



**NOTICE OF A  
REGULAR MEETING OF THE  
CALOPTIMA BOARD OF DIRECTORS'  
FINANCE AND AUDIT COMMITTEE**

**THURSDAY, FEBRUARY 16, 2017  
2:00 P.M.**

**CALOPTIMA  
505 CITY PARKWAY WEST, SUITE 108-N  
ORANGE, CALIFORNIA 92868**

**Board of Directors' Finance and Audit Committee**

Lee Penrose, Chair  
Ron DiLuigi  
Scott Schoeffel

CHIEF EXECUTIVE OFFICER  
Michael Schrader

CHIEF COUNSEL  
Gary Crockett

CLERK OF THE BOARD  
Suzanne Turf

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This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form(s) identifying the item(s) and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors' Finance and Audit Committee, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar, the reading of the individual agenda items, and/or the beginning of Public Comments. When addressing the Committee, it is requested that you state your name for the record. Address the Committee as a whole through the Chair. Comments to individual Committee Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at least 72 hours prior to the meeting at (714) 246-8806.

*The Board of Directors' Finance and Audit Committee Meeting Agenda and supporting documentation is available for review 8:00 a.m. – 5:00 p.m., Monday-Friday at CalOptima, 505 City Parkway West, Orange, CA 92868, and online at [www.caloptima.org](http://www.caloptima.org).*

**CALL TO ORDER**

Pledge of Allegiance  
Establish Quorum

## **MANAGEMENT REPORTS**

Chief Executive Officer Report  
Chief Financial Officer Report

## **PUBLIC COMMENTS**

*At this time, members of the public may address the Committee on matters not appearing on the agenda, but under the jurisdiction of the Board of Directors' Finance and Audit Committee. Speakers will be limited to three (3) minutes.*

## **INVESTMENT ADVISORY COMMITTEE UPDATE**

1. [Treasurer's Report](#)

## **CONSENT CALENDAR**

2. [Minutes](#)
  - a. Approve Minutes of the November 17, 2016 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
  - b. Receive and File Minutes of the October 24, 2016 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

## **REPORTS**

3. [Receive Program of All-Inclusive Care for the Elderly \(PACE\) Operational Analysis and Business Plan Follow Up and Consider Recommending Next Steps](#)
4. [Consider Recommending Board of Directors' Receive and File Compliance Strategies' 2016 Compliance Program Effectiveness Audit Report](#)
5. [Consider Recommending Issuance of Request for Proposal \(RFP\) for Medi-Cal Perinatal Support Services](#)

## **INFORMATION ITEMS**

6. [December 2016 and November 2016 Financial Summaries](#)
7. [CalOptima Computer Systems Security Update](#)
8. [Update on 505 City Parkway West Development Rights](#)
9. [Cost Containment Improvements/Initiatives](#)
10. Quarterly Reports to the Finance and Audit Committee
  - a. [Shared Risk Pool Performance](#)
  - b. [Reinsurance Report](#)
  - c. [Health Network Financial Report](#)
  - d. [Purchasing Report](#)

Notice of a Regular Meeting of the  
CalOptima Board of Directors'  
Finance and Audit Committee  
February 16, 2017  
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## **COMMITTEE MEMBER COMMENTS**

## **ADJOURNMENT**

**NEXT REGULAR MEETING:** Thursday, May 18, 2017 at 2:00 p.m.

## Board of Directors' Finance and Audit Committee Meeting February 16, 2017

### Quarterly Treasurer's Report October 1, 2016 through December 31, 2016

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#### Overview

To fulfill the requirements of Government Code, Section 53646, subdivision (b) and the 2016 Annual Investment Policy adopted by CalOptima's Board of Directors on December 3, 2015, the Treasurer submits this quarterly investment report for the period October 1, 2016, through December 31, 2016.

Meketa Investment Group, Inc. completed an independent compliance review of the monthly investment reports prepared by CalOptima's three investment managers: Logan Circle Partners, Payden & Rygel and Wells Capital. The review found that all investments were compliant with Government Code, section 53600 *et seq.* and CalOptima's 2016 Annual Investment Policy.

#### Portfolio Summary

As of December 31, 2016, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows:

	Payden & Rygel	Logan Circle	Wells Capital	Total
<b>Short-Term Operating</b>	\$601,590,834	\$601,028,247	\$601,695,718	\$1,804,314,799
<b>Board Designated Reserves</b>				
<b>Tier 1</b>	\$145,148,288	\$144,852,055	\$144,950,870	\$434,951,213
<b>Tier 2</b>	--	\$95,883,884	--	\$95,883,884
<b>Total</b>	\$746,739,122	\$841,764,186	\$746,646,588	\$2,335,149,896

#### Six Month Cash Sufficiency

Based upon a review of forecasted revenues and expenses, CalOptima has sufficient cash on-hand plus projected revenues to meet its operating requirements for the next six months.

#### Investments Compared to Reserve Policy

In accordance with CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima shall maintain a minimum reserve level of one point four (1.4) months and a maximum of two (2) months in consolidated capitation revenues. The following provides a comparison of investments to the minimum and maximum level of Board-designated reserve funds as of December 31, 2016, demonstrating funds in excess to satisfy minimum requirements.

**A) Board-designated Reserve Fund (CalOptima Policy GA.3001)**

Reserve Name	Market Value	Benchmark		Variance	
		Low 1.4	High 2.0	Low 1.4	High 2.0
Tier 1 - Payden & Rygel	\$145,148,288				
Tier 1 - Logan Circle	\$144,852,055				
Tier 1 - Wells Capital	\$144,950,870				
	\$434,951,213	\$277,968,755	\$437,668,289	\$156,982,458	(\$2,717,076)

**B) CalOptima's Regulatory Compliance Requirements**

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		TNE	TNE	TNE	TNE
Tier 2 - Logan Circle	\$95,883,884	\$94,663,492	\$94,663,492	\$1,220,392	\$1,220,392
<b>Consolidated:</b>	<b>\$530,835,097</b>	<b>\$372,632,247</b>	<b>\$532,331,781</b>	<b>\$158,202,850</b>	<b>(\$1,496,685)</b>
<i>Compliance Level</i>	<i>1.99</i>	<i>1.40</i>	<i>2.00</i>	<i>-</i>	<i>-</i>

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$158,202,850 for the fourth quarter of Fiscal Year (FY) 2016-17.

**Update on Fund Transfers**

Pursuant to CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima staff will monitor liquidity requirements for the next twelve (12) months, and will transfer funds from Short-Term Operating to Board-designated reserves, if necessary. At its January 23, 2017 meeting, Staff notified the Investment Advisory Committee members and CalOptima's investment managers of transfers of \$50 million in total from Short-Term Operating to all Tier 1 accounts and two transfers of \$2 million and \$5 million to the Logan Tier 2 account in November and December 2016, respectively. After the transfers, CalOptima's Board-designated Reserve Compliance Level increased from the equivalent of 1.78 to 1.99 months in consolidated capitation revenues.

**Attachment**

Quarterly Investment Report – October 1, 2016, through December 31, 2016

# FUND EVALUATION REPORT

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## CalOptima

Quarterly Review  
December 31, 2016



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

BOSTON  
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OREGON

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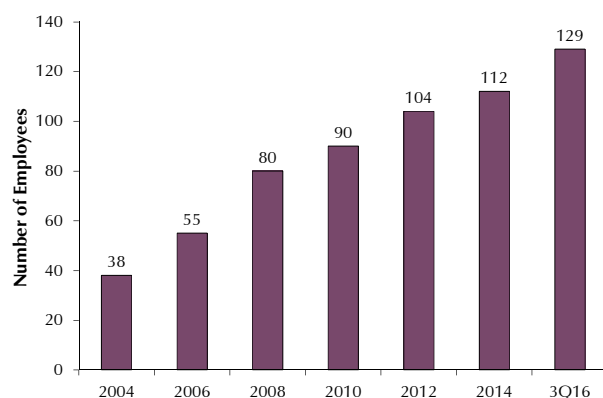
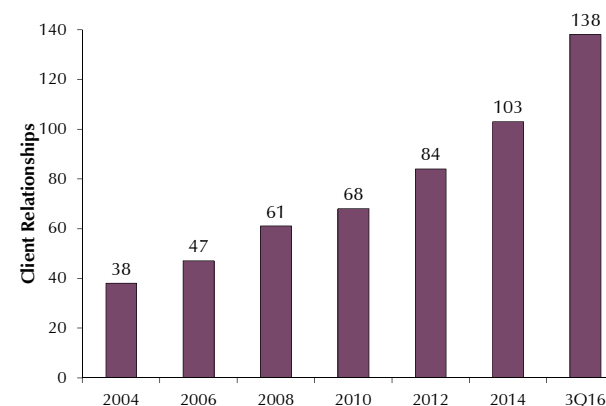
[Back to Agenda](#)

1. **Corporate Update**
2. **4Q16 Review**
3. **Quarterly Investment Report Supplement**
4. **Custom Peer Group**
5. **Performance Attribution**
6. **Holdings**
7. **Disclaimer, Glossary, and Notes**

## **Meketa Investment Group Corporate Update**



- Staff of 129, including 81 investment professionals and 26 CFA Charterholders
- 138 clients, with over 235 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- Clients have aggregate assets of over \$870 billion
  - Over \$50 billion in assets committed to alternative investments
    - Private Equity      ▪ Infrastructure      ▪ Natural Resources
    - Real Estate        ▪ Hedge Funds      ▪ Commodities

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

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

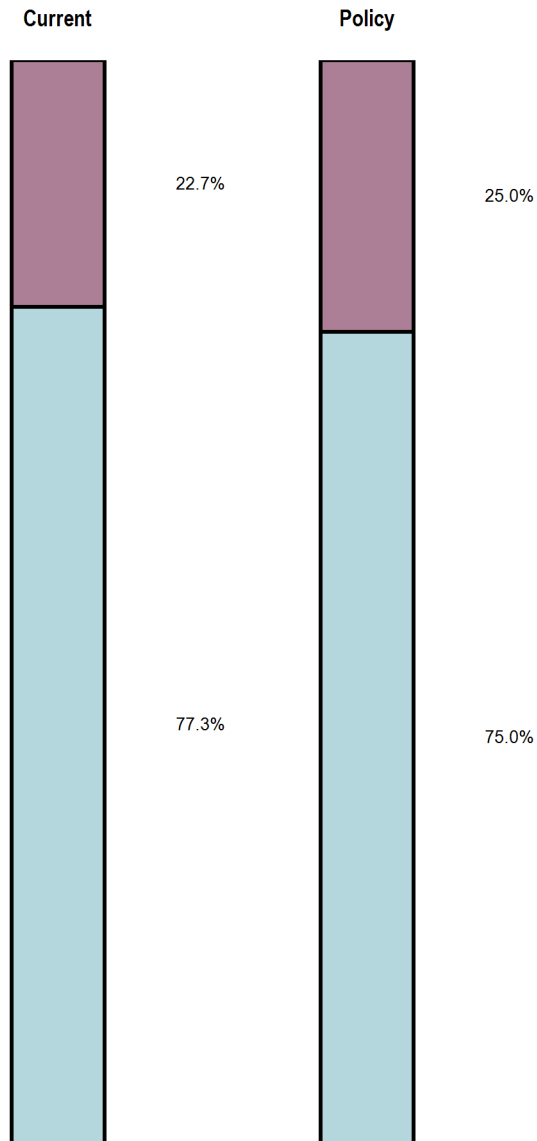


## Asset Classes Followed Intensively by Meketa Investment Group

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

## 4Q16 Review

As of December 31, 2016



## Allocation vs. Targets and Policy

	Current Balance	Current Allocation
Fixed Income	\$530,835,097	23%
Cash	\$1,804,314,799	77%
<b>Total</b>	<b>\$2,335,149,896</b>	<b>100%</b>

**Asset Allocation History**  
5 Years Ending December 31, 2016

As of December 31, 2016

## Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund(Gross)</b>	<b>2,335,149,896</b>	<b>100.000</b>	<b>0.042</b>	<b>0.904</b>	--	--	--	<b>0.621</b>	<b>Oct-14</b>
<b>Total Fund(Net)</b>			<b>0.017</b>	<b>0.825</b>	--	--	--	<b>0.545</b>	
<b>Fixed Income(Gross)</b>	<b>530,835,097</b>	<b>22.732</b>	<b>-0.424</b>	<b>1.187</b>	--	--	--	<b>1.020</b>	<b>Oct-14</b>
<b>Fixed Income(Net)</b>			<b>-0.450</b>	<b>1.086</b>	--	--	--	<b>0.968</b>	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>			<i>-0.434</i>	<i>0.886</i>	<i>0.681</i>	<i>0.566</i>	<i>2.115</i>	<i>0.712</i>	<i>Oct-14</i>
<b>Cash(Gross)</b>	<b>1,804,314,799</b>	<b>77.268</b>	<b>0.177</b>	<b>0.677</b>	<b>0.333</b>	<b>0.243</b>	<b>0.860</b>	<b>1.990</b>	<b>Jul-99</b>
<b>Cash(Net)</b>			<b>0.149</b>	<b>0.705</b>	<b>0.276</b>	<b>0.156</b>	--	--	
<i>Citi 3mth Treasury Bill</i>			<i>0.082</i>	<i>0.270</i>	<i>0.110</i>	<i>0.091</i>	<i>0.726</i>	<i>1.790</i>	<i>Jul-99</i>

As of December 31, 2016

## Trailing Period Performance

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund(Gross)</b>	<b>2,335,149,896</b>	<b>100.000</b>	<b>--</b>	<b>0.042</b>	<b>0.904</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.621</b>	<b>Oct-14</b>
<b>Fixed Income(Gross)</b>	<b>530,835,097</b>	<b>22.732</b>	<b>22.732</b>	<b>-0.424</b>	<b>1.187</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1.020</b>	<b>Oct-14</b>
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				-0.434	0.886	0.681	0.566	2.115	0.712	Oct-14
Tier One: Payden Low Duration(Gross)	145,148,288	6.216	27.343	-0.179	1.142	0.913	0.858	2.384	3.119	Jul-99
Tier One: Payden Low Duration(Net)				-0.197	1.067	0.821	0.750	--	--	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				-0.434	0.886	0.681	0.566	2.115	3.036	Jul-99
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>				-0.385	1.287	0.911	0.982	2.453	3.367	Jul-99
Tier One: Logan Circle STAMP 1-3 Year(Gross)	144,852,055	6.203	27.288	-0.411	--	--	--	--	0.189	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				-0.430	--	--	--	--	0.138	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				-0.434	0.886	0.681	0.566	2.115	0.055	Jun-16
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>				-0.385	1.287	0.911	0.982	2.453	0.233	Jun-16
Tier One: Wells Capital Reserve Account(Gross)	144,950,870	6.207	27.306	-0.309	--	--	--	--	0.256	Jun-16
Tier One: Wells Capital Reserve Account(Net)				-0.327	--	--	--	--	0.214	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				-0.434	0.886	0.681	0.566	2.115	0.055	Jun-16
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>				-0.385	1.287	0.911	0.982	2.453	0.233	Jun-16
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	95,883,884	4.106	18.063	-0.995	1.642	1.564	--	--	1.201	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				-1.025	1.516	1.439	--	--	1.074	
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>				-1.090	1.088	1.101	0.803	2.767	0.788	Apr-13
<i>BofA Merrill Lynch US Corp &amp; Gov 1-5 Yrs</i>				-1.018	1.616	1.391	1.389	3.086	1.115	Apr-13



As of December 31, 2016

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Cash(Gross)</b>	<b>1,804,314,799</b>	<b>77.268</b>	<b>77.268</b>	<b>0.177</b>	<b>0.677</b>	<b>0.333</b>	<b>0.243</b>	<b>0.860</b>	<b>1.990</b>	<b>Jul-99</b>
<i>Citi 3mth Treasury Bill</i>				0.082	0.270	0.110	0.091	0.726	1.790	Jul-99
Operating: Payden Enhanced Cash(Gross)	601,590,834	25.762	33.342	0.170	0.872	0.398	0.282	0.880	2.001	Jul-99
Operating: Payden Enhanced Cash(Net)				0.151	0.799	0.308	0.175	--	--	
<i>Citi 3mth Treasury Bill</i>				0.082	0.270	0.110	0.091	0.726	1.790	Jul-99
Operating: Logan Circle Enhanced Cash(Gross)	601,028,247	25.738	33.311	0.190	--	--	--	--	0.462	Jun-16
Operating: Logan Circle Enhanced Cash(Net)				0.169	--	--	--	--	0.413	
<i>Citi 3mth Treasury Bill</i>				0.082	0.270	0.110	0.091	0.726	0.172	Jun-16
Operating: Wells Capital Enhanced Cash(Gross)	601,695,718	25.767	33.348	0.141	--	--	--	--	0.380	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.123	--	--	--	--	0.337	
<i>Citi 3mth Treasury Bill</i>				0.082	0.270	0.110	0.091	0.726	0.172	Jun-16



As of December 31, 2016

## Asset Class Performance Summary

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
<b>Total Fund(Gross)</b>	<b>0.842</b>	--	--	--	--	--	--	--
<b>Total Fund(Net)</b>	<b>0.763</b>	--	--	--	--	--	--	--
<b>Fixed Income(Gross)</b>	<b>1.775</b>	--	--	--	--	--	--	--
<b>Fixed Income(Net)</b>	<b>1.678</b>	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>	<i>0.776</i>	<i>1.331</i>	<i>2.692</i>	<i>4.394</i>
<b>Cash(Gross)</b>	<b>0.402</b>	<b>0.166</b>	<b>0.131</b>	<b>0.112</b>	<b>0.185</b>	<b>0.137</b>	<b>0.138</b>	<b>0.774</b>
<b>Cash(Net)</b>	<b>0.434</b>	<b>0.058</b>	<b>0.018</b>	<b>-0.023</b>	<b>0.044</b>	<b>-0.008</b>	<b>-0.003</b>	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>

As of December 31, 2016

## Trailing Period Performance

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

As of December 31, 2016

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
<b>Cash(Gross)</b>	<b>0.402</b>	<b>0.166</b>	<b>0.131</b>	<b>0.112</b>	<b>0.185</b>	<b>0.137</b>	<b>0.138</b>	<b>0.774</b>
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Payden Enhanced Cash(Gross)	0.573	0.166	0.131	0.112	0.185	0.137	0.138	0.774
Operating: Payden Enhanced Cash(Net)	0.505	0.058	0.018	-0.023	0.044	-0.008	-0.003	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Logan Circle Enhanced Cash(Gross)	--	--	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	--	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Wells Capital Enhanced Cash(Gross)	--	--	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	--	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>

As of December 31, 2016

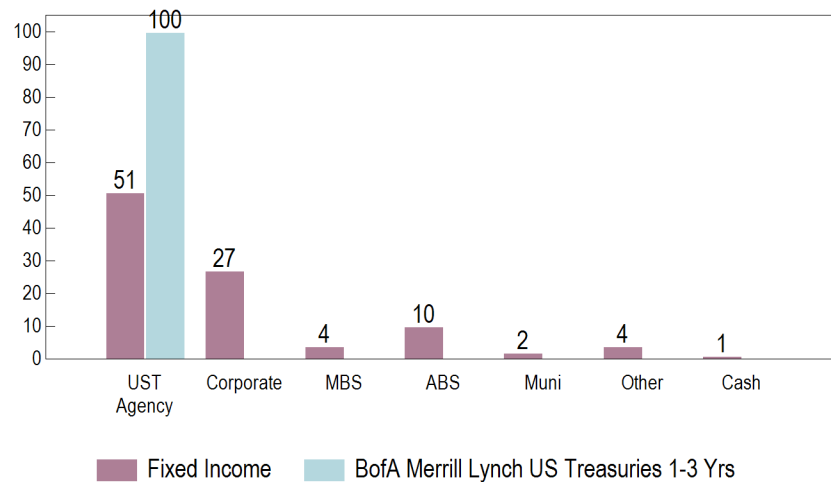
## Asset Allocation on December 31, 2016

	Actual (\$)	Actual %
Tier One: Payden Low Duration	\$145,148,288	27.3%
Tier One: Logan Circle STAMP 1-3 Year	\$144,852,055	27.3%
Tier One: Wells Capital Reserve Account	\$144,950,870	27.3%
Tier Two: Logan Circle STAMP 1-5 Year	\$95,883,884	18.1%
<b>Total</b>	<b>\$530,835,097</b>	<b>100.0%</b>

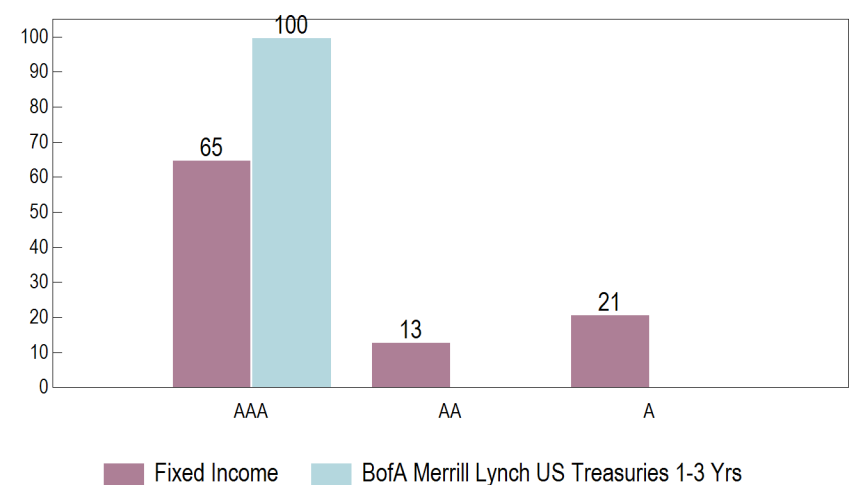
Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	1.5	1.2	1.0
Average Duration	1.8	1.9	1.8
Average Quality	AA	AAA	AA

## Sector Allocation



## Credit Quality Allocation



## Tier One: Payden Low Duration

As of December 31, 2016

## Account Information

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

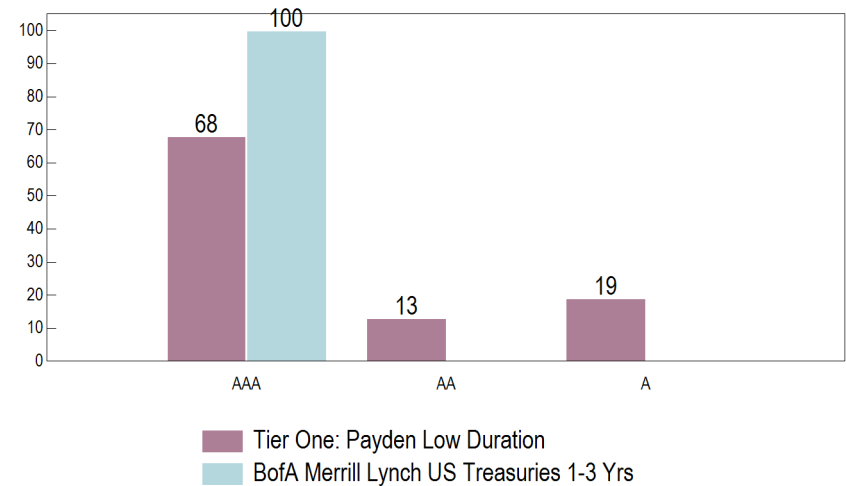
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Payden Low Duration(Gross)	-0.179	1.142	1.142	0.913	0.858	2.384	3.119	Jul-99
Tier One: Payden Low Duration(Net)	-0.197	1.067	1.067	0.821	0.750	--	--	
BofA Merrill Lynch US Treasuries 1-3 Yrs	-0.434	0.886	0.886	0.681	0.566	2.115	3.036	Jul-99
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	-0.385	1.287	1.287	0.911	0.982	2.453	3.367	Jul-99

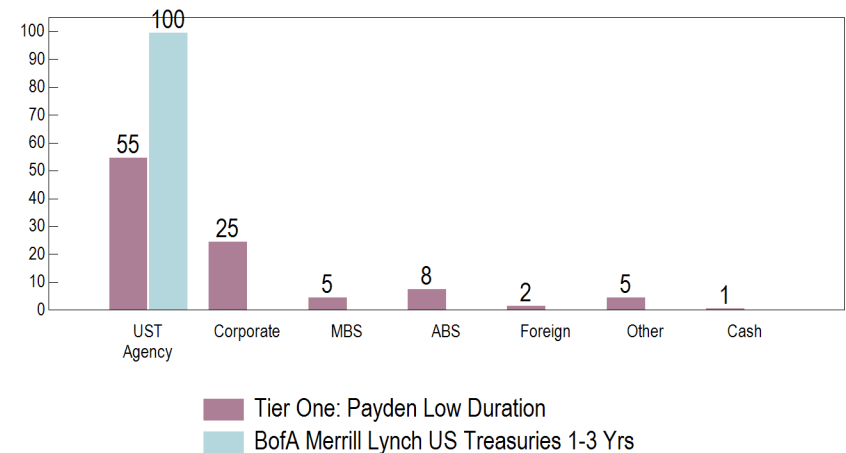
Tier One: Payden Low Duration Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	1.36	1.18	1.12
Average Duration	1.54	1.89	1.54
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



## Tier One: Wells Capital Reserve Account

As of December 31, 2016

## Account Information

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

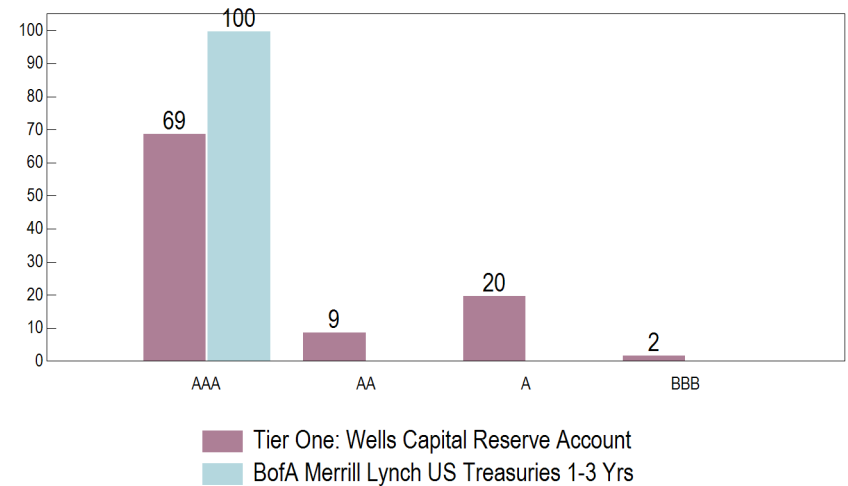
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Wells Capital Reserve Account(Gross)	-0.309	--	--	--	--	--	0.256	Jun-16
Tier One: Wells Capital Reserve Account(Net)	-0.327	--	--	--	--	--	0.214	
BofA Merrill Lynch US Treasuries 1-3 Yrs	-0.434	0.886	0.886	0.681	0.566	2.115	0.055	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	-0.385	1.287	1.287	0.911	0.982	2.453	0.233	Jun-16

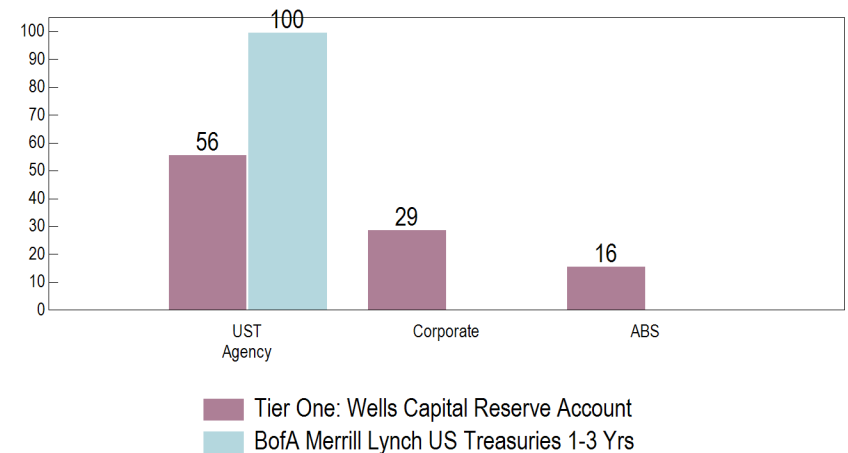
Tier One: Wells Capital Reserve Account Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	1.42	1.18	0.82
Average Duration	1.75	1.89	1.78
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



## Tier One: Logan Circle STAMP 1-3 Year

As of December 31, 2016

## Account Information

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

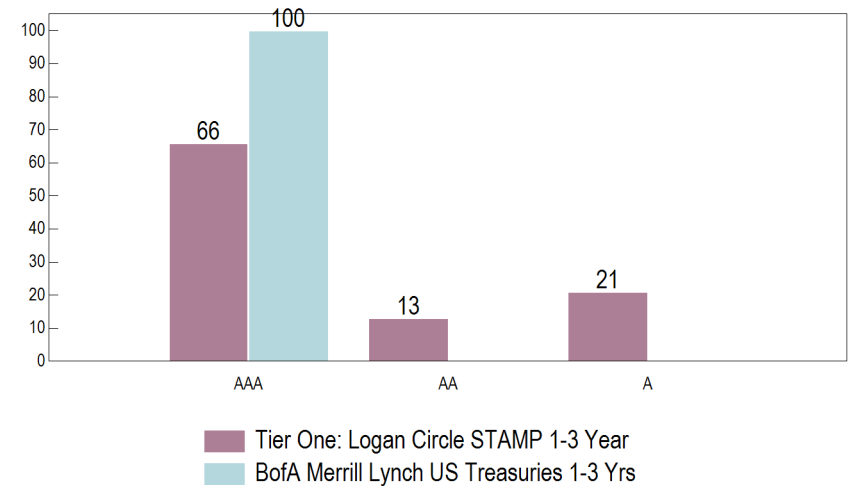
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Logan Circle STAMP 1-3 Year(Gross)	-0.411	--	--	--	--	--	0.189	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	-0.430	--	--	--	--	--	0.138	
BofA Merrill Lynch US Treasuries 1-3 Yrs	-0.434	0.886	0.886	0.681	0.566	2.115	0.055	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	-0.385	1.287	1.287	0.911	0.982	2.453	0.233	Jun-16

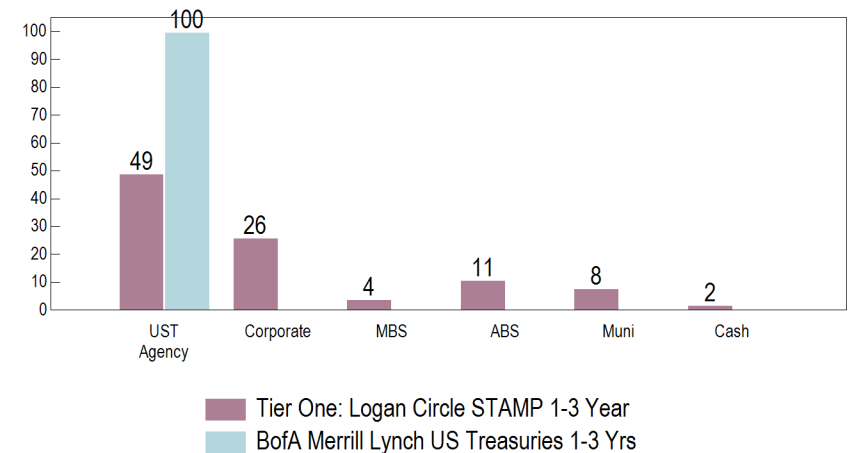
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	1.43	1.18	1.05
Average Duration	1.68	1.89	1.55
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



## Tier Two: Logan Circle STAMP 1-5 Year

As of December 31, 2016

## Account Information

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

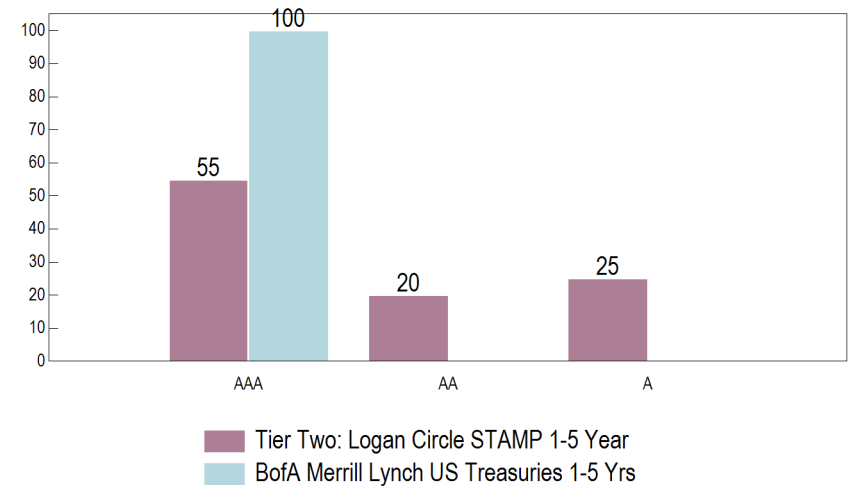
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	-0.995	1.642	1.642	1.564	--	--	1.201	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	-1.025	1.516	1.516	1.439	--	--	1.074	
BofA Merrill Lynch US Treasuries 1-5 Yrs	-1.090	1.088	1.088	1.101	0.803	2.767	0.788	Apr-13
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	-1.018	1.616	1.616	1.391	1.389	3.086	1.115	Apr-13

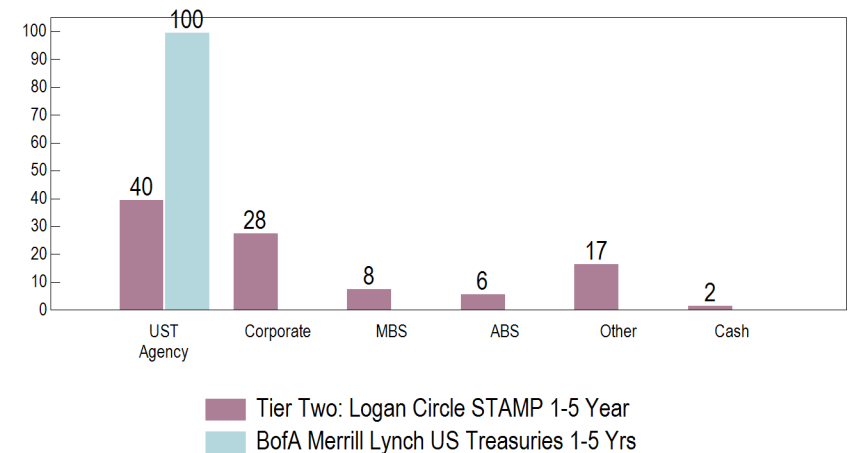
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-5 Yrs

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	1.76	1.42	1.22
Average Duration	2.58	2.70	2.43
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation





As of December 31, 2016

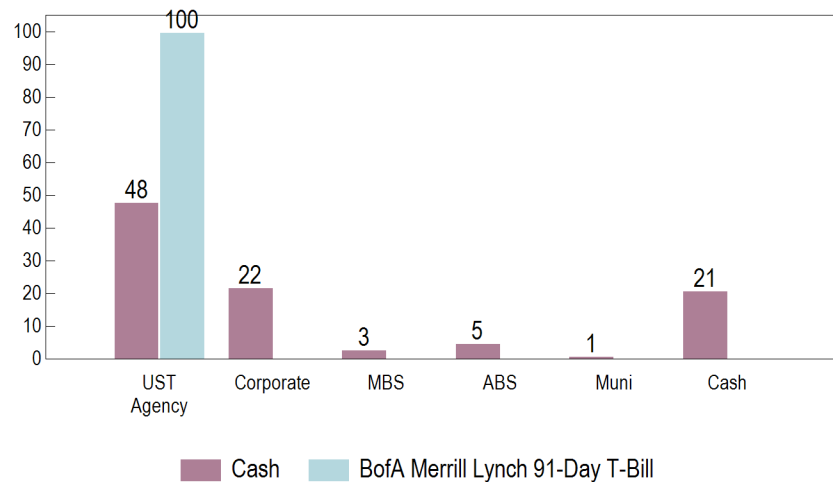
## Asset Allocation on December 31, 2016

	Actual (\$)	Actual %
Operating: Logan Circle Enhanced Cash	\$601,028,247	33.3%
Operating: Payden Enhanced Cash	\$601,590,834	33.3%
Operating: Wells Capital Enhanced Cash	\$601,695,718	33.3%
<b>Total</b>	<b>\$1,804,314,799</b>	<b>100.0%</b>

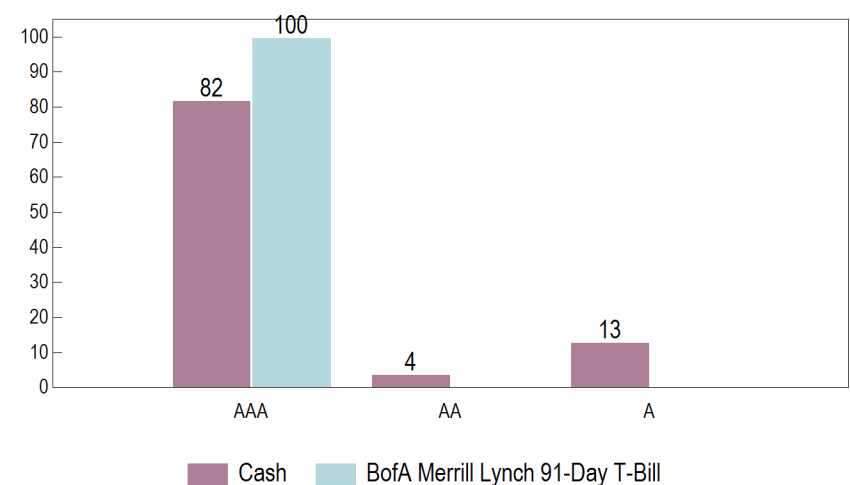
Cash Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.8	0.5	0.7
Average Duration	0.2	0.2	0.4
Average Quality	AAA	AAA	AAA

## Sector Allocation



## Credit Quality Allocation



## Operating: Payden Enhanced Cash

As of December 31, 2016

## Account Information

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

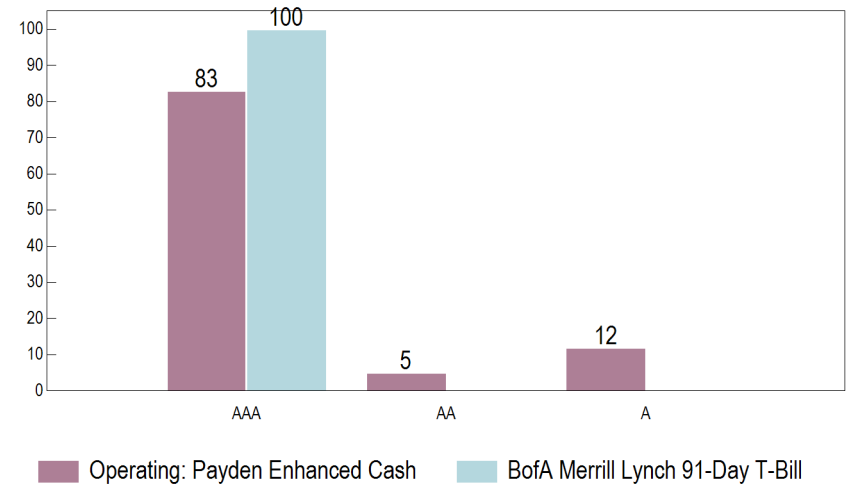
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Payden Enhanced Cash(Gross)	0.170	0.872	0.872	0.398	0.282	0.880	2.001	Jul-99
Operating: Payden Enhanced Cash(Net)	0.151	0.799	0.799	0.308	0.175	--	--	
<i>Citi 3mth Treasury Bill</i>	<i>0.082</i>	<i>0.270</i>	<i>0.270</i>	<i>0.110</i>	<i>0.091</i>	<i>0.726</i>	<i>1.790</i>	<i>Jul-99</i>

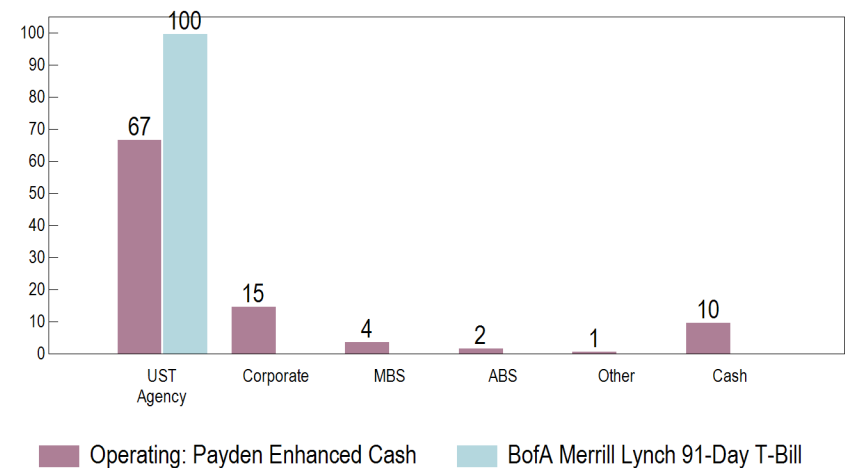
Operating: Payden Enhanced Cash Fixed Income Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	0.81	0.50	0.71
Average Duration	0.34	0.24	0.50
Average Quality	AAA	AAA	AAA

## Credit Quality Allocation



## US Sector Allocation



## Operating: Logan Circle Enhanced Cash

As of December 31, 2016

## Account Information

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

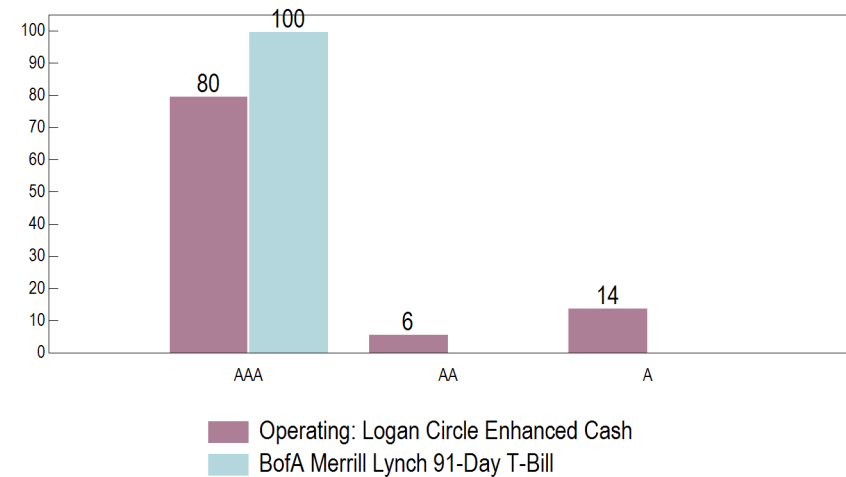
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Logan Circle Enhanced Cash(Gross)	0.190	--	--	--	--	--	0.462	Jun-16
Operating: Logan Circle Enhanced Cash(Net)	0.169	--	--	--	--	--	0.413	
Citi 3mth Treasury Bill	0.082	0.270	0.270	0.110	0.091	0.726	0.172	Jun-16

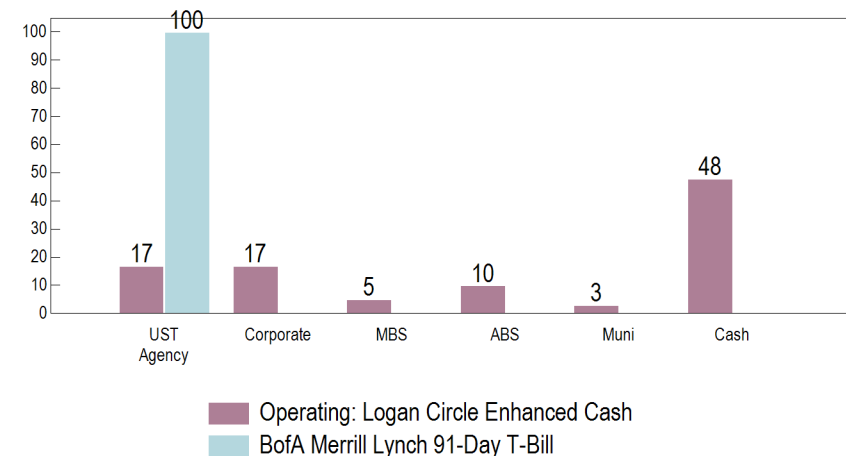
Operating: Logan Circle Enhanced Cash Fixed Income Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	0.89	0.50	0.87
Average Duration	0.12	0.24	0.25
Average Quality	AAA	AAA	AAA

## Credit Quality Allocation



## US Sector Allocation



## Operating: Wells Capital Enhanced Cash

As of December 31, 2016

## Account Information

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

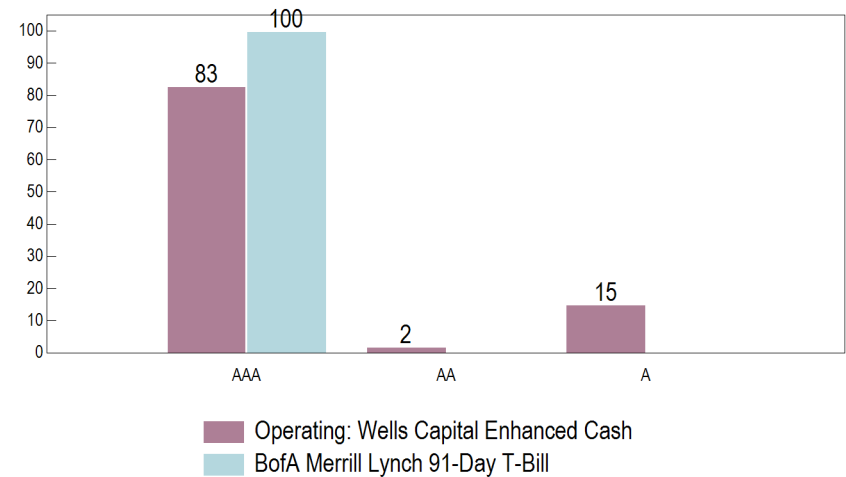
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Wells Capital Enhanced Cash(Gross)	0.141	--	--	--	--	--	0.380	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.123	--	--	--	--	--	0.337	
<i>Citi 3mth Treasury Bill</i>	<i>0.082</i>	<i>0.270</i>	<i>0.270</i>	<i>0.110</i>	<i>0.091</i>	<i>0.726</i>	<i>0.172</i>	<i>Jun-16</i>

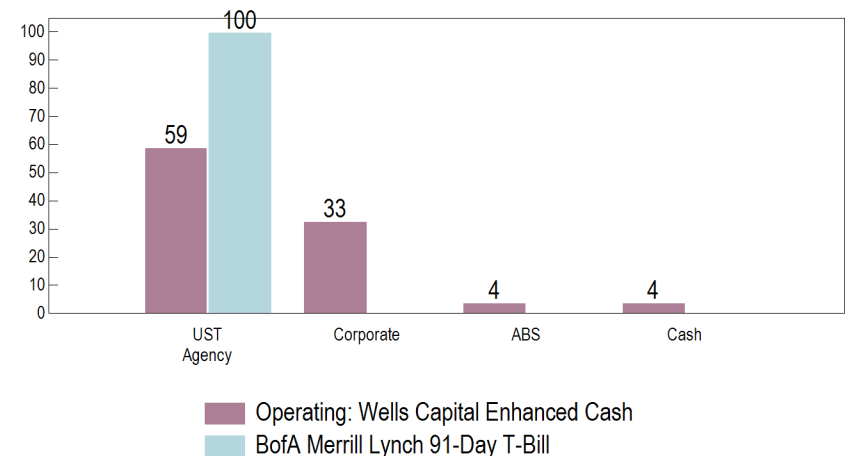
Operating: Wells Capital Enhanced Cash Fixed Income Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q4-16	Index Q4-16	Portfolio Q3-16
Fixed Income Characteristics			
Yield to Maturity	0.67	0.50	0.53
Average Duration	0.16	0.24	0.36
Average Quality	AAA	AAA	AAA

## Credit Quality Allocation



## US Sector Allocation



As of December 31, 2016

**Annual Investment Expense Analysis**  
**As Of December 31, 2016**

Name	Fee Schedule	Market Value
<b>Fixed Income</b>		<b>\$530,835,097</b>
Tier One: Payden Low Duration	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$145,148,288
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	\$144,852,055
Tier One: Wells Capital Reserve Account	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$144,950,870
Tier Two: Logan Circle STAMP 1-5 Year	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$95,883,884
<b>Cash</b>		<b>\$1,804,314,799</b>
Operating: Payden Enhanced Cash	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$601,590,834
Operating: Logan Circle Enhanced Cash	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$601,028,247
Operating: Wells Capital Enhanced Cash	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$601,695,718
<b>Total</b>		<b>\$2,335,149,896</b>

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



## Quarterly Investment Report Supplement

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

Maximum Permitted Maturity				Actual Maximum Maturity								Compliance
Allowable Instruments	Operating Funds	Tier One	Tier Two	Operating Funds			Tier One			Tier Two		
				LC	P&R	WF	LC	P&R	WF	LC		
U.S. Treasuries	450 days	5 years	5 years	59 days	396 days	212 days	4.62 years	2.54 years	2.37 years	4.62 years	Yes	
U.S. Agencies	450 days	5 years	5 years	209 days	208 days	251 days	1.80 years	2.66 years	2.97 years	2.24 years	Yes	
State & Local Obligations <sup>1</sup>	450 days	5 years	5 years	213 days	244 days	NA	4.59 years	2.84 years	2.67 years	4.59 years	Yes	
Supranationals	450 days	5 years	5 years	NA	NA	250 days	NA	2.36 years	NA	NA	Yes	
Negotiable Cert of Deposit	1 year	1 year	1 year	30 days	276 days	NA	30 days	0.70 years	NA	30 days	Yes	
Commercial Paper	270 days	270 days	270 days	24 days	NA	208 days	NA	NA	NA	NA	Yes	
Repurchase Agreements	30 days	30 days	30 days	NA	NA	NA	NA	NA	NA	NA	Yes	
Medium Term Notes	450 days	5 years	5 years	186 days	417 days	319 days	4.23 years	3.85 years	2.74 years	4.88 years	Yes	
Mortgage/ Asset-Backed	450 days	5 years	5 years	354 days	331 days	NA	4.46 years	1.94 years	2.89 years	4.42 years	Yes	
Variable & Floating Rate	450 days	5 years	5 years	77 days	89 days <sup>2</sup>	273 days	3.08 years	73 days	2.27 years	3.94 years	Yes	

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

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

<sup>2</sup> Effective Maturity.

### Annual Investment Policy (2016) Diversification Compliance<sup>1</sup>

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	16.0	134.6	32.4	242.0	33.2	247.7	26.7	624.2
U.S. Agencies	100	5.4	45.5	26.7	199.1	16.3	121.9	15.7	366.5
State & Local Obligations <sup>2</sup>	25	4.8	40.5	4.0	30.1	0.5	4.0	3.2	74.6
Supranationals	30	3.0	25.3	0.3	2.6	6.0	44.7	3.1	72.5
Negotiable Certificate of Deposit	30	0.0	0.0	6.1	45.7	0.0	0.0	2.0	45.7
Commercial Paper	25	0.0	0.0	0.0	0.0	17.9	133.6	5.7	133.6
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	18.9	158.7	6.5	48.8	11.0	81.8	12.4	289.3
MoneyMarket Funds	20	29.4	247.6	0.6	4.5	3.1	23.3	11.8	275.4
Mortgage/Asset-Backed	20	4.9	41.6	4.2	31.3	6.2	46.2	5.1	119.0
Variable & Floating Rate	30	17.6	148.1	19.1	142.8	5.8	43.3	14.3	334.2
<b>Total</b>		<b>100.0</b>	<b>841.8</b>	<b>100.0</b>	<b>746.7</b>	<b>100.0</b>	<b>746.6</b>	<b>100.0</b>	<b>2335.1</b>

- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2016.
- Logan Circle was in compliance with the Investment Policy as at the time of purchase the Logan Circle Operating Fund's Negotiable Certificate of Deposit allocation was 26%. A \$50 million outflow on December 29, 2016 temporarily increased the allocation to 33%. The Negotiable Certificate of Deposit allocation is included under the Money Market Funds line item in the above chart.

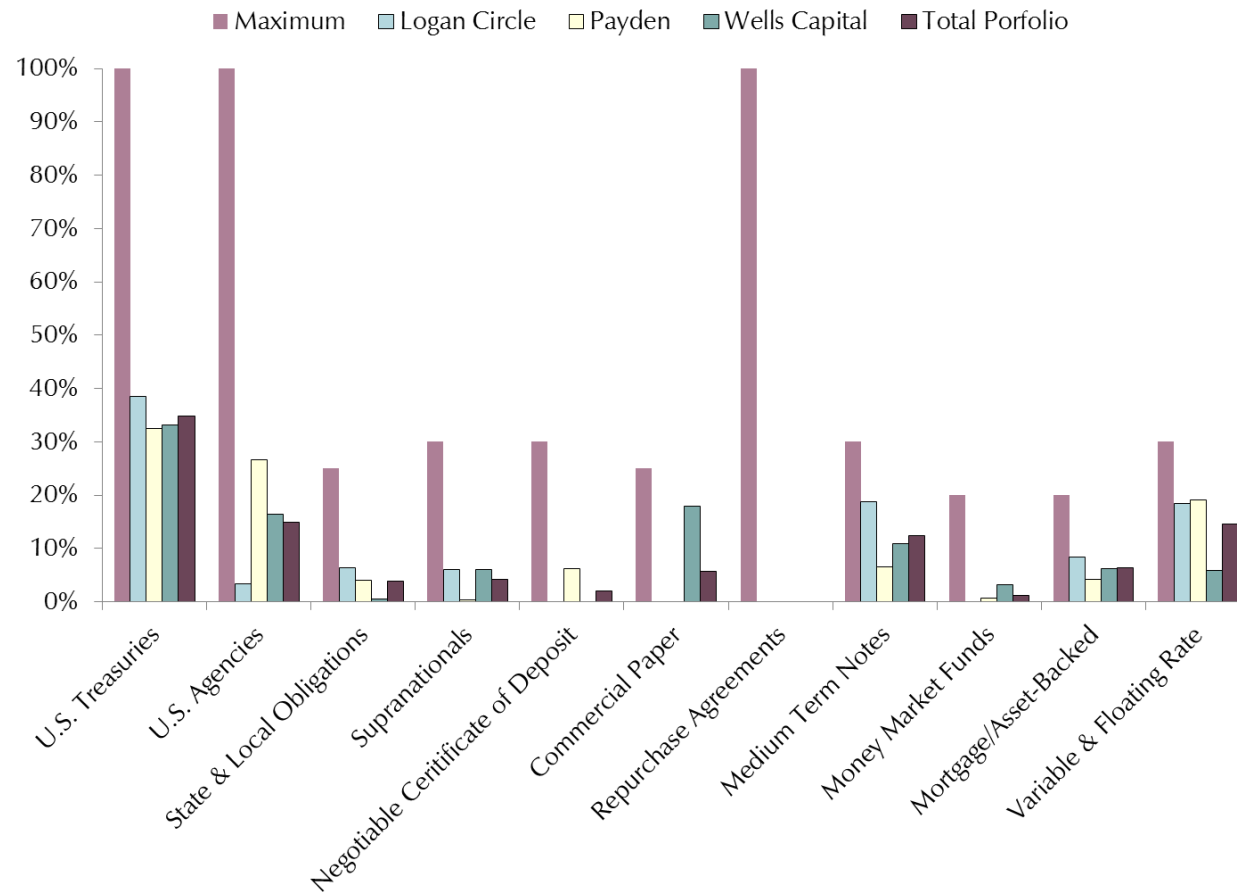
<sup>1</sup> Blended allocations for Payden & Rygel, Logan Circle, and Wells Capital accounts.

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



## Annual Investment Policy (2016) Actual vs. Diversity Requirements

As of December 31, 2016



## 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 comparison<sup>1</sup>.
  - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
  - Two unique buckets were established based on each portfolio's historical average effective duration relative to the Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
  - The Tier One peer group consists of thirteen strategies with a median effective duration of 1.8 years, while the Tier Two peer group consists of nine strategies with an average effective duration of 2.5 years as of September 30, 2016.
- Please note that the analysis is as of September 30, 2016, as the universe of investment managers that had reported data as of December 31, 2016 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.

<sup>1</sup> 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 9/30/2016 <sup>1</sup>	3Q 2016 (%)
Tier One: Logan Circle STAMP 1-3 Year	0.10
Peer Group Median Return	0.07
Peer Group Rank (percentile)	32

- The Logan Circle Tier One portfolio outperformed the peer group in the third quarter of 2016, ranking in the 32nd percentile.

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

### Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 9/30/2016 <sup>1</sup>	3Q 2016 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.02	1.16	1.02	0.96	2.51
Peer Group Median Return	0.07	1.37	1.21	1.11	2.66
Peer Group Rank (percentile)	69	64	79	78	61

Standard Deviation as of 9/30/2016 <sup>2</sup>	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.57	0.52	1.26
Median Standard Deviation	0.74	0.71	1.17
Peer Group Rank (percentile)	86	86	42

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

<sup>1</sup> 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.

<sup>2</sup> 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 9/30/2016 <sup>1</sup>	3Q 2016 (%)
Tier One: Wells Capital Reserve Account	0.01
Peer Group Median Return	0.07
Peer Group Rank (percentile)	71

- The Wells Capital Tier One portfolio underperformed the short duration peer group in the third quarter of 2016, ranking in the 71st percentile of the peer group.

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

### Custom Peer Group: Logan Circle Tier Two

Gross of Fees Returns as of 9/30/2016 <sup>1</sup>	3Q 2016 (%)	1 Year (%)	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	0.03	2.22	1.97
Peer Group Median Return	0.07	2.09	2.05
Peer Group Rank (percentile)	63	33	54

Standard Deviation as of 9/30/2016 <sup>2</sup>	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.20
Median Standard Deviation	0.97
Peer Group Rank (percentile)	38

- Logan Circle has performed well over the one-year trailing period ended September 30, 2016, ranking in the 33rd percentile of the peer group, though three-year trailing performance ranks slightly below the peer group median.
- Standard deviation for the strategy over the trailing three year period exceeds the peer group median, ranking in the 38th percentile of the peer group.

<sup>1</sup> 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.

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

## 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 December 31, 2016. Attribution data fields will vary slightly across investment managers.

**Logan Circle Tier One Performance Attribution**  
Gross of Fees as of 12/31/2016

Benchmark Relative Attribution (basis points)	4Q 2016	6 Month
Duration	7	16
Yield Curve	-15	-14
Sector Selection	10	21
Treasury	3	-2
Agency	0	3
Corporate	2	10
Financial	2	9
Industrial	0	0
Utilities	0	1
MBS	1	2
CMBS	1	1
ABS	1	4
Municipal	2	3
Total Excess Return	2	23
Logan Circle Tier One Return	-41	-31
Merrill Lynch 1-3 Year Treasury Return	-43	-54

**Payden & Rygel Tier One Performance Attribution**  
Gross of Fees as of 12/31/2016

Benchmark Relative Attribution (basis points)	4Q 2016	6 Month	1 Year
Duration	15	18	1
Yield Curve	-2	-1	-14
Sector Selection	11	17	39
Treasury <sup>1</sup>	NA	NA	NA
Agency	2	3	2
Corporate	6	8	23
Financial	4	5	15
Industrial	2	2	6
Utilities	0	1	2
MBS	0	0	0
CMBS	0	0	0
ABS	2	5	10
Municipal	1	1	4
<b>Total Excess Return</b>	<b>24</b>	<b>34</b>	<b>26</b>
<b>Payden &amp; Rygel Tier One Return</b>	<b>-19</b>	<b>-20</b>	<b>114</b>
<b>Merrill Lynch 1-3 Year U.S. Treasury Return</b>	<b>-43</b>	<b>-54</b>	<b>88</b>

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



### Wells Capital Tier One Performance Attribution

Gross of Fees as of 12/31/2016

Benchmark Relative Attribution (basis points)	4Q 2016	6 Month
<b>Duration</b>	3	4
<b>Sector Selection</b>	9	20
Treasury <sup>1</sup>	NA	NA
Agency	1	3
Corporate	4	8
Financial	3	2
Industrial	1	6
Utilities	NA	NA
MBS	NA	NA
CMBS	NA	NA
ABS	1	4
Municipal	0	1
Error Factor	3	4
<b>Total Excess Return</b>	12	24
<b>Wells Capital Tier One Return (%)</b>	-31	-30
<b>Merrill Lynch 1-3 Year U.S. Treasury Return (%)</b>	-43	-54

<sup>1</sup> Treasury sector selection attribution is included in Duration figure.



