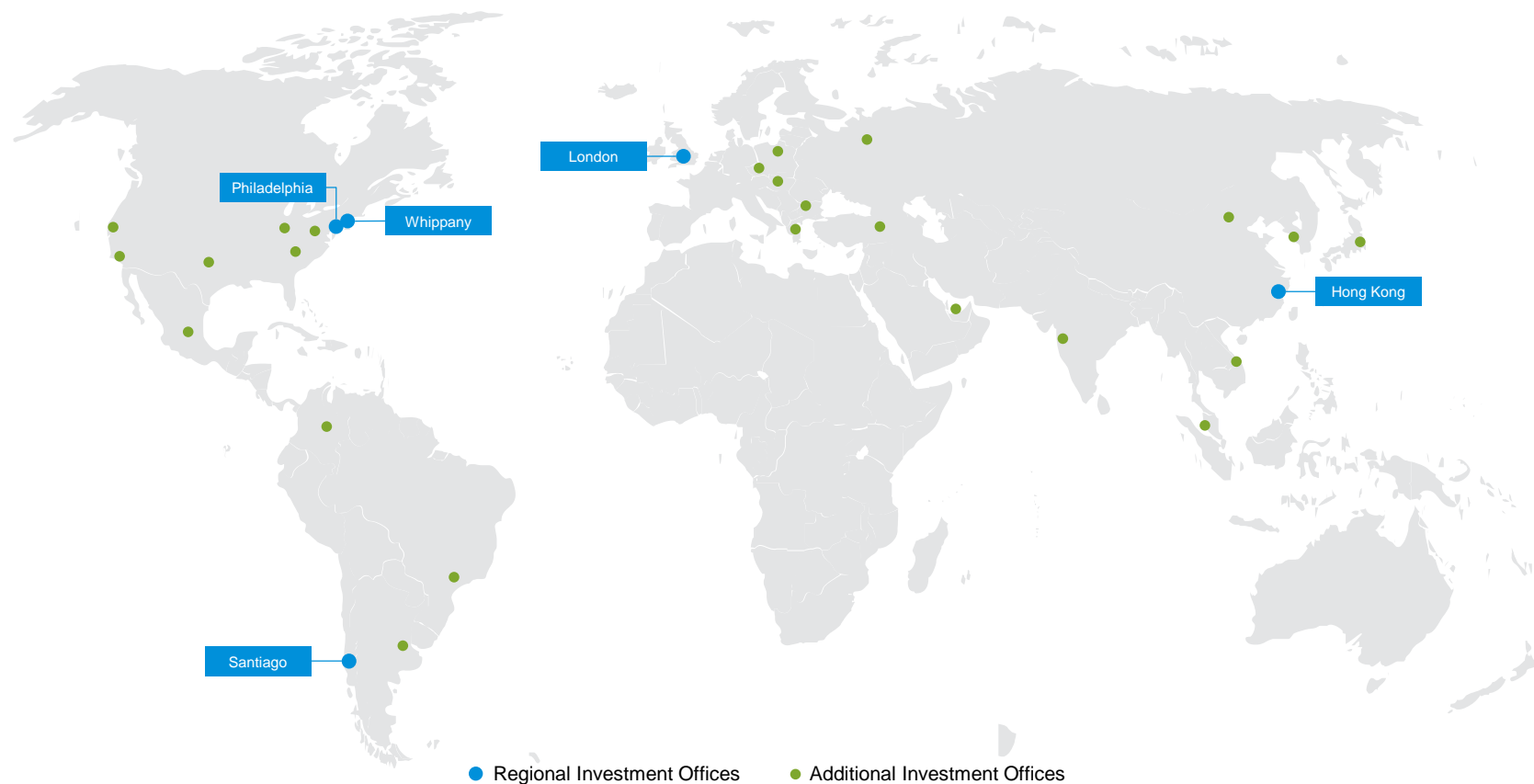
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SECTION I

Firm Overview

GLOBAL PRESENCE

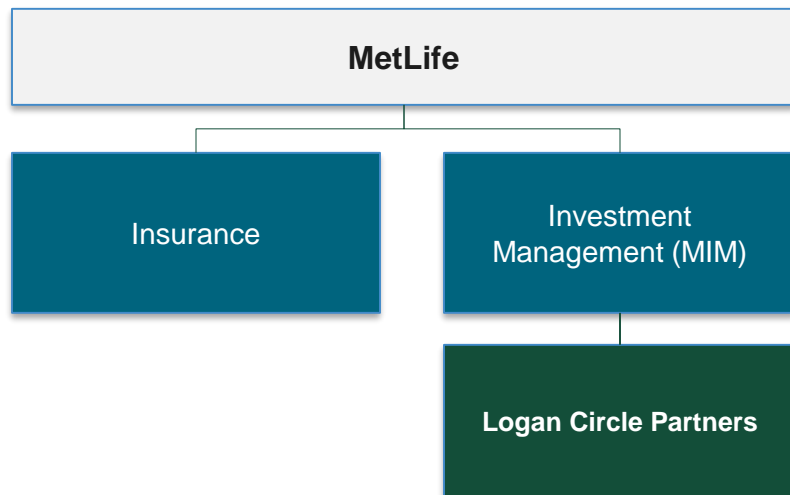
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- MetLife has 49,000 employees worldwide with offices in more than 40 countries.



¹ Based on unaudited estimates and are subject to change. Fee paying assets under management as of 6/30/18.

ORGANIZATIONAL OVERVIEW

- Logan Circle is dedicated solely to the institutional marketplace and have \$38.3 billion¹ in total assets under management.
- The senior members of our short duration investment team have worked together on fixed income portfolios for over 20 years.
- Suite of fixed income investment strategies includes broad coverage of both the risk spectrum (Enhanced Cash to High Yield) and the term structure (Short-Term to Long Duration).



Assets by Client Type <i>(\$ millions as of June 30, 2018)</i>	
Corporate	\$15,994
Sub-Advisory	\$14,716
Public	\$3,168
Insurance	\$832
Other	\$3,583
TOTAL	\$38,293

107 Employees <i>(as of September 30, 2018)</i>	
Portfolio Management	10
Research	39
Trading	18
Risk Management / Portfolio Analytics	3
Client Services	16
Legal / Compliance	5
Administration / Operations	16
TOTAL	107

¹ Based on unaudited estimates and are subject to change. Fee paying assets under management as of 6/30/18.

FIXED INCOME TEAM



• Our structured products and municipals analysts have both research and trading responsibilities.

• ** Represents new addition to Trading

CREDIT RESEARCH TEAM

Brian Funk, CFA
Managing Director, Head of Credit Research

35 Professionals Covering Corporate and Municipal Credit

<u>Consumer & Healthcare</u>	<u>Energy & Basic Materials</u>	<u>Financials</u>	<u>Industrials</u>	<u>Municipals</u>	<u>Telecom, Media & Technology</u>	<u>Utilities & Midstream</u>
Ian Bowman	Brent Garrels	Scott O'Donnell*	John Jennings, CFA*	Joe Gankiewicz, CFA*	Zach Bauer, CFA	Leo Kelser, CFA*
Elyse Goldschmidt*	Park Benjamin, CFA*	Joseph Di Carlo, CFA	Rich Davis, CFA*	Sharon Carroll*	Kevin Bowles, CFA	Marc Bromberg, CFA*
Brian Kish, CFA*	Rick Corbit	Jack Maine	Matthew Higgins, CFA	Robert Moore, CFA*	David Caras, CFA*	Michael Frey
Kevin Kloeblen, CFA	Stephen Driscoll	Helene Moehlman, CFA*	Richard Lee	Trevor O'Connell, CFA*	Jack Chan, CFA*	Susan Young*
Yahyin Shen, CFA*	Michael Recchiuti		Tom Sarkis, CFA*		Chris Meyer	
	Joel Trujillo*				Scott Wancier, CFA*	

** Represents new addition to the Credit Research Team*

SECTION II

Market Review

CURRENT THEMES

■ GDP

Global growth diverges with the U.S. economy's momentum continuing to be driven by the strong labor market and stimulative fiscal policy, whose impact is expected to slightly diminish over the next year. Pace of domestic growth will fade in 2019 but will remain in the 2.5% to 3% range, well above the post-crisis average. Business and government spending assume greater importance in sustaining higher real GDP growth while consumer spending component remains stable. Impact of tariffs, other trade-related issues and a slowdown in the housing market could weigh on the positive growth outlook.

■ Employment

Unemployment rate expected to drift lower barring a substantial upward move in the labor force participation rate. U.S. labor market remains historically tight by most indicators. The number of job openings exceeds the amount of job seekers for the first time, which has translated into higher wages given the shallow job pool of qualified job applicants. The seasonally-adjusted U.S. Quits Rate has reached 17-year highs, further evidence of employee confidence. Average hourly earnings data understates strength in weekly earnings growth data for non-supervisory and production workers.

■ Consumer

Strength of consumer spending sustained by the increased pace of wage growth and low unemployment. Consumer confidence, which is highly correlated with the stock market, continues to rise, reaching multi-decades highs. U.S. real medium household income has reached a record level. Should energy prices spike higher or tariffs begin to push prices of consumer goods up significantly, the pace of spending growth may ease.

■ Business

Corporate fundamentals continue to benefit from solid economic growth, which has produced stronger revenue growth, expanded operating margins and generated higher pre-tax earnings. Readings from confidence measures like the NFIB Small Business Optimism Index and CEO Confidence signal business cycle is likely to extend further. Potential for adverse outcomes arising from the unfolding trade and tariff actions supports our preference for U.S.-centric issuers. Late-cycle corporate behavior evident in selected non-financial subsectors as companies ramp up M&A activity and seek to increase shareholder returns through share buybacks and increased dividend payouts, which supports our more defensive approach in underweighting or avoiding selected non-financial sub-sectors. Production bottlenecks and supply chain disruptions coupled with selected labor shortages could pressure operating margins in coming quarters.

■ U.S. Monetary & Fiscal Policy

Strength in the economy and financial markets as well as firming inflation will enable the Fed to carry on with its normalization program. The rates market has become more closely aligned with the Fed's dot plot forecast for rate hikes through the end of 2019. Recent and prospective changes in the makeup of the Fed as well as among member regional bank presidents is not expected to tilt the hawk/dove balance over the near term. Continued gradual removal of monetary policy accommodation combined with stimulative fiscal policy remains positive for the U.S. dollar despite forthcoming growth in federal deficits and looming ramp-up in Treasury issuance.

■ Inflation

Despite late-summer dip in core CPI, U.S. inflation is expected to remain on a gradual upward path due to mounting wage pressures, higher energy prices and eventual flow-through impact of tariffs on imported consumer goods. Year-over-year core PCE has reached the Fed's 2% target. University of Michigan one-year consumer inflation expectations have risen from 2016-2017 levels. Changing costs for shelter, medical and education remain key factors of core service inflation, components which are not expected to decline.

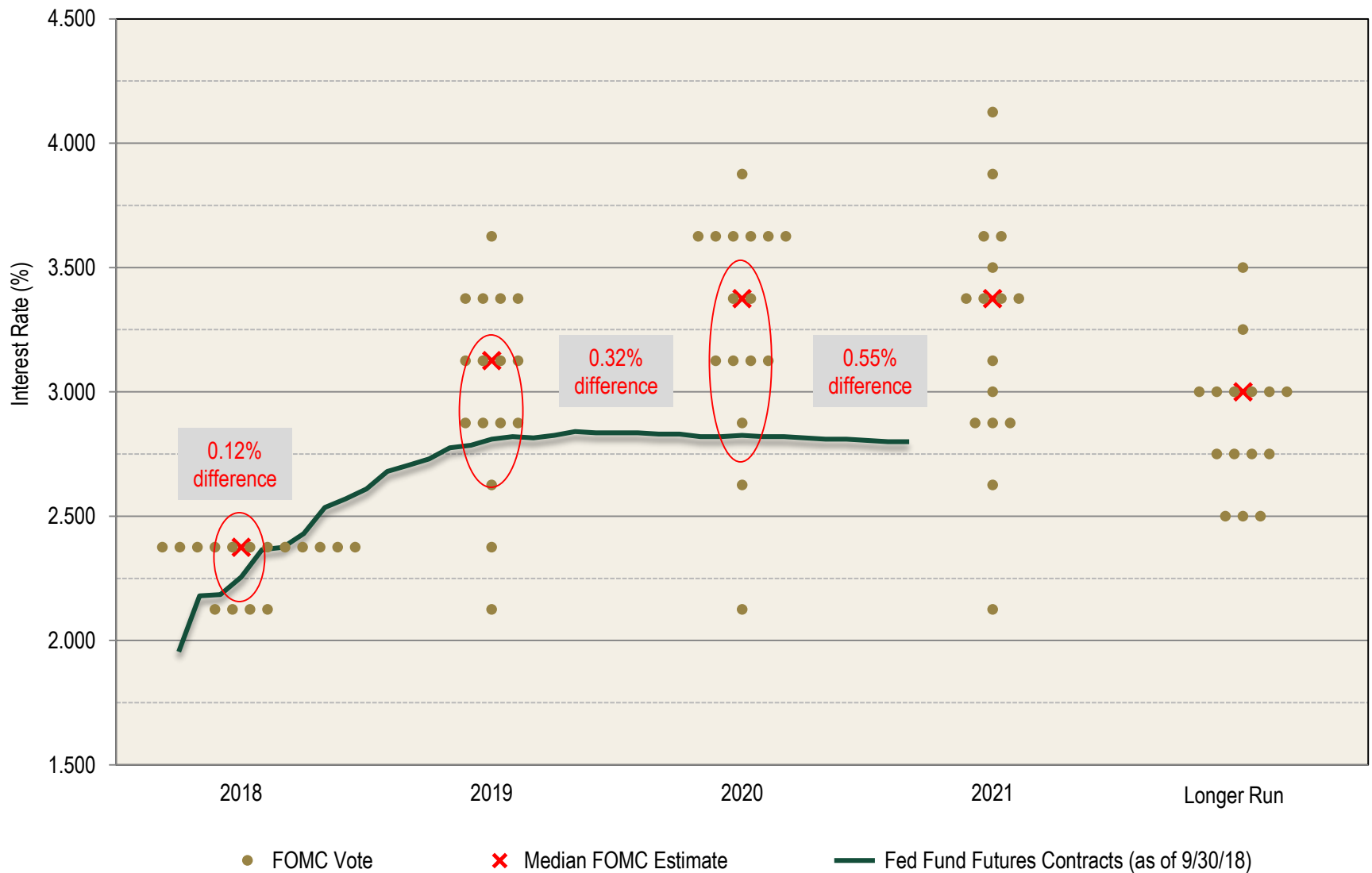
■ Residential / Commercial Real Estate

With the inventory of existing homes available for sale remaining at low levels, housing prices should continue to move higher, albeit at a slower pace. Consumers continue to benefit from rising take home pay via higher wages and reduced tax rates, although tax law changes create affordability challenges for higher priced homeowners in those states with higher income and property tax rates. Overall housing starts have slowed, with notable weakness in the multi-family sector. We do not see this as a reversal of the trend toward rental housing, as current levels of starts are in line with longer-term averages and vacancies remain near historic lows. With new supply peaking, commercial property vacancy rates should remain stable for most subsectors although lower quality retail properties may face challenges.

■ Central Banks / International

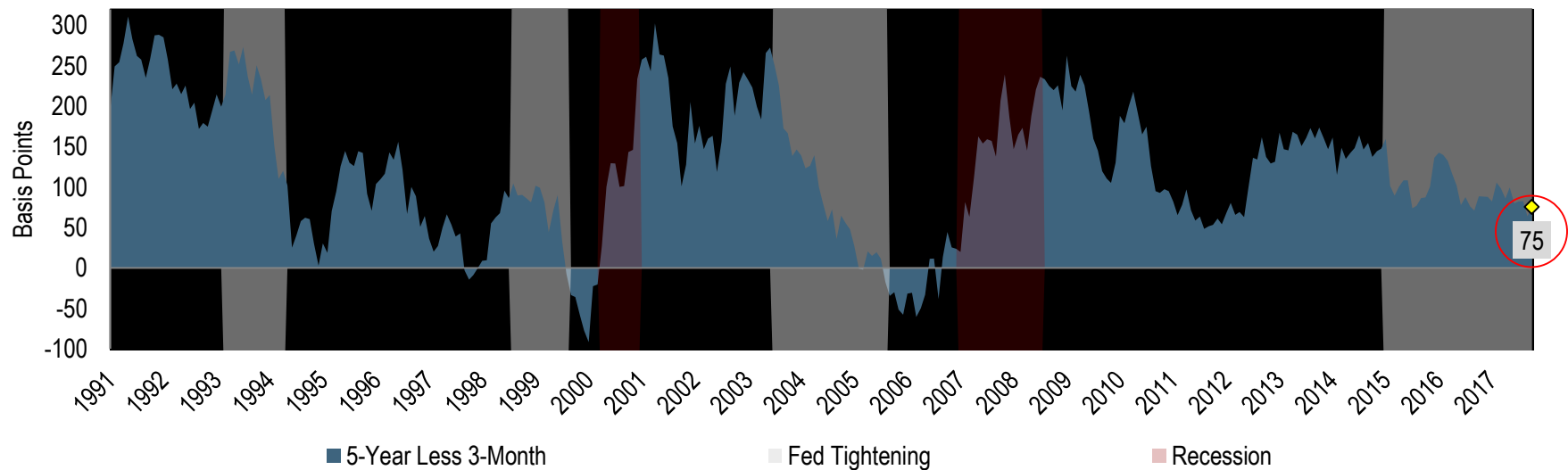
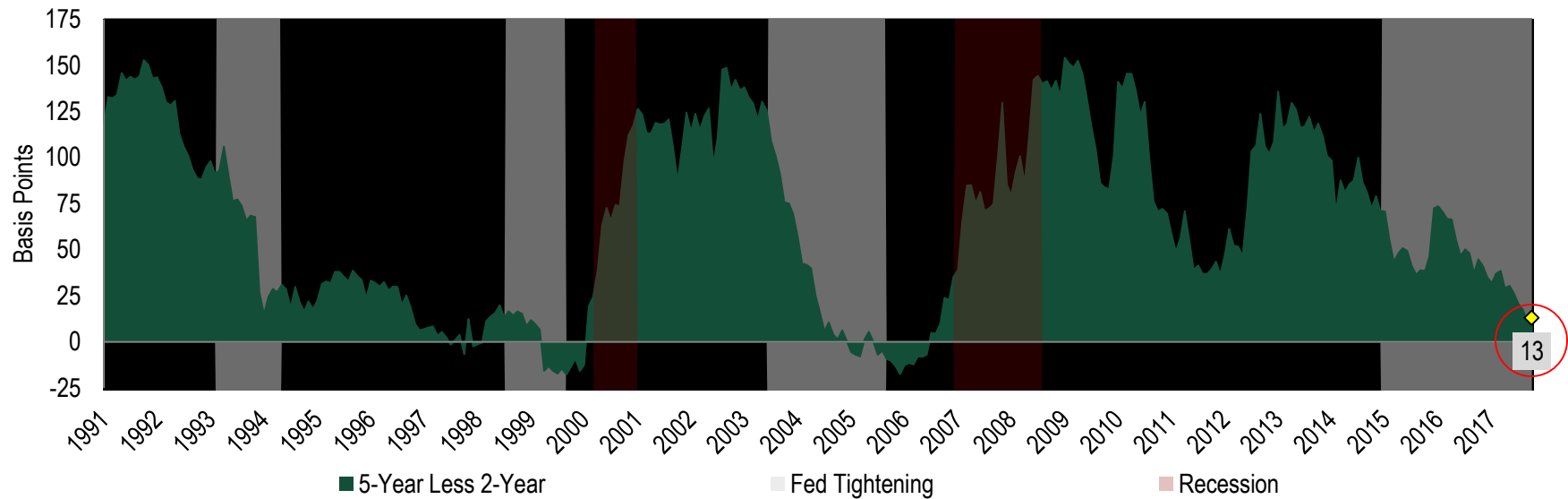
Central banks are moving in the direction of less accommodation. The ECB's plan to finally halt QE at year-end and potentially undertake its first rate hike next summer is a precursor of higher global interest rates. Uncertainty over Brexit is likely to persist and foster market volatility but its ultimate impact is expected to be minor. Favorable developments on the trade front in terms of their relationship with the U.S. for North America and South Korea contrast with others such as China and the E.U. which could lead to adverse outcomes impacting currency valuations or the willingness to hold U.S. Treasuries. Emerging market volatility experienced in particular by Argentina and Turkey has subsided, stalling contagion into the broader EM market.

FED EXPECTATIONS VS. FED FUNDS FUTURES RATE – as of September 30, 2018



Source: Federal Reserve, Bloomberg

YIELD CURVES – as of September 30, 2018



Source: Bloomberg, National Bureau of Economic Research

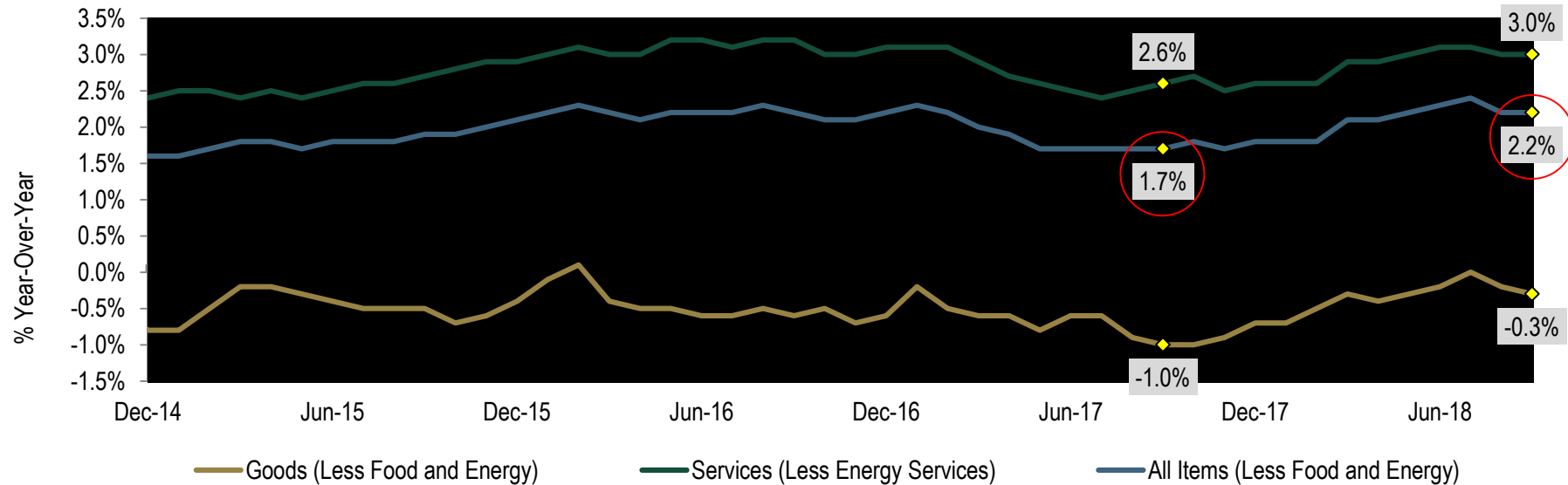
U.S. GDP GROWTH

Year	Quarter	Real GDP QoQ (%)	Consumer Spending	Fixed Investment	Government Spending	Net Exports	Inventories
2009	1Q	-4.40	-0.52	-5.07	0.92	2.40	-2.14
	2Q	-0.60	-1.03	-2.11	1.22	2.39	-1.04
	3Q	1.50	1.92	0.25	0.23	-0.61	-0.33
	4Q	4.50	-0.39	0.32	0.17	-0.07	4.44
2010	1Q	1.50	1.32	-0.02	-0.33	-0.72	1.30
	2Q	3.70	2.16	2.03	0.30	-1.67	0.92
	3Q	3.00	1.90	0.32	-0.57	-0.94	2.28
	4Q	2.00	1.80	1.08	-0.52	0.91	-1.25
2011	1Q	-1.00	1.17	-0.09	-1.01	-0.02	-1.02
	2Q	2.90	0.62	1.34	-0.55	0.45	1.03
	3Q	-0.10	1.07	2.42	-1.16	-0.21	-2.23
	4Q	4.70	0.52	1.55	-0.04	-0.36	3.06
2012	1Q	3.20	2.19	1.90	-0.34	0.00	-0.59
	2Q	1.70	0.41	1.25	-0.41	0.27	0.21
	3Q	0.50	0.45	0.09	-0.12	-0.08	0.20
	4Q	0.50	1.22	1.13	-0.76	0.57	-1.70
2013	1Q	3.60	1.44	1.10	-0.68	0.40	1.33
	2Q	0.50	0.20	0.52	-0.13	-0.33	0.23
	3Q	3.20	1.10	1.12	-0.40	-0.14	1.48
	4Q	3.20	2.31	0.89	-0.58	1.23	-0.62
2014	1Q	-1.00	1.02	0.60	-0.26	-1.08	-1.28
	2Q	5.10	2.92	1.69	0.00	-0.51	1.02
	3Q	4.90	2.98	1.35	0.51	0.12	-0.03
	4Q	1.90	3.10	0.72	-0.07	-1.08	-0.77
2015	1Q	3.30	2.36	-0.01	0.40	-1.58	2.16
	2Q	3.30	2.28	0.63	0.70	-0.01	-0.25
	3Q	1.00	1.91	0.51	0.33	-1.05	-0.73
	4Q	0.40	1.52	-0.33	0.12	-0.21	-0.70
2016	1Q	1.50	1.62	0.31	0.60	-0.36	-0.62
	2Q	2.30	2.30	0.46	-0.15	0.29	-0.62
	3Q	1.90	1.79	0.52	0.17	0.03	-0.59
	4Q	1.80	1.75	0.28	0.03	-1.32	1.03
2017	1Q	1.80	1.22	1.60	-0.13	-0.10	-0.80
	2Q	3.00	1.95	0.72	0.01	0.08	0.23
	3Q	2.80	1.52	0.44	-0.18	0.01	1.04
	4Q	2.30	2.64	1.04	0.41	-0.89	-0.91
2018	1Q	2.20	0.36	1.34	0.27	-0.02	0.27
	2Q	4.20	2.57	1.10	0.43	1.22	-1.17
Average (2009-2018)		2.02	1.47	0.61	-0.04	-0.08	0.07

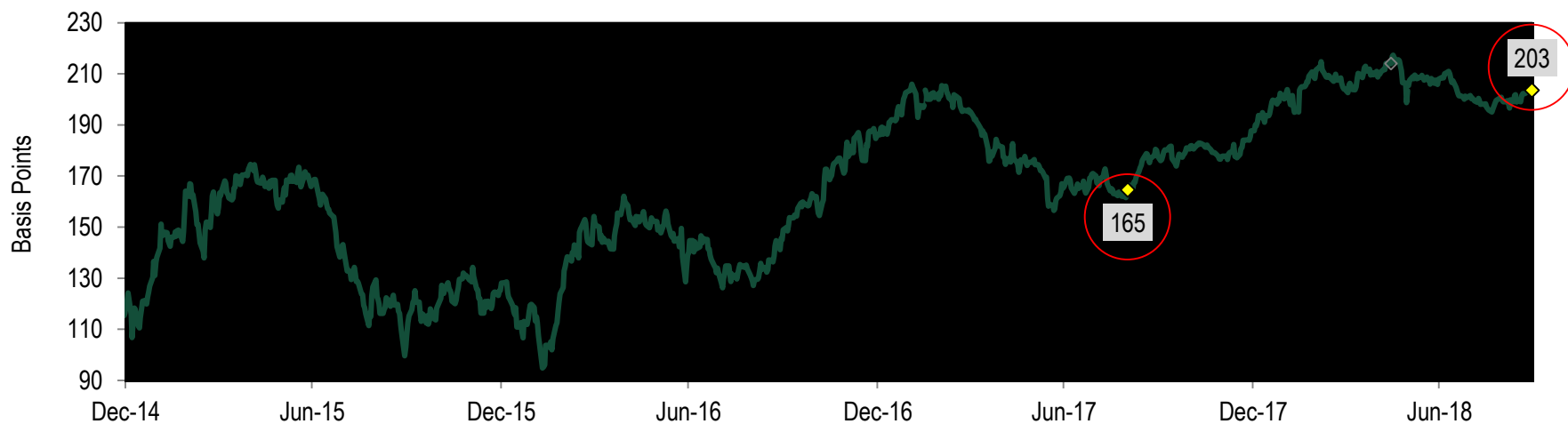
Source: Bureau of Economic Analysis

U.S. INFLATION – as of September 30, 2018

CPI Core Breakdown



5-Year TIPS Breakeven Rate



Source: Bureau of Labor Statistics, Bloomberg

LABOR MARKET – as of September 30, 2018

Non-Farm Payroll / Participation Rate

	Labor Force Participation Rate	Unemployment Rate	Non-Farm Payroll
Average (1982 – 2016)	65.5%	6.3%	129,869
Current	62.7%	3.7%	134,000
Average (2017 – 2018)	62.8%	4.2%	193,476

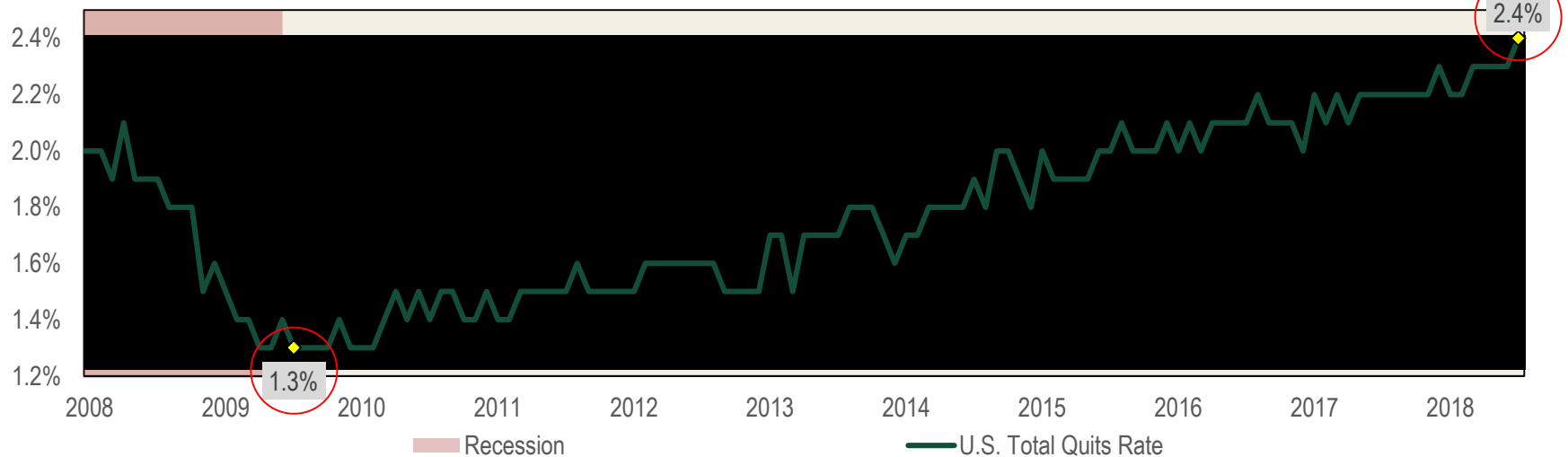
U.S. Average Earnings



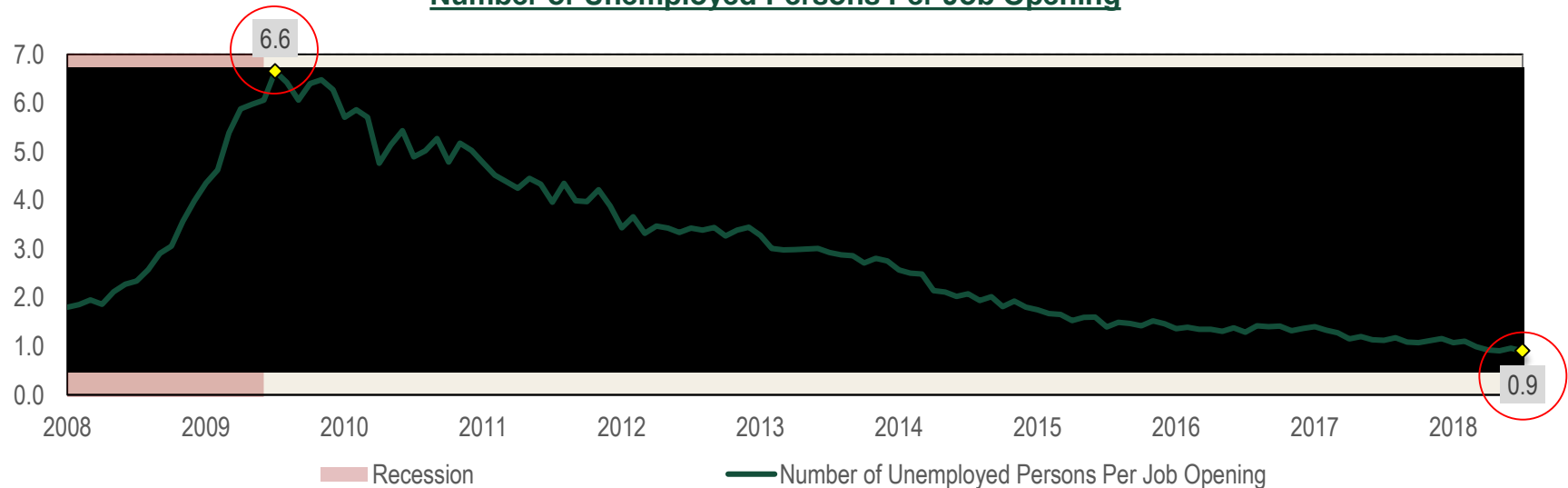
Source: Bureau of Labor Statistics

LABOR MARKET – as of September 30, 2018

U.S. Total Quits Rate



Number of Unemployed Persons Per Job Opening



Source: Bureau of Labor Statistics

HISTORICAL CORPORATE BOND OAS – as of September 30, 2018

OAS (bps)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Corporate (1–5)	174	70	61	65	62	196	639	166	136	227	110	89	99	121	96	61	70
Financial (1–5)	165	51	50	57	56	212	663	204	158	308	126	93	96	104	100	60	74
Industrial (1–5)	176	86	73	75	69	181	624	135	116	164	96	85	103	134	92	61	67
Utility (1–5)	236	79	63	73	71	175	576	155	131	169	110	99	89	120	101	64	82
Corporate (All)	188	94	83	92	91	200	573	180	161	252	152	128	144	173	130	99	113
High Yield (All)	890	418	309	371	289	591	1803	622	531	709	526	400	504	695	422	363	328

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	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18
ICE BofAML 1-5 Yr Corporate OAS (bps)	89	78	68	78	99	89	101	126	121	121	112	95	96	84	75	66	61	84	86	70
CalOptima Tier Two	30%	23%	24%	20%	25%	29%	29%	23%	24%	26%	21%	23%	28%	26%	29%	30%	26%	28%	29%	27%
CalOptima Tier One	-	-	-	-	-	-	-	-	-	-	22%	24%	26%	26%	29%	29%	27%	28%	29%	25%
CalOptima Operating Fund	-	-	-	-	-	-	-	-	-	-	25%	25%	17%	26%	7%	12%	23%	17%	12%	25%

Past performance is not indicative of future results.

Source: ICE BofA Merrill Lynch

SECTION III

Portfolio Review

PERFORMANCE – as of September 30, 2018

	3Q 2018	YTD	1-Year	3-Year	5-Year	Since Inception ¹ (4/1/13)
Tier Two (Gross of fees)	0.31%	0.26%	0.15%	0.96%	1.32%	1.12%
Tier Two (Net of fees)	0.28%	0.17%	0.02%	0.83%	1.19%	1.00%
ICE BofAML 1-5 Years U.S. Treasury ²	0.05%	-0.20%	-0.58%	0.29%	0.73%	0.62%
ICE BofAML 1-5 Years AAA-A Corp/Gov ²	0.20%	-0.08%	-0.40%	0.56%	0.95%	0.83%

	3Q 2018	YTD	1-Year	3-Year	5-Year	Since Inception ¹ (5/2/16)
Tier One (Gross of fees)	0.39%	0.80%	0.88%	--	--	0.89%
Tier One (Net of fees)	0.37%	0.74%	0.80%	--	--	0.81%
ICE BofAML 1-3 Years U.S. Treasury ²	0.19%	0.29%	0.04%	--	--	0.27%
ICE BofAML 1-3 Years AAA-A Corp/Gov ²	0.30%	0.41%	0.20%	--	--	0.48%

	3Q 2018	YTD	1-Year	3-Year	5-Year	Since Inception ¹ (5/2/16)
Operating Fund (Gross of fees)	0.55%	1.42%	1.75%	--	--	1.26%
Operating Fund (Net of fees)	0.53%	1.36%	1.66%	--	--	1.17%
FTSE 3-Month Treasury Bill ²	0.50%	1.29%	1.57%	--	--	0.96%

Past performance is not indicative of future results. Performance is preliminary and subject to change.

¹Performance for periods greater than one year are annualized.

²The performance benchmark for the CalOptima Tier Two portfolio is the ICE BofAML 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 \$1 billion and a maturity range from one to five years, inclusive, reflecting total return. The performance benchmark for the CalOptima Tier One portfolio is the ICE BofAML 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 \$1 billion and a maturity range from one to three years, inclusive, reflecting total return. The performance benchmark shown for the CalOptima Operating Fund is the FTSE 3-Month Treasury Bill, which tracks the return of one three-month Treasury bill until maturity. The ICE BofAML U.S. Corporate & Government 1-5 Years, A and above Index, which is a broad-based index consisting of U.S. Government and Corporate securities with an outstanding par greater than or equal to \$250 million and a maturity range from one to five years, and securities rated AAA through A3, inclusive reflecting total return. The ICE BofAML U.S. Corporate & Government 1-3 Year, A and above Index, which is a broad-based index consisting of U.S. Corporate and Government securities with an outstanding par greater than or equal to \$250 million and a maturity range from one to three years, and securities rated AAA through A3, inclusive reflecting total return, and is presented here for discussion purposes only.

PERFORMANCE ATTRIBUTION (in basis points) – as of September 30, 2018

Tier Two	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
3Q 2018 1-5 TSY	3	0	11	0	11	0	0	1	0	26
3Q 2018 1-5 Gov/Cred AAA-A	2	0	4	0	4	0	0	1	0	11
Tier One	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
3Q 2018 1-3 TSY	-1	1	12	0	7	0	0	1	-1	20
3Q 2018 1-3 Gov/Cred AAA-A	-1	1	5	1	3	0	0	1	-1	9
Operating Fund	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
3Q 2018	1	-1	3	-1	2	0	1	0	0	5

Past performance is not indicative of future results.

¹Performance for periods greater than one year are annualized.

²The performance benchmark for the CalOptima Tier Two portfolio is the ICE BofAML 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 \$1 billion and a maturity range from one to five years, inclusive, reflecting total return. The performance benchmark for the CalOptima Tier One portfolio is the ICE BofAML 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 \$1 billion and a maturity range from one to three years, reflecting total return. The performance benchmark shown for the CalOptima Operating Fund is the FTSE 3-Month Treasury Bill, which tracks the return of one three-month Treasury bill until maturity.

PERFORMANCE ATTRIBUTION (in basis points) – as of September 30, 2018

Tier Two	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
YTD 2018 1-5 TSY	22	2	9	1	11	0	-1	0	2	46
YTD 2018 1-5 Gov/Cred AAA-A	20	2	6	-2	6	0	0	0	2	34

Tier One	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
YTD 2018 1-3 TSY	22	4	14	0	10	0	0	1	0	51
YTD 2018 1-3 Gov/Cred AAA-A	23	4	7	-1	6	0	0	1	0	40

Operating Fund	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
YTD 2018	9	-1	1	-1	5	0	1	-1	0	13

Past performance is not indicative of future results.

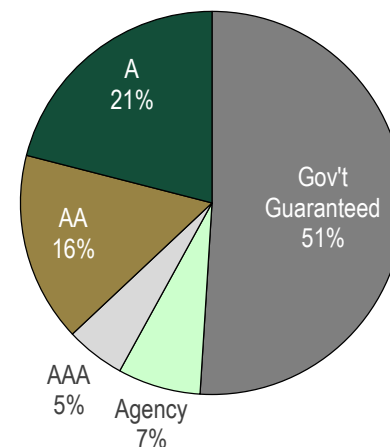
¹Performance for periods greater than one year are annualized.

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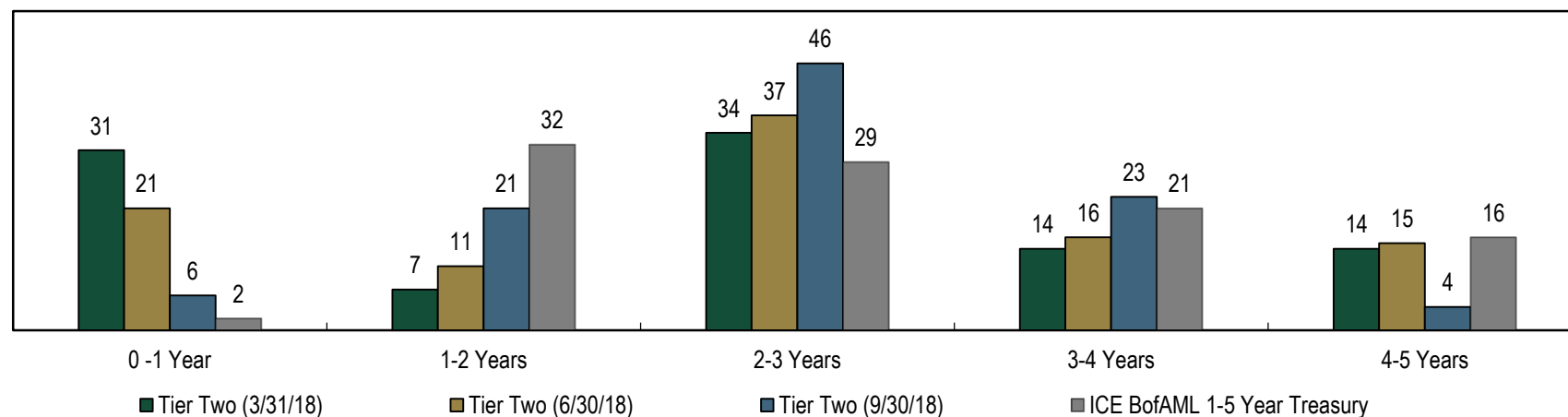
TIER TWO PORTFOLIO – as of September 30, 2018

	Tier Two (6/30/18)	Tier Two (9/30/18)	ICE BofAML U.S. Treasury 1-5 Year ¹ (9/30/18)
Yield to Maturity	2.78%	3.04%	2.86%
Duration	2.31 Years	2.48 Years	2.64 Years
Average Quality (Moody's)	Aa2	Aa2	TSY
Fixed / Floating	95% / 5%	97% / 3%	100% / 0%
Market Value	\$97,200,541	\$97,498,949	NA

Quality Ratings Distribution



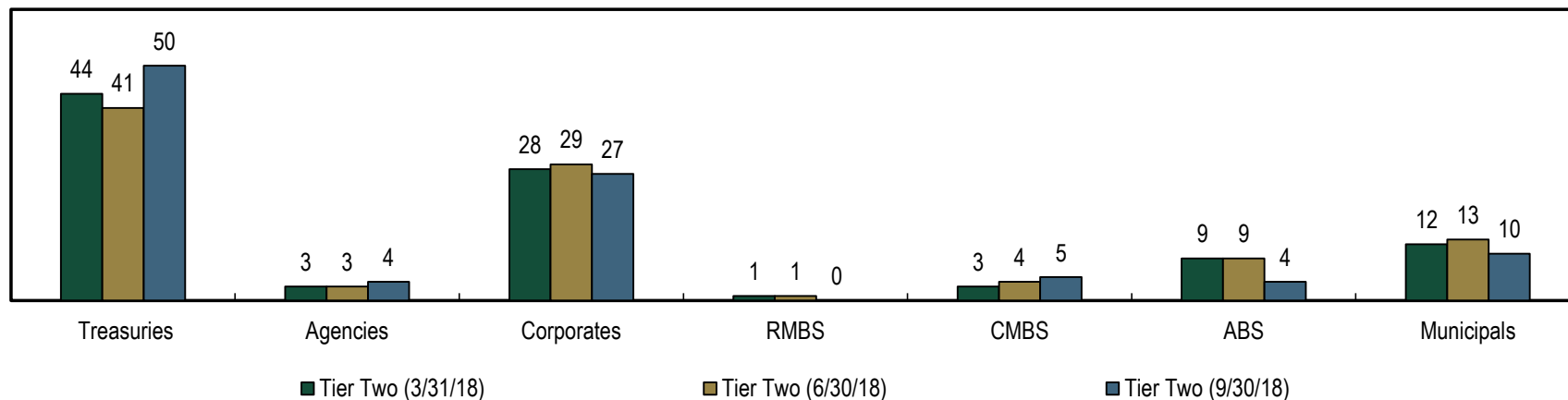
Duration Distribution (% Market Value)



Past performance is not indicative of future results. Portfolio characteristics are preliminary and subject to change. ¹The performance benchmark for the CalOptima Tier Two portfolio is the ICE BofAML 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 \$1 billion and a maturity range from one to five years, inclusive, reflecting total return.