**Logan Circle Tier Two Performance Attribution**  
Gross of Fees as of 12/31/2016

Benchmark Relative Attribution (basis points)	4Q 2016	6 Month	1 Year
Duration	6	13	7
Yield Curve	-13	-13	-11
Sector Selection	17	32	60
Treasury	0	-4	-9
Agency	0	1	1
Corporate	6	17	36
Financial	4	14	29
Industrial	2	2	4
Utilities	0	1	3
MBS	0	1	1
CMBS	3	5	7
ABS	1	3	5
Municipal	7	9	19
<b>Total Excess Return</b>	10	31	55
<b>Logan Circle Tier Two Return</b>	-99	-96	164
<b>Merrill Lynch 1-5 Year U.S. Treasury Return</b>	-109	-127	109

## Holdings

**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	986,734.39	986,734.39	0.00	1.000	0.68%
<b>Total for Cash</b>			<b>986,734.39</b>	<b>986,734.39</b>	<b>0.00</b>		<b>0.68%</b>
<b>Money Markets</b>							
1,350,000.000	BANK OF TOKYO-MITSUBISHI NY YCD	06538M7L7	1,350,000.00	1,350,831.65	831.65	100.062	0.94%
	Mat: 8/30/17 Cpn: 1.53%		0.00	7,114.50			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 8/29/16 St Date: 8/30/16						
1,350,000.000	BANK OF NOVA SCOTIA HOUSTON YCD FRN	06417GPD4	1,350,000.00	1,349,999.89	(0.11)	100.000	0.93%
	Mat: 9/7/17 Cpn: 1.45%		0.00	1,357.56			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/1/16 St Date: 9/7/16						
1,180,000.000	RABOBANK NEDERLAND NY YCD FRN	21684BR89	1,180,000.00	1,179,758.74	(241.26)	99.980	0.81%
	Mat: 9/8/17 Cpn: 1.42%		0.00	1,117.72			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/2/16 St Date: 9/8/16						
1,350,000.000	NORDEA BANK FINLAND YCD	65558LSW3	1,350,000.00	1,349,012.43	(987.57)	99.927	0.93%
	Mat: 9/8/17 Cpn: 1.35%		0.00	5,619.38			
	Moody's: P-1 S&P: A-1+ Fitch:						
	Tr Date: 9/8/16 St Date: 9/12/16						
1,350,000.000	BNP PARIBAS NY YCD	05582WDW1	1,350,000.00	1,350,496.91	496.91	100.037	0.93%
	Mat: 9/13/17 Cpn: 1.52%		0.00	6,156.00			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 9/13/16 St Date: 9/15/16						
<b>Total for Money Markets</b>			<b>6,580,000.00</b>	<b>6,580,099.63</b>	<b>99.63</b>		<b>4.55%</b>
			<b>0.00</b>	<b>21,365.15</b>			
<b>Treasuries</b>							
6,841,000.000	U.S. TREASURY NOTE	912828R51	6,844,725.73	6,827,865.21	(16,860.52)	99.808	4.71%
	Mat: 5/31/18 Cpn: 0.88%		13,770.49	5,262.31			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 5/24/16 St Date: 5/31/16						
10,175,000.000	U.S. TREASURY NOTE	912828R93	10,175,397.46	10,111,406.25	(63,991.21)	99.375	6.97%
	Mat: 6/30/18 Cpn: 0.63%		2,246.52	175.67			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/8/16 St Date: 7/13/16						



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
4,390,000.000	U.S. TREASURY NOTE Mat: 9/15/18 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/25/16 St Date: 8/26/16	912828L40	4,405,008.21 8,791.37	4,380,210.30 13,097.24	(24,797.91)	99.777	3.03%
3,730,000.000	U.S. TREASURY NOTE Mat: 10/31/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828T83	3,696,696.70 3,786.67	3,703,032.10 4,791.30	6,335.40	99.277	2.55%
3,730,000.000	U.S. TREASURY NOTE Mat: 11/30/18 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828U40	3,714,581.52 1,946.98	3,718,026.74 3,279.12	3,445.22	99.679	2.56%
3,700,000.000	U.S. TREASURY NOTE Mat: 3/15/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/29/16 St Date: 4/1/16	912828P95	3,704,050.78 2,221.79	3,680,316.07 11,038.67	(23,734.71)	99.468	2.54%
6,635,000.000	U.S. TREASURY NOTE Mat: 6/15/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/24/16 St Date: 6/29/16	912828R85	6,614,843.76 21,121.44	6,565,465.40 2,711.42	(49,378.36)	98.952	4.53%
6,030,000.000	U.S. TREASURY NOTE Mat: 7/15/19 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/1/16 St Date: 9/6/16	912828S43	6,004,796.49 6,513.39	5,942,444.22 20,891.98	(62,352.27)	98.548	4.11%
<b>Total for Treasuries</b>			<b>45,160,100.64 60,398.64</b>	<b>44,928,766.29 61,247.71</b>	<b>(231,334.35)</b>		<b>31.00%</b>

**Government Related**

1,080,000.000	INTL BANK RECON & DEVELOP Mat: 7/19/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/12/16 St Date: 4/19/16	459058FE8	1,078,088.40 0.00	1,072,828.80 4,252.50	(5,259.60)	99.336	0.74%
1,300,000.000	HOUSING URBAN DEVELOPMENT Mat: 8/1/18 Cpn: 1.33% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/19/15 St Date: 5/28/15	911759LZ9	1,300,000.00 0.00	1,301,917.50 7,204.17	1,917.50	100.148	0.90%
1,500,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 5/13/19 Cpn: 1.00% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/5/16 St Date: 4/12/16	458182DX7	1,495,500.00 0.00	1,480,950.00 2,000.00	(14,550.00)	98.730	1.02%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Government Related</b>			<b>3,873,588.40</b>	<b>0.00</b>	<b>3,855,696.30</b>	<b>(17,892.10)</b>		<b>2.67%</b>
<b>Agencies</b>								
2,000,000.000	FHLMC C 5/26/16 Q	3134G8L98	2,000,000.00		1,998,740.00	(1,260.00)	99.937	1.38%
	Mat: 2/26/18			Cpn: 1.05%	0.00	7,291.67		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 2/5/16			Fitch: AAA				
				St Date: 2/26/16				
1,350,000.000	FHLMC C 12/19/16 1X	3134G9UY1	1,350,000.00		1,346,044.50	(3,955.50)	99.707	0.93%
	Mat: 6/29/18			Cpn: 1.00%	0.00	75.00		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 6/10/16			Fitch: AAA				
				St Date: 6/29/16				
1,350,000.000	FNMA C 7/27/17 1X	3135G0L68	1,347,975.00		1,339,902.00	(8,073.00)	99.252	0.93%
	Mat: 7/27/18			Cpn: 0.75%	0.00	4,331.25		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 7/7/16			Fitch: AAA				
				St Date: 7/27/16				
1,350,000.000	FHLMC C 12/14/16 Q	3134GAJQ8	1,350,000.00		1,346,206.50	(3,793.50)	99.719	0.93%
	Mat: 9/14/18			Cpn: 1.15%	0.00	4,614.38		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 8/29/16			Fitch: AAA				
				St Date: 9/14/16				
1,350,000.000	FHLB	3130A9AE1	1,349,082.00		1,342,440.00	(6,642.00)	99.440	0.93%
	Mat: 10/1/18			Cpn: 0.88%	0.00	2,953.13		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 8/25/16			Fitch: AAA				
				St Date: 8/26/16				
1,360,000.000	FHLMC	3137EAED7	1,359,415.20		1,352,452.00	(6,963.20)	99.445	0.93%
	Mat: 10/12/18			Cpn: 0.88%	0.00	3,470.83		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 9/15/16			Fitch: AAA				
				St Date: 9/16/16				
2,900,000.000	FHLB	3130AAE46	2,899,884.00		2,898,376.00	(1,508.00)	99.944	2.00%
	Mat: 1/16/19			Cpn: 1.25%	0.00	2,315.97		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 12/7/16			Fitch: AAA				
				St Date: 12/8/16				
3,830,000.000	FNMA	3135G0J53	3,820,961.20		3,805,641.20	(15,320.00)	99.364	2.63%
	Mat: 2/26/19			Cpn: 1.00%	0.00	13,298.61		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 2/19/16			Fitch: AAA				
				St Date: 2/23/16				
1,320,000.000	FNMA C 12/13/16 Q	3135G0K77	1,320,000.00		1,305,506.40	(14,493.60)	98.902	0.90%
	Mat: 6/13/19			Cpn: 1.25%	91.67	825.00		
	Moody's: Aaa			S&P: AA+u				
	Tr Date: 6/13/16			Fitch: AAA				
				St Date: 6/15/16				



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
935,000.000	FHLMC Mat: 7/19/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/20/16	3137EAEB1	932,737.30 0.00	922,218.55 3,658.84	(10,518.75)	98.633	0.64%
1,420,000.000	FNMA Mat: 8/2/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/29/16 St Date: 8/2/16	3135G0N33	1,417,614.40 0.00	1,399,821.80 5,142.57	(17,792.60)	98.579	0.97%
1,350,000.000	FNMA Mat: 8/28/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/31/16 St Date: 9/2/16	3135G0P49	1,347,894.00 0.00	1,334,583.00 4,462.50	(13,311.00)	98.858	0.92%
<b>Total for Agencies</b>			<b>20,495,563.10 91.67</b>	<b>20,391,931.95 52,439.74</b>	<b>(103,631.15)</b>		<b>14.09%</b>
<b>Tax-Exempt</b>							
320,000.000	NY ST DORM AUTH PERS INC TAX Mat: 2/15/19 Cpn: 3.00% Moody's: Aa1 S&P: AAA Fitch: Tr Date: 10/7/16 St Date: 10/20/16	64990E4L8	334,483.20 0.00	331,222.40 1,893.33	(3,260.80)	103.507	0.23%
<b>Total for Tax-Exempt</b>			<b>334,483.20 0.00</b>	<b>331,222.40 1,893.33</b>	<b>(3,260.80)</b>		<b>0.23%</b>
<b>Taxable Muni</b>							
600,000.000	MN MINNESOTA ST TAXABLE Mat: 6/1/17 Cpn: 1.05% Moody's: S&P: AA Fitch: AA+ Tr Date: 10/30/15 St Date: 11/4/15	604146AX8	600,492.00 2,685.15	600,108.00 526.50	(384.00)	100.018	0.41%
1,600,000.000	CA SACRAMENTO CITY USD GO/ULT TAXABLE Mat: 8/1/17 Cpn: 1.25% Moody's: S&P: AA Fitch: Tr Date: 5/15/15 St Date: 6/4/15	785870WA0	1,600,000.00 0.00	1,601,568.00 8,320.00	1,568.00	100.098	1.11%
200,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/17 Cpn: 1.51% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERP1	200,000.00 0.00	200,494.00 251.17	494.00	100.247	0.14%
610,000.000	WI STATE TAXABLE Mat: 5/1/18 Cpn: 1.64% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 10/27/15 St Date: 10/30/15	977100CQ7	617,411.50 4,986.34	612,714.50 1,671.40	(4,697.00)	100.445	0.42%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
670,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/18 Cpn: 1.30% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 9/27/16 St Date: 9/29/16	91412GPZ2	672,860.90 3,232.08	670,971.50 1,109.52	(1,889.40)	100.145	0.46%
375,000.000	CA MORGAN HILL UNIF SCH DIST GO/ULT TXB Mat: 8/1/18 Cpn: 1.64% Moody's: Aa1 S&P: Fitch: Tr Date: 11/18/15 St Date: 12/17/15	617403EJ5	375,000.00 0.00	376,443.75 2,564.06	1,443.75	100.385	0.26%
1,500,000.000	MS STATE ULT/OG TAXABLE Mat: 10/1/18 Cpn: 1.47% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 2/4/15 St Date: 2/18/15	605581FY8	1,500,000.00 0.00	1,500,090.00 5,520.00	90.00	100.006	1.04%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: A+ Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,425,830.00 5,469.33	25,830.00	101.845	0.99%
750,000.000	CA PASADENA UNIF SCH DIST GO/ULT TXB Mat: 11/1/18 Cpn: 1.86% Moody's: Aa2 S&P: A+ Fitch: Tr Date: 7/23/15 St Date: 7/28/15	702282ND2	755,820.00 3,373.06	756,525.00 2,326.25	705.00	100.870	0.52%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	451,885.50 763.50	1,885.50	100.419	0.31%
270,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL Mat: 5/15/19 Cpn: 1.75% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 11/16/16 St Date: 12/6/16	544445AY5	270,000.00 0.00	269,721.90 328.13	(278.10)	99.897	0.19%
2,500,000.000	CA EARTHQUAKE AUTH TAXABLE Mat: 7/1/19 Cpn: 2.81% Moody's: A3 S&P: Fitch: A Tr Date: 2/6/15 St Date: 2/11/15	13017HAE6	2,529,925.00 7,791.67	2,543,950.00 35,062.50	14,025.00	101.758	1.78%
2,000,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE Mat: 7/1/19 Cpn: 1.80% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 3/2/15 St Date: 3/5/15	91412GSB2	2,018,160.00 3,891.33	2,010,540.00 17,960.00	(7,620.00)	100.527	1.40%
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/19 Cpn: 2.85% Moody's: S&P: A+ Fitch: A+ Tr Date: 2/25/16 St Date: 3/1/16	544587C22	381,536.60 2,983.56	378,661.70 1,755.03	(2,874.90)	102.341	0.26%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Taxable Muni</b>			<b>13,371,206.00 28,943.19</b>	<b>13,399,503.85 83,627.39</b>	<b>28,297.85</b>		<b>9.29%</b>
<b>Credit</b>							
1,000,000.000	PHILLIPS 66 Mat: 5/1/17 Cpn: 2.95% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 10/22/14 St Date: 10/27/14	718546AJ3	1,043,540.00 14,422.22	1,005,659.00 4,916.67	(37,881.00)	100.566	0.70%
1,000,000.000	SO CAL EDISON Mat: 5/1/17 Cpn: 1.13% Moody's: Aa3 S&P: A Fitch: A+ Tr Date: 5/6/14 St Date: 5/9/14	842400GB3	1,001,143.00 2,253.13	1,000,180.00 1,875.00	(963.00)	100.018	0.69%
420,000.000	AMGEN Mat: 5/22/17 Cpn: 1.25% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/19/14 St Date: 5/22/14	031162BR0	419,542.20 0.00	420,082.32 568.75	540.12	100.020	0.29%
485,000.000	NATIONAL CITY BANK FRN Mat: 6/7/17 Cpn: 1.32% Moody's: A3 S&P: A- Fitch: A Tr Date: 8/21/14 St Date: 8/26/14	63534PAH0	483,797.20 631.13	485,228.92 443.93	1,431.72	100.047	0.33%
510,000.000	UNITEDHEALTH GROUP Mat: 7/17/17 Cpn: 1.45% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCK6	509,903.10 0.00	510,864.96 3,368.83	961.86	100.170	0.35%
260,000.000	MANUFACTURERS & TRADERS TRUST Mat: 7/25/17 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 7/22/14 St Date: 7/25/14	55279HAF7	259,901.20 0.00	260,155.74 1,577.33	254.54	100.060	0.18%
800,000.000	BB&T CORPORATION Mat: 8/15/17 Cpn: 1.60% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 1/22/15 St Date: 1/27/15	05531FAL7	805,896.00 5,760.00	800,968.00 4,835.56	(4,928.00)	100.121	0.56%
1,200,000.000	JPMORGAN CHASE Mat: 8/15/17 Cpn: 2.00% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 1/21/15 St Date: 1/26/15	48126EAA5	1,212,708.00 10,733.33	1,204,556.40 9,066.67	(8,151.60)	100.380	0.84%
160,000.000	CATERPILLAR FINANCIAL Mat: 8/18/17 Cpn: 1.25% Moody's: A3 S&P: A Fitch: A Tr Date: 8/13/14 St Date: 8/20/14	14912L6D8	159,920.00 0.00	160,065.28 738.89	145.28	100.041	0.11%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
700,000.000	MORGAN STANLEY Mat: 8/28/17 Cpn: 6.25% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 8/26/14 St Date: 8/29/14	617446V71	791,567.00 121.53	721,367.50 14,947.92	(70,199.50)	103.053	0.51%
1,210,000.000	US BANK OHIO Mat: 9/11/17 Cpn: 1.38% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 9/8/14 St Date: 9/11/14	90331HMH3	1,212,672.40 2,578.13	1,211,072.06 5,083.68	(1,600.34)	100.089	0.84%
1,250,000.000	PNC BANK Mat: 9/21/17 Cpn: 4.88% Moody's: A3 S&P: A- Fitch: A Tr Date: 1/21/15 St Date: 1/26/15	69349LAC2	1,354,225.00 21,158.86	1,280,031.25 16,927.08	(74,193.75)	102.403	0.89%
250,000.000	BB&T CORPORATION Mat: 10/1/17 Cpn: 1.35% Moody's: A1 S&P: A Fitch: A+ Tr Date: 8/7/14 St Date: 8/14/14	07330NAK1	249,845.00 0.00	249,788.75 843.75	(56.25)	99.916	0.17%
1,200,000.000	PACCAR FINANCIAL Mat: 11/17/17 Cpn: 1.40% Moody's: A1 S&P: A+ Fitch: Tr Date: 1/22/15 St Date: 1/26/15	69371RM37	1,204,704.00 3,220.00	1,202,336.40 2,053.33	(2,367.60)	100.195	0.83%
1,200,000.000	CHEVRON Mat: 12/5/17 Cpn: 1.10% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 1/21/15 St Date: 1/26/15	166764AA8	1,200,624.00 1,876.80	1,197,451.20 956.80	(3,172.80)	99.788	0.83%
250,000.000	METLIFE Mat: 12/15/17 Cpn: 1.90% Moody's: A3 S&P: A- Fitch: A- Tr Date: 9/30/14 St Date: 10/7/14	59156RBK3	250,763.25 376.29	250,680.25 211.44	(83.00)	100.272	0.17%
123,000.000	JOHN DEERE CAPITAL CORP Mat: 1/16/18 Cpn: 1.35% Moody's: A2 S&P: A Fitch: A Tr Date: 1/13/15 St Date: 1/16/15	24422EST7	122,938.50 0.00	122,836.41 761.06	(102.09)	99.867	0.09%
880,000.000	WELLS FARGO Mat: 1/22/18 Cpn: 1.65% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 1/22/16 St Date: 1/29/16	94988J5A1	879,744.80 0.00	880,088.02 6,413.00	343.22	100.010	0.61%
695,000.000	CAPITAL ONE BANK Mat: 2/5/18 Cpn: 1.65% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 2/4/15 St Date: 2/9/15	14042E4L1	694,576.05 127.42	693,234.71 4,650.71	(1,341.34)	99.746	0.48%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,200,000.000	CITIGROUP Mat: 2/5/18 Cpn: 1.80% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/29/15 St Date: 2/5/15	172967JH5	1,199,088.00 0.00	1,199,484.01 8,760.00	396.01	99.957	0.83%
410,000.000	CATERPILLAR Mat: 2/23/18 Cpn: 1.50% Moody's: A3 S&P: A Fitch: A Tr Date: 2/22/16 St Date: 2/25/16	14912L6P1	409,905.70 0.00	409,827.80 2,186.67	(77.90)	99.958	0.28%
480,000.000	EXXON MOBIL Mat: 3/1/18 Cpn: 1.44% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAU6	480,000.00 0.00	480,451.17 2,302.40	451.17	100.094	0.33%
570,000.000	ELI LILLY & CO Mat: 3/1/18 Cpn: 1.25% Moody's: A2 S&P: AA- Fitch: Au Tr Date: 2/24/15 St Date: 3/5/15	532457BK3	569,498.40 0.00	568,614.92 2,375.00	(883.48)	99.757	0.39%
375,000.000	EXXON MOBIL Mat: 3/6/18 Cpn: 1.31% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 3/3/15 St Date: 3/6/15	30231GAL6	375,000.00 0.00	374,733.75 1,563.28	(266.25)	99.929	0.26%
900,000.000	CHARLES SCHWAB Mat: 3/10/18 Cpn: 1.50% Moody's: A2 S&P: A Fitch: A Tr Date: 3/3/15 St Date: 3/10/15	808513AK1	898,866.00 0.00	900,358.20 4,162.50	1,492.20	100.040	0.62%
1,275,000.000	BANK OF AMERICA Mat: 3/26/18 Cpn: 1.65% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/20/15 St Date: 3/26/15	06050TLY6	1,274,590.25 1,989.17	1,274,936.29 5,551.56	346.04	99.995	0.88%
1,220,000.000	ABBVIE Mat: 5/14/18 Cpn: 1.80% Moody's: Baa2 S&P: A- Fitch: Tr Date: 5/5/15 St Date: 5/14/15	00287YAN9	1,218,755.60 0.00	1,220,622.14 2,867.00	1,866.54	100.051	0.84%
205,000.000	QUALCOMM Mat: 5/18/18 Cpn: 1.40% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AG8	204,725.30 0.00	204,753.99 326.86	28.69	99.880	0.14%
1,200,000.000	BNY MELLON Mat: 5/22/18 Cpn: 1.60% Moody's: A1 S&P: A Fitch: AA- Tr Date: 5/22/15 St Date: 5/29/15	06406HDB2	1,199,892.00 0.00	1,200,600.13 2,080.00	708.13	100.050	0.83%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
415,000.000	CISCO SYSTEMS Mat: 6/15/18 Cpn: 1.65% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAU6	414,929.45 0.00	416,137.11 304.33	1,207.66	100.274	0.29%
280,000.000	JOHN DEERE CAPITAL Mat: 7/13/18 Cpn: 1.60% Moody's: A2 S&P: A Fitch: A Tr Date: 7/9/15 St Date: 7/14/15	24422ESX8	279,893.60 0.00	279,857.19 2,090.67	(36.41)	99.949	0.19%
590,000.000	UNITEDHEALTH GROUP Mat: 7/16/18 Cpn: 1.90% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCL4	589,250.70 0.00	592,041.45 5,137.92	2,790.75	100.346	0.41%
60,000.000	BERKSHIRE HATHAWAY Mat: 8/15/18 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084670BX5	59,992.80 0.00	59,662.20 260.67	(330.60)	99.437	0.04%
700,000.000	FIFTH THIRD BANK Mat: 8/20/18 Cpn: 2.15% Moody's: A3 S&P: A- Fitch: A Tr Date: 8/17/15 St Date: 8/20/15	31677QBD0	699,881.00 0.00	704,227.97 5,476.53	4,346.97	100.604	0.49%
100,000.000	NEXTERA ENERGY Mat: 9/1/18 Cpn: 1.65% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/25/16 St Date: 9/1/16	65339KAJ9	100,250.00 0.00	99,726.60 549.67	(523.40)	99.727	0.07%
380,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.56% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	380,000.00 0.00	383,025.94 296.16	3,025.94	100.796	0.26%
395,000.000	JP MORGAN CHASE Mat: 9/21/18 Cpn: 1.45% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 9/20/16 St Date: 9/23/16	48125LRF1	394,814.35 0.00	393,167.21 1,559.15	(1,647.14)	99.536	0.27%
1,000,000.000	MICROSOFT Mat: 11/3/18 Cpn: 1.30% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 10/29/15 St Date: 11/3/15	594918BF0	999,000.00 0.00	999,410.02 2,094.44	410.02	99.941	0.69%
515,000.000	WELLS FARGO Mat: 11/28/18 Cpn: 1.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 12/1/16 St Date: 12/8/16	94988J5F0	514,572.55 0.00	514,921.72 592.25	349.17	99.985	0.36%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,320,000.000	WISCONSIN ELECTRIC POWER Mat: 12/4/18 Cpn: 1.65% Moody's: A1 S&P: A- Fitch: A+ Tr Date: 12/1/15 St Date: 12/4/15	976843BK7	1,318,772.40 0.00	1,317,558.03 1,633.50	(1,214.37)	99.815	0.91%
470,000.000	MORGAN STANLEY Mat: 2/1/19 Cpn: 2.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/22/16 St Date: 1/27/16	61746BDX1	469,685.10 0.00	473,050.31 4,797.92	3,365.21	100.649	0.33%
320,000.000	APPLE Mat: 2/22/19 Cpn: 1.70% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/16/16 St Date: 2/23/16	037833BQ2	319,945.60 0.00	320,553.59 1,934.22	607.99	100.173	0.22%
550,000.000	CISCO SYSTEMS Mat: 2/28/19 Cpn: 1.60% Moody's: A1 S&P: AA- Fitch: Tr Date: 2/22/16 St Date: 2/29/16	17275RBB7	549,840.50 0.00	548,718.49 3,006.67	(1,122.01)	99.767	0.38%
450,000.000	EXXON MOBIL Mat: 3/1/19 Cpn: 1.71% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAP7	450,000.00 0.00	450,387.00 2,562.00	387.00	100.086	0.31%
420,000.000	STRYKER Mat: 3/8/19 Cpn: 2.00% Moody's: Baa1 S&P: A Fitch: Tr Date: 3/3/16 St Date: 3/10/16	863667AK7	419,512.80 0.00	420,319.18 2,636.67	806.38	100.076	0.29%
650,000.000	AT&T Mat: 3/11/19 Cpn: 2.30% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/3/16 St Date: 5/12/16	00206RCC4	661,810.50 2,533.19	652,099.49 4,568.06	(9,711.01)	100.323	0.45%
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	788,846.57 3,954.39	(553.03)	99.854	0.55%
520,000.000	FIFTH THIRD BANK Mat: 3/15/19 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A Tr Date: 3/10/16 St Date: 3/15/16	31677QBF5	519,880.40 0.00	522,735.21 3,521.56	2,854.81	100.526	0.36%
120,000.000	JPMORGAN CHASE Mat: 4/23/19 Cpn: 6.30% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 7/15/16 St Date: 7/20/16	46625HHL7	134,949.24 1,870.75	130,998.00 1,428.00	(3,951.24)	109.165	0.09%





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
290,000.000	BRANCH BANKING & TRUST Mat: 5/10/19 Cpn: 1.45% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAL9	289,736.10 0.00	286,870.03 595.71	(2,866.07)	98.921	0.20%
670,000.000	COCA-COLA Mat: 5/30/19 Cpn: 1.38% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 5/25/16 St Date: 5/31/16	191216BV1	669,531.00 0.00	665,644.99 793.30	(3,886.01)	99.350	0.46%
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	139,454.00 191.33	(473.20)	99.610	0.10%
560,000.000	WALT DISNEY COMPANY Mat: 7/12/19 Cpn: 0.88% Moody's: A2 S&P: A Fitch: A Tr Date: 7/7/16 St Date: 7/12/16	25468PDL7	558,118.40 0.00	548,946.72 2,300.28	(9,171.68)	98.026	0.38%
310,000.000	VERIZON COMMUNICATIONS Mat: 8/15/19 Cpn: 1.38% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 7/27/16 St Date: 8/1/16	92343VDF8	309,972.10 0.00	304,429.31 1,776.04	(5,542.79)	98.203	0.21%
295,000.000	CISCO SYSTEMS Mat: 9/20/19 Cpn: 1.40% Moody's: A1 S&P: AA- Fitch: Tr Date: 9/13/16 St Date: 9/20/16	17275RBG6	294,672.55 0.00	291,631.11 1,158.69	(3,041.44)	98.858	0.20%
285,000.000	FIFTH THIRD BANK Mat: 9/27/19 Cpn: 1.63% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBH1	284,526.90 0.00	281,106.91 1,209.27	(3,419.99)	98.634	0.19%
145,000.000	PEPSICO Mat: 10/4/19 Cpn: 1.35% Moody's: A1 S&P: A Fitch: Au Tr Date: 10/3/16 St Date: 10/6/16	713448DJ4	144,978.25 0.00	143,955.71 462.19	(1,022.54)	99.280	0.10%
595,000.000	JOHN DEERE CAPITAL CORP Mat: 10/9/19 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETJ8	593,798.10 0.00	583,944.89 2,313.89	(9,853.21)	98.142	0.40%
475,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/24/16 St Date: 10/31/16	438516BJ4	474,624.75 0.00	470,720.25 1,126.81	(3,904.50)	99.099	0.33%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
270,000.000	UNITED TECHNOLOGIES Mat: 11/1/19 Cpn: 1.50% Moody's: A3 S&P: A- Fitch: A-u Tr Date: 10/27/16 St Date: 11/1/16	913017CF4	269,724.60 0.00	267,483.60 675.00	(2,241.00)	99.068	0.18%
100,000.000	BANK OF AMERICA Mat: 11/9/20 Cpn: 2.15% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 11/4/16 St Date: 11/9/16	06051GGB9	100,000.00 0.00	98,618.00 310.70	(1,382.00)	98.618	0.07%
<b>Total for Credit</b>			<b>35,884,322.49 69,651.95</b>	<b>35,641,278.35 173,733.64</b>	<b>(243,044.14)</b>		<b>24.67%</b>

**Mortgage-Backed**

30,490.780	FNA 2014-M4 ASQ2 CMBS Mat: 1/25/17 Cpn: 1.27% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/14/14 St Date: 4/30/14	3136AJB21	30,795.69 31.25	30,464.83 32.33	(330.86)	99.915	0.02%
179,889.980	FNA 2014-M9 ASQ2 CMBS Mat: 4/25/17 Cpn: 1.46% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/13/14 St Date: 8/29/14	3136AKXS7	181,687.71 204.55	179,844.83 219.17	(1,842.88)	99.975	0.12%
244,393.736	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/26/13 St Date: 5/1/13	3136A7L26	249,797.13 0.00	244,801.14 308.14	(4,995.99)	100.167	0.17%
2,000,000.000	FNA 2015-M7 ASQ2 CMBS Mat: 4/25/18 Cpn: 1.55% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/15/15 St Date: 4/30/15	3136ANJY4	2,019,992.80 2,497.22	2,001,682.00 2,583.33	(18,310.80)	100.084	1.38%
655,170.290	FNA 2014-M8 FA 1MOFRN CMBS Mat: 5/25/18 Cpn: 0.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/11/14 St Date: 7/31/14	3136AKQJ5	654,994.70 219.48	654,223.57 441.56	(771.14)	99.856	0.45%
985,591.440	FHMS K704 A2 CMBS Mat: 8/25/18 Cpn: 2.41% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/2/14 St Date: 10/7/14	3137AH6Q6	1,009,846.23 396.21	998,243.48 1,981.04	(11,602.76)	101.284	0.69%
844,108.966	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	858,015.28 1,541.06	853,270.92 1,634.05	(4,744.36)	101.085	0.59%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
279,959.000	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	296,931.51 664.90	287,857.48 1,049.85	(9,074.03)	102.821	0.20%
1,900,000.000	FNA 2015-M13 ASQ2 CMBS Mat: 9/25/19 Cpn: 1.65% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/15 St Date: 10/30/15	3136AQDQ0	1,919,026.41 2,519.29	1,898,495.20 2,606.17	(20,531.21)	99.921	1.31%
342,837.754	FHMS KJ02 A1 CMBS Mat: 10/25/19 Cpn: 1.64% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/10/15 St Date: 11/17/15	3137BLVY1	341,977.92 249.74	343,376.35 468.26	1,398.44	100.157	0.24%
<b>Total for Mortgage-Backed</b>			<b>7,563,065.39 8,323.71</b>	<b>7,492,259.81 11,323.89</b>	<b>(70,805.58)</b>		<b>5.17%</b>
<b>Asset-Backed</b>							
2,139,267.798	VOLKSWAGEN 2015-A A3 LEASE Mat: 12/20/17 Cpn: 1.25% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/25/15 St Date: 3/5/15	92867VAD2	2,139,147.78 0.00	2,139,586.55 817.08	438.76	100.015	1.47%
501,570.066	TOYOTA 2014-C A3 CAR Mat: 7/16/18 Cpn: 0.93% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/7/14 St Date: 10/15/14	89190AAC4	501,548.35 0.00	501,291.69 207.32	(256.65)	99.945	0.35%
527,961.747	HARLEY 2015-1 A2A CYCLE Mat: 1/15/19 Cpn: 0.80% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 1/22/15 St Date: 1/28/15	41284BAB2	527,957.47 0.00	527,798.61 187.72	(158.86)	99.969	0.36%
347,602.300	VOLKSWAGEN 2014-2 A3 CAR Mat: 4/22/19 Cpn: 0.95% Moody's: S&P: AAA Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	92867TAC9	346,624.67 27.52	346,802.12 100.90	177.45	99.770	0.24%
1,564,000.000	CHASE 2014-A6 A6 CDT Mat: 7/15/19 Cpn: 1.26% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 7/17/14 St Date: 7/24/14	161571GP3	1,564,746.80 140.14	1,565,096.36 875.84	349.56	100.070	1.08%
2,150,000.000	JOHN DEERE 2015-B A3 EQP Mat: 10/15/19 Cpn: 1.44% Moody's: Aaa S&P: Fitch: AAA Tr Date: 9/1/15 St Date: 9/9/15	47787WAC3	2,149,590.00 0.00	2,152,188.70 1,376.00	2,598.71	100.102	1.48%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,850,000.000	JOHN DEERE 2016-A A3 EQP Mat: 4/15/20 Cpn: 1.36% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/23/16 St Date: 3/2/16	47788MAC4	1,849,708.81 0.00	1,845,728.35 1,118.22	(3,980.46)	99.769	1.27%
900,000.000	USAA 2016-1 A3 CAR Mat: 6/15/20 Cpn: 1.20% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAC4	899,851.95 0.00	893,645.54 480.00	(6,206.41)	99.294	0.62%
1,155,000.000	BMW 2016-A A3 CAR Mat: 11/25/20 Cpn: 1.16% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/12/16 St Date: 7/20/16	05582QAD9	1,154,994.80 0.00	1,144,183.00 223.30	(10,811.80)	99.064	0.79%
<b>Total for Asset-Backed</b>			<b>11,134,170.63 167.66</b>	<b>11,116,320.92 5,386.38</b>	<b>(17,849.71)</b>		<b>7.66%</b>
<b>Grand Total</b>			<b>145,383,234.24 167,576.81</b>	<b>144,723,813.88 424,473.91</b>	<b>(659,420.36)</b>		<b>100.00%</b>



## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
60682A2J4	MITSUBISHI TR & BLG	1.000	1/30/2017	1/30/2017	F1	2,000,000	2,000,000.000	.086	.084	.997	1.38%	2,000,000.00
NA9123459	US DOLLARS	.772	1/3/2017		Agency	1,171,646	1,171,645.610	.001	.001	.772	.81%	1,171,645.61
USD120030	USD INTEREST RECEIVABLE	-				679,794	0.000	-	-	-	.47%	679,793.70
<b>CASH TOTALS</b>							<b>3,171,645.610</b>					<b>3,851,439.31</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>3,171,645.610</b>					<b>3,851,439.31</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3130A5EP0	FEDERAL HOME LOAN BANKS	.625	5/30/2017	5/30/2017	Agency	3,750,000	3,748,853.720	.417	.412	.727	2.59%	3,748,402.50
3130A62S5	FEDERAL HOME LOAN BANKS	.750	8/28/2017	8/28/2017	Agency	3,900,000	3,895,750.220	.661	.655	.778	2.69%	3,899,262.90
3130A6LZ8	FEDERAL HOME LOAN BANKS	.625	10/26/2017	10/26/2017	Agency	2,875,000	2,871,512.770	.822	.816	.813	1.98%	2,870,575.38
3130A7CX1	FEDERAL HOME LOAN BANKS	.875	3/19/2018	3/19/2018	Agency	1,980,000	1,979,617.240	1.219	1.202	1.008	1.36%	1,976,806.26
3134G8L98	FEDERAL HOME LOAN MORTGAGE CORP	1.050	2/26/2018	2/26/2018	Agency	915,000	915,000.000	1.156	.696	1.069	.63%	914,798.70
3137EADX4	FEDERAL HOME LOAN MORTGAGE CORP	1.000	12/15/2017	12/15/2017	Agency	3,110,000	3,108,167.980	.958	.951	.920	2.15%	3,112,372.93
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP	.750	7/14/2017	7/14/2017	Agency	2,850,000	2,848,981.460	.539	.532	.719	1.97%	2,850,470.25
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,997,658.660	1.803	1.774	1.194	1.38%	1,997,540.00
<b>AGENCIES TOTALS</b>							<b>21,365,542.050</b>					<b>21,370,228.92</b>
<b>ASSET BACKED</b>												
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	7/20/2018	Aaa	500,000	499,962.200	1.184	1.166	1.418	.34%	499,569.35
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	995,000	994,878.060	1.936	1.896	1.413	.69%	995,408.35
161571CQ1	CHASE ISSUANCE TRUST	1.380	11/15/2019	11/15/2017	AAA	1,500,000	1,504,245.930	.875	.866	1.284	1.04%	1,501,303.20
161571FT6	CHASE ISSUANCE TRUST	.964	12/16/2019	12/15/2017	AAA	2,170,000	2,171,739.580	.964	.050	.925	1.50%	2,172,374.20
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.239	1/21/2020	1/22/2018	Aaa	600,000	599,328.130	1.056	.058	1.158	.41%	600,886.44
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.489	4/22/2019	4/20/2017	Aaa	1,000,000	1,000,549.110	.306	.057	1.156	.69%	1,001,147.90
41284BAB2	HARLEY-DAVIDSON MOTORCYCLE TRUST 2015-1	.800	1/15/2019	3/15/2017	Aaa	41,902	41,901.700	.094	.096	1.149	.03%	41,887.99
43814KAC5	HONDA AUTO RECEIVABLES 2015-1 OWNER TRUST	1.050	10/15/2018	2/15/2018	Aaa	2,897,717	2,897,635.590	.527	.522	1.163	2.00%	2,896,039.07
477877AD6	JOHN DEERE OWNER TRUST 2014-B	1.070	11/15/2018	1/15/2018	Aaa	483,317	483,272.120	.408	.405	1.089	.33%	483,284.27
47787UAB9	JOHN DEERE OWNER TRUST 2015	.870	2/15/2018	2/15/2017	Aaa	193,287	193,286.690	.062	.065	1.096	.13%	193,259.75
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	7/15/2018	Aaa	465,000	465,651.740	.750	.741	1.289	.32%	465,117.74
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	11/15/2018	Aaa	725,000	725,140.090	1.094	1.077	1.368	.50%	725,595.30
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	430,000	430,736.950	.718	.710	1.237	.30%	430,324.95
58768MAA9	MERCEDES-BENZ AUTO LEASE TRUST	.750	11/15/2017	6/15/2017		590,636	590,635.940	.213	.208	.748	.41%	590,637.12
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	11/15/2018	AAA	1,675,000	1,678,371.660	1.034	1.022	1.375	1.16%	1,674,463.00
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	10/15/2018	Aaa	585,000	584,980.050	1.517	1.489	1.448	.40%	585,403.53
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,952.050	2.464	2.397	1.831	.27%	397,468.12
92867VAD2	VOLKSWAGEN AUTO LEASE TRUST	1.250	12/20/2017	7/20/2017	Aaa	808,967	808,918.910	.368	.364	1.231	.56%	809,032.42
<b>ASSET BACKED TOTALS</b>							<b>16,071,186.500</b>					<b>16,063,202.70</b>
<b>CMBS</b>												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	280,912	281,671.450	.415	.410	.922	.19%	281,317.27
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	550,224	551,759.460	1.056	1.044	1.305	.38%	550,555.61

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CMBS (Continued)</b>												
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	200,000	203,734.610	2.736	2.638	1.972	.14%	200,814.50
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	442,621	446,366.610	1.485	1.449	1.555	.31%	444,266.99
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	837,753	851,605.030	1.479	1.443	1.454	.59%	848,200.17
<b>CMBS TOTALS</b>							<b>2,335,137.160</b>					<b>2,325,154.54</b>
<b>CMOS</b>												
31394GB77	FREDDIE MAC REMICS	4.500	7/15/2018	6/15/2018	Agency	368,171	375,501.450	.604	.594	1.458	.26%	374,259.75
31393WN47	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	394,758	402,668.950	.616	.607	.071	.28%	404,829.80
31393WVB2	FREDDIE MAC REMICS	4.500	7/15/2018	6/15/2018	Agency	951,259	970,935.450	.659	.649	.356	.67%	975,527.19
<b>CMOS TOTALS</b>							<b>1,749,105.850</b>					<b>1,754,616.74</b>
<b>CORPORATES</b>												
025816BG3	AMERICAN EXPRESS CO	1.550	5/22/2018	5/22/2018	A3	350,000	349,542.060	1.394	1.371	1.691	.24%	349,319.95
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	1,867,000	1,884,127.900	1.847	1.794	1.794	1.29%	1,869,710.88
037833BR0	APPLE INC	1.740	2/22/2019	2/22/2019	Aa1	425,000	429,398.970	2.156	.165	1.183	.30%	430,867.13
06050TLY6	BANK OF AMERICA NA	1.650	3/26/2018	3/26/2018	A+	1,800,000	1,802,282.300	1.239	1.216	1.573	1.24%	1,801,679.40
06050TLT7	BANK OF AMERICA NA	1.250	2/14/2017	2/14/2017	A+	200,000	199,972.320	.122	.125	1.193	.14%	200,012.60
05531FAL7	BB&T CORP	1.600	8/15/2017	8/15/2017	A2	998,000	997,939.410	.542	.573	1.389	.69%	999,129.74
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	590,838.840	2.006	1.990	1.852	.40%	584,518.20
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,446,217.040	3.003	2.927	2.306	.98%	1,423,866.66
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	1.174	1/12/2018	1/12/2018	Aa2	550,000	550,660.820	1.047	.042	1.047	.38%	551,430.55
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	805,000	853,489.910	1.169	1.113	1.875	.59%	851,310.85
17275RAZ5	CISCO SYSTEMS INC	1.511	2/21/2018	2/21/2018	A1	1,100,000	1,105,865.640	1.147	.148	1.102	.76%	1,106,322.80
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	2,055,000	2,056,929.290	1.097	1.082	1.851	1.42%	2,053,851.26
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	1,100,000	1,109,186.160	1.839	1.848	2.018	.76%	1,105,636.40
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	470,000	502,620.640	3.331	3.156	2.311	.34%	495,364.49
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	1,100,000	1,158,486.520	1.253	1.206	1.605	.80%	1,157,648.80
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	250,000	256,084.250	2.836	2.720	2.317	.17%	252,178.00
26442CAD6	DUKE ENERGY CAROLINAS LLC	5.100	4/15/2018	4/16/2018	AA-	1,050,000	1,104,126.320	1.292	1.249	1.564	.76%	1,097,266.80
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	1,050,000	1,050,894.550	1.161	1.137	1.648	.72%	1,047,608.10
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	250,000	249,966.600	1.556	1.560	1.736	.17%	251,579.50
36962G7J7	GENERAL ELECTRIC CO	1.250	5/15/2017	5/15/2017	AA-	230,000	229,991.900	.375	.341	1.327	.16%	229,931.92
38147MAA3	GOLDMAN SACHS GROUP INC/THE	2.900	7/19/2018	7/19/2018	A3	1,750,000	1,781,115.360	1.553	1.499	1.992	1.22%	1,774,167.50
38145GAK6	GOLDMAN SACHS GROUP INC/THE	1.756	12/13/2019	12/13/2019	A3	500,000	500,000.000	2.953	.204	1.824	.35%	500,010.50
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,310,000	1,321,990.610	1.764	1.781	2.038	.91%	1,313,707.30
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	1,200,000	1,203,679.200	1.169	1.122	1.707	.83%	1,199,890.80
48126EAA5	JPMORGAN CHASE & CO	2.000	8/15/2017	8/15/2017	A-	400,000	402,060.400	.625	.616	1.401	.28%	401,482.40
46625HJF8	JPMORGAN CHASE & CO	1.782	1/25/2018	1/25/2018	A-	485,000	487,447.710	1.072	.075	1.302	.34%	488,169.48
49327M2A1	KEYBANK NA/CLEVELAND OH	1.650	2/1/2018	2/1/2018	A-	1,450,000	1,453,638.250	1.086	1.072	1.595	1.00%	1,450,842.45
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	593,183.760	2.644	2.564	2.135	.41%	591,783.60
49326EED1	KEYCORP	5.100	3/24/2021	3/24/2021	BBB+	700,000	772,157.040	4.233	3.794	2.744	.53%	765,473.80
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	800,000	801,430.200	1.186	1.166	1.564	.55%	798,927.20
617446V71	MORGAN STANLEY	6.250	8/28/2017	8/28/2017	A3	275,000	292,602.120	.661	.642	1.611	.20%	283,348.73
61746BDY9	MORGAN STANLEY	2.261	2/1/2019	2/1/2019	A3	770,000	779,690.780	2.092	.111	1.510	.54%	784,111.02
617446C23	MORGAN STANLEY	5.450	1/9/2017	1/9/2017	A3	500,000	501,429.120	.025	.027	3.393	.35%	500,246.00

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
553794AA6	MUFG AMERICAS HOLDINGS CORP	1.625	2/9/2018	2/9/2018	A	795,000	793,969.250	1.108	1.088	1.946	.55%	792,208.76
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,107,940.610	3.458	3.310	2.306	.75%	1,081,551.96
65339KAJ9	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.649	9/1/2018	9/4/2018	BBB+	825,000	823,878.420	1.669	1.643	1.840	.57%	822,410.33
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	950,000	951,759.390	1.467	1.490	1.736	.66%	951,649.20
69349LAC2	PNC BANK NA	4.875	9/21/2017	9/21/2017	A-	750,000	790,002.980	.725	.710	1.542	.53%	767,937.75
842434CN0	SOUTHERN CALIFORNIA GAS CO	1.550	6/15/2018	6/15/2018	AA-	410,000	409,807.520	1.458	1.437	1.498	.28%	410,307.91
90331HMQ3	US BANK NA/CINCINNATI OH	1.350	1/26/2018	1/26/2018	A1	650,000	649,398.540	1.072	1.047	1.514	.45%	648,866.40
90331HMU4	US BANK NA/CINCINNATI OH	1.450	1/29/2018	1/29/2018	AA-	1,255,000	1,256,817.540	1.081	1.050	1.511	.87%	1,254,175.47
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	500,000	513,595.000	3.936	3.731	2.519	.35%	500,571.50
94974BFV7	WELLS FARGO & CO	1.342	4/22/2019	4/22/2019	A	1,000,000	997,648.020	2.314	.064	1.562	.69%	998,037.00
94988J5E3	WELLS FARGO BANK NA	1.530	5/24/2019	5/24/2019	Aa2	415,000	416,019.810	2.406	.159	1.471	.29%	416,386.10
<b>CORPORATES TOTALS</b>							<b>37,529,883.070</b>					<b>37,355,497.19</b>
<b>MORTGAGES</b>												
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	6/25/2019	Agency	250,074	258,983.600	1.115	1.083	1.392	.18%	259,200.17
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	3/25/2018	Agency	412,930	422,086.460	.600	.591	.534	.29%	422,593.95
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	4/25/2019	Agency	122,224	127,153.020	1.052	1.022	1.408	.09%	126,987.62
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	7/15/2020	Agency	124,543	130,460.510	1.516	1.457	1.022	.09%	131,732.35
<b>MORTGAGES TOTALS</b>							<b>938,683.590</b>					<b>940,514.09</b>
<b>MUNICIPALS</b>												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,410,000	1,410,000.000	2.753	2.684	1.884	.96%	1,388,173.20
13034PYC5	CALIFORNIA HOUSING FINANCE AGENCY	1.594	2/1/2018	2/1/2018	A2	1,000,000	1,000,000.000	1.086	1.071	1.866	.69%	997,080.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	710,961.370	3.836	3.650	2.096	.48%	701,004.80
544445AY5	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	1.750	5/15/2019	5/15/2019	AA	600,000	600,000.000	2.375	2.314	1.894	.41%	598,002.00
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	470,000	470,000.000	.419	.417	1.152	.32%	469,661.60
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	AA	585,000	585,000.000	4.586	4.378	2.184	.39%	569,058.75
68428LDQ4	COUNTY OF ORANGE CA	1.208	6/30/2017	6/30/2017	AA	750,000	750,437.790	.500	.494	1.272	.52%	749,760.00
544587B80	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	1.924	11/1/2017	11/1/2017	A+	1,100,000	1,108,389.260	.836	.829	1.464	.76%	1,104,180.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	613,756.360	3.503	3.336	1.945	.42%	601,692.00
13063A7G3	STATE OF CALIFORNIA	6.200	10/1/2019	10/1/2019	AA-	890,000	1,003,560.940	2.753	2.530	2.035	.68%	988,701.00
13063BFU1	STATE OF CALIFORNIA	6.200	3/1/2019	3/1/2019	AA-	780,000	861,762.310	2.169	2.015	1.901	.59%	850,917.60
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	1,185,000	1,185,000.000	3.972	3.797	2.236	.80%	1,161,572.55
20772JL59	STATE OF CONNECTICUT	2.500	8/1/2020	8/3/2020	AA-	795,000	822,074.200	3.586	3.394	2.207	.55%	802,989.75
93265PBQ1	WALNUT ENERGY CENTER AUTHORITY	4.650	1/1/2018	1/2/2018	A+	1,000,000	1,034,597.920	1.003	.970	1.401	.71%	1,032,240.00
<b>MUNICIPALS TOTALS</b>							<b>12,155,540.150</b>					<b>12,015,033.25</b>
<b>SOVEREIGN DEBT</b>												
45950KCA6	INTERNATIONAL FINANCE CORP	1.750	9/4/2018	9/4/2018	Aaa	2,500,000	2,531,920.000	1.678	1.642	1.367	1.74%	2,515,825.00
<b>SOVEREIGN DEBT TOTALS</b>							<b>2,531,920.000</b>					<b>2,515,825.00</b>

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>US TREASURIES</b>												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	2,477,234	2,511,519.800	3.291	3.258	1.770	1.73%	2,502,972.46
912828P95	UNITED STATES TREASURY NOTE/BOND	1.000	3/15/2019	3/15/2019	Govt	1,650,000	1,651,019.210	2.207	2.164	1.245	1.13%	1,641,235.20
912828N55	UNITED STATES TREASURY NOTE/BOND	1.000	12/31/2017	1/2/2018	Govt	1,750,000	1,748,850.280	1.003	.995	.922	1.21%	1,751,366.75
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,100,000	6,295,994.810	3.666	3.495	1.668	4.28%	6,198,649.20
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,580,743.680	1.707	1.688	1.125	3.14%	4,553,376.63
912828H37	UNITED STATES TREASURY NOTE/BOND	.875	1/15/2018	1/16/2018	Govt	3,750,000	3,740,143.380	1.043	1.034	.920	2.59%	3,748,241.25
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	3,910,000	4,039,948.220	4.087	3.870	1.785	2.74%	3,962,081.20
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	2,200,000	2,199,918.120	3.334	3.246	1.551	1.50%	2,169,664.20
912828RC6	UNITED STATES TREASURY NOTE/BOND	2.125	8/15/2021	8/16/2021	Govt	4,525,000	4,685,984.590	4.628	4.356	1.910	3.15%	4,567,951.30
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	13,300,000	13,318,096.860	3.003	2.920	1.457	9.09%	13,170,630.90
912828UR9	UNITED STATES TREASURY NOTE/BOND	.750	2/28/2018	2/28/2018	Govt	2,400,000	2,400,000.000	1.166	1.152	.953	1.65%	2,394,374.40
<b>US TREASURIES TOTALS</b>							<b>47,172,218.950</b>					<b>46,660,543.49</b>
<b>FIXED INCOME TOTALS</b>							<b>141,849,217.320</b>					<b>141,000,615.92</b>
<b>PORTFOLIO TOTALS</b>							<b>145,020,862.930</b>					<b>144,852,055.23</b>



**WELLS CAPITAL - TIER ONE****December 2016**

<b>HoldingName</b>	<b>Ticker</b>	<b>CUSIP</b>	<b>ISIN</b>	<b>SEDOL</b>	<b>% Market Value</b>	<b>Holding Value</b>
AMERICAN HONDA FINANCE CORP	HNDA	02665WAC5	US02665WAC55		1.20%	\$1,741,675.87
BANK OF AMERICA NA	BAC	06050TME9	US06050TME90		1.53%	\$2,214,792.07
BANK OF NEW YORK MELLON CORP	BK	06406HCU1	US06406HCU14		0.73%	\$1,059,287.37
BANK OF NEW YORK MELLON CORP	BK	06406HDB2	US06406HDB24		0.22%	\$325,700.48
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54		1.03%	\$1,489,150.67
BMWLT 161 A3	BMWLT	05581RAD8	US05581RAD89		0.34%	\$499,774.07
BMWOT 16A A3	BMWOT	05582QAD9	US05582QAD97		0.74%	\$1,079,616.70
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91		1.50%	\$2,180,024.37
CAPITAL ONE NA	COF	14042RBS9	US14042RBS94		0.96%	\$1,391,856.20
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03		1.31%	\$1,893,754.81
CHAIT 155 A	CHAIT	161571GY4	US161571GY45		1.31%	\$1,900,031.05
CHEVRON CORP	CVX	166764BH2	US166764BH21		1.31%	\$1,895,904.08
CISCO SYSTEMS INC	CSCO	17275RAU6	US17275RAU68		0.21%	\$301,125.10
CITIGROUP INC	C	172967HY0	US172967HY01		0.31%	\$452,968.48
CITIGROUP INC	C	172967JH5	US172967JH59		0.51%	\$734,920.93
CITIGROUP INC	C	172967HN4	US172967HN46		0.08%	\$113,074.03
COCA-COLA CO	KO	191216BV1	US191216BV17		1.10%	\$1,591,262.44
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95		0.86%	\$1,251,022.78
EXXON MOBIL CORP	XOM	30231GAL6	US30231GAL68		0.38%	\$552,162.46
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921		1.03%	\$1,499,194.50
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGJ48	US3133EGJ480		1.03%	\$1,491,656.25
FEDERAL HOME LOAN BANKS	FHLB	313379EE5	US313379EE59		1.35%	\$1,960,955.80
FEDERAL HOME LOAN BANKS	FHLB	313379DT3	US313379DT38		5.19%	\$7,523,059.58
FEDERAL HOME LOAN BANKS	FHLB	3130A8BD4	US3130A8BD45		1.38%	\$1,993,143.22
FEDERAL HOME LOAN BANKS	FHLB	3130A62S5	US3130A62S59		0.28%	\$400,949.40
FEDERAL HOME LOAN BANKS	FHLB	313376BR5	US313376BR50		2.44%	\$3,539,533.86
FEDERAL HOME LOAN BANKS	FHLB	3130A6LZ8	US3130A6LZ80		1.98%	\$2,873,819.73
FEDERAL HOME LOAN BANKS	FHLB	3130A9EP2	US3130A9EP21		1.03%	\$1,486,084.33
FEDERAL HOME LOAN BANKS	FHLB	3130A7CX1	US3130A7CX17		1.37%	\$1,981,715.01
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G9Q75	US3134G9Q755		0.34%	\$499,518.47
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3137EADX4	US3137EADX42		2.15%	\$3,113,755.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397		2.39%	\$3,458,032.67
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0E58	US3135G0E585		1.38%	\$2,002,040.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0P49	US3135G0P490		0.68%	\$992,196.56
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082		0.40%	\$573,019.99
FIFTH THIRD BANK	FITB	31677QBD0	US31677QBD07		0.17%	\$253,535.40
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11		0.34%	\$496,142.53
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19		0.99%	\$1,430,465.98
HAROT 163 A3	HAROT	438124AC3	US438124AC33		1.24%	\$1,790,509.66
HDMOT 151 A2A	HDMOT	41284BAB2	US41284BAB27		0.03%	\$41,902.92

**WELLS CAPITAL - TIER ONE**  
**December 2016**

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
HDMOT 16A A3	HDMOT	41284DAC6	US41284DAC65		1.37%	\$1,992,307.51
HSBC USA INC	HSBC	40428HPQ9	US40428HPQ91		1.53%	\$2,210,814.71
INTERCONTINENTALEXCHANGE INC	ICE	45866FAB0	US45866FAB04		0.35%	\$509,888.89
JDOT 15B A3	JDOT	47787WAC3	US47787WAC38		0.43%	\$625,913.19
JDOT 16B A3	JDOT	47788NAC2	US47788NAC20		0.69%	\$995,790.46
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76		1.45%	\$2,104,056.15
KEYBANK NA	KEY	49327M2A1	US49327M2A10		1.04%	\$1,511,184.00
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAA8	US55279HAA86		0.69%	\$1,003,250.67
MARIN CALIF CMNTY COLLEGE DIST	CA	56781RGL5	US56781RGL50		0.34%	\$499,663.40
MBART 161 A3	MBART	58769BAD6	US58769BAD64		1.37%	\$1,985,027.20
MICROSOFT CORP	MSFT	594918BF0	US594918BF05		0.25%	\$355,459.88
MORGAN STANLEY	MS	617446V71	US617446V714		0.20%	\$289,221.12
MORGAN STANLEY	MS	61746BDX1	US61746BDX10		0.77%	\$1,118,782.87
MUFG UNION BANK NA	MUFG	90521APJ1	US90521APJ15		1.26%	\$1,821,964.18
NALT 16A A3	NALT	65478QAD0	US65478QAD07		1.24%	\$1,802,433.64
NAROT 16C A3	NAROT	65478WAD7	US65478WAD74		0.85%	\$1,238,932.43
PACCAR FINANCIAL CORP	PCAR	69371RM37	US69371RM374		0.69%	\$998,510.47
Payable	---	CCYUSD	---		-0.69%	-\$1,000,000.00
PNC BANK NA	PNC	69353RER5	US69353RER57		1.29%	\$1,868,517.78
Receivable	---	CCYUSD	---		0.02%	\$27,500.00
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16		1.43%	\$2,070,254.55
SOUTHERN CALIF PUB PWR AUTH REV	CA	84247PHT1	US84247PHT12		1.75%	\$2,542,755.50
TAOT 16B A3	TAOT	89231UAD9	US89231UAD90		0.48%	\$698,160.31
TAOT 16C A3	TAOT	89237WAD9	US89237WAD92		0.82%	\$1,192,726.16
TAOT 16D A3	TAOT	89231LAD9	US89231LAD91		0.21%	\$297,926.21
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29		1.30%	\$1,881,472.04
UNITED STATES TREASURY	UST	912828L40	US912828L401		3.15%	\$4,565,989.13
UNITED STATES TREASURY	UST	912828A75	US912828A750		1.39%	\$2,011,722.87
UNITED STATES TREASURY	UST	912828R44	US912828R440		3.42%	\$4,957,830.25
UNITED STATES TREASURY	UST	912828Q94	US912828Q947		1.38%	\$1,996,007.06
UNITED STATES TREASURY	UST	912828UR9	US912828UR92		1.04%	\$1,500,306.51
UNITED STATES TREASURY	UST	912828XK1	US912828XK13		3.45%	\$5,004,195.60
UNITED STATES TREASURY	UST	912828RH5	US912828RH57		1.39%	\$2,014,526.10
UNITED STATES TREASURY	UST	912828H37	US912828H375		2.60%	\$3,763,399.20
UNITED STATES TREASURY	UST	912828T83	US912828T834		2.74%	\$3,976,386.12
UNITED STATES TREASURY	UST	912828N55	US912828N555		1.73%	\$2,502,021.56
UNITED STATES TREASURY	UST	912828VE7	US912828VE70		3.45%	\$5,002,440.60
UNITED STATES TREASURY	UST	912828Q52	US912828Q525		3.42%	\$4,964,455.00
UNITEDHEALTH GROUP INC	UNH	91324PCF7	US91324PCF71		1.18%	\$1,716,384.39
US BANK NA	USB	90331HML4	US90331HML41		1.04%	\$1,510,997.63

**WELLS CAPITAL - TIER ONE**  
**December 2016**

<b>HoldingName</b>	<b>Ticker</b>	<b>CUSIP</b>	<b>ISIN</b>	<b>SEDOL</b>	<b>% Market Value</b>	<b>Holding Value</b>
US BANK NA	USB	90331HMU4	US90331HMU40		0.45%	\$658,579.72
USAOT 161 A3	USAOT	90327CAC4	US90327CAC47		1.20%	\$1,743,877.86
VISA INC	V	92826CAA0	US92826CAA09		1.31%	\$1,900,806.87
VWALT 15A A3	VWALT	92867VAD2	US92867VAD29		0.56%	\$809,341.40
WALT DISNEY CO	DIS	25468PDL7	US25468PDL76		0.44%	\$639,603.67
YUBA CALIF LEVEE FING AUTH REV	CA	988211BL1	US988211BL13		0.69%	\$1,000,150.00