TIER TWO PORTFOLIO – as of September 30, 2018

Sector Distribution (% Market Value)



Treasuries/Agencies

- Added Agency callables with quarterly call features
- Added IBRD floaters indexed off new SOFR rate
- Adjusted yield curve by selling five-year Treasuries and buying Treasuries in the two to three-year part of the curve

Structured Products

- Bought 1.6 year Santander auto ABS
- Bought 3.1 year Fannie Mae “DUS” bond
- Sold 0.9 year Chase credit card ABS
- Sold 0.8 year Nissan auto floorplan floater

Corporates

- Sold short-dated 2019 fixed (American Express Credit, Citigroup)
- Sold 2021 floating-rate (PNC Bank, Manufacturers & Traders Trust)
- Sold longer-dated 2022 fixed (PNC Bank, TD Ameritrade)
- Purchased 2020 fixed (JPMorgan Chase, American Express Credit, Prudential Financial)
- Purchased 2021 fixed (PNC Bank)

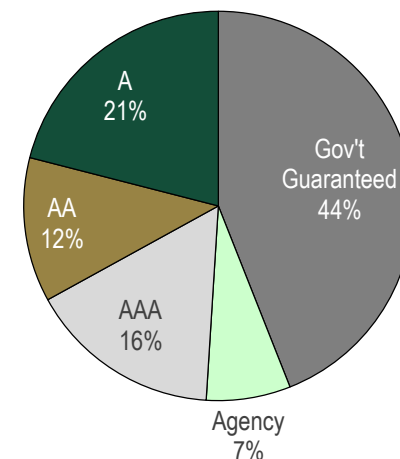
Municipals

- Sold short duration California local G.O.s (Cerritos Community College District, Alameda County)
- Sold short duration New York State G.O.s

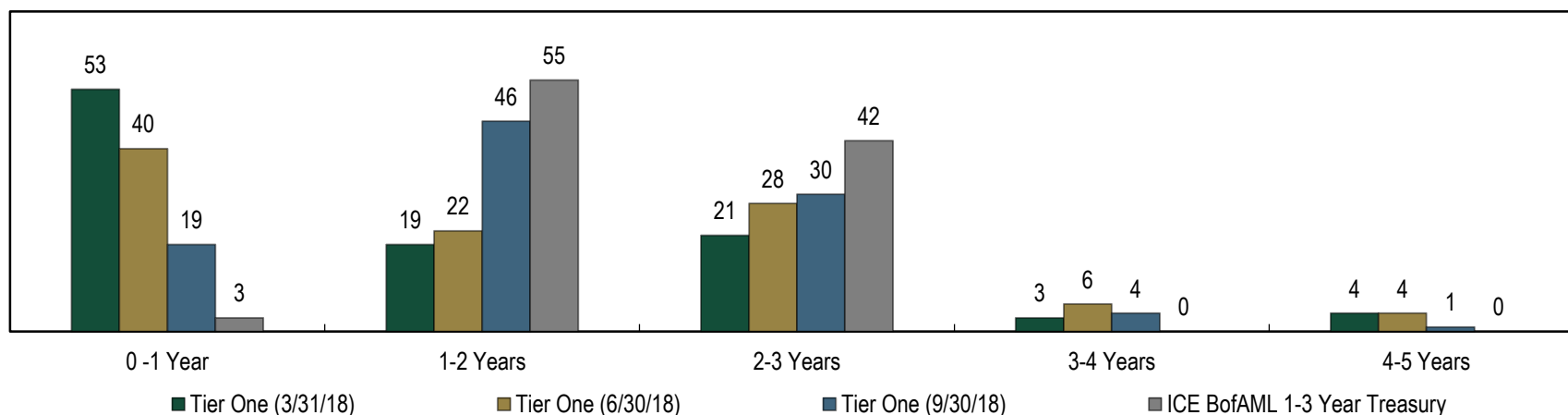
TIER ONE PORTFOLIO – as of September 30, 2018

	Tier One (6/30/18)	Tier One (9/30/18)	ICE BofAML U.S. Treasury 1-3 Year ¹ (9/30/18)
Yield to Maturity	2.58%	2.92%	2.81%
Duration	1.47 Years	1.73 Years	1.87 Years
Average Quality (Moody's)	Aa2	Aa2	TSY
Fixed / Floating	87% / 13%	92% / 8%	100% / 0%
Market Value	\$147,220,310	\$147,797,556	NA

Quality Ratings Distribution



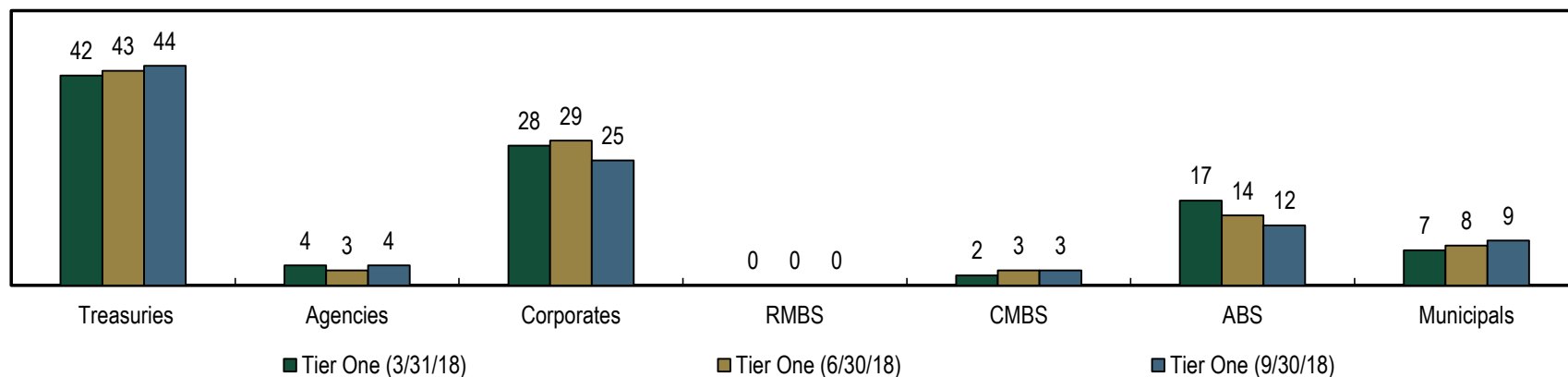
Duration Distribution (% Market Value)



Past performance is not indicative of future results. Portfolio characteristics are preliminary and subject to change. ¹The performance benchmark for the CalOptima Tier One portfolio is the ICE BofAML 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 \$1 billion and a maturity range from one to three years, inclusive, reflecting total return.

TIER ONE PORTFOLIO – as of September 30, 2018

Sector Distribution (% Market Value)



Treasuries/Agencies

- Added Agency callables with quarterly call features
- Added IBRD floaters indexed off new SOFR rate
- Sold two-year TIPS
- Adjusted yield curve by selling five-year Treasuries and buying Treasuries in the two to three-year part of the curve

Structured Products

- Bought 1.6 year Santander auto ABS
- Bought 3.1 year Fannie Mae “DUS” bond
- Sold 0.8 year Nissan auto floorplan floater

Municipals

- Sold short duration Los Angeles Airport Revenue bonds
- Bought 1-year state of California and 2-year state of Ohio G.O.s

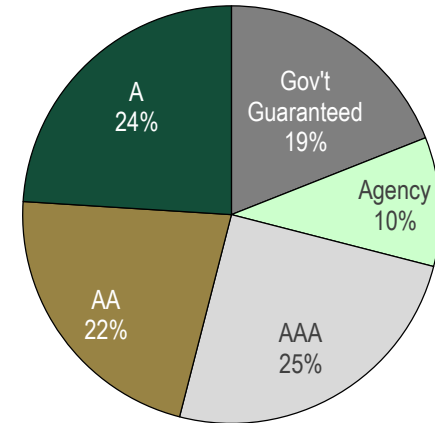
Corporates

- Sold short-dated 2018 fixed (American Express Credit, John Deere Capital, Huntington National Bank, SunTrust Banks)
- Sold 2019 floating-rate (Gilead Sciences, American Express Credit, Wells Fargo, Amgen, National Rural Utilities Coop.)
- Sold 2020 floating-rate (Citibank, PNC Bank, Branch Banking & Trust)
- Sold 2021 floating-rate (JPMorgan Chase, PNC Bank, Manufacturers & Traders Trust)
- Purchased 2020 fixed (Gilead Sciences, JPMorgan Chase, Citigroup, American Express Credit, PNC Bank, Wells Fargo, Fifth Third Bank, Prudential Financial, Amgen, BB&T Corp.)
- Purchased 2021 fixed (PNC Bank)

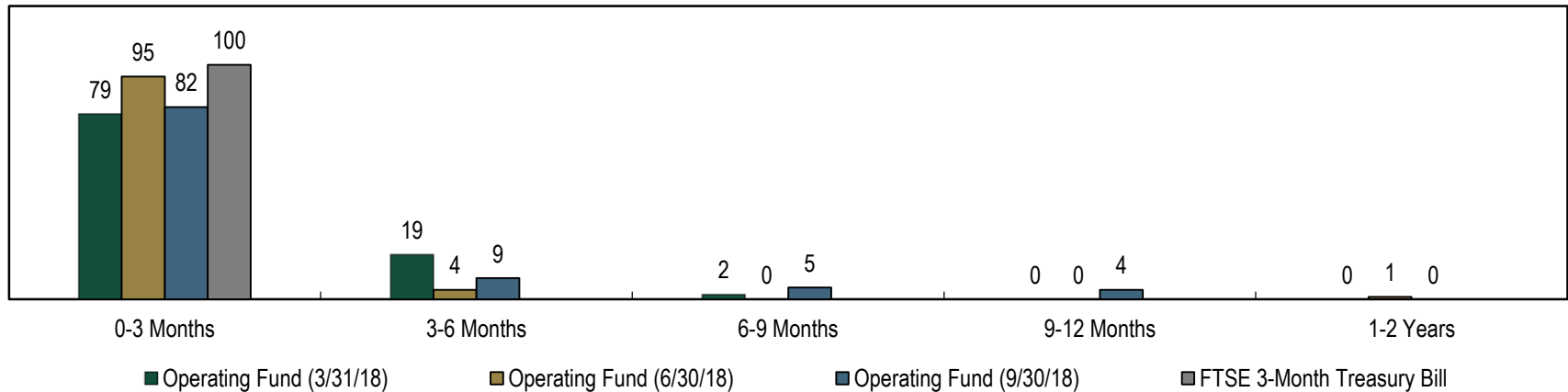
OPERATING FUND PORTFOLIO – as of September 30, 2018

	Operating Fund (6/30/18)	Operating Fund (9/30/18)	FTSE 3-Month Treasury Bill ¹ (9/30/18)
Yield to Maturity	1.72%	2.34%	2.16%
Duration	0.08 Years	0.16 Years	0.25 Years
Average Quality (Moody's)	Aa2	Aa2	TSY
Fixed / Floating	82% / 18%	76% / 24%	100% / 0%
Market Value	\$377,607,206	\$283,047,921	NA

Quality Ratings Distribution



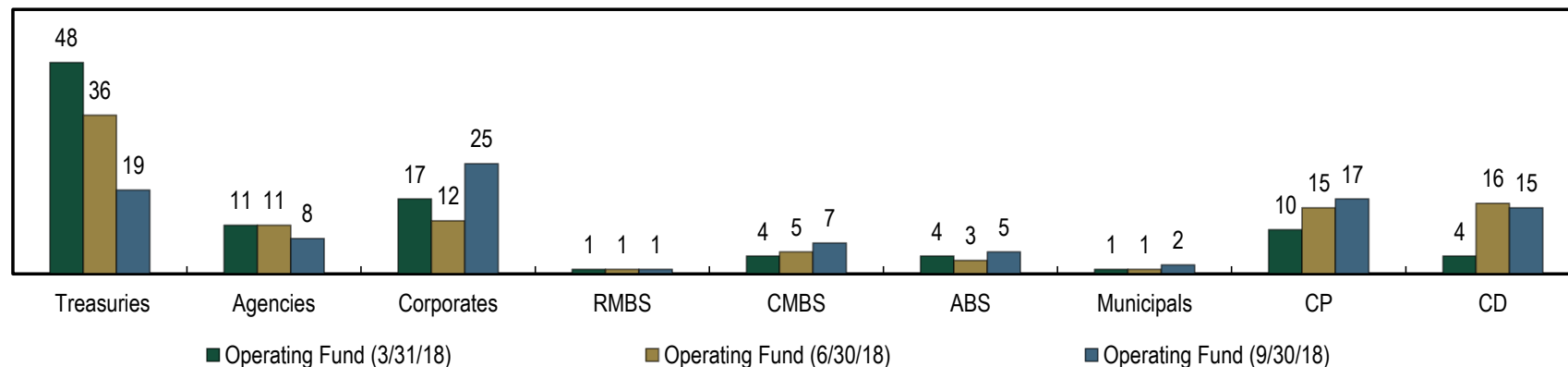
Duration Distribution (% Market Value)



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OPERATING FUND PORTFOLIO – as of September 30, 2018

Sector Distribution (% Market Value)



Treasuries/Agencies

- Added short Treasuries maturing in 2018 and 2019
- Added FNMA and IBRD floaters indexed off new SOFR rate
- Added commercial paper, CDs, and Agency discount notes maturing in 2018

Structured Products

- Purchased 0.20 year Santander auto ABS
- Purchased 0.15 year Freddie Mac “K-bond” CMBS
- Purchased 0.14 year Chase credit card ABS

Corporates

- Purchased short-dated 2018 fixed (Capital One Bank USA, KeyCorp) and 2019 fixed (Bank of America, Branch Banking & Trust, Fifth Third Bank, Citizens Bank)
- Purchased 2020 floating-rate (Wells Fargo Bank)

Municipals

- Bought 1-month state of Oregon and 9-month state of Pennsylvania G.O.s

TIER TWO PORTFOLIO COMPLIANCE – as of September 30, 2018

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)	50	5 Years	4.39 Years	TSY	TSY
Agencies	100 (Code)	4	5 Years	3.96 Years	AGY	AGY
Corporate	30 (Code)	27	5 Years	4.68 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	9	5 Years	4.32 Years	AA-	AAA
Municipals	25 (Code 100)	10	5 Years	4.68 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)	3	5 Years	3.01 Years	A-	A

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

TIER ONE PORTFOLIO COMPLIANCE – as of September 30, 2018

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)	44	5 Years	4.30 Years	TSY	TSY
Agencies	100 (Code)	4	5 Years	3.96 Years	AGY	AGY
Corporate	30 (Code)	25	5 Years	3.51 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	15	5 Years	4.32 Years	AA-	AAA
Municipals	25 (Code 100)	9	5 Years	2.84 Years	A-	AA-
Commercial Paper	25 (Code)	NA	270 Days	2 Days	A1/P1	A1/P1
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)	8	5 Years	4.05 Years	A-	A

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

OPERATING FUND PORTFOLIO COMPLIANCE – as of September 30, 2018

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)	19	450 Days	140 Days	TSY	TSY
Agencies	100 (Code)	8	450 Days	301 Days	AGY	AGY
Corporate	30 (Code)	25	450 Days	224 Days	A-	A+
Mortgages & Asset-Backed (combined)	20 (Code)	13	450 Days	362 Days	AA-	AAA
Municipals	25 (Code 100)	2	450 Days	290 Days	A-	AA-
Commercial Paper	25 (Code)	17	270 Days	66 Days	A1/P1	A1/P1
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	15	1 Year	53 Days	A1/P1	A1/P1
Variable & Floating Rate Securities*	30 (Code)	24	450 Days	81 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. .



LOS ANGELES | BOSTON | LONDON | MILAN

CalOptima Investment Advisory Investment Committee Meeting

November 5, 2018

Asha B. Joshi, CFA
Managing Principal

(213) 830-4247
ajoshi@payden.com

Darren T. Marco, CFA
Vice President

(213) 830-4643
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Payden & Rygel Highlights



Independence

- Established in 1983 – US Corporation – Privately held.
- 21 Shareholders – All active in the management of the firm.
- Conflict-free, Headline-free – for over three decades.

Culture

- Cohesive team approach – incentivized to share ideas.
- Exceptionally low turnover in people and clients.
- Diverse client base.

Client Focus

- Tailored Mandates and Reporting on Client-Specified Parameters.
- Investment Management is our Only Source of Revenue.
- Focused team for each client – access to client service and strategy teams.

Right-Sized

- Over \$115 billion in Assets Under Management.
- Nimble ability for active management.
- Efficient trading and execution.

Advising the World's Leading Institutions and Individual Investors

OVER
\$115
BILLION
AUM

OVER
370
CLIENT
RELATIONSHIPS
WORLDWIDE

25
YEARS
AVERAGE TENURE OF
MANAGEMENT TEAM

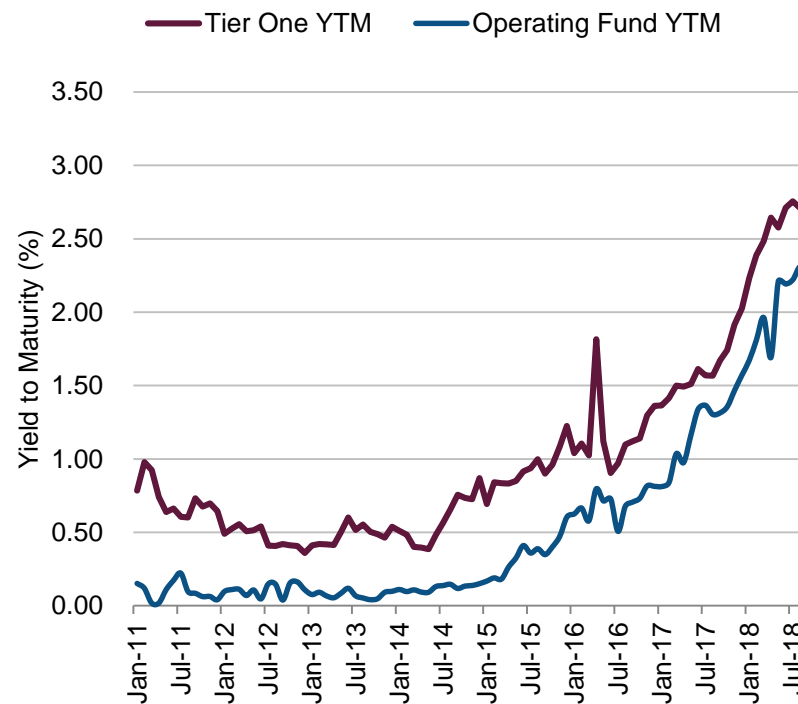
200
EMPLOYEES

CalOptima Portfolio Summary



As of September 30, 2018	Operating Fund	Tier One Fund
Market Value	\$356,562,482	\$147,932,600
Yield to Maturity (%)	2.26	2.87
Effective Duration	0.15	1.51
Spread Duration	0.45	1.07
Average Portfolio Credit Quality	AA+	AA
Inception Date	July 1, 1999	July 1, 1999

Portfolio Yields Moving Higher With Overall Market Yields



Source: Payden



Contents

I

Economic Update

II

Market Overview and Portfolio Review



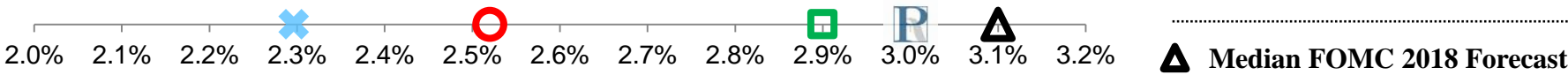
Economic Update

Our 2018 Outlook Summary: Continued Above-Trend Economic Growth and “On Target” Inflation Will Keep The Fed On A Once-Per-Quarter Hiking Pace For the Foreseeable Future

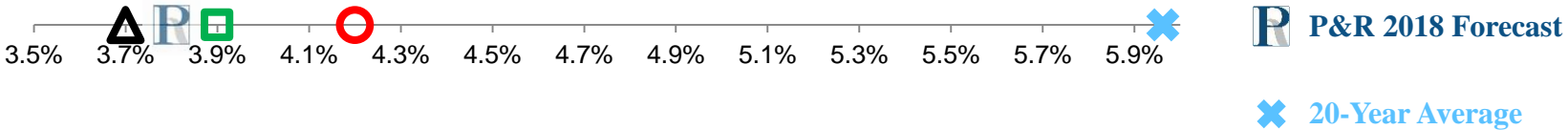


We expect GDP growth to approach 3% in 2018. Such a stellar pace of economic growth, well above the economy’s “trend” growth rate, will put further downward pressure on the unemployment rate. Unemployment could reach 3.8% by the end of the year. We also expect inflation, as measured by core PCE, to settle in at 2.0% by year-end 2018. We think this economic backdrop is consistent with a total of four hikes in 2018, which translates to another 25 basis point increase at the December meeting. We think the risks to our views on growth and inflation are skewed to upside (i.e., faster GDP growth and higher inflation before year end).

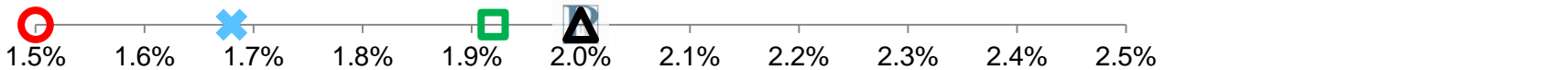
Economic Growth (Q4/Q4 Real GDP) By Year End



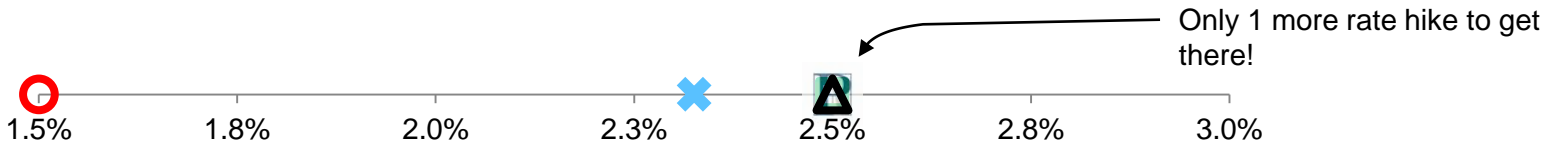
Unemployment Rate By Year End



Core PCE (% Change Year-Over-Year) By Year End



Policy Interest Rate At Year End (Upper Bound of Fed Funds Rate Target Range)

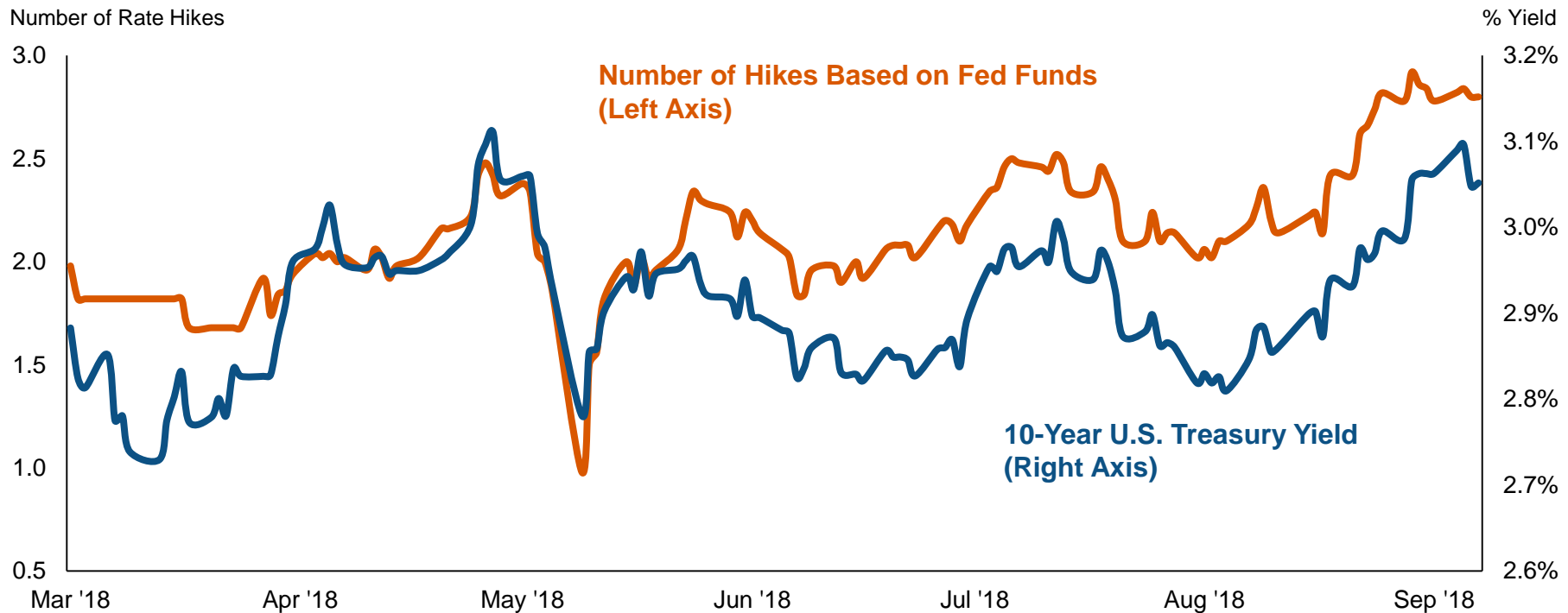


Sources: Bloomberg Consensus, Payden Estimates, Bureau of Labor Statistics and Bureau of Economic Analysis

Can You Take Me Higher?



Market Expectations* for Number of Rate Hikes by 2019 Versus the 10-Year Yield



Source: Bloomberg, Payden Calculations

*Based on Fed Funds futures contracts

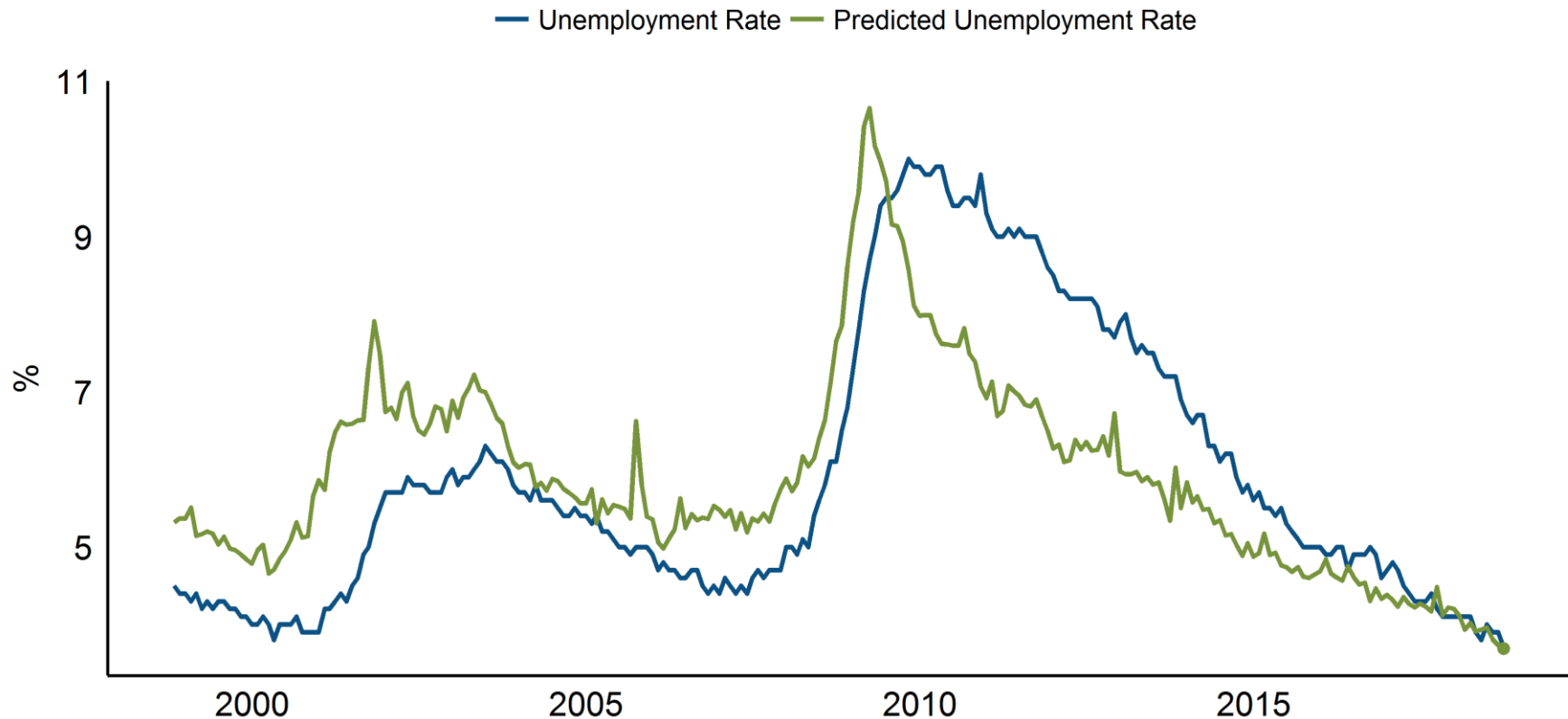
The Federal Open Market Committee (FOMC) raised rates another 25 basis points in September, the eighth hike up in the fed funds rate of this cycle. Why does the latest, well-telegraphed move matter? Primarily because the path of short-term interest rates has ramifications for longer-term rates, including the 10-year U.S. Treasury yield. Based on fed funds futures contracts out over the next couple of years, we can determine roughly how many rate hikes are “priced in” by the market. As the market discounts more rate hikes, longer-term rates tend to rise. In just the last month, the market moved from pricing two to almost three rate hikes by the end of 2019. Over the same period, the 10-year Treasury yield moved up 25 basis points. With 9 of the 16 FOMC members projecting at least 4 rate hikes between now and the end of 2019, the market has moved closer to the Fed. Is there room for the market to move even more?

Forward Looking Indicators Suggest the Unemployment Rate Can Continue to Fall



In order to estimate future unemployment, we looked at a more timely series—initial claims for unemployment insurance. This series, which comes out weekly, gives a good lead on broader dynamics in the unemployment rate. A model built with this indicator suggests that the unemployment rate will continue to remain below 4% in the near future.

Unemployment Rate: Actual and Predicted with Initial Jobless Claims



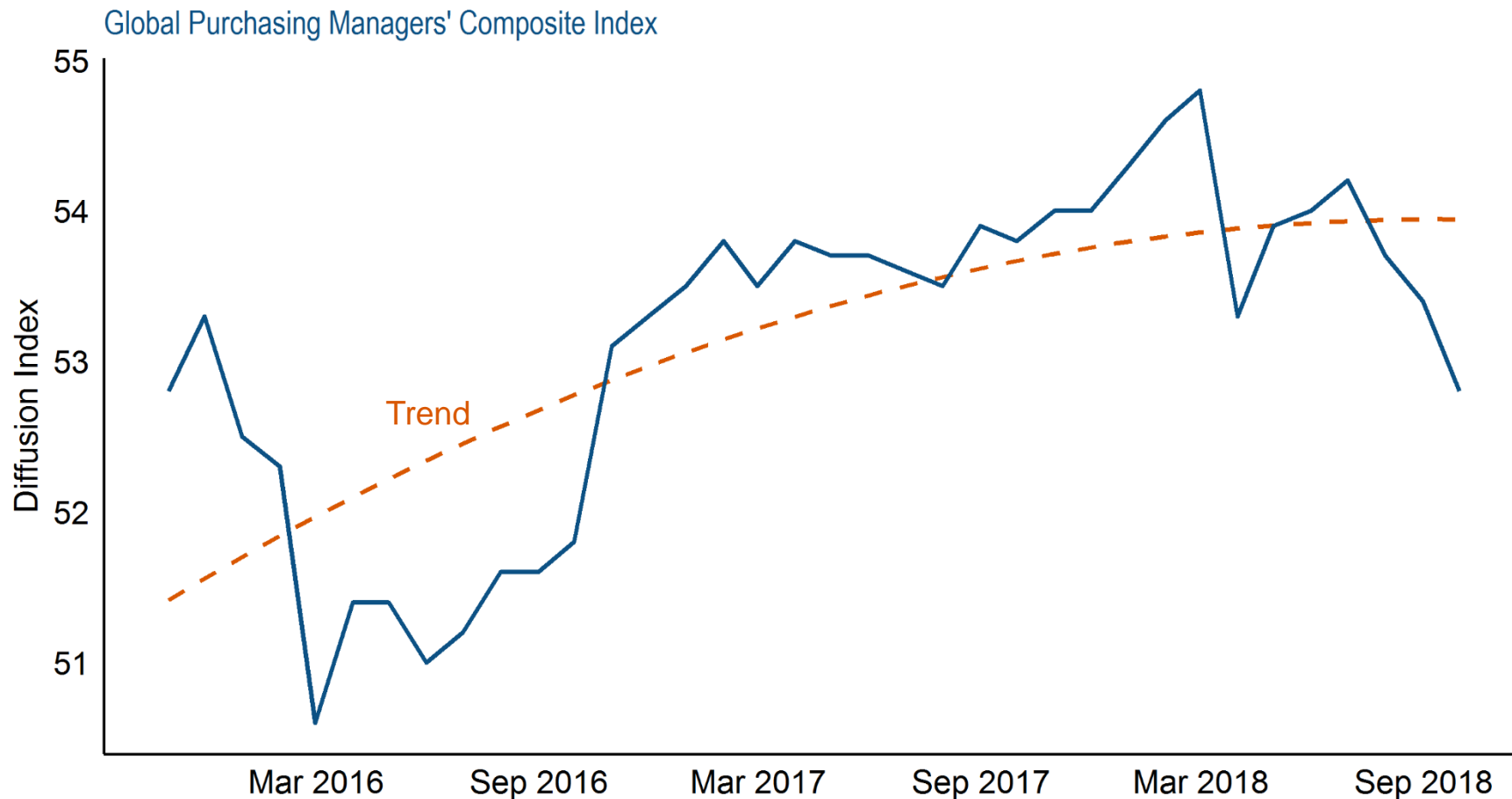
Source: Bureau of Labor Statistics, Payden Economics

*Unemployment rate predicted using the four-week average of initial claims for unemployment insurance

Key Leading Indicator of Global Economic Growth Has Slowed But Still Remains In Expansionary Territory



The global economy slowed from mid-2014 to mid-2016 due to a stronger U.S. dollar and the plunge in oil prices. For much of the past two years, fears about a slowdown in China, strength in the U.S. dollar, and continued commodity price plunges plagued investors' thinking. While a global survey of purchasing managers, which provides an important leading indicator of global economic activity, has slowed, it remains in expansionary territory.



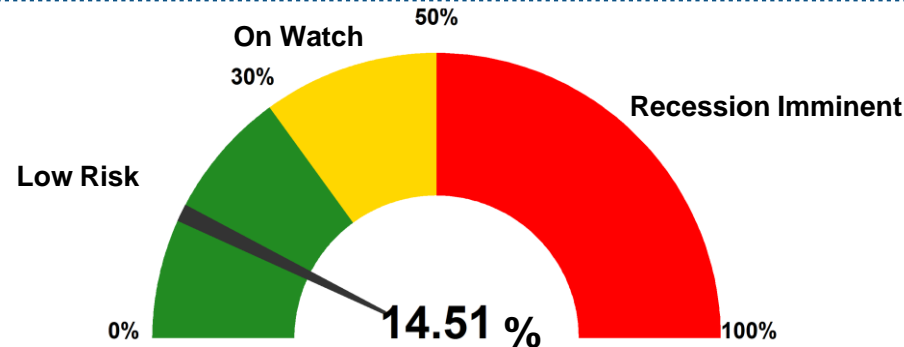
Source: JP Morgan

Our Favorite Recession Risk Indicator Is Still Not Showing Any Warning Signs

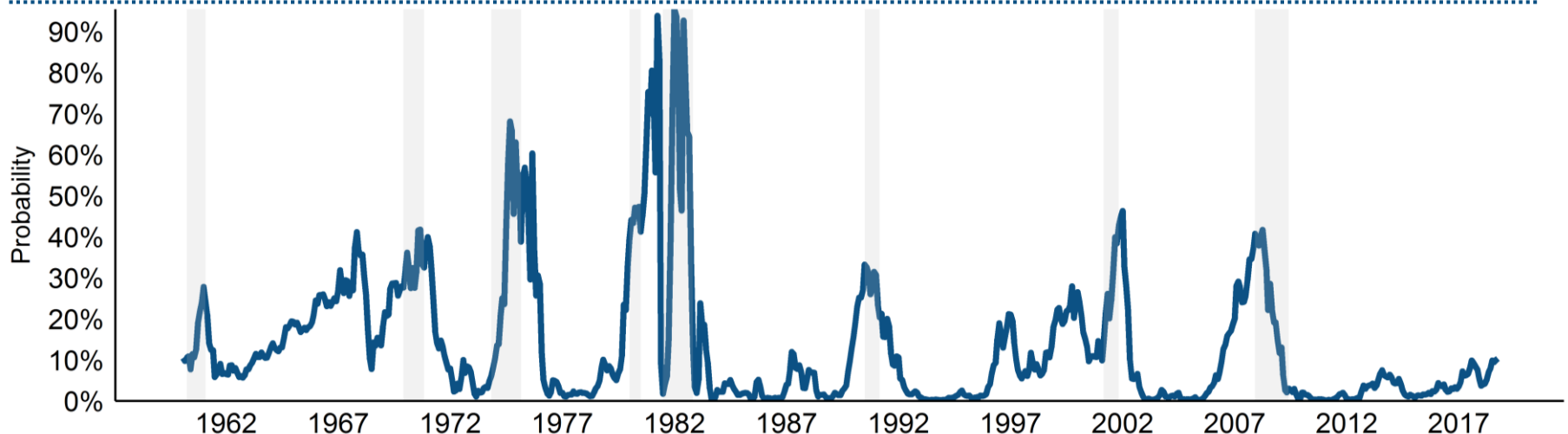


It isn't perfect, but the spread between the 3-month Treasury bill and the 10-year Treasury note is one of the best forecasting tools investors have available. In the post-war era, this indicator has preceded every recession by 12-24 months, with only one false positive (in 1967). The New York Federal Reserve created a model using probit equations "to convert the value of a measure of yield curve steepness into a probability of recession one year ahead." Based on the current slope in the yield curve, we are not worried.

Probability of a Recession in the Next 12 Months



Historical Trend of Yield Curve Based Recession Probability, 12-Months Ahead



Source: New York Federal Reserve, NBER



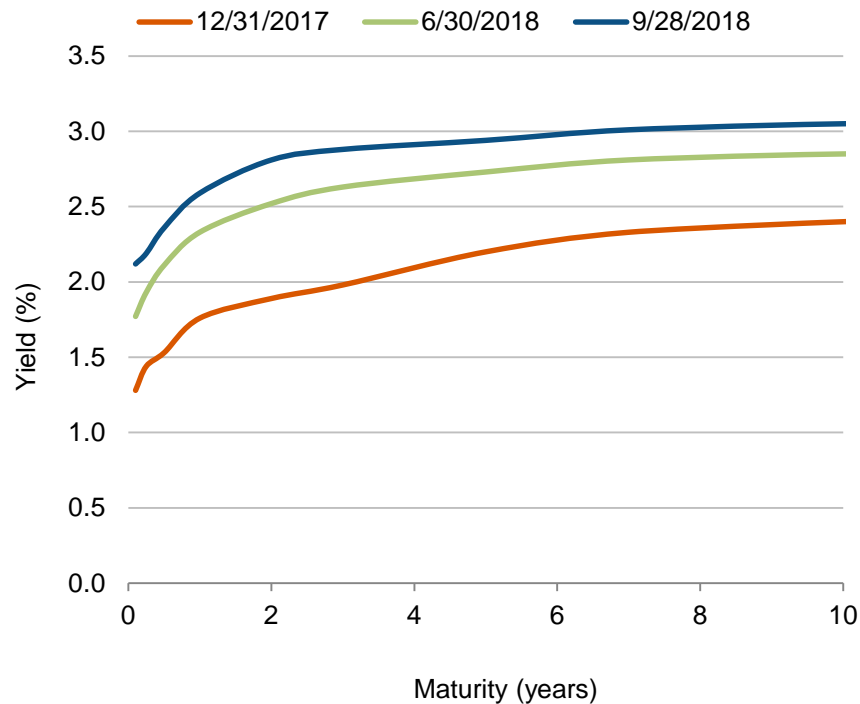
II

Market Overview and Portfolio Review

U.S. Interest Rates



Rates Continued To Move Higher Across the Curve in Q3 2018



U.S. Treasury Yields: Shorter Tenors More Influenced by the Fed

Maturity (Years)	Yields (%) 9/28/2018	Yields (%) 6/30/2018	Change (%)
0.25	2.17	1.93	0.26
1	2.58	2.33	0.26
2	2.81	2.52	0.29
3	2.89	2.63	0.25
5	2.96	2.73	0.21
7	3.03	2.81	0.20
10	3.07	2.85	0.20
30	3.21	2.98	0.21

Interest rates in the U.S. are being driven higher by the Federal Reserve's continued path to monetary policy normalization, with the Federal Open Market Committee raising its overnight lending rate for a third time this year just last week. Our Economics team forecasts a quarterly rate hike through Q3 2019.

Year-to-Date Total Returns & Breakevens



YTD 2018 Total Returns Mixed, Shorter Maturities (<2Yrs.) Positive

	2018 YTD Total Return	Trailing One Year Total Return
3-month LIBOR	1.55%	1.94%
3-month T-bill	1.30%	1.59%
6-month T-bill	1.30%	1.58%
12-month T-bill	1.12%	1.18%
2 Yr. Treasury	0.18%	-0.16%
3 Yr. Treasury	-0.63%	-1.10%
5 Yr. Treasury	-1.33%	-2.03%
7 Yr. Treasury	-2.09%	-2.50%
10 Yr. Treasury	-3.75%	-4.02%
30 Yr. Treasury	-6.55%	-3.75%

Source: ICE BofAML Index data through September 30, 2018

One Year Breakevens Are Better For Shorter Tenors

Breakeven vs. 0% Return

Term	Current Yield	Yield	Shift (bps)
2 Yr.	2.85%	5.94%	309
3 Yr.	2.94%	4.48%	155
5 Yr.	3.00%	3.82%	82
7 Yr.	3.09%	3.67%	58
10 Yr.	3.15%	3.56%	41
30 Yr.	3.33%	3.51%	18

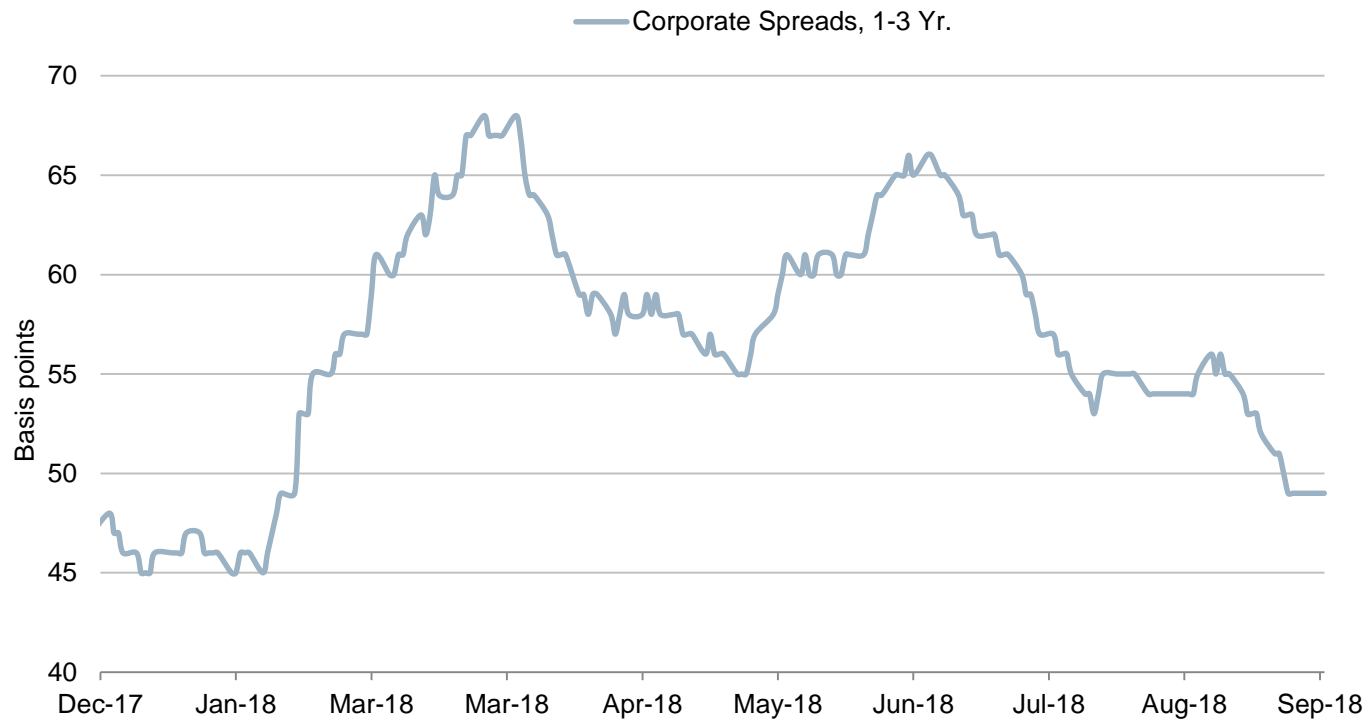
Source: Payden as of October 15, 2018

- 3-month LIBOR and short-term Treasuries have outperformed longer dated Treasuries as income has not been able to offset negative price returns driven by higher rates
- Despite a flattening curve, short-term securities award more attractive breakevens

Corporate Credit Spreads Are Being Driven by Technicals



Spreads Have Had a Volatile Year. Recent Technicals Supported Spread Tightening as Fundamentals Remain Sound.