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
60682A2J4	MITSUBISHI TR & BLG	1.000	1/30/2017	1/30/2017	F1	1,500,000	1,500,000.000	.086	.084	.997	1.56%	1,500,000.00
NA9123459	US DOLLARS	.772	1/3/2017		Agency	597,569	597,568.640	.001	.001	.772	.62%	597,568.64
USD120030	USD INTEREST RECEIVABLE	-				576,329	0.000	-	-	-	.60%	576,329.28
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(337,821)	(337,820.700)	-	-	-	(.35%)	(337,820.70)
<b>CASH TOTALS</b>							<b>1,759,747.940</b>					<b>2,336,077.22</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>1,759,747.940</b>					<b>2,336,077.22</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3137EACA5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,484,566.030	2.242	2.135	1.322	1.57%	1,501,156.28
<b>AGENCIES TOTALS</b>							<b>1,484,566.030</b>					<b>1,501,156.28</b>
<b>ASSET BACKED</b>												
05522RCT3	BA CREDIT CARD TRUST	1.034	6/15/2020	1/16/2018	AAA	1,250,000	1,248,815.510	1.047	.050	.986	1.31%	1,251,678.88
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	710,000	709,913.340	1.936	1.896	1.413	.74%	710,291.38
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	1.094	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,357.120	1.694	.033	1.006	1.09%	1,043,736.10
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.239	1/21/2020	1/22/2018	Aaa	430,000	429,503.880	1.056	.058	1.158	.45%	430,635.28
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.489	4/22/2019	4/20/2017	Aaa	1,000,000	1,000,675.970	.306	.057	1.156	1.04%	1,001,147.90
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	1,125,000	1,125,714.630	.718	.710	1.237	1.17%	1,125,850.16
<b>ASSET BACKED TOTALS</b>							<b>5,554,980.450</b>					<b>5,563,339.70</b>
<b>CMBS</b>												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	730,372	731,891.460	.415	.410	.922	.76%	731,424.89
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	781,568	781,575.820	1.056	1.044	1.305	.82%	782,039.18
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	591,355	598,124.450	1.479	1.443	1.454	.62%	598,729.53
<b>CMBS TOTALS</b>							<b>2,111,591.730</b>					<b>2,112,193.60</b>
<b>CMOS</b>												
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	4/25/2018	Agency	46,210	45,847.420	.567	.557	1.466	.05%	46,977.31
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	7/25/2018	Agency	58,597	58,355.510	.630	.622	1.296	.06%	58,942.63
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	6/25/2018	Agency	93,663	93,640.930	.702	.691	1.103	.10%	95,161.76
31392GPN9	FANNIE MAE REMICS	5.000	1/25/2018	12/25/2017	Agency	50,463	49,809.370	.441	.434	1.542	.05%	51,061.11
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	4/25/2018	Agency	80,101	79,481.020	.636	.626	1.232	.08%	81,291.32
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	12/15/2018	Agency	384,065	383,217.140	.772	.760	1.324	.40%	385,766.24
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	9/15/2018	Agency	46,920	46,761.220	.541	.535	1.274	.05%	47,067.97
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	11/15/2019	Agency	162,919	163,700.150	1.324	1.295	1.425	.17%	164,024.27
31393GWV2	FREDDIE MAC REMICS	5.000	12/15/2017	12/15/2017	Agency	42,875	42,979.210	.432	.426	1.409	.05%	43,454.02
31393NDD8	FREDDIE MAC REMICS	5.000	3/15/2018	3/15/2018	Agency	33,339	33,052.530	.512	.504	1.668	.04%	33,839.88
31394GH22	FREDDIE MAC REMICS	4.500	7/15/2018	3/15/2018	Agency	124,729	127,098.200	.565	.556	1.117	.13%	126,886.15
3137A5J21	FREDDIE MAC REMICS	1.750	1/15/2017	1/15/2017	Agency	3,997	3,985.880	.042	.044	.983	0%	3,995.09
62888WAA4	NON GUARANTEED NOT V	1.092	12/8/2020	11/5/2020	Aaa	505,861	507,518.090	2.601	.088	1.129	.53%	507,207.42
<b>CMOS TOTALS</b>							<b>1,635,446.670</b>					<b>1,645,675.17</b>

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES</b>												
025816BG3	AMERICAN EXPRESS CO	1.550	5/22/2018	5/22/2018	A3	200,000	199,738.320	1.394	1.371	1.691	.21%	199,611.40
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,365.260	2.625	2.523	2.031	.68%	653,617.25
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,977.320	1.847	1.794	1.794	.46%	440,638.88
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	658,455.130	3.208	2.938	2.558	.68%	655,766.76
031162BM1	AMGEN INC	3.875	11/15/2021	11/15/2021	Baa1	550,000	572,786.750	4.619	4.324	2.790	.60%	575,749.35
037833BR0	APPLE INC	1.740	2/22/2019	2/22/2019	Aa1	385,000	385,000.000	2.156	.165	1.183	.41%	390,314.93
060505DP6	BANK OF AMERICA CORP	5.750	12/1/2017	12/1/2017	BBB+	700,000	723,426.650	.919	.902	1.799	.76%	725,094.30
06050TKN1	BANK OF AMERICA NA	5.300	3/15/2017	3/15/2017	A-	250,000	251,608.050	.208	.204	1.547	.26%	251,936.25
05531FAP8	BB&T CORP	1.823	6/15/2018	6/15/2018	A2	520,000	521,017.680	1.378	.209	1.466	.55%	522,886.52
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	859,939.310	3.411	3.308	2.387	.89%	856,658.90
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	750,000	761,406.120	3.003	2.927	2.306	.78%	752,042.25
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	1.174	1/12/2018	1/12/2018	Aa2	445,000	444,810.450	1.047	.042	1.047	.47%	446,157.45
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	505,000	534,687.190	1.169	1.113	1.875	.56%	534,052.15
17275RAZ5	CISCO SYSTEMS INC	1.511	2/21/2018	2/21/2018	A1	875,000	879,442.310	1.147	.148	1.102	.92%	880,029.50
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	880,000	886,678.120	2.272	2.193	2.180	.93%	887,164.96
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	635,000	634,928.620	1.097	1.082	1.851	.66%	634,645.04
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	950,000	952,752.010	1.839	1.848	2.018	1.00%	954,867.80
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	480,000	512,821.940	3.331	3.156	2.311	.53%	505,904.16
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	261,960.450	1.253	1.206	1.605	.27%	263,102.00
25401OAC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	210,000	215,079.840	2.836	2.720	2.317	.22%	211,829.52
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	500,000	498,327.750	1.161	1.137	1.648	.52%	498,861.00
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	726,036.450	4.456	4.199	2.521	.74%	706,871.88
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	450,000	504,827.150	4.575	4.026	2.989	.51%	493,195.50
38148FAB5	GOLDMAN SACHS GROUP INC/THE	2.550	10/23/2019	10/23/2019	A3	605,000	607,744.010	2.814	2.699	2.323	.63%	608,709.86
40428HPQ9	HSBC USA INC	1.700	3/5/2018	3/5/2018	A	730,000	729,548.100	1.181	1.158	1.748	.76%	729,589.74
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	460,000	464,643.430	1.764	1.781	2.038	.48%	461,301.80
458140AJ9	INTEL CORP	3.300	10/1/2021	10/1/2021	A+	650,000	691,419.000	4.753	4.368	2.422	.70%	675,457.90
459058CG6	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.875	4/17/2017	4/17/2017	AAA	807,000	807,238.470	.297	.294	.782	.84%	807,218.70
48121CYK6	JPMORGAN CHASE BANK NA	6.000	10/1/2017	10/2/2017	A	976,000	1,003,272.190	.753	.738	1.702	1.05%	1,007,216.38
49327M2F0	KEYBANK NA/CLEVELAND OH	2.500	12/15/2019	12/16/2019	A-	900,000	916,140.450	2.958	2.847	2.135	.95%	909,373.50
55279HAH3	MANUFACTURERS & TRADERS TRUST CO	1.182	7/25/2017	7/25/2017	A	500,000	499,146.740	.575	.077	1.150	.52%	500,384.50
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	500,000	498,979.610	1.186	1.166	1.564	.52%	499,329.50
61746BDY9	MORGAN STANLEY	2.261	2/1/2019	2/1/2019	A3	800,000	800,000.000	2.092	.111	1.510	.85%	814,660.80
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	830,360.700	3.458	3.310	2.306	.85%	811,163.97
63946BAE0	NBCUNIVERSAL MEDIA LLC	4.375	4/1/2021	4/1/2021	A-	875,000	939,795.700	4.253	3.866	2.377	.99%	945,279.13
68389XBK0	ORACLE CORP	1.900	9/15/2021	9/15/2021	A+	650,000	650,324.930	4.708	4.418	2.415	.66%	635,175.45
69353RDD7	PNC BANK NA	2.250	7/2/2019	7/2/2019	A	620,000	622,956.320	2.422	2.375	1.966	.65%	624,142.84
91324PBJ0	UNITEDHEALTH GROUP INC	6.000	2/15/2018	2/15/2018	A-	725,000	760,082.460	1.125	1.080	1.629	.79%	760,170.48
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	367,636.420	1.792	1.805	1.660	.38%	367,862.21
90331HMV2	US BANK NA/CINCINNATI OH	1.467	1/29/2018	1/29/2018	AA-	500,000	500,000.000	1.000	.084	1.259	.52%	501,623.50
92343VDG6	VERIZON COMMUNICATIONS INC	1.750	8/15/2021	8/16/2021	BBB+	800,000	793,819.770	4.625	4.376	2.691	.80%	767,440.80
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	950,000	977,134.220	3.936	3.731	2.519	.99%	951,085.85

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	770,868.250	4.208	3.938	2.541	.78%	745,800.75
<b>CORPORATES TOTALS</b>							<b>27,306,183.640</b>					<b>27,163,985.41</b>
<b>MORTGAGES</b>												
31391WS93	FANNIE MAE POOL	5.500	11/1/2017	9/25/2017	Agency	6,755	6,653.270	.383	.377	1.183	.01%	6,841.26
31413XVG5	FANNIE MAE POOL	4.361	6/1/2019	6/25/2019	Agency	600,000	625,018.640	2.486	2.339	3.687	.64%	609,081.65
31371KT68	FANNIE MAE POOL	5.500	10/1/2017	9/25/2017	Agency	13,583	13,579.380	.382	.377	1.316	.01%	13,749.54
31371KVC2	FANNIE MAE POOL	5.500	11/1/2017	9/25/2017	Agency	17,102	16,895.650	.382	.376	1.265	.02%	17,315.14
31385XBG1	FANNIE MAE POOL	6.000	3/1/2018	5/25/2017	Agency	9,026	8,890.220	.229	.227	1.887	.01%	9,074.67
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	3/25/2018	Agency	590,862	603,843.990	.600	.591	.534	.63%	604,690.27
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,188,992	1,306,132.060	4.417	4.002	2.354	1.34%	1,285,896.66
3138EJRP5	FANNIE MAE POOL	4.380	6/1/2021	5/25/2021	Agency	857,903	945,661.530	4.216	3.827	2.342	.97%	927,923.60
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	8/15/2018	Agency	45,813	45,583.720	.747	.732	.709	.05%	47,186.77
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	5/15/2018	Govt	10,450	10,409.870	.693	.680	1.117	.01%	10,675.70
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	3/15/2018	Govt	20,887	20,770.930	.612	.602	.760	.02%	21,327.46
<b>MORTGAGES TOTALS</b>							<b>3,603,439.260</b>					<b>3,553,762.72</b>
<b>MUNICIPALS</b>												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,010,000	1,010,000.000	2.753	2.684	1.884	1.04%	994,365.20
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	AA-	345,000	345,000.000	1.586	1.547	1.516	.36%	347,356.35
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,289.010	2.753	2.662	1.837	.16%	150,309.00
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	447,860.520	3.586	3.401	2.380	.47%	449,982.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	506,289.560	3.836	3.650	2.096	.52%	499,276.80
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	2.836	2.743	1.789	.26%	246,298.50
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	2.586	2.488	1.844	.18%	176,412.25
156792GR8	CERRITOS COMMUNITY COLLEGE DISTRICT	1.312	8/1/2017	8/1/2017	Aa2	500,000	500,000.000	.586	.580	.934	.52%	501,100.00
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,755.700	3.003	2.857	2.422	.24%	230,519.80
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	3.375	3.242	2.334	.74%	709,423.00
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	AA	415,000	415,000.000	4.586	4.378	2.184	.42%	403,691.25
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	535,607.980	3.542	3.246	2.023	.56%	537,870.00
797398DH4	COUNTY OF SAN DIEGO CA	5.765	8/15/2019	8/15/2019	AA+	475,000	515,159.690	2.625	2.416	1.802	.55%	523,036.75
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	653,187.440	2.836	2.766	2.055	.67%	641,801.75
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	AA-	305,000	305,680.980	2.919	2.807	2.281	.32%	307,391.20
621196XM1	MOUNT DIABLO UNIFIED SCHOOL DISTRICT/CA	3.887	8/1/2017	8/1/2017	Aa2	400,000	405,619.600	.586	.574	1.267	.42%	406,096.00
544587C30	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	3.146	11/1/2020	11/2/2020	A+	880,000	892,185.290	3.836	3.601	2.258	.95%	908,529.60
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	1.586	1.550	1.386	.63%	603,660.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,600.740	1.586	1.553	1.473	.17%	165,171.60
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	2.375	2.308	2.252	.51%	485,104.90

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>MUNICIPALS (Continued)</b>												
735000QD6	PORT OF OAKLAND	5.000	5/1/2017	5/1/2017	A+	525,000	531,188.540	.336	.333	1.191	.55%	531,678.00
913366HV5	REGENTS OF THE UNIVERSITY OF CALIFORNIA MEDICAL CENTER POOLED REVENUE	1.620	5/15/2021	5/17/2021	AA-	300,000	300,000.000	4.375	4.193	2.159	.31%	293,277.00
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	362,978.620	3.586	3.374	2.098	.38%	364,144.80
786005NA2	SACRAMENTO MUNICIPAL UTILITY DISTRICT	5.000	8/15/2017	8/15/2017	AA-	160,000	163,656.640	.625	.610	1.019	.17%	163,956.80
79765A7G5	SAN FRANCISCO CITY & COUNTY AIRPORTS COMM-SAN FRANCISCO INTERNATIONAL AIRPORT	5.000	5/1/2017	5/1/2017	A+	600,000	606,719.910	.336	.333	1.191	.63%	607,632.00
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	1.586	1.549	1.446	.63%	603,690.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	797,799.160	3.503	3.336	1.945	.82%	782,199.60
13063BFU1	STATE OF CALIFORNIA	6.200	3/1/2019	3/1/2019	AA-	550,000	593,956.700	2.169	2.015	1.901	.63%	600,006.00
13063A7G3	STATE OF CALIFORNIA	6.200	10/1/2019	10/1/2019	AA-	500,000	555,824.220	2.753	2.530	2.035	.58%	555,450.00
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	845,000	845,000.000	3.972	3.797	2.236	.86%	828,294.35
20772JL59	STATE OF CONNECTICUT	2.500	8/1/2020	8/3/2020	AA-	865,000	871,305.600	3.586	3.394	2.207	.91%	873,693.25
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	235,759.980	2.169	2.053	1.572	.25%	237,989.25
91412GWV3	UNIVERSITY OF CALIFORNIA	2.003	5/15/2019	5/15/2019	AA	250,000	250,000.000	2.375	2.306	1.686	.26%	251,835.00
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa2	285,000	286,082.030	1.586	1.547	1.318	.30%	288,038.10
<b>MUNICIPALS TOTALS</b>							<b>16,301,507.910</b>					<b>16,269,280.10</b>
<b>US TREASURIES</b>												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	1,909,530	1,915,737.820	3.291	3.258	1.770	2.01%	1,929,369.51
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	6,900,000	7,107,448.260	4.087	3.870	1.785	7.29%	6,991,908.00
912828UB4	UNITED STATES TREASURY NOTE/BOND	1.000	11/30/2019	12/2/2019	Govt	1,300,000	1,289,285.080	2.918	2.862	1.422	1.34%	1,284,359.70
912828J84	UNITED STATES TREASURY NOTE/BOND	1.375	3/31/2020	3/31/2020	Govt	5,325,000	5,311,580.640	3.250	3.153	1.541	5.52%	5,297,128.95
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,130,000	6,256,185.200	3.666	3.495	1.668	6.50%	6,229,134.36
912828RC6	UNITED STATES TREASURY NOTE/BOND	2.125	8/15/2021	8/16/2021	Govt	8,455,000	8,696,320.020	4.628	4.356	1.910	8.90%	8,535,254.86
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	5,525,000	5,536,767.000	3.003	2.920	1.457	5.71%	5,471,258.33
<b>US TREASURIES TOTALS</b>							<b>36,113,324.020</b>					<b>35,738,413.71</b>
<b>FIXED INCOME TOTALS</b>							<b>94,111,039.710</b>					<b>93,547,806.69</b>
<b>PORTFOLIO TOTALS</b>							<b>95,870,787.650</b>					<b>95,883,883.91</b>



## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	3,465,515.12	3,465,515.12	0.00	1.000	0.58%
<b>Total for Cash</b>			<b>3,465,515.12</b>	<b>3,465,515.12</b>	<b>0.00</b>		<b>0.58%</b>
<b>Money Markets</b>							
22,000,000.000	FHLMC DISCOUNT NOTE	313397AV3	21,951,707.55	21,952,404.22	696.67	99.978	3.66%
	Mat: 1/20/17 Cpn: 0.00%		0.00	43,079.06			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/27/16 St Date: 7/28/16						
3,800,000.000	TORONTO DOMIN NY YCD FRN	89113WFP6	3,800,000.00	3,801,665.77	1,665.77	100.044	0.63%
	Mat: 2/3/17 Cpn: 1.19%		0.00	3,404.33			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 8/2/16 St Date: 8/3/16						
3,100,000.000	BANK OF NOVA SCOTIA HOUSTON YCD FRN	06417GMB1	3,100,000.00	3,101,643.25	1,643.25	100.053	0.52%
	Mat: 2/10/17 Cpn: 1.22%		94.15	2,107.81			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 8/1/16 St Date: 8/2/16						
50,000,000.000	FHLB DISCOUNT NOTE	313385BS4	49,881,194.44	49,881,536.11	341.67	99.947	8.31%
	Mat: 2/10/17 Cpn: 0.00%		0.00	92,694.45			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 8/11/16 St Date: 8/12/16						
35,000,000.000	FHLB DISCOUNT NOTE	313385CG9	34,971,743.33	34,973,187.08	1,443.75	99.925	5.81%
	Mat: 2/24/17 Cpn: 0.00%		0.00	1,009.17			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 12/29/16 St Date: 12/30/16						
1,900,000.000	BANK OF AMERICA BNST	06053PRX7	1,900,000.00	1,901,090.03	1,090.03	100.057	0.32%
	Mat: 3/3/17 Cpn: 1.18%		0.00	7,722.44			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 8/26/16 St Date: 8/30/16						
2,140,000.000	MIZUHO BANK LTD YCD FRN	60689DH89	2,140,000.00	2,142,122.32	2,122.32	100.099	0.36%
	Mat: 3/7/17 Cpn: 1.40%		75.29	2,083.44			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 9/7/16 St Date: 9/9/16						
50,000,000.000	U.S. TREASURY BILL	912796KM0	49,881,952.78	49,881,952.78	(0.01)	99.912	8.30%
	Mat: 3/9/17 Cpn: 0.00%		0.00	74,590.28			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/7/16 St Date: 9/8/16						



## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,230,000.000	SVENSKA HANDELSBANKEN NY YCD FRN Mat: 3/14/17 Cpn: 1.25% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/14/16 St Date: 9/16/16	86958JCV9	3,230,000.00 195.19	3,232,381.16 2,026.37	2,381.16	100.074	0.54%
3,780,000.000	CREDIT AGRICOLE NY YCD Mat: 3/24/17 Cpn: 1.22% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/26/16 St Date: 9/28/16	22534HRM5	3,780,000.00 0.00	3,782,461.23 12,169.50	2,461.23	100.065	0.63%
3,760,000.000	SKANDINAVISKA ENSKILDA BANKEN YCD Mat: 3/27/17 Cpn: 1.10% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/26/16 St Date: 9/28/16	83050FLW9	3,760,000.00 0.00	3,761,346.79 10,914.44	1,346.79	100.036	0.63%
5,800,000.000	DNB NOR BANK YCD Mat: 3/28/17 Cpn: 1.09% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 9/27/16 St Date: 9/29/16	23340QSK0	5,800,000.00 0.00	5,801,902.17 16,507.44	1,902.17	100.033	0.97%
5,770,000.000	SWEDBANK NY YCD Mat: 3/29/17 Cpn: 1.07% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/28/16 St Date: 9/30/16	87019URN1	5,770,000.00 0.00	5,771,573.02 15,949.24	1,573.02	100.027	0.96%
25,000,000.000	FHLB DISCOUNT NOTE Mat: 3/31/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/29/16 St Date: 12/30/16	313385DT0	24,966,633.33 0.00	24,966,408.34 733.33	(225.00)	99.867	4.15%
5,760,000.000	SUMITOMO MITSUI NY YCD Mat: 4/5/17 Cpn: 1.25% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 10/3/16 St Date: 10/5/16	86563YFY4	5,760,000.00 0.00	5,763,987.65 17,600.00	3,987.65	100.069	0.96%
1,440,000.000	RABOBANK NEDERLAND NY YCD Mat: 4/21/17 Cpn: 1.07% Moody's: S&P: Fitch: Tr Date: 9/7/16 St Date: 9/9/16	21684BXH2	1,437,782.40 5,906.40	1,440,086.92 2,996.00	2,304.52	100.006	0.24%
19,000,000.000	U.S. TREASURY BILL Mat: 7/20/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/21/16	912796KB4	18,894,338.89 0.00	18,884,685.31 47,605.55	(9,653.58)	99.642	3.15%
38,000,000.000	FAMC DISCOUNT NOTE Mat: 7/27/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/27/16 St Date: 7/28/16	31315LJR0	37,750,255.56 0.00	37,733,854.76 107,719.44	(16,400.80)	99.581	6.29%



## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,800,000.000	BANK OF TOKYO-MITSUBISHI NY YCD Mat: 8/30/17 Cpn: 1.53% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 8/29/16 St Date: 8/30/16	06538M7L7	3,800,000.00 0.00	3,802,340.95 20,026.00	2,340.95	100.062	0.64%
2,600,000.000	BANK OF NOVA SCOTIA HOUSTON YCD FRN Mat: 9/7/17 Cpn: 1.45% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/1/16 St Date: 9/7/16	06417GPD4	2,600,000.00 0.00	2,599,999.79 2,614.55	(0.21)	100.000	0.43%
3,310,000.000	RABOBANK NEDERLAND NY YCD FRN Mat: 9/8/17 Cpn: 1.42% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/2/16 St Date: 9/8/16	21684BR89	3,310,000.00 0.00	3,309,323.24 3,135.30	(676.76)	99.980	0.55%
3,800,000.000	NORDEA BANK FINLAND YCD Mat: 9/8/17 Cpn: 1.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/8/16 St Date: 9/12/16	65558LSW3	3,800,000.00 0.00	3,797,220.19 15,817.50	(2,779.81)	99.927	0.63%
3,800,000.000	BNP PARIBAS NY YCD Mat: 9/13/17 Cpn: 1.52% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/13/16 St Date: 9/15/16	05582WDW1	3,800,000.00 0.00	3,801,398.70 17,328.00	1,398.70	100.037	0.63%
3,800,000.000	WESTPAC BANKING NY YCD Mat: 10/3/17 Cpn: 1.36% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/29/16 St Date: 10/3/16	96121TX52	3,800,000.00 0.00	3,795,516.46 12,920.00	(4,483.54)	99.882	0.63%
<b>Total for Money Markets</b>			<b>299,885,608.28 6,271.03</b>	<b>299,880,088.22 532,753.64</b>	<b>(5,520.07)</b>		<b>49.94%</b>

## Treasuries

11,000,000.000	U.S. TREASURY NOTE Mat: 3/15/17 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/17/16 St Date: 2/18/16	912828C32	11,017,224.35 35,357.14	11,003,850.44 24,613.26	(13,373.91)	100.035	1.83%
18,000,000.000	U.S. TREASURY NOTE Mat: 3/31/17 Cpn: 0.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/22/16 St Date: 1/25/16	912828J92	17,955,000.00 28,770.49	17,997,300.18 22,994.51	42,300.18	99.985	3.00%
37,000,000.000	U.S. TREASURY NOTE Mat: 7/31/17 Cpn: 0.63% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/16 St Date: 8/2/16	912828XP0	37,015,898.44 1,256.79	36,988,530.74 96,773.10	(27,367.70)	99.969	6.16%



## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
50,000,000.000	U.S. TREASURY NOTE Mat: 11/15/17 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/7/16 St Date: 9/8/16	912828G20	50,107,421.88 137,907.61	50,000,000.00 56,802.49	(107,421.88)	100.000	8.32%
11,850,000.000	U.S. TREASURY NOTE Mat: 1/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828UJ7	11,831,524.07 39,728.09	11,840,756.64 43,390.96	9,232.57	99.922	1.98%
<b>Total for Treasuries</b>			<b>127,927,068.74 243,020.12</b>	<b>127,830,438.00 244,574.31</b>	<b>(96,630.74)</b>		<b>21.29%</b>

## Agencies

7,540,000.000	FHLB C 1/20/17 1X Mat: 7/20/17 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/21/16 St Date: 6/24/16	3130A8L35	7,540,000.00 0.00	7,532,535.40 29,374.58	(7,464.60)	99.901	1.26%
4,200,000.000	FFCB 1ML FRN Mat: 8/1/18 Cpn: 0.76% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/13/16 St Date: 10/14/16	3133EGPA7	4,206,548.14 1,011.95	4,213,482.00 2,736.80	6,933.86	100.321	0.70%
10,000,000.000	FNMA 1ML FRN Mat: 2/28/19 Cpn: 0.76% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/12/16 St Date: 10/13/16	3135G0HZ9	9,965,700.00 6,695.50	9,964,900.00 5,861.78	(800.00)	99.649	1.66%
<b>Total for Agencies</b>			<b>21,712,248.14 7,707.45</b>	<b>21,710,917.40 37,973.17</b>	<b>(1,330.74)</b>		<b>3.62%</b>

## Tax-Exempt

820,000.000	CA STATE PUBLIC WORKS BOARD Mat: 4/1/17 Cpn: 3.00% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 10/6/16 St Date: 10/13/16	13068LZC2	828,339.40 0.00	824,329.60 5,330.00	(4,009.80)	100.528	0.14%
2,500,000.000	MA STATE GO/LTD NOTES Mat: 4/24/17 Cpn: 2.00% Moody's: MIG1 S&P: SP-1+ Fitch: AA+ Tr Date: 8/24/16 St Date: 8/30/16	57582RKR6	2,522,625.00 0.00	2,509,125.00 16,986.30	(13,500.00)	100.365	0.42%
1,350,000.000	CA LOS ANGELES CNTY TRANS Mat: 6/30/17 Cpn: 3.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 10/19/16 St Date: 10/21/16	544657HT9	1,371,019.50 12,375.00	1,364,053.50 20,250.00	(6,966.00)	101.041	0.23%



## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,510,000.000	OR STATE TANS GO/LTD Mat: 6/30/17 Cpn: 2.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 10/18/16 St Date: 10/19/16	68609BVE4	3,539,589.30 17,160.00	3,528,743.40 31,200.00	(10,845.90)	100.534	0.59%
4,100,000.000	CA STATE GO/ULT Mat: 8/1/17 Cpn: 4.00% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 10/19/16 St Date: 11/3/16	13063C4D9	4,199,589.00 0.00	4,173,308.00 26,422.22	(26,281.00)	101.788	0.70%
<b>Total for Tax-Exempt</b>			<b>12,461,162.20 29,535.00</b>	<b>12,399,559.50 100,188.52</b>	<b>(61,602.70)</b>		<b>2.08%</b>
<b>Taxable Muni</b>							
750,000.000	NV STATE GO/LT TXB Mat: 2/1/17 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: AA+ Tr Date: 6/2/16 St Date: 6/6/16	641461XY9	751,575.00 2,981.77	750,180.00 3,578.13	(1,395.00)	100.024	0.13%
3,000,000.000	CA LOS ANGELES REDEV AGY TAX TXB Mat: 9/1/17 Cpn: 0.89% Moody's: Aa3 S&P: AA Fitch: Tr Date: 8/5/16 St Date: 8/25/16	54465AGH9	3,000,000.00 0.00	2,994,900.00 9,376.50	(5,100.00)	99.830	0.50%
<b>Total for Taxable Muni</b>			<b>3,751,575.00 2,981.77</b>	<b>3,745,080.00 12,954.63</b>	<b>(6,495.00)</b>		<b>0.62%</b>
<b>Credit</b>							
2,600,000.000	UNITEDHEALTH GROUP FRN Mat: 1/17/17 Cpn: 1.33% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCJ9	2,600,770.00 1,756.90	2,600,462.80 7,300.22	(307.20)	100.018	0.43%
2,925,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 1/30/17 Cpn: 1.26% Moody's: A2 S&P: A Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	55279HAC4	2,928,844.25 170.69	2,925,728.33 6,358.99	(3,115.93)	100.025	0.49%
3,790,000.000	BANK OF AMERICA FRN Mat: 2/14/17 Cpn: 1.37% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 7/29/14 St Date: 8/1/14	06050TLU4	3,789,069.10 5,330.30	3,791,868.47 6,933.48	2,799.37	100.049	0.63%
3,380,000.000	AFLAC Mat: 2/15/17 Cpn: 2.65% Moody's: A3 S&P: A- Fitch: A-u Tr Date: 12/9/15 St Date: 12/14/15	001055AH5	3,434,451.80 29,607.86	3,385,154.50 33,837.56	(49,297.30)	100.153	0.57%

## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,645,000.000	CITIGROUP FRN Mat: 3/10/17 Cpn: 1.49% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	172967HL8	1,648,125.50 1,828.66	1,646,064.32 1,364.49	(2,061.19)	100.065	0.27%
225,000.000	AT&T FRN Mat: 3/30/17 Cpn: 1.42% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/4/14 St Date: 8/7/14	00206RCF7	225,614.25 155.35	225,142.65 17.73	(471.60)	100.063	0.04%
2,240,000.000	HUNTINGTON NATL BANK FRN Mat: 4/24/17 Cpn: 1.31% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 1/29/15 St Date: 2/3/15	446438RJ4	2,237,827.20 339.04	2,240,436.80 5,610.44	2,609.60	100.020	0.37%
1,150,000.000	GOLDMAN SACHS FRN Mat: 5/22/17 Cpn: 1.59% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/19/15 St Date: 5/22/15	38148LAD8	1,150,000.00 0.00	1,152,012.50 2,026.84	2,012.50	100.175	0.19%
2,000,000.000	BRANCH BANKING & TRUST FRN Mat: 5/23/17 Cpn: 1.22% Moody's: A2 S&P: A- Fitch: A Tr Date: 10/21/15 St Date: 10/26/15	10513KAC8	1,990,700.00 2,201.85	1,999,964.00 2,642.97	9,264.00	99.998	0.33%
1,020,000.000	PACCAR FINANCIAL FRN Mat: 6/6/17 Cpn: 1.14% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/31/14 St Date: 8/5/14	69371RL95	1,020,549.90 702.89	1,020,457.98 837.14	(91.92)	100.045	0.17%
1,800,000.000	VERIZON COMMUNICATIONS FRN Mat: 6/9/17 Cpn: 1.35% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/29/15 St Date: 2/3/15	92343VCD4	1,797,038.00 1,693.87	1,802,203.20 1,553.45	5,165.20	100.122	0.30%
3,604,000.000	IBM Mat: 9/14/17 Cpn: 5.70% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 7/11/16 St Date: 7/14/16	459200GJ4	3,804,042.62 68,476.00	3,712,401.11 61,057.77	(91,641.51)	103.008	0.63%
730,000.000	AMERICAN EXPRESS FRN Mat: 9/22/17 Cpn: 1.30% Moody's: A2 S&P: A- Fitch: A Tr Date: 9/18/14 St Date: 9/23/14	0258M0DS5	730,000.00 0.00	730,502.97 262.84	502.97	100.069	0.12%
2,960,000.000	GENERAL MILLS Mat: 10/20/17 Cpn: 1.40% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 10/27/16 St Date: 11/1/16	370334BU7	2,969,116.80 1,151.11	2,964,007.84 8,057.78	(5,108.96)	100.135	0.49%



## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
493,000.000	BERKSHIRE HATHAWAY FRN Mat: 1/12/18 Cpn: 1.17% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 10/13/15 St Date: 10/16/15	084664CD1	491,895.68 25.50	494,357.23 1,302.14	2,461.55	100.275	0.08%
1,800,000.000	WELLS FARGO FRN Mat: 1/22/18 Cpn: 1.62% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 1/22/16 St Date: 1/29/16	949883JB9	1,800,000.00 0.00	1,809,050.40 5,595.14	9,050.40	100.503	0.30%
5,000,000.000	JPMORGAN CHASE FRN Mat: 1/25/18 Cpn: 1.78% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 4/15/15 St Date: 4/20/15	46625HJF8	5,050,815.70 13,624.35	5,033,460.00 16,827.92	(17,355.70)	100.669	0.84%
1,780,000.000	CATERPILLAR Mat: 2/23/18 Cpn: 1.50% Moody's: A3 S&P: A Fitch: A Tr Date: 12/15/16 St Date: 12/20/16	14912L6P1	1,777,828.40 8,677.50	1,779,252.40 9,493.33	1,424.00	99.958	0.30%
2,000,000.000	WELLS FARGO FRN Mat: 4/23/18 Cpn: 1.51% Moody's: A2 S&P: A Fitch: AA- Tr Date: 1/29/15 St Date: 2/3/15	94974BFK1	2,003,940.00 542.12	2,007,978.00 5,795.16	4,038.00	100.399	0.33%
3,000,000.000	GOLDMAN SACHS FRN Mat: 4/30/18 Cpn: 2.09% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	38141GVK7	3,050,390.00 6,625.48	3,026,721.00 10,784.54	(23,669.00)	100.891	0.50%
5,000,000.000	QUALCOMM FRN Mat: 5/18/18 Cpn: 1.18% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AH6	5,000,000.00 0.00	4,997,175.00 6,726.39	(2,825.00)	99.944	0.83%
1,825,000.000	AMERICAN EXPRESS FRN Mat: 5/22/18 Cpn: 1.51% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/14/15 St Date: 4/17/15	025816BH1	1,828,522.25 2,330.98	1,829,144.58 3,054.28	622.33	100.227	0.30%
3,200,000.000	KEYBANK FRN Mat: 6/1/18 Cpn: 1.45% Moody's: A3 S&P: A- Fitch: A- Tr Date: 5/27/15 St Date: 6/1/15	49327M2L7	3,200,000.00 0.00	3,204,652.80 3,997.40	4,652.80	100.145	0.53%
3,200,000.000	PNC BANK FRN Mat: 6/1/18 Cpn: 1.35% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/27/15 St Date: 6/1/15	69353REN4	3,200,000.00 0.00	3,205,321.60 3,721.85	5,321.60	100.166	0.53%

## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,910,000.000	CISCO SYSTEMS FRN Mat: 6/15/18 Cpn: 1.27% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAY8	2,910,000.00 0.00	2,916,998.55 1,749.92	6,998.55	100.241	0.49%
3,000,000.000	FIFTH THIRD BANK FRN Mat: 8/20/18 Cpn: 1.82% Moody's: A3 S&P: A- Fitch: A Tr Date: 10/13/15 St Date: 10/16/15	31677QBE8	3,005,250.00 5,903.54	3,019,926.00 6,070.73	14,676.00	100.664	0.50%
680,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.56% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	680,403.20 93.55	685,414.84 529.96	5,011.64	100.796	0.11%
3,000,000.000	VERIZON COMMUNICATIONS FRN Mat: 9/14/18 Cpn: 2.71% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 4/15/15 St Date: 4/20/15	92343VBM5	3,123,600.00 6,230.18	3,067,728.00 4,063.08	(55,872.00)	102.258	0.51%
1,000,000.000	WELLS FARGO FRN Mat: 9/14/18 Cpn: 1.36% Moody's: A2 S&P: A Fitch: AA- Tr Date: 9/16/14 St Date: 9/23/14	94974BGD6	1,000,000.00 0.00	999,820.00 679.36	(180.00)	99.982	0.17%
3,000,000.000	US BANCORP FRN Mat: 11/15/18 Cpn: 1.40% Moody's: A1 S&P: A+ Fitch: AA Tr Date: 10/21/15 St Date: 10/26/15	91159HHF0	3,000,630.00 4,727.92	3,007,296.00 5,466.37	6,666.00	100.243	0.50%
5,050,000.000	CHEVRON FRN Mat: 11/16/18 Cpn: 1.42% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 11/9/15 St Date: 11/17/15	166764BB5	5,050,000.00 0.00	5,071,639.25 9,170.82	21,639.25	100.429	0.84%
1,000,000.000	AT&T FRN Mat: 11/27/18 Cpn: 1.85% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 7/30/14 St Date: 8/4/14	00206RCB6	1,019,860.00 2,179.54	1,007,401.00 1,744.45	(12,459.00)	100.740	0.17%
2,220,000.000	CITIGROUP FRN Mat: 12/7/18 Cpn: 1.81% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 12/1/15 St Date: 12/7/15	172967KF7	2,220,000.00 0.00	2,231,184.36 2,787.43	11,184.36	100.504	0.37%
1,828,000.000	ORACLE FRN Mat: 1/15/19 Cpn: 1.46% Moody's: A1 S&P: AA- Fitch: A+ Tr Date: 7/30/14 St Date: 8/4/14	68389XAR6	1,836,100.79 1,073.19	1,843,459.40 5,782.57	7,358.61	100.846	0.31%

## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,000,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 1.73% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/15/15 St Date: 4/20/15	61746BDN3	3,011,250.00 7,742.70	3,019,632.00 9,957.74	8,382.00	100.654	0.50%
1,280,000.000	BRANCH BANKING & TRUST FRN Mat: 5/1/19 Cpn: 1.42% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAM7	1,280,000.00 0.00	1,282,234.88 3,071.02	2,234.88	100.175	0.21%
700,000.000	MORGAN STANLEY FRN Mat: 7/23/19 Cpn: 1.62% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	61746BDS2	700,350.00 170.30	703,251.50 2,175.89	2,901.50	100.465	0.12%
720,000.000	BERKSHIRE HATHAWAY FRN Mat: 8/15/19 Cpn: 1.17% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084664CL3	720,000.00 0.00	722,278.80 1,095.73	2,278.80	100.317	0.12%
1,775,000.000	FIFTH THIRD BANK FRN Mat: 9/27/19 Cpn: 1.59% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBJ7	1,775,000.00 0.00	1,776,180.38 391.25	1,180.38	100.067	0.30%
1,915,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/9/19 Cpn: 1.26% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETK5	1,915,000.00 0.00	1,915,842.60 7,618.78	842.60	100.044	0.32%
<b>Total for Credit</b>			<b>90,976,985.44 173,361.37</b>	<b>90,853,808.02 267,514.93</b>	<b>(123,177.42)</b>		<b>15.15%</b>

## Mortgage-Backed

2,898,272.680	FHMS K502 A2 CMBS Mat: 8/25/17 Cpn: 1.43% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/16 St Date: 8/4/16	3137B03W2	2,903,933.37 344.41	2,900,599.99 3,444.11	(3,333.38)	100.080	0.48%
615,701.653	NGN 2010-R2 1A 1MOFRN NCUA GNTD Mat: 11/6/17 Cpn: 1.02% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/17/16 St Date: 8/22/16	62888UAA8	615,894.06 259.38	615,794.01 436.95	(100.05)	100.015	0.10%
1,930,000.000	FHMS K701 A2 CMBS Mat: 11/25/17 Cpn: 3.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/16/16 St Date: 11/21/16	3137A7JU5	1,966,187.50 4,162.37	1,963,535.68 6,243.55	(2,651.82)	101.738	0.33%





## CALOPTIMA - OPERATING FUND

Portfolio 2480

## Portfolio Positions

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
7,022,808.500	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/20/16 St Date: 10/25/16	3136A7L26	7,046,949.40 7,083.67	7,034,515.52 8,854.59	(12,433.88)	100.167	1.17%
1,752,564.270	NGN 2011-R4 1A 1MOFRN NCUA GNTD Mat: 3/6/20 Cpn: 0.91% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	62889FAA0	1,753,248.87 710.37	1,753,139.11 1,109.96	(109.76)	100.033	0.29%
4,239,503.962	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 1.06% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	4,258,130.01 648.04	4,243,026.99 2,505.76	(15,103.02)	100.083	0.71%
997,173.000	FHMS KF02 A1 1MOFRN CMBS Mat: 7/25/20 Cpn: 0.91% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/19/15 St Date: 11/24/15	3137B5J79	997,173.00 479.43	997,313.60 177.18	140.60	100.014	0.17%
6,533,659.149	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 1.21% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	6,557,139.48 2,762.49	6,566,529.99 5,498.89	9,390.51	100.503	1.09%
<b>Total for Mortgage-Backed</b>			<b>26,098,655.69 16,450.15</b>	<b>26,074,454.89 28,270.99</b>	<b>(24,200.80)</b>		<b>4.34%</b>

## Asset-Backed

288.749	HARLEY 2016-A A1 CYCLE Mat: 6/15/17 Cpn: 0.59% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 6/7/16 St Date: 6/15/16	41284DAA0	288.75 0.00	288.75 0.08	0.00	100.000	0.00%
635,421.905	HONDA 2016-2 A1 CAR Mat: 6/15/17 Cpn: 0.62% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 5/24/16 St Date: 5/31/16	43814QAA6	635,421.90 0.00	635,264.96 186.04	(156.95)	99.975	0.11%
1,016,711.158	BMW 2016-A A1 CAR Mat: 7/25/17 Cpn: 0.62% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 7/12/16 St Date: 7/20/16	05582QAA5	1,016,711.16 0.00	1,016,721.33 87.55	10.17	100.001	0.17%
1,742,337.825	USAA 2016-1 A1 CAR Mat: 9/15/17 Cpn: 0.68% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAA8	1,742,337.82 0.00	1,742,362.22 559.48	24.39	100.001	0.29%

**REVISED**

**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of December 31, 2016

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
301,692.428	HARLEY 2015-1 A2B 1MOFRN CYCLE Mat: 1/15/19 Cpn: 1.00% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 1/22/15 St Date: 1/28/15	41284BAC0	301,692.43 0.00	301,707.81 143.02	15.39	100.005	0.05%
4,500,000.000	TOYOTA 2016-C A2B CAR 1MOFRN Mat: 1/15/19 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/1/16 St Date: 8/10/16	89237WAC1	4,500,000.00 0.00	4,502,605.50 1,878.27	2,605.50	100.058	0.75%
6,200,000.000	GEDFT 2014-2 A 1MOFRN FLOOR Mat: 10/20/19 Cpn: 1.19% Moody's: Aaa S&P: Fitch: AAA Tr Date: 1/29/15 St Date: 2/3/15	36159LCN4	6,199,741.60 1,060.04	6,202,480.00 2,457.27	2,738.40	100.040	1.03%
<b>Total for Asset-Backed</b>			<b>14,396,193.66 1,060.04</b>	<b>14,401,430.56 5,311.71</b>	<b>5,236.90</b>		<b>2.39%</b>
<b>Grand Total</b>			<b>600,675,012.28 480,386.93</b>	<b>600,361,291.71 1,229,541.90</b>	<b>(313,720.57)</b>		<b>100.00%</b>



# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
06427K7F8	BANK OF MONTREAL CH	.930	1/9/2017	1/9/2017	P-1	10,000,000	10,000,000.000	.028	.027	.927	1.66%	10,000,000.00
06427KJR9	BANK OF MONTREAL CH	.600	1/9/2017	1/9/2017	P-1	10,000,000	10,000,000.000	.028	.027	.600	1.66%	10,000,000.00
06538NMR5	BANK TOKYO-MITSUBIS	.630	1/5/2017	1/5/2017	F1	10,000,000	10,000,000.000	.017	.016	.630	1.66%	10,000,000.00
05582WJB1	BNP PARIBAS NY BRH	.580	1/9/2017	1/9/2017	A-1	10,000,000	10,000,000.000	.028	.027	.580	1.66%	10,000,000.00
13606AF52	CANADIAN IMP BK NY	-				15,000,000	15,000,130.700	-	-	-	2.50%	15,000,575.85
13606AU71	CANADIAN IMP BK NY	.980	1/17/2017	1/17/2017	P-1	10,000,000	10,000,000.000	.050	.049	.976	1.66%	10,000,000.00
21685VRT8	COOPERATIEVE CENTRA	.940	1/4/2017	1/4/2017	P-1	10,000,000	10,000,000.000	.014	.014	.937	1.66%	10,000,000.00
22549VLH4	CREDIT SUISSE NY IN	1.130	1/17/2017	1/17/2017	F1	10,000,000	10,000,000.000	.050	.049	1.125	1.66%	10,000,000.00
30229AN62	EXXON CORP DISC D	0.000	1/6/2017	1/6/2017	A-1+	10,000,000	9,999,277.900	.017	.019	.372	1.66%	9,999,277.90
30229AN54	EXXON CORP DISC D	0.000	1/5/2017	1/5/2017	A-1+	10,000,000	9,999,277.850	.014	.016	.490	1.66%	9,999,183.30
38480JNA1	GRAINGER W W INC D D	0.000	1/10/2017	1/10/2017	P-1	4,300,000	4,299,344.240	.028	.030	.487	.72%	4,299,360.12
45818LAJ9	IADB DISCOUNT NOTES	0.000	1/9/2017	1/9/2017	A-1+	5,000,000	4,999,377.830	.025	.027	.227	.83%	4,999,685.00
459053AK0	IBRD DISCOUNT NOTES	0.000	1/10/2017	1/10/2017	A-1+	15,000,000	14,998,124.980	.028	.030	.242	2.50%	14,998,890.00
50066BKS9	KOREA DEV BANK NY I	.990	1/9/2017	1/9/2017	P-1	10,500,000	10,500,000.000	.028	.027	.987	1.75%	10,500,000.00
60682A2J4	MITSUBISHI TR & BLG	1.000	1/30/2017	1/30/2017	F1	10,000,000	10,000,000.000	.086	.084	.997	1.66%	10,000,000.00
60682A3T1	MITSUBISHI TR & BLG	.610	1/6/2017	1/6/2017	F1	10,000,000	10,000,000.000	.019	.019	.610	1.66%	10,000,000.00
60689DR39	MIZUHO BANK LTD INS	.910	1/19/2017	1/19/2017	F1	7,000,000	7,000,661.060	.056	.055	.739	1.16%	7,000,661.06
63743CNA7	NATIONAL RURAL DIS D	0.000	1/10/2017	1/10/2017	F1	14,690,000	14,687,465.950	.028	.030	.518	2.44%	14,687,674.87
63873F3J5	NATIXIS NY BRH INST	.680	1/5/2017	1/5/2017	A-1	25,000,000	25,000,000.000	.017	.016	.680	4.16%	25,000,000.00
65602UEW4	NORINCHUKIN BK C/D	.900	1/13/2017	1/13/2017	A-1	25,000,000	25,001,490.020	.039	.038	.745	4.16%	25,001,490.02
69372ANQ1	PACCAR FINL CORP D D	0.000	1/24/2017	1/24/2017	A-1	8,000,000	7,996,933.230	.067	.068	.552	1.33%	7,996,933.23
86563YMC4	SUMITOMO MITSUI BKG	.540	1/6/2017	1/6/2017	F1	10,000,000	10,000,000.000	.019	.019	.540	1.66%	10,000,000.00
86563YHA4	SUMITOMO MITSUI BKG	.950	1/12/2017	1/12/2017	F1	15,000,000	15,000,451.020	.036	.035	.865	2.50%	15,000,451.02
912796HV4	UNITED STATES TREASURY BILL	0.000	1/5/2017	1/5/2017	Govt	7,000,000	6,999,720.000	.014	.016	.244	1.16%	6,999,720.00
NA9123459	US DOLLARS	.772	1/3/2017		Agency	9,114,469	9,114,469.330	.001	.001	.772	1.52%	9,114,469.33
USD120030	USD INTEREST RECEIVABLE	-				1,891,220	0.000	-	-	-	.31%	1,891,220.02
93884ENQ4	WASHINGTON GAS/LT D	0.000	1/24/2017	1/24/2017	F1	10,000,000	9,996,038.880	.067	.068	.522	1.66%	9,996,375.00
<b>CASH TOTALS</b>							<b>290,592,762.990</b>					<b>292,485,966.72</b>
<b>CORPORATES</b>												
00206RCV2	AT&T INC	2.400	3/15/2017	3/15/2017	BBB+	7,500,000	7,520,940.240	.208	.204	1.209	1.25%	7,518,427.50
<b>CORPORATES TOTALS</b>							<b>7,520,940.240</b>					<b>7,518,427.50</b>
<b>MUNICIPALS</b>												
190335HB8	COAST COMMUNITY COLLEGE DISTRICT	.795	8/1/2017	8/1/2017	AA	4,865,000	4,865,000.000	.586	.582	.845	.81%	4,863,589.15
<b>MUNICIPALS TOTALS</b>							<b>4,865,000.000</b>					<b>4,863,589.15</b>
<b>SOVEREIGN DEBT</b>												
45950VHJ8	INTERNATIONAL FINANCE CORP	.909	1/20/2017	1/20/2017	Aaa	2,500,000	2,500,000.000	.058	.057	.913	.42%	2,500,000.00
<b>SOVEREIGN DEBT TOTALS</b>							<b>2,500,000.000</b>					<b>2,500,000.00</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>305,478,703.230</b>					<b>307,367,983.37</b>

# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3133EFC7	FEDERAL FARM CREDIT BANKS	.963	9/18/2018	9/18/2018	Agency	5,000,000	4,998,198.080	1.717	1.693	.876	.83%	5,008,730.00
3134G72G5	FEDERAL HOME LOAN MORTGAGE CORP	.744	4/20/2017	4/20/2017	Agency	5,000,000	4,999,688.340	.308	.057	.622	.83%	5,002,295.00
<b>AGENCIES TOTALS</b>							<b>9,997,886.420</b>					<b>10,011,025.00</b>
<b>ASSET BACKED</b>												
02587TAA1	AMERICAN EXPRESS ISSUANCE TRUST II	.984	2/15/2019	3/15/2018	AAA	10,000,000	10,014,180.480	1.214	.050	.950	1.67%	10,012,984.00
05580PAD3	BMW VEHICLE LEASE TRUST 2015-1	1.240	12/20/2017	6/20/2017	Aaa	3,167,688	3,170,108.230	.242	.240	1.136	.53%	3,168,507.11
05581RAC0	BMW VEHICLE LEASE TRUST 2016-1	1.239	1/22/2018	9/20/2017	Aaa	2,423,978	2,425,934.790	.365	.057	1.085	.40%	2,425,795.99
05582XAA0	BMW VEHICLE LEASE TRUST 2016-2	.750	10/20/2017	3/20/2017		1,843,505	1,843,504.690	.132	.133	.742	.31%	1,843,506.90
161571GW8	CHASE ISSUANCE TRUST	.954	4/15/2019	4/17/2017	AAA	2,800,000	2,801,332.880	.297	.049	.916	.47%	2,800,875.00
161571FH2	CHASE ISSUANCE TRUST	.974	5/15/2019	5/15/2017	AAA	4,675,000	4,679,682.040	.381	.049	.915	.78%	4,676,987.34
161571FT6	CHASE ISSUANCE TRUST	.964	12/16/2019	12/15/2017	AAA	7,830,000	7,836,276.100	.964	.050	.925	1.30%	7,838,566.80
36159LCN4	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.189	10/20/2019	10/20/2017	Aaa	3,610,000	3,607,026.290	.806	.057	1.213	.60%	3,610,770.37
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.239	1/21/2020	1/22/2018	Aaa	2,160,000	2,157,581.270	1.056	.058	1.158	.36%	2,163,191.18
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.489	4/22/2019	4/20/2017	Aaa	4,000,000	4,002,460.620	.306	.057	1.156	.67%	4,004,591.60
41284DAA0	HARLEY-DAVIDSON MOTORCYCLE TRUST	.650	6/15/2017	1/17/2017		340	339.680	.047	.049	.625	0%	339.68
438124AA7	HONDA AUTO RECEIVABLES 2016-3 OWNER TRUST	.640	8/18/2017	2/21/2017		1,937,488	1,937,488.490	.079	.084	.694	.32%	1,937,489.65
47788NAA6	JOHN DEERE OWNER TRUST	.640	8/15/2017	5/15/2017		1,613,454	1,613,454.420	.150	.150	.662	.27%	1,613,433.45
58768LAD5	MERCEDES BENZ AUTO LEASE TRUST 2015-A	1.100	8/15/2017	1/15/2017	Aaa	224,771	224,813.620	.042	.044	1.550	.04%	224,728.85
58768MAA9	MERCEDES-BENZ AUTO LEASE TRUST	.750	11/15/2017	6/15/2017		3,261,338	3,261,337.600	.213	.208	.748	.54%	3,261,344.12
58769BAB0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2016-1	.750	9/15/2017	3/15/2017		2,346,550	2,346,549.730	.119	.116	.773	.39%	2,346,482.85
65490BAD7	NISSAN AUTO LEASE TRUST 2014-B	1.120	9/15/2017	3/15/2017	Aaa	401,194	401,296.380	.097	.098	.991	.07%	401,244.63
65473DAC6	NISSAN AUTO LEASE TRUST 2015-A	1.054	11/15/2017	1/17/2017	Aaa	438,691	438,848.800	.047	.049	.927	.07%	438,730.33
65477XAA2	NISSAN AUTO LEASE TRUST 2016-B	.750	9/15/2017	3/15/2017		2,408,268	2,408,268.110	.130	.127	.746	.40%	2,408,267.87
65478VAA5	NISSAN AUTO RECEIVABLES 2016-B OWNER TRUST	.630	5/15/2017	1/17/2017		54,084	54,084.460	.047	.049	.667	.01%	54,084.46
65478WAA3	NISSAN AUTO RECEIVABLES 2016-C OWNER TRUST	.620	8/15/2017	4/17/2017		3,256,958	3,256,957.550	.146	.142	.618	.54%	3,256,961.13
<b>ASSET BACKED TOTALS</b>							<b>58,481,526.230</b>					<b>58,488,883.31</b>
<b>CMBS</b>												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	.868	4/25/2020	12/25/2019	Agency	3,340,413	3,342,603.400	2.332	.074	1.029	.56%	3,344,454.87
3136ANA98	FANNIE MAE-ACES	.778	3/25/2019	3/25/2019	Agency	9,907,288	9,911,052.230	1.882	.072	.973	1.65%	9,912,411.67
3136ANMF1	FANNIE MAE-ACES	.698	11/25/2018	11/25/2018	Agency	6,733,198	6,729,996.090	1.634	.071	.952	1.12%	6,727,968.88
3136A8G38	FANNIE MAE-ACES	1.246	8/25/2017	8/25/2017	Agency	414,366	414,435.710	.481	.476	1.215	.07%	414,088.62
3136A9MK1	FANNIE MAE-ACES	1.114	2/25/2017	2/25/2017	Agency	60,287	60,292.410	.149	.152	1.092	.01%	60,244.62
3136AGGF3	FANNIE MAE-ACES	1.532	10/25/2017	8/25/2017	Agency	110,845	110,996.280	.516	.511	1.009	.02%	111,031.34
3137A7JT8	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.776	6/25/2017	6/25/2017	Agency	1,798,224	1,805,518.550	.279	.276	1.123	.30%	1,803,173.55
3137B03W2	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.426	8/25/2017	7/25/2017	AAA	1,413,491	1,415,139.990	.483	.477	1.089	.24%	1,414,456.19
<b>CMBS TOTALS</b>							<b>23,790,034.660</b>					<b>23,787,829.74</b>

# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CMOS</b>												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	.982	1/8/2020		Aaa	4,519,189	4,542,911.180	2.050	.082	.610	.75%	4,528,197.95
62889FAA0	NCUA GUARANTEED NOTES TRUST 2011-R4	.912	3/6/2020		Agency	441,287	441,399.550	0.000	.082	0.000	.07%	441,416.56
<b>CMOS TOTALS</b>							<b>4,984,310.730</b>					<b>4,969,614.51</b>
<b>CORPORATES</b>												
025816BH1	AMERICAN EXPRESS CO	1.506	5/22/2018	5/22/2018	A3	1,000,000	1,001,290.920	1.400	.150	1.445	.17%	1,002,066.00
0258MODN6	AMERICAN EXPRESS CREDIT CORP	1.212	6/5/2017	6/5/2017	A2	2,066,000	2,064,975.980	.431	.180	1.080	.34%	2,067,609.41
037833AN0	APPLE INC	.951	5/5/2017	5/5/2017	Aa1	1,500,000	1,499,896.200	.350	.104	.942	.25%	1,500,477.00
037833AG5	APPLE INC	1.131	5/3/2018	5/3/2018	Aa1	1,500,000	1,500,804.720	1.347	.099	.870	.25%	1,503,399.00
06050TKW1	BANK OF AMERICA NA	6.100	6/15/2017	6/15/2017	A-	2,175,000	2,219,358.200	.458	.455	1.627	.37%	2,219,222.10
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	1.653	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	2.208	.218	1.118	.27%	1,620,537.60
084664CA7	BERKSHIRE HATHAWAY FINANCE CORP	1.026	1/10/2017	1/10/2017	Aa2	338,000	338,001.250	.031	.030	.790	.06%	338,024.00
14912L6Q9	CATERPILLAR FINANCIAL SERVICES CORP	1.620	2/23/2018	2/23/2018	A	1,215,000	1,215,000.000	1.153	.153	1.273	.20%	1,221,065.28
166764AX8	CHEVRON CORP	1.247	11/9/2017	11/9/2017	AA-	1,250,000	1,250,000.000	.864	.113	1.088	.21%	1,252,892.50
172967HL8	CITIGROUP INC	1.493	3/10/2017	3/10/2017	BBB+	6,500,000	6,503,575.580	.194	.191	1.172	1.08%	6,504,036.50
172967JQ5	CITIGROUP INC	1.576	4/27/2018	4/27/2018	BBB+	2,340,000	2,336,705.960	1.328	.080	1.387	.39%	2,349,666.54
20030NAP6	COMCAST CORP	6.500	1/15/2017	1/17/2017	A-	13,861,000	13,890,768.430	.042	.049	3.029	2.31%	13,880,502.43
30231GAS1	EXXON MOBIL CORP	1.537	2/28/2018	2/28/2018	AA+	2,355,000	2,355,000.000	1.167	.167	1.071	.39%	2,369,666.94
316773CF5	FIFTH THIRD BANCORP	5.450	1/15/2017	1/17/2017	Baa1	3,000,000	3,004,979.280	.042	.049	2.099	.50%	3,004,119.00
38148LAD8	GOLDMAN SACHS GROUP INC/THE	1.586	5/22/2017	5/22/2017	A3	5,200,000	5,207,254.720	.397	.153	1.215	.87%	5,208,798.40
38141EC49	GOLDMAN SACHS GROUP INC/THE	1.763	12/15/2017	12/15/2017	A3	4,900,000	4,900,529.900	.958	.207	1.484	.82%	4,915,577.10
437076BJ0	HOME DEPOT INC/THE	1.333	9/15/2017	9/15/2017	A	503,000	503,751.420	.708	.205	1.142	.08%	503,847.56
446438RH8	HUNTINGTON NATIONAL BANK/THE	1.375	4/24/2017	4/24/2017	A3	2,750,000	2,751,397.460	.233	.277	1.366	.46%	2,750,035.75
459058CG6	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.875	4/17/2017	4/17/2017	AAA	5,000,000	5,001,322.520	.297	.294	.782	.83%	5,001,355.00
24422ESU4	JOHN DEERE CAPITAL CORP	1.170	1/16/2018	1/16/2018	A	1,309,000	1,306,356.050	1.047	.050	1.206	.22%	1,310,291.98
48121CVZ6	JPMORGAN CHASE BANK NA	6.000	7/5/2017	7/5/2017	A	6,047,000	6,189,254.780	.514	.496	1.562	1.03%	6,183,819.42
617446C23	MORGAN STANLEY	5.450	1/9/2017	1/9/2017	A3	8,675,000	8,683,180.640	.025	.027	3.393	1.44%	8,679,268.10
617446H51	MORGAN STANLEY	5.550	4/27/2017	4/27/2017	A3	4,452,000	4,515,441.000	.325	.322	1.445	.75%	4,510,922.22
63743HEK4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1.152	5/12/2017	5/12/2017	A	1,000,000	999,858.620	.372	.123	.993	.17%	1,000,796.00
68389XAT2	ORACLE CORP	1.068	7/7/2017	7/7/2017	A+	3,000,000	3,001,972.480	.522	.022	1.054	.50%	3,002,271.00
717081DF7	PFIZER INC	1.263	6/15/2018	6/15/2018	A+	500,000	500,928.090	1.464	.211	1.125	.08%	501,318.00
86787EAP2	SUNTRUST BANK/ATLANTA GA	1.350	2/15/2017	2/15/2017	A-	3,500,000	3,501,235.360	.081	.128	1.194	.58%	3,500,423.50
92343VCD4	VERIZON COMMUNICATIONS INC	1.351	6/9/2017	6/9/2017	BBB+	4,485,000	4,486,712.890	.442	.188	1.133	.75%	4,490,202.60
929903DU3	WACHOVIA CORP	1.233	6/15/2017	6/15/2017	A	5,000,000	5,000,324.260	.458	.205	1.216	.83%	5,001,210.00
94974BFK1	WELLS FARGO & CO	1.512	4/23/2018	4/23/2018	A	1,052,000	1,053,450.440	1.317	.069	1.350	.18%	1,055,992.34
<b>CORPORATES TOTALS</b>							<b>98,383,327.150</b>					<b>98,449,413.27</b>
<b>MORTGAGES</b>												
31381NUY7	FANNIE MAE POOL	2.623	9/1/2017	9/25/2017	Agency	461,230	464,689.260	.730	.720	2.008	.08%	462,636.41
<b>MORTGAGES TOTALS</b>							<b>464,689.260</b>					<b>462,636.41</b>
<b>MUNICIPALS</b>												
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	1,695,000	1,695,000.000	.419	.417	1.152	.28%	1,693,779.60
542411KT9	LONG BEACH COMMUNITY COLLEGE DISTRICT	.930	8/1/2017	8/1/2017	AA-	1,755,000	1,755,000.000	.586	.581	.964	.29%	1,754,649.00

# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 12/31/2016

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>MUNICIPALS (Continued)</b>												
13063BFQ0	STATE OF CALIFORNIA	5.750	3/1/2017	3/1/2017	AA-	1,775,000	1,789,438.030	.169	.166	1.480	.30%	1,787,726.75
546415Z29	STATE OF LOUISIANA	1.087	8/1/2017	8/1/2017	AA-	635,000	635,803.580	.586	.579	1.172	.11%	634,682.50
93974DYT9	STATE OF WASHINGTON	.500	8/1/2017	8/1/2017	AA+	9,745,000	9,732,494.820	.586	.582	.711	1.62%	9,733,013.65
<b>MUNICIPALS TOTALS</b>							<b>15,607,736.430</b>					<b>15,603,851.50</b>
<b>SOVEREIGN DEBT</b>												
4581X0BV9	INTER-AMERICAN DEVELOPMENT BANK	1.125	3/15/2017	3/15/2017	AAA	5,070,000	5,073,924.190	.208	.204	.998	.84%	5,071,308.06
4581X0CG1	INTER-AMERICAN DEVELOPMENT BANK	1.000	7/14/2017	7/14/2017	AAA	5,000,000	5,006,187.040	.539	.532	1.123	.83%	4,996,690.00
459058DC4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.125	7/18/2017	7/18/2017	AAA	8,500,000	8,515,633.960	.550	.542	1.118	1.41%	8,500,297.50
<b>SOVEREIGN DEBT TOTALS</b>							<b>18,595,745.190</b>					<b>18,568,295.56</b>
<b>US TREASURIES</b>												
912828M23	UNITED STATES TREASURY FLOATING RATE NOTE	.724	10/31/2017	10/31/2017	Govt	6,300,000	6,303,296.010	.839	.014	.518	1.05%	6,308,454.60
912828J35	UNITED STATES TREASURY NOTE/BOND	.500	2/28/2017	2/28/2017	Govt	25,000,000	24,992,309.590	.166	.164	.444	4.16%	25,002,300.00
912828RX0	UNITED STATES TREASURY NOTE/BOND	.875	12/31/2016	1/3/2017	Govt	12,000,000	12,000,000.160	.003	.011	.871	2.00%	12,000,000.00
912828SC5	UNITED STATES TREASURY NOTE/BOND	.875	1/31/2017	1/31/2017	Govt	20,000,000	20,007,378.450	.087	.087	.416	3.33%	20,007,960.00
<b>US TREASURIES TOTALS</b>							<b>63,302,984.210</b>					<b>63,318,714.60</b>
<b>FIXED INCOME TOTALS</b>							<b>293,608,240.280</b>					<b>293,660,263.90</b>
<b>PORTFOLIO TOTALS</b>							<b>599,086,943.510</b>					<b>601,028,247.27</b>

**WELLS CAPITAL- OPERATING FUNDS**
**December 2016**

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DN6	US0258M0DN61		0.19%	\$1,167,967.92
American Honda Finance Corporation	HNDA	02665JNT3	US02665JNT33		0.69%	\$4,172,250.18
APPLE INC	AAPL	037833AN0	US037833AN08		0.25%	\$1,502,695.86
Apple Inc.	AAPL	03785DQX7	US03785DQX74		1.82%	\$10,979,924.34
BANK OF AMERICA NA	BAC	06050TLT7	US06050TLT78		0.86%	\$5,164,774.51
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CA7	US084664CA72		0.83%	\$5,012,040.68
BRANCH BANKING AND TRUST CO	BBT	07330NAH8	US07330NAH89		0.33%	\$2,004,356.89
Cafco, LLC	C	1247P2PD0	US1247P2PD05		1.66%	\$9,990,875.00
Cash	---	CCYUSD	---		-6.14%	-\$36,946,316.43
CATERPILLAR FINANCIAL SERVICES CORP	CAT	14912L5Z0	US14912L5Z02		1.33%	\$8,024,366.22
CCCIT 14A2 A2	CCCIT	17305EFN0	US17305EFN04		0.89%	\$5,328,198.94
CCCIT 14A4 A4	CCCIT	17305EFQ3	US17305EFQ35		0.50%	\$3,008,068.10
CHAIT 141 A	CHAIT	161571GJ7	US161571GJ77		1.38%	\$8,305,268.47
CHAIT 153 A	CHAIT	161571GW8	US161571GW88		0.33%	\$2,001,525.90
Chevron Corporation	CVX	16677JN93	US16677JN936		1.66%	\$9,998,538.90
Chevron Corporation	CVX	16677JUT1	US16677JUT14		0.17%	\$994,397.64
COMCAST CORP	CMCSA	20030NAP6	US20030NAP69		0.45%	\$2,685,711.49
COMCAST CORP	CMCSA	20030NAU5	US20030NAU54		0.54%	\$3,242,899.38
COMET 142A A	COMET	14041NEP2	US14041NEP24		1.14%	\$6,852,635.60
CRC Funding, LLC	C	12619TPH1	US12619TPH13		1.66%	\$9,989,886.90
Exxon Mobil Corporation	XOM	30229ANH8	US30229ANH85		1.66%	\$9,997,010.00
FEDERAL HOME LOAN BANKS	FHLB	313385AN6	US313385AN62		3.32%	\$19,997,880.00
FEDERAL HOME LOAN BANKS	FHLB	313385BK1	US313385BK15		1.16%	\$6,996,983.00
FEDERAL HOME LOAN BANKS	FHLB	313385AY2	US313385AY28		2.33%	\$13,997,046.00
FEDERAL HOME LOAN BANKS	FHLB	313370SZ2	US313370SZ24		1.85%	\$11,115,782.68
FEDERAL HOME LOAN BANKS	FHLB	313385BP0	US313385BP02		5.15%	\$30,984,934.00
FEDERAL HOME LOAN BANKS	FHLB	313385BS4	US313385BS41		0.66%	\$3,997,888.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G72G5	US3134G72G51		0.83%	\$5,003,535.00
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082		10.08%	\$60,669,992.90
FIFTH THIRD BANK	FITB	31677QBA6	US31677QBA67		0.45%	\$2,733,756.48
GOLDMAN SACHS GROUP INC	GS	38141EB99	US38141EB990		0.67%	\$4,011,076.01
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BV9	US4581X0BV95		3.72%	\$22,375,607.87
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOP	IBRD	45905UTJ3	US45905UTJ33		1.66%	\$10,000,804.54
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOP	IBRD	45905USB1	US45905USB16		0.42%	\$2,499,485.76
INTERNATIONAL BUSINESS MACHINES CORP	IBM	459200HC8	US459200HC88		0.80%	\$4,812,178.29
INTERNATIONAL FIN CORP MEDIUM TERM NTS BOOK ENTRY	---	45950VJX5	---		0.83%	\$5,002,002.23
INTERNATIONAL FINANCE CORP	IFC	45950VHJ8	US45950VHJ89		0.42%	\$2,500,802.50
Johnson & Johnson	JNJ	47816FNH0	US47816FNH00		1.83%	\$10,997,470.00
JPMORGAN CHASE & CO	JPM	46623EJZ3	US46623EJZ34		1.33%	\$8,019,930.33
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAD2	US55279HAD26		0.48%	\$2,880,021.35
Microsoft Corporation	MSFT	59515MUQ2	US59515MUQ26		0.25%	\$1,497,165.66
Microsoft Corporation	MSFT	59515MP74	US59515MP745		1.66%	\$9,993,976.70
MORGAN STANLEY	MS	617446C23	US617446C235		0.76%	\$4,557,797.15
NATIONAL RURAL UTILITIES COOP FINANCE CORP	NRUC	63743HEK4	US63743HEK41		0.17%	\$1,002,332.08
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	NRUC	63743HEM0	US63743HEM07		0.71%	\$4,255,157.71
Old Line Funding, LLC	OLDLLC	67983TPM2	US67983TPM26		1.66%	\$9,989,296.90

**WELLS CAPITAL- OPERATING FUNDS**  
**December 2016**

<b>HoldingName</b>	<b>Ticker</b>	<b>CUSIP</b>	<b>ISIN</b>	<b>SEDOL</b>	<b>% Market Value</b>	<b>Holding Value</b>
Old Line Funding, LLC	OLDLLC	67983TQ66	US67983TQ664		0.17%	\$998,551.67
ORACLE CORP	ORCL	68389XAT2	US68389XAT28		0.50%	\$3,009,924.57
Pfizer Inc.	PFE	71708ET13	US71708ET137		1.66%	\$9,963,025.00
The Coca-Cola Company	KO	19121AP70	US19121AP704		0.17%	\$999,430.17
The Coca-Cola Company	KO	19121AQ61	US19121AQ611		0.27%	\$1,608,045.99
The Coca-Cola Company	KO	19121AQ20	US19121AQ207		1.58%	\$9,504,397.63
Toyota Motor Credit Corporation	TOYOTA	89233GQ82	US89233GQ822		1.83%	\$10,983,751.79
UNITED STATES TREASURY	UST	912828H78	US912828H789		6.66%	\$40,088,255.65
UNITED STATES TREASURY	UST	912828J35	US912828J355		8.99%	\$54,096,708.33
UNITED STATES TREASURY	UST	912828J92	US912828J926		2.50%	\$15,019,852.09
UNITED STATES TREASURY	UST	912828SM3	US912828SM34		3.67%	\$22,083,444.79
UNITED STATES TREASURY	UST	912828SC5	US912828SC51		6.61%	\$39,760,763.52
UNITED STATES TREASURY	UST	912828A91	US912828A917		2.39%	\$14,351,503.94
UNITED STATES TREASURY	UST	912828TG5	US912828TG56		1.66%	\$10,010,763.91
UNITED STATES TREASURY	UST	912828SJ0	US912828SJ05		1.67%	\$10,036,430.66
VISA INC	V	92828CQ78	US92828CQ781		1.83%	\$10,984,236.34
WORLD BANK - INTERNATIONAL BANK FOR RECONSTRUCTIO	IBRD	459058CG6	US459058CG66		2.46%	\$14,826,652.38



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

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

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

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

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

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

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

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

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

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

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

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

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

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

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

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

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

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

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

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

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

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

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

# MINUTES

## REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE

CALOPTIMA  
505 CITY PARKWAY WEST  
ORANGE, CALIFORNIA

NOVEMBER 17, 2016

### **CALL TO ORDER**

Chair Lee Penrose called the meeting to order at 2:07 p.m. Director Schoeffel led the Pledge of Allegiance.

**Members Present:** Lee Penrose, Chair; Scott Schoeffel

**Members Absent:** Ron DiLuigi

**Others Present:** Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Richard Helmer, M.D., Chief Medical Officer; Ladan Khamseh, Chief Operating Officer; Len Rosignoli, Chief Information Officer; Chet Uma, Chief Financial Officer; Suzanne Turf, Clerk of the Board

Chair Penrose announced the following change to the agenda: Closed Session Item CS 1, Conference with Real Property Negotiators, pursuant to Government Code section 54956.8, was continued to a future meeting.

### **MANAGEMENT REPORTS**

#### **Chief Executive Officer (CEO) Report**

CEO Michael Schrader reported on the uncertainty at the state level regarding the future of the Cal MediConnect program, OneCare Connect in Orange County. At the federal level, with the recent presidential election there is uncertainty regarding the Affordable Care Act, the future of Medi-Cal expansion, and potential changes to the structure of the federal Medicaid program. It is anticipated that there will be numerous discussions on these issues during 2017. CalOptima is working with our partners at the state and federal level, health plans, associations and stakeholders to advocate for the agency.

#### **Chief Financial Officer (CFO) Report**

CFO Chet Uma provided an update on the Medi-Cal Expansion Medical Loss Ratio (MLR) reconciliation to be conducted by the California Department of Health Care Services (DHCS); a date for this reconciliation has not yet been identified. It was noted that CalOptima's audit of health network self-reported MLR data will begin this month.

## **PUBLIC COMMENT**

There were no requests for public comment.

## **INVESTMENT ADVISORY COMMITTEE UPDATE**

### **1. Treasurer's Report**

Mr. Uma presented an overview of the Treasurer's Report for the period July 1, 2016 through September 30, 2016. Based on a review by the Board of Directors' Investment Advisory Committee, all investments were compliant with Government Code section 53600 *et seq.*, and with CalOptima's Annual Investment Policy for Calendar Year 2016.

## **CONSENT CALENDAR**

2. Approve the Minutes of the September 15, 2016 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the July 25, 2016 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

***Action: On motion of Director Schoeffel, seconded and carried, the Committee approved the Consent Calendar as presented. (Motion carried 2-0-0; Director DiLuigi absent)***

## **REPORTS**

3. Consider Recommending Board of Directors' Approval of Medi-Cal Quality Improvement and Accreditation Activities During CalOptima Fiscal Year 2016-17, Including Contracts and Contract Amendments with Consultant(s), Member and Provider Incentives, and Expenditures of Unbudgeted Funds of up to \$1.1 Million

Deputy Chief Medical Officer Richard Bock, M.D., presented the action to recommend Board of Directors' approval of Medi-Cal Quality Improvement and accreditation activities during Fiscal Year 2016-17, including contracts and contract amendments with consultant(s), member and provider incentives, and expenditures of unbudgeted funds of up to \$1.1 million.

Dr. Bock reported that ongoing investment in innovative quality initiatives is required in order to maintain CalOptima's "commendable" accreditation status and rating by the National Committee for Quality Assurance (NCQA) as a top Medicaid plan in California. The following proposed expenditures were presented to the Committee for consideration: budget augmentation totaling \$457,740 for current quality initiatives including surveys and NCQA fees, a NCQA consultant, quality initiatives in progress, and required staff training; and \$605,839 in new requests for quality initiatives for member and provider programs, member experience initiatives, provider toolkits, and outreach projects. It was noted that member and provider incentive programs will be established by CalOptima. Member incentives will follow the guidelines in CalOptima Policy AA.1208 – Non-Monetary Member Incentives. All member and provider incentive programs will be presented to the Board for approval prior to implementation, as well as regulatory approval, as applicable.



Chair Penrose commented on the importance of coordinating with the health networks and providers to encourage awareness and to avoid duplicative efforts.

**Action:**        ***On motion of Director Schoeffel, seconded and carried, the Committee recommended that the Board of Directors: 1) Approve the Quality Improvement activities listed on Attachment 1; 2) Authorize the Chief Executive Officer, with the assistance of legal counsel, to contract with new vendors and amend existing vendor contracts, as appropriate, for quality improvement-related services, including NCQA consulting and provider coaching services, incentive distribution and tracking services, PSA development services, survey implementation services, and material and print services selected consistent with CalOptima's Board-approved procurement process; 3) Direct staff to develop Member and Provider incentive programs in the amounts listed on Attachment 1, subject to applicable regulatory approval and guidelines, and final approval by the CalOptima Board prior to implementation; and 4) Authorize unbudgeted expenditures not to exceed \$1.1 million to implement these initiatives. (Motion carried 2-0-0; Director DiLuigi absent)***

4. Recommend Board of Directors' Approval of Annual Investment Policy for Calendar Year 2017

**Action:**        ***On motion of Director Schoeffel, seconded and carried, the Committee recommended the Board of Directors' approve the extension of the current Annual Investment Policy for Calendar Year 2017. (Motion carried 2-0-0; Director DiLuigi absent)***

5. Consider Options Related to CalOptima's Development Rights at the 505 City Parkway Site; Authorize Vendor Contract(s) and/or Contract Amendment(s); Authorize Funding to Develop a Site Plan

Mr. Uma presented the action to consider options related to CalOptima's development rights at the 505 City Parkway site, authorize vendor contract(s) and/or contract amendment(s), and authorize funding to develop a site plan. On August 4, 2016, the Board of Directors authorized a contract with a real estate consultant to assist in evaluating options related to CalOptima's development rights, and approved a budget allocation of \$22,602 from existing reserves to fund the contract through June 30, 2017.

CalOptima contracted with real estate consultant Newport Real Estate Services to provide market research, evaluate development and financial feasibility, and recommend options based on CalOptima's development rights. An overview of the details of the Amended and Restated Development Agreement with the City of Orange was provided to the Committee.

Glen Allen of Newport Real Estate Services, Inc., provided a review of the following options: Option 1 – develop the site pursuant to the current development agreement; or Option 2 – Third Party or Disposition Alternatives that include directly selling the development rights and secure space for CalOptima's use, lease the property to a developer, assign the development rights to a developer who would provide space back to CalOptima in return, develop the property jointly with a developer, or exchange the development rights for a developed property. Mr. Allen also noted additional factors to consider when evaluating these options, including extending the lease at the current PACE Center or relocating the PACE center to the new site, and relocating the Board meeting room and external

meetings to the new site. If the Board and external meeting rooms are moved to the new site, the 505 Building could be a secured building occupied by CalOptima employees only.

After discussion of the matter, Director Schoeffel directed staff to work with the consultant and present three to five proposed projects comprised of a mix and match of the recommended alternatives, including financial modeling, for review and discussion by the Committee.

**Action:**        ***On motion of Director Schoeffel, seconded and carried, the Committee recommended that the Board of Directors: 1) Authorize the Chief Executive Officer to further explore options related to CalOptima's development rights based on input from the Board of Directors' Finance and Audit Committee; 2) Authorize the amendment of CalOptima's contract with real estate consultant Newport Real Estate Services to include site plan development; and 3) Appropriate expenditures from existing reserves of up to \$7,000 to provide funding for this contract amendment. (Motion carried 2-0-0; Director DiLuigi absent)***

**6. Recommend Authorizing Proposed Budget Allocation Changes in the CalOptima Fiscal Year 2016-17 Operating Budget**

Katia Taylor, Associate Director of Human Resources, presented the action to recommend that the Board of Directors: 1) Authorize reallocation of budgeted but unused funds of \$500,000 from Salaries, Wages and Benefits to Purchased Services, to fund the use of executive search consultants and/or executive temporary staffing firm(s) to assist in filling hard to fill vacancies; and 2) Authorize the Chief Executive Officer, with the assistance of legal counsel, to contract with such firms consistent with CalOptima's Board-approved purchasing policy.

Chair Penrose inquired about reallocating budgeted items from one area to another versus approving an unbudgeted item. Mr. Schrader added that staff will present the current Board policy for further discussion at a future Committee meeting.

**Action:**        ***On motion of Director Schoeffel, seconded and carried, the Committee recommended that the Board of Directors authorize reallocation of budgeted but unused funds of \$500,000 from Salaries, Wages and Benefits to Purchased Services, to fund the use of executive search consultants and/or executive temporary staffing firm(s) to assist in filling hard to fill vacancies, and authorize the Chief Executive Officer, with the assistance of legal counsel, to contract with such firms consistent with CalOptima's Board-approved purchasing policy. (Motion carried 2-0-0; Director DiLuigi absent)***

**INFORMATION ITEMS**

The following Information Items were accepted as presented:

7. September 2016 Financial Summary
8. CalOptima Computer Systems Security Update
9. Cost Containment Improvements/Initiatives

10. Quarterly Reports to the Finance and Audit Committee
  - a. Shared Risk Pool Performance
  - b. Reinsurance Report
  - c. Health Network Financial Report
  - d. Purchasing Report

**ADJOURNMENT**

Hearing no further business, Chair Penrose adjourned the meeting at 3:28 p.m.

/s/ Suzanne Turf

Suzanne Turf  
Clerk of the Board

*Approved: February 16, 2017*

## **MINUTES**

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

**October 24, 2016**

A Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, October 24, 2016, at CalOptima, 505 City Parkway West, Orange, California.

#### **CALL TO ORDER**

The meeting was called to order at 3:02 p.m. Chet Uma, Acting Chair, led the Pledge of Allegiance.

#### **ROLL CALL**

Members Present: Chet Uma, Acting Chair; Peggy Eckroth, Caroline Harkins, Lisa Laird

Members Absent: Rodney Johnson, Patrick Moore, David Young

Others Present: Laura Wirick, Ted Benedict, Meketa Investment Group; Asha Joshi, Larry Manis, Thomas Elder, Jeffrey Cleveland, Payden & Rygel; Scott Pavlak, Wendy Kaszak, Logan Circle Partners; Steve Scharre, Tony Mellville, Zach Smith, Wells Capital Management; Michael Schrader, Chief Executive Officer, Gary Crockett, Chief Counsel; Nancy Huang, Controller; Pamela Reichardt, Executive Assistant

#### **MINUTES**

#### **Approve Minutes of the July 25, 2016, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee**

*Action: On motion of Acting Chair Uma, seconded and carried, the Minutes of the July 25, 2016 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 4-0-0; Members Johnson, Young and Moore absent)*

#### **PUBLIC COMMENT**

There were no requests for public comment.

## **MANAGEMENT REPORTS**

### **Chief Executive Officer Report**

Michael Schrader, Chief Executive Officer, presented an update on CalOptima's proposed three-year Strategic Plan that focuses on improving programs and innovation. The plan will be presented at the December Board of Directors meeting for approval and will be effective on January 1, 2017. In addition, Mr. Schrader mentioned that CalOptima would evaluate pursuing a Knox-Keene license for the Medi-Cal program, potentially by 2018.

### **Chief Financial Officer Report**

Chet Uma, Chief Financial Officer, reported that the annual fiscal audit has been completed by Moss Adams, LLC. As part of the audit, the auditor verified the funds invested through CalOptima's investment managers. The results of the audit were presented to the Board of Directors at its October 6, 2016 meeting. CalOptima received an unqualified opinion on the audit by the auditors.

Mr. Uma provided an update on the Medical Loss Ratio (MLR) reconciliation for the Medi-Cal Expansion (MCE) program. The California Department of Health Care Services (DHCS) will perform a reconciliation of the MCE program, but has not yet provided a date. CalOptima has set aside the funds needed in anticipation of the reconciliation. After the MLR reconciliation, distribution will be made to the state related to the MCE program, and shared risk payouts will be issued to health networks per contract agreements. Both items will reduce CalOptima's total reserves.

## **REPORTS**

### **Recommend Approval of the Investment Advisory Committee Meeting Schedule for Calendar Year 2017**

***Action: On motion of Acting Chair Uma, seconded and carried, the Investment Advisory Committee recommended approval of the Investment Advisory Committee Meetings Schedule for Calendar Year 2017. (Motion carried 4-0-0; Members Young, Johnson and Moore absent)***

### **Recommend Approval of the Annual Investment Policy for 2017**

Based on staff's recommendation, the Committee recommended extending the 2016 Annual Investment Policy through 2017, with the understanding that staff may be returning with recommended changes subsequent to the completion of the internal vetting process.

Committee Member Laird requested further research on maximum holding percentage change of State and California Local Agency Obligations.

***Action: On motion of Acting Chair Uma, seconded and carried, the Investment Advisory Committee recommended the approval of the Annual Investment Policy for 2017. (Motion carried 4-0-0; Members Young, Johnson and Moore absent)***

## **INFORMATION ITEMS**

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

Laura Wirick, Senior Vice President, presented a performance summary and a detailed report on the Tier One and Tier Two accounts, which will be rebalanced in early November. Ms. Wirick reported that all funds are outperforming their relative benchmarks both within fixed income and cash.

Ted Benedict, Principal, presented a detailed account summary and independent compliance review of the monthly investment reports prepared by CalOptima's investment managers: Logan Circle Partners, Payden & Rygel, and Wells Capital. The review found that all investments were compliant with the Government Code and CalOptima's 2016 Annual Investment Policy.

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

Wendy Kaszak, Vice President of Client Services, presented an overview of the firm. Scott Pavlak, Senior Portfolio Manager, provided a detailed economic and Tier One and Tier Two portfolio update. It was noted that all portfolios are in compliance.

### **Presentation by Wells Capital Management**

Steve Scharre, Client Relations Director, gave a company update. Tony Melville, Portfolio Manager, presented the performance summary in detail. It is anticipated that the Tier One account will demonstrate strong performance.

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

Asha Joshi, Managing Principal, gave a company update. Larry Manis, Investment Manager, provided a detailed update on the portfolio. Mr. Manis noted that the portfolio was in compliance during the most recent quarter.

### **February 2016 Financial Update**

Nancy Huang, Controller, presented the August 2016 Unaudited Financial Summary, including a review of CalOptima's enrollment and financial highlights during the month, financial performance by line of business compared to budget, balance sheet, and Board Designated Reserve Analysis. She also noted that the current reserve level is in compliance with policy requirements.

## **ADJOURNMENT**

Hearing no further business, Acting Chair Uma, adjourned the meeting at 4:27 p.m.

*/s/ Pamela Reichardt*

Pamela Reichardt  
Executive Assistant

*Approved: January 23, 2017*



# **PACE: Operational Analysis and Business Plan — Follow-Up**

**Board of Directors' Finance and Audit Committee Meeting  
February 16, 2017**

**Richard Helmer, M.D.  
Chief Medical Officer**

# Objectives – Agenda

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- Background: Review Board Direction From 2/4/16 – Dr. Helmer
- Follow-Up From 9/15/16 FAC – Dr. Helmer/Dr. Masatsugu
- Cost of Like Populations – Loc Le
- Options to Current Model – Dr. Helmer
- Risks of Alternative Care Settings (ACS) – Dr. Helmer
- Next Steps – Dr. Helmer



# Background

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- February 4, 2016, Board Action authorized the following:
  - “...Submit a PACE Service Area Expansion (SAE) application to the Department of Health Care Services (DHCS) and Centers for Medicare & Medicaid Services (CMS);
  - ...Initiate a Request for Proposal (RFP) process for Alternative Care Settings (ACS) model for PACE expansion satellite locations;
  - ...For staff to perform financial analysis of the Community-Based Adult Services (CBAS) business model and present to the Board of Directors’ Finance and Audit Committee (FAC) for review;
  - ...When the Garden Grove PACE Center reaches 80% capacity, return to Board to consider one or more additional PACE centers.”

# Follow-Up From 9/15/16 FAC

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- Financial performance
- Review updated dashboard
- Status of interventions and impact

# PACE: Key Metric Trends

		All FY16	Q1–FY17	Q2–FY17
Membership	Average Members	134	176	182
	Ending Members	167	177	183
MLR	As stated	102.5%	88.7%	73.8%
ALR		12.7%	9.8%	7.3%
MLR	Retroactive payment distributed by month	102.5%	82.0%	88.0%
ALR		12.7%	9.1%	8.7%

# Membership Enrollment Trend Reported

Item	Q1	Q2	YTD
Member Months	532	547	1,079
Average Membership	177	182	180
Additions (New enrollments)	31	16	47
Loss (Disenrollment, all cause)	21	12	33
Controllable drops	15	7	22
Rate / K / Y	338	154	245
Non-controllable drops	6	5	11

# PACE Dashboard

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- Please refer to attached “Dashboard”

# Interventions and Status

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- Hierarchical Condition Category (HCC) Model/  
Risk Adjustment Factor (RAF) Score
- Meals
- Staffing Efficiencies
- Specialty and Ancillary Referrals
- Inpatient Utilization
- Skilled Nursing Facilities (SNF)/Long-Term Care (LTC)/  
Residential Care Facilities for the Elderly (RCFE)
- Pharmacy

# HCC/RAF Score – Part C

Item	Budget (FY16–17)	Goal	Expected Improvements	Actual (FY16–17)	Actual Improvements
HCC	2.2	2.5	0.3	2.23	0.03
PMPM	\$2,324	\$2,585	\$262	\$2,350	\$26
Proposed Interventions					Status
Increase RAF score via Coding Initiatives					Completed
Finalize contract with vendor with expertise in PACE data capture (Capstone)					In Progress
Establish contractual incentives for PCPs to capture appropriate HCCs					In Progress

# Meals

Budget (FY16–17)	Goal	Expected Improvements	Actual (FY16–17)	Actual Improvements
\$155 PMPM	\$126 PMPM	\$29 PMPM	\$123 PMPM	\$32 PMPM
Proposed Interventions				Status
Leverage and increase utilization of community programs				Completed
Purchase freezer, which enables bulk purchases				Completed
Distribute bulk meals from PACE, which will eliminate the delivery fee				In Progress



# Staffing Efficiencies

Budget (FY16–17)	Goal	Expected Improvements	Actual (FY16–17)	Actual Improvements
\$2,587 PMPM	\$2,531 PMPM	\$56 PMPM	\$1,943 PMPM	\$644 PMPM
Proposed Interventions				Status
Review UCI PCP contract to include Fellows and Residents				In Progress
Delay the start dates for several budgeted positions				Completed
Change two open positions to lower graded positions				Completed

# Specialty and Ancillary Referrals

Budget (FY16–17)	Goal	Expected Improvements	Actual (FY16–17)	Actual Improvements
\$513 PMPM	\$439 PMPM	\$74 PMPM	\$543 PMPM	(\$30) PMPM
Proposed Interventions				Status
Continue to use community specialists as appropriate				Completed
Obtain utilization management support from PACE RN case manager				Completed
Enhance review of external referrals				Completed
Consider capitated laboratory contract				Not completed

# Inpatient Utilization

Budget (FY16–17)	Goal	Expected Improvements	Actual (FY16–17)	Actual Improvements
\$675 PMPM	\$550 PMPM	\$125 PMPM	\$932 PMPM	(\$257) PMPM
Proposed Interventions				Status
Enhance case management of high-risk members				In Progress
Set performance goals in PCP contracts (include shared-risk components)				In Progress
Increase use of CalOptima's concurrent review staff				In Progress
Develop relationships with urgent care centers to utilize after-hours and weekend availability				In Progress
Retrain UCI on-call physicians				Completed

# SNF/LTC/RCFE

Budget (FY16–17)	Goal	Expected Improvements	Actual (FY 16–17)	Actual Improvements
\$456 PMPM	\$400 PMPM	\$56 PMPM	\$427 PMPM	\$29 PMPM
Proposed Interventions				Status
Increase the number of Board and Care facilities				Completed
Enhance support from PACE RN case manager				Completed
Set performance goals in PCP contracts (include shared-risk components)				In Progress
Conduct ongoing assessments to place participants in the appropriate level of care				In Progress

# Pharmacy

Budget (FY16–17)	Goal	Expected Improvements	Actual (FY16–17)	Actual Improvements
\$692 PMPM	\$682 PMPM	\$10 PMPM	\$438 PMPM	\$254 PMPM
Proposed Interventions				Status
Increase pharmacist involvement in care planning				Completed
Manage high-cost medications				In Progress
Explore use of 340B medication pricing program for high-cost medications				Pilot started

# Summary: Impact of Interventions

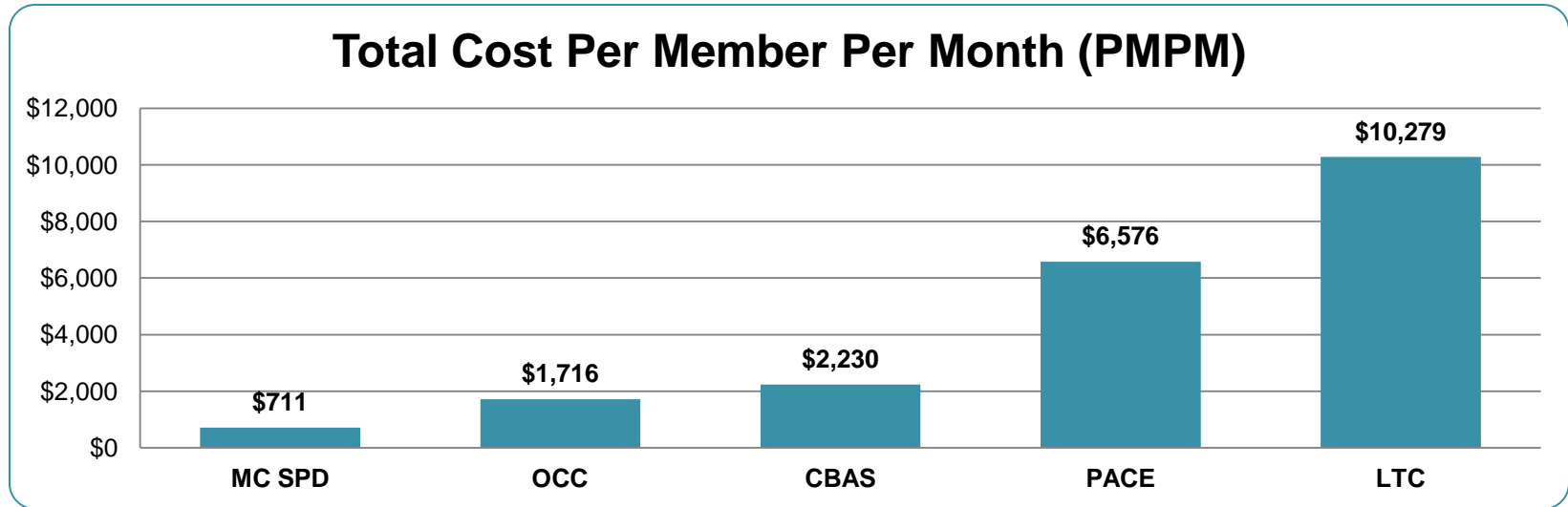
Item	Intervention	Actual Improvement to 2016–17 Budget (PMPM)
<b>Revenue</b>	HCC/RAF Score	<b>\$26</b>
<b>Expense (Center Operations)</b>	Meals	\$32
	Staffing Efficiencies	\$644
<b>Expense (Contracted Medical Care Services)</b>	Specialty & Ancillary Referrals	(\$30)
	Inpatient Utilization	(\$257)
	SNF/LTC/RCFE	\$29
	Pharmacy	\$254
<b>Total Expense Savings</b>		<b>\$672</b>
<b>Total Impact</b>		<b>\$698</b>

# Cost of Like Populations

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- Medi-Cal Seniors & Persons With Disabilities (SPD)
- OneCare Connect (OCC)
- CBAS
- PACE
- Long-Term Care (LTC)

# Total Cost of Like Populations



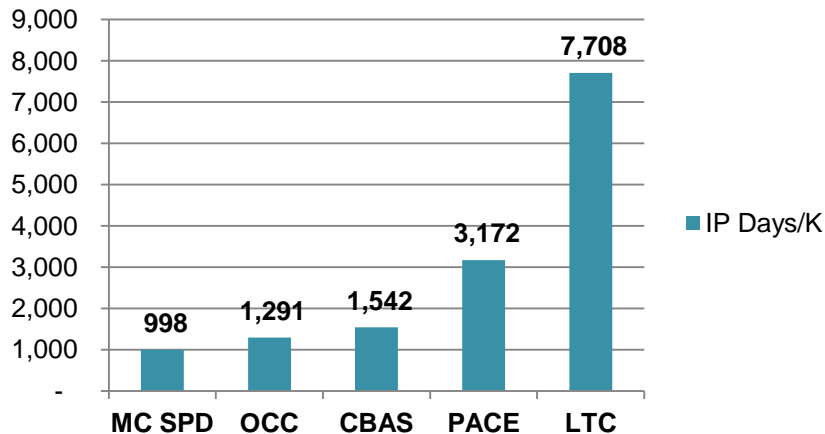
- Cost of care increases dramatically as acuity increases
  - Costs triple from SPD to CBAS, and CBAS to PACE
  - \$3,703 PMPM increase from PACE to LTC
  - \$44,436 in cost savings per year
- Incentive to prevent escalation of members to higher levels of care
  - Low likelihood of members going down in acuity levels

[1] Cost PMPMs are based on FY 2015–16 data

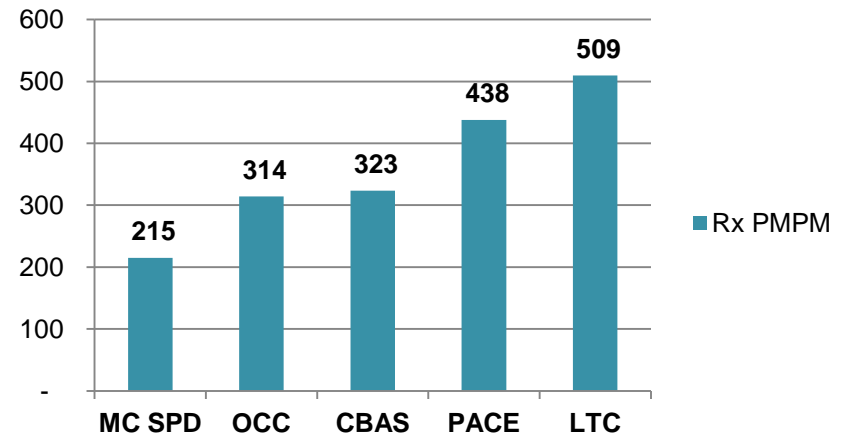


# IP and Rx Cost of Like Populations

## Inpatient (IP) Days PTMPY



## Rx Costs PMPM

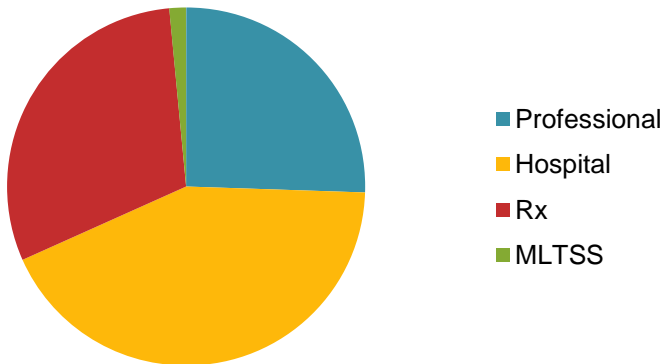


- Inpatient and Rx costs are two primary areas for management
  - Hospital and Rx costs account for the majority of medical costs for non-PACE populations
- Utilization of MTLSS costs are less controllable
  - Once institutionalized, LTC days typically remain constant
  - IHSS hours are managed by the county

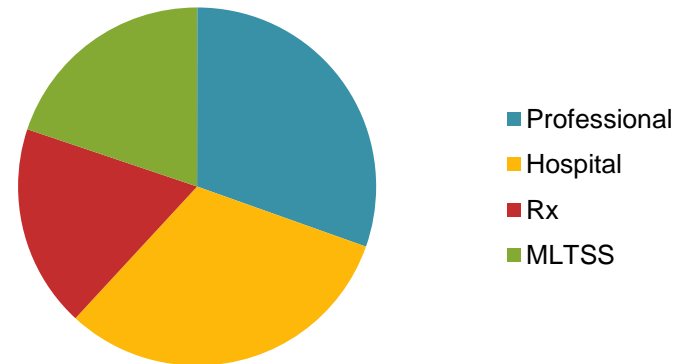
[1] Cost and utilization are based on FY 2015–16 data

# Service Mix of Like Populations

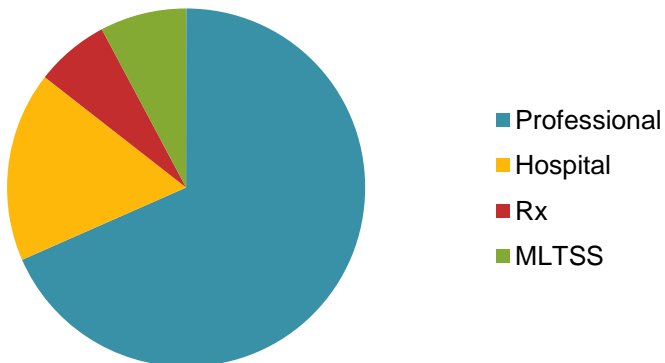
**Medi-Cal SPD**



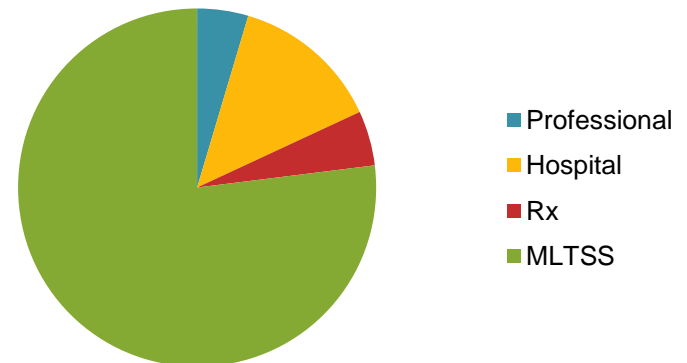
**OneCare Connect**



**PACE**

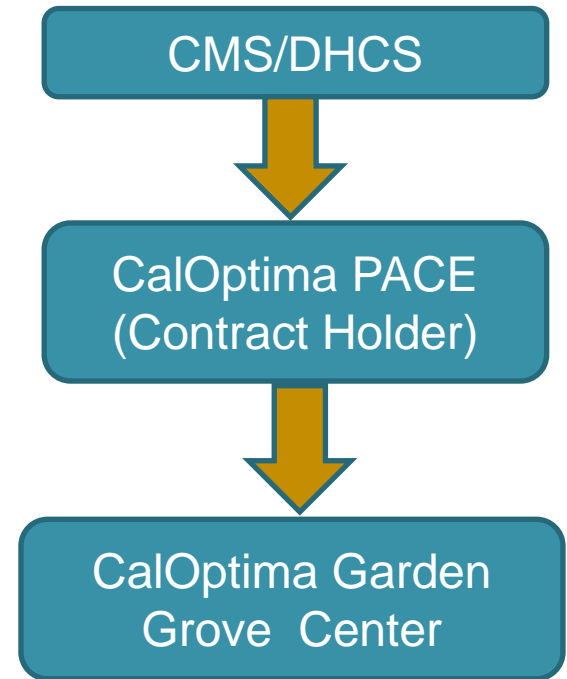


**LTC**



# PACE Options

- Terminate PACE Contracts with CMS and DHCS
- Continue Current Model
- Full Delegation to Another Entity
- Current Model and Delegate Expansion
- Current Model and Open New PACE Center(s)
- Current Model and Expand With ACS



# Criteria for Decision-Making: CalOptima's Mission

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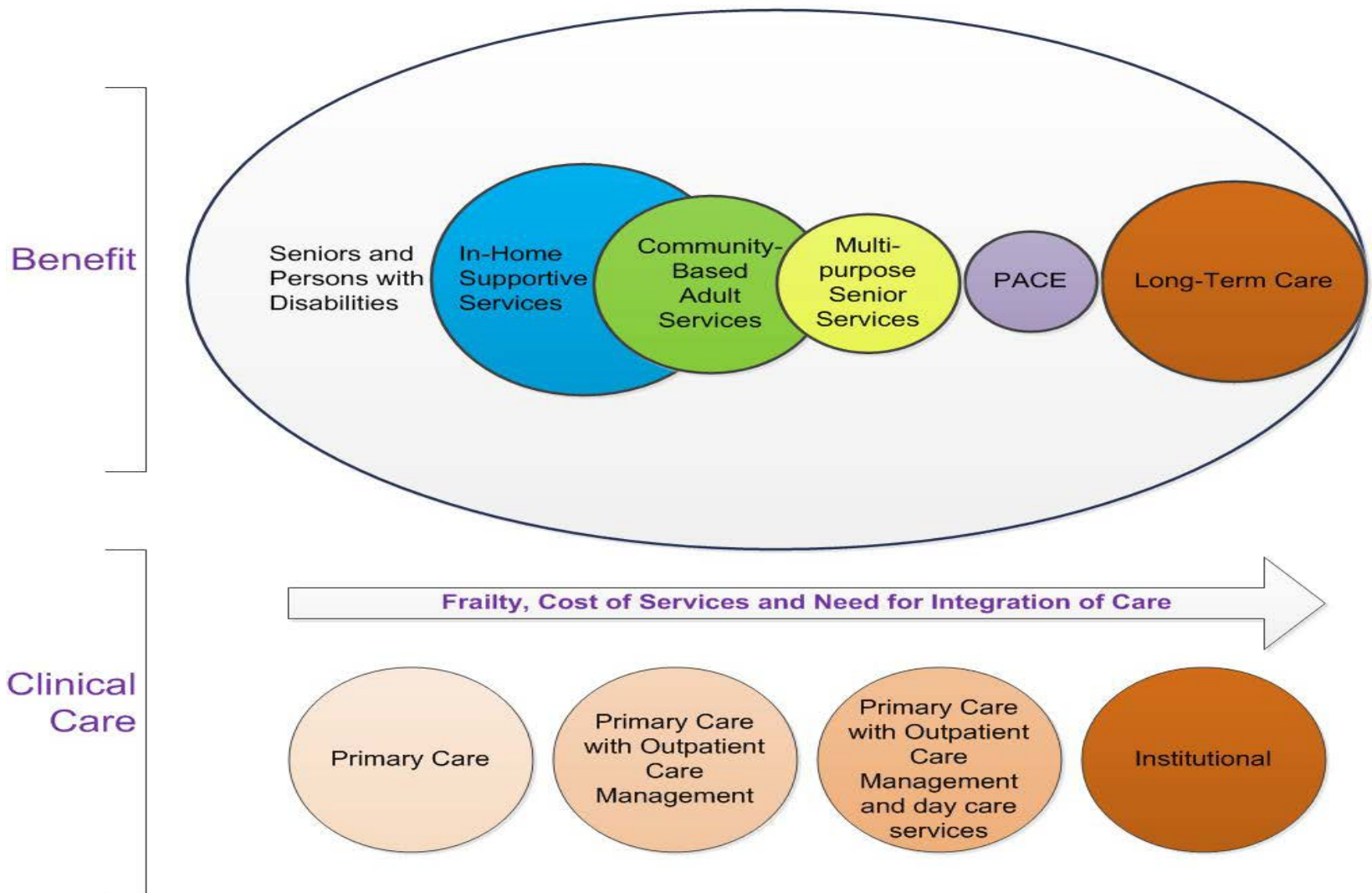
- Mission – serve the frail and underserved of all of Orange County
- Provide a person-centered continuum of care and benefits

# Criteria for Decision-Making: CalOptima's Operational Model and Strengths

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- Ease of use
  - COHS, only one Medi-Cal plan in county
    - = simplicity & consistency = improved performance
- Program viability and risk management
  - Financial stability
  - Regulatory compliance
- Operational model
  - Leverage the capabilities in the community – create partnership
  - Delegate where model supports our mission and partners capabilities with strong oversight

# Continuum of Care



# Terminate PACE Contracts with CMS & DHCS

## Considerations:

- Timing of closure
- Transfer of participants
- Impact and messaging to other COHS and regulators
- Requires regulatory approval

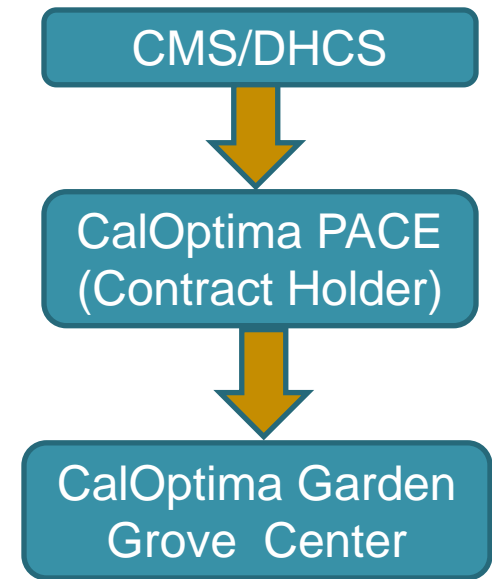


	Geographic Availability	Delegation Oversight/Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment
Terminate PACE Contracts with CMS and DHCS	1	5	1	1	5	1

# Continue Current Model

## Considerations:

- Ability to increase geographic coverage
- Outreach to community practitioner to support enrollment



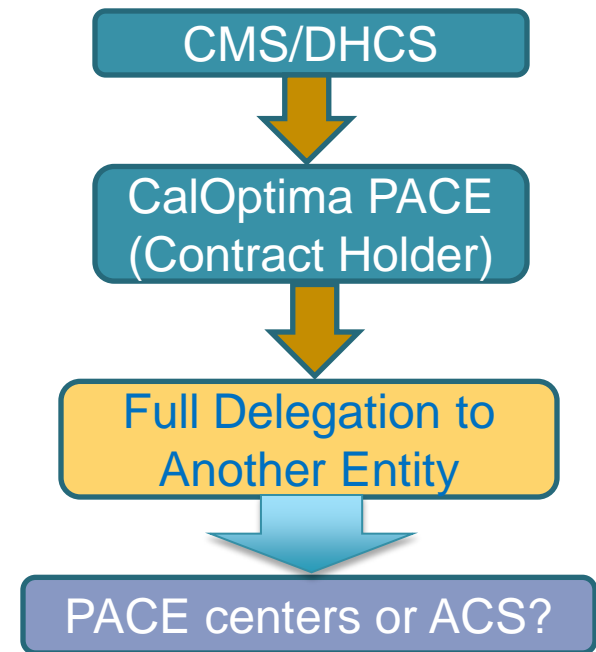
	Geographic Availability	Delegation Oversight/Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment
Continue Current Model	2	5	4	2	5	5



# Full Delegation to Another Entity

## Considerations:

- Contract terms
  - Rent and depreciations
  - Financial loss and sanctions
- Expansion model – would required detailed contract terms
- Alignment of Care Coordination

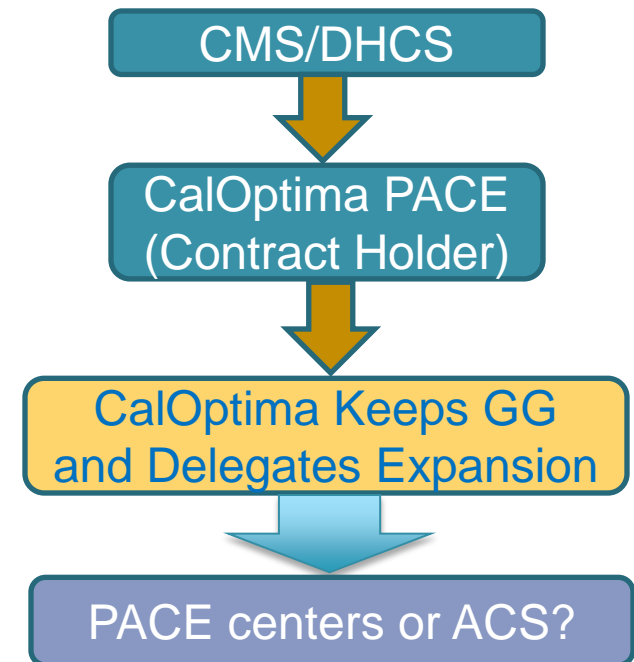


	Geographic Availability	Delegation Oversight/Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment
Full Delegation to Another Entity	4	1	3	3	4	1

# Current Model and Delegate Expansion

## Considerations:

- Model of expansion (centers or ACS)
- Expansion model – would require detailed contract terms
- Alignment with care coordination
- Outreach and enrollment process

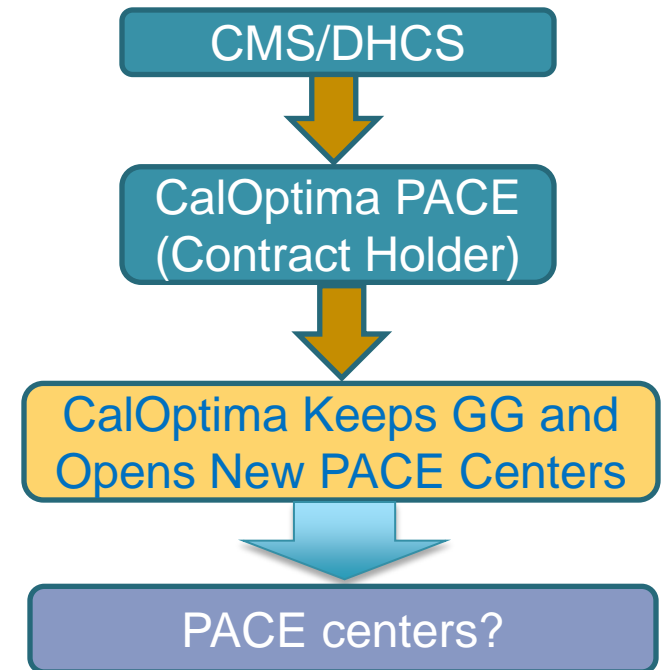


	Geographic Availability	Delegation Oversight/Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment
Current Model and Delegate Expansion	4	1	3	3	4	4

# Current Model and Open New PACE Center(s)

## Considerations:

- Determination of location(s)
- Financing

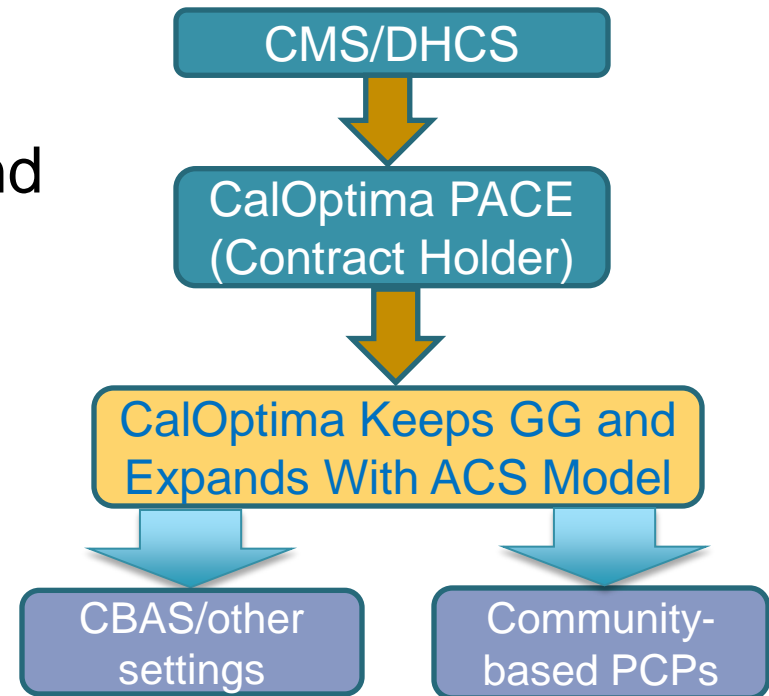


	Geographic Availability	Delegation Oversight/Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment
Current Model and Open New PACE Center(s)	4	5	5	2	1	3

# Current Model and Expand With ACS

## Considerations:

- Determining types of centers and other providers
  - Level of services
  - Selection process
- Engaging delivery system to provide more service
  - At-risk arrangements
  - Performance incentives



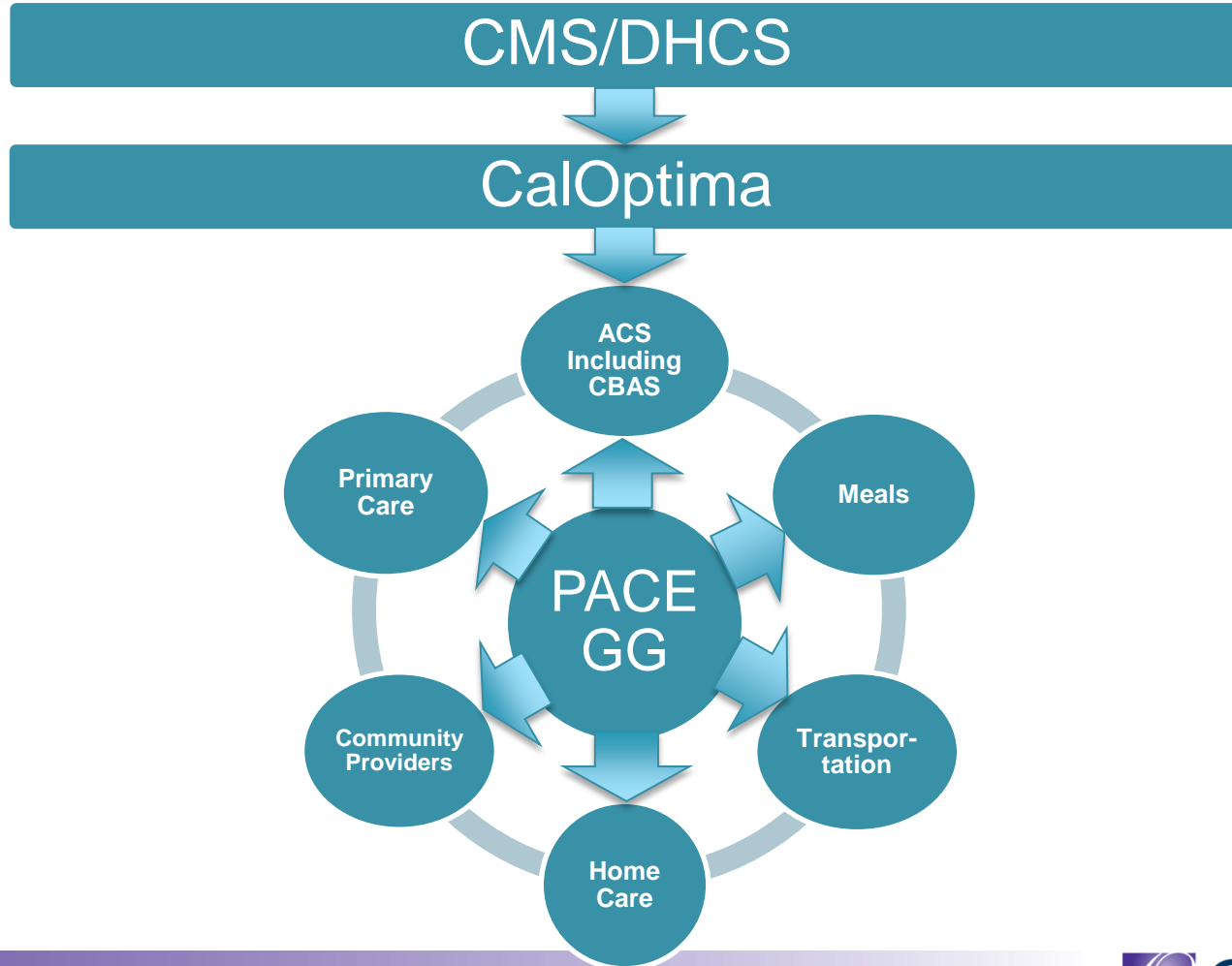
	Geographic Availability	Delegation Oversight/Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment
Current Model and Expand With ACS	5	4	5	5	4	5

# Summary of Options

	Geographic Coverage	Delegation Oversight/ Contract Compliance	Alignment of Benefit and Care Management	Leverage Network Capabilities	Financial Risk	Recoup Investment	Score
Terminate PACE Contracts with CMS and DHCS	1	5	1	1	5	1	14
Continue Current Model	2	5	4	2	5	5	23
Full Delegation to Another Entity	4	1	3	3	4	1	16
Current Model and Delegate Expansion	4	1	3	3	4	4	19
Current Model and Open New PACE Center(s)	4	5	5	2	1	3	20
Current Model and Expand With ACS	5	4	5	5	4	5	28

# Current Model and Expand With ACS

Leveraging Contracts Through ACS Model



[Back to Agenda](#)

# Risks of ACS

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- Readiness and Implementation
- Operational

# Readiness and Implementation

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- Use of existing staff – loss of focus on daily operations
- Need for external resources for submission and preparation
- Resources required for RFI and RFP process
  - Selection process
  - Contracting
  - Need to implement in a limited number of sites



# Operational

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- Developing outreach and enrollment countywide and with ACS partners
- Compliance oversight of contracted entities
- Regulatory adherence
- System integration
- Reporting standards (capture of accurate and timely data)
- Financial
  - Inability to gain adequate membership, both in aggregate and at individual ACSs
  - ACS costs
  - Utilization

# Summary and Conclusion

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- We still have opportunities to improve PACE performance
  - Enrollment and satisfaction
  - Inpatient utilization
- However, trends continue to be positive
- ACS best aligns with CalOptima's mission, operational model and strengths

# Next Steps

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- Initiate a Request for Information (RFI) and/or Request for Proposal (RFP) process for ACS model for PACE satellite locations
  - To include CBAS centers
  - To assess interest and capabilities relative to ACS
- Continue regular updates to FAC regarding performance

Reporting Period July 2015 - June 2016			July 2016 - December 2016			Benchmarks	
Membership / Revenue							
	Amount / \$PMPM	% Total	Amount / \$PMPM	% Total	\$PMPM	% Total	
<b>Dual Members</b>							
Avg Members	83		96				
Member Months	1001	62%	575	54%		80%	
Ending Mbr Count	94		96				
Total Capitation	\$ 6,186		\$ 6,361				
Part C Avg RAF	2.14		2.23			2.50	
<b>Medi-Cal Only Members</b>							
Avg Members	52		83				
Member Months	620	38%	499	46%		20%	
Ending Mbr Count	74		87				
Total Capitation	\$ 5,904		\$ 7,992				
<b>Total Membership and Revenue</b>							
Avg Members	135		179				
Member Months	1,621		1074				
Ending Mbr Count	168		183				
Total Capitation	\$ 6,078		\$ 7,119		\$ 6,714		
<b>Expense / Utilization</b>							
<b>Clinic</b>			<b>Benchmarks</b>				
	Amount / PMPM	% Revenue	Amount / PMPM	% Revenue	\$PMPM	Units	
<b>Center Utilization</b>							
Center Days	15,468		9,792				
Days / Member / Month	9.5		9.1			8.4	
<b>Staffing</b>							
All Non Mgmt Staff	\$ 2,019	33%	\$ 1,943	27%			
<b>Services</b>							
PCP Encounters	\$ 412	7%	\$ 328	5%	\$ 545		
Visits PTMPY	9,735		9,822				
Transportation	\$ 376	6%	\$ 376	5%	\$ 393		
Trips / Member / Month	18.8		23.1				
Meals	\$ 139	2%	\$ 123	2%	\$ 128		
Meals / Member / Month	9.2		12.1				
Other Clinic Operations	\$ 1,254	21%	\$ 871	12%			
Total Clinic Costs	\$ 3,787	62%	\$ 3,312	47%			
Home Care	\$ 262	4%	\$ 181	3%	\$ 840.00		
Board & Care	\$ 68	1%	\$ 130	2%	\$ 278.00		

Outside Medical Cost			Benchmarks			
	Amount / PMPM	% Revenue	Amount / PMPM	% Revenue	PMPM	Visits PTMPY
Specialist & Ancillary	\$ 495	8%	\$ 543	8%	\$ 434	
Inpatient - Acute	\$ 707	12%	\$ 932	13%		
Cost/Day	\$ 3,858		\$ 3,573			
Bed Days PTMPY	2,229		3,172			2,100
ED	\$ 44	1%	\$ 58	1%		
Cost / visit	\$ 939		\$ 1,028			
Visits PTMPY	570		691			460
Emerg Transport	\$ 30	1%	\$ 41	1%		
All Hospital B-mark	\$ 781		\$ 1,031		\$ 641	
Inpatient - SNF	\$ 66	1%	\$ 98	1%	\$ 55	
Cost / day	\$ 344		\$ 325			
LTC	\$ 113	2%	\$ 202	3%	\$ 673	
Cost / day	\$ 197		\$ 200			
Pharmacy	\$ 545	9%	\$ 438	6%	\$ 643	
\$'s / Rx	50		\$ 39			
Rx / Member / Month	11.0		11.2			
MLR			MLR			
Total Medical Cost	\$ 6,118	101%	\$ 5,934	83%		
General and Administrative			Benchmarks			
Direct						
Staffing	Amount / PMPM	% Revenue	Amount / PMPM	% Revenue	PMPM	
Management	\$ 435		\$ 508.81			
Other						
Allocated 505	\$ 63		\$ 104.23			
Depreciation (admin)	\$ 17		\$ 11.40			
Other Admin Costs	\$ 125	ALR	\$ 68.83	ALR		
Total Administrative	\$ 640	11%	\$ 693	10%		
Depreciation for benchmark	\$ 430	7%	\$ 285	4%	\$ 108	
Net Margin			Benchmarks			
Total Medical and Admi	\$ 6,758		\$ 6,627			
Net Surplus / Deficit	\$ (1,152,773)		\$ 528,201			

v21; 2/6/17



**CalOptima**  
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# **2016 Compliance Program Effectiveness (CPE) Audit**

**Board of Directors' Finance and Audit Committee Meeting  
February 16, 2017**

**Silver Ho  
Compliance Officer**

# Background

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- The Centers for Medicare & Medicaid Services (CMS) requires plan sponsors to audit the effectiveness of its compliance program using an independent auditor.
  - Results must be shared with the governing body.
  - Audit must be conducted annually.
- For 2016, Compliance Strategies conducted the independent audit of CalOptima's Compliance Program.
- Compliance Strategies selected six (6) initial cases, also referred as *tracers*, to review during the audit performed in August 2016 and two additional cases in November 2016.
- Audit conducted using the CMS 2016 audit protocols.