Source: Bloomberg Barclays Index data (LF99OAS). Through September 30, 2018

Credit Sector Outlook: Fundamentals Remain Sound



As Tariffs Come into Focus, Some Sectors May Face Headwinds

	Commodities		Consumers				TMT		Industrials		Utilities	Financials			
Six Month Forward Sector Outlook	Basic Industry	Energy	Consumer Cyclical	Autos	Consumer Non-Cyclical	Health Care	Media & Tech	Telecom	Cap Goods	Transportation	Electric	Banks	Insurance	REITs	Other Fins
Fundamental Factors															
Sector Growth Potential	3	4	3	2	3	3	4	2	4	4	2	3	3	3	3
Structure & Regulation	3	3	2	3	2	2	2	2	5	4	4	2	2	4	3
Global Growth Sensitivity	3	4	3	2	3	4	2	3	3	3	4	3	3	3	3
Commodity Sensitivity	2	2	3	2	3	4	4	5	2	3	3	3	3	4	3
Cyclicality/Pricing Power	2	1	2	2	2	4	3	2	3	3	4	3	3	3	2
Trade Dynamics	4	3	3	1	3	5	2	4	3	3	5	3	3	4	4
Subtotal	2.9	3.0	2.7	2.0	2.7	3.6	3.0	2.9	3.4	3.4	3.4	2.9	2.9	3.4	3.0
Financial Health Factors															
Fundamental Trajectory	3	4	3	3	3	4	4	2	3	2	3	3	3	3	3
Free Cash Flow	4	4	3	3	4	4	5	3	3	3	3	3	3	3	2
Currency/Rate Sensitivity	4	3	3	2	3	4	2	3	2	3	4	3	4	3	2
Subtotal	3.7	3.7	3.0	2.7	3.3	4.0	3.7	2.7	2.7	2.7	3.3	3.0	3.3	3.0	2.3
Market Technical Factors															
Current Valuation	4	3	3	4	2	4	2	4	2	2	3	3	3	4	3
Relative Spread Potential	3	3	3	3	2	3	3	3	2	3	3	3	3	3	3
Volatility of Sector	2	2	2	2	3	3	3	2	4	3	4	3	3	3	3
Secondary Liquidity	3	3	3	4	4	4	4	4	4	3	2	5	3	2	2
Subtotal	3.3	2.9	2.9	3.4	2.4	3.6	2.7	3.4	2.6	2.6	3.0	3.3	3.0	3.3	2.9
Weighted Score (1.0 to 5.0 scale)	3.1	3.0	2.7	2.7	2.7	3.5	3.0	2.8	2.8	2.8	3.0	2.9	2.9	3.1	2.6

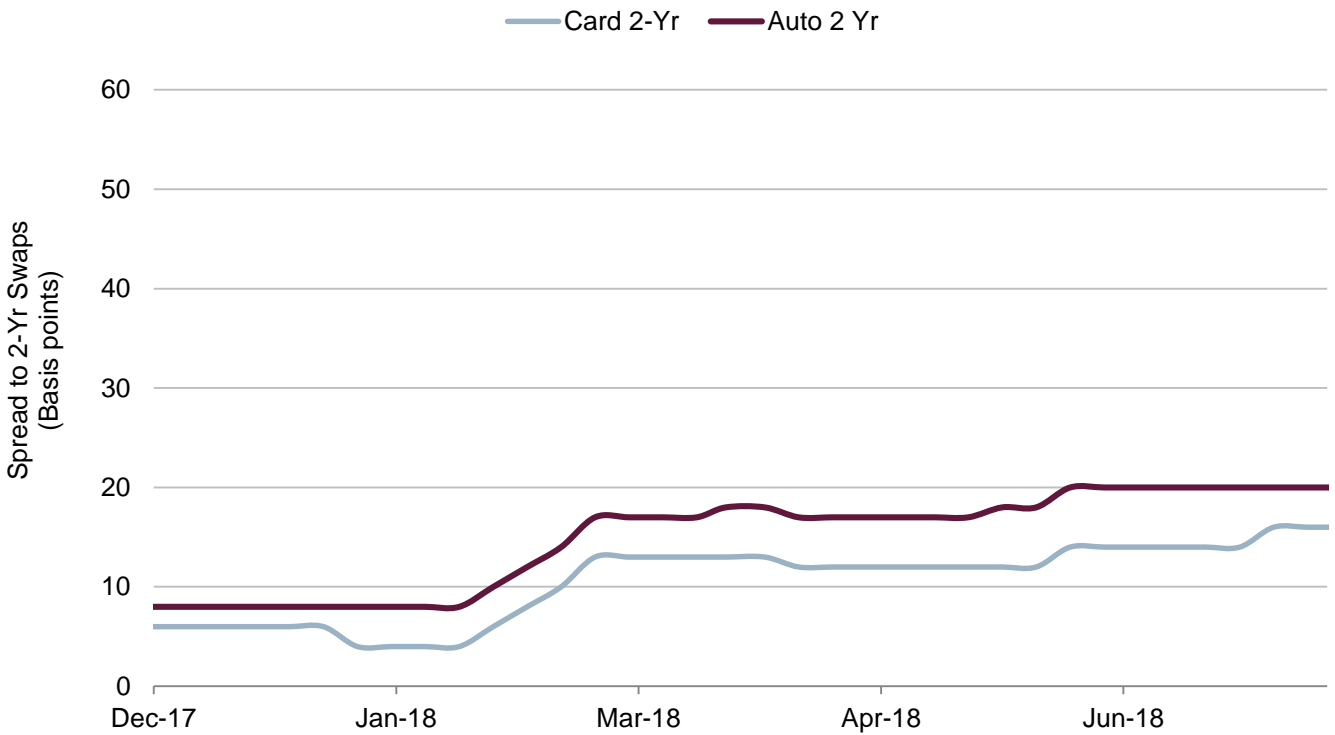
Note: A rating of 5 represents the highest score from the perspective of that factor being a credit positive for the sector, while a 1 rating represents a credit negative

Source: Payden & Rygel

Asset-backed Securities' Spreads Have Remained Stable



Asset-backed Spreads are Wider on the Year but Have Been More Stable Than Corporate Credit Spreads

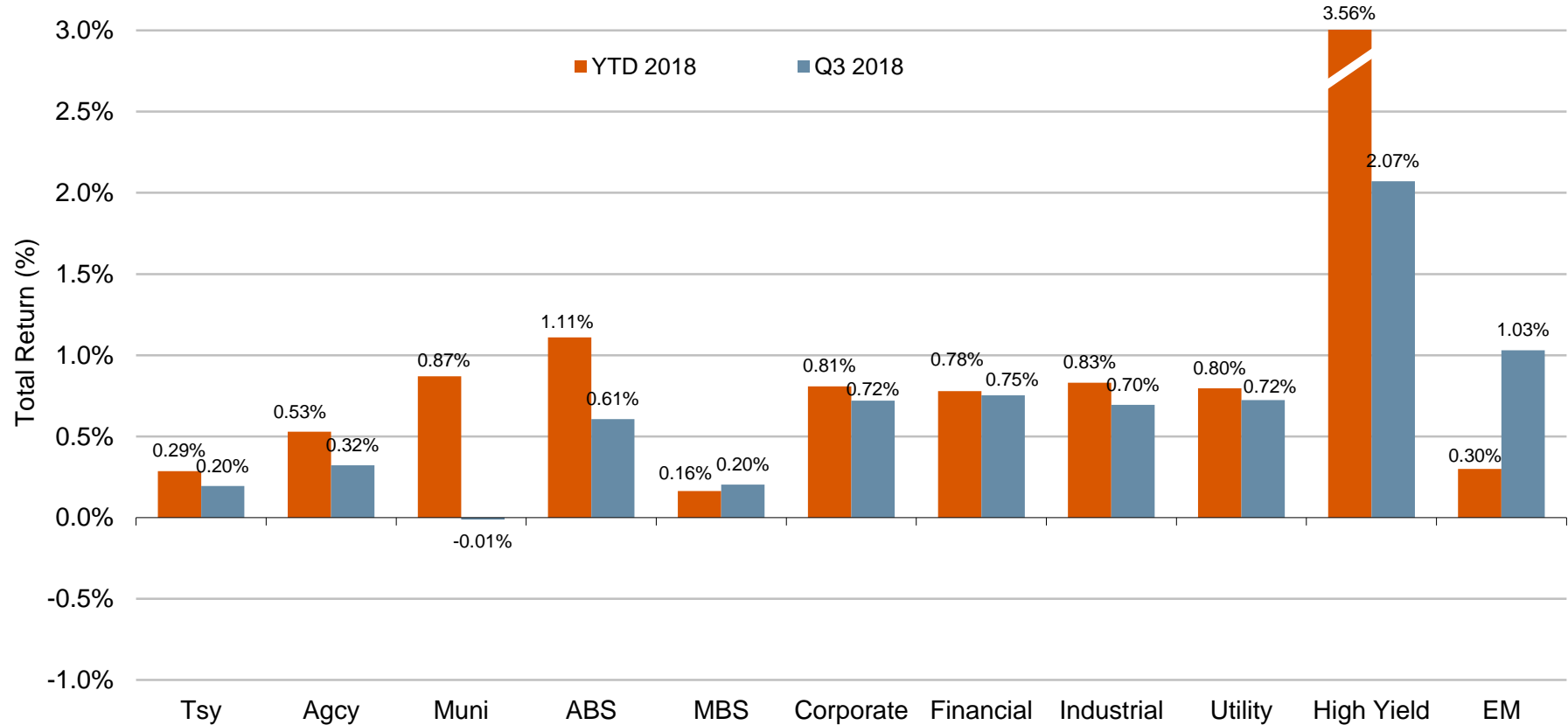


Source: JP Morgan. Through September 28, 2018

Fixed-Income Sector Performance as of September 30, 2018



Sector Total Return – 1-3 Year Maturity



Source: ICE BofAML Index data and JP Morgan (EM only) 1-3 Yr. Index data

Operating Fund Portfolio as of September 30, 2018

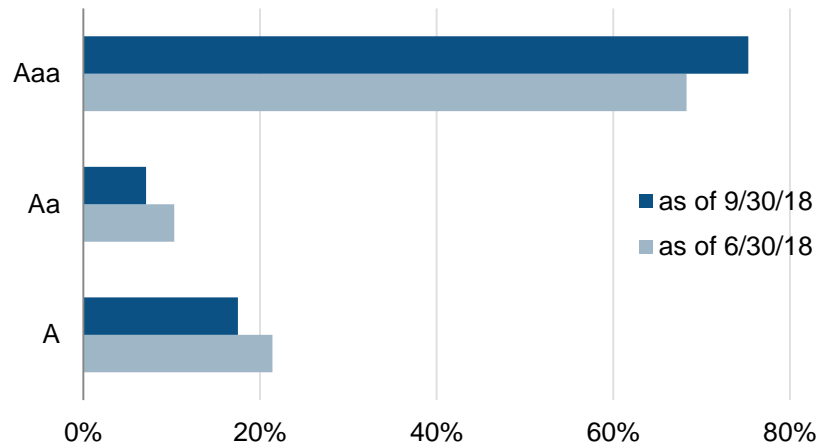


Portfolio Characteristics

	Operating Fund 9/30/18	Operating Fund 6/30/18	Benchmark
Market Value	\$356,562,482	\$281,057,175	-
Yield to Maturity (%)	2.26	2.19	2.16
Effective Duration	0.15	0.13	0.15
Average Rating	AA+	AA+	Aaa/AA+u

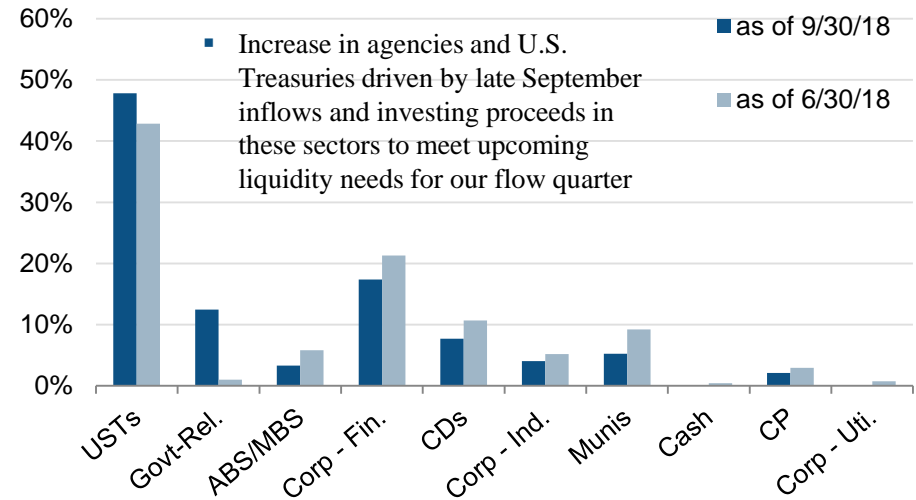
Benchmark is Citi 3-month Treasury Bill Index

Credit Quality Breakdown - Percentage of Portfolio

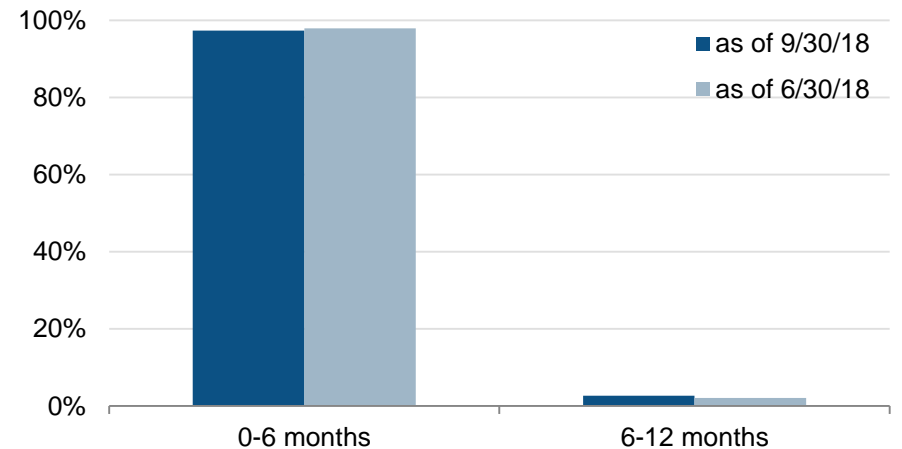


Source: Payden & Rygel Calculations

Portfolio Sector Allocation



Duration Distribution



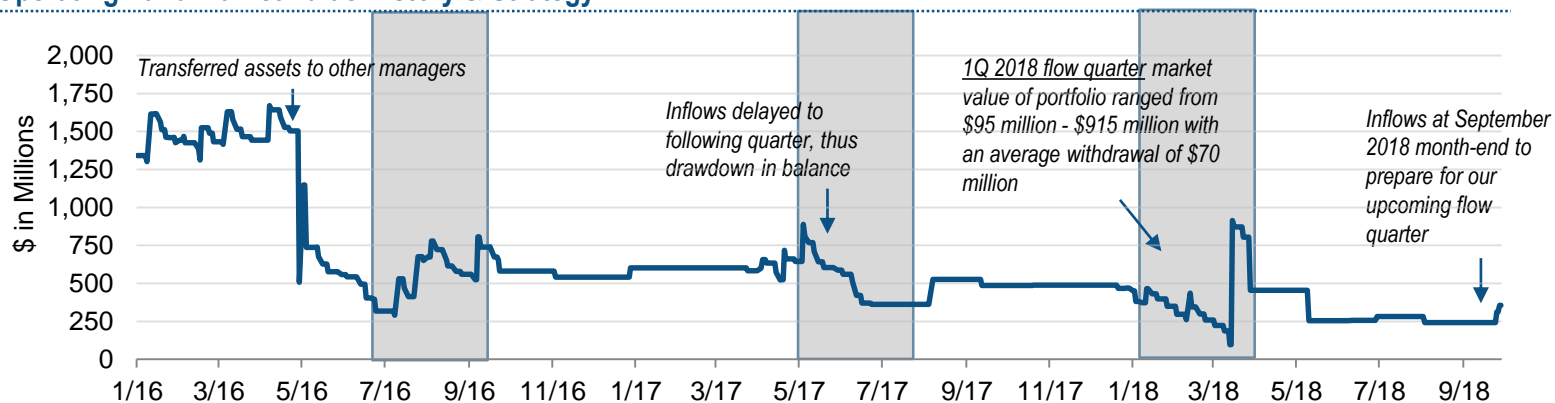
Operating Fund Performance: Returns & Strategy



PORTFOLIO RETURNS (As of 9/30/18)

	3Q 2018	YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Operating Fund (gross)	0.59%	1.49%	1.82%	1.18%	0.78%
Operating Fund (net)	0.57%	1.43%	1.74%	1.10%	0.69%
Citigroup 3-Month Treasury Bill Index	0.50%	1.29%	1.57%	0.80%	0.49%
Alpha (net)	0.07%	0.14%	0.17%	0.30%	0.20%

Operating Fund Market Value History & Strategy



Tier One Fund Portfolio as of September 30, 2018

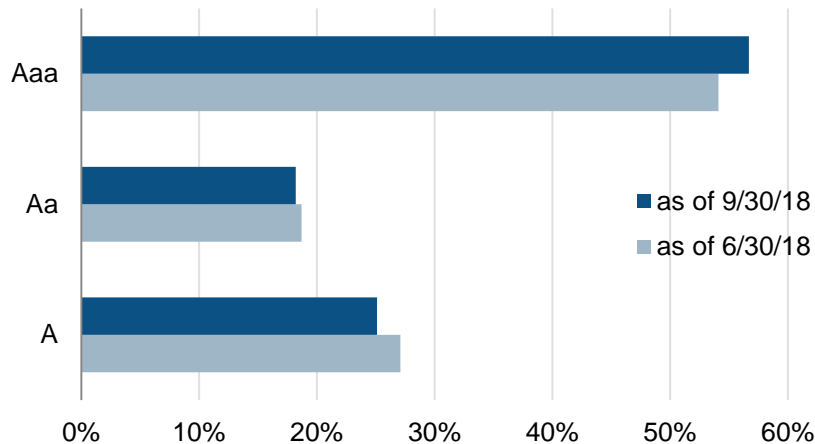


Portfolio Characteristics

	Tier One Fund 9/30/18	Tier One Fund 6/30/18	Benchmark
Market Value	\$147,932,600	\$147,251,911	-
Yield to Maturity (%)	2.87	2.71	2.80
Effective Duration	1.51	1.41	1.87
Average Rating	AA	AA	Aaa/AA+u

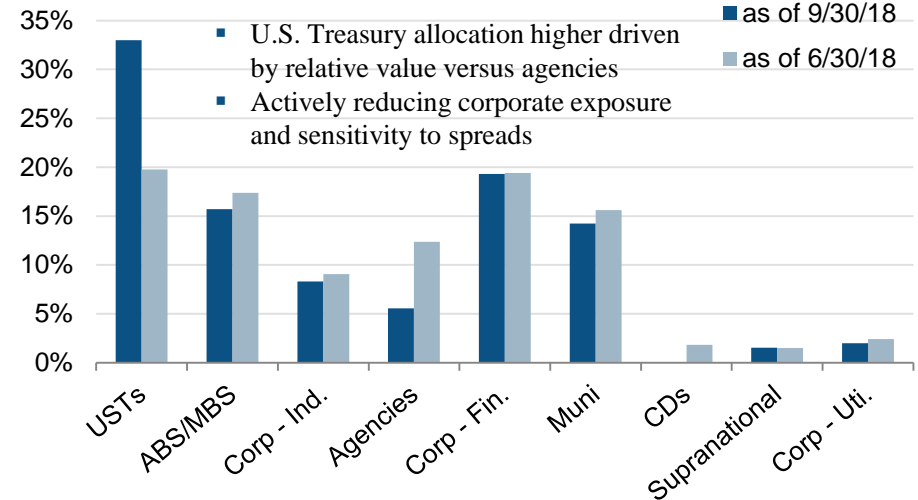
Benchmark is ICE BofAML 1-3 U.S. Treasury Index

Credit Quality Breakdown - Percentage of Portfolio

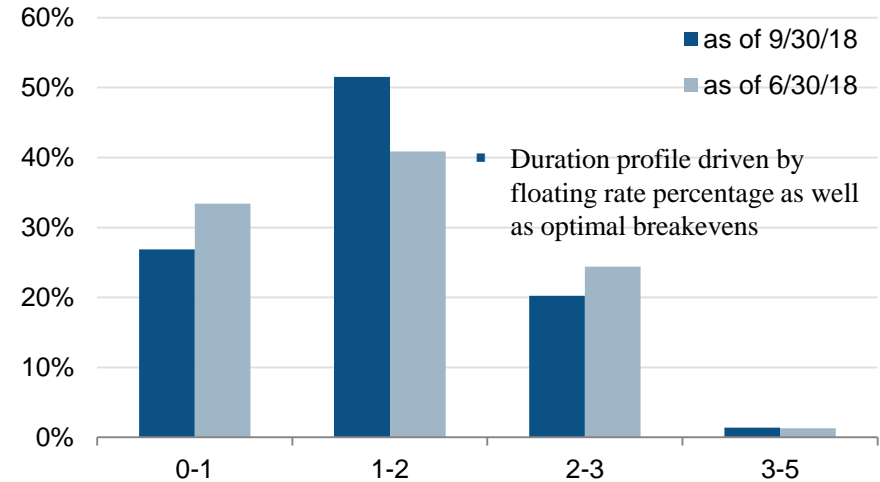


Source: Payden.

Portfolio Sector Allocation



Duration Distribution



Tier One Fund Performance: Returns & Attribution



PORTFOLIO RETURNS (As of 9/30/18)

	3Q 2018	YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Tier One Fund (gross)	0.47%	0.82%	0.80%	0.96%	0.96%
Tier One Fund (net)	0.45%	0.75%	0.72%	0.88%	0.87%
ICE BofAML 1-3 Year Treasury Index*	0.19%	0.29%	0.03%	0.38%	0.56%
ICE BofAML 1-3 Yr. AAA-A G/C Index	0.30%	0.41%	0.20%	0.60%	0.74%

*1/04 ICE BofAML 1-3 Year Treasury Index; 5/00 Citigroup 1-Year Treasury Index; 7/99-5/00 Citigroup 3-month T-bill Index.

Tier One Fund Attribution versus Respective Benchmarks (basis points)

ICE BofAML 1-3 Yr. Treasury Index	3Q 2018	Trailing 12 months
Interest Rates	9	42
Sector Selection	17	35
Agency	1	2
Corporate	10	21
Financial	8	14
Industrial	2	5
Utilities	0	2
ABS/MBS	3	6
Municipals	3	6
Residual	0	0
Total	27	77

ICE BofAML 1-3 Yr. AAA-A Government / Credit	3Q 2018	Trailing 12 months
Interest Rates	7	42
Sector Selection	11	14
Agency	0	1
Corporate	5	5
Financial	3	6
Industrial	1	0
Utilities	1	-1
ABS/MBS	3	4
Municipals	3	4
Residual	0	4
Total	18	60

Figures rounded to the nearest basis point, based on gross returns

CalOptima – Compliance Report – As of September 30, 2018



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	43.66%	450 Days	5 Years	179	Days	2.96	Years	TSY	TSY
Federal Agencies	100	9.67%	450 Days	5 Years	22	Days	3.75	Years	AGY	AGY
State of CA & Other Municipal Obligations	25	8.73%	450 Days	5 Years	336	Days	3.34	Years	A3/A-	A3/A-
Supranationals	15	0.45%	450 Days	5 Years			2.81	Years	Aa2/AA	AAA
Bankers Acceptances	30	0.00%	180 Days	180 Days					A-1/P-1	n/a
Commercial Paper	25	1.49%	270 Days	270 Days	22	Days			A-1/P-1	A-1/P-1
Negotiable Certificates of Deposit	30	1.01%	1 Year	1 Year	40	Days			A-1/P-1	A-1/P-1
Repurchase Agreements	100	0.00%	30 Days	30 Days					TSY	n/a
Medium Term Notes & Depository Notes	30	8.49%	450 Days	5 Years	346	Days	2.95	Years	A3/A-	A3/A-
Money Market & other Mutual Funds (combined)	20	-1.00%	N/A	N/A	1	Days	0.00	Years	Aaa/AAA	AAA
Mortgage & Asset-Backed Securities (combined)	20	4.38%	450 Days	5 Years	144	Days	2.70	Years	Aa3/AA-	AAA
Variable & Floating Rate Securities	30	23.13%	450 Days	5 Years	88	Days	2.63	Years	A3/A-	A3/A-

100.00%

Diversification Guidelines

Maximum per Corporate Issuer	5%	1.60%
Repurchase Agreements (Maturity > 7 days)	25%	0.00%
Repurchase Agreements (Maturity < = 7 days)	50%	0.00%



OVER 30 YEARS OF INSPIRING
CONFIDENCE WITH AN
UNWAVERING COMMITMENT TO
OUR CLIENTS' NEEDS.

US DOMICILED MUTUAL FUNDS

CASH BALANCE

Payden Kravitz Cash
Balance Plan Fund

EQUITY

Equity Income Fund

GLOBAL FIXED INCOME

Emerging Markets Bond Fund
Emerging Markets Corporate Bond Fund
Emerging Markets Local Bond Fund
Global Fixed Income Fund
Global Low Duration Fund

TAX-EXEMPT

California Municipal Income Fund

US FIXED INCOME

Absolute Return Bond Fund
Cash Reserves Money Market Fund
Core Bond Fund
Corporate Bond Fund
Floating Rate Fund
GNMA Fund
High Income Fund
Limited Maturity Fund
Low Duration Fund
Strategic Income Fund
U.S. Government Fund

For more information about Payden & Rygel's funds, contact us at a location below.

Payden & Rygel

LOS ANGELES

333 South Grand Ave
Los Angeles, CA
90071
213 625-1900

BOSTON

265 Franklin Street
Boston, MA 02110
617 807-1990

LONDON

1 Bartholomew Lane
London EC2N 2AX
United Kingdom
+ 44 (0) 20-7621-3000

MILAN

Corso Matteotti, 1
20121
Milan, Italy



CalOptima
Better. Together.

Financial Summary

August 2018

Greg Hamblin
Chief Financial Officer

FY 2018-19: Consolidated Enrollment

- August 2018 MTD:
 - Overall enrollment was 775,841 member months
 - Actual lower than budget 8,968 or 1.1%
 - Medi-Cal: unfavorable variance of 7,268 members
 - Medi-Cal Expansion (MCE) unfavorable variance of 3,636
 - Temporary Assistance for Needy Families (TANF) unfavorable variance of 3,317 members
 - Senior Persons with Disabilities (SPD) unfavorable variance of 237 members
 - Long-Term Care (LTC) unfavorable variance of 78
 - OneCare Connect: unfavorable variance of 1,769 members
 - 2,693 decrease from prior month
 - Medi-Cal: increase of 562 from July
 - OneCare Connect: decrease of 3,262 from July
 - OneCare: decrease of 6 from July
 - PACE: increase of 13 from July

FY 2018-19: Consolidated Enrollment (cont.)

- August 2018 YTD:

- Overall enrollment was 1,554,375 member months
 - Actual lower than budget 15,601 or 1.0%
 - Medi-Cal: unfavorable variance of 15,445 members or 1.0%
 - TANF unfavorable variance of 8,088 members
 - MCE unfavorable variance of 6,873 members
 - SPD unfavorable variance of 339 members
 - LTC unfavorable variance of 145 members
 - OneCare Connect: unfavorable variance of 293 members or 1.0%
 - OneCare: favorable variance of 126 or 4.8%
 - PACE: favorable variance of 11 members or 2.0%

FY 2018-19: Consolidated Revenues

- August 2018 MTD:

- Actual higher than budget \$7.4 million or 2.7%
 - Medi-Cal: favorable to budget \$6.3 million or 2.6%
 - Unfavorable volume variance of \$2.3 million
 - Favorable price variance of \$8.6 million due to:
 - \$4.7 million of prior year (PY) LTC revenue from non-LTC aid codes
 - \$2.2 million of Proposition 56 revenue for July 2018
 - \$1.2 million of Applied Behavior Analysis (ABA) revenue
 - \$1.0 million of Coordinated Care Initiative (CCI) revenue
 - OneCare Connect: favorable to budget \$2.0 million or 8.0%
 - Favorable price variance of \$3.4 million due to Medicare Part D revenue adjustments

FY 2018-19: Consolidated Revenues (cont.)

- August 2018 MTD:

- OneCare: unfavorable to budget \$928.5 thousand or 57.3%
 - Favorable volume variance of \$73.5 thousand
 - Unfavorable price variance of \$1.0 million due to CMS revenue adjustment as a result of calendar year 2016 Hierarchical Condition Category (HCC) reconciliation
- PACE: favorable to budget \$43.3 thousand or 2.2%
 - Favorable volume variance of \$65.2 thousand
 - Unfavorable price variance of \$21.9 thousand

FY 2018-19: Consolidated Revenues (cont.)

- August 2018 YTD:
 - Actual higher than budget \$2.3 million or 0.4%
 - Medi-Cal: unfavorable to budget \$0.8 million or 0.2%
 - Unfavorable volume variance of \$5.0 million
 - Favorable price variance of \$4.2 million due to:
 - \$4.6 million of PY LTC revenue from non-LTC aid codes
 - \$1.1 million of FY18 CCI Revenue
 - \$1.6 million of FY18 ABA revenue
 - \$0.8 million of FY18 Hepatitis C revenue
 - (\$3.0) million of FY18 non-LTC revenue from non-LTC aid codes
 - (\$1.4) million of FY18 Proposition 56 revenue

FY 2018-19: Consolidated Revenues (cont.)

- August 2018 YTD:
 - OneCare Connect: favorable to budget \$4.1 million or 8.2%
 - Unfavorable volume variance of \$0.5 million
 - Favorable price variance of \$4.6 million related to prior year Part D revenue adjustment
 - OneCare: Unfavorable to budget \$1.1 million or 36.4%
 - Favorable volume variance of \$0.2 million
 - Unfavorable price variance of \$1.3 million due to CMS revenue adjustment as a result of calendar year 2016 HCC reconciliation
 - PACE: favorable to budget \$0.2 million or 3.9%
 - Favorable volume variance of \$0.1 million
 - Favorable price variance of \$0.1 million

FY 2018-19: Consolidated Medical Expenses

- August 2018 MTD:

- Actual higher than budget \$7.7 million or 2.9%
 - Medi-Cal: unfavorable variance of \$7.2 million
 - Favorable volume variance of \$2.2 million
 - Unfavorable price variance of \$9.4 million
 - Facilities unfavorable variance of \$8.5 million due to claims Incurred But Not Reported (IBNR) restatement
 - Provider Capitation is unfavorable to budget \$4.5 million due to Proposition 56 expense and Child Health and Disability Prevention (CHDP) that was budgeted in Professional Claims
 - Professional Claims favorable variance of \$3.4 million due Behavioral Health Treatment (BHT) and CHDP expenses recorded in Provider Capitation
 - Medical Management favorable variance of \$0.6 million due to open positions

FY 2018-19: Consolidated Medical Expenses (cont.)

- August 2018 MTD:
 - OneCare Connect: unfavorable variance of \$0.7 million or 3.1%
 - Favorable volume variance of \$2.9 million
 - Unfavorable price variance of \$3.6 million
 - OneCare: favorable variance of \$0.2 million
 - PACE: favorable variance of \$47.1 thousand

FY 2018-19: Consolidated Medical Expenses (cont.)

- August 2018 YTD:

- Actual higher than budget \$1.9 million or 0.4%
 - Medi-Cal: unfavorable variance of \$1.9 million
 - Favorable volume variance of \$4.7 million
 - Unfavorable price variance of \$6.6 million
 - Facilities expenses unfavorable variance of \$7.9 million
 - Provider Capitation expenses unfavorable variance of \$6.8 million
 - Professional Claim expenses favorable variance of \$5.0 million
 - Prescription Drug expenses favorable variance of \$1.5 million
 - OneCare Connect: unfavorable variance of \$0.6 million
 - Favorable volume variance of \$0.5 million
 - Unfavorable price variance of \$1.0 million

- Medical Loss Ratio (MLR):

- August 2018 MTD: Actual: 96.1% Budget: 95.9%
- August 2018 YTD: Actual: 95.6% Budget: 95.6%

FY 2018-19: Consolidated Administrative Expenses

- August 2018 MTD:

- Actual lower than budget \$3.0 million or 22.7%
 - Salaries, wages and benefits: favorable variance of \$1.8 million
 - Other categories: favorable variance of \$1.2 million

- August 2018 YTD:

- Actual lower than budget \$5.1 million or 19.9%
 - Salaries, wages & benefits: favorable variance of \$2.7 million
 - Purchased Services: favorable variance of \$0.7 million
 - Other categories: favorable variance of \$1.7 million

- Administrative Loss Ratio (ALR):

- August 2018 MTD: Actual: 3.6% Budget: 4.7%
- August 2018 YTD: Actual: 3.7% Budget: 4.7%

FY 2018-19: Change in Net Assets

- August 2018 MTD:

- \$4.5 million surplus
- \$5.7 million favorable to budget
 - Higher than budgeted revenue of \$7.4 million
 - Higher than budgeted medical expenses of \$7.7 million
 - Lower than budgeted administrative expenses of \$3.0 million
 - Higher than budgeted investment and other income of \$3.1 million

- August 2018 YTD:

- \$9.5 million surplus
- \$10.1 million favorable to budget
 - Higher than budgeted revenue of \$2.3 million
 - Higher than budgeted medical expenses of \$1.9 million
 - Lower than budgeted administrative expenses of \$5.1 million
 - Higher than budgeted investment and other income of \$4.6 million

Enrollment Summary:

August 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,762	63,995	(233)	(0.4%)	Aged	127,404	127,766	(362)	(0.3%)
612	620	(8)	(1.3%)	BCCTP	1,242	1,240	2	0.2%
47,117	47,113	4	0.0%	Disabled	94,238	94,217	21	0.0%
314,052	316,190	(2,138)	(0.7%)	TANF Child	627,283	632,899	(5,616)	(0.9%)
94,295	95,475	(1,180)	(1.2%)	TANF Adult	188,824	191,296	(2,472)	(1.3%)
3,382	3,460	(78)	(2.3%)	LTC	6,764	6,909	(145)	(2.1%)
237,814	241,450	(3,636)	(1.5%)	MCE	475,751	482,624	(6,873)	(1.4%)
761,034	768,303	(7,268)	(0.9%)	Medi-Cal	1,521,506	1,536,951	(15,445)	(1.0%)
13,137	14,906	(1,769)	(11.9%)	OneCare Connect	29,536	29,829	(293)	(1.0%)
286	277	9	3.2%	PACE	559	548	11	2.0%
1,384	1,324	60	4.5%	OneCare	2,774	2,648	126	4.8%
775,841	784,810	(8,968)	(1.1%)	CalOptima Total	1,554,375	1,569,976	(15,601)	(1.0%)

Financial Highlights:

August 2018

Month-to-Date

Actual	Budget	\$ Budget	% Budget
775,841	784,810	(8,968)	-1.1%
283,429,462	276,005,106	7,424,356	2.7%
272,362,360	264,617,724	(7,744,636)	-2.9%
10,088,153	13,046,642	2,958,489	22.7%
978,948	(1,659,260)	2,638,208	159.0%
3,505,317	416,667	3,088,651	741.3%
4,484,266	(1,242,593)	5,726,859	460.9%
96.1%	95.9%	-0.2%	
3.6%	4.7%	1.2%	
<u>0.3%</u>	<u>-0.6%</u>	0.9%	
100.0%	100.0%		

Member Months	
Revenues	
Medical Expenses	
Administrative Expenses	
Operating Margin	
Non Operating Income (Loss)	
Change in Net Assets	
Medical Loss Ratio	
Administrative Loss Ratio	
Operating Margin Ratio	
Total Operating	

Year-to-Date

Actual	Budget	\$ Budget	% Budget
1,554,375	1,569,976	(15,601)	-1.0%
552,977,733	550,688,560	2,289,173	0.4%
528,390,911	526,454,955	(1,935,956)	-0.4%
20,519,760	25,628,381	5,108,621	19.9%
4,067,063	(1,394,776)	5,461,838	391.6%
5,433,317	833,333	4,599,983	552.0%
9,500,379	(561,442)	10,061,822	1792.1%
95.6%	95.6%	0.0%	
3.7%	4.7%	0.9%	
<u>0.7%</u>	<u>-0.3%</u>	1.0%	
100.0%	100.0%		



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Consolidated Performance Actual vs. Budget: August 2018 (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>
1.2	(0.4)	1.7	Medi-Cal	2.6	0.9	1.7
0.5	(1.1)	1.6	OCC	1.9	(2.2)	4.1
(0.8)	(0.1)	(0.8)	OneCare	(1.0)	(0.2)	(0.8)
<u>0.1</u>	<u>(0.0)</u>	<u>0.1</u>	<u>PACE</u>	<u>0.5</u>	<u>0.0</u>	<u>0.5</u>
1.0	(1.7)	2.6	Operating	4.0	(1.4)	5.4
<u>3.5</u>	<u>0.4</u>	<u>3.1</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>5.5</u>	<u>0.8</u>	<u>4.6</u>
3.5	0.4	3.1	Non-Operating	5.5	0.8	4.6
4.5	(1.2)	5.7	TOTAL	9.5	(0.6)	10.1

Consolidated Revenue & Expense:

August 2018 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	523,220	237,814	761,034	13,137	1,384	286	775,841
REVENUES							
Capitation Revenue	\$ 138,928,843	\$ 114,770,717	\$ 253,699,560	\$ 26,987,349	\$ 692,428	\$ 2,050,126	\$ 283,429,462
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>138,928,843</u>	<u>114,770,717</u>	<u>253,699,560</u>	<u>26,987,349</u>	<u>692,428</u>	<u>2,050,126</u>	<u>283,429,462</u>
MEDICAL EXPENSES							
Provider Capitation	35,978,524	50,991,868	86,970,391	12,530,799	96,631	-	99,597,821
Facilities	26,070,355	25,897,754	51,968,109	3,042,337	734,542	476,582	56,221,570
Ancillary	-	-	-	608,841	45,091	-	653,932
Professional Claims	17,965,143	6,617,890	24,583,033	-	-	405,916	24,988,949
Prescription Drugs	18,086,178	20,754,799	38,840,976	5,564,495	345,685	138,423	44,889,580
MLTSS	33,689,699	2,942,845	36,632,544	1,584,958	123,840	2,576	38,343,917
Medical Management	2,215,253	881,419	3,096,672	1,127,611	39,260	628,133	4,891,676
Quality Incentives	770,905	404,824	1,175,729	280,180	-	2,860	1,458,769
Reinsurance & Other	697,220	237,117	934,337	200,000	6,500	175,311	1,316,147
Total Medical Expenses	<u>135,473,275</u>	<u>108,728,515</u>	<u>244,201,790</u>	<u>24,939,221</u>	<u>1,391,549</u>	<u>1,829,800</u>	<u>272,362,360</u>
Medical Loss Ratio	97.5%	94.7%	96.3%	92.4%	201.0%	89.3%	96.1%
GROSS MARGIN	3,455,567	6,042,203	9,497,770	2,048,127	(699,122)	220,326	11,067,102
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			5,781,965	722,036	58,357	94,961	6,657,319
Professional fees			241,668	4,166	14,667	(2,576)	257,925
Purchased services			694,112	201,187	22,352	14,285	931,936
Printing & Postage			153,588	60,686	3,046	6,401	223,722
Depreciation & Amortization			392,048			2,074	394,122
Other expenses			1,190,141	50,573	-	(8,482)	1,232,231
Indirect cost allocation & Occupancy			(204,594)	557,394	34,965	3,134	390,898
Total Administrative Expenses			<u>8,248,927</u>	<u>1,596,042</u>	<u>133,387</u>	<u>109,797</u>	<u>10,088,153</u>
Admin Loss Ratio			3.3%	5.9%	19.3%	5.4%	3.6%
INCOME (LOSS) FROM OPERATIONS			1,248,842	452,085	(832,508)	110,529	978,948
INVESTMENT INCOME							3,514,802
TOTAL GRANT INCOME			(9,608)				(9,608)
OTHER INCOME			125				125
CHANGE IN NET ASSETS			<u>\$ 1,239,358</u>	<u>\$ 452,085</u>	<u>\$ (832,508)</u>	<u>\$ 110,529</u>	<u>\$ 4,484,266</u>

Consolidated Revenue & Expense:

August 2018 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	1,045,755	475,751	1,521,506	29,536	2,774	559	1,554,375
REVENUES							
Capitation Revenue	\$ 270,179,591	\$ 222,695,658	\$ 492,875,249	\$ 53,967,454	\$ 2,007,906	\$ 4,127,123	\$ 552,977,733
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>270,179,591</u>	<u>222,695,658</u>	<u>492,875,249</u>	<u>53,967,454</u>	<u>2,007,906</u>	<u>4,127,123</u>	<u>552,977,733</u>
MEDICAL EXPENSES							
Provider Capitation	71,611,968	100,058,029	171,669,997	24,412,114	450,167		196,532,278
Facilities	47,682,493	46,982,577	94,665,071	6,186,307	1,159,099	789,158	102,799,635
Ancillary	-	-	-	1,132,684	57,926	-	1,190,610
Professional Claims	34,854,197	14,695,306	49,549,503	-	-	800,207	50,349,710
Prescription Drugs	35,676,451	40,272,992	75,949,443	11,170,202	799,833	286,947	88,206,426
MLTSS	65,886,193	5,791,921	71,678,114	2,716,385	198,547	830	74,593,876
Medical Management	4,102,104	1,808,693	5,910,797	2,173,792	116,327	1,149,231	9,350,146
Quality Incentives	1,544,235	810,071	2,354,306	561,020		5,590	2,920,916
Reinsurance & Other	1,167,044	437,214	1,604,257	481,905	13,000	348,152	2,447,314
Total Medical Expenses	<u>262,524,685</u>	<u>210,856,803</u>	<u>473,381,488</u>	<u>48,834,410</u>	<u>2,794,899</u>	<u>3,380,114</u>	<u>528,390,911</u>
Medical Loss Ratio	97.2%	94.7%	96.0%	90.5%	139.2%	81.9%	95.6%
GROSS MARGIN	7,654,906	11,838,855	19,493,761	5,133,045	(786,993)	747,009	24,586,822
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			11,896,970	1,548,206	58,357	185,723	13,689,257
Professional fees			351,134	8,334	29,334	224	389,026
Purchased services			1,375,770	372,402	29,545	17,100	1,794,818
Printing & Postage			515,680	100,406	6,738	6,401	629,225
Depreciation & Amortization			805,742			4,148	809,890
Other expenses			2,365,229	96,001	60	(2,935)	2,458,355
Indirect cost allocation & Occupancy			(441,763)	1,114,788	69,930	6,234	749,189
Total Administrative Expenses			<u>16,868,763</u>	<u>3,240,137</u>	<u>193,964</u>	<u>216,895</u>	<u>20,519,760</u>
Admin Loss Ratio			3.4%	6.0%	9.7%	5.3%	3.7%
INCOME (LOSS) FROM OPERATIONS			2,624,998	1,892,907	(980,957)	530,114	4,067,063
INVESTMENT INCOME							5,462,707
TOTAL GRANT INCOME			(29,674)				(29,674)
OTHER INCOME			285				285
CHANGE IN NET ASSETS			<u>\$ 2,595,609</u>	<u>\$ 1,892,907</u>	<u>\$ (980,957)</u>	<u>\$ 530,114</u>	<u>\$ 9,500,379</u>

Balance Sheet:

As of August 2018

ASSETS

Current Assets	
Operating Cash	\$515,126,697
Investments	384,790,436
Capitation receivable	349,281,991
Receivables - Other	23,314,880
Prepaid expenses	6,469,472

Total Current Assets	<u>1,278,983,476</u>
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Capital Assets	
Furniture & Equipment	34,328,849
Building/Leasehold Improvements	8,216,084
505 City Parkway West	<u>49,743,943</u>
	92,288,876
Less: accumulated depreciation	<u>(42,121,609)</u>
Capital assets, net	<u>50,167,267</u>

Other Assets	
Restricted Deposit & Other	300,000

Board-designated assets	
Cash and Cash Equivalents	11,807,176
Long-term Investments	<u>528,886,911</u>
Total Board-designated Assets	<u>540,694,087</u>

Total Other Assets	<u>540,994,087</u>
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TOTAL ASSETS	<u>1,870,144,830</u>
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Deferred Outflows	
Pension Contributions	953,907
Difference in Experience	1,365,903
Excess Earnings	1,017,387
Changes in Assumptions	7,795,853

TOTAL ASSETS & DEFERRED OUTFLOWS	<u>1,881,277,880</u>
---------------------------------------------	-----------------------------

LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts Payable	\$27,340,664
Medical Claims liability	798,445,025
Accrued Payroll Liabilities	12,122,006
Deferred Revenue	109,018,787
Deferred Lease Obligations	108,100
Capitation and Withholds	109,884,755

Total Current Liabilities	<u>1,056,919,336</u>
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Other (than pensions) post employment benefits liability	24,818,101
Net Pension Liabilities	24,979,118
Bldg 505 Development Rights	100,000

TOTAL LIABILITIES	<u>1,106,816,554</u>
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Deferred Inflows	
Change in Assumptions	3,329,380
TNE	84,945,052
Funds in Excess of TNE	<u>686,186,894</u>

Net Assets	<u>771,131,946</u>
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TOTAL LIABILITIES & FUND BALANCES	<u>1,881,277,880</u>
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Board Designated Reserve and TNE Analysis

As of August 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	147,914,240				
	Tier 1 - Logan Circle	147,864,857				
	Tier 1 - Wells Capital	147,242,444				
		443,021,541	317,442,949	489,894,949	125,578,593	(46,873,408)
TNE Requirement	Tier 2 - Logan Circle	97,672,546	84,945,052	84,945,052	12,727,494	12,727,494
Consolidated:		540,694,087	402,388,001	574,840,001	138,306,087	(34,145,914)
<i>Current reserve level</i>		<i>1.88</i>	<i>1.40</i>	<i>2.00</i>		



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OneCare (HMO SNP)
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OneCare Connect
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PACE
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UNAUDITED FINANCIAL STATEMENTS

August 2018

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**CalOptima - Consolidated
Financial Highlights
For the Two Months Ended August 31, 2018**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Budget	% Budget		Actual	Budget	\$ Budget	% Budget
775,841	784,810	(8,968)	-1.1%	Member Months	1,554,375	1,569,976	(15,601)	-1.0%
283,429,462	276,005,106	7,424,356	2.7%	Revenues	552,977,733	550,688,560	2,289,173	0.4%
272,362,360	264,617,724	(7,744,636)	-2.9%	Medical Expenses	528,390,911	526,454,955	(1,935,956)	-0.4%
10,088,153	13,046,642	2,958,489	22.7%	Administrative Expenses	20,519,760	25,628,381	5,108,621	19.9%
978,948	(1,659,260)	2,638,208	159.0%	Operating Margin	4,067,063	(1,394,776)	5,461,838	391.6%
3,505,317	416,667	3,088,651	741.3%	Non Operating Income (Loss)	5,433,317	833,333	4,599,983	552.0%
4,484,266	(1,242,593)	5,726,859	460.9%	Change in Net Assets	9,500,379	(561,442)	10,061,822	1792.1%
96.1%	95.9%	-0.2%		Medical Loss Ratio	95.6%	95.6%	0.0%	
3.6%	4.7%	1.2%		Administrative Loss Ratio	3.7%	4.7%	0.9%	
<u>0.3%</u>	<u>-0.6%</u>	0.9%		Operating Margin Ratio	<u>0.7%</u>	<u>-0.3%</u>	1.0%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

CalOptima
Financial Dashboard
For the Two Months Ended August 31, 2018

MONTH - TO - DATE

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	761,034	768,303	↓	(7,269) (0 9%)
OneCare Connect	13,137	14,905	↓	(1,768) (11 9%)
OneCare	1,384	1,324	↑	60 4 5%
PACE	286	277	↑	9 3 2%
Total	775,841	784,810	↓	(8,968) (1 1%)

Change in Net Assets (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 1,239	\$ (420) ↑	\$ 1,659	395 0%
OneCare Connect	452	(1,148) ↑	1,600	139 4%
OneCare	(833)	(57) ↓	(776)	(1361 4%)
PACE	111	(34) ↑	145	426 5%
505 Bldg	-	- ↑	-	0 0%
Investment Income & Other	3,515	417 ↑	3,098	742 9%
Total	\$ 4,484	\$ (1,242) ↑	\$ 5,726	461 0%

MLR

	Actual	Budget	% Point Var
Medi-Cal	96 3%	95 8% ↓	(0 5)
OneCare Connect	92 4%	96 9% ↑	4 4
OneCare	201 0%	95 3% ↓	(105 7)