# Components of CPE Audit

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- Element I: Written Policies, Procedures and Standards of Conduct
- Element II: Compliance Officer, Compliance Committee and High Level Oversight
- Element III: Effective Training and Education
- Element IV: Effective Lines of Communication
- Element V: Well-Publicized Disciplinary Standards
- Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks
- Element VII: Procedures and System for Prompt Response to Compliance Issues



# Audit Results

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- At the conclusion of the audit, Compliance Strategies determined that CalOptima is effectively using the seven (7) elements of an effective Compliance Program to review and address issues of non-compliance and potential fraud and abuse.
- Compliance Strategies did cite two (2) best practices:
  - Tracking and communication of regulatory guidance
  - Enhanced risk assessment process

# Audit Results (cont'd)

- Finding #1:

- Plan should ensure data submitted for the audit are accurate based on CMS specifications. Examples of issues identified include:
  - The universe indicated an incorrect effective date for its MedImpact contract.
  - The universe identified the PerformRx activity as monthly monitoring, but should have indicated "daily" for the frequency.
  - The universe for employees and governing body was incomplete. Members of the governing body were inadvertently left out.
- Corrective Action Plan (CAP)
  - Initiated a project with the IT Department to build an automated process to collect and validate the universe data for internal business areas.
    - Current process is manual, time-intensive, and subject to human error. There are 42 universes for CMS across all audit areas.
    - Reduces human error from manual data pulls.
    - Allows staff to concentrate time on analyzing and validating the data instead of pulling the data manually.
  - Canning universe reports in the meantime to allow for sufficient time to compile and validate data.

# Audit Results (cont'd)

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- Finding #2:

- Element 5 - Effective Systems for Routine Monitoring and Auditing: Plan should ensure Office of Inspector General (OIG) and System for Award Management (SAM) / Government Services Administration (GSA) exclusion monitoring is completed for all of its first-tier, downstream, and related entities (FDRs) prior to contracting and monthly thereafter.
  - For 2 of the 5 FDRs selected for review, CalOptima did not provide appropriate evidence that FDRs were verified against the OIG/GSA sanction list for certain months.
  - For example, CalOptima did not demonstrate that Windstone was verified against the OIG/GSA sanction list for August 2015.
- Corrective Action Plan (CAP)
  - CAPs have been issued to Vendor Management and Office of Compliance.
  - Desktops have been revised to ensure process is followed consistently.
  - Coaching and training for responsible staff conducted.
  - Audit & Oversight is establishing a process to conduct quarterly audits to ensure sustained compliance.

## **EXECUTIVE SUMMARY**

### **Medicare Advantage and Prescription Drug Program Compliance Program Effectiveness Audit Findings**

Prepared by Compliance Strategies, Inc., a Healthcare Consulting Firm, for  
CalOptima

**December 7, 2016**

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#### **INTRODUCTION:**

The Medicare Advantage (Part C) and Prescription Drug (Part D) program, administered by the Centers for Medicare & Medicaid Services (CMS), requires Plan Sponsors have an independent review and audit of their performance. This may be accomplished by an internal source or external entity. Compliance Strategies, Inc. was selected to evaluate CalOptima's overall performance in administering the Compliance Program.

#### **PURPOSE:**

The purpose of this audit was to evaluate CalOptima's performance related to Medicare Part C and Part D Compliance Program Effectiveness (CPE) and to assess CalOptima ability to meet its regulatory requirements and assure beneficiaries are receiving necessary health care services in a timely and appropriate manner.

#### **CONCLUSION:**

The 2016 Compliance Program Effectiveness Audit for CalOptima provided evidence that the current Compliance Program is effective. In reviewing actual cases identified during the audit period, Compliance Strategies was able to witness the process, including reviews of supporting policies and procedures, in which the CalOptima staff handled the resolution of these as dictated in its Compliance Program. CalOptima is effectively using the seven elements of an effective Compliance Program to review and address issues of non-compliance and potential fraud and abuse.

In addition, CalOptima was commended for two *best practices* in the area of the CalOptima Regulatory Tracking System for effective communications and its new, more robust risk assessment process.

#### **BACKGROUND:**

The Medicare Advantage (Part C) and Prescription Drug (Part D) programs provide health and prescription drug benefits for eligible individuals 65 and older and eligible individuals with disabilities. CMS contracts with private companies, like CalOptima to

administer these benefits through Medicare Advantage (MA), Medicare Advantage with Prescription Drug (MA-PD), or stand alone Prescription Drug Plans (PDPs). Both One Care and One Care Connect were part of this review and audit.

## **PROCESS:**

CalOptima submitted data consistent with CMS CY2016 audit protocols to Compliance Strategies for review. Compliance Strategies selected six initial cases, also referred as *tracers* to review during the audit performed in August 2016 and two additional cases in November 2016. The tracer process requires Compliance Strategies to walk through each case to find evidence that the seven elements of an effective compliance program were considered and addressed during the resolution.

The tracers were selected from various areas of the organization including: Utilization Management, Grievances and Appeals, Pharmacy, Special Investigations Unit, Customer Service, as well as from CalOptima's First Tier Entities: MedImpact, PerformRX, and Monarch.

## **RECOMMENDATIONS:**

Below is a summary of Compliance Strategies' recommendations for process changes, closing gaps, and/or additional details to further refine CalOptima's existing Compliance processes.

- Universe Issues – Plan should ensure each universe is accurate based on CMS specifications.
- Element 5 –Effective Systems for Routine Monitoring and Auditing –Plan should ensure OIG and GSA sanction screening is completed for all FDRs.

## **FOR MORE INFORMATION:**

Virgilio Florentino,  
Principal  
Compliance Strategies  
[virgilio@csteam.us](mailto:virgilio@csteam.us)  
917-520-7866

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken February 16, 2017** **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

#### **Report Item**

5. Consider Recommending Issuance of Request for Proposal (RFP) for Medi-Cal Perinatal Support Services

#### **Contact**

Richard Helmer, Chief Medical Officer, (714) 246-8400

#### **Recommended Actions**

Recommend the Board of Directors authorize:

1. Issuance of a Request for Proposal (RFP) to identify community partner(s) experienced with providing Medi-Cal-covered perinatal support services; and
2. The Chief Executive Officer (CEO), with the assistance of Legal Counsel, to contract with qualifying RFP responders and in compliance with Medi-Cal Perinatal support program requirements established by the California Department of Health Care Services (DHCS); and
3. Amend the contract with the current vendor to reflect per member per month and incentive payment based only on the CalOptima Classic Medi-Cal population until the RFP process is completed.

Revised  
2/16/2017

#### **Background**

The Comprehensive Perinatal Support Program (CPSP) provides a wide range of culturally competent services to Medi-Cal pregnant women, from conception through 60 days postpartum. In addition to standard obstetric services, women receive enhanced services in the areas of nutrition, psychosocial and health education. The Legislature enacted CPSP in 1984 in response to findings from the OB Access Project, indicating that a comprehensive approach reduced both low birth weight rates and health care costs in women and infants. CPSP became a Medi-Cal benefit in 1987. Medi-Cal Managed Health Care Plans are required to provide access to CPSP-comparable services for pregnant Medi-Cal eligible recipients.<sup>1</sup> In 1995, CalOptima was mandated by the State to provide Perinatal Support Services (PSS). CalOptima in turn fully delegated this responsibility to its contracted health networks.

In 2006, a review of health network data revealed areas of concern due to marked variation in usage of PSS services. The variation resulted from a fragmented referral process, eligibility timing issues, and challenges related to coordination of referrals between OB physicians and PSS providers. The resulting recommendation post review was to consolidate the referral process and transition responsibility from the health networks back to CalOptima. On May 6, 2008, the CalOptima Board approved a consolidated capitation contract for Comprehensive Perinatal Services Program with MOMS Orange County (MOMs). CalOptima initially entered into a one year capitated agreement with MOMS in 2008, at a capitation rate of \$.55 per member per month (pmpm) based on the total CalOptima Medi-Cal membership. The contract included two extension options of one year each. The contract was subsequently amended (Amendment II) effective May 1, 2011 to renew automatically on

<sup>1</sup> CA.GOV MO-07-0074 CPSP

an annual upon Board approval. This agreement also included monetary incentives, projected at \$234,000 annually, for early referrals, completed initial assessments and increased participation.

In addition to the capitated services provided by MOMs, certified non-MOMs providers have also been providing CPSP services. These non-MOMs providers are paid by CalOptima at 100% of the CalOptima Medi-Cal fee schedule for providing these services.

Due to Medi-Cal expansion and contract language supporting capitation for all Medi-Cal members lines of business and gender, program costs have increased year-over-year and more recently from \$2 million to \$3.5 million for the 2013 - 2015 period (i.e., capitation has been paid based on total CalOptima Medi-Cal membership irrespective of the individual member's potential PSS needs). In comparison, CalOptima member births have increased more modestly during the same period, with approximately 7,000 deliveries in 2013, compared to 8,500 deliveries in 2015. Additionally, records indicate that member engagement with Perinatal Support Services providers decreased dramatically during the same 2013 - 2015 period, after the first encounter from 50% of identified pregnancy referrals to 15%, with continued declines reported throughout the remaining trimesters and through postpartum.

### **Discussion**

The new proposed program is designed to provide a more comprehensive approach, and strategically increase utilization, coordination of services and member engagement. Proposed program components include additional data analysis, stratification for low, moderate and high risk, as well as engagement strategies to increase identification and utilization of Perinatal Support Services. CalOptima staff will coordinate care with health network case management and OBs for members at high risk for poor pregnancy outcomes, in a similar manner to current efforts. CalOptima Health Education staff or identified vendor(s) from the proposed RFP process will outreach to members each trimester and provide trimester-specific coaching, nutrition education, and reassess changes in pregnancy risk status. Third trimester outreach will include support and coordination of post partum visits, including member incentives for visits completed within the HEDIS-specified time period. After delivery, members will receive support resources and reminders on the importance of the Well Child Visit and Initial Health Visit during the first 15 months of life.

Perinatal Support Services is a covered benefit and may be re-delegated back to the Health Networks. Quality and Health Education programs are not delegated to the Health Network. CalOptima staff in the Quality and Health Education departments work in partnership with the Health Networks in the delivery of program interventions. Management proposes that the Quality and Health Education departments retain responsibility for the PSS benefit during the period of program redesign while working in partnership with the Health Networks. CalOptima staff may re-engage with the Health Networks on their capability and/or interest in re-delegation after staff has fully developed and tested the new program design.

The proposed RFP could result in awarding contracts to multiple providers. However, the current fee for service (FFS) CPSP providers would not be expected to respond to the RFP, but could continue to provide services and be paid 100% of the CalOptima Medi-Cal fee schedule for services provided to qualifying CalOptima members.

**Fiscal Impact**

The recommended action to initiate an RFP for a CPSP vendor(s) is expected to be budget neutral. We anticipate new contracts for the vendors identified to support the revised CPSP program based on program goals and achievements (e.g. not a capitated model for all members). While the RFP process is expected to result in a more effective quality program, staff will return to the Board with a financial plan if expected expenses exceed those anticipated with the current model.

**Rationale for Recommendation**

As identified through CalOptima's latest HEDIS results, it is imperative for CalOptima to redefine its Perinatal Support Services program to increase the identification and intersection with the member and provider throughout the member's pregnancy. CalOptima staff proposes to conduct an RFP process to identify partner(s) to meet the requirements of the new program design for Perinatal Care for CalOptima members. The new program is designed to provide a more comprehensive approach, and strategically increase utilization, coordination of services and member engagement.

**Concurrence**

Gary Crockett, Chief Counsel

**Attachments**

1. Power Point Presentation – Perinatal Support Services
2. Board Action dated May 6, 2008, Approve the CalOptima Perinatal Support Services Program and Ratify CalOptima's Contract with MOMS (Maternal Outreach Management System) for Perinatal Support Services

/s/ Michael Schrader  
**Authorized Signature**

02/10/2017  
**Date**





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# Perinatal Support Services

**Board of Directors' Finance and Audit Committee Meeting  
February 16, 2017**

**Pshyra Jones**

**Director, Health Education & Disease Management**

# Why do we need a perinatal support services program?

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- Pregnancy and childbirth can be a common reason for inpatient admissions.
- Perinatal care is important for the mother and the baby — and is underutilized.
- We hope to improve outcomes for mothers and babies.
- CalOptima has contractual requirements to provide members with access to a comprehensive perinatal support program.
- CalOptima is working to improve our member experience.
- We need to improve our HEDIS scores.

# DHCS Perinatal Services Requirements

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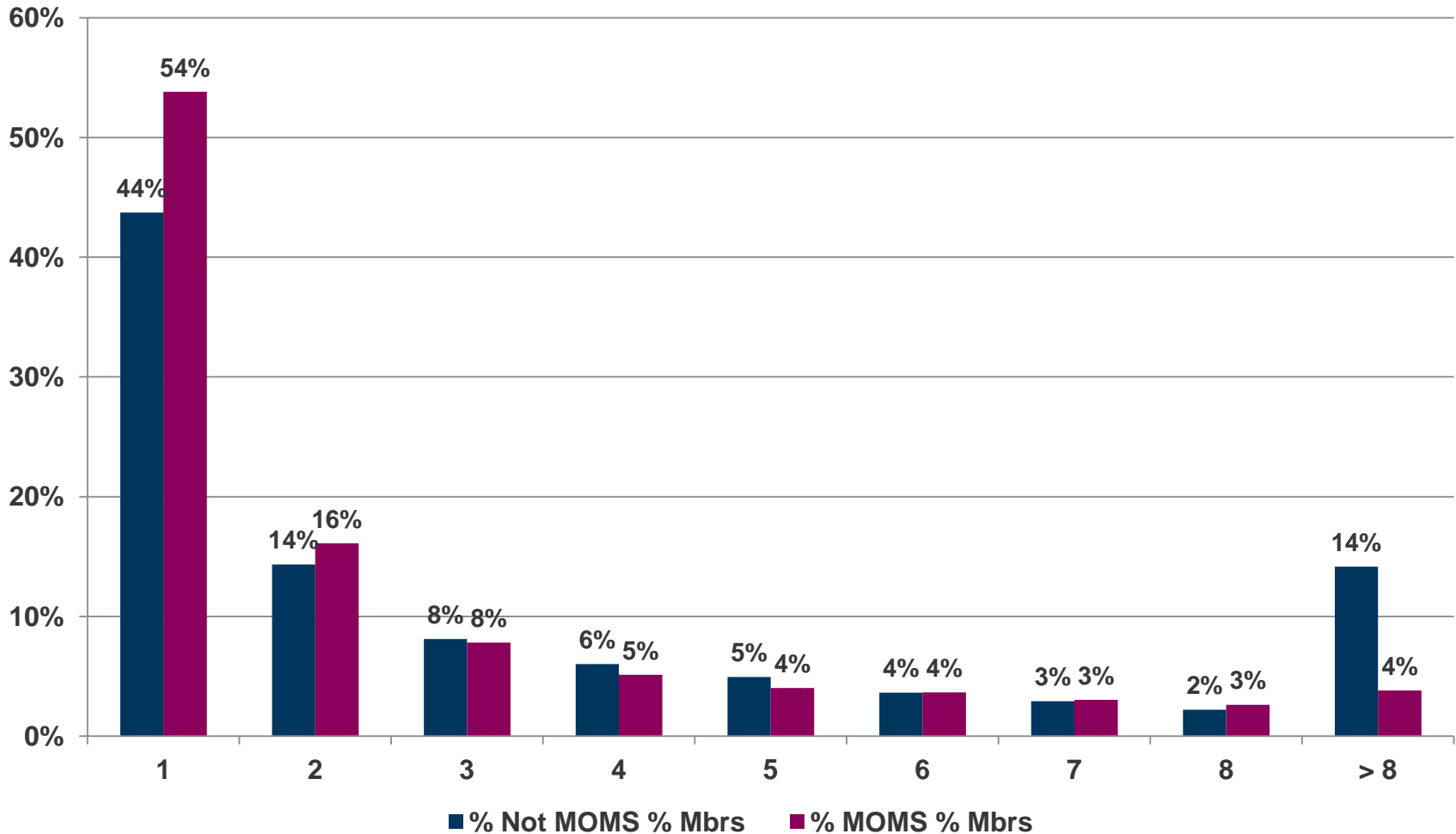
- Ensure the provision of all medically necessary services for pregnant members.
- Implement a comprehensive risk assessment using standards or guidelines of the American Congress of Obstetricians and Gynecologists.
  - Assessment and care plan should include health education, nutrition and psychosocial risk components.
  - Assessment should be administered at the initial prenatal visit, each trimester thereafter and postpartum.
- Ensure pregnant members at high risk of a poor pregnancy outcome are provided timely referral to specialist and delivery services.

# Current Fragmented Program Model

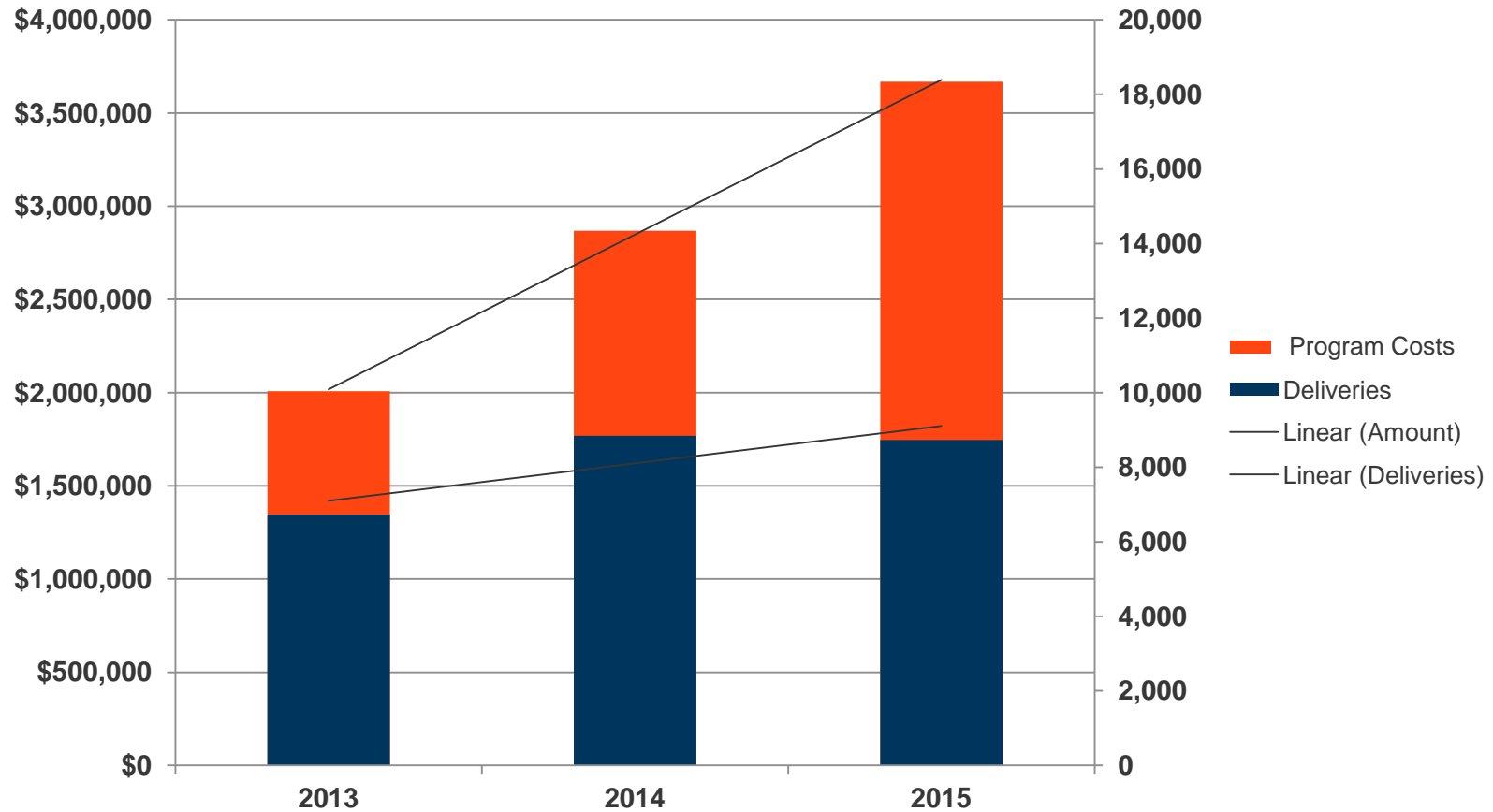
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- CalOptima contracts with MOMS Orange County for perinatal support services
- Comprehensive Perinatal Services Program (CPSP) is also provided by fee-for-service OB providers
- Redundancy of services for members assigned to CPSP providers
- Existing model makes minimal contributions toward prenatal and postpartum HEDIS performance
- Single source for program entry—Pregnancy Notification Referral Form (PNR)
- PMPM based on entire CalOptima Medi-Cal membership

# Average # Member Visits (2013–15)



# Deliveries vs. Program Costs



# CalOptima Prenatal and Postpartum Services (PPC) HEDIS Rates

## HEDIS PPC16 Denominator Count and Numerator Count

Sub Measure	Denominator Count	Numerator Count	Rate
Prenatal	6,694	4,754	71.02%
Postpartum	6,694	3,315	49.52%

PPC Measure is a QIC Focus Area—CalOptima is currently below the 50th percentile and nearing the 25th percentile.

## MOMS Matching Members Denominator Count and Numerator Count

Sub Measure	Denominator Count	Numerator Count	Rate
Prenatal	628	470	74.84%
Postpartum	628	371	59.08%

MOMS Birth Outcomes contributed 9.38 percent to PPC16 measure.

# The New Approach

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- Comprehensive, coordinated program
- More emphasis on member-initiated activity
- Coordination with CPSP providers, OB/GYNs, complex case management and community resources
- Member support with health education, nutrition and psychosocial needs
- Outreach and program marketing strategy to increase identification and member engagement



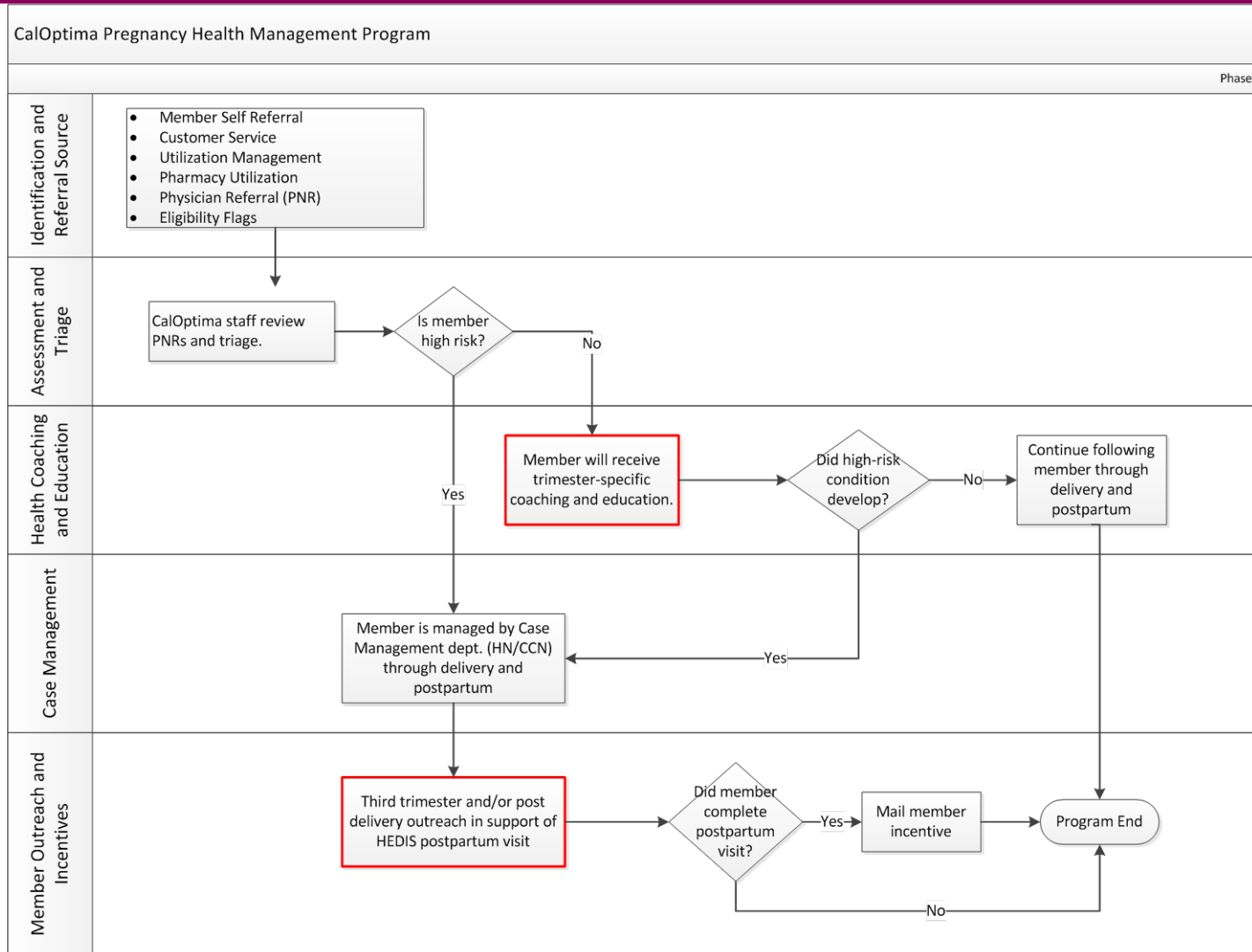
# Program Components

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- Identification of pregnant members
- Assessment
- Health coaching and education\*
- High-risk case management
- HEDIS reminders and member outreach\*
- Incentives
- Outcomes

\* Program components included in RFP

# New Program Model



# Recommended Action

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- Recommend the Board of Directors authorize:
  - Issuance of Request for Proposal (RFP) to identify community partner(s) experienced with providing Medi-Cal-covered perinatal support services; and
  - The CEO, with the assistance of Legal Counsel, to contract with qualifying RFP responders and in compliance with Medi-Cal perinatal support program requirements established by the California Department of Health Care Services.

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

**Action To Be Taken May 6, 2008**

**Regular Meeting of the CalOptima Board of Directors**

### **Report Item**

VI. C. Approve the CalOptima Perinatal Support Services Program and Ratify CalOptima's Contract with MOMS (Maternal Outreach Management System) for Perinatal Support Services

### **Contact**

Gertrude S. Carter, M.D., Chief Medical Officer, (714) 246-8400

### **Recommended Actions**

1. Approve the proposed CalOptima Perinatal Support Services Program; and
2. Ratify CalOptima's Contract with MOMS for Perinatal Support Services.

### **Background**

The Comprehensive Perinatal Support Program (CPSP) is a Medi-Cal benefit developed in 1992 by the State of California. This benefit was designed in response to poor birth outcomes in the California Medi-Cal population. The goal of the program is to improve the overall health status of pregnant mothers and their newborn babies. CPSP services are comprised of direct OB physician services and Perinatal Support Services (PSS). The PSS services consist of health education, nutritional and psycho-social counseling and OB-focused case management. In 1995, CalOptima was mandated by the State to provide PSS services. CalOptima in turn fully delegated this responsibility to its contracted health networks.

Last year, a review of health network 2006 data revealed areas of concern with marked variation in usage of PSS services. The variation resulted from a fragmented referral process, eligibility timing issues, and coordination of referrals between OB physician and PSS provider. The resultant recommendation post review was to consolidate the referral process at the CalOptima level.

### **Discussion**

As part of CalOptima's transfer of PSS, the established health network contractual relationships were consolidated into a CalOptima preferred capitation contract with MOMS (Maternal Outreach Management System) and the assumption of network-specific fee-for-service contracts those independent OB physician providers. It was anticipated that this re-contracting effort would recapture funds sufficient to cover the costs of the program. However, upon close review there were additional costs associated with the consolidation. Three factors have contributed to the additional costs of the program: 1) contract costs; 2) preservation of alternatives; and, 3) incentives to increase early referral.

Contract Costs It was originally anticipated that CalOptima would have an exclusive contract with MOMS on a capitated basis for all PSS services provided to CalOptima members. Outlays under this contract were expected to be equivalent to the original outlays that had been expended by the health networks for PSS services. Effective January 1, 2008, CalOptima entered into a one-year capitated agreement with MOMs with two extension options of one year each. However, upon review it was realized that some coordination activities would need to continue to be performed by the health network and accordingly, a portion of the capitation would have to remain at the health network level to pay for those functions.

Preservation of Alternatives While it was the intent of the revised program to move PSS services into an entirely capitated program under CalOptima as of January 1, 2008, it became evident in the transition planning process that doing so would create potential issues of program access, as well as interference with existing physician-patient relationships for members who had a previous history of receiving PSS services from certain traditional PSS providers. As a result, the original plan was modified to preserve the option for members to see these traditional PSS providers on a fee-for-service basis outside of the capitation arrangement with MOMS to ensure access and preserve physician-patient relationships.

Incentives to Increase Early Referrals Finally, the goals of the program are to improve member access, increase participation rates, and improve coordination. There was recognition that the earliest possible referral to the program provides the chance of the best outcome. To ensure the fastest, most effective results, the decision was made to provide an incentive for early referral. This has proven to be a successful strategy. Results from the first three months of calendar 2008 show first trimester referrals increasing from 21% to 42%, and third trimester visits decreasing from 30% to 12% over prior year levels.

### **Fiscal Impact**

The fiscal impact of decreased health network capitation of \$.55 per-member per-month in appropriate aid codes along with increased costs related to contracting, preservation of alternatives, and providing incentives to increase early referrals results in a net increase in costs of a maximum of \$117,000 above the budgeted amount for FY08-09, or a projected \$234,000 on an annualized basis. Going forward, these additional expenditures will be included in the budget.

### **Rationale for Recommendation**

The Perinatal Support Services benefit was moved from the health network level to the CalOptima level in response to the identification of the need for greater coordination of PSS services. The goal for this realignment of program responsibilities is to improve utilization of PSS services through improved coordination and outreach.

CalOptima Board Action Agenda Referral  
Approve the CalOptima Perinatal Support Services  
Program and Ratify CalOptima's Contract with MOMS  
(Maternal Outreach Management System) for Perinatal Support Services  
Page 3

**Concurrence**

Procopio, Cory, Hargreaves and Savitch, LLP

**Attachments**

None

/s/ Richard Chambers  
**Authorized Signature**

05/01/2008  
**Date**



**CalOptima**  
Better. Together.

# **Financial Summary**

## **December 2016**

**Board of Directors Meeting**  
**February 2, 2017**

**Nancy Huang**  
**Interim Chief Financial Officer**

# FY 2016-17: Consolidated Enrollment

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- December 2016 MTD:
  - Overall enrollment was 800,001 member months
    - Actual lower than budget by 3,893 or 0.5%
      - Medi-Cal: favorable variance of 1,058 members
      - OneCare Connect: unfavorable variance of 5,028 members
    - 0.2% or 1,442 increase from prior month
      - Medi-Cal: increase of 1,652 from November
      - OneCare: increase of 47 from November
      - PACE remained the same at 183 members
      - OneCare Connect: decrease of 257 from November



# FY 2016-17: Consolidated Enrollment

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- December 2016 YTD:
  - Overall enrollment was 4,792,229 member months
    - Actual lower than budget by 16,137 or 0.3%
      - Medi-Cal: favorable variance of 10,146 members
        - Medi-Cal Expansion (MCE) growth higher than budget
        - SPD enrollment higher than budget due to less than anticipated dual eligible members transferring to OneCare Connect
        - Offset by lower than budget TANF enrollment
      - OneCare Connect: unfavorable variance of 26,221 members or 19.8%
      - OneCare: unfavorable variance of 78 members or 1.1%
      - PACE: favorable variance of 16 members or 1.5%
    - 0.5% or 4,134 increase in enrollment from prior year

# FY 2016-17: Consolidated Revenues

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- December 2016 MTD:

- Actual higher than budget by \$2.5 million or 0.9%
  - Medi-Cal: favorable to budget by \$19.9 million
    - \$10.0 million for IGT and QAF revenue true-up from FY15
    - \$5.9 million of LTC revenue for non-LTC members
    - \$3.0 million of additional revenue for behavior health therapy benefits for Kaiser members, primarily prior year
  - OneCare Connect: unfavorable variance of \$17.8 million
    - Unfavorable price variance of \$7.4 million
      - CMC Medi-Cal capitation rate adjustment of (\$5.8 million) for prior year
      - Current year price variance of (\$1.6M) due to cohorts mix
    - Unfavorable volume variance of \$10.4 million due to lower enrollment
  - OneCare: favorable to budget by \$0.4 million

- December 2016 YTD:

- Actual lower than budget by \$10.7 million or 0.6%
  - Medi-Cal: favorable to budget by \$67.0 million
  - OneCare Connect: unfavorable variance of \$77.9 million

# FY 2016-17: Consolidated Medical Expenses

- December 2016 MTD:
  - Actual higher than budget by \$2.2 million or 0.8%
    - Medi-Cal: unfavorable variance of \$19.5 million
      - MLTSS unfavorable variance \$15.1 million
        - IHSS related unfavorable variance approximately \$9.8 million
        - LTC unfavorable variance \$5.4 million
          - \$3.4 million higher LTC Claim expense due to less than anticipated members enrolling in OneCare Connect
          - \$2.0 million variance from FY17 mandated rate increase accrual
      - Professional Claims unfavorable variance of \$3.5 million due to higher IBNR expense in COD and Crossover categories
    - OneCare Connect: favorable variance of \$17.1
      - Favorable price variance of \$7.3 million
        - Lower than budget in LTC and prescription drug categories
      - Favorable volume variance of \$9.8 million

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

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- December 2016 YTD:

- Actual higher than budget by \$9.2 million or 0.6%
  - Medi-Cal: unfavorable variance of \$84.2 million
    - Unfavorable price variance of \$81.2 million
      - IHSS estimated expense \$35.9 million higher than budget
      - Long Term Care expense \$22.5 million higher than budget
      - Facilities expense \$16.0 million higher than budget
    - Unfavorable volume variance of \$2.9 million
  - OneCare Connect: favorable variance of \$73.6 million
    - Favorable volume variance of \$50.7 million
    - Favorable price variance of \$22.9 million

- Medical Loss Ratio (MLR):

- December 2016 MTD:      Actual: 96.3%      Budget: 96.4%
- December 2016 YTD:      Actual: 96.8%      Budget: 95.6%

# FY 2016-17: Consolidated Administrative Expenses

- December 2016 MTD:

- Actual lower than budget by \$2.2 million or 19.0%
  - Salaries and Benefits: favorable variance of \$1.8 million
  - Other categories: favorable variance of \$0.4 million

- December 2016 YTD:

- Actual lower than budget by \$15.3 million or 22.0%
  - Salaries and Benefits: favorable variance of \$10.5 million driven by lower than budgeted FTE of 437
  - Other categories: favorable variance of \$4.8 million

- Administrative Loss Ratio (ALR):

- December 2016 MTD:      Actual: 3.3%      Budget: 4.1%
- December 2016 YTD:      Actual: 3.2%      Budget: 4.1%

# FY 2016-17: Change in Net Assets

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- December 2016 MTD:

- \$2.5 million surplus
- \$3.8 million favorable to budget
  - Higher than budgeted revenue of \$2.5 million
  - Higher medical expenses of \$2.2 million
  - Lower administrative expenses of \$2.2 million
  - Higher investment income of \$1.1 million

- December 2016 YTD:

- \$3.1 million surplus
- \$2.5 million unfavorable to budget
  - Lower than budgeted revenue of \$10.7 million
  - Higher medical expenses of \$9.2 million
  - Lower administrative expenses of \$15.3 million
  - Higher investment income of \$1.6 million

# Enrollment Summary: December 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,246	55,551	3,695	6.7%	Aged	348,935	330,936	17,999	5.4%
619	678	(59)	(8.7%)	BCCTP	3,744	4,058	(314)	(7.7%)
48,766	47,387	1,379	2.9%	Disabled	291,084	284,773	6,311	2.2%
334,073	341,728	(7,655)	(2.2%)	TANF Child	2,008,513	2,038,891	(30,378)	(1.5%)
101,296	109,238	(7,942)	(7.3%)	TANF Adult	616,009	657,470	(41,461)	(6.3%)
3,245	2,711	534	19.7%	LTC	19,568	16,137	3,431	21.3%
234,488	223,384	11,104	5.0%	MCE	1,389,942	1,335,387	54,555	4.1%
<b>781,733</b>	<b>780,675</b>	<b>1,058</b>	<b>0.1%</b>	<b>Medi-Cal</b>	<b>4,677,795</b>	<b>4,667,649</b>	<b>10,146</b>	<b>0.2%</b>
<b>16,810</b>	<b>21,838</b>	<b>(5,028)</b>	<b>(23.0%)</b>	<b>OneCare Connect</b>	<b>106,103</b>	<b>132,324</b>	<b>(26,221)</b>	<b>(19.8%)</b>
<b>183</b>	<b>190</b>	<b>(7)</b>	<b>(3.7%)</b>	<b>PACE</b>	<b>1,081</b>	<b>1,065</b>	<b>16</b>	<b>1.5%</b>
<b>1,275</b>	<b>1,191</b>	<b>84</b>	<b>7.1%</b>	<b>OneCare</b>	<b>7,250</b>	<b>7,328</b>	<b>(78)</b>	<b>(1.1%)</b>
<b>800,001</b>	<b>803,894</b>	<b>(3,893)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>4,792,229</b>	<b>4,808,366</b>	<b>(16,137)</b>	<b>(0.3%)</b>

# Financial Highlights: December 2016

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
800,001	803,894	(3,893)	(0.5%)	Member Months	4,792,229	4,808,366	(16,137)	(0.3%)
284,981,150	282,457,437	2,523,714	0.9%	Revenues	1,680,187,510	1,690,855,264	(10,667,754)	(0.6%)
274,397,010	272,208,650	(2,188,360)	(0.8%)	Medical Expenses	1,625,698,293	1,616,486,375	(9,211,918)	(0.6%)
9,477,635	11,704,959	2,227,323	19.0%	Administrative Expenses	54,330,022	69,613,018	15,282,995	22.0%
<b>1,106,505</b>	<b>(1,456,172)</b>	<b>2,562,677</b>	<b>(176.0%)</b>	<b>Operating Margin</b>	<b>159,195</b>	<b>4,755,872</b>	<b>(4,596,677)</b>	<b>(96.7%)</b>
1,372,563	143,250	1,229,313	858.2%	Non Operating Income (Loss)	2,906,413	859,500	2,046,913	238.2%
<b>2,479,068</b>	<b>(1,312,922)</b>	<b>3,791,990</b>	<b>288.8%</b>	<b>Change in Net Assets</b>	<b>3,065,608</b>	<b>5,615,372</b>	<b>(2,549,764)</b>	<b>(45.4%)</b>
96.3%	96.4%	0.1%		Medical Loss Ratio	96.8%	95.6%	(1.2%)	
3.3%	4.1%	0.8%		Administrative Loss Ratio	3.2%	4.1%	0.9%	
<u>0.4%</u>	<u>(0.5%)</u>	0.9%		Operating Margin Ratio	<u>0.0%</u>	<u>0.3%</u>	(0.3%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		



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

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
0.4	(1.5)	1.9	Medi-Cal	(2.7)	3.0	(5.7)
0.3	0.0	0.3	OneCare	(0.4)	0.2	(0.6)
0.3	0.2	0.0	OCC	2.3	3.0	(0.6)
<u>0.1</u>	<u>(0.2)</u>	<u>0.4</u>	PACE	<u>0.9</u>	<u>(1.4)</u>	<u>2.3</u>
<b>1.1</b>	<b>(1.5)</b>	<b>2.6</b>	<b>Operating</b>	<b>0.1</b>	<b>4.8</b>	<b>(4.6)</b>
<u>1.3</u>	<u>0.1</u>	<u>1.2</u>	Inv./Rental Inc, MCO tax	<u>2.9</u>	<u>0.9</u>	<u>2.1</u>
<b>1.3</b>	<b>0.1</b>	<b>1.2</b>	<b>Non-Operating</b>	<b>2.9</b>	<b>0.9</b>	<b>2.1</b>
<b>2.5</b>	<b>(1.3)</b>	<b>3.8</b>	<b>TOTAL</b>	<b>3.1</b>	<b>5.6</b>	<b>(2.5)</b>

# Consolidated Revenue & Expense:

## December 2016 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	552,963	228,770	781,733	1,275	16,810	183	800,001
<b>REVENUES</b>							
Capitation Revenue	\$ 151,057,449	\$ 103,728,418	\$ 254,785,867	\$ 1,740,853	\$ 27,219,789	\$ 1,234,641	\$ 284,981,150
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>151,057,449</b>	<b>103,728,418</b>	<b>254,785,867</b>	<b>1,740,853</b>	<b>27,219,789</b>	<b>1,234,641</b>	<b>284,981,150</b>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	39,088,525	35,916,879	75,005,405	475,522	7,379,996	-	82,860,922
Facilities	29,221,584	31,699,067	60,920,651	246,359	6,576,350	207,168	67,950,528
Ancillary	-	-	-	47,325	774,298	-	821,623
Skilled Nursing	-	-	-	110,029	5,158,647	-	5,268,676
Professional Claims	13,447,567	7,858,631	21,306,197	-	-	210,989	21,517,186
Prescription Drugs	17,552,654	15,536,252	33,088,906	445,054	4,329,045	86,791	37,949,797
Quality Incentives	-	-	-	-	-	-	-
Long-term Care Facility Payments	46,560,982	6,134,677	52,695,659	-	-	2,297	52,697,956
Contingencies	-	-	-	-	-	-	-
Medical Management	3,129,613	-	3,129,613	30	1,047,645	391,666	4,568,953
Reinsurance & Other	(347,500)	912,437	564,937	4,500	90,464	101,466	761,368
<b>Total Medical Expenses</b>	<b>148,653,425</b>	<b>98,057,943</b>	<b>246,711,368</b>	<b>1,328,819</b>	<b>25,356,444</b>	<b>1,000,378</b>	<b>274,397,010</b>
<b>Medical Loss Ratio</b>	<b>98.4%</b>	<b>94.5%</b>	<b>96.8%</b>	<b>76.3%</b>	<b>93.2%</b>	<b>81.0%</b>	<b>96.3%</b>
<b>GROSS MARGIN</b>	<b>2,404,024</b>	<b>5,670,475</b>	<b>8,074,499</b>	<b>412,034</b>	<b>1,863,345</b>	<b>234,263</b>	<b>10,584,140</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits	-	-	5,211,983	(42,646)	864,690	95,288	6,129,315
Professional Fees	-	-	62,924	20,889	2,308	(9,691)	76,430
Purchased Services	-	-	797,821	37,822	178,224	5,821	1,019,688
Printing and Postage	-	-	320,761	34,085	232,019	275	587,140
Depreciation and Amortization	-	-	357,681	-	-	2,065	359,746
Other Expenses	-	-	916,914	0	35,738	8,175	960,827
Indirect Cost Allocation, Occupancy Expense	-	-	48,909	13,811	279,779	1,989	344,488
<b>Total Administrative Expenses</b>	-	-	<b>7,716,993</b>	<b>63,961</b>	<b>1,592,759</b>	<b>103,923</b>	<b>9,477,635</b>
<b>Admin Loss Ratio</b>	-	-	<b>3.0%</b>	<b>3.7%</b>	<b>5.9%</b>	<b>8.4%</b>	<b>3.3%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	-	-	357,506	348,073	270,586	130,340	1,106,505
<b>INVESTMENT INCOME</b>	-	-	-	-	-	-	1,333,795
<b>NET RENTAL INCOME</b>	-	-	-	-	-	-	6,121
<b>NET GRANT INCOME</b>	-	-	32,648	-	-	-	32,648
<b>CHANGE IN NET ASSETS</b>	-	-	<b>\$ 390,154</b>	<b>\$ 348,073</b>	<b>\$ 270,586</b>	<b>\$ 130,340</b>	<b>\$ 2,479,068</b>
<b>BUDGETED CHANGE IN ASSETS</b>	-	-	(1,471,309)	19,289	225,345	(229,497)	(1,312,922)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	-	-	<b>1,861,463</b>	<b>328,783</b>	<b>45,241</b>	<b>359,837</b>	<b>3,791,990</b>

# Consolidated Revenue & Expense: December 2016 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	3,986,735	691,060	4,677,795	7,250	106,103	1,081	4,792,229
<b>REVENUES</b>							
Capitation Revenue	\$ 1,156,299,527	\$ 313,684,901	\$ 1,469,984,429	\$ 7,696,695	\$ 194,860,506	\$ 7,645,881	\$ 1,680,187,510
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>1,156,299,527</u>	<u>313,684,901</u>	<u>1,469,984,429</u>	<u>7,696,695</u>	<u>194,860,506</u>	<u>7,645,881</u>	<u>1,680,187,510</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	325,265,834	120,093,879	445,359,713	2,362,691	44,289,857	-	492,012,261
Facilities	257,365,115	97,882,871	355,247,986	1,964,601	57,201,847	1,431,547	415,845,981
Ancillary	-	-	-	261,630	4,517,468	-	4,779,098
Skilled Nursing	-	-	-	304,101	36,113,339	-	36,417,440
Professional Claims	91,469,918	23,468,015	114,937,934	-	-	1,217,680	116,155,614
Prescription Drugs	156,770,274	50,153,940	206,924,214	2,638,435	33,328,250	513,463	243,404,362
Quality Incentives	-	-	-	-	-	-	-
Long-term Care Facility Payments	267,935,329	18,483,483	286,418,812	-	-	23,511	286,442,323
Contingencies	-	-	-	-	-	-	-
Medical Management	17,555,138	-	17,555,138	57,008	6,067,409	2,357,139	26,036,695
Reinsurance & Other	598,341	2,833,536	3,431,878	26,895	564,336	581,410	4,604,518
<b>Total Medical Expenses</b>	<u>1,116,959,950</u>	<u>312,915,725</u>	<u>1,429,875,675</u>	<u>7,615,362</u>	<u>182,082,506</u>	<u>6,124,750</u>	<u>1,625,698,293</u>
<b>Medical Loss Ratio</b>	<b>96.6%</b>	<b>99.8%</b>	<b>97.3%</b>	<b>98.9%</b>	<b>93.4%</b>	<b>80.1%</b>	<b>96.8%</b>
<b>GROSS MARGIN</b>	<b>39,339,577</b>	<b>769,177</b>	<b>40,108,754</b>	<b>81,333</b>	<b>12,778,000</b>	<b>1,521,131</b>	<b>54,489,218</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits	-	-	31,091,637	88,965	4,635,382	546,460	36,362,444
Professional Fees	-	-	683,740	98,070	308,290	5,000	1,095,099
Purchased Services	-	-	4,084,093	135,405	804,713	21,518	5,045,731
Printing and Postage	-	-	1,222,255	58,268	465,555	2,000	1,748,078
Depreciation and Amortization	-	-	1,834,477	-	-	12,247	1,846,725
Other Expenses	-	-	5,830,538	1,692	204,718	35,991	6,072,938
Indirect Cost Allocation, Occupancy Expense	-	-	(2,006,012)	140,030	4,011,099	13,891	2,159,008
<b>Total Administrative Expenses</b>	-	-	<u>42,740,728</u>	<u>522,430</u>	<u>10,429,757</u>	<u>637,107</u>	<u>54,330,022</u>
<b>Admin Loss Ratio</b>	-	-	<b>2.9%</b>	<b>6.8%</b>	<b>5.4%</b>	<b>8.3%</b>	<b>3.2%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	-	-	(2,631,974)	(441,097)	2,348,243	884,024	159,195
<b>INVESTMENT INCOME</b>	-	-	-	-	-	-	2,895,674
<b>NET RENTAL INCOME</b>	-	-	-	-	-	-	29,776
<b>NET GRANT INCOME</b>	-	-	(19,659)	-	-	-	(19,659)
<b>OTHER INCOME</b>	-	-	623	-	-	-	623
<b>CHANGE IN NET ASSETS</b>	-	-	<u>\$ (2,651,010)</u>	<u>\$ (441,097)</u>	<u>\$ 2,348,243</u>	<u>\$ 884,024</u>	<u>\$ 3,065,608</u>
<b>BUDGETED CHANGE IN ASSETS</b>	-	-	3,021,093	171,808	2,981,950	(1,418,978)	5,615,372
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	-	-	<u>(5,672,103)</u>	<u>(612,905)</u>	<u>(633,707)</u>	<u>2,303,002</u>	<u>(2,549,764)</u>

# Balance Sheet:

## As of December 2016

### ASSETS

#### Current Assets

Operating Cash	\$686,243,544
Catastrophic Reserves	11,637,915
Investments	1,291,463,357
Capitation receivable	323,152,084
Receivables - Other	24,819,684
Prepaid Expenses	11,088,967

<b>Total Current Assets</b>	<b><u>2,348,405,551</u></b>
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#### Capital Assets

Furniture and equipment	33,303,693
Leasehold improvements	7,785,652
505 City Parkway West	49,269,863
	<u>90,359,207</u>
Less: accumulated depreciation	<u>(34,882,362)</u>
Capital assets, net	<b><u>55,476,846</u></b>

#### Other Assets

Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	3,158,986
Long term investments	<u>527,676,111</u>
Total Board-designated Assets	<u>530,835,097</u>

<b>Total Other Assets</b>	<b><u>531,135,097</u></b>
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Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473

<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>2,940,020,510</u></b>
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### LIABILITIES & FUND BALANCES

#### Current Liabilities

Accounts payable	\$41,160,847
Medical claims liability	717,681,422
Accrued payroll liabilities	8,691,224
Deferred revenue	962,318,501
Deferred lease obligations	267,070
Capitation and withholds	<u>505,544,188</u>
<b>Total Current Liabilities</b>	<b><u>2,235,663,252</u></b>

Other employment benefits liability	28,926,866
Net Pension Liabilities	10,543,065
Long Term Liabilities	100,000

<b>TOTAL LIABILITIES</b>	<b><u>2,275,233,183</u></b>
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Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640

Tangible net equity (TNE)	94,663,492
Funds in excess of TNE	<u>567,969,295</u>

<b>Net Assets</b>	<b><u>662,632,787</u></b>
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<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>2,940,020,510</u></b>
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# Board Designated Reserve and TNE Analysis

## As of December 2016

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,148,288				
	Tier 1 - Logan Circle	144,852,055				
	Tier 1 - Wells Capital	144,950,870				
		434,951,213	277,968,755	437,668,289	156,982,458	(2,717,076)
TNE Requirement	Tier 2 - Logan Circle	95,883,884	94,663,492	94,663,492	1,220,392	1,220,392
<b>Consolidated:</b>		<b>530,835,097</b>	<b>372,632,247</b>	<b>532,331,781</b>	<b>158,202,850</b>	<b>(1,496,685)</b>
<i>Current reserve level</i>		1.99	1.40	2.00		



**CalOptima**  
Better. Together.

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## UNAUDITED FINANCIAL STATEMENTS

December 2016

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**CalOptima - Consolidated  
Financial Highlights  
For the Six Months Ended December 31, 2016**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
800,001	803,894	(3,893)	(0.5%)	Member Months	4,792,229	4,808,366	(16,137)	(0.3%)
284,981,150	282,457,437	2,523,714	0.9%	Revenues	1,680,187,510	1,690,855,264	(10,667,754)	(0.6%)
274,397,010	272,208,650	(2,188,360)	(0.8%)	Medical Expenses	1,625,698,293	1,616,486,375	(9,211,918)	(0.6%)
9,477,635	11,704,959	2,227,323	19.0%	Administrative Expenses	54,330,022	69,613,018	15,282,995	22.0%
<b>1,106,505</b>	<b>(1,456,172)</b>	<b>2,562,677</b>	<b>(176.0%)</b>	<b>Operating Margin</b>	<b>159,195</b>	<b>4,755,872</b>	<b>(4,596,677)</b>	<b>(96.7%)</b>
1,372,563	143,250	1,229,313	858.2%	Non Operating Income (Loss)	2,906,413	859,500	2,046,913	238.2%
<b>2,479,068</b>	<b>(1,312,922)</b>	<b>3,791,990</b>	<b>288.8%</b>	<b>Change in Net Assets</b>	<b>3,065,608</b>	<b>5,615,372</b>	<b>(2,549,764)</b>	<b>(45.4%)</b>
96.3%	96.4%	0.1%		Medical Loss Ratio	96.8%	95.6%	(1.2%)	
3.3%	4.1%	0.8%		Administrative Loss Ratio	3.2%	4.1%	0.9%	
<u>0.4%</u>	<u>(0.5%)</u>	0.9%		Operating Margin Ratio	<u>0.0%</u>	<u>0.3%</u>	(0.3%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		



**CalOptima**  
**Financial Dashboard**  
For the Six Months Ended December 31, 2016

**MONTH**

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	781,733	780,675	↑	1,058 0.1%
OneCare	1,275	1,191	↑	84 7.1%
OneCare Connect	16,810	21,838	↓	(5,028) (23.0%)
PACE	183	190	↓	(7) (3.7%)
Total	800,001	803,894	↓	(3,893) (0.5%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 390	\$ (1,471)	↑	\$ 1,861 126.5%
OneCare	348	19	↑	329 1704.5%
OneCare Connect	271	225	↑	45 20.1%
PACE	130	(229)	↑	360 156.8%
505 Bldg.	6	(65)	↑	71 109.4%
Investment Income & Other	1,334	208	↑	1,125 540.2%
Total	\$ 2,479	\$ (1,313)	↑	\$ 3,792 288.8%

MLR	Actual	Budget	% Point Var	
Medi-Cal	96.8%	96.7%	↓	(0.1)
OneCare	76.3%	91.1%	↑	14.7
OneCare Connect	93.2%	94.4%	↑	1.2

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,717	\$ 9,163	↑	\$ 1,446 15.8%
OneCare	64	102	↑	38 37.5%
OneCare Connect	1,593	2,316	↑	723 31.2%
PACE	104	124	↑	20 16.2%
Total	\$ 9,478	\$ 11,705	↑	\$ 2,227 19.0%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	839	886		47
OneCare	3	3		0
OneCare Connect	222	239		16
PACE	42	57		14
Total	1,107	1,184		77

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	931	881		50
OneCare	426	397		29
OneCare Connect	76	92		(16)
PACE	4	3		1
Total	1,438	1,373		64

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	4,677,795	4,667,649	↑	10,146 0.2%
OneCare	7,250	7,328	↓	(78) (1.1%)
OneCare Connect	106,103	132,324	↓	(26,221) (19.8%)
PACE	1,081	1,065	↑	16 1.5%
Total	4,792,229	4,808,366	↓	(16,137) (0.3%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (2,651)	\$ 3,021	↓	\$ (5,672) (187.8%)
OneCare	(441)	172	↓	(613) (356.7%)
OneCare Connect	2,348	2,982	↓	(634) (21.3%)
PACE	884	(1,419)	↑	2,303 162.3%
505 Bldg.	30	(390)	↑	420 107.6%
Investment Income & Other	2,896	1,250	↑	1,646 131.7%
Total	\$ 3,066	\$ 5,615	↓	\$ (2,549) (45.4%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	97.3%	95.9%	↓	(1.3)
OneCare	98.9%	91.0%	↓	(7.9)
OneCare Connect	93.4%	93.7%	↑	0.3

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 42,741	\$ 54,193	↑	\$ 11,452 21.1%
OneCare	522	582	↑	60 10.3%
OneCare Connect	10,430	14,134	↑	3,704 26.2%
PACE	637	704	↑	67 9.5%
Total	\$ 54,330	\$ 69,613	↑	\$ 15,283 22.0%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	5,056	5,315		259
OneCare	22	18		(4)
OneCare Connect	1,350	1,432		81
PACE	238	339		101
Total	6,667	7,104		437

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	925	878		47
OneCare	333	407		(74)
OneCare Connect	79	92		(14)
PACE	5	3		1
Total	1,341	1,381		(40)

**CalOptima - Consolidated  
Statement of Revenue and Expenses  
For the One Month Ended December 31, 2016**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	800,001		803,894		(3,893)	
<b>Revenues</b>						
Medi-Cal	\$ 254,785,867	\$ 325.92	\$ 234,873,714	\$ 300.86	\$ 19,912,153	\$ 25.06
OneCare	1,740,853	1,365.38	1,360,915	1,142.67	379,938	222.71
OneCare Connect	27,219,789	1,619.26	45,018,883	2,061.49	(17,799,094)	(442.23)
PACE	1,234,641	6,746.67	1,203,925	6,336.45	30,716	410.22
<b>Total Operating Revenue</b>	<b>284,981,150</b>	<b>356.23</b>	<b>282,457,437</b>	<b>351.36</b>	<b>2,523,714</b>	<b>4.86</b>
<b>Medical Expenses</b>						
Medi-Cal	246,711,368	315.60	227,181,889	291.01	(19,529,479)	(24.59)
OneCare	1,328,819	1,042.21	1,239,333	1,040.58	(89,486)	(1.63)
OneCare Connect	25,356,444	1,508.41	42,477,984	1,945.14	17,121,539	436.73
PACE	1,000,378	5,466.55	1,309,445	6,891.81	309,066	1,425.27
<b>Total Medical Expenses</b>	<b>274,397,010</b>	<b>343.00</b>	<b>272,208,650</b>	<b>338.61</b>	<b>(2,188,360)</b>	<b>(4.38)</b>
<b>Gross Margin</b>	<b>10,584,140</b>	<b>13.23</b>	<b>10,248,787</b>	<b>12.75</b>	<b>335,354</b>	<b>0.48</b>
<b>Administrative Expenses</b>						
Salaries and benefits	6,129,315	7.66	7,932,571	9.87	1,803,256	2.21
Professional fees	76,430	0.10	444,919	0.55	368,488	0.46
Purchased services	1,019,688	1.27	948,244	1.18	(71,444)	(0.10)
Printing and Postage	587,140	0.73	463,678	0.58	(123,462)	(0.16)
Depreciation and amortization	359,746	0.45	385,117	0.48	25,371	0.03
Other	960,827	1.20	1,103,125	1.37	142,298	0.17
Indirect Cost Allocation, Occupancy Expense	344,488	0.43	427,305	0.53	82,817	0.10
<b>Total Administrative Expenses</b>	<b>9,477,635</b>	<b>11.85</b>	<b>11,704,959</b>	<b>14.56</b>	<b>2,227,323</b>	<b>2.71</b>
<b>Income (Loss) From Operations</b>	<b>1,106,505</b>	<b>1.38</b>	<b>(1,456,172)</b>	<b>(1.81)</b>	<b>2,562,677</b>	<b>3.19</b>
<b>Investment income</b>						
Interest income	1,625,855	2.03	208,333	0.26	1,417,521	1.77
Realized gain/(loss) on investments	(28,046)	(0.04)	-	-	(28,046)	(0.04)
Unrealized gain/(loss) on investments	(264,014)	(0.33)	-	-	(264,014)	(0.33)
<b>Total Investment Income</b>	<b>1,333,795</b>	<b>1.67</b>	<b>208,333</b>	<b>0.26</b>	<b>1,125,461</b>	<b>1.41</b>
<b>Net Rental Income</b>	<b>6,121</b>	<b>0.01</b>	<b>(65,083)</b>	<b>(0.08)</b>	<b>71,204</b>	<b>0.09</b>
<b>Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change In Net Assets</b>	<b>2,479,068</b>	<b>3.10</b>	<b>(1,312,922)</b>	<b>(1.63)</b>	<b>3,791,990</b>	<b>4.73</b>
<b>Medical Loss Ratio</b>	<b>96.3%</b>		<b>96.4%</b>		<b>0.1%</b>	
<b>Administrative Loss Ratio</b>	<b>3.3%</b>		<b>4.1%</b>		<b>0.8%</b>	

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

\*\* Includes MSSP

**CalOptima - Consolidated - Year to Date  
Statement of Revenue and Expenses  
For the Six Months Ended December 31, 2016**

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	4,792,229		4,808,366		(16,137)	
<b>Revenues</b>						
Medi-Cal	\$ 1,469,984,429	\$ 314.25	\$ 1,402,935,988	\$ 300.57	\$ 67,048,441	\$ 13.68
OneCare	7,696,695	1,061.61	8,402,693	1,146.66	(705,998)	(85.04)
OneCare Connect	194,860,506	1,836.52	272,782,979	2,061.48	(77,922,473)	(224.96)
PACE	7,645,881	7,072.97	6,733,604	6,322.63	912,276	750.34
<b>Total Operating Revenue</b>	<b>1,680,187,510</b>	<b>350.61</b>	<b>1,690,855,264</b>	<b>351.65</b>	<b>(10,667,754)</b>	<b>(1.04)</b>
<b>Medical Expenses</b>						
Medi-Cal	1,429,875,675	305.67	1,345,721,948	288.31	(84,153,726)	(17.36)
OneCare	7,615,362	1,050.39	7,648,609	1,043.75	33,247	(6.64)
OneCare Connect	182,082,506	1,716.09	255,667,479	1,932.13	73,584,973	216.04
PACE	6,124,750	5,665.82	7,448,338	6,993.74	1,323,588	1,327.93
<b>Total Medical Expenses</b>	<b>1,625,698,293</b>	<b>339.24</b>	<b>1,616,486,375</b>	<b>336.18</b>	<b>(9,211,918)</b>	<b>(3.05)</b>
<b>Gross Margin</b>	<b>54,489,218</b>	<b>11.37</b>	<b>74,368,889</b>	<b>15.47</b>	<b>(19,879,672)</b>	<b>(4.10)</b>
<b>Administrative Expenses</b>						
Salaries and benefits	36,362,444	7.59	46,831,047	9.74	10,468,603	2.15
Professional fees	1,095,099	0.23	2,408,014	0.50	1,312,914	0.27
Purchased services	5,045,731	1.05	5,551,818	1.15	506,088	0.10
Printing and Postage	1,748,078	0.36	2,770,851	0.58	1,022,774	0.21
Depreciation and amortization	1,846,725	0.39	2,310,703	0.48	463,979	0.10
Other	6,072,938	1.27	7,171,906	1.49	1,098,968	0.22
Indirect cost allocation, Occupancy Expense	2,159,008	0.45	2,568,678	0.53	409,670	0.08
<b>Total Administrative Expenses</b>	<b>54,330,022</b>	<b>11.34</b>	<b>69,613,018</b>	<b>14.48</b>	<b>15,282,995</b>	<b>3.14</b>
<b>Income (Loss) From Operations</b>	<b>159,195</b>	<b>0.03</b>	<b>4,755,872</b>	<b>0.99</b>	<b>(4,596,677)</b>	<b>(0.96)</b>
<b>Investment income</b>						
Interest income	7,959,289	1.66	1,250,000	0.26	6,709,288	1.40
Realized gain/(loss) on investments	223,359	0.05	-	-	223,359	0.05
Unrealized gain/(loss) on investments	(5,286,973)	(1.10)	-	-	(5,286,973)	(1.10)
<b>Total Investment Income</b>	<b>2,895,674</b>	<b>0.60</b>	<b>1,250,000</b>	<b>0.26</b>	<b>1,645,673</b>	<b>0.34</b>
<b>Net Rental Income</b>	<b>29,776</b>	<b>0.01</b>	<b>(390,500)</b>	<b>(0.08)</b>	<b>420,276</b>	<b>0.09</b>
<b>Other Income</b>	<b>623</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>0.00</b>
<b>Change In Net Assets</b>	<b>3,065,608</b>	<b>0.64</b>	<b>5,615,372</b>	<b>1.17</b>	<b>(2,549,764)</b>	<b>(0.53)</b>
<b>Medical Loss Ratio</b>	<b>96.8%</b>		<b>95.6%</b>		<b>(1.2%)</b>	
<b>Administrative Loss Ratio</b>	<b>3.2%</b>		<b>4.1%</b>		<b>0.9%</b>	

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

\*\* Includes MSSP

**CalOptima - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ended December 31, 2016**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
<b>Member Months</b>	552,963	228,770	781,733	1,275	16,810	183	800,001
<b>REVENUES</b>							
Capitation Revenue	\$ 151,057,449	\$ 103,728,418	\$ 254,785,867	\$ 1,740,853	\$ 27,219,789	\$ 1,234,641	\$ 284,981,150
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>151,057,449</u>	<u>103,728,418</u>	<u>254,785,867</u>	<u>1,740,853</u>	<u>27,219,789</u>	<u>1,234,641</u>	<u>284,981,150</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	39,088,525	35,916,879	75,005,405	475,522	7,379,996		82,860,922
Facilities	29,221,584	31,699,067	60,920,651	246,359	6,576,350	207,168	67,950,528
Ancillary				47,325	774,298	-	821,623
Skilled Nursing				110,029	5,158,647	-	5,268,676
Professional Claims	13,447,567	7,858,631	21,306,197	-	-	210,989	21,517,186
Prescription Drugs	17,552,654	15,536,252	33,088,906	445,054	4,329,045	86,791	37,949,797
Quality Incentives					-		-
Long-term Care Facility Payments	46,560,982	6,134,677	52,695,659	-	-	2,297	52,697,956
Contingencies	-	-	-	-	-	-	-
Medical Management	3,129,613	-	3,129,613	30	1,047,645	391,666	4,568,953
Reinsurance & Other	(347,500)	912,437	564,937	4,500	90,464	101,466	761,368
<b>Total Medical Expenses</b>	<u>148,653,425</u>	<u>98,057,943</u>	<u>246,711,368</u>	<u>1,328,819</u>	<u>25,356,444</u>	<u>1,000,378</u>	<u>274,397,010</u>
<b>Medical Loss Ratio</b>	<b>98.4%</b>	<b>94.5%</b>	<b>96.8%</b>	<b>76.3%</b>	<b>93.2%</b>	<b>81.0%</b>	<b>96.3%</b>
<b>GROSS MARGIN</b>	<b>2,404,024</b>	<b>5,670,475</b>	<b>8,074,499</b>	<b>412,034</b>	<b>1,863,345</b>	<b>234,263</b>	<b>10,584,140</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits			5,211,983	(42,646)	864,690	95,288	6,129,315
Professional Fees			62,924	20,889	2,308	(9,691)	76,430
Purchased Services			797,821	37,822	178,224	5,821	1,019,688
Printing and Postage			320,761	34,085	232,019	275	587,140
Depreciation and Amortization			357,681			2,065	359,746
Other Expenses			916,914	0	35,738	8,175	960,827
Indirect Cost Allocation, Occupancy Expense			48,909	13,811	279,779	1,989	344,488
<b>Total Administrative Expenses</b>			<u>7,716,993</u>	<u>63,961</u>	<u>1,592,759</u>	<u>103,923</u>	<u>9,477,635</u>
<b>Admin Loss Ratio</b>			<b>3.0%</b>	<b>3.7%</b>	<b>5.9%</b>	<b>8.4%</b>	<b>3.3%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			357,506	348,073	270,586	130,340	1,106,505
<b>INVESTMENT INCOME</b>			-	-	-	-	1,333,795
<b>NET RENTAL INCOME</b>			-	-	-	-	6,121
<b>NET GRANT INCOME</b>			32,648	-	-	-	32,648
<b>CHANGE IN NET ASSETS</b>			<u>\$ 390,154</u>	<u>\$ 348,073</u>	<u>\$ 270,586</u>	<u>\$ 130,340</u>	<u>\$ 2,479,068</u>
<b>BUDGETED CHANGE IN ASSETS</b>			(1,471,309)	19,289	225,345	(229,497)	(1,312,922)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>1,861,463</u>	<u>328,783</u>	<u>45,241</u>	<u>359,837</u>	<u>3,791,990</u>

**CalOptima - Consolidated - Year to Date  
Statement of Revenues and Expenses by LOB  
For the Six Months Ended December 31, 2016**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
<b>Member Months</b>	3,986,735	691,060	4,677,795	7,250	106,103	1,081	4,792,229
<b>REVENUES</b>							
Capitation Revenue	\$ 1,156,299,527	\$ 313,684,901	\$ 1,469,984,429	\$ 7,696,695	\$ 194,860,506	\$ 7,645,881	\$ 1,680,187,510
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>1,156,299,527</u>	<u>313,684,901</u>	<u>1,469,984,429</u>	<u>7,696,695</u>	<u>194,860,506</u>	<u>7,645,881</u>	<u>1,680,187,510</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	325,265,834	120,093,879	445,359,713	2,362,691	44,289,857		492,012,261
Facilities	257,365,115	97,882,871	355,247,986	1,964,601	57,201,847	1,431,547	415,845,981
Ancillary				261,630	4,517,468	-	4,779,098
Skilled Nursing				304,101	36,113,339	-	36,417,440
Professional Claims	91,469,918	23,468,015	114,937,934	-	-	1,217,680	116,155,614
Prescription Drugs	156,770,274	50,153,940	206,924,214	2,638,435	33,328,250	513,463	243,404,362
Quality Incentives					-	-	-
Long-term Care Facility Payments	267,935,329	18,483,483	286,418,812	-	-	23,511	286,442,323
Contingencies	-	-	-	-	-	-	-
Medical Management	17,555,138	-	17,555,138	57,008	6,067,409	2,357,139	26,036,695
Reinsurance & Other	598,341	2,833,536	3,431,878	26,895	564,336	581,410	4,604,518
<b>Total Medical Expenses</b>	<u>1,116,959,950</u>	<u>312,915,725</u>	<u>1,429,875,675</u>	<u>7,615,362</u>	<u>182,082,506</u>	<u>6,124,750</u>	<u>1,625,698,293</u>
<b>Medical Loss Ratio</b>	<b>96.6%</b>	<b>99.8%</b>	<b>97.3%</b>	<b>98.9%</b>	<b>93.4%</b>	<b>80.1%</b>	<b>96.8%</b>
<b>GROSS MARGIN</b>	<b>39,339,577</b>	<b>769,177</b>	<b>40,108,754</b>	<b>81,333</b>	<b>12,778,000</b>	<b>1,521,131</b>	<b>54,489,218</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits			31,091,637	88,965	4,635,382	546,460	36,362,444
Professional Fees			683,740	98,070	308,290	5,000	1,095,099
Purchased Services			4,084,093	135,405	804,713	21,518	5,045,731
Printing and Postage			1,222,255	58,268	465,555	2,000	1,748,078
Depreciation and Amortization			1,834,477			12,247	1,846,725
Other Expenses			5,830,538	1,692	204,718	35,991	6,072,938
Indirect Cost Allocation, Occupancy Expense			(2,006,012)	140,030	4,011,099	13,891	2,159,008
<b>Total Administrative Expenses</b>			<u>42,740,728</u>	<u>522,430</u>	<u>10,429,757</u>	<u>637,107</u>	<u>54,330,022</u>
<b>Admin Loss Ratio</b>			<b>2.9%</b>	<b>6.8%</b>	<b>5.4%</b>	<b>8.3%</b>	<b>3.2%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			(2,631,974)	(441,097)	2,348,243	884,024	159,195
<b>INVESTMENT INCOME</b>			-	-	-	-	2,895,674
<b>NET RENTAL INCOME</b>			-	-	-	-	29,776
<b>NET GRANT INCOME</b>			(19,659)	-	-	-	(19,659)
<b>OTHER INCOME</b>			623	-	-	-	623
<b>CHANGE IN NET ASSETS</b>			<u>\$ (2,651,010)</u>	<u>\$ (441,097)</u>	<u>\$ 2,348,243</u>	<u>\$ 884,024</u>	<u>\$ 3,065,608</u>
<b>BUDGETED CHANGE IN ASSETS</b>			3,021,093	171,808	2,981,950	(1,418,978)	5,615,372
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>(5,672,103)</u>	<u>(612,905)</u>	<u>(633,707)</u>	<u>2,303,002</u>	<u>(2,549,764)</u>

## December 31, 2016 Unaudited Financial Statements

### SUMMARY

#### MONTHLY RESULTS:

- Change in Net Assets is \$2.5 million, \$3.8 million favorable to budget
- Operating surplus is \$1.1 million with a surplus in non-operating of \$1.4 million

#### YEARLY RESULTS:

- Change in Net Assets is \$3.1 million, \$2.5 million unfavorable to budget
- Operating surplus is \$0.2 million with a surplus in non-operating of \$2.9 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>
0.4	(1.5)	1.9	Medi-Cal	(2.7)	3.0	(5.7)
0.3	0.0	0.3	OneCare	(0.4)	0.2	(0.6)
0.3	0.2	0.0	OCC	2.3	3.0	(0.6)
<u>0.1</u>	<u>(0.2)</u>	<u>0.4</u>	PACE	<u>0.9</u>	<u>(1.4)</u>	<u>2.3</u>
<b>1.1</b>	<b>(1.5)</b>	<b>2.6</b>	<b>Operating</b>	<b>0.1</b>	<b>4.8</b>	<b>(4.6)</b>
<u>1.3</u>	<u>0.1</u>	<u>1.2</u>	Inv./Rental Inc, MCO tax	<u>2.9</u>	<u>0.9</u>	<u>2.1</u>
<b>1.3</b>	<b>0.1</b>	<b>1.2</b>	<b>Non-Operating</b>	<b>2.9</b>	<b>0.9</b>	<b>2.1</b>
<b>2.5</b>	<b>(1.3)</b>	<b>3.8</b>	<b>TOTAL</b>	<b>3.1</b>	<b>5.6</b>	<b>(2.5)</b>

**CalOptima**  
**Enrollment Summary**  
**For the Six Months Ended December 31, 2016**

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,246	55,551	3,695	6.7%	Aged	348,935	330,936	17,999	5.4%
619	678	(59)	(8.7%)	BCCTP	3,744	4,058	(314)	(7.7%)
48,766	47,387	1,379	2.9%	Disabled	291,084	284,773	6,311	2.2%
334,073	341,728	(7,655)	(2.2%)	TANF Child	2,008,513	2,038,891	(30,378)	(1.5%)
101,296	109,238	(7,942)	(7.3%)	TANF Adult	616,009	657,470	(41,461)	(6.3%)
3,245	2,711	534	19.7%	LTC	19,568	16,137	3,431	21.3%
234,488	223,384	11,104	5.0%	MCE	1,389,942	1,335,387	54,555	4.1%
<b>781,733</b>	<b>780,675</b>	<b>1,058</b>	<b>0.1%</b>	<b>Medi-Cal</b>	<b>4,677,795</b>	<b>4,667,649</b>	<b>10,146</b>	<b>0.2%</b>
<b>16,810</b>	<b>21,838</b>	<b>(5,028)</b>	<b>(23.0%)</b>	<b>OneCare Connect</b>	<b>106,103</b>	<b>132,324</b>	<b>(26,221)</b>	<b>(19.8%)</b>
<b>183</b>	<b>190</b>	<b>(7)</b>	<b>(3.7%)</b>	<b>PACE</b>	<b>1,081</b>	<b>1,065</b>	<b>16</b>	<b>1.5%</b>
<b>1,275</b>	<b>1,191</b>	<b>84</b>	<b>7.1%</b>	<b>OneCare</b>	<b>7,250</b>	<b>7,328</b>	<b>(78)</b>	<b>(1.1%)</b>
<b>800,001</b>	<b>803,894</b>	<b>(3,893)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>4,792,229</b>	<b>4,808,366</b>	<b>(16,137)</b>	<b>(0.3%)</b>

Enrollment (By Network)								
49,406	48,536	870	1.8%	HMO	290,834	285,522	5,312	1.9%
229,258	235,368	(6,110)	(2.6%)	PHC	1,385,205	1,406,720	(21,515)	(1.5%)
339,364	340,006	(642)	(0.2%)	Shared Risk Group	2,049,841	2,044,896	4,945	0.2%
163,705	156,767	6,938	4.4%	Fee for Service	951,915	930,519	21,396	2.3%
<b>781,733</b>	<b>780,675</b>	<b>1,056</b>	<b>0.1%</b>	<b>Medi-Cal</b>	<b>4,677,795</b>	<b>4,667,649</b>	<b>10,146</b>	<b>0.2%</b>
<b>16,810</b>	<b>21,838</b>	<b>(5,028)</b>	<b>(23.0%)</b>	<b>OneCare Connect</b>	<b>106,103</b>	<b>132,324</b>	<b>(26,221)</b>	<b>(19.8%)</b>
<b>183</b>	<b>190</b>	<b>(7)</b>	<b>(3.7%)</b>	<b>PACE</b>	<b>1,081</b>	<b>1,065</b>	<b>16</b>	<b>1.5%</b>
<b>1,275</b>	<b>1,191</b>	<b>84</b>	<b>7.1%</b>	<b>OneCare</b>	<b>7,250</b>	<b>7,328</b>	<b>(78)</b>	<b>(1.1%)</b>
<b>800,001</b>	<b>803,894</b>	<b>(3,893)</b>	<b>(0.5%)</b>	<b>CalOptima Total</b>	<b>4,792,229</b>	<b>4,808,366</b>	<b>(16,137)</b>	<b>(0.3%)</b>

CalOptima  
Enrollment Trend by Network Type  
Fiscal Year 2017

Network Type	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	MMs
<b>HMO</b>													
Aged	351	350	355	368	363	381	-	-	-	-	-	-	2,168
BCCTP	1	1	1	(8)	2	1	-	-	-	-	-	-	(2)
Disabled	1,799	1,797	1,813	1,866	1,853	1,858	-	-	-	-	-	-	10,986
TANF Child	24,211	24,455	24,733	24,928	24,987	25,083	-	-	-	-	-	-	148,397
TANF Adult	7,929	7,872	7,914	7,850	8,029	7,967	-	-	-	-	-	-	47,561
LTC	-	-	-	-	-	-	-	-	-	-	-	-	-
MCE	12,989	13,224	13,464	14,034	13,897	14,116	-	-	-	-	-	-	81,724
	47,280	47,699	48,280	49,038	49,131	49,406	-	-	-	-	-	-	290,834
<b>PHC</b>													
Aged	1,495	1,464	1,488	1,458	1,427	1,419	-	-	-	-	-	-	8,751
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	7,903	7,872	7,862	7,865	7,804	7,779	-	-	-	-	-	-	47,085
TANF Child	169,358	168,529	169,733	169,714	168,615	168,294	-	-	-	-	-	-	1,014,243
TANF Adult	15,260	14,945	14,649	14,593	14,161	13,880	-	-	-	-	-	-	87,488
LTC	-	-	-	4	-	-	-	-	-	-	-	-	4
MCE	38,002	38,200	37,601	38,070	37,874	37,886	-	-	-	-	-	-	227,633
	232,018	231,010	231,333	231,705	229,881	229,258	-	-	-	-	-	-	1,385,205
<b>Shared Risk Group</b>													
Aged	7,658	7,627	7,635	7,726	7,528	7,546	-	-	-	-	-	-	45,720
BCCTP	-	-	-	8	1	-	-	-	-	-	-	-	9
Disabled	14,428	14,307	14,189	14,253	14,073	14,084	-	-	-	-	-	-	85,334
TANF Child	118,748	118,149	118,421	117,922	116,971	116,744	-	-	-	-	-	-	706,955
TANF Adult	63,849	62,814	62,579	62,266	61,355	60,893	-	-	-	-	-	-	373,756
LTC	-	-	-	3	3	3	-	-	-	-	-	-	9
MCE	140,640	140,811	137,172	139,776	139,565	140,094	-	-	-	-	-	-	838,058
	345,323	343,708	339,996	341,954	339,496	339,364	-	-	-	-	-	-	2,049,841
<b>Fee for Service (Dual)</b>													
Aged	43,684	45,173	45,173	45,522	46,007	46,233	-	-	-	-	-	-	271,792
BCCTP	27	26	24	23	23	23	-	-	-	-	-	-	146
Disabled	19,790	20,086	20,071	20,264	20,375	20,497	-	-	-	-	-	-	121,083
TANF Child	3	2	2	3	4	3	-	-	-	-	-	-	17
TANF Adult	1,179	1,162	1,184	1,197	1,181	1,216	-	-	-	-	-	-	7,119
LTC	2,868	2,910	2,941	2,906	2,940	2,914	-	-	-	-	-	-	17,479
MCE	2,960	2,975	2,721	2,750	2,822	2,893	-	-	-	-	-	-	17,121
	70,511	72,334	72,116	72,665	73,352	73,779	-	-	-	-	-	-	434,757
<b>Fee for Service (Non-Dual)</b>													
Aged	3,746	2,850	3,183	3,608	3,450	3,667	-	-	-	-	-	-	20,504
BCCTP	606	608	598	589	594	595	-	-	-	-	-	-	3,590
Disabled	4,533	4,269	4,390	4,368	4,488	4,548	-	-	-	-	-	-	26,596
TANF Child	22,710	23,011	22,504	23,069	23,658	23,949	-	-	-	-	-	-	138,901
TANF Adult	15,792	16,253	16,501	17,109	17,090	17,340	-	-	-	-	-	-	100,085
LTC	368	370	362	314	334	328	-	-	-	-	-	-	2,076
MCE	35,946	36,543	37,812	36,999	38,607	39,499	-	-	-	-	-	-	225,406
	83,701	83,904	85,350	86,056	88,221	89,926	-	-	-	-	-	-	517,158
<b>MEDI-CAL TOTAL</b>													
Aged	56,934	57,464	57,834	58,682	58,775	59,246	-	-	-	-	-	-	348,935
BCCTP	634	635	623	613	620	619	-	-	-	-	-	-	3,744
Disabled	48,453	48,331	48,325	48,616	48,593	48,766	-	-	-	-	-	-	291,084
TANF Child	335,030	334,146	335,393	335,636	334,235	334,073	-	-	-	-	-	-	2,008,513
TANF Adult	104,009	103,046	102,827	103,015	101,816	101,296	-	-	-	-	-	-	616,009
LTC	3,236	3,280	3,303	3,227	3,277	3,245	-	-	-	-	-	-	19,568
MCE	230,537	231,753	228,770	231,629	232,765	234,488	-	-	-	-	-	-	1,389,942
	778,833	778,655	777,075	781,418	780,081	781,733	-	-	-	-	-	-	4,677,795
<b>PACE</b>	177	179	179	180	183	183	-	-	-	-	-	-	1,081
<b>OneCare</b>	1,171	1,164	1,192	1,220	1,228	1,275	-	-	-	-	-	-	7,250
<b>OneCare Connect</b>	18,902	18,245	17,727	17,352	17,067	16,810	-	-	-	-	-	-	106,103
<b>TOTAL</b>	799,083	798,243	796,173	800,170	798,559	800,001	-	-	-	-	-	-	4,792,229



## **ENROLLMENT:**

**Overall MTD** enrollment was 800,001

- Unfavorable to budget by 3,893
- Increased 1,442 or 0.2% from prior month
- Increased 4,134 or 0.5% from prior year (December 2015)

**Medi-Cal** enrollment was 781,733

- Favorable to budget by 1,058
  - Expansion favorable by 11,104
  - SPD favorable by 5,015
  - LTC favorable by 534
  - TANF unfavorable by 15,597
- Increased 1,652 from prior month

**OneCare Connect** enrollment was 16,810

- Unfavorable to budget by 5,028
- Decreased 257 from prior month

**OneCare** enrollment was 1,275

- Favorable to budget by 84
- Increased 47 from prior month

**PACE** enrollment at 183

- Under budget by 7
- No change from prior month

**CalOptima - MediCal Total  
Statement of Revenues and Expenses  
For the Six Months Ended December 31, 2016**

Actual	Month Budget	\$ Variance	% Variance
781,733	780,675	1,058	0.1%
254,785,867	234,873,714	19,912,153	8.5%
254,785,867	234,873,714	19,912,153	8.5%
75,005,405	75,177,809	172,405	0.2%
60,920,651	57,253,617	(3,667,034)	(6.4%)
21,306,197	17,763,617	(3,542,580)	(19.9%)
33,088,906	34,964,893	1,875,987	5.4%
52,695,659	37,548,060	(15,147,599)	(40.3%)
3,129,613	4,457,226	1,327,613	29.8%
564,937	16,667	(548,271)	(3,289.6%)
246,711,368	227,181,889	(19,529,479)	(8.6%)
8,074,499	7,691,825	382,674	5.0%
5,211,983	6,846,893	1,634,910	23.9%
62,924	329,112	266,188	80.9%
797,821	746,298	(51,522)	(6.9%)
320,761	311,420	(9,341)	(3.0%)
357,681	383,061	25,380	6.6%
916,914	1,087,051	170,138	15.7%
48,909	(540,702)	(589,611)	(109.0%)
7,716,993	9,163,134	1,446,141	15.8%
10,224,768	8,846,638	(1,378,130)	(15.6%)
10,225,313	0	(10,225,313)	0.0%
(545)	8,846,638	8,847,183	100.0%
0	0	0	0.0%
300,000	287,500	12,500	4.3%
255,000	250,000	(5,000)	(2.0%)
12,352	37,500	25,148	67.1%
32,648	0	32,648	0.0%
0	0	0	0.0%
390,154	(1,471,309)	1,861,463	126.5%
=====	=====	=====	=====
96.8%	96.7%	-0.1%	-0.1%
3.0%	3.9%	0.9%	22.4%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	4,677,795	4,667,649	10,146	0.2%
Revenues				
Capitation revenue	1,469,984,429	1,402,935,988	67,048,441	4.8%
Total Operating Revenues	1,469,984,429	1,402,935,988	67,048,441	4.8%
Medical Expenses				
Provider capitation	445,359,713	449,943,056	4,583,343	1.0%
Facilities	355,247,986	338,521,038	(16,726,948)	(4.9%)
Professional Claims	114,937,934	102,128,046	(12,809,888)	(12.5%)
Prescription drugs	206,924,214	205,874,044	(1,050,170)	(0.5%)
MLTSS	286,418,812	222,708,815	(63,709,998)	(28.6%)
Medical Management	17,555,138	26,446,950	8,891,812	33.6%
Reinsurance & other	3,431,878	100,000	(3,331,878)	(3,331.9%)
Total Medical Expenses	1,429,875,675	1,345,721,948	(84,153,726)	(6.3%)
Gross Margin	40,108,754	57,214,039	(17,105,285)	(29.9%)
Administrative Expenses				
Salaries, wages & employee benefits	31,091,637	40,473,070	9,381,433	23.2%
Professional fees	683,740	1,839,208	1,155,468	62.8%
Purchased services	4,084,093	4,357,581	273,487	6.3%
Printing and postage	1,222,255	1,877,445	655,191	34.9%
Depreciation & amortization	1,834,477	2,298,366	463,889	20.2%
Other operating expenses	5,830,538	6,586,640	756,103	11.5%
Indirect cost allocation	(2,006,012)	(3,239,364)	(1,233,352)	(38.1%)
Total Administrative Expenses	42,740,728	54,192,947	11,452,219	21.1%
Operating Tax				
Tax Revenue	73,556,907	52,928,297	(20,628,609)	(39.0%)
Premium tax expense	61,351,878	0	(61,351,878)	0.0%
Sales tax expense	12,205,028	52,928,297	40,723,269	76.9%
Total Net Operating Tax	0	0	0	0.0%
Grant Income				
Grant Revenue	607,500	1,725,000	(1,117,500)	(64.8%)
Grant expense - Service Partner	516,375	1,500,000	983,625	65.6%
Grant expense - Administrative	110,784	225,000	114,216	50.8%
Total Net Grant Income	(19,659)	0	(19,659)	0.0%
Other income	623	0	623	0.0%
Change in Net Assets	(2,651,010)	3,021,093	(5,672,103)	(187.8%)
Medical Loss Ratio	97.3%	95.9%	-1.3%	-1.4%
Admin Loss Ratio	2.9%	3.9%	1.0%	24.7%

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

**REVENUES** of \$254.8 million are favorable to budget by \$19.9 million, driven by:

- Price related favorable variance of: \$19.6 million due:
  - \$10.0 million for IGT and QAF revenue true-up from FY15
  - \$5.9 million of LTC revenue for non-LTC members
  - \$3.0 million of additional revenue for behavior health therapy benefits for Kaiser members, primarily from prior year
- Volume related favorable variance of: \$0.3 million

**MEDICAL EXPENSES:** Overall \$246.7 million, unfavorable to budget by \$19.5 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget \$15.1 million due to:
  - IHSS related unfavorable variance of approximately \$9.8 million
  - LTC unfavorable variance of \$5.4 million driven by:
    - \$3.4 million higher LTC claim expense due to less than anticipated members enrolling in OneCare Connect
    - \$2.0 million variance from FY17 mandated rate increase
- **Professional claims** are unfavorable to budget \$3.5 million due to:
  - Price related unfavorable variance of: \$3.5 million related to higher IBNR expense in COD and Crossiver categories

**ADMINISTRATION EXPENSES** are \$7.7 million, favorable to budget \$1.4 million, driven by:

- Salary & Benefits: \$1.6 million favorable to budget
- Non-Salary: \$0.2 million unfavorable to budget

**CHANGE IN NET ASSETS** is \$0.4 million for the month, favorable to budget by \$1.9 million

**CalOptima - OneCare Connect  
Statement of Revenues and Expenses  
For the Six Months Ended December 31, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
16,810	21,838	(5,028)	(23.0%)	Member Months	106,103	132,324	(26,221)	(19.8%)
				Revenues				
27,219,789	45,018,883	(17,799,094)	(39.5%)	Capitation revenue	194,860,506	272,782,979	(77,922,473)	(28.6%)
27,219,789	45,018,883	(17,799,094)	(39.5%)	Total Operating Revenue	194,860,506	272,782,979	(77,922,473)	(28.6%)
				Medical Expenses				
7,379,996	9,912,983	2,532,987	25.6%	Provider capitation	44,289,857	60,065,753	15,775,896	26.3%
6,576,350	11,464,354	4,888,004	42.6%	Facilities	57,201,847	69,081,726	11,879,879	17.2%
774,298	683,311	(90,987)	(13.3%)	Ancillary	4,517,468	4,140,385	(377,083)	(9.1%)
5,158,647	10,315,293	5,156,646	50.0%	Long Term Care	36,113,339	62,503,467	26,390,128	42.2%
4,329,045	8,196,206	3,867,161	47.2%	Prescription drugs	33,328,250	48,686,257	15,358,007	31.5%
1,047,645	1,276,923	229,278	18.0%	Medical management	6,067,409	7,379,111	1,311,701	17.8%
90,464	628,914	538,450	85.6%	Other medical expenses	564,336	3,810,780	3,246,444	85.2%
25,356,444	42,477,984	17,121,539	40.3%	Total Medical Expenses	182,082,506	255,667,479	73,584,973	28.8%
1,863,345	2,540,899	(677,555)	(26.7%)	Gross Margin	12,778,000	17,115,500	(4,337,500)	(25.3%)
				Administrative Expenses				
864,690	968,554	103,864	10.7%	Salaries, wages & employee benefits	4,635,382	5,674,126	1,038,744	18.3%
2,308	86,521	84,213	97.3%	Professional fees	308,290	439,520	131,230	29.9%
178,224	181,585	3,361	1.9%	Purchased services	804,713	1,071,822	267,109	24.9%
232,019	136,845	(95,175)	(69.5%)	Printing and postage	465,555	806,958	341,403	42.3%
35,738	4,560	(31,179)	(683.8%)	Other operating expenses	204,718	516,181	311,463	60.3%
279,779	937,491	657,712	70.2%	Indirect cost allocation, Occupancy Expense	4,011,099	5,624,944	1,613,845	28.7%
1,592,759	2,315,555	722,796	31.2%	Total Administrative Expenses	10,429,757	14,133,551	3,703,794	26.2%
(184,247)	0	(184,247)	0.0%	Operating Tax				
(184,247)	0	184,247	0.0%	Tax Revenue	(228,885)	0	(228,885)	0.0%
				Sales tax expense	(228,885)	0	228,885	0.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
270,586	225,345	45,241	20.1%	Change in Net Assets	2,348,243	2,981,950	(633,707)	(21.3%)
93.2%	94.4%	1.2%	1.3%	Medical Loss Ratio	93.4%	93.7%	0.3%	0.3%
5.9%	5.1%	-0.7%	-13.8%	Admin Loss Ratio	5.4%	5.2%	-0.2%	-3.3%

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

**REVENUES** of \$27.2 million are unfavorable to budget by \$17.8 million driven by:

- Price related unfavorable variance of: \$7.4 million due to cohort experience (\$1.6M), as well as a CMC Medi-Cal capitation rate adjustment for prior year (\$5.8M)
- Volume related unfavorable variance of: \$10.4 million due to lower than budgeted enrollment

**MEDICAL EXPENSES** are favorable to budget \$17.1 million due to:

- Corresponding to revenue, and lower prescription drug and long-term care experience

**ADMINISTRATIVE EXPENSES** are favorable to budget by \$0.7 million

**CHANGE IN NET ASSETS** is \$0.3 million, in line with budget

**CalOptima - OneCare  
Statement of Revenues and Expenses  
For the Six Months Ended December 31, 2016**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,275	1,191	84	7.1%	Member Months	7,250	7,328	(78)	(1.1%)
1,740,853	1,360,915	379,938	27.9%	Revenues	7,696,695	8,402,693	(705,998)	(8.4%)
1,740,853	1,360,915	379,938	27.9%	Capitation revenue	7,696,695	8,402,693	(705,998)	(8.4%)
				Total Operating Revenue	7,696,695	8,402,693	(705,998)	(8.4%)
475,522	368,906	(106,616)	(28.9%)	Medical Expenses	2,362,691	2,280,945	(81,746)	(3.6%)
246,359	304,231	57,872	19.0%	Provider capitation	1,964,601	1,872,362	(92,239)	(4.9%)
47,325	47,586	261	0.5%	Inpatient	261,630	290,001	28,371	9.8%
110,029	22,650	(87,379)	(385.8%)	Ancillary	304,101	137,887	(166,214)	(120.5%)
445,054	455,022	9,968	2.2%	Skilled nursing facilities	2,638,435	2,800,007	161,572	5.8%
30	50,848	50,818	99.9%	Prescription drugs	57,008	159,156	102,148	64.2%
4,500	(9,910)	(14,410)	(145.4%)	Medical management	26,895	108,251	81,356	75.2%
1,328,819	1,239,333	(89,486)	(7.2%)	Other medical expenses	7,615,362	7,648,609	33,247	0.4%
				Total Medical Expenses				
412,034	121,582	290,452	238.9%	Gross Margin	81,333	754,084	(672,751)	(89.2%)
(42,646)	22,009	64,654	293.8%	Administrative Expenses	88,965	128,204	39,239	30.6%
20,889	17,619	(3,270)	(18.6%)	Salaries, wages & employee benefits	98,070	84,286	(13,784)	(16.4%)
37,822	19,373	(18,450)	(95.2%)	Professional fees	135,405	116,344	(19,062)	(16.4%)
34,085	13,710	(20,375)	(148.6%)	Purchased services	58,268	75,949	17,681	23.3%
0	89	89	100.0%	Printing and postage	1,692	532	(1,160)	(218.3%)
13,811	29,494	15,683	53.2%	Other operating expenses	140,030	176,961	36,931	20.9%
63,961	102,293	38,331	37.5%	Indirect cost allocation, Occupancy Expense	522,430	582,276	59,846	10.3%
348,073	19,289	328,783	1,704.5%	Total Administrative Expenses	(441,097)	171,808	(612,905)	(356.7%)
=====	=====	=====	=====	Change in Net Assets	=====	=====	=====	=====
76.3%	91.1%	14.7%	16.2%	Medical Loss Ratio	98.9%	91.0%	-7.9%	-8.7%
3.7%	7.5%	3.8%	51.1%	Admin Loss Ratio	6.8%	6.9%	0.1%	2.0%

**CalOptima - PACE**  
**Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2016**

Month					Year - To - Date			
		\$	%				\$	%
Actual	Budget	Variance	Variance		Actual	Budget	Variance	Variance
183	190	(7)	(3.7%)	Member Months	1,081	1,065	16	1.5%
				Revenues				
908,737	850,510	58,227	6.8%	Medi-Cal capitation revenue	5,753,876	4,765,098	988,777	20.8%
325,904	353,415	(27,511)	(7.8%)	MediCare capitation revenue	1,892,005	1,968,506	(76,501)	(3.9%)
1,234,641	1,203,925	30,716	2.6%	Total Operating Revenues	7,645,881	6,733,604	912,276	13.5%
				Medical Expenses				
297,160	405,480	108,320	26.7%	Clinical salaries & benefits	1,733,699	2,378,666	644,967	27.1%
0	0	0	0.0%	Pace Center Support salaries & benefits	0	0	0	0.0%
207,168	247,354	40,185	16.2%	Claims payments to hospitals	1,431,547	1,371,364	(60,183)	(4.4%)
210,989	263,277	52,287	19.9%	Professional Claims	1,217,680	1,450,263	232,582	16.0%
86,791	141,346	54,555	38.6%	Prescription drugs	513,463	783,645	270,182	34.5%
2,297	25,333	23,036	90.9%	Long-term care facility payments	23,511	140,452	116,941	83.3%
82,116	78,638	(3,477)	(4.4%)	Patient Transportation	403,909	435,983	32,074	7.4%
49,564	49,349	(215)	(0.4%)	Depreciation & amortization	293,934	296,094	2,160	0.7%
37,655	37,214	(441)	(1.2%)	Occupancy expenses	225,929	223,284	(2,645)	(1.2%)
7,286	13,833	6,547	47.3%	Utilities & Facilities Expense	102,688	82,998	(19,690)	(23.7%)
0	288	288	100.0%	Purchased Services	889	1,597	708	44.3%
10,084	24,547	14,463	58.9%	Indirect Allocation	107,468	147,282	39,814	27.0%
9,266	22,785	13,519	59.3%	Other Expenses	70,033	136,711	66,678	48.8%
1,000,378	1,309,445	309,066	23.6%	Total Medical Expenses	6,124,750	7,448,338	1,323,588	17.8%
234,263	(105,520)	339,782	322.0%	Gross Margin	1,521,131	(714,734)	2,235,865	312.8%
				Administrative Expenses				
95,288	95,116	(173)	(0.2%)	Salaries, wages & employee benefits	546,460	555,647	9,187	1.7%
(9,691)	11,667	21,358	183.1%	Professional fees	5,000	45,000	40,000	88.9%
5,821	988	(4,833)	(489.2%)	Purchased services	21,518	6,072	(15,446)	(254.4%)
275	1,703	1,428	83.9%	Printing and postage	2,000	10,499	8,499	81.0%
2,065	2,056	(9)	(0.4%)	Depreciation & amortization	12,247	12,337	90	0.7%
8,175	11,426	3,250	28.4%	Other operating expenses	35,991	68,553	32,562	47.5%
1,989	1,023	(966)	(94.5%)	Indirect cost allocation, Occupancy Expense	13,891	6,136	(7,754)	(126.4%)
103,923	123,977	20,055	16.2%	Total Administrative Expenses	637,107	704,244	67,137	9.5%
130,340	(229,497)	359,837	156.8%	Change in Net Assets	884,024	(1,418,978)	2,303,002	162.3%
=====	=====	=====	=====		=====	=====	=====	=====
81.0%	108.8%	27.7%	25.5%	Medical Loss Ratio	80.1%	110.6%	30.5%	27.6%
8.4%	10.3%	1.9%	18.3%	Admin Loss Ratio	8.3%	10.5%	2.1%	20.3%

**CalOptima - Building 505 City Parkway**  
**Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2016**

Month				Year - To - Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				Revenues				
24,056	21,285	2,772	13.0%	Revenues				
				Rental income	144,339	127,710	16,629	13.0%
24,056	21,285	2,772	13.0%	Total Operating Revenue	144,339	127,710	16,629	13.0%
				Administrative Expenses				
1,525	2,085	560	26.8%	Professional fees	8,571	12,510	3,939	31.5%
28,505	22,405	(6,100)	(27.2%)	Purchase services	179,554	134,429	(45,125)	(33.6%)
158,794	210,141	51,347	24.4%	Depreciation & amortization	938,196	1,260,845	322,648	25.6%
16,000	14,300	(1,700)	(11.9%)	Insurance expense	96,003	85,802	(10,201)	(11.9%)
93,019	189,537	96,518	50.9%	Repair and maintenance	585,449	1,137,224	551,775	48.5%
28,774	0	(28,774)	0.0%	Other Operating Expense	278,472	0	(278,472)	0.0%
(308,682)	(352,100)	(43,418)	(12.3%)	Indirect allocation, Occupancy Expense	(1,971,682)	(2,112,599)	(140,917)	(6.7%)
17,936	86,368	68,433	79.2%	Total Administrative Expenses	114,563	518,210	403,647	77.9%
6,121	(65,083)	71,204	109.4%	Change in Net Assets	29,776	(390,500)	420,276	107.6%



**OTHER STATEMENTS – DECEMBER MONTH:**

**ONECARE INCOME STATEMENT**

**REVENUES** of \$1.7 million are favorable to budget by \$0.4 million due to actual membership experience

**CHANGE IN NET ASSETS** is \$0.3 million, \$0.3 million favorable to budget

**PACE INCOME STATEMENT**

- **Change in Net Assets** for the month is \$130.3 thousand, which is operating favorable to budget by \$359.8 thousand

**505 CITY PARKWAY BUILDING INCOME STATEMENT**

- **Change in Net Assets** for the month is \$6.1 thousand which is favorable to budget \$71.2 thousand

**CalOptima**  
**BALANCE SHEET**  
**December 31, 2016**

**ASSETS**

Current Assets

Operating Cash	\$686,243,544
Catastrophic Reserves	11,637,915
Investments	1,291,463,357
Capitation receivable	323,152,084
Receivables - Other	24,819,684
Prepaid Expenses	11,088,967

**Total Current Assets**

**2,348,405,551**

Capital Assets Furniture and equipment

33,303,693

Leasehold improvements

7,785,652

505 City Parkway West

49,269,863

90,359,207

Less: accumulated depreciation

(34,882,362)

Capital assets, net

**55,476,846**

Other Assets Restricted deposit & Other

300,000

Board-designated assets

Cash and cash equivalents

3,158,986

Long term investments

527,676,111

Total Board-designated Assets

530,835,097

**Total Other Assets**

**531,135,097**

Deferred outflows of Resources - Pension Contributions

3,787,544

Deferred outflows of Resources - Difference in Experience

1,215,473

**TOTAL ASSETS & OUTFLOWS**

**2,940,020,510**

**LIABILITIES & FUND BALANCES**

Current Liabilities

Accounts payable	\$41,160,847
Medical claims liability	717,681,422
Accrued payroll liabilities	8,691,224
Deferred revenue	962,318,501
Deferred lease obligations	267,070
Capitation and withholds	505,544,188

**Total Current Liabilities**

**2,235,663,252**

Other employment benefits liability

28,926,866

Net Pension Liabilities

10,543,065

Long Term Liabilities

100,000

**TOTAL LIABILITIES**

**2,275,233,183**

Deferred inflows of Resources - Excess Earnings

502,900

Deferred inflows of Resources - changes in Assumptions

1,651,640

Tangible net equity (TNE)

94,663,492

Funds in excess of TNE

567,969,295

**Net Assets**

**662,632,787**

**TOTAL LIABILITIES, INFLOWS & FUND BALANCES**

**2,940,020,510**

**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of December 31, 2016**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,148,288				
	Tier 1 - Logan Circle	144,852,055				
	Tier 1 - Wells Capital	144,950,870				
		434,951,213	277,968,755	437,668,289	156,982,458	(2,717,076)
TNE Requirement	Tier 2 - Logan Circle	95,883,884	94,663,492	94,663,492	1,220,392	1,220,392
<b>Consolidated:</b>		<b>530,835,097</b>	<b>372,632,247</b>	<b>532,331,781</b>	<b>158,202,850</b>	<b>(1,496,685)</b>
<i>Current reserve level</i>		1.99	1.40	2.00		

**CalOptima**  
**Statement of Cash Flows**  
**December 31, 2016**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	2,479,068	3,065,608
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	359,746	1,846,725
Changes in assets and liabilities:		
Prepaid expenses and other	(36,815)	(4,304,720)
Catastrophic reserves		
Capitation receivable	241,834,170	138,779,239
Medical claims liability	(182,068,811)	118,986,564
Deferred revenue	91,075,933	371,615,860
Payable to providers	(5,967,450)	103,717,886
Accounts payable	9,592,622	32,605,001
Other accrued liabilities	861,342	5,144,365
Net cash provided by/(used in) operating activities	<u>158,129,806</u>	<u>771,456,528</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	119,094,602	(272,198,725)
Purchase of property and equipment	(2,911)	(2,328,006)
Change in Board designated reserves	(5,330,285)	(54,999,731)
Net cash provided by/(used in) investing activities	<u>113,761,406</u>	<u>(329,526,462)</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 271,891,212	 441,930,065
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$425,990,247</u>	 <u>255,951,393</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u><u>\$ 697,881,459</u></u>	 <u><u>\$ 697,881,459</u></u>

## **BALANCE SHEET:**

**ASSETS** Decreased \$84.0 million from November

- **Cash and Cash Equivalents** increased by \$271.9 million from November based upon timing of state checks received, month-end cut-off and cash funding requirements
- **Net Capitation Receivables** decreased \$246.9 million based upon payment receipt timing along with QAF and IGT payments received
- **Investments** decreased \$119.1 million due to payment receipt timing and cash funding requirements

**LIABILITIES** decreased \$86.5 million from November

- **Medical Claims Liability** decreased by \$182.1 million from November due to:
  - IGT & QAF payments
- **Total Capitation Payable** decreased \$6.0 million based upon timing of pool estimates, recalculations and payouts
- **Accrued Expenses** increased \$12.0 million due to monthly sales tax accrual

**NET ASSETS** are \$662.6 million

**CalOptima Foundation**  
**Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2016**  
**Consolidated**

Month					Year - To - Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
<b>Revenues</b>									
0	2,264	(2,264)	(100.0%)	Income - Grant	27,164	13,586	13,578	99.9%	
2,083	0	2,083	100.0%	In Kind Revenue - HITEC Grant	66,163	0	66,163	100.0%	
2,083	2,264	(181)	(8.0%)	Total Operating Revenue	93,327	13,586	79,741	586.9%	
<b>Operating Expenditures</b>									
0	6,184	6,184	100.0%	Personnel	27,195	37,105	9,910	26.7%	
0	2,985	2,985	100.0%	Taxes and Benefits	26,240	17,909	(8,331)	(46.5%)	
0	0	0	0.0%	Travel	(3)	0	3	(100.0%)	
0	0	0	0.0%	Supplies	7,009	10,000	2,991	29.9%	
0	0	0	0.0%	Contractual	20,388	17,174	(3,214)	(18.7%)	
2,083	232,065	229,982	99.1%	Other	12,498	1,392,391	1,379,893	99.1%	
2,083	241,234	239,151	99.1%	Total Operating Expenditures	93,327	1,474,579	1,381,252	93.7%	
0	0	0	0.0%	Investment Income	0	0	0	0.0%	
0	(238,970)	(238,970)	(100.0%)	Program Income	0	(1,460,993)	(1,460,993)	(100.0%)	
=====	=====	=====	=====		=====	=====	=====	=====	

**CalOptima Foundation  
Balance Sheet  
December 31, 2016**

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

## **CALOPTIMA FOUNDATION – DECEMBER MONTH**

### **INCOME STATEMENT:**

#### **Revenues**

- Revenues from Health Information Technology for Economics and Clinical Health (HITEC) and in-kind contributions from CalOptima
  - The Foundation recognized \$93,327 FY17 YTD in total operating revenues.
  - HITEC Grant revenue totaled \$27,164 YTD which leaves zero balance in HITEC Grant funding as of December 2016
  - CalOptima in-kind contribution totaled \$66,163 YTD
- Revenue budget variances attributed to:
  - YTD: CalOptima grant budget is zero, as the ONC grant funding was to have ended in the previous fiscal year. The grant was extended through September 26, 2016.
  - CalOptima in-kind revenue was not included in FY17 budget

#### **Expenses**

- \$93,327 for grant related activities incurred YTD FY17
- Expense categories include staff services, travel and miscellaneous supplies
  - \$1,381,252 favorable variance YTD
  - FY17 budget was based on remaining fund balance in Foundation total assets
  - Actual expenses were much lower than anticipated for CalOptima support activities

### **BALANCE SHEET:**

#### **Assets**

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

#### **Liabilities**

- Zero



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

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	OneCare Connect	Office of Compliance - Professional Fees (Consultant for Annual CPE Audit & CMS Mock Audit)	Office of Compliance - Professional Fees - Consultant for DMHC Mock Audit	\$69,000	Re-purpose \$53,631 from Professional Fees (Consultant for Annual CPE Audit) and \$15,369 from Professional Fees (Consultant for CMS Mock Audit) to pay for consultant for DMHC Mock Audit	2017
July	COREC	REC - Other	REC - Comp Supply/Minor Equip	\$10,000	Re-allocate funds to cover costs for computer equipment upgrade which is approved ONC grant managers	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$63,810	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Ceridian Software Maintenance	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$15,010	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Talentova Learning Management System	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$23,900	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for Silk Road	2017
July	Medi-Cal	Claims Administration - Purchased Services - Integration of Claim Editing Software	Claims Administration - Purchased Services - LTC Rate Adjustments	\$98,000	Re-purpose funds from within Purchased Services (Integration of Claim Editing Software) to pay for LTC Adjustments (TriZetto Robot Process)	2017
July	Medi-Cal	Human Resources - Advertising, Travel, Comp Supply/Minor Equip, Subscriptions, Courier/Delivery	Human Resources - Professional Fees (Salary & Compensation Research), Public Activities, Office Supplies, Food Service Supplies, Professional Dues, Training & Seminars, Cert./Cont. Education	\$84,491	Re-allocate HR FY17 Budget based on HR dept's past spending trends to better meet department's need	2017
July	Medi-Cal	IS-Infrastructure - Telephone - General Telecommunication and Network Connectivity	IS-Infrastructure - Purchased Services - Disaster Recovery Services	\$35,575	Re-allocate funds from Telephone (General Telecommunication and Network Connectivity) to Purchased Services to pay for Disaster Recovery Services	2017
August	Medi-Cal	Other Pay	Quality Analytics - Purchased Services	\$67,000	Re-allocate funds to Quality Analytics Purchased Services for additional funds that is needed for CG-CAHPS survey	2017
August	Medi-Cal	Other Pay	Community Relations - Professional Fees & Printing	\$43,640	Re-allocate funds to Community Relations Professional Fees and Printing budgets for contracts with Tony Lam and Communications Lab and printing costs of Community Option Fair	2017
August	Medi-Cal	IS-Application Management - Purchased Services - Healthcare Productivity Automation	IS-Application Management - Purchased Services - Direct Hire Fees	\$10,957	Re-purpose funds from Purchased Services (Healthcare Productivity Automation) to pay for Direct Hire fees	2017
August	Medi-Cal	Other Pay	IS-Application Development - Comp Supplies/Minor Equipments	\$20,400	Re-allocate funds to cover costs of DocuSign, Box, and Primal Script 2016	2017
August	Medi-Cal	Claims Administration - Purchased Services	Claims Administration - Office Supplies, Training & Seminars, Printing	\$15,000	Re-allocate funds from Purchased Services (Integration of Claim Editing Software & Inventory Management Forecasting) to Office Supplies, Training & Seminars, and Printing to better meet department's needs	2017
September	Medi-Cal	Health Education & Disease Management - Professional Fees	Health Education & Disease Management - Other Operating Expenses	\$30,000	Re-allocate funds from Professional Fees (Childhood Obesity Program Design & Evaluation) to Member & Provider Incentives to support incentives for the Group Needs Assessment (GNA) and other Health Education / Disease Management activities.	2017
October	Capital	Facilities - Relocate Trash Enclosure	Facilities - 505 Sound Recording System	\$50,555	Re-allocate from Relocate Trash Enclosure project for additional funds that are needed for the 505 Sound Recording System project.	2017
October	Medi-Cal	IS-Infrastructure - Professional Fees - Enterprise Identity Access Management	IS-Infrastructure - HW/SW Maintenance - Information Security Data Loss Prevention Solution	\$21,041	Re-allocate from Professional Services for an Enterprise Identity Access Management to HW/SW Maintenance for Information Security Data Loss Prevention Solution Annual Maintenance on additional funds that are needed.	2017
October	Medi-Cal	Facilities - Computer Supply/Minor Equipment - Office Furniture & Equipment	Facilities - Computer Supply/Minor Equipment - Other Articles of Minor Equipment	\$27,000	Repurpose funds in Comp supply/minor equipment for re-upholstering chairs in the member service lobby and other minor equipment expenses to better meet the Department's need.	2017
December	Medi-Cal	Human Resources - Professional Fees - Executive Coaching	Human Resources - Professional Fees - Consultant Fees	\$20,000	Repurpose from Executive Coaching for interim director of HR consultant fees	2017
December	Medi-Cal	Health Education & Disease Management - Medical Management Activities	Health Education & Disease Management - Medical Management Activities	\$75,000	Repurpose funds for the department printing and postage needs	2017

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



# CalOptima

Better. Together.