Administrative Cost (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 8,249	\$ 10,814 ↑	\$ 2,565	23 7%
OneCare Connect	1,596	1,935 ↑	339	17 5%
OneCare	133	134 ↑	1	0 4%
PACE	110	164 ↑	55	33 2%
Total	\$ 10,088	\$ 13,047 ↑	\$ 2,958	22 7%

Total FTE's Month

	Actual	Budget	Fav / (Unfav)
Medi-Cal	924	1,037	113
OneCare Connect	219	234	15
OneCare	6	6	0
PACE	60	78	17
Total	1,209	1,355	146

MM per FTE

	Actual	Budget	Fav / (Unfav)
Medi-Cal	824	741	83
OneCare Connect	60	64	(4)
OneCare	245	221	25
PACE	5	4	1
Total	1,133	1,028	105

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	1,521,506	1,536,951	↓	(15,445) (1 0%)
OneCare Connect	29,536	29,828	↓	(292) (1 0%)
OneCare	2,774	2,648	↑	126 4 8%
PACE	559	548	↑	11 2 0%
Total	1,554,375	1,569,976	↓	(15,601) (1 0%)

Change in Net Assets (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 2,596	\$ 944 ↑	\$ 1,652	175 0%
OneCare Connect	1,893	(2,212) ↓	4,105	185 6%
OneCare	(981)	(158) ↓	(823)	(520 9%)
PACE	530	32 ↑	498	1556 3%
505 Bldg	-	- ↑	-	0 0%
Investment Income & Other	5,463	833 ↑	4,630	555 8%
Total	\$ 9,501	\$ (561) ↑	\$ 10,062	1793 6%

MLR

	Actual	Budget	% Point Var
Medi-Cal	96 0%	95 5% ↓	(0 5)
OneCare Connect	90 5%	96 8% ↑	6 3
OneCare	139 2%	96 6% ↓	(42 6)

Administrative Cost (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 16,869	\$ 21,226 ↑	\$ 4,357	20 5%
OneCare Connect	3,240	3,831 ↑	591	15 4%
OneCare	194	266 ↑	72	27 1%
PACE	217	306 ↑	89	29 1%
Total	\$ 20,520	\$ 25,628 ↑	\$ 5,109	19 9%

Total FTE's YTD

	Actual	Budget	Fav / (Unfav)
Medi-Cal	1,855	2,064	209
OneCare Connect	439	468	29
OneCare	9	12	3
PACE	119	144	25
Total	4,616	2,688	(1,928)

MM per FTE

	Actual	Budget	Fav / (Unfav)
Medi-Cal	820	745	75
OneCare Connect	67	64	4
OneCare	322	221	101
PACE	5	4	1
Total	1,214	1,033	181

CalOptima - Consolidated
Statement of Revenues and Expenses
For the One Month Ended August 31, 2018

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	775,841		784,810		(8,968)	
REVENUE						
Medi-Cal	\$ 253,699,560	\$ 333 36	\$ 247,390,925	\$ 322 00	\$ 6,308,635	\$ 11 36
OneCare Connect	26,987,349	2,054 30	24,986,423	1,676 38	2,000,926	377 92
OneCare	692,428	500 31	1,620,960	1,224 29	(928,532)	(723 98)
PACE	2,050,126	7,168 27	2,006,799	7,244 76	43,327	(76 49)
Total Operating Revenue	<u>283,429,462</u>	<u>365 32</u>	<u>276,005,106</u>	<u>351 68</u>	<u>7,424,356</u>	<u>13 64</u>
MEDICAL EXPENSES						
Medi-Cal	244,201,790	320 88	236,996,787	308 47	(7,205,003)	(12 41)
OneCare Connect	24,939,221	1,898 40	24,200,046	1,623 62	(739,175)	(274 78)
OneCare	1,391,549	1,005 45	1,544,033	1,166 19	152,484	160 74
PACE	1,829,800	6,397 90	1,876,858	6,775 66	47,058	377 76
Total Medical Expenses	<u>272,362,360</u>	<u>351 05</u>	<u>264,617,724</u>	<u>337 17</u>	<u>(7,744,636)</u>	<u>(13 88)</u>
GROSS MARGIN	11,067,102	14 27	11,387,382	14 51	(320,280)	(0 24)
ADMINISTRATIVE EXPENSES						
Salaries and benefits	6,657,319	8 58	8,447,758	10 76	1,790,439	2 18
Professional fees	257,925	0 33	412,333	0 53	154,408	0 20
Purchased services	931,936	1 20	1,235,014	1 57	303,078	0 37
Printing & Postage	223,722	0 29	533,146	0 68	309,423	0 39
Depreciation & Amortization	394,122	0 51	464,166	0 59	70,044	0 08
Other expenses	1,232,231	1 59	1,581,992	2 02	349,761	0 43
Indirect cost allocation & Occupancy expense	390,898	0 50	372,234	0 47	(18,665)	(0 03)
Total Administrative Expenses	<u>10,088,153</u>	<u>13 00</u>	<u>13,046,642</u>	<u>16 62</u>	<u>2,958,489</u>	<u>3 62</u>
INCOME (LOSS) FROM OPERATIONS	978,948	1 26	(1,659,260)	(2 11)	2,638,208	3 37
INVESTMENT INCOME						
Interest income	2,392,819	3 08	416,667	0 53	1,976,152	2 55
Realized gain/(loss) on investments	(200,068)	(0 26)	-	-	(200,068)	(0 26)
Unrealized gain/(loss) on investments	1,322,050	1 70	-	-	1,322,050	1 70
Total Investment Income	<u>3,514,802</u>	<u>4 53</u>	<u>416,667</u>	<u>0 53</u>	<u>3,098,135</u>	<u>4 00</u>
TOTAL GRANT INCOME	(9,608)	(0 01)	-	-	(9,608)	(0 01)
OTHER INCOME	125	-	-	-	125	-
CHANGE IN NET ASSETS	<u><u>4,484,266</u></u>	<u><u>5.78</u></u>	<u><u>(1,242,593)</u></u>	<u><u>(1.58)</u></u>	<u><u>5,726,859</u></u>	<u><u>7.36</u></u>
MEDICAL LOSS RATIO	96.1%		95.9%		-0.2%	
ADMINISTRATIVE LOSS RATIO	3.6%		4.7%		1.2%	

CalOptima - Consolidated
Statement of Revenues and Expenses
For the Two Months Ended August 31, 2018

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	1,554,375		1,569,976		(15,601)	
REVENUE						
Medi-Cal	\$ 492,875,249	\$ 323.94	\$ 493,678,602	\$ 321.21	\$ (803,353)	\$ 2.73
OneCare Connect	53,967,454	1,827.18	49,881,517	1,672.31	4,085,937	154.87
OneCare	2,007,906	723.83	3,157,396	1,192.37	(1,149,490)	(468.54)
PACE	4,127,123	7,383.05	3,971,045	7,246.43	156,078	136.62
Total Operating Revenue	<u>552,977,733</u>	<u>355.76</u>	<u>550,688,560</u>	<u>350.76</u>	<u>2,289,173</u>	<u>5.00</u>
MEDICAL EXPENSES						
Medi-Cal	473,381,488	311.13	471,509,328	306.78	(1,872,160)	(4.35)
OneCare Connect	48,834,410	1,653.39	48,263,027	1,618.04	(571,383)	(35.35)
OneCare	2,794,899	1,007.53	3,049,641	1,151.68	254,742	144.15
PACE	3,380,114	6,046.72	3,632,958	6,629.49	252,844	582.77
Total Medical Expenses	<u>528,390,911</u>	<u>339.94</u>	<u>526,454,955</u>	<u>335.33</u>	<u>(1,935,956)</u>	<u>(4.61)</u>
GROSS MARGIN	24,586,822	15.82	24,233,605	15.43	353,217	0.39
ADMINISTRATIVE EXPENSES						
Salaries and benefits	13,689,257	8.81	16,430,613	10.47	2,741,356	1.66
Professional fees	389,026	0.25	824,666	0.53	435,640	0.28
Purchased services	1,794,818	1.15	2,472,523	1.57	677,705	0.42
Printing & Postage	629,225	0.40	1,066,291	0.68	437,066	0.28
Depreciation & Amortization	809,890	0.52	928,332	0.59	118,442	0.07
Other expenses	2,458,355	1.58	3,161,489	2.01	703,134	0.43
Indirect cost allocation & Occupancy expense	749,189	0.48	744,466	0.47	(4,723)	(0.01)
Total Administrative Expenses	<u>20,519,760</u>	<u>13.20</u>	<u>25,628,381</u>	<u>16.32</u>	<u>5,108,621</u>	<u>3.12</u>
INCOME (LOSS) FROM OPERATIONS	4,067,063	2.62	(1,394,776)	(0.89)	5,461,838	3.51
INVESTMENT INCOME						
Interest income	4,790,256	3.08	833,333	0.53	3,956,923	2.55
Realized gain/(loss) on investments	(428,801)	(0.28)	-	-	(428,801)	(0.28)
Unrealized gain/(loss) on investments	1,101,251	0.71	-	-	1,101,251	0.71
Total Investment Income	<u>5,462,707</u>	<u>3.51</u>	<u>833,333</u>	<u>0.53</u>	<u>4,629,373</u>	<u>2.98</u>
TOTAL GRANT INCOME	(29,674)	(0.02)	-	-	(29,674)	(0.02)
OTHER INCOME	285	-	-	-	285	-
CHANGE IN NET ASSETS	<u><u>9,500,379</u></u>	<u><u>6.11</u></u>	<u><u>(561,442)</u></u>	<u><u>(0.36)</u></u>	<u><u>10,061,822</u></u>	<u><u>6.47</u></u>
MEDICAL LOSS RATIO	95.6%		95.6%		0.0%	
ADMINISTRATIVE LOSS RATIO	3.7%		4.7%		0.9%	

CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended August 31, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
MEMBER MONTHS	523,220	237,814	761,034	13,137	1,384	286	775,841
REVENUES							
Capitation Revenue	\$ 138,928,843	\$ 114,770,717	\$ 253,699,560	\$ 26,987,349	\$ 692,428	\$ 2,050,126	\$ 283,429,462
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>138,928,843</u>	<u>114,770,717</u>	<u>253,699,560</u>	<u>26,987,349</u>	<u>692,428</u>	<u>2,050,126</u>	<u>283,429,462</u>
MEDICAL EXPENSES							
Provider Capitation	35,978,524	50,991,868	86,970,391	12,530,799	96,631		99,597,821
Facilities	26,070,355	25,897,754	51,968,109	3,042,337	734,542	476,582	56,221,570
Ancillary	-	-	-	608,841	45,091	-	653,932
Professional Claims	17,965,143	6,617,890	24,583,033	-	-	405,916	24,988,949
Prescription Drugs	18,086,178	20,754,799	38,840,976	5,564,495	345,685	138,423	44,889,580
MLTSS	33,689,699	2,942,845	36,632,544	1,584,958	123,840	2,576	38,343,917
Medical Management	2,215,253	881,419	3,096,672	1,127,611	39,260	628,133	4,891,676
Quality Incentives	770,905	404,824	1,175,729	280,180		2,860	1,458,769
Reinsurance & Other	697,220	237,117	934,337	200,000	6,500	175,311	1,316,147
Total Medical Expenses	<u>135,473,275</u>	<u>108,728,515</u>	<u>244,201,790</u>	<u>24,939,221</u>	<u>1,391,549</u>	<u>1,829,800</u>	<u>272,362,360</u>
Medical Loss Ratio	97.5%	94.7%	96.3%	92.4%	201.0%	89.3%	96.1%
GROSS MARGIN	3,455,567	6,042,203	9,497,770	2,048,127	(699,122)	220,326	11,067,102
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			5,781,965	722,036	58,357	94,961	6,657,319
Professional fees			241,668	4,166	14,667	(2,576)	257,925
Purchased services			694,112	201,187	22,352	14,285	931,936
Printing & Postage			153,588	60,686	3,046	6,401	223,722
Depreciation & Amortization			392,048			2,074	394,122
Other expenses			1,190,141	50,573	-	(8,482)	1,232,231
Indirect cost allocation & Occupancy			(204,594)	557,394	34,965	3,134	390,898
Total Administrative Expenses			<u>8,248,927</u>	<u>1,596,042</u>	<u>133,387</u>	<u>109,797</u>	<u>10,088,153</u>
Admin Loss Ratio			3.3%	5.9%	19.3%	5.4%	3.6%
INCOME (LOSS) FROM OPERATIONS			1,248,842	452,085	(832,508)	110,529	978,948
INVESTMENT INCOME							3,514,802
TOTAL GRANT INCOME			(9,608)				(9,608)
OTHER INCOME			125				125
CHANGE IN NET ASSETS			<u>\$ 1,239,358</u>	<u>\$ 452,085</u>	<u>\$ (832,508)</u>	<u>\$ 110,529</u>	<u>\$ 4,484,266</u>
BUDGETED CHANGE IN NET ASSETS			(419,730)	(1,148,172)	(56,961)	(34,397)	(1,242,593)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>\$ 1,659,089</u>	<u>\$ 1,600,257</u>	<u>\$ (775,548)</u>	<u>\$ 144,927</u>	<u>\$ 5,726,859</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Two Months Ended August 31, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
MEMBER MONTHS	1,045,755	475,751	1,521,506	29,536	2,774	559	1,554,375
REVENUES							
Capitation Revenue	\$ 270,179,591	\$ 222,695,658	\$ 492,875,249	\$ 53,967,454	\$ 2,007,906	\$ 4,127,123	\$ 552,977,733
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>270,179,591</u>	<u>222,695,658</u>	<u>492,875,249</u>	<u>53,967,454</u>	<u>2,007,906</u>	<u>4,127,123</u>	<u>552,977,733</u>
MEDICAL EXPENSES							
Provider Capitation	71,611,968	100,058,029	171,669,997	24,412,114	450,167		196,532,278
Facilities	47,682,493	46,982,577	94,665,071	6,186,307	1,159,099	789,158	102,799,635
Ancillary	-	-	-	1,132,684	57,926	-	1,190,610
Professional Claims	34,854,197	14,695,306	49,549,503	-	-	800,207	50,349,710
Prescription Drugs	35,676,451	40,272,992	75,949,443	11,170,202	799,833	286,947	88,206,426
MLTSS	65,886,193	5,791,921	71,678,114	2,716,385	198,547	830	74,593,876
Medical Management	4,102,104	1,808,693	5,910,797	2,173,792	116,327	1,149,231	9,350,146
Quality Incentives	1,544,235	810,071	2,354,306	561,020		5,590	2,920,916
Reinsurance & Other	1,167,044	437,214	1,604,257	481,905	13,000	348,152	2,447,314
Total Medical Expenses	<u>262,524,685</u>	<u>210,856,803</u>	<u>473,381,488</u>	<u>48,834,410</u>	<u>2,794,899</u>	<u>3,380,114</u>	<u>528,390,911</u>
Medical Loss Ratio	97.2%	94.7%	96.0%	90.5%	139.2%	81.9%	95.6%
GROSS MARGIN	7,654,906	11,838,855	19,493,761	5,133,045	(786,993)	747,009	24,586,822
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			11,896,970	1,548,206	58,357	185,723	13,689,257
Professional fees			351,134	8,334	29,334	224	389,026
Purchased services			1,375,770	372,402	29,545	17,100	1,794,818
Printing & Postage			515,680	100,406	6,738	6,401	629,225
Depreciation & Amortization			805,742			4,148	809,890
Other expenses			2,365,229	96,001	60	(2,935)	2,458,355
Indirect cost allocation & Occupancy			(441,763)	1,114,788	69,930	6,234	749,189
Total Administrative Expenses			<u>16,868,763</u>	<u>3,240,137</u>	<u>193,964</u>	<u>216,895</u>	<u>20,519,760</u>
Admin Loss Ratio			3.4%	6.0%	9.7%	5.3%	3.7%
INCOME (LOSS) FROM OPERATIONS			2,624,998	1,892,907	(980,957)	530,114	4,067,063
INVESTMENT INCOME							5,462,707
TOTAL GRANT INCOME			(29,674)				(29,674)
OTHER INCOME			285				285
CHANGE IN NET ASSETS			<u>\$ 2,595,609</u>	<u>\$ 1,892,907</u>	<u>\$ (980,957)</u>	<u>\$ 530,114</u>	<u>\$ 9,500,379</u>
BUDGETED CHANGE IN NET ASSETS			943,653	(2,212,390)	(158,380)	32,341	(561,442)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>\$ 1,651,955</u>	<u>\$ 4,105,298</u>	<u>\$ (822,577)</u>	<u>\$ 497,772</u>	<u>\$ 10,061,822</u>

August 31, 2018 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is \$4.5 million, \$5.7 million favorable to budget
- Operating surplus is \$1.0 million with a surplus in non-operating of \$3.5 million

YEAR TO DATE RESULTS:

- Change in Net Assets is \$9.5 million, \$10.1 million favorable to budget
- Operating surplus is \$4.0 million, with a surplus in non-operating of \$5.5 million

Change in Net Assets by LOB (\$millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
1.2	(0.4)	1.7	Medi-Cal	2.6	0.9	1.7
0.5	(1.1)	1.6	OCC	1.9	(2.2)	4.1
(0.8)	(0.1)	(0.8)	OneCare	(1.0)	(0.2)	(0.8)
<u>0.1</u>	<u>(0.0)</u>	<u>0.1</u>	<u>PACE</u>	<u>0.5</u>	<u>0.0</u>	<u>0.5</u>
1.0	(1.7)	2.6	Operating	4.0	(1.4)	5.4
<u>3.5</u>	<u>0.4</u>	<u>3.1</u>	<u>Inv./Rental Inc, MCO</u>	<u>5.5</u>	<u>0.8</u>	<u>4.6</u>
			<u>tax</u>			
3.5	0.4	3.1	Non-Operating	5.5	0.8	4.6
4.5	(1.2)	5.7	TOTAL	9.5	(0.6)	10.1

**CalOptima
Enrollment Summary
For the Two Months Ended August 31, 2018**

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,762	63,995	(233)	(0.4%)	Aged	127,404	127,766	(362)	(0.3%)
612	620	(8)	(1.3%)	BCCTP	1,242	1,240	2	0.2%
47,117	47,113	4	0.0%	Disabled	94,238	94,217	21	0.0%
314,052	316,190	(2,138)	(0.7%)	TANF Child	627,283	632,899	(5,616)	(0.9%)
94,295	95,475	(1,180)	(1.2%)	TANF Adult	188,824	191,296	(2,472)	(1.3%)
3,382	3,460	(78)	(2.3%)	LTC	6,764	6,909	(145)	(2.1%)
237,814	241,450	(3,636)	(1.5%)	MCE	475,751	482,624	(6,873)	(1.4%)
761,034	768,303	(7,268)	(0.9%)	Medi-Cal	1,521,506	1,536,951	(15,445)	(1.0%)
13,137	14,906	(1,769)	(11.9%)	OneCare Connect	29,536	29,829	(293)	(1.0%)
286	277	9	3.2%	PACE	559	548	11	2.0%
1,384	1,324	60	4.5%	OneCare	2,774	2,648	126	4.8%
775,841	784,810	(8,968)	(1.1%)	CalOptima Total	1,554,375	1,569,976	(15,601)	(1.0%)
Enrollment (By Network)								
166,900	168,338	(1,438)	(0.9%)	HMO	333,996	336,858	(2,862)	(0.8%)
217,292	222,302	(5,010)	(2.3%)	PHC	435,083	444,668	(9,585)	(2.2%)
192,395	193,343	(948)	(0.5%)	Shared Risk Group	385,577	387,493	(1,916)	(0.5%)
184,447	184,320	127	0.1%	Fee for Service	366,850	367,932	(1,082)	(0.3%)
761,034	768,303	(7,268)	(0.9%)	Medi-Cal	1,521,506	1,536,951	(15,445)	(1.0%)
13,137	14,906	(1,769)	(11.9%)	OneCare Connect	29,536	29,829	(293)	(1.0%)
286	277	9	3.2%	PACE	559	548	11	2.0%
1,384	1,324	60	4.5%	OneCare	2,774	2,648	126	4.8%
775,841	784,810	(8,968)	(1.1%)	CalOptima Total	1,554,375	1,569,976	(15,601)	(1.0%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2019

Network Type	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	MMs
HMO													
Aged	3,844	3,866											7,710
BCCTP	1	1											2
Disabled	6,744	6,789											13,533
TANF Child	58,435	58,267											116,702
TANF Adult	29,473	29,373											58,846
LTC	2	2											4
MCE	68,597	68,602											137,199
	167,096	166,900											333,996
PHC													
Aged	1,600	1,621											3,221
BCCTP	-	-											-
Disabled	7,243	7,239											14,482
TANF Child	157,157	156,755											313,912
TANF Adult	12,731	12,684											25,415
LTC	-	1											1
MCE	39,060	38,992											78,052
	217,791	217,292											435,083
Shared Risk Group													
Aged	3,593	3,605											7,198
BCCTP	-	-											-
Disabled	7,626	7,554											15,180
TANF Child	67,471	67,226											134,697
TANF Adult	30,936	30,567											61,503
LTC	2	-											2
MCE	83,554	83,443											166,997
	193,182	192,395											385,577
Fee for Service (Dual)													
Aged	49,903	50,943											100,846
BCCTP	16	15											31
Disabled	20,706	20,863											41,569
TANF Child	2	3											5
TANF Adult	1,081	1,083											2,164
LTC	3,025	3,019											6,044
MCE	2,327	2,367											4,694
	77,060	78,293											155,353
Fee for Service (Non-Dual)													
Aged	4,702	3,727											8,429
BCCTP	613	596											1,209
Disabled	4,802	4,672											9,474
TANF Child	30,166	31,801											61,967
TANF Adult	20,308	20,588											40,896
LTC	353	360											713
MCE	44,399	44,410											88,809
	105,343	106,154											211,497
MEDI-CAL TOTAL													
Aged	63,642	63,762											127,404
BCCTP	630	612											1,242
Disabled	47,121	47,117											94,238
TANF Child	313,231	314,052											627,283
TANF Adult	94,529	94,295											188,824
LTC	3,382	3,382											6,764
MCE	237,937	237,814											475,751
	760,472	761,034											1,521,506
PACE	273	286											559
OneCare	1,390	1,384											2,774
OneCare Connect	16,399	13,137											29,536
TOTAL	778,534	775,841											1,554,375

ENROLLMENT:

Overall MTD enrollment was 775,841

- Unfavorable to budget 8,968 or 1.1%
- Decreased 2,693 or 0.3% from prior month (July 2018)
- Decreased 22,150 or 2.8% from prior year (August 2017)

Medi-Cal enrollment was 761,034

- Unfavorable to budget 7,268
 - Temporary Assistance for Needy Families (TANF) unfavorable 3,317
 - Senior Persons with Disabilities (SPD) unfavorable 237
 - Medi-Cal Expansion (MCE) unfavorable 3,636
 - Long-Term Care (LTC) unfavorable 78
- Increased 562 from prior month

OneCare Connect enrollment was 13,137

- Unfavorable to budget 1,769
- Decreased 3,262 from prior month due to adjustment of prior years' members with no health networks