## Financial Summary

### November 2016

Board of Directors Meeting  
February 2, 2017

Nancy Huang  
Interim Chief Financial Officer

# FY 2016-17: Consolidated Enrollment

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- November 2016 MTD:
  - Overall enrollment was 798,559 member months
    - Actual lower than budget by 4,430 or 0.6%
      - Medi-Cal: favorable variance of 398 members
      - OneCare Connect: unfavorable variance of 4,851 members
    - 0.2% or 1,611 decrease from prior month
      - OneCare Connect: decrease of 285 from October
      - Medi-Cal: decrease of 1,337 from October

# FY 2016-17: Consolidated Enrollment

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- November 2016 YTD:
  - Overall enrollment was 3,992,228 member months
    - Actual lower than budget by 12,244 or 0.3%
      - Medi-Cal: favorable variance of 9,088 members
        - Medi-Cal Expansion (MCE) growth higher than budget
        - SPD enrollment higher than budget due to less than anticipated dual eligible members transferring to OneCare Connect
        - Offset by lower than budget TANF enrollment
      - OneCare Connect: unfavorable variance of 21,193 members or 19.2%
      - OneCare: unfavorable variance of 162 members or 2.6%
      - PACE: favorable variance of 23 members or 2.6%
    - 1.2% or 9,711 increase in enrollment from prior year

# FY 2016-17: Consolidated Revenues

- November 2016 MTD:

- Actual lower than budget by \$10.1 million or 3.6%
  - Medi-Cal: favorable to budget by \$9.2 million
    - Favorable price variance of \$9.1 million
      - Recognition of fiscal 2017 DHCS long-term care payments for NON-LTC aid category members.
      - Offset by YTD IHSS rates adjustment for dual members.
    - Favorable volume variance of \$0.1 million
  - OneCare Connect: unfavorable variance of \$19.2 million
    - Unfavorable price variance of \$9.2 million
      - CMC Eligible capitation rate adjustment (\$6.3 million)
      - Saving target adjustments (\$1.7 million)
    - Unfavorable volume variance of \$10.0 million due to lower enrollment
  - OneCare: unfavorable to budget by \$0.1 million

- November 2016 YTD:

- Actual lower than budget by \$13.2 million or 0.9%
  - Medi-Cal: favorable to budget by \$47.1 million
  - OneCare Connect: unfavorable variance of \$60.1 million

# FY 2016-17: Consolidated Medical Expenses

- November 2016 MTD:
  - Actual lower than budget by \$2.0 million or 0.8%
    - Medi-Cal: unfavorable variance of \$15.8 million
      - MLTSS unfavorable variance \$11.1 million
        - IHSS related unfavorable variance approximately \$5.3 million
        - LTC unfavorable variance \$5.4 million
          - \$3.4 million highest LTC Claim expense due to less than anticipated members enrolling in OneCare Connect
          - \$2.0 million variance from FY17 mandated rate increase accrual
      - Professional Claims unfavorable \$3.4 million due to higher IBNR expense in COD and Crossover categories
    - OneCare Connect: favorable variance of \$18.0 million (in-line with lower enrollment)
      - Favorable volume variance of \$9.3 million
      - Favorable price variance of \$8.7 million

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

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- November 2016 YTD:

- Actual higher than budget by \$7.0 million or 0.5%
  - Medi-Cal: unfavorable variance of \$64.6 million
    - Unfavorable price variance of \$62.0 million
      - IHSS estimated expense \$26.1 million higher than budget
      - Long Term Care expense \$22.5 million higher than budget
      - Facilities expense \$13.1 million higher than budget
    - Unfavorable volume variance of \$2.6 million
  - OneCare Connect: favorable variance of \$56.5 million
    - Favorable volume variance of \$40.9 million
    - Favorable price variance of \$15.6 million

- Medical Loss Ratio (MLR):

- November 2016 MTD:      Actual: 97.5%      Budget: 94.8%
- November 2016 YTD:      Actual: 96.9%      Budget: 95.4%

# FY 2016-17: Consolidated Administrative Expenses

- November 2016 MTD:
  - Actual lower than budget by \$2.9 million or 26.0%
    - Salaries and Benefits: favorable variance of \$1.4 million
    - Other categories: favorable variance of \$1.5 million
- November 2016 YTD:
  - Actual lower than budget by \$13.1 million or 22.5%
    - Salaries and Benefits: favorable variance of \$8.7 million driven by lower than budgeted FTE of 352
    - Other categories: favorable variance of \$4.4 million
- Administrative Loss Ratio (ALR):

➤ November 2016 MTD:	Actual: 3.1%	Budget: 4.0%
➤ November 2016 YTD:	Actual: 3.2%	Budget: 4.1%



# FY 2016-17: Change in Net Assets

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- November 2016 MTD:

- \$3.5 million deficit
- \$7.1 million unfavorable to budget
  - Lower than budgeted revenue of \$10.1 million
  - Lower medical expenses of \$2.0 million
  - Lower administrative expenses of \$2.9 million
  - Lower investment income of \$2.1 million

- November 2016 YTD:

- \$0.6 million surplus
- \$6.3 million unfavorable to budget
  - Lower than budgeted revenue of \$13.2 million
  - Higher medical expenses of \$7.0 million
  - Lower administrative expenses of \$13.1 million
  - Higher investment income of \$0.5 million

# Enrollment Summary: November 2016

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
58,775	55,394	3,381	6.1%	Aged	289,689	275,385	14,304	5.2%
620	677	(57)	(8.4%)	BCCTP	3,125	3,380	(255)	(7.5%)
48,593	47,415	1,178	2.5%	Disabled	242,318	237,386	4,932	2.1%
334,235	340,967	(6,732)	(2.0%)	TANF Child	1,674,440	1,697,163	(22,723)	(1.3%)
101,816	109,409	(7,593)	(6.9%)	TANF Adult	514,713	548,232	(33,519)	(6.1%)
3,277	2,702	575	21.3%	LTC	16,323	13,426	2,897	21.6%
232,765	223,119	9,646	4.3%	MCE	1,155,454	1,112,003	43,451	3.9%
<b>780,081</b>	<b>779,683</b>	<b>398</b>	<b>0.1%</b>	<b>Medi-Cal</b>	<b>3,896,062</b>	<b>3,886,974</b>	<b>9,088</b>	<b>0.2%</b>
<b>17,067</b>	<b>21,918</b>	<b>(4,851)</b>	<b>(22.1%)</b>	<b>OneCare Connect</b>	<b>89,293</b>	<b>110,486</b>	<b>(21,193)</b>	<b>(19.2%)</b>
<b>183</b>	<b>185</b>	<b>(2)</b>	<b>(1.1%)</b>	<b>PACE</b>	<b>898</b>	<b>875</b>	<b>23</b>	<b>2.6%</b>
<b>1,228</b>	<b>1,203</b>	<b>25</b>	<b>2.1%</b>	<b>OneCare</b>	<b>5,975</b>	<b>6,137</b>	<b>(162)</b>	<b>(2.6%)</b>
<b>798,559</b>	<b>802,989</b>	<b>(4,430)</b>	<b>(0.6%)</b>	<b>CalOptima Total</b>	<b>3,992,228</b>	<b>4,004,472</b>	<b>(12,244)</b>	<b>(0.3%)</b>

# Financial Highlights: November 2016

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
798,559	802,989	(4,430)	(0.6%)	Member Months	3,992,228	4,004,472	(12,244)	(0.3%)
272,131,814	282,217,842	(10,086,029)	(3.6%)	Revenues	1,395,206,360	1,408,397,827	(13,191,467)	(0.9%)
265,428,827	267,474,487	2,045,660	0.8%	Medical Expenses	1,351,301,283	1,344,277,725	(7,023,558)	(0.5%)
8,359,143	11,289,937	2,930,794	26.0%	Administrative Expenses	44,852,387	57,908,059	13,055,672	22.5%
<b>(1,656,156)</b>	<b>3,453,418</b>	<b>(5,109,574)</b>	<b>(148.0%)</b>	<b>Operating Margin</b>	<b>(947,310)</b>	<b>6,212,044</b>	<b>(7,159,354)</b>	<b>(115.2%)</b>
(1,867,894)	143,250	(2,011,144)	(1403.9%)	Non Operating Income (Loss)	1,533,850	716,250	817,599	114.1%
<b>(3,524,050)</b>	<b>3,596,668</b>	<b>(7,120,718)</b>	<b>198.0%</b>	<b>Change in Net Assets</b>	<b>586,540</b>	<b>6,928,294</b>	<b>(6,341,754)</b>	<b>(91.5%)</b>
97.5%	94.8%	(2.8%)		Medical Loss Ratio	96.9%	95.4%	(1.4%)	
3.1%	4.0%	0.9%		Administrative Loss Ratio	3.2%	4.1%	0.9%	
<u>(0.6%)</u>	<u>1.2%</u>	(1.8%)		Operating Margin Ratio	<u>(0.1%)</u>	<u>0.4%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

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

MONTH-TO-DATE			YEAR-TO-DATE			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(1.5)	2.8	(4.3)	Medi-Cal	(3.0)	4.5	(7.5)
(0.4)	0.0	(0.4)	OneCare	(0.8)	0.2	(0.9)
0.1	0.8	(0.7)	OCC	2.1	2.8	(0.7)
<u>0.1</u>	<u>(0.2)</u>	<u>0.3</u>	PACE	<u>0.8</u>	<u>(1.2)</u>	<u>1.9</u>
<b>(1.7)</b>	<b>3.5</b>	<b>(5.1)</b>	<b>Operating</b>	<b>(1.0)</b>	<b>6.2</b>	<b>(7.2)</b>
<u>(1.9)</u>	<u>0.1</u>	<u>(2.0)</u>	Inv./Rental Inc, MCO tax	<u>1.6</u>	<u>0.7</u>	<u>0.9</u>
<b>(1.9)</b>	<b>0.1</b>	<b>(2.0)</b>	<b>Non-Operating</b>	<b>1.6</b>	<b>0.7</b>	<b>0.9</b>
<b>(3.5)</b>	<b>3.6</b>	<b>(7.1)</b>	<b>TOTAL</b>	<b>0.6</b>	<b>6.9</b>	<b>(6.3)</b>

# Consolidated Revenue & Expense:

## November 2016 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	551,311	228,770	\$ 780,081	1,228	17,067	183	798,559
<b>REVENUES</b>							
Capitation Revenue	139,937,775	103,728,418	\$ 243,666,193	\$ 1,256,380	\$ 25,962,132	\$ 1,247,109	\$ 272,131,814
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>139,937,775</u>	<u>103,728,418</u>	<u>243,666,193</u>	<u>1,256,380</u>	<u>25,962,132</u>	<u>1,247,109</u>	<u>272,131,814</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	38,294,240	35,916,879	74,211,120	402,786	6,870,242		81,484,148
Facilities	26,985,687	31,699,067	58,684,754	526,778	11,551,878	215,410	70,978,820
Ancillary				34,477	781,312	-	815,789
Skilled Nursing				39,589	5,636,619	-	5,676,209
Professional Claims	12,695,005	7,858,631	20,553,636	-	-	242,071	20,795,707
Prescription Drugs	18,519,614	15,536,252	34,055,865	506,613	(1,871,960)	72,361	32,762,879
Quality Incentives					-	-	-
Long-term Care Facility Payments	41,654,481	6,134,677	47,789,159	-	-	(20,745)	47,768,414
Contingencies	-	-	-	-	-	-	-
Medical Management	2,829,075	-	2,829,075	39,400	1,083,159	114,219	4,065,853
Reinsurance & Other	(345,134)	912,437	567,303	5,210	75,828	432,668	1,081,009
<b>Total Medical Expenses</b>	<u>140,632,969</u>	<u>98,057,943</u>	<u>238,690,912</u>	<u>1,554,852</u>	<u>24,127,079</u>	<u>1,055,984</u>	<u>265,428,827</u>
<b>Medical Loss Ratio</b>	<b>100.5%</b>	<b>94.5%</b>	<b>98.0%</b>	<b>123.8%</b>	<b>92.9%</b>	<b>84.7%</b>	<b>97.5%</b>
<b>GROSS MARGIN</b>	<b>(695,194)</b>	<b>5,670,475</b>	<b>4,975,281</b>	<b>(298,472)</b>	<b>1,835,053</b>	<b>191,125</b>	<b>6,702,987</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits			5,192,240	20,683	810,331	97,413	6,120,667
Professional Fees			41,274	20,000	(18,359)	1,938	44,853
Purchased Services			739,830	12,829	103,578	5,283	861,519
Printing and Postage			180,834	8,441	20,177	0	209,452
Depreciation and Amortization			(6,450)			2,125	(4,325)
Other Expenses			793,525	0	33,373	5,817	832,715
Indirect Cost Allocation, Occupancy Expense			(479,627)	25,244	746,264	2,381	294,262
<b>Total Administrative Expenses</b>			<u>6,461,625</u>	<u>87,196</u>	<u>1,695,363</u>	<u>114,958</u>	<u>8,359,143</u>
<b>Admin Loss Ratio</b>			<b>2.7%</b>	<b>6.9%</b>	<b>6.5%</b>	<b>9.2%</b>	<b>3.1%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			<b>(1,486,344)</b>	<b>(385,669)</b>	<b>139,690</b>	<b>76,167</b>	<b>(1,656,156)</b>
<b>INVESTMENT INCOME</b>			-	-	-	-	<b>(1,859,450)</b>
<b>NET RENTAL INCOME</b>			-	-	-	-	<b>8,796</b>
<b>OTHER INCOME</b>			95	-	-	-	<b>95</b>
<b>CHANGE IN NET ASSETS</b>			<u><b>\$ (1,503,584)</b></u>	<u><b>\$ (385,669)</b></u>	<u><b>\$ 139,690</b></u>	<u><b>\$ 76,167</b></u>	<u><b>\$ (3,524,050)</b></u>
<b>BUDGETED CHANGE IN ASSETS</b>			2,816,265	31,977	798,735	(193,559)	3,596,668
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>(4,319,848)</u>	<u>(417,646)</u>	<u>(659,045)</u>	<u>269,725</u>	<u>(7,120,718)</u>

# Consolidated Revenue & Expense: November 2016 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
<b>Member Months</b>	3,205,002	691,060	\$ 3,896,062	5,975	89,293	898	3,992,228
<b>REVENUES</b>							
Capitation Revenue	901,513,660	313,684,901	\$ 1,215,198,562	\$ 5,955,842	\$ 167,640,717	\$ 6,411,240	\$ 1,395,206,360
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>901,513,660</u>	<u>313,684,901</u>	<u>1,215,198,562</u>	<u>5,955,842</u>	<u>167,640,717</u>	<u>6,411,240</u>	<u>1,395,206,360</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	250,260,429	120,093,879	370,354,308	1,887,169	36,909,861	-	409,151,339
Facilities	196,444,464	97,882,871	294,327,335	1,718,242	50,625,497	1,224,379	347,895,453
Ancillary	-	-	-	214,305	3,743,170	-	3,957,475
Skilled Nursing	-	-	-	194,072	30,954,692	-	31,148,765
Professional Claims	70,163,721	23,468,015	93,631,737	-	-	1,006,691	94,638,427
Prescription Drugs	123,681,368	50,153,940	173,835,308	2,193,381	28,999,205	426,671	205,454,565
Quality Incentives	-	-	-	-	-	-	-
Long-term Care Facility Payments	215,239,670	18,483,483	233,723,153	-	-	21,213	233,744,366
Contingencies	-	-	-	-	-	-	-
Medical Management	14,425,525	-	14,425,525	56,978	5,019,765	528,935	20,031,203
Reinsurance & Other	33,404	2,833,536	2,866,940	22,395	473,871	1,916,483	5,279,689
<b>Total Medical Expenses</b>	<u>870,248,582</u>	<u>312,915,725</u>	<u>1,183,164,307</u>	<u>6,286,543</u>	<u>156,726,062</u>	<u>5,124,372</u>	<u>1,351,301,283</u>
<b>Medical Loss Ratio</b>	<b>96.5%</b>	<b>99.8%</b>	<b>97.4%</b>	<b>105.6%</b>	<b>93.5%</b>	<b>79.9%</b>	<b>96.9%</b>
<b>GROSS MARGIN</b>	<b>31,265,078</b>	<b>769,177</b>	<b>32,034,255</b>	<b>(330,701)</b>	<b>10,914,655</b>	<b>1,286,868</b>	<b>43,905,077</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits	-	-	25,879,654	131,611	3,770,692	451,172	30,233,129
Professional Fees	-	-	620,816	77,181	305,981	14,691	1,018,669
Purchased Services	-	-	3,286,273	97,583	626,490	15,697	4,026,042
Printing and Postage	-	-	901,493	24,183	233,536	1,725	1,160,937
Depreciation and Amortization	-	-	1,476,796	-	-	10,182	1,486,978
Other Expenses	-	-	4,913,624	1,692	168,979	27,816	5,112,111
Indirect Cost Allocation, Occupancy Expense	-	-	(2,054,921)	126,219	3,731,320	11,902	1,814,520
<b>Total Administrative Expenses</b>	-	-	<u>35,023,735</u>	<u>458,469</u>	<u>8,836,999</u>	<u>533,184</u>	<u>44,852,387</u>
<b>Admin Loss Ratio</b>	-	-	<b>2.9%</b>	<b>7.7%</b>	<b>5.3%</b>	<b>8.3%</b>	<b>3.2%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	-	-	(2,989,480)	(789,170)	2,077,657	753,684	(947,310)
<b>INVESTMENT INCOME</b>	-	-	-	-	-	-	1,561,879
<b>NET RENTAL INCOME</b>	-	-	-	-	-	-	23,655
<b>OTHER INCOME</b>	-	-	623	-	-	-	623
<b>CHANGE IN NET ASSETS</b>	-	-	<u>\$ (3,041,165)</u>	<u>\$ (789,170)</u>	<u>\$ 2,077,657</u>	<u>\$ 753,684</u>	<u>\$ 586,540</u>
<b>BUDGETED CHANGE IN ASSETS</b>	-	-	4,492,402	152,519	2,756,605	(1,189,481)	6,928,294
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>	-	-	<u>(7,533,567)</u>	<u>(941,688)</u>	<u>(678,948)</u>	<u>1,943,165</u>	<u>(6,341,754)</u>

# Balance Sheet:

## As of November 2016

### ASSETS

#### Current Assets

Operating Cash	\$414,359,258
Catastrophic Reserves	11,630,989
Investments	1,410,557,959
Capitation receivable	570,086,482
Receivables - Other	19,719,457
Prepaid Expenses	11,052,152

<b>Total Current Assets</b>	<b><u>2,437,406,295</u></b>
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Capital Assets Furniture and equipment	33,303,693
Leasehold improvements	7,574,382
505 City Parkway West	<u>49,269,863</u>
	90,147,938
Less: accumulated depreciation	<u>(34,314,257)</u>
Capital assets, net	<b><u>55,833,681</u></b>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	6,673,435
Long term investments	<u>518,831,377</u>
Total Board-designated Assets	<u>525,504,812</u>
<b>Total Other Assets</b>	<b><u>525,804,812</u></b>

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

<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>3,024,047,805</u></b>
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### LIABILITIES & FUND BALANCES

#### Current Liabilities

Accounts payable	\$29,198,590
Medical claims liability	899,750,233
Accrued payroll liabilities	11,060,859
Deferred revenue	871,242,568
Deferred lease obligations	267,070
Capitation and withholds	<u>511,511,638</u>
<b>Total Current Liabilities</b>	<b><u>2,323,030,957</u></b>

Other employment benefits liability	28,661,208
Net Pension Liabilities	9,947,381
Long Term Liabilities	100,000

<b>TOTAL LIABILITIES</b>	<b><u>2,361,739,547</u></b>
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Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640

Tangible net equity (TNE)	93,494,304
Funds in excess of TNE	566,659,415

<b>Net Assets</b>	<b><u>660,153,719</u></b>
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<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>3,024,047,805</u></b>
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# Board Designated Reserve and TNE Analysis

## As of November 2016

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	145,070,963				
	Tier 1 - Logan Circle	144,757,660				
	Tier 1 - Wells Capital	144,884,826				
Board-designated Reserve						
		434,713,449	278,382,541	437,758,332	156,330,908	(3,044,883)
TNE Requirement	Tier 2 - Logan Circle	90,791,363	93,494,304	93,494,304	(2,702,941)	(2,702,941)
<b>Consolidated:</b>		<b>525,504,812</b>	<b>371,876,845</b>	<b>531,252,636</b>	<b>153,627,967</b>	<b>(5,747,823)</b>
<i>Current reserve level</i>		<i>1.98</i>	<i>1.40</i>	<i>2.00</i>		





**CalOptima**  
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## UNAUDITED FINANCIAL STATEMENTS

November 2016

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**CalOptima - Consolidated  
Financial Highlights  
For the Five Months Ended November 30, 2016**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
798,559	802,989	(4,430)	(0.6%)	Member Months	3,992,228	4,004,472	(12,244)	(0.3%)
272,131,814	282,217,842	(10,086,029)	(3.6%)	Revenues	1,395,206,360	1,408,397,827	(13,191,467)	(0.9%)
265,428,827	267,474,487	2,045,660	0.8%	Medical Expenses	1,351,301,283	1,344,277,725	(7,023,558)	(0.5%)
8,359,143	11,289,937	2,930,794	26.0%	Administrative Expenses	44,852,387	57,908,059	13,055,672	22.5%
<b>(1,656,156)</b>	<b>3,453,418</b>	<b>(5,109,574)</b>	<b>(148.0%)</b>	<b>Operating Margin</b>	<b>(947,310)</b>	<b>6,212,044</b>	<b>(7,159,354)</b>	<b>(115.2%)</b>
(1,867,894)	143,250	(2,011,144)	(1403.9%)	Non Operating Income (Loss)	1,533,850	716,250	817,599	114.1%
<b>(3,524,050)</b>	<b>3,596,668</b>	<b>(7,120,718)</b>	<b>198.0%</b>	<b>Change in Net Assets</b>	<b>586,540</b>	<b>6,928,294</b>	<b>(6,341,754)</b>	<b>(91.5%)</b>
97.5%	94.8%	(2.8%)		Medical Loss Ratio	96.9%	95.4%	(1.4%)	
3.1%	4.0%	0.9%		Administrative Loss Ratio	3.2%	4.1%	0.9%	
<u>(0.6%)</u>	<u>1.2%</u>	(1.8%)		Operating Margin Ratio	<u>(0.1%)</u>	<u>0.4%</u>	(0.5%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

**CalOptima**  
**Financial Dashboard**  
For the Five Months Ended November 30, 2016

**MONTH**

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	780,081	779,683	398	0.1%
OneCare	1,228	1,203	25	2.1%
OneCare Connect	17,067	21,918	(4,851)	(22.1%)
PACE	183	185	(2)	(1.1%)
Total	798,559	802,989	(4,430)	(0.6%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (1,504)	\$ 2,816	\$ (4,320)	(153.4%)
OneCare	(386)	32	(418)	(1306.1%)
OneCare Connect	140	799	(659)	(82.5%)
PACE	76	(194)	270	139.4%
505 Bldg.	9	(65)	74	113.5%
Investment Income & Other	(1,859)	208	(2,068)	(992.5%)
Total	\$ (3,524)	\$ 3,597	\$ (7,121)	(198.0%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	98.0%	95.0%	(2.9)	
OneCare	123.8%	90.7%	(33.1)	
OneCare Connect	92.9%	93.2%	0.3	

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 6,462	\$ 8,815	\$ 2,354	26.7%
OneCare	87	97	9	9.8%
OneCare Connect	1,695	2,260	564	25.0%
PACE	115	118	3	2.8%
Total	\$ 8,359	\$ 11,290	\$ 2,931	26.0%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	937	886	(51)	
OneCare	5	3	(2)	
OneCare Connect	229	239	10	
PACE	43	57	13	
Total	1,213	1,184	(29)	

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	833	880	(48)	
OneCare	256	401	(145)	
OneCare Connect	75	92	(17)	
PACE	4	3	1	
Total	1,168	1,376	(208)	

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	3,896,062	3,886,974	9,088	0.2%
OneCare	5,975	6,137	(162)	(2.6%)
OneCare Connect	89,293	110,486	(21,193)	(19.2%)
PACE	898	875	23	2.6%
Total	3,992,228	4,004,472	(12,244)	(0.3%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (3,041)	\$ 4,492	\$ (7,534)	(167.7%)
OneCare	(789)	153	(942)	(617.4%)
OneCare Connect	2,078	2,757	(679)	(24.6%)
PACE	754	(1,189)	1,943	163.4%
505 Bldg.	24	(325)	349	107.3%
Investment Income & Other	1,563	1,042	521	50.0%
Total	\$ 587	\$ 6,928	\$ (6,341)	(91.5%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	97.4%	95.8%	(1.6)	
OneCare	105.6%	91.0%	(14.5)	
OneCare Connect	93.5%	93.6%	0.1	

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 35,024	\$ 45,030	\$ 10,006	22.2%
OneCare	458	480	22	4.5%
OneCare Connect	8,837	11,818	2,981	25.2%
PACE	533	580	47	8.1%
Total	\$ 44,852	\$ 57,908	\$ 13,056	22.5%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	4,225	4,430	205	
OneCare	19	15	(4)	
OneCare Connect	1,128	1,193	65	
PACE	196	283	86	
Total	5,568	5,920	352	

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	922	878	45	
OneCare	318	409	(91)	
OneCare Connect	79	93	(13)	
PACE	5	3	1	
Total	1,324	1,382	(58)	

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

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	798,559		802,989		(4,430)	
<b>Revenues</b>						
Medi-Cal	\$ 243,666,193	\$ 312.36	\$ 234,490,945	\$ 300.75	\$ 9,175,248	\$ 11.61
OneCare	1,256,380	1,023.11	1,375,447	1,143.35	(119,067)	(120.24)
OneCare Connect	25,962,132	1,521.19	45,183,804	2,061.49	(19,221,672)	(540.30)
PACE	1,247,109	6,814.80	1,167,646	6,311.60	79,463	503.20
<b>Total Operating Revenue</b>	<b>272,131,814</b>	<b>340.78</b>	<b>282,217,842</b>	<b>351.46</b>	<b>(10,086,029)</b>	<b>(10.68)</b>
<b>Medical Expenses</b>						
Medi-Cal	238,690,912	305.98	222,859,418	285.83	(15,831,494)	(20.15)
OneCare	1,554,852	1,266.17	1,246,844	1,036.45	(308,008)	(229.72)
OneCare Connect	24,127,079	1,413.67	42,125,308	1,921.95	17,998,229	508.28
PACE	1,055,984	5,770.40	1,242,917	6,718.47	186,933	948.07
<b>Total Medical Expenses</b>	<b>265,428,827</b>	<b>332.38</b>	<b>267,474,487</b>	<b>333.10</b>	<b>2,045,660</b>	<b>0.71</b>
<b>Gross Margin</b>	<b>6,702,987</b>	<b>8.39</b>	<b>14,743,355</b>	<b>18.36</b>	<b>(8,040,369)</b>	<b>(9.97)</b>
<b>Administrative Expenses</b>						
Salaries and benefits	6,120,667	7.66	7,530,106	9.38	1,409,440	1.71
Professional fees	44,853	0.06	439,633	0.55	394,780	0.49
Purchased services	861,519	1.08	947,800	1.18	86,280	0.10
Printing and Postage	209,452	0.26	469,143	0.58	259,692	0.32
Depreciation and amortization	(4,325)	(0.01)	385,117	0.48	389,442	0.49
Other	832,715	1.04	1,090,832	1.36	258,117	0.32
Indirect Cost Allocation, Occupancy Expense	294,262	0.37	427,305	0.53	133,043	0.16
<b>Total Administrative Expenses</b>	<b>8,359,143</b>	<b>10.47</b>	<b>11,289,937</b>	<b>14.06</b>	<b>2,930,794</b>	<b>3.59</b>
<b>Income (Loss) From Operations</b>	<b>(1,656,156)</b>	<b>(2.07)</b>	<b>3,453,418</b>	<b>4.30</b>	<b>(5,109,574)</b>	<b>(6.37)</b>
<b>Investment income</b>						
Interest income	1,503,697	1.88	208,333	0.26	1,295,363	1.62
Realized gain/(loss) on investments	(23,505)	(0.03)	-	-	(23,505)	(0.03)
Unrealized gain/(loss) on investments	(3,339,642)	(4.18)	-	-	(3,339,642)	(4.18)
<b>Total Investment Income</b>	<b>(1,859,450)</b>	<b>(2.33)</b>	<b>208,333</b>	<b>0.26</b>	<b>(2,067,784)</b>	<b>(2.59)</b>
<b>Net Rental Income</b>	<b>8,796</b>	<b>0.01</b>	<b>(65,083)</b>	<b>(0.08)</b>	<b>73,879</b>	<b>0.09</b>
<b>Other Income</b>	<b>95</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>0.00</b>
<b>Change In Net Assets</b>	<b>(3,524,050)</b>	<b>(4.41)</b>	<b>3,596,668</b>	<b>4.48</b>	<b>(7,120,718)</b>	<b>(8.89)</b>
<b>Medical Loss Ratio</b>	<b>97.5%</b>		<b>94.8%</b>		<b>(2.8%)</b>	
<b>Administrative Loss Ratio</b>	<b>3.1%</b>		<b>4.0%</b>		<b>0.9%</b>	

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

\*\* Includes MSSP

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

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	3,992,228		4,004,472		(12,244)	
<b>Revenues</b>						
Medi-Cal	\$ 1,215,198,562	\$ 311.90	\$ 1,168,062,274	\$ 300.51	\$ 47,136,287	\$ 11.40
OneCare	5,955,842	996.79	7,041,778	1,147.43	(1,085,936)	(150.64)
OneCare Connect	167,640,717	1,877.42	227,764,096	2,061.47	(60,123,379)	(184.05)
PACE	6,411,240	7,139.46	5,529,679	6,319.63	881,560	819.83
<b>Total Operating Revenue</b>	<b>1,395,206,360</b>	<b>349.48</b>	<b>1,408,397,827</b>	<b>351.71</b>	<b>(13,191,467)</b>	<b>(2.23)</b>
<b>Medical Expenses</b>						
Medi-Cal	1,183,164,307	303.68	1,118,540,060	287.77	(64,624,247)	(15.92)
OneCare	6,286,543	1,052.14	6,409,276	1,044.37	122,733	(7.77)
OneCare Connect	156,726,062	1,755.19	213,189,495	1,929.56	56,463,433	174.37
PACE	5,124,372	5,706.43	6,138,894	7,015.88	1,014,522	1,309.45
<b>Total Medical Expenses</b>	<b>1,351,301,283</b>	<b>338.48</b>	<b>1,344,277,725</b>	<b>335.69</b>	<b>(7,023,558)</b>	<b>(2.79)</b>
<b>Gross Margin</b>	<b>43,905,077</b>	<b>11.00</b>	<b>64,120,103</b>	<b>16.01</b>	<b>(20,215,025)</b>	<b>(5.01)</b>
<b>Administrative Expenses</b>						
Salaries and benefits	30,233,129	7.57	38,898,476	9.71	8,665,347	2.14
Professional fees	1,018,669	0.26	1,963,095	0.49	944,426	0.24
Purchased services	4,026,042	1.01	4,603,575	1.15	577,532	0.14
Printing and Postage	1,160,937	0.29	2,307,173	0.58	1,146,236	0.29
Depreciation and amortization	1,486,978	0.37	1,925,586	0.48	438,608	0.11
Other	5,112,111	1.28	6,068,781	1.52	956,670	0.23
Indirect cost allocation, Occupancy Expense	1,814,520	0.45	2,141,373	0.53	326,853	0.08
<b>Total Administrative Expenses</b>	<b>44,852,387</b>	<b>11.23</b>	<b>57,908,059</b>	<b>14.46</b>	<b>13,055,672</b>	<b>3.23</b>
<b>Income (Loss) From Operations</b>	<b>(947,310)</b>	<b>(0.24)</b>	<b>6,212,044</b>	<b>1.55</b>	<b>(7,159,354)</b>	<b>(1.79)</b>
<b>Investment income</b>						
Interest income	6,333,434	1.59	1,041,667	0.26	5,291,767	1.33
Realized gain/(loss) on investments	251,405	0.06	-	-	251,405	0.06
Unrealized gain/(loss) on investments	(5,022,959)	(1.26)	-	-	(5,022,959)	(1.26)
<b>Total Investment Income</b>	<b>1,561,879</b>	<b>0.39</b>	<b>1,041,667</b>	<b>0.26</b>	<b>520,212</b>	<b>0.13</b>
<b>Net Rental Income</b>	<b>23,655</b>	<b>0.01</b>	<b>(325,417)</b>	<b>(0.08)</b>	<b>349,072</b>	<b>0.09</b>
<b>Other Income</b>	<b>623</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>623</b>	<b>0.00</b>
<b>Change In Net Assets</b>	<b>586,540</b>	<b>0.15</b>	<b>6,928,294</b>	<b>1.73</b>	<b>(6,341,754)</b>	<b>(1.58)</b>
<b>Medical Loss Ratio</b>	<b>96.9%</b>		<b>95.4%</b>		<b>(1.4%)</b>	
<b>Administrative Loss Ratio</b>	<b>3.2%</b>		<b>4.1%</b>		<b>0.9%</b>	

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

\*\* Includes MSSP

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

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
<b>Member Months</b>	551,311	228,770	\$ 780,081	1,228	17,067	183	798,559
<b>REVENUES</b>							
Capitation Revenue	139,937,775	103,728,418	\$ 243,666,193	\$ 1,256,380	\$ 25,962,132	\$ 1,247,109	\$ 272,131,814
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>139,937,775</u>	<u>103,728,418</u>	<u>243,666,193</u>	<u>1,256,380</u>	<u>25,962,132</u>	<u>1,247,109</u>	<u>272,131,814</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	38,294,240	35,916,879	74,211,120	402,786	6,870,242		81,484,148
Facilities	26,985,687	31,699,067	58,684,754	526,778	11,551,878	215,410	70,978,820
Ancillary				34,477	781,312	-	815,789
Skilled Nursing				39,589	5,636,619	-	5,676,209
Professional Claims	12,695,005	7,858,631	20,553,636	-	-	242,071	20,795,707
Prescription Drugs	18,519,614	15,536,252	34,055,865	506,613	(1,871,960)	72,361	32,762,879
Quality Incentives					-		-
Long-term Care Facility Payments	41,654,481	6,134,677	47,789,159	-	-	(20,745)	47,768,414
Contingencies	-	-	-	-	-	-	-
Medical Management	2,829,075	-	2,829,075	39,400	1,083,159	114,219	4,065,853
Reinsurance & Other	(345,134)	912,437	567,303	5,210	75,828	432,668	1,081,009
<b>Total Medical Expenses</b>	<u>140,632,969</u>	<u>98,057,943</u>	<u>238,690,912</u>	<u>1,554,852</u>	<u>24,127,079</u>	<u>1,055,984</u>	<u>265,428,827</u>
<b>Medical Loss Ratio</b>	<b>100.5%</b>	<b>94.5%</b>	<b>98.0%</b>	<b>123.8%</b>	<b>92.9%</b>	<b>84.7%</b>	<b>97.5%</b>
<b>GROSS MARGIN</b>	<b>(695,194)</b>	<b>5,670,475</b>	<b>4,975,281</b>	<b>(298,472)</b>	<b>1,835,053</b>	<b>191,125</b>	<b>6,702,987</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits			5,192,240	20,683	810,331	97,413	6,120,667
Professional Fees			41,274	20,000	(18,359)	1,938	44,853
Purchased Services			739,830	12,829	103,578	5,283	861,519
Printing and Postage			180,834	8,441	20,177	0	209,452
Depreciation and Amortization			(6,450)			2,125	(4,325)
Other Expenses			793,525	0	33,373	5,817	832,715
Indirect Cost Allocation, Occupancy Expense			(479,627)	25,244	746,264	2,381	294,262
<b>Total Administrative Expenses</b>			<u>6,461,625</u>	<u>87,196</u>	<u>1,695,363</u>	<u>114,958</u>	<u>8,359,143</u>
<b>Admin Loss Ratio</b>			<b>2.7%</b>	<b>6.9%</b>	<b>6.5%</b>	<b>9.2%</b>	<b>3.1%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			(1,486,344)	(385,669)	139,690	76,167	(1,656,156)
<b>INVESTMENT INCOME</b>			-	-	-	-	(1,859,450)
<b>NET RENTAL INCOME</b>			-	-	-	-	8,796
<b>OTHER INCOME</b>			95	-	-	-	95
<b>CHANGE IN NET ASSETS</b>			<u>\$ (1,503,584)</u>	<u>\$ (385,669)</u>	<u>\$ 139,690</u>	<u>\$ 76,167</u>	<u>\$ (3,524,050)</u>
<b>BUDGETED CHANGE IN ASSETS</b>			2,816,265	31,977	798,735	(193,559)	3,596,668
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>(4,319,848)</u>	<u>(417,646)</u>	<u>(659,045)</u>	<u>269,725</u>	<u>(7,120,718)</u>

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

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
<b>Member Months</b>	3,205,002	691,060	\$ 3,896,062	5,975	89,293	898	3,992,228
<b>REVENUES</b>							
Capitation Revenue	901,513,660	313,684,901	\$ 1,215,198,562	\$ 5,955,842	\$ 167,640,717	\$ 6,411,240	\$ 1,395,206,360
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>901,513,660</u>	<u>313,684,901</u>	<u>1,215,198,562</u>	<u>5,955,842</u>	<u>167,640,717</u>	<u>6,411,240</u>	<u>1,395,206,360</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	250,260,429	120,093,879	370,354,308	1,887,169	36,909,861		409,151,339
Facilities	196,444,464	97,882,871	294,327,335	1,718,242	50,625,497	1,224,379	347,895,453
Ancillary				214,305	3,743,170	-	3,957,475
Skilled Nursing				194,072	30,954,692	-	31,148,765
Professional Claims	70,163,721	23,468,015	93,631,737	-	-	1,006,691	94,638,427
Prescription Drugs	123,681,368	50,153,940	173,835,308	2,193,381	28,999,205	426,671	205,454,565
Quality Incentives					-		-
Long-term Care Facility Payments	215,239,670	18,483,483	233,723,153	-	-	21,213	233,744,366
Contingencies	-	-	-	-	-	-	-
Medical Management	14,425,525	-	14,425,525	56,978	5,019,765	528,935	20,031,203
Reinsurance & Other	33,404	2,833,536	2,866,940	22,395	473,871	1,916,483	5,279,689
<b>Total Medical Expenses</b>	<u>870,248,582</u>	<u>312,915,725</u>	<u>1,183,164,307</u>	<u>6,286,543</u>	<u>156,726,062</u>	<u>5,124,372</u>	<u>1,351,301,283</u>
<b>Medical Loss Ratio</b>	<b>96.5%</b>	<b>99.8%</b>	<b>97.4%</b>	<b>105.6%</b>	<b>93.5%</b>	<b>79.9%</b>	<b>96.9%</b>
<b>GROSS MARGIN</b>	<b>31,265,078</b>	<b>769,177</b>	<b>32,034,255</b>	<b>(330,701)</b>	<b>10,914,655</b>	<b>1,286,868</b>	<b>43,905,077</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Employee Benefits			25,879,654	131,611	3,770,692	451,172	30,233,129
Professional Fees			620,816	77,181	305,981	14,691	1,018,669
Purchased Services			3,286,273	97,583	626,490	15,697	4,026,042
Printing and Postage			901,493	24,183	233,536	1,725	1,160,937
Depreciation and Amortization			1,476,796			10,182	1,486,978
Other Expenses			4,913,624	1,692	168,979	27,816	5,112,111
Indirect Cost Allocation, Occupancy Expense			(2,054,921)	126,219	3,731,320	11,902	1,814,520
<b>Total Administrative Expenses</b>			<u>35,023,735</u>	<u>458,469</u>	<u>8,836,999</u>	<u>533,184</u>	<u>44,852,387</u>
<b>Admin Loss Ratio</b>			<b>2.9%</b>	<b>7.7%</b>	<b>5.3%</b>	<b>8.3%</b>	<b>3.2%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			(2,989,480)	(789,170)	2,077,657	753,684	(947,310)
<b>INVESTMENT INCOME</b>			-	-	-	-	1,561,879
<b>NET RENTAL INCOME</b>			-	-	-	-	23,655
<b>OTHER INCOME</b>			623	-	-	-	623
<b>CHANGE IN NET ASSETS</b>			<u>\$ (3,041,165)</u>	<u>\$ (789,170)</u>	<u>\$ 2,077,657</u>	<u>\$ 753,684</u>	<u>\$ 586,540</u>
<b>BUDGETED CHANGE IN ASSETS</b>			4,492,402	152,519	2,756,605	(1,189,481)	6,928,294
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>(7,533,567)</u>	<u>(941,688)</u>	<u>(678,948)</u>	<u>1,943,165</u>	<u>(6,341,754)</u>



## November 30, 2016 Unaudited Financial Statements

### SUMMARY

#### MONTHLY RESULTS:

- Change in Net Assets is (\$3.5) million, \$7.1 million unfavorable to budget
- Operating deficit is \$1.7 million with a deficit in non-operating of \$1.9 million

#### YEARLY RESULTS:

- Change in Net Assets is \$0.6 million, \$6.3 million unfavorable to budget
- Operating deficit is \$0.9 million with a surplus in non-operating of \$1.6 million

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

MONTH-TO-DATE			YEAR-TO-DATE			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(1.5)	2.8	(4.3)	Medi-Cal	(3.0)	4.5	(7.5)
(0.4)	0.0	(0.4)	OneCare	(0.8)	0.2	(0.9)
0.1	0.8	(0.7)	OCC	2.1	2.8	(0.7)
<u>0.1</u>	<u>(0.2)</u>	<u>0.3</u>	PACE	<u>0.8</u>	<u>(1.2)</u>	<u>1.9</u>
<b>(1.7)</b>	<b>3.5</b>	<b>(5.1)</b>	<b>Operating</b>	<b>(1.0)</b>	<b>6.2</b>	<b>(7.2)</b>
<u>(1.9)</u>	<u>0.1</u>	<u>(2.0)</u>	Inv./Rental Inc, MCO tax	<u>1.6</u>	<u>0.7</u>	<u>0.9</u>
<b>(1.9)</b>	<b>0.1</b>	<b>(2.0)</b>	<b>Non-Operating</b>	<b>1.6</b>	<b>0.7</b>	<b>0.9</b>
<b>(3.5)</b>	<b>3.6</b>	<b>(7.1)</b>	<b>TOTAL</b>	<b>0.6</b>	<b>6.9</b>	<b>(6.3)</b>

**CalOptima**  
**Enrollment Summary**  
**For the Five Months Ended November 30, 2016**

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
58,775	55,394	3,381	6.1%	Aged	289,689	275,385	14,304	5.2%
620	677	(57)	(8.4%)	BCCTP	3,125	3,380	(255)	(7.5%)
48,593	47,415	1,178	2.5%	Disabled	242,318	237,386	4,932	2.1%
334,235	340,967	(6,732)	(2.0%)	TANF Child	1,674,440	1,697,163	(22,723)	(1.3%)
101,816	109,409	(7,593)	(6.9%)	TANF Adult	514,713	548,232	(33,519)	(6.1%)
3,277	2,702	575	21.3%	LTC	16,323	13,426	2,897	21.6%
232,765	223,119	9,646	4.3%	MCE	1,155,454	1,112,003	43,451	3.9%
<b>780,081</b>	<b>779,683</b>	<b>398</b>	<b>0.1%</b>	<b>Medi-Cal</b>	<b>3,896,062</b>	<b>3,886,974</b>	<b>9,088</b>	<b>0.2%</b>
<b>17,067</b>	<b>21,918</b>	<b>(4,851)</b>	<b>(22.1%)</b>	<b>OneCare Connect</b>	<b>89,293</b>	<b>110,486</b>	<b>(21,193)</b>	<b>(19.2%)</b>
<b>183</b>	<b>185</b>	<b>(2)</b>	<b>(1.1%)</b>	<b>PACE</b>	<b>898</b>	<b>875</b>	<b>23</b>	<b>2.6%</b>
<b>1,228</b>	<b>1,203</b>	<b>25</b>	<b>2.1%</b>	<b>OneCare</b>	<b>5,975</b>	<b>6,137</b>	<b>(162)</b>	<b>(2.6%)</b>
<b>798,559</b>	<b>802,989</b>	<b>(4,430)</b>	<b>(0.6%)</b>	<b>CalOptima Total</b>	<b>3,992,228</b>	<b>4,004,472</b>	<b>(12,244)</b>	<b>(0.3%)</b>

Enrollment (By Network)								
49,131	48,162	969	2.0%	HMO	241,428	236,986	4,442	1.9%
229,881	235,005	(5,124)	(2.2%)	PHC	1,155,947	1,171,352	(15,405)	(1.3%)
339,496	340,209	(713)	(0.2%)	Shared Risk Group	1,710,477	1,704,890	5,587	0.3%
161,573	156,307	5,266	3.4%	Fee for Service	788,210	773,752	14,458	1.9%
<b>780,081</b>	<b>779,683</b>	<b>398</b>	<b>0.1%</b>	<b>Medi-Cal</b>	<b>3,896,062</b>	<b>3,886,974</b>	<b>9,087</b>	<b>0.2%</b>
<b>17,067</b>	<b>21,918</b>	<b>(4,851)</b>	<b>(22.1%)</b>	<b>OneCare Connect</b>	<b>89,293</b>	<b>110,486</b>	<b>(21,193)</b>	<b>(19.2%)</b>
<b>183</b>	<b>185</b>	<b>(2)</b>	<b>(1.1%)</b>	<b>PACE</b>	<b>898</b>	<b>875</b>	<b>23</b>	<b>2.6%</b>
<b>1,228</b>	<b>1,203</b>	<b>25</b>	<b>2.1%</b>	<b>OneCare</b>	<b>5,975</b>	<b>6,137</b>	<b>(162)</b>	<b>(2.6%)</b>
<b>798,559</b>	<b>802,989</b>	<b>(4,430)</b>	<b>(0.6%)</b>	<b>CalOptima Total</b>	<b>3,992,228</b>	<b>4,004,472</b>	<b>(12,244)</b>	<b>(0.3%)</b>

CalOptima  
Enrollment Trend by Network Type  
Fiscal Year 2017

Network Type	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	MMs
<b>HMO</b>													
Aged	351	350	355	368	363	-	-	-	-	-	-	-	1,787
BCCTP	1	1	1	(8)	2	-	-	-	-	-	-	-	(3)
Disabled	1,799	1,797	1,813	1,866	1,853	-	-	-	-	-	-	-	9,128
TANF Child	24,211	24,455	24,733	24,928	24,987	-	-	-	-	-	-	-	123,314
TANF Adult	7,929	7,872	7,914	7,850	8,029	-	-	-	-	-	-	-	39,594
LTC	-	-	-	-	-	-	-	-	-	-	-	-	-
MCE	12,989	13,224	13,464	14,034	13,897	-	-	-	-	-	-	-	67,608
	47,280	47,699	48,280	49,038	49,131	-	-	-	-	-	-	-	241,428
<b>PHC</b>													
Aged	1,495	1,464	1,488	1,458	1,427	-	-	-	-	-	-	-	7,332
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	7,903	7,872	7,862	7,865	7,804	-	-	-	-	-	-	-	39,306
TANF Child	169,358	168,529	169,733	169,714	168,615	-	-	-	-	-	-	-	845,949
TANF Adult	15,260	14,945	14,649	14,593	14,161	-	-	-	-	-	-	-	73,608
LTC	-	-	-	4	-	-	-	-	-	-	-	-	4
MCE	38,002	38,200	37,601	38,070	37,874	-	-	-	-	-	-	-	189,747
	232,018	231,010	231,333	231,705	229,881	-	-	-	-	-	-	-	1,155,947
<b>Shared Risk Group</b>													
Aged	7,658	7,627	7,635	7,726	7,528	-	-	-	-	-	-	-	38,174
BCCTP	-	-	-	8	1	-	-	-	-	-	-	-	9
Disabled	14,428	14,307	14,189	14,253	14,073	-	-	-	-	-	-	-	71,250
TANF Child	118,748	118,149	118,421	117,922	116,971	-	-	-	-	-	-	-	590,211
TANF Adult	63,849	62,814	62,579	62,266	61,355	-	-	-	-	-	-	-	312,863
LTC	-	-	-	3	3	-	-	-	-	-	-	-	6
MCE	140,640	140,811	137,172	139,776	139,565	-	-	-	-	-	-	-	697,964
	345,323	343,708	339,996	341,954	339,496	-	-	-	-	-	-	-	1,710,477
<b>Fee for Service (Dual)</b>													
Aged	43,684	45,173	45,173	45,522	46,007	-	-	-	-	-	-	-	225,559
BCCTP	27	26	24	23	23	-	-	-	-	-	-	-	123
Disabled	19,790	20,086	20,071	20,264	20,375	-	-	-	-	-	-	-	100,586
TANF Child	3	2	2	3	4	-	-	-	-	-	-	-	14
TANF Adult	1,179	1,162	1,184	1,197	1,181	-	-	-	-	-	-	-	5,903
LTC	2,868	2,910	2,941	2,906	2,940	-	-	-	-	-	-	-	14,565
MCE	2,960	2,975	2,721	2,750	2,822	-	-	-	-	-	-	-	14,228
	70,511	72,334	72,116	72,665	73,352	-	-	-	-	-	-	-	360,978
<b>Fee for Service (Non-Dual)</b>													
Aged	3,746	2,850	3,183	3,608	3,450	-	-	-	-	-	-	-	16,837
BCCTP	606	608	598	589	594	-	-	-	-	-	-	-	2,995
Disabled	4,533	4,269	4,390	4,368	4,488	-	-	-	-	-	-	-	22,048
TANF Child	22,710	23,011	22,504	23,069	23,658	-	-	-	-	-	-	-	114,952
TANF Adult	15,792	16,253	16,501	17,109	17,090	-	-	-	-	-	-	-	82,745
LTC	368	370	362	314	334	-	-	-	-	-	-	-	1,748
MCE	35,946	36,543	37,812	36,999	38,607	-	-	-	-	-	-	-	185,907
	83,701	83,904	85,350	86,056	88,221	-	-	-	-	-	-	-	427,232
<b>MEDI-CAL TOTAL</b>													
Aged	56,934	57,464	57,834	58,682	58,775	-	-	-	-	-	-	-	289,689
BCCTP	634	635	623	613	620	-	-	-	-	-	-	-	3,125
Disabled	48,453	48,331	48,325	48,616	48,593	-	-	-	-	-	-	-	242,318
TANF Child	335,030	334,146	335,393	335,636	334,235	-	-	-	-	-	-	-	1,674,440
TANF Adult	104,009	103,046	102,827	103,015	101,816	-	-	-	-	-	-	-	514,713
LTC	3,236	3,280	3,303	3,227	3,277	-	-	-	-	-	-	-	16,323
MCE	230,537	231,753	228,770	231,629	232,765	-	-	-	-	-	-	-	1,155,454
	778,833	778,655	777,075	781,418	780,081	-	-	-	-	-	-	-	3,896,062
<b>PACE</b>	177	179	179	180	183	-	-	-	-	-	-	-	898
<b>OneCare</b>	1,171	1,164	1,192	1,220	1,228	-	-	-	-	-	-	-	5,975
<b>OneCare Connect</b>	18,902	18,245	17,727	17,352	17,067	-	-	-	-	-	-	-	89,293
<b>TOTAL</b>	799,083	798,243	796,173	800,170	798,559	-	-	-	-	-	-	-	3,992,228

## **ENROLLMENT:**

**Overall MTD** enrollment was 798,559

- Unfavorable to budget by 4,430
- Decreased 1,611 or 0.2% from prior month
- Increased 9,711 or 1.2% from prior year (November 2015)

**Medi-Cal** enrollment was 780,081

- Favorable to budget by 398
  - Expansion favorable by 9,646
  - SPD favorable by 4,502
  - LTC favorable by 575
  - TANF unfavorable by 14,325
- Decreased 1,337 from prior month

**OneCare Connect** enrollment was 17,067

- Unfavorable to budget by 4,851
- Decreased 285 from prior month

**OneCare** enrollment was 1,228

- Favorable to budget by 25
- Increased 8 from prior month

**PACE** enrollment at 183

- Under budget by 2
- Increased 3 from prior month

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

Month			
Actual	Budget	\$ Variance	% Variance
780,081	779,683	398	0.1%
243,666,193	234,490,945	9,175,248	3.9%
243,666,193	234,490,945	9,175,248	3.9%
74,211,120	75,086,691	875,571	1.2%
58,684,754	55,912,951	(2,771,803)	(5.0%)
20,553,636	17,157,417	(3,396,219)	(19.8%)
34,055,865	33,746,937	(308,929)	(0.9%)
47,789,159	36,645,317	(11,143,842)	(30.4%)
2,829,075	4,293,439	1,464,364	34.1%
567,303	16,667	(550,637)	(3,303.8%)
238,690,912	222,859,418	(15,831,494)	(7.1%)
4,975,281	11,631,528	(6,656,246)	(57.2%)
5,192,240	6,504,265	1,312,025	20.2%
41,274	328,112	286,838	87.4%
739,830	746,298	6,469	0.9%
180,834	317,820	136,987	43.1%
(6,450)	383,061	389,511	101.7%
793,525	1,076,408	282,884	26.3%
(479,627)	(540,702)	(61,075)	(11.3%)
6,461,625	8,815,263	2,353,638	26.7%
22,205,174	8,838,078	(13,367,096)	(151.2%)
10,225,313	0	(10,225,313)	0.0%
11,979,861	8,838,078	(3,141,783)	(35.5%)
0	0	0	0.0%
100,000	287,500	(187,500)	(65.2%)
85,000	250,000	165,000	66.0%
32,334	37,500	5,166	13.8%
(17,334)	0	(17,334)	0.0%
95	0	95	0.0%
(1,503,584)	2,816,265	(4,319,848)	(153.4%)
98.0%	95.0%	-2.9%	-3.1%
2.7%	3.8%	1.1%	29.5%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	3,896,062	3,886,974	9,088	0.2%
Revenues				
Capitation revenue	1,215,198,562	1,168,062,274	47,136,287	4.0%
Total Operating Revenues	1,215,198,562	1,168,062,274	47,136,287	4.0%
Medical Expenses				
Provider capitation	370,354,308	374,765,246	4,410,938	1.2%
Facilities	294,327,335	281,267,421	(13,059,914)	(4.6%)
Professional Claims	93,631,737	84,364,429	(9,267,308)	(11.0%)
Prescription drugs	173,835,308	170,909,151	(2,926,157)	(1.7%)
MLTSS	233,723,153	185,160,755	(48,562,398)	(26.2%)
Medical Management	14,425,525	21,989,725	7,564,199	34.4%
Reinsurance & other	2,866,940	83,333	(2,783,607)	(3,340.3%)
Total Medical Expenses	1,183,164,307	1,118,540,060	(64,624,247)	(5.8%)
Gross Margin	32,034,255	49,522,214	(17,487,960)	(35.3%)
Administrative Expenses				
Salaries, wages & employee benefits	25,879,654	33,626,177	7,746,522	23.0%
Professional fees	620,816	1,510,096	889,281	58.9%
Purchased services	3,286,273	3,611,282	325,010	9.0%
Printing and postage	901,493	1,566,025	664,532	42.4%
Depreciation & amortization	1,476,796	1,915,305	438,509	22.9%
Other operating expenses	4,913,624	5,499,589	585,965	10.7%
Indirect cost allocation	(2,054,921)	(2,698,662)	(643,741)	(23.9%)
Total Administrative Expenses	35,023,735	45,029,813	10,006,078	22.2%
Operating Tax				
Tax Revenue	63,332,138	44,081,659	(19,250,479)	(43.7%)
Premium tax expense	51,126,565	0	(51,126,565)	0.0%
Sales tax expense	12,205,573	44,081,659	31,876,086	72.3%
Total Net Operating Tax	0	0	0	0.0%
Grant Income				
Grant Revenue	307,500	1,437,500	(1,130,000)	(78.6%)
Grant expense - Service Partner	261,375	1,250,000	988,625	79.1%
Grant expense - Administrative	98,432	187,500	89,068	47.5%
Total Net Grant Income	(52,307)	0	(52,307)	0.0%
Other income	623	0	623	0.0%
Change in Net Assets	(3,041,165)	4,492,402	(7,533,567)	(167.7%)
Medical Loss Ratio	97.4%	95.8%	-1.6%	-1.7%
Admin Loss Ratio	2.9%	3.9%	1.0%	25.2%

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

**REVENUES** of \$243.7 million are favorable to budget by \$9.2 million, driven by:

- Price related favorable variance of: \$9.1 million due to the recognition of fiscal year 2017 state long-term care payments for non-LTC members with nursing facility stays exceeding 90 days
- Volume related favorable variance of: \$0.1 million

**MEDICAL EXPENSES:** Overall \$238.7 million, unfavorable to budget by \$15.8 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget \$11.1 million due to:
  - Price related unfavorable variance of: \$11.1 million related to actuarial experience and County IHSS expense reporting
- **Professional claims** are unfavorable to budget \$3.4 million due to:
  - Price related unfavorable variance of: \$3.4 million related to claims actuarial experience

**ADMINISTRATION EXPENSES** are \$6.5 million, favorable to budget \$2.4 million, driven by:

- Salary & Benefits: \$1.3 million favorable to budget
- Non-Salary: \$1.1 million unfavorable to budget across most categories

**CHANGE IN NET ASSETS** is (\$1.5) million for the month, unfavorable to budget by \$4.3 million

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

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
17,067	21,918	(4,851)	(22.1%)	Member Months	89,293	110,486	(21,193)	(19.2%)
25,962,132	45,183,804	(19,221,672)	(42.5%)	Revenues	167,640,717	227,764,096	(60,123,379)	(26.4%)
25,962,132	45,183,804	(19,221,672)	(42.5%)	Capitation revenue	167,640,717	227,764,096	(60,123,379)	(26.4%)
				Total Operating Revenue	167,640,717	227,764,096	(60,123,379)	(26.4%)
6,870,242	9,949,298	3,079,056	30.9%	Medical Expenses	36,909,861	50,152,770	13,242,909	26.4%
11,551,878	11,379,933	(171,946)	(1.5%)	Provider capitation	50,625,497	57,617,372	6,991,875	12.1%
781,312	685,813	(95,499)	(13.9%)	Facilities	3,743,170	3,457,075	(286,096)	(8.3%)
5,636,619	10,353,082	4,716,462	45.6%	Ancillary	30,954,692	52,188,174	21,233,482	40.7%
(1,871,960)	7,913,884	9,785,845	123.7%	Long Term Care	28,999,205	40,490,050	11,490,846	28.4%
1,083,159	1,212,080	128,921	10.6%	Prescription drugs	5,019,765	6,102,188	1,082,423	17.7%
75,828	631,218	555,390	88.0%	Medical management	473,871	3,181,866	2,707,994	85.1%
24,127,079	42,125,308	17,998,229	42.7%	Other medical expenses	156,726,062	213,189,495	56,463,433	26.5%
1,835,053	3,058,497	(1,223,443)	(40.0%)	Total Medical Expenses	10,914,655	14,574,601	(3,659,946)	(25.1%)
810,331	915,786	105,455	11.5%	Gross Margin				
(18,359)	86,521	104,880	121.2%	Administrative Expenses	3,770,692	4,705,573	934,881	19.9%
103,578	181,140	77,563	42.8%	Salaries, wages & employee benefits	305,981	352,999	47,018	13.3%
20,177	135,914	115,737	85.2%	Professional fees	626,490	890,237	263,748	29.6%
33,373	2,910	(30,463)	(1,046.9%)	Purchased services	233,536	670,113	436,577	65.1%
746,264	937,491	191,227	20.4%	Printing and postage	168,979	511,621	342,641	67.0%
1,695,363	2,259,762	564,398	25.0%	Other operating expenses	3,731,320	4,687,453	956,133	20.4%
(41,722)	0	(41,722)	0.0%	Indirect cost allocation, Occupancy Expense	8,836,999	11,817,996	2,980,998	25.2%
(41,722)	0	41,722	0.0%	Total Administrative Expenses				
0	0	0	0.0%	Operating Tax	(44,638)	0	(44,638)	0.0%
139,690	798,735	(659,045)	(82.5%)	Tax Revenue	(44,638)	0	44,638	0.0%
				Sales tax expense	0	0	0	0.0%
				Total Net Operating Tax	0	0	0	0.0%
				Change in Net Assets	2,077,657	2,756,605	(678,948)	(24.6%)
92.9%	93.2%	0.3%	0.3%	Medical Loss Ratio	93.5%	93.6%	0.1%	0.1%
6.5%	5.0%	-1.5%	-30.6%	Admin Loss Ratio	5.3%	5.2%	-0.1%	-1.6%

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

**REVENUES** of \$26.0 million are unfavorable to budget by \$19.2 million driven by:

- Price related unfavorable variance of: \$9.2 million due to cohort experience, along with rate and savings target adjustments
- Volume related unfavorable variance of: (\$10.0) million due to lower enrollment

**MEDICAL EXPENSES** are favorable to budget \$18.0 million due to:

- Corresponding to revenue, and lower prescription drug and long-term care experience

**ADMINISTRATIVE EXPENSES** are favorable to budget by \$0.6 million

**CHANGE IN NET ASSETS** is \$0.1 million, unfavorable to budget by \$0.7 million



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

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,228	1,203	25	2.1%	Member Months	5,975	6,137	(162)	(2.6%)
				Revenues				
1,256,380	1,375,447	(119,067)	(8.7%)	Capitation revenue	5,955,842	7,041,778	(1,085,936)	(15.4%)
1,256,380	1,375,447	(119,067)	(8.7%)	Total Operating Revenue	5,955,842	7,041,778	(1,085,936)	(15.4%)
				Medical Expenses				
402,786	372,934	(29,852)	(8.0%)	Provider capitation	1,887,169	1,912,039	24,870	1.3%
526,778	304,407	(222,371)	(73.1%)	Inpatient	1,718,242	1,568,131	(150,111)	(9.6%)
34,477	46,669	12,192	26.1%	Ancillary	214,305	242,415	28,110	11.6%
39,589	22,141	(17,448)	(78.8%)	Skilled nursing facilities	194,072	115,237	(78,835)	(68.4%)
506,613	459,618	(46,995)	(10.2%)	Prescription drugs	2,193,381	2,344,985	151,604	6.5%
39,400	50,848	11,448	22.5%	Medical management	56,978	108,308	51,330	47.4%
5,210	(9,773)	(14,982)	(153.3%)	Other medical expenses	22,395	118,161	95,766	81.0%
1,554,852	1,246,844	(308,008)	(24.7%)	Total Medical Expenses	6,286,543	6,409,276	122,733	1.9%
(298,472)	128,603	(427,075)	(332.1%)	Gross Margin	(330,701)	632,502	(963,203)	(152.3%)
				Administrative Expenses				
20,683	20,627	(56)	(0.3%)	Salaries, wages & employee benefits	131,611	106,196	(25,415)	(23.9%)
20,000	13,333	(6,667)	(50.0%)	Professional fees	77,181	66,667	(10,514)	(15.8%)
12,829	19,373	6,544	33.8%	Purchased services	97,583	96,971	(612)	(0.6%)
8,441	13,710	5,269	38.4%	Printing and postage	24,183	62,239	38,056	61.1%
0	89	89	100.0%	Other operating expenses	1,692	443	(1,249)	(281.9%)
25,244	29,494	4,250	14.4%	Indirect cost allocation, Occupancy Expense	126,219	147,468	21,249	14.4%
87,196	96,625	9,429	9.8%	Total Administrative Expenses	458,469	479,983	21,514	4.5%
(385,669)	31,977	(417,646)	(1,306.1%)	Change in Net Assets	(789,170)	152,519	(941,688)	(617.4%)
=====	=====	=====	=====		=====	=====	=====	=====
123.8%	90.7%	-33.1%	-36.5%	Medical Loss Ratio	105.6%	91.0%	-14.5%	-16.0%
6.9%	7.0%	0.1%	1.2%	Admin Loss Ratio	7.7%	6.8%	-0.9%	-12.9%

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

Month			
Actual	Budget	\$ Variance	% Variance
183	185	(2)	(1.1%)
914,874	827,979	86,895	10.5%
332,235	339,666	(7,432)	(2.2%)
1,247,109	1,167,646	79,463	6.8%
308,448	383,255	74,807	19.5%
0	0	0	0.0%
215,410	233,075	17,665	7.6%
242,071	247,431	5,360	2.2%
72,361	133,187	60,826	45.7%
(20,745)	23,871	44,616	186.9%
93,519	74,099	(19,420)	(26.2%)
51,002	49,349	(1,653)	(3.4%)
37,655	37,214	(441)	(1.2%)
25,411	13,833	(11,578)	(83.7%)
150	271	121	44.6%
19,476	24,547	5,071	20.7%
11,226	22,785	11,559	50.7%
1,055,984	1,242,917	186,933	15.0%
191,125	(75,272)	266,396	353.9%
97,413	89,429	(7,984)	(8.9%)
1,938	11,667	9,728	83.4%
5,283	988	(4,295)	(434.7%)
0	1,699	1,699	100.0%
2,125	2,056	(69)	(3.4%)
5,817	11,426	5,608	49.1%
2,381	1,023	(1,358)	(132.8%)
114,958	118,287	3,329	2.8%
76,167	(193,559)	269,725	139.4%
84.7%	106.4%	21.8%	20.5%
9.2%	10.1%	0.9%	9.0%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	898	875	23	2.6%
Revenues				
Medi-Cal capitation revenue	4,845,139	3,914,588	930,551	23.8%
MediCare capitation revenue	1,566,101	1,615,091	(48,990)	(3.0%)
Total Operating Revenues	6,411,240	5,529,679	881,560	15.9%
Medical Expenses				
Clinical salaries & benefits	1,436,539	1,973,186	536,647	27.2%
Pace Center Support salaries & benefits	0	0	0	0.0%
Claims payments to hospitals	1,224,379	1,124,010	(100,368)	(8.9%)
Professional Claims	1,006,691	1,186,986	180,295	15.2%
Prescription drugs	426,671	642,299	215,627	33.6%
Long-term care facility payments	21,213	115,118	93,905	81.6%
Patient Transportation	321,793	357,345	35,552	9.9%
Depreciation & amortization	244,370	246,745	2,375	1.0%
Occupancy expenses	188,275	186,070	(2,205)	(1.2%)
Utilities & Facilities Expense	95,401	69,165	(26,236)	(37.9%)
Purchased Services	889	1,309	420	32.1%
Indirect Allocation	97,384	122,735	25,351	20.7%
Other Expenses	60,767	113,926	53,159	46.7%
Total Medical Expenses	5,124,372	6,138,894	1,014,522	16.5%
Gross Margin	1,286,868	(609,215)	1,896,083	311.2%
Administrative Expenses				
Salaries, wages & employee benefits	451,172	460,531	9,359	2.0%
Professional fees	14,691	33,333	18,642	55.9%
Purchased services	15,697	5,084	(10,613)	(208.8%)
Printing and postage	1,725	8,796	7,071	80.4%
Depreciation & amortization	10,182	10,281	99	1.0%
Other operating expenses	27,816	57,128	29,312	51.3%
Indirect cost allocation, Occupancy Expense	11,902	5,114	(6,788)	(132.7%)
Total Administrative Expenses	533,184	580,267	47,082	8.1%
Change in Net Assets	753,684	(1,189,481)	1,943,165	163.4%
Medical Loss Ratio	79.9%	111.0%	31.1%	28.0%
Admin Loss Ratio	8.3%	10.5%	2.2%	20.7%

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

Actual	Month		
	Budget	\$ Variance	% Variance
24,056	21,285	2,772	13.0%
24,056	21,285	2,772	13.0%
1,525	2,085	560	26.8%
28,003	22,405	(5,598)	(25.0%)
111,153	210,141	98,988	47.1%
16,000	14,300	(1,700)	(11.9%)
96,016	189,537	93,521	49.3%
25,200	0	(25,200)	0.0%
(262,637)	(352,100)	(89,463)	(25.4%)
15,260	86,368	71,108	82.3%
8,796	(65,083)	73,879	113.5%

Revenues

Rental income

Total Operating Revenue

Administrative Expenses

Professional fees

Purchase services

Depreciation & amortization

Insurance expense

Repair and maintenance

Other Operating Expense

Indirect allocation, Occupancy Expense

Total Administrative Expenses

Change in Net Assets

Actual	Year - To - Date		
	Budget	\$ Variance	% Variance
120,282	106,425	13,858	13.0%
120,282	106,425	13,858	13.0%
7,046	10,425	3,380	32.4%
151,049	112,024	(39,025)	(34.8%)
779,402	1,050,704	271,302	25.8%
80,002	71,501	(8,501)	(11.9%)
492,430	947,687	455,257	48.0%
249,698	0	(249,698)	0.0%
(1,663,000)	(1,760,499)	(97,500)	(5.5%)
96,627	431,841	335,214	77.6%
23,655	(325,417)	349,072	107.3%

**OTHER STATEMENTS – NOVEMBER MONTH:**

**ONECARE INCOME STATEMENT**

**REVENUES** of \$1.3 million are unfavorable to budget by \$0.1 million due to actual membership experience

**CHANGE IN NET ASSETS** is (\$0.4) million, \$0.4 million unfavorable to budget

**PACE INCOME STATEMENT**

- **Change in Net Assets** for the month is \$76.2 thousand, which is operating favorable to budget by \$269.7 thousand

**505 CITY PARKWAY BUILDING INCOME STATEMENT**

- **Change in Net Assets** for the month is \$8.7 thousand which is favorable to budget \$73.9 thousand

**CalOptima  
BALANCE SHEET  
November 30, 2016**

**ASSETS**

Current Assets	
Operating Cash	\$414,359,258
Catastrophic Reserves	11,630,989
Investments	1,410,557,959
Capitation receivable	570,086,482
Receivables - Other	19,719,457
Prepaid Expenses	11,052,152
<b>Total Current Assets</b>	<b><u>2,437,406,295</u></b>
Capital Assets	
Furniture and equipment	33,303,693
Leasehold improvements	7,574,382
505 City Parkway West	49,269,863
	90,147,938
Less: accumulated depreciation	(34,314,257)
Capital assets, net	<b><u>55,833,681</u></b>
Other Assets	
Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	6,673,435
Long term investments	518,831,377
Total Board-designated Assets	525,504,812
<b>Total Other Assets</b>	<b><u>525,804,812</u></b>
Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473
<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>3,024,047,805</u></b>

**LIABILITIES & FUND BALANCES**

Current Liabilities	
Accounts payable	\$29,198,590
Medical claims liability	899,750,233
Accrued payroll liabilities	11,060,859
Deferred revenue	871,242,568
Deferred lease obligations	267,070
Capitation and withholds	511,511,638
<b>Total Current Liabilities</b>	<b><u>2,323,030,957</u></b>
Other employment benefits liability	28,661,208
Net Pension Liabilities	9,947,381
Long Term Liabilities	100,000
<b>TOTAL LIABILITIES</b>	<b><u>2,361,739,547</u></b>
Deferred inflows of Resources - Excess Earnings	502,900
Deferred inflows of Resources - changes in Assumptions	1,651,640
Tangible net equity (TNE)	93,494,304
Funds in excess of TNE	566,659,415
<b>Net Assets</b>	<b><u>660,153,719</u></b>
<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>3,024,047,805</u></b>

**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of November 30, 2016**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,070,963				
	Tier 1 - Logan Circle	144,757,660				
	Tier 1 - Wells Capital	144,884,826				
		434,713,449	278,382,541	437,758,332	156,330,908	(3,044,883)
TNE Requirement	Tier 2 - Logan Circle	90,791,363	93,494,304	93,494,304	(2,702,941)	(2,702,941)
<b>Consolidated:</b>		<b>525,504,812</b>	<b>371,876,845</b>	<b>531,252,636</b>	<b>153,627,967</b>	<b>(5,747,823)</b>
<i>Current reserve level</i>		1.98	1.40	2.00		

**CalOptima**  
**Statement of Cash Flows**  
**November 30, 2016**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(3,524,050)	586,540
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	(4,325)	1,486,978
Changes in assets and liabilities:		
Prepaid expenses and other	(543,928)	(4,267,905)
Catastrophic reserves		
Capitation receivable	(257,705,139)	(103,054,931)
Medical claims liability	298,208,218	301,055,375
Deferred revenue	11,868,252	280,539,927
Payable to providers	15,216,054	109,685,336
Accounts payable	9,922,927	23,012,379
Other accrued liabilities	874,454	4,283,023
Net cash provided by/(used in) operating activities	<u>74,312,463</u>	<u>613,326,722</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	119,465,329	(391,293,327)
Purchase of property and equipment	(753,969)	(2,325,095)
Change in Board designated reserves	(49,519,710)	(49,669,447)
Net cash provided by/(used in) investing activities	<u>69,191,650</u>	<u>(443,287,868)</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 143,504,112	 170,038,853
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$282,486,135</u>	 <u>255,951,393</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u><u>\$ 425,990,247</u></u>	 <u><u>\$ 425,990,247</u></u>

## **BALANCE SHEET:**

**ASSETS** Increased \$332.6 million from October

- **Cash and Cash Equivalents** increased by \$143.5 million from October based upon timing of state checks received, month-end cut-off and cash funding requirements
- **Net Capitation Receivables** increased \$254.2 million based upon payment receipt timing and receivables along with QAF and IGT receivables for cash received in December
- **Investments** decreased \$119.5 million due to payment receipt timing and receivables

**LIABILITIES** increased \$332.6 million from October

- **Medical Claims Liability** increased by \$298.2 million from October due to:
  - IGT accruals of \$70M and QAF FY15 accruals of \$222M
- **Total Capitation Payable** increased \$15.2 million based upon timing of pool estimates, recalculations and payouts
- **Accrued Expenses** increased \$9.9 million due to monthly sales tax accrual

**NET ASSETS** are \$660.2 million



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

Month					Year - To - Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
<b>Revenues</b>									
0	2,264	(2,264)	(100.0%)	Income - Grant	27,164	11,322	15,842	139.9%	
2,083	0	2,083	100.0%	In Kind Revenue - HITEC Grant	64,080	0	64,080	100.0%	
2,083	2,264	(181)	(8.0%)	Total Operating Revenue	91,244	11,322	79,922	705.9%	
<b>Operating Expenditures</b>									
0	6,184	6,184	100.0%	Personnel	27,195	30,921	3,726	12.1%	
0	2,985	2,985	100.0%	Taxes and Benefits	26,240	14,924	(11,316)	(75.8%)	
0	0	0	0.0%	Travel	(3)	0	3	100.0%	
0	0	0	0.0%	Supplies	7,009	10,000	2,991	29.9%	
0	0	0	0.0%	Contractual	20,388	17,174	(3,214)	(18.7%)	
2,083	232,065	229,982	99.1%	Other	10,415	1,160,326	1,149,911	99.1%	
2,083	241,234	239,151	99.1%	Total Operating Expenditures	91,244	1,233,345	1,142,101	92.6%	
0	0	0	0.0%	Investment Income	0	0	0	0.0%	
0	(238,970)	(238,970)	(100.0%)	Program Income	0	(1,222,023)	(1,222,023)	(100.0%)	
=====	=====	=====	=====		=====	=====	=====	=====	

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

<b><u>ASSETS</u></b>		<b><u>LIABILITIES &amp; NET ASSETS</u></b>	
Operating cash	2,894,727	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	(118)
<b>Total Current Assets</b>	<b><u>2,894,727</u></b>	Grants-Foundation	0
		<b>Total Current Liabilities</b>	<b><u>(118)</u></b>
		<b>Total Liabilities</b>	<b>(118)</b>
		<b>Net Assets</b>	<b>2,894,845</b>
<b>TOTAL ASSETS</b>	<b><u><u>2,894,727</u></u></b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u><u>2,894,727</u></u></b>

## **CALOPTIMA FOUNDATION – NOVEMBER MONTH**

### **INCOME STATEMENT:**

#### **Revenues**

- Revenues from Health Information Technology for Economics and Clinical Health (HITEC) and in-kind contributions from CalOptima
- The Foundation recognized \$2,083 for November, 2016
  - HITEC Grant revenue totaled \$27,164 YTD which leaves \$0.0 remaining in HITEC Grant funding as of November, 2016
  - CalOptima in-kind contribution totaled \$64,080 YTD
- Revenue budget variances attributed to:
  - Grant funding originally allocated July-September 2016 for original extension, later ONC extended it through September 2016
  - CalOptima in-kind revenue was not included in FY17 budget

#### **Expenses**

- \$91,244 for grant related activities incurred YTD FY17
- Expense categories include staff services, travel and miscellaneous supplies
  - \$1,142,101 favorable variance YTD
  - FY17 budget was based on remaining fund balance in Foundation total assets
  - Actual expenses were much lower than anticipated for CalOptima support activities

### **BALANCE SHEET:**

#### **Assets**

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

#### **Liabilities**

- \$118 current month provider payable for HITEC grant services

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

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	OneCare Connect	Office of Compliance - Professional Fees (Consultant for Annual CPE Audit & CMS Mock Audit)	Office of Compliance - Professional Fees - Consultant for DMHC Mock Audit	\$69,000	Re-purpose \$53,631 from Professional Fees (Consultant for Annual CPE Audit) and \$15,369 from Professional Fees (Consultant for CMS Mock Audit) to pay for consultant for DMHC Mock Audit	2017
July	COREC	REC - Other	REC - Comp Supply/Minor Equip	\$10,000	Re-allocate funds to cover costs for computer equipment upgrade which is approved ONC grant managers	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$63,810	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Ceridian Software Maintenance	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$15,010	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Talentova Learning Management System	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$23,900	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for Silk Road	2017
July	Medi-Cal	Claims Administration - Purchased Services - Integration of Claim Editing Software	Claims Administration - Purchased Services - LTC Rate Adjustments	\$98,000	Re-purpose funds from within Purchased Services (Integration of Claim Editing Software) to pay for LTC Adjustments (TriZetto Robot Process)	2017
July	Medi-Cal	Human Resources - Advertising, Travel, Comp Supply/Minor Equip, Subscriptions, Courier/Delivery	Human Resources - Professional Fees (Salary & Compensation Research), Public Activities, Office Supplies, Food Service Supplies, Professional Dues, Training & Seminars, Cert./Cont. Education	\$84,491	Re-allocate HR FY17 Budget based on HR dept's past spending trends to better meet department's need	2017
July	Medi-Cal	IS-Infrastructure - Telephone - General Telecommunication and Network Connectivity	IS-Infrastructure - Purchased Services - Disaster Recovery Services	\$35,575	Re-allocate funds from Telephone (General Telecommunication and Network Connectivity) to Purchased Services to pay for Disaster Recovery Services	2017
August	Medi-Cal	Other Pay	Quality Analytics - Purchased Services	\$67,000	Re-allocate funds to Quality Analytics Purchased Services for additional funds that is needed for CG-CAHPS survey	2017
August	Medi-Cal	Other Pay	Community Relations - Professional Fees & Printing	\$43,640	Re-allocate funds to Community Relations Professional Fees and Printing budgets for contracts with Tony Lam and Communications Lab and printing costs of Community Option Fair	2017
August	Medi-Cal	IS-Application Management - Purchased Services - Healthcare Productivity Automation	IS-Application Management - Purchased Services - Direct Hire Fees	\$10,957	Re-purpose funds from Purchased Services (Healthcare Productivity Automation) to pay for Direct Hire fees	2017
August	Medi-Cal	Other Pay	IS-Application Development - Comp Supplies/Minor Equipments	\$20,400	Re-allocate funds to cover costs of DocuSign, Box, and Primal Script 2016	2017
August	Medi-Cal	Claims Administration - Purchased Services	Claims Administration - Office Supplies, Training & Seminars, Printing	\$15,000	Re-allocate funds from Purchased Services (Integration of Claim Editing Software & Inventory Management Forecasting) to Office Supplies, Training & Seminars, and Printing to better meet department's needs	2017
September	Medi-Cal	Health Education & Disease Management - Professional Fees	Health Education & Disease Management - Other Operating Expenses	\$30,000	Re-allocate funds from Professional Fees (Childhood Obesity Program Design & Evaluation) to Member & Provider Incentives to support incentives for the Group Needs Assessment (GNA) and other Health Education / Disease Management activities.	2017
October	Capital	Facilities - Relocate Trash Enclosure	Facilities - 505 Sound Recording System	\$50,555	Re-allocate from Relocate Trash Enclosure project for additional funds that are needed for the 505 Sound Recording System project.	2017
October	Medi-Cal	IS-Infrastructure - Professional Fees - Enterprise Identity Access Management	IS-Infrastructure - Software Maintenance - Security Solution Annual Maintenance	\$21,041	Re-allocate from Professional Services for an Enterprise Identity Access Management to HW/SW Maintenance for Information Security Data Loss Prevention Solution Annual Maintenance.	2017
October	Medi-Cal	Facilities - Computer Supply/Minor Equipment - Office Furniture & Equipment	Facilities - Computer Supply/Minor Equipment - Other Articles of Minor Equipment	\$27,000	Repurpose funds in Comp supply/minor equipment for re-upholstering chairs in the member service lobby and other minor equipment expenses to better meet the Department's need.	2017

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

## Board of Directors' Finance and Audit Committee Meeting February 16, 2017

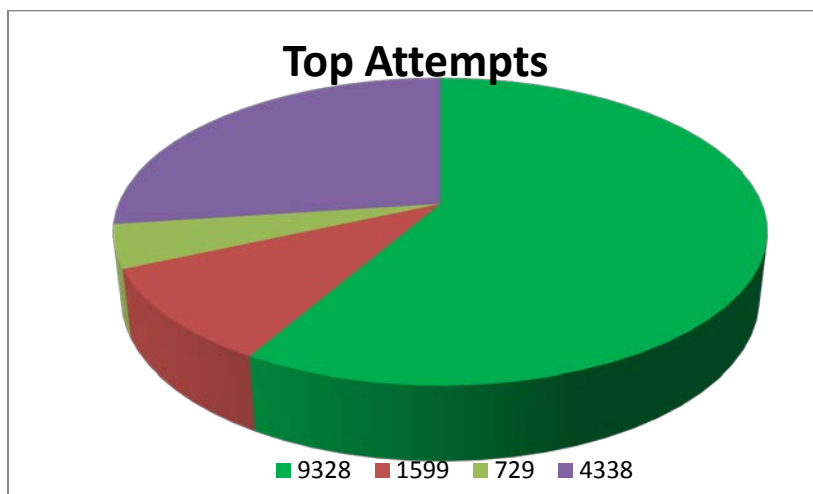
### Information Systems Security Update

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#### Top External Attempts













##### Background

The following report shows the malicious activities that were prevented from accessing CalOptima's network from October 1, 2016 through December 31, 2016. **None of the attempts were successful.** It is important to note that these attempts are not specifically targeted at CalOptima, but rather are commonly triggered attempts against entire areas of the Internet. The results are typical of many organizations and are not considered out of the ordinary.



	<i><b>Attack Name</b></i>	<b>Description</b>
<b>1</b>	<i>Netcore/Netis Router Backdoor Communication Attempt</i>	Blocked attempts to probe for default router passwords located in the firmware.
<b>2</b>	<i>Suspicious DNS Lookup:</i>	A compromised host on the Internet attempted to contact CalOptima's systems to use them to launch an attack on other hosts but was unsuccessful. This is usually a false positive.
<b>3</b>	<i>Apple iTunes PLS Playlist Overlong File Location</i>	Blocked attempts to exploit a buffer overflow vulnerability in Apple iTunes which could result in remote code execution
<b>4</b>	<i>Apple iTunes Buffer Overflow</i>	Thwarted stack based buffer overflow that exists in Apple iTunes 10.4.0.80 to 10.6.1.7.

The following table illustrates a summary of incoming mail for the period of October 1, 2016 through December 31, 2016. Of 3.7 million messages attempted, 3.1 million were blocked due to the reasons/categories listed below.

Overview > Incoming Mail Summary <span>✕</span>		
Message Category	%	Messages
 Stopped by Reputation Filtering	76.3%	2.9M
 Stopped as Invalid Recipients	2.2%	81.5k
 Spam Detected	3.2%	120.6k
 Virus Detected	0.0%	17
 Detected by Advanced Malware Protection	0.0%	0
 Messages with Malicious URLs	0.1%	3,167
 Stopped by Content Filter	0.1%	2,474
 Stopped by DMARC	0.0%	0
 S/MIME Verification/Decryption Failed	0.0%	0
<b>Total Threat Messages:</b>	<b>81.7%</b>	<b>3.1M</b>
 Marketing Messages	5.8%	217.4k
 S/MIME Verification/Decryption Successful	0.0%	0
 Clean Messages	12.5%	465.9k
<b>Total Attempted Messages:</b>		<b>3.7M</b>

#### Recent and upcoming Activities:

1. The Information Services Security Team (Security Team) had undertaken a review and update of several of the key Information Security policies. These were finalized and submitted to the Board for approval on February 2, 2017.
2. Beginning in March, 2016, the Security Team began conducting periodic phishing tests on CalOptima employees. Initially, this was a component of the internal audit plan and was conducted in partnership with Deloitte. During the most previous quarter, as of November, 2016, this became a regularly scheduled internal process conducted by the Security Team. The current campaign is being conducted department by department and is expected to be completed in March 2017. The goal is to raise the awareness of the risk of email phishing and educate employees in how to react.

3. In January, CalOptima became a member/partner of the Department of Homeland Security (DHS) “Stop.Think.Connect.” program. This is a national Cybersecurity awareness campaign designed for government agencies and non-profit organizations. The campaign has regular meetings for information sharing from experts as well as dozens of printed materials for use by the partner organizations. CalOptima is utilizing this no cost service to boost its Security Awareness. The Security Team will conduct a “Cybersecurity Awareness Week” from March 6 through March 9, 2017. In the next few months, CalOptima will take advantage of a no-cost Cyber Resilience Review, conducted by the local DHS office. Annually, CalOptima will participate in the national Cybersecurity Awareness Month activities each October, beginning in October, 2017.
4. To continue to reduce the likelihood of possible leaks of PHI, the Security Team is in the process of blocking employee access to unauthorized personal cloud storage sites (e.g. dropbox, shutterfly, snapfish, etc.).

# LONG-RANGE STRATEGIC REAL ESTATE PLAN – EXCESS REAL ESTATE: DEVELOPMENT OR DISPOSITION - UPDATE

- FINANCE AND AUDIT COMMITTEE MEETING
- FEBRUARY 16, 2017
- GLEN ALLEN, PRESIDENT
- NEWPORT REAL ESTATE SERVICES, INC.



# Purpose of Presentation

- CalOptima Staffing Needs
- Review Site Plan
- Review Development Rights Options: Pros/Cons
- Review Development Rights Timeline
- CalOptima Development vs. 3rd Party Disposition

# Summary of Discussion

## Needs Assessment

- Assumptions
- Conclusions

## Real Estate Alternatives

- Develop CalOptima Property
- 3<sup>rd</sup> Party/Disposition Alternatives – With Rights to Occupy

# Needs Assessment - Assumptions

- Optimized Telecommuting
- Assumes Projected Programs
  - Cal-MediConnect
  - Medi-Cal
  - OneCare
  - PCC Program
  - ACA Related and Demographic-Trend Member Growth
- Recapture of all 505 Space
- 1 person/181 s.f. space allocation

# Current Space Projection

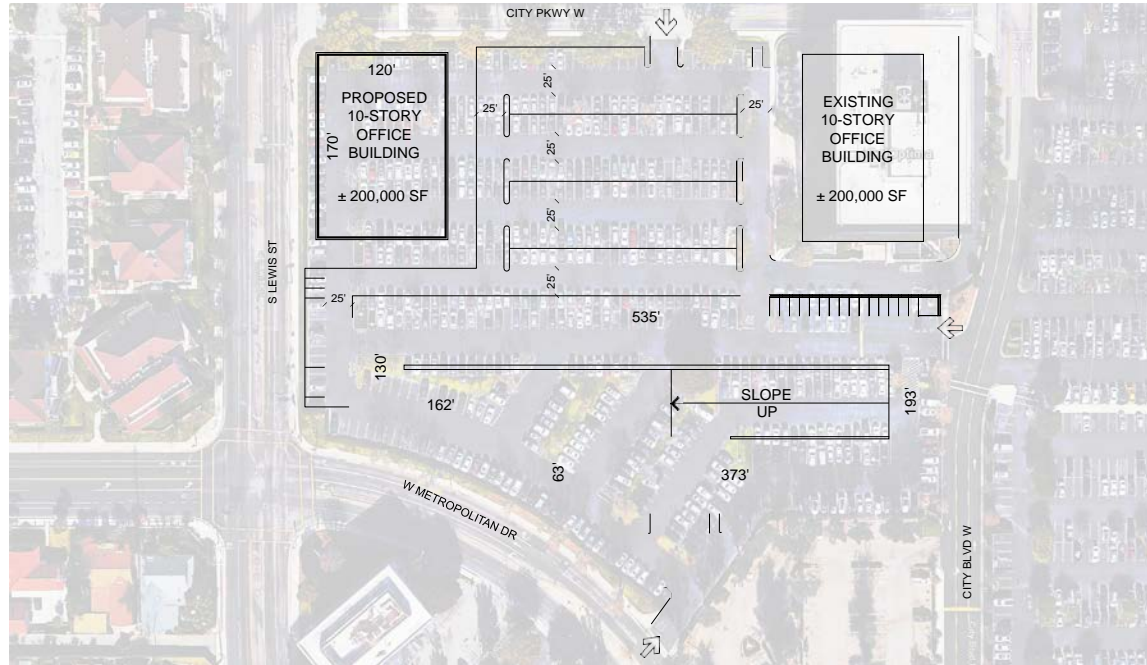
## 505 Building Available Seats

On Site	749
Filled Seats	46
<b>Sub-Total</b>	<b>795</b>
Teleworker/Community	318
<b>Total</b>	<b>1,114</b>
<b>Total Space Available</b>	<b>1,025</b>
Filled Seats and Temp Help	(795)
<b>Total Vacant Spaces</b>	<b>257</b>
Pending Requests to Fill	(142)
Expected Employee Count for New Programs	(26)
<b>Net Space Surplus (Shortfall)</b>	<b>89</b>
10th Floor Space	85
<b>Total Surplus (Shortfall)</b>	<b>174</b>

# Space Alternatives

- Offsite Lease or Purchase
- Extensive Telecommuting
- Multiple Shifts
- Relocate to a Larger Building
- Develop Adjacent CalOptima Property

# Site Plan



SITE PLAN

## PROJECT DATA:

ZONING: UMU - URBAN MIXED USE

SITE AREA: ± 272,757 SF (± 6.361 AC)

EXISTING BUILDING: 200,000 SF

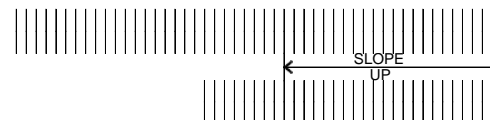
PROPOSED BUILDING: 200,000 SF

TOTAL BUILDING: 400,000 SF

F.A.R.: 1.46

PARKING REQUIRED: 2,000 STALLS  
( 400,000 SF @ 5/1000 )

PARKING PROVIDED: ± 2,032 STALLS  
SURFACE: 192 STALLS  
1ST FLOOR STRUCTURE: 240 STALLS  
2-6TH FLOOR STRUCTURE: 1,450 STALLS  
(290/STORY, TYP.)  
7TH FLOOR: ± 150 STALLS



TYPICAL PARKING LEVEL

[Back to Agenda](#)

# Development/Disposition Alternatives

## RFI (To be Prepared)

- Direct Sale
- Ground Lease
- Joint Venture
- Trade of Nearby Property  
(Options to Occupy)

## CalOptima Development/Construction

- Design/Bid/Build
- Design/Build
- Balance Sheet/Capital Implications
- Vacant Area Risk Assessment

## Extend Development Agreement

- City Approval Required
- Fee Payment Likely Required

# Development Alternative Options

		Pros	Cons	Fiscal
Direct Sale:	CalOptima could directly sell the development rights and secure space for CalOptima's use.	<ol style="list-style-type: none"> <li>1. Large one time capital infusion</li> <li>2. Reserved right for additional space</li> <li>3. No development risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Loss of future control</li> <li>2. Restricted expansion rights</li> <li>3. Lease payments required on additional space</li> </ol>	<ol style="list-style-type: none"> <li>1. Large, one-time capital event</li> <li>2. No on-going income</li> <li>3. Lease payments for additional space</li> </ol>
Ground Lease:	CalOptima could lease the property to a developer.	<ol style="list-style-type: none"> <li>1. Long-term income stream</li> <li>2. Reserved right for additional space</li> <li>3. No development risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Loss of future control</li> <li>2. Restricted expansive rights</li> <li>3. Lease payments required on additional space</li> </ol>	<ol style="list-style-type: none"> <li>1. Long-term income stream with periodic adjustments</li> <li>2. Lease payments for additional space</li> </ol>
Direct Development:	CalOptima could assign the development rights to a developer, who would provide space back to CalOptima in return.	<ol style="list-style-type: none"> <li>1. Property is already owned by CalOptima</li> <li>2. Current Entitlement already in place</li> <li>3. Multiple delivery/financing options</li> <li>4. Total flexibility with building design</li> <li>5. Future expansion space</li> <li>6. Inclusion of PACE</li> <li>7. Incorporation of formal board space</li> <li>8. Eliminate need for offsite leased space</li> </ol>	<ol style="list-style-type: none"> <li>1. Time to delivery: 22-30 months</li> <li>2. Splits staff to 2 buildings</li> <li>3. Capital requirement</li> </ol>	<ol style="list-style-type: none"> <li>1. Large capital expenditures for development required</li> <li>2. No future rent payments</li> <li>3. No lease payment for additional space</li> <li>4. Lease income from expansion space tenants</li> </ol>
Joint Venture:	CalOptima could develop the property jointly with a developer.	<ol style="list-style-type: none"> <li>1. Participation in development Upside</li> <li>2. Reserved right for additional space</li> <li>3. Reduced development risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Participation in development Downside</li> <li>2. Some cash flow and development risks</li> <li>3. No cash flow during development and lease-up period</li> <li>4. Consistency with CalOptima core mission</li> <li>5. Market Risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Variable on-going income from project cash flow</li> <li>2. No large capital contribution required</li> </ol>
Exchange for Nearby Property:	CalOptima could exchange the development rights for a developed property	<ol style="list-style-type: none"> <li>1. Ability to obtain pre-built expansion space</li> <li>2. Likely "built-in" phased space availability</li> <li>3. On-going cash flow</li> </ol>	<ol style="list-style-type: none"> <li>1. Market Risk</li> <li>2. Building operations obligations</li> <li>3. Value of suitable trade property</li> </ol>	<ol style="list-style-type: none"> <li>1. No large capital outlay</li> <li>2. On-going income stream</li> </ol>



# Conceptual Development Timeline





**CalOptima**  
Better. Together.

# **Cost Containment Improvements/Initiatives**

**Board of Directors' Finance & Audit Committee Meeting  
February 16, 2017**

**Nancy Huang, Interim Chief Financial Officer  
Ken Wong, Director, Budget and Vendor Management**

# Resources Committee - Labor

## Report of Open Position/Temporary - December 2016

Line of Business	December		YTD Open Position (\$)	Temporary Help		Variance
	FTE's	Dollars		Actual	Budget	
MC	79.23	\$ 815,096	\$ 4,047,758	\$ 760,294	\$ 414,357	\$ (345,937)
EX		\$ -	\$ -	\$ -	\$ -	\$ -
OC		\$ -	\$ 11,885	\$ -	\$ 235	\$ 235
OCC	25.00	\$ 193,884	\$ 1,012,891	\$ -	\$ 113,040	\$ 113,040
PACE	12.00	\$ 70,835	\$ 591,813	\$ 205,343	\$ 268,294	\$ 62,951
MSSP		\$ -	\$ 7,225	\$ 1,568	\$ 14,359	\$ 12,791
<b>Total</b>	<b>116.23</b>	<b>\$1,079,815</b>	<b>\$ 5,671,572</b>	<b>\$ 967,206</b>	<b>\$ 810,285</b>	<b>\$ (156,921)</b>

### Notes:

- Dollars include Employee Benefits.
- FTE's and Dollars include Medical and Administrative Positions.

# Resources Committee – Non-Labor

## Professional Fees

LOB	Dec MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 64,528	\$ 362,325	\$ 297,797	82%	\$ 727,746	\$ 2,097,118	\$ 1,369,373	65%	\$ 4,235,282
OC	\$ 20,889	\$ 17,730	\$ (3,159)	-18%	\$ 98,070	\$ 84,619	\$ (13,451)	-16%	\$ 191,000
OCC	\$ 2,308	\$ 94,535	\$ 92,227	98%	\$ 308,290	\$ 486,937	\$ 178,647	37%	\$ 1,054,146
PACE	\$ (9,691)	\$ 11,667	\$ 21,358	183%	\$ 5,000	\$ 45,000	\$ 40,000	89%	\$ 115,000
MSSP	\$ 710	\$ 833	\$ 124	15%	\$ 4,257	\$ 5,000	\$ 743	15%	\$ 10,000
<b>Total</b>	<b>\$ 78,744</b>	<b>\$ 487,090</b>	<b>\$ 408,347</b>	<b>84%</b>	<b>\$ 1,143,362</b>	<b>\$ 2,718,674</b>	<b>\$ 1,575,312</b>	<b>58%</b>	<b>\$ 5,605,428</b>

## Purchased Services

LOB	Dec MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 988,360	\$ 857,444	\$ (130,916)	-15%	\$ 4,952,427	\$ 4,991,483	\$ 39,056	1%	\$ 10,870,657
OC	\$ 37,822	\$ 31,269	\$ (6,554)	-21%	\$ 182,070	\$ 189,719	\$ 7,648	4%	\$ 437,330
OCC	\$ 190,774	\$ 263,668	\$ 72,894	28%	\$ 841,277	\$ 1,562,322	\$ 721,045	46%	\$ 3,142,607
PACE	\$ 5,821	\$ 1,276	\$ (4,545)	-356%	\$ 22,407	\$ 7,669	\$ (14,738)	-192%	\$ 15,435
MSSP	\$ -	\$ 417	\$ 417	100%	\$ 35	\$ 2,500	\$ 2,465	99%	\$ 5,000
<b>Total</b>	<b>\$ 1,222,777</b>	<b>\$ 1,154,073</b>	<b>\$ (68,704)</b>	<b>-6%</b>	<b>\$ 5,998,217</b>	<b>\$ 6,753,693</b>	<b>\$ 755,476</b>	<b>11%</b>	<b>\$ 14,471,029</b>

# Resources Committee – Non-Labor (cont.)

## Printing and Postage

LOB	Dec MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 358,243	\$ 347,919	\$ (10,324)	-3%	\$ 1,338,769	\$ 2,096,437	\$ 757,668	36%	\$ 4,441,993
OC	\$ 34,115	\$ 16,264	\$ (17,850)	-110%	\$ 62,458	\$ 93,274	\$ 30,816	33%	\$ 190,861
OCC	\$ 235,920	\$ 166,209	\$ (69,711)	-42%	\$ 479,508	\$ 951,393	\$ 471,885	50%	\$ 2,019,550
PACE	\$ 275	\$ 1,703	\$ 1,428	84%	\$ 2,000	\$ 10,499	\$ 8,499	81%	\$ 20,738
MSSP	\$ -	\$ 333	\$ 333	100%	\$ -	\$ 2,000	\$ 2,000	100%	\$ 4,000
<b>Total</b>	<b>\$ 628,553</b>	<b>\$ 532,428</b>	<b>\$ (96,125)</b>	<b>-18%</b>	<b>\$ 1,882,735</b>	<b>\$ 3,153,603</b>	<b>\$ 1,270,868</b>	<b>40%</b>	<b>\$ 6,677,142</b>

## Other Operating Expenses

LOB	Dec MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 987,206	\$ 1,327,775	\$ 340,569	26%	\$ 6,456,200	\$ 7,994,782	\$ 1,538,582	19%	\$ 16,629,982
OC	\$ -	\$ 2,080	\$ 2,080	100%	\$ 7,845	\$ 8,433	\$ 589	7%	\$ 20,913
OCC	\$ 36,925	\$ 46,290	\$ 9,365	20%	\$ 221,229	\$ 703,897	\$ 482,668	69%	\$ 973,240
PACE	\$ 24,728	\$ 37,659	\$ 12,931	34%	\$ 208,712	\$ 225,951	\$ 17,239	8%	\$ 451,902
MSSP	\$ 10,650	\$ 8,288	\$ (2,362)	-28%	\$ 44,048	\$ 49,728	\$ 5,680	11%	\$ 99,456
<b>Total</b>	<b>\$ 1,059,509</b>	<b>\$ 1,422,092</b>	<b>\$ 362,583</b>	<b>25%</b>	<b>\$ 6,938,032</b>	<b>\$ 8,982,791</b>	<b>\$ 2,044,759</b>	<b>23%</b>	<b>\$ 18,175,493</b>

Notes:

- Actual and Budget amounts include both Medical and Admin expenses.

# Resources Committee – Non-Labor (cont.)

## Consolidated - Non-Labor

LOB	Dec MTD		Variance			YTD		Variance			FY 2017
	Actual	Budget	\$	%		Actual	Budget	\$	%		Budget
MC	\$ 2,398,337	\$ 2,895,463	\$ 497,126	17%		\$ 13,475,141	\$ 17,179,820	\$ 3,704,679	22%		\$ 36,177,914
OC	\$ 92,826	\$ 67,343	\$ (25,483)	-38%		\$ 350,443	\$ 376,045	\$ 25,602	7%		\$ 840,104
OCC	\$ 465,928	\$ 570,702	\$ 104,774	18%		\$ 1,850,304	\$ 3,704,549	\$ 1,854,245	50%		\$ 7,189,543
PACE	\$ 21,133	\$ 52,304	\$ 31,171	60%		\$ 238,119	\$ 289,119	\$ 51,000	18%		\$ 603,075
MSSP	\$ 11,359	\$ 9,871	\$ (1,488)	-15%		\$ 48,340	\$ 59,228	\$ 10,888	18%		\$ 118,456
<b>Total</b>	<b>\$ 2,989,583</b>	<b>\$ 3,595,684</b>	<b>\$ 606,100</b>	<b>17%</b>		<b>\$ 15,962,347</b>	<b>\$ 21,608,761</b>	<b>\$ 5,646,414</b>	<b>26%</b>		<b>\$ 44,929,093</b>

# Contingency Contract Report

CalOptima Active Contingency Contracts			Q2 FY17		invoiced and paid as of 1/26/2017									
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid														
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17					
	Total	Total	Total	Total	Total	Total	Total	Total	Qtr 1 *	Qtr 2 **	Qtr 3	Qtr 4	Total	
<b>MEDICAL COST</b>														
<i>HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/17)</i>														
Savings	\$ 1,189,393	\$ 2,811,751	\$ 1,937,748	\$ 2,565,125	\$ 2,346,048	\$ 1,444,807	\$ 3,336,995	\$ 3,954,564	\$ 341,469	\$ 468,021			\$ 809,490	
Fee	\$ 297,348	\$ 702,938	\$ 484,359	\$ 641,281	\$ 586,762	\$ 361,202	\$ 794,557	\$ 909,550	\$ 78,538	107,645			\$ 186,183	
Net Savings	\$ 892,045	\$ 2,108,813	\$ 1,453,389	\$ 1,923,843	\$ 1,759,286	\$ 1,083,605	\$ 2,542,438	\$ 3,045,014	\$ 262,931	360,376	-	-	\$ 623,307	
<i>Verscend (Verisk/HCI) - Claims review for appropriate billing - (expires 12/31/17)</i>														
Savings	\$ 164,913	\$ 2,397,831	\$ 3,385,560	\$ 2,517,497	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 840,327				\$ 840,327	
Fee	\$ 37,165	\$ 483,209	\$ 691,554	\$ 559,136	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 114,687				\$ 114,687	
Net Savings	\$ 127,748	\$ 1,914,622	\$ 2,694,006	\$ 1,958,361	\$ 2,221,482	\$ 1,920,508	\$ 2,191,722	\$ 2,885,495	\$ 725,640	-	-	-	\$ 725,640	
<i>Verscend (Verisk/HCI)/ TAG - Facility claims forensic review ***</i>														
Savings		-	\$ 900,976	\$ 1,362,980	\$ 3,516,297	\$ 3,727,308	\$ 16,538,781	\$ 3,726,475	\$ 335,139				\$ 335,139	
Fee		-	\$ 270,293	\$ 408,904	\$ 1,054,889	\$ 1,118,193	\$ 2,008,000	\$ 791,798	\$ 100,542				\$ 100,542	
Net Savings	-	-	\$ 630,683	\$ 954,076	\$ 2,461,408	\$ 2,609,114	\$ 14,530,781	\$ 2,934,678	\$ 234,597	-	-	-	\$ 234,597	
<i>Socrates - Third party liability - (expires 12/31/18)</i>														
Savings	-		13,783	244,770	53,141	\$ 3,108	N/A	\$ 219,258	-	-	-		\$ -	
Fee	-	-	3,446	61,223	13,285	\$ 777	N/A	\$ 54,815	-	-	-		\$ -	
Net Savings	-	-	10,338	183,548	39,856	2,331		164,443	-	-	-	-	-	
<i>OptumInsight - Credit balance recovery - (expires 12/31/17)</i>														
Savings	-	-	-	76,715	26,203	\$ 30,246	N/A	\$ 44,834	-	-			\$ -	
Fee	-	-	-	9,206	3,144	\$ 3,630	N/A	\$ 5,380	-	-			\$ -	
Net Savings	-	-	-	67,509	23,059	26,616		39,454	-	-	-	-	-	
<b>TOTAL</b>														
Savings	\$ 1,354,306	\$ 5,209,582	\$ 6,238,068	\$ 6,767,087	\$ 8,758,803	\$ 7,853,309	\$ 23,438,635	\$ 11,469,227	\$ 1,516,935	468,021	-	-	\$ 1,984,956	
Fee	\$ 334,514	\$ 1,186,146	\$ 1,449,652	\$ 1,679,749	\$ 2,253,713	\$ 2,211,134	\$ 4,173,694	\$ 2,400,143	\$ 293,767	107,645	-	-	\$ 401,411	
Net Savings	\$ 1,019,792	\$ 4,023,436	\$ 4,788,416	\$ 5,087,338	\$ 6,505,090	\$ 5,642,175	\$ 19,264,941	\$ 9,069,083	\$ 1,223,168	\$ 360,376	\$ -	\$ -	\$ 1,583,544	
<b>REVENUE</b>														
<i>Human Arc - SSI Outreach &amp; Aid Code Conversion - (expires 12/31/17)</i>														
Capitation Revenue				\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 2,154,390	2,239,677			\$ 4,394,067	
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 57,876	84,130			\$ 142,006	
Total Net Revenue	-	-	-	\$ 1,221,535	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 2,096,514	\$ 2,155,547	\$ -	\$ -	\$ 4,252,061	
Note:														
*Verisk Sept 2016 invoice still outstanding; Socrates and OptumInsight Q1 FY17 data unavailable														
**HMS Dec 2016 invoice outstanding; Verisk Q2 FY17 invoices outstanding; Socrates and OptumInsight Q2 FY17 data unavailable														
***Verscend is completing Forensic Reviews as of 1/1/2015														

## Board of Directors' Finance and Audit Committee Meeting February 16, 2017

### Shared Risk Pool Performance Update

**Medi-Cal:** As of December 31, 2016, Medi-Cal has total seven (7) Shared Risk Groups (SRGs).

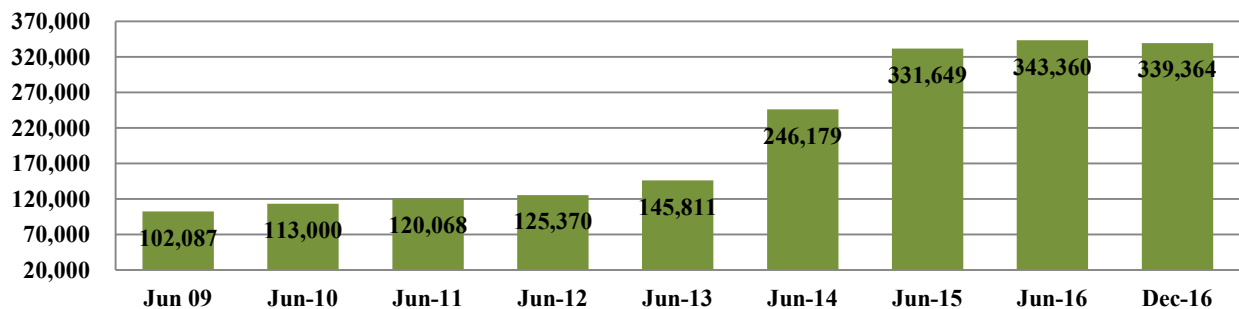
Effective Dates:

- Prospect - May 2007
- Noble and Talbert – January 2008
- Monarch, Arta, and UCMG – July 2008
- AltaMed – March 2014

Enrollment

- SRGs are serving approximately 340,000 members. This represents about 43% of CalOptima's Medi-Cal enrollment.

### Medi-Cal Shared Risk Groups (SRG) Enrollment



Pool Performance - (Classic + MCE)

Period	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2007	\$(729,095)	\$ -	\$(573,542)	\$(155,553)	1	1	0
2008	(534,826)	618,829	247,532	(163,529)	3	1	2
2009	(6,786,764)	623,088	(2,465,470)	(3,698,206)	6	3	3
2010	(5,890,543)	1,636,861	(1,701,473)	(2,552,209)	6	4	2
2011	(5,127,172)	5,042,040	(34,053)	(51,079)	6	3	3
2012	(1,688,610)	7,574,810	2,354,480	3,531,720	6	3	3
One-Time Revenue		17,233,958	12,917,452	4,316,506	6	3	3
2013	(1,568,113)	10,019,190	3,380,430	5,070,646	6	1	5
2014	-	57,225,077	22,890,031	34,335,046	7	0	7
2015*	-	87,266,163	34,906,465	52,359,698	7	0	7
2016*	-	90,292,670	36,117,068	54,175,602	7	0	7
Q1 2017	-	15,803,319	6,321,328	9,481,991	7	0	7
	\$ (22,325,123)	\$293,336,005	\$114,360,248	\$156,650,634			

\*Note: IBNR for MCE population is based on 85% MLR. If IBNR is calculated based on the actual paid claims experience,

- FY2015 surplus on MCE only = \$335,751,485, CalOptima Shared (40%) = \$134,300,594, and Group Shared (60%) = \$201,450,891
- FY2016 surplus on MCE only = \$382,708,047, CalOptima Shared (40%) = \$153,083,219, and Group Shared (60%) = \$229,624,828



**OneCare:** As of December 31, 2016, OneCare has eight (8) Participating Medical Groups (PMGs). MCMF IPA, GNPs' (four PMGs) and MCMF's contracts were terminated on October 31, 2014.

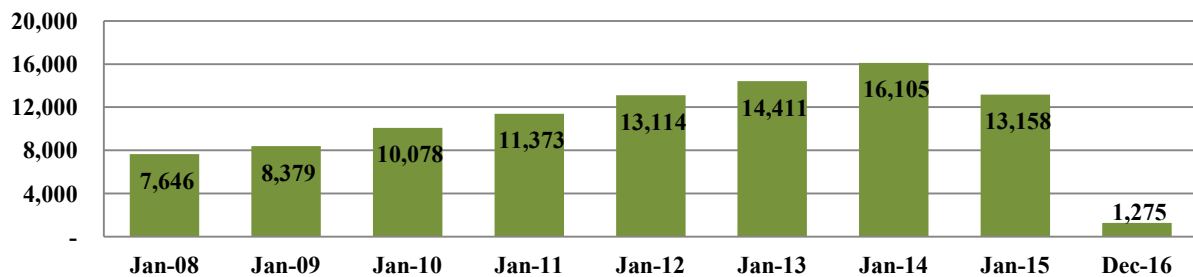
Effective Dates:

- AMVI/Prospect - October 2005
- Talbert, Monarch – October 2005
- MCMF IPA, GNP (four PMGs) - Term
- Noble – December 2012
- Family Choice – October 2005
- Memorial Care (MCMF) – Term
- AltaMed – August 2008
- Arta, UCMG – January 2013

Enrollment

- The overall enrollment decrease is due to members moved from OneCare to OneCare Connect program in January 2016.

**OneCare Shared Risk Groups (PMG)  
Enrollment**



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2005	\$(14,221)	\$163,580	\$67,920	\$81,435	4	1	3
2006	-	15,004,268	7,502,134	7,502,134	5	0	5
2007	(21,936)	3,759,945	1,859,817	1,878,193	8	2	6
2008	(491,522)	3,919,765	1,591,331	1,836,913	8	2	6
2009	(313,648)	5,643,332	2,525,933	2,803,751	9	2	7
2010	(566,705)	4,767,002	1,891,456	2,308,841	8	3	5
2011	-	9,406,281	4,703,141	4,703,141	8	0	8
2012	(433,732)	7,325,076	3,305,088	3,586,257	11	2	9
2013	(1,949,544)	11,124,918	4,015,560	5,159,814	13	2	11
2014	(3,450,630)	10,069,868	2,006,321	4,612,916	13	3	10
2015	(3,445,275)	6,701,823	267,596	2,988,952	8	2	6
2016Q2	<u>(13,378)</u>	<u>207,863</u>	<u>96,690</u>	<u>97,796</u>	8	2	6
	\$ (10,700,591)	\$78,093,721	\$29,832,987	\$37,560,141			

Group shared deficit limited to \$5.00 PMPM

**OneCare Connect:** As of December 31, 2016, OneCare Connect currently has total seven (8) Shared Risk Groups (SRGs).

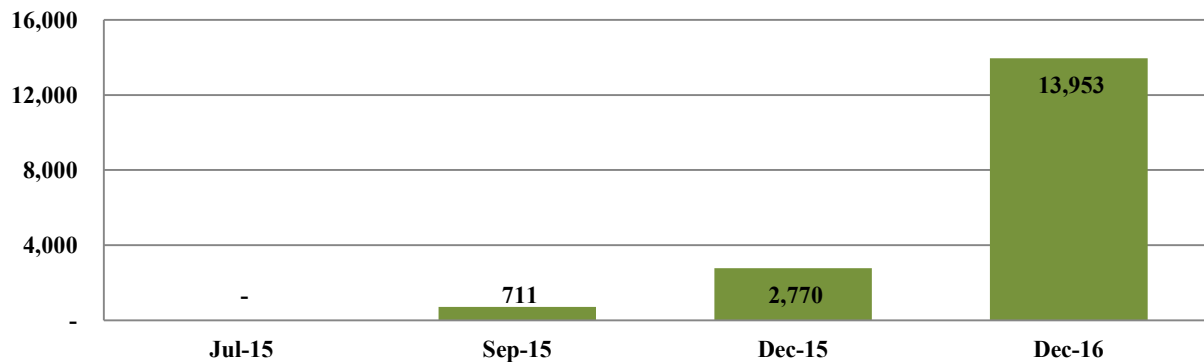
Effective Dates:

- Monarch – July 2015
- Prospect – July 2015
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Talbert – January 2016
- Arta Western – January 2016
- FCMG – January 2016

Enrollment

- SRGs are serving approximately 14,000 members. This represents about 83% of CalOptima's OneCare Connect enrollment.

**OneCare Connect Shared Risk Groups (SRG)  
Enrollment**



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2015	-	35,163	17,582	17,582	5	0	5
2016Q4*	-	4,720,614	2,360,307	2,360,307	8	0	8
	-	\$4,755,777	\$2,377,889	\$2,377,889			

Group shared deficit limited to \$5.00 PMPM

\*Note: IBNR is calculated based on CY2016 financial MLR or updated CY2015 Shared Risk MLR whichever is higher

**Board of Directors' Finance and Audit Committee Meeting**  
**February 16, 2017**

**Quarterly Reinsurance Report**

**Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Providers for Policy Years (PY) 2016 and 2017**

Reinsurance is an after-the-fact payment mechanism CalOptima provides that is intended to mitigate the financial impact of catastrophic claims on participating providers. CalOptima's policy allows participating providers through December 31st following the policy year end (i.e., June 30) to submit reinsurance claims. CalOptima issues payment to providers within forty-five (45) business days after the quarter's end.

The figures reported below reflect the estimated results for PY 2016 and PY 2017 as of December 31, 2016.

	<b>PY 2016</b>	<b>PY 2017</b>
Total Budgeted Reinsurance Costs	\$4,680,964	\$ 4,628,918*
Amount paid through December 31, 2016	\$1,924,941	\$ 38,257
Remaining Budget Amount by PY	\$2,756,023	\$ 4,590,661
Total Accrued Liability as of September 30, 2016	\$3,718,327	\$ 2,563,387
Under/(Over) Budget	\$(962,304)	\$ 2,027,275

\* Reinsurance costs were budgeted for PY 2017 under provider capitation because reinsurance was expected to be incorporated into provider capitation during the budget development cycle.

The total estimated liability at December 31, 2017 is \$6.3 million for both policy years.

PY 2016 and PY 2017 thresholds remain at \$13,000 Professional and \$100,000 Hospital.

**Policy Years:**

PY 2016 = Fiscal Year 2016 (July 1, 2015, through June 30, 2016)

PY 2017 = Fiscal Year 2017 (July 1, 2016, through June 30, 2017)



## **Board of Directors' Finance and Audit Committee Meeting February 16, 2017**

### **Quarterly Health Network Financial Update**

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On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated hospitals and physician groups in the health network. After internal review, CalOptima financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

With the exception of one entity whose quarter-end financial statements ended as of July 31, 2016, all other Health Network entities were required to submit their unaudited financial statements for the period ending September 30, 2016.

#### **Results of the September 30, 2016 Financial Review**

	<b>Physician Groups</b>	<b>Hospitals</b>	<b>HMOs</b>
<b>Total</b>	11	4	2
<b>Passed Review</b>	11	4	2
<b>Failed Review</b>	0	0	0
<b>On Notice</b>	0	0	0
<b>On-Site Review</b>	0	0	0
<b>Did Not Submit Statements</b>	0	0	0

Note 1: Physician Groups and Hospitals must pass the following tests:

- a) Current Ratio - must be  $\geq 1.0$
- b) Tangible Net Equity - must be  $\geq 1.0$
- c) Cash to Claims Ratio - must be  $\geq 0.75$

Note 2: HMOs must pass the following test:

- a) Tangible Net Equity - Greater of \$1M, % of premium revenues, or % of healthcare expenses

Note 3: Financial Security Reserves:

- a) Medi-Cal, OneCare, and OneCare Connect Total Current Balance = \$20.3M



**CalOptima**  
Better. Together.

# Purchasing Report

**Board of Director's Finance and Audit Committee**  
**February 16, 2017**

**Nancy Huang, Interim Chief Financial Officer**  
**Ken Wong, Director, Budget and Vendor Management**

# Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report  
October 1, 2016 through December 31, 2016  
Completed Major Commitments over \$100,000

Nature of Services	FY17 Q1 Budgeted Current Year	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2017	Remaining Amount on Contract	Expires
Riverbed Software Renewal	\$ 122,029	Bird Rock Systems, Inc	3 bids received	Accuvant	\$ 122,029	122,029	0	12/31/2017
Employment Services - Temp DW Programmers	\$ 122,400	Teksystems Inc.	N/A	Teksystems Inc.	\$ 122,400	8,798	113,603	6/30/2017
Manage Tenant Construction in the 505 City Parkway West Building	\$ 134,088	RiverRock as agent for OCHA	Single Bidder	RiverRock as agent for OCHA	\$ 134,088	-	134,088	10/31/2017
Guiding Care System Enhancements	\$ 135,000	Altruista Health Inc.	N/A	Altruista Health Inc.	\$ 135,000	135,000	0	3/31/2017
Provider Directories CCN/NN	\$ 136,162	Sapphire Printing Group	3 bids received	Sapphire Printing Group	\$ 136,162	41,851	94,311	6/30/2017
Sound Recording System Upgrade	\$ 140,000	Cibola Systems Corporation	Bidding Exception	New	\$ 140,000	66,437	73,563	6/30/2017
Imperva Software Upgrade/Support	\$ 148,772	Optiv Security Inc.	4 bids received	New	\$ 148,772	-	148,772	12/31/2017
Avaya Communicator (Year 2 of 3 Year Maintenance/Support)	\$ 151,643	Intelli-Flex Inc	Renewal	Intelli-Flex Inc	\$ 151,643	-	151,643	11/30/2017
TANF to SSI conversion	\$ 175,000	Human Arc Corporation of Ohio	Sole Source	Human Arc Corporation of Ohio	\$ 175,000	-	175,000	12/31/2017

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# Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report  
October 1, 2016 through December 31, 2016  
Completed Major Commitments over \$100,000

Nature of Services	FY17 Q1 Budgeted Current Year	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2017	Remaining Amount on Contract	Expires
Annual True-up	\$ 183,308	Trizetto Group	N/A	Trizetto Group	\$ 183,308	-	183,308	6/30/2017
MLR Auditing	\$ 233,200	Provencio Advisory Services Inc	3 bids Received - RFP 16-095	Provencio Advisory Services Inc	\$ 233,200	-	233,200	10/31/2019
Letter Generating SW	\$ 249,352	Smart Communications	Sole Source	New	\$ 249,352	-	249,352	12/31/2019
Microsoft True-Ups License Renewal	\$ 452,154	SoftwareONE, Inc.	Sole Source	CompuComm	\$ 452,154	-	452,154	10/31/2017
Contracting Management System for the Contracting Department	\$ 481,374	McKesson Technologies Inc	2 bidders	Ariba	\$ 481,374	-	481,374	12/29/2021
Annual APR-DRG License Fees	\$ 489,750	Burgess Group	COBAR to extend to 2019	Burgess Group	\$ 489,750	-	489,750	12/31/2019
Extreme Software Renewal	\$ 612,751	JT Tech Inc	5 bids received	JT Tech Inc	\$ 612,751	612,751	0	12/31/2017
Annual License Fees	\$ 1,118,757	Altruista Health Inc.	N/A	Altruista Health Inc.	\$ 1,118,757	233,752	885,005	6/30/2017
Annual License Fees	\$ 1,390,125	Trizetto Group	N/A	Trizetto Group	\$ 1,390,125	1,390,125	0	12/31/2017

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# Quarterly Purchasing Report – In Process

**Quarterly Purchasing Report**  
**October 1, 2016 through December 31, 2016**  
**Major Commitments Greater than \$100,000 in Process**

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Contracting Contract Management System</u> 16-039	RFP issued 11/2/15 Two proposals received Staff is negotiating contract terms
<u>Temporary Employment and Recruiting services</u> 16-049	RFP issued 1/20/16 19 proposals received Staff is negotiating contract terms with 10 vendors
<u>Internal Auditor</u> 16-074	RFP issued 4/8/16 Four proposals received Staff is negotiating contract terms
<u>Commercial Banking</u> 16-072	RFP issued 3/31/16 5 proposals received Staff is negotiating contract terms
<u>Organ Transplant Network</u> 17-009	RFP issued 9/20/16 1 proposal received Staff is negotiating contract terms
<u>Compensation Study</u> 17-005	RFP issued 8/8/16 5 proposals received Staff is negotiating contract terms
<u>National Legislative Services</u> 17-006	RFP issued 9/8/16 COBAR on 2/2/17
<u>DRG Review</u> 17-011	RFP issued 9/20/2016 Proposals are due 11/3 Staff is negotiating contract terms
<u>Extreme Networks</u> 17-014	RFP issued 9/28/16 Proposals due 10/10 Signatures are pending
<u>Property Management Services</u> 17-018	RFP issued 10/14/17 1 proposal received Signatures are pending