OneCare enrollment was 1,384

- Favorable to budget 60
- Decreased 6 from prior month

PACE enrollment was 286

- Favorable to budget 9
- Increased 13 from prior month

**CalOptima
Medi-Cal Total
Statement of Revenues and Expenses
For the Two Months Ending August 31, 2018**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
761,034	768,303	(7,268)	(0.9%)	Member Months	1,521,506	1,536,951	(15,445)	(1.0%)
				Revenues				
253,699,560	247,390,925	6,308,635	2.6%	Capitation revenue	492,875,249	493,678,602	(803,353)	(0.2%)
-	-	-	0.0%	Other income	-	-	-	0.0%
253,699,560	247,390,925	6,308,635	2.6%	Total Operating Revenue	492,875,249	493,678,602	(803,353)	(0.2%)
				Medical Expenses				
88,146,120	84,446,316	(3,699,804)	(4.4%)	Provider capitation	174,024,303	168,915,160	(5,109,143)	(3.0%)
51,968,109	43,876,933	(8,091,176)	(18.4%)	Facilities	94,665,071	87,666,662	(6,998,409)	(8.0%)
24,583,033	28,280,046	3,697,013	13.1%	Professional claims	49,549,503	55,148,441	5,598,939	10.2%
38,840,976	39,447,282	606,306	1.5%	Prescription drugs	75,949,443	78,203,769	2,254,326	2.9%
36,632,544	36,669,152	36,608	0.1%	MLTSS	71,678,114	73,179,021	1,500,907	2.1%
3,096,672	3,746,424	649,753	17.3%	Medical management	5,910,797	7,335,006	1,424,210	19.4%
934,337	530,634	(403,703)	(76.1%)	Reinsurance & other	1,604,257	1,061,268	(542,989)	(51.2%)
244,201,790	236,996,787	(7,205,003)	(3.0%)	Total Medical Expenses	473,381,488	471,509,328	(1,872,160)	(0.4%)
9,497,770	10,394,138	(896,368)	(8.6%)	Gross Margin	19,493,761	22,169,274	(2,675,512)	(12.1%)
				Administrative Expenses				
5,781,965	7,363,064	1,581,099	21.5%	Salaries, wages & employee benefits	11,896,970	14,324,012	2,427,042	16.9%
241,668	349,650	107,982	30.9%	Professional fees	351,134	699,299	348,165	49.8%
694,112	945,147	251,035	26.6%	Purchased services	1,375,770	1,892,789	517,019	27.3%
153,588	423,310	269,721	63.7%	Printing and postage	515,680	846,619	330,940	39.1%
392,048	462,075	70,027	15.2%	Depreciation and amortization	805,742	924,151	118,409	12.8%
1,190,141	1,494,214	304,073	20.4%	Other operating expenses	2,365,229	2,985,932	620,704	20.8%
(204,594)	(223,591)	(18,997)	(8.5%)	Indirect cost allocation, Occupancy Expense	(441,763)	(447,183)	(5,420)	(1.2%)
8,248,927	10,813,868	2,564,941	23.7%	Total Administrative Expenses	16,868,763	21,225,620	4,356,858	20.5%
				Operating Tax				
10,677,775	10,779,291	(101,515)	(0.9%)	Tax Revenue	21,346,813	21,563,429	(216,616)	(1.0%)
10,677,775	10,779,291	101,515	0.9%	Premium tax expense	21,346,813	10,779,291	(10,567,522)	(98.0%)
-	-	-	0.0%	Sales tax expense	-	10,784,138	10,784,138	100.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
				Grant Income				
107,734	249,874	(142,140)	(56.9%)	Grant Revenue	131,731	499,748	(368,017)	(73.6%)
82,238	223,107	140,870	63.1%	Grant expense - Service Partner	94,988	446,214	351,227	78.7%
35,105	26,767	(8,338)	(31.1%)	Grant expense - Administrative	66,418	53,534	(12,884)	(24.1%)
(9,608)	-	(9,608)	0.0%	Total Grant Income	(29,674)	-	(29,674)	0.0%
0	-	0	0.0%	QAF and IGT - Net	(0)	-	(0)	0.0%
125	-	125	0.0%	Other income	285	-	285	0.0%
125	-	125	0.0%	MC Other income	285	-	285	0.0%
1,239,358	(419,730)	1,659,089	395.3%	Change in Net Assets	2,595,609	943,653	1,651,955	175.1%
96.3%	95.8%	(0.5%)	(0.5%)	Medical Loss Ratio	96.0%	95.5%	(0.5%)	(0.6%)
3.3%	4.4%	1.1%	25.6%	Admin Loss Ratio	3.4%	4.3%	0.9%	20.4%

MEDI-CAL INCOME STATEMENT – AUGUST MONTH:

REVENUES of \$253.7 million are favorable to budget \$6.3 million, driven by:

- Unfavorable volume related variance of \$2.3 million
- Favorable price related variance of \$8.6 million due to:
 - \$4.7 million of prior year (PY) LTC revenue from non-LTC aid codes
 - \$2.2 million of Proposition 56 revenue
 - \$1.2 million of Applied Behavior Analysis (ABA) revenue
 - \$1.0 million of Coordinated Care Initiative (CCI) revenue

MEDICAL EXPENSES are \$244.2 million, unfavorable to budget \$7.2 million due to:

- **Facilities** expense is unfavorable to budget \$8.1 million due to inpatient claims totaling \$3.2 million and an overall increase to reserve due to high volume of payments during the month
- **Provider Capitation** expense is unfavorable to budget \$3.7 million due to Child Health and Disability Prevention (CHDP) of \$2.8 million and Proposition 56 capitation expense
- **Professional Claims** expense is favorable to budget \$3.7 million due to CHDP expenses of \$1.9 million, professional claim expenses of \$1.0 million, and Behavioral Health Treatment (BHT) expenses of \$0.5 million
- **Prescription Drug** expense is favorable to budget \$0.7 million
- **Managed Long Term Services and Supports (MLTSS)** expense is favorable to budget \$0.6 million

ADMINISTRATIVE EXPENSES are \$8.2 million, favorable to budget \$2.6 million, driven by:

- **Salary & Benefits:** \$1.6 million favorable to budget driven by 145 open positions
- **Printing and Postage:** \$0.3 million favorable to budget
- **Other Non-Salary:** \$0.7 million favorable to budget

CHANGE IN NET ASSETS is \$1.2 million for the month, \$1.7 million favorable to budget

CalOptima
OneCare Connect Total
Statement of Revenue and Expenses
For the Two Months Ending August 31, 2018

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
13,137	14,906	(1,769)	(11.9%)	Member Months	29,536	29,829	(293)	(1.0%)
				Revenues				
2,690,143	3,352,567	(662,424)	(19.8%)	Medi-Cal Capitation revenue	5,240,425	6,732,927	(1,492,502)	(22.2%)
16,736,771	16,935,102	(198,331)	(1.2%)	Medicare Capitation revenue Part C	35,566,281	33,744,170	1,822,111	5.4%
7,560,435	4,698,754	2,861,681	60.9%	Medicare Capitation revenue Part D	13,160,748	9,404,420	3,756,328	39.9%
-	-	-	0.0%	Other Income	-	-	-	0.0%
26,987,349	24,986,423	2,000,926	8.0%	Total Operating Revenue	53,967,454	49,881,517	4,085,937	8.2%
				Medical Expenses				
12,810,979	11,346,087	(1,464,892)	(12.9%)	Provider capitation	24,973,134	22,625,080	(2,348,054)	(10.4%)
3,042,337	3,608,960	566,623	15.7%	Facilities	6,186,307	7,199,767	1,013,460	14.1%
608,841	653,273	44,432	6.8%	Ancillary	1,132,684	1,303,944	171,260	13.1%
1,584,958	1,720,542	135,584	7.9%	Long Term Care	2,716,385	3,456,469	740,084	21.4%
5,564,495	5,350,714	(213,781)	(4.0%)	Prescription drugs	11,170,202	10,693,273	(476,929)	(4.5%)
1,127,611	1,371,979	244,368	17.8%	Medical management	2,173,792	2,686,987	513,195	19.1%
200,000	148,491	(51,509)	(34.7%)	Other medical expenses	481,905	297,507	(184,398)	(62.0%)
24,939,221	24,200,046	(739,175)	(3.1%)	Total Medical Expenses	48,834,410	48,263,027	(571,383)	(1.2%)
2,048,127	786,377	1,261,750	160.5%	Gross Margin	5,133,045	1,618,490	3,514,555	217.2%
				Administrative Expenses				
722,036	919,585	197,549	21.5%	Salaries, wages & employee benefits	1,548,206	1,800,953	252,747	14.0%
4,166	42,917	38,751	90.3%	Professional fees	8,334	85,833	77,500	90.3%
201,187	251,415	50,228	20.0%	Purchased services	372,402	502,830	130,428	25.9%
60,686	86,202	25,515	29.6%	Printing and postage	100,406	172,403	71,997	41.8%
-	-	-	0.0%	Depreciation & amortization	-	-	-	0.0%
50,573	77,036	26,464	34.4%	Other operating expenses	96,001	154,073	58,072	37.7%
557,394	557,394	-	0.0%	Indirect cost allocation	1,114,788	1,114,788	-	0.0%
1,596,042	1,934,549	338,506	17.5%	Total Administrative Expenses	3,240,137	3,830,880	590,743	15.4%
				Operating Tax				
-	-	-	0.0%	Tax Revenue	-	-	-	0.0%
-	-	-	0.0%	Premium tax expense	-	-	-	0.0%
-	-	-	0.0%	Sales tax expense	-	-	-	0.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
452,085	(1,148,172)	1,600,257	139.4%	Change in Net Assets	1,892,907	(2,212,390)	4,105,298	185.6%
92.4%	96.9%	4.4%	4.6%	Medical Loss Ratio	90.5%	96.8%	6.3%	6.5%
5.9%	7.7%	1.8%	23.6%	Admin Loss Ratio	6.0%	7.7%	1.7%	21.8%

ONECARE CONNECT INCOME STATEMENT – AUGUST MONTH:

REVENUES of \$27.0 million are favorable to budget \$2.0 million due to Medicare Part D revenue adjustments

MEDICAL EXPENSES of \$25.0 million are unfavorable to budget \$0.7 million due to additional capitation expense for calendar year (CY) 2018 risk adjustment reconciliation

ADMINISTRATIVE EXPENSES of \$1.6 million are favorable to budget \$0.3 million

CHANGE IN NET ASSETS is \$0.5 million, \$1.6 million favorable to budget

**CalOptima
OneCare
Statement of Revenues and Expenses
For the Two Months Ending August, 31, 2018**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,384	1,324	60	4.5%	Member Months	2,774	2,648	126	4.8%
				Revenues				
152,691	1,118,743	(966,052)	(86.4%)	Medicare Part C revenue	972,433	2,154,033	(1,181,599)	(54.9%)
539,737	502,217	37,520	7.5%	Medicare Part D revenue	1,035,473	1,003,363	32,109	3.2%
692,428	1,620,960	(928,532)	(57.3%)	Total Operating Revenue	2,007,906	3,157,396	(1,149,490)	(36.4%)
				Medical Expenses				
96,631	458,601	361,970	78.9%	Provider capitation	450,167	884,922	434,755	49.1%
734,542	517,112	(217,430)	(42.0%)	Inpatient	1,159,099	1,030,276	(128,822)	(12.5%)
45,091	55,063	9,972	18.1%	Ancillary	57,926	109,536	51,610	47.1%
123,840	26,857	(96,983)	(361.1%)	Skilled nursing facilities	198,547	53,715	(144,833)	(269.6%)
345,685	445,081	99,395	22.3%	Prescription drugs	799,833	889,063	89,230	10.0%
39,260	34,759	(4,501)	(12.9%)	Medical management	116,327	69,011	(47,316)	(68.6%)
6,500	6,560	60	0.9%	Other medical expenses	13,000	13,118	118	0.9%
1,391,549	1,544,033	152,484	9.9%	Total Medical Expenses	2,794,899	3,049,641	254,742	8.4%
(699,122)	76,926	(776,048)	(1008.8%)	Gross Margin	(786,993)	107,755	(894,747)	(830.4%)
				Administrative Expenses				
133,387	133,887	500	0.4%	Indirect cost allocation, occupancy expense	193,964	266,135	72,170	27.1%
133,387	133,887	500	0.4%	Total Administrative Expenses	193,964	266,135	72,170	27.1%
(832,508)	(56,961)	(775,548)	(1361.5%)	Change in Net Assets	(980,957)	(158,380)	(822,577)	(519.4%)
201.0%	95.3%	(105.7%)	(111.0%)	Medical Loss Ratio	139.2%	96.6%	(42.6%)	(44.1%)
19.3%	8.3%	(11.0%)	(133.2%)	Admin Loss Ratio	9.7%	8.4%	(1.2%)	(14.6%)

CalOptima
PACE
Statement of Revenues and Expenses
For the Two Months Ending August, 31, 2018

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
286	277	9	3.2%	Member Months	559	548	11	2.0%
				Revenues				
1,599,037	1,551,547	47,490	3 1%	Medi-Cal capitation revenue	3,111,835	3,068,939	42,896	1 4%
377,089	366,464	10,625	2 9%	Medicare Part C revenue	796,860	726,341	70,519	9 7%
74,000	88,788	(14,788)	(16 7%)	Medicare Part D revenue	218,428	175,765	42,663	24 3%
2,050,126	2,006,799	43,327	2.2%	Total Operating Revenue	4,127,123	3,971,045	156,078	3.9%
				Medical Expenses				
628,133	728,517	100,384	13 8%	Medical management	1,149,231	1,366,379	217,148	15 9%
476,582	411,693	(64,889)	(15 8%)	Claims payments to hospitals	789,158	811,857	22,699	2 8%
405,916	442,393	36,477	8 2%	Professional claims	800,207	874,241	74,034	8 5%
175,311	123,484	(51,827)	(42 0%)	Patient transportation	348,152	244,293	(103,859)	(42 5%)
138,423	159,302	20,879	13 1%	Prescription drugs	286,947	314,627	27,680	8 8%
2,576	8,719	6,143	70 5%	MLTSS	830	16,111	15,281	94 8%
2,860	2,750	(110)	(4 0%)	Other expenses	5,590	5,450	(140)	(2 6%)
1,829,800	1,876,858	47,058	2.5%	Total Medical Expenses	3,380,114	3,632,958	252,844	7.0%
220,326	129,941	90,385	69.6%	Gross Margin	747,009	338,087	408,922	121.0%
				Administrative Expenses				
94,961	123,302	28,341	23 0%	Salaries, wages & employee benefits	185,723	223,672	37,949	17 0%
(2,576)	167	2,743	1645 6%	Professional fees	224	333	109	32 8%
14,285	21,027	6,742	32 1%	Purchased services	17,100	42,053	24,953	59 3%
6,401	10,428	4,027	38 6%	Printing and postage	6,401	20,857	14,455	69 3%
2,074	2,091	17	0 8%	Depreciation & amortization	4,148	4,181	33	0 8%
(8,482)	3,859	12,341	319 8%	Other operating expenses	(2,935)	7,717	10,653	138 0%
3,134	3,466	332	9 6%	Indirect cost allocation, Occupancy expense	6,234	6,931	697	10 1%
109,797	164,338	54,541	33.2%	Total Administrative Expenses	216,895	305,746	88,850	29.1%
				Operating Tax				
3,993	-	3,993	0 0%	Tax Revenue	7,804	-	7,804	0 0%
3,993	-	(3,993)	0 0%	Premium tax expense	7,804	-	(7,804)	0 0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
110,529	(34,397)	144,927	421.3%	Change in Net Assets	530,114	32,341	497,772	1539.1%
89.3%	93.5%	4.3%	4.6%	Medical Loss Ratio	81.9%	91.5%	9.6%	10.5%
5.4%	8.2%	2.8%	34.6%	Admin Loss Ratio	5.3%	7.7%	2.4%	31.7%

CalOptima
BUILDING 505 - CITY PARKWAY
Statement of Revenues and Expenses
For the Two Months Ending August 31, 2018

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	0.0%	Total Operating Revenue	-	-	-	0.0%
				Administrative Expenses				
27,385	22,982	(4,403)	(19.2%)	Purchase services	60,947	45,963	(14,984)	(32.6%)
161,022	162,934	1,912	1.2%	Depreciation & amortization	322,438	325,869	3,431	1.1%
15,816	15,917	101	0.6%	Insurance expense	31,632	31,834	202	0.6%
119,093	173,136	54,043	31.2%	Repair and maintenance	200,454	346,272	145,818	42.1%
90,542	1,635	(88,907)	(5437.8%)	Other Operating Expense	150,779	3,270	(147,509)	(4511.0%)
(413,858)	(376,604)	37,254	9.9%	Indirect allocation, Occupancy	(766,250)	(753,208)	13,042	1.7%
0	-	(0)	0.0%	Total Administrative Expenses	0	-	(0)	0.0%
(0)	-	(0)	0.0%	Change in Net Assets	(0)	-	(0)	0.0%

OTHER STATEMENTS – AUGUST MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is (\$832.5) thousand, \$775.5 thousand unfavorable to budget due to CMS recoupment of \$1 million for calendar year 2016 risk adjustment reconciliation

PACE INCOME STATEMENT

CHANGE IN NET ASSETS is \$110.5 thousand, \$144.9 thousand favorable to budget

**CalOptima
Balance Sheet
August 31, 2018**

ASSETS

Current Assets

Operating Cash	\$515,126,697
Investments	384,790,436
Capitation receivable	349,281,991
Receivables - Other	23,314,880
Prepaid expenses	6,469,472

Total Current Assets	1,278,983,476
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Capital Assets

Furniture & Equipment	34,328,849
Building/Leasehold Improvements	8,216,084
505 City Parkway West	49,743,943
	92,288,876
Less: accumulated depreciation	(42,121,609)
Capital assets, net	50,167,267

Other Assets

Restricted Deposit & Other	300,000
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Board-designated assets	
Cash and Cash Equivalents	11,807,176
Long-term Investments	528,886,911
Total Board-designated Assets	540,694,087

Total Other Assets	540,994,087
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TOTAL ASSETS	1,870,144,830
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Deferred Outflows

Pension Contributions	953,907
Difference in Experience	1,365,903
Excess Earnings	1,017,387
Changes in Assumptions	7,795,853

TOTAL ASSETS & DEFERRED OUTFLOWS	1,881,277,880
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts Payable	\$27,340,664
Medical Claims liability	798,445,025
Accrued Payroll Liabilities	12,122,006
Deferred Revenue	109,018,787
Deferred Lease Obligations	108,100
Capitation and Withholds	109,884,755

Total Current Liabilities	1,056,919,336
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Other (than pensions) post

employment benefits liability	24,818,101
Net Pension Liabilities	24,979,118
Bldg 505 Development Rights	100,000

TOTAL LIABILITIES	1,106,816,554
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Deferred Inflows

Change in Assumptions	3,329,380
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TNE	84,945,052
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Funds in Excess of TNE	686,186,894
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Net Assets	771,131,946
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TOTAL LIABILITIES & FUND BALANCES	1,881,277,880
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CalOptima
Board Designated Reserve and TNE Analysis
as of August 31, 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,914,240				
	Tier 1 - Logan Circle	147,864,857				
	Tier 1 - Wells Capital	147,242,444				
Board-designated Reserve						
		443,021,541	317,442,949	489,894,949	125,578,593	(46,873,408)
TNE Requirement	Tier 2 - Logan Circle	97,672,546	84,945,052	84,945,052	12,727,494	12,727,494
Consolidated:		540,694,087	402,388,001	574,840,001	138,306,087	(34,145,914)
<i>Current reserve level</i>		1.88	1.40	2.00		

CalOptima
Statement of Cash Flows
August 31, 2018

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	4,484,266	9,500,379
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	557,056	1,132,329
Changes in assets and liabilities:		
Prepaid expenses and other	116,025	(172,126)
Catastrophic reserves		
Capitation receivable	208,636,375	(51,445,855)
Medical claims liability	(44,057,798)	(34,174,588)
Deferred revenue	20,309,368	(4,684,162)
Payable to providers	4,534,812	13,435,863
Accounts payable	10,495,552	20,805,578
Other accrued liabilities	(92,477)	118,681
Net cash provided by/(used in) operating activities	<u>204,983,179</u>	<u>(45,483,901)</u>
 GASB 68 CalPERS Adjustments	 (0)	 (0)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	52,215,869	195,508,512
Purchase of property and equipment	(436,104)	(541,346)
Change in Board designated reserves	(1,997,833)	(2,446,415)
Net cash provided by/(used in) investing activities	<u>49,781,932</u>	<u>192,520,751</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 254,765,111	 147,036,850
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$260,361,586</u>	 <u>368,089,847</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u>515,126,697</u>	 <u>515,126,697</u>

BALANCE SHEET:

ASSETS decreased \$3.7 million from July or 0.2%

- **Cash and Cash Equivalents** increased by \$254.8 million due to 2 months of capitation payments received
- **Investments** decreased \$52.2 million based upon the timing of the state and federal capitation receipts, transfers to investment managers, and their investing liquidity decisions
- **Net Capitation Receivables** decreased \$208.6 million related to the receipt of the July and August capitation payments

LIABILITIES decreased \$8.2 million from July or 0.7%

- **Medical Claims Liability** by line of business decreased \$44.1 million due to reduction of DHCS overpayment and large medical claims paid during the month
- **Deferred Revenue** increased \$20.9 million due to receipt of September's capitation payment
- **Capitation Payable** increased \$4.5 million due increase in Risk Sharing reserve
- **Accrued Expenses** increased \$10.0 million due to timing of sales tax reserve and payment

NET ASSETS are \$771.1 million, an increase of \$4.5 million from July

CalOptima Foundation
Statement of Revenues and Expenses
For the Two Months Ended August 31, 2018
Consolidated

Actual	Budget	Month	
		\$	%
		Variance	Variance
<hr/>			
0	0	0	0.0%
<hr/>			
0	6,184	6,184	100.0%
0	2,985	2,985	100.0%
0	0	0	0.0%
0	0	0	0.0%
0	0	0	0.0%
917	229,840	228,923	99.6%
<hr/>			
917	239,009	238,092	99.6%
<hr/>			
0	0	0	0.0%
<hr/>			
(917)	(239,009)	(238,092)	(99.6%)
<hr/>			

Revenues

Total Operating Revenue

Operating Expenditures

Personnel

Taxes and Benefits

Travel

Supplies

Contractual

Other

Total Operating Expenditures

Investment Income

Program Income

Actual	Budget	Year - To - Date	
		\$	%
		Variance	Variance
<hr/>			
0	0	0	0.0%
<hr/>			
0	12,368	12,368	100.0%
0	5,970	5,970	100.0%
0	0	0	0.0%
0	0	0	0.0%
0	0	0	0.0%
1,834	459,679	457,845	99.6%
<hr/>			
1,834	478,017	476,183	99.6%
<hr/>			
0	0	0	0.0%
<hr/>			
(1,834)	(478,017)	(476,183)	(99.6%)
<hr/>			

CalOptima Foundation
Balance Sheet
August 31, 2018

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,843,139	Accounts payable-Current	1,834
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,843,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>1,834</u>
		Total Liabilities	<u>1,834</u>
		Net Assets	<u>2,841,305</u>
TOTAL ASSETS	<u><u>2,843,139</u></u>	TOTAL LIABILITIES & NET ASSETS	<u><u>2,843,139</u></u>

CALOPTIMA FOUNDATION - AUGUST MONTH

INCOME STATEMENT:

OPERATING REVENUE

- No activity

OPERATING EXPENSES

- Audit Fees \$1.8 thousand

BALANCE SHEET:

ASSETS

- Cash of \$2.8 million remains from the FY14 \$3.0 million transferred by CalOptima for grants and programs in support of providers and community

LIABILITIES

- \$1.8 thousand

NET INCOME is (\$1.8) thousand YTD

Budget Allocation Changes
Reporting Changes for August 2018

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
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No Activity for August

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.

This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameter