



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

**THURSDAY, MAY 17, 2018
2:00 P.M.**

**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

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 (714) 246-8806, at least 72 hours prior to the meeting.

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

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

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 February 15, 2018 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
 - b. Receive and File Minutes of the January 22, 2018 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

REPORTS

3. [Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2018-19 Operating Budget](#)
4. [Consider Recommending the Board of Directors' Approval of the Fiscal Year 2018-19 Capital Budget](#)

INFORMATION ITEMS

5. [2018 Audit Planning – Presentation by Moss-Adams LLP](#)
6. [March 2018 Financial Summary](#)
7. [Proposition 56 Update](#)
8. [CalOptima Information 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](#)

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

Board of Directors' Finance and Audit Committee Meeting May 17, 2018

Quarterly Treasurer's Report January 1, 2018 through March 31, 2018

Overview

To fulfill the requirements of Government Code, Section 53646(b) and the 2018 Annual Investment Policy adopted by CalOptima's Board of Directors on December 7, 2017, the Treasurer submits this quarterly investment report for the period January 1, 2018, through March 31, 2018.

Meketa Investment Group, Inc., completed an independent compliance review of the monthly investment reports prepared by CalOptima's three (3) 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 2018 Annual Investment Policy.

Portfolio Summary

As of March 31, 2018, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows (in millions):

	Payden & Rygel	Logan Circle	Wells Capital	Total
Short-Term Operating	\$454,228,218	\$516,366,610	\$454,630,272	\$1,425,225,101
Board Designated Reserves				
Tier 1	\$146,625,181	\$146,594,365	\$146,066,476	\$439,286,022
Tier 2	--	\$96,898,854	--	\$96,898,854
Total	\$600,853,399	\$759,859,829	\$600,696,748	\$1,961,409,977

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 (6) 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 March 31, 2018, demonstrating funds in excess to satisfy minimum requirements.

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

Reserve Name	Market Value	Benchmark		Variance	
		<i>Low 1.4</i>	<i>High 2.0</i>	<i>Low 1.4</i>	<i>High 2.0</i>
Tier 1 - Payden & Rygel	\$146,625,181				
Tier 1 - Logan Circle	\$146,594,365				
Tier 1 - Wells Capital	\$146,066,476				
	\$439,286,022	\$293,288,561	\$456,040,079	\$145,997,461	(\$16,754,057)

B) CalOptima's Regulatory Compliance Requirements

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		<i>TNE</i>	<i>TNE</i>	<i>TNE</i>	<i>TNE</i>
Tier 2 - Logan Circle	\$96,898,854	\$86,464,983	\$86,464,983	\$10,433,871	\$10,433,871
Consolidated:	\$536,184,876	\$379,753,543	\$542,505,062	\$156,431,332	(\$6,320,186)
<i>Compliance Level</i>	<i>1.98</i>	<i>1.40</i>	<i>2.00</i>	-	-

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$156,431,332 as of March 31, 2018.

Update on Fund Transfers

Pursuant to CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima 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 the April 23, 2018, meeting, Staff provided an update to the Investment Advisory Committee members and CalOptima's investment managers regarding outflows for the Second quarter of 2018. The outflow includes a payback of \$405 million on May 11, 2018, to the State of California. The State overpaid this amount in previous periods and requested recoupment from CalOptima in May 2018. CalOptima's Board-designated reserve compliance level is currently at 1.98.

Attachment

Quarterly Investment Report – January 1, 2018, through March 31, 2018

FUND EVALUATION REPORT

CalOptima

Quarterly Review
March 31, 2018



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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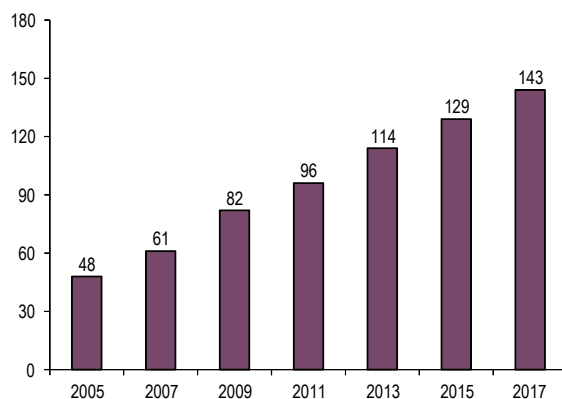
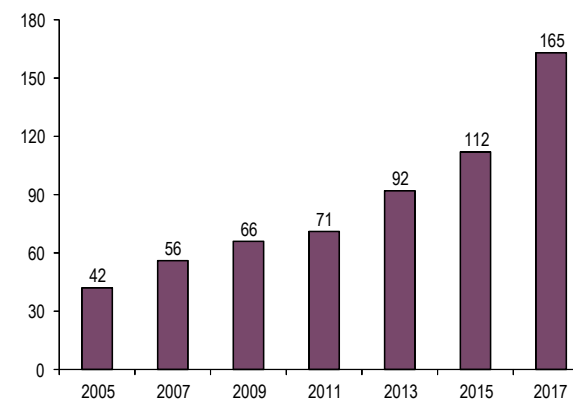
www.meketagroup.com

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

Meketa Investment Group Corporate Update

- Staff of 143, including 96 investment professionals and 32 CFA Charterholders
- 165 clients, with over 290 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- We advise on over \$600 billion in client assets
 - Over \$90 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Employee Growth**Client Growth**

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



Asset Classes Followed Intensively by Meketa Investment Group

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

Benchmark Review

Background

- CalOptima's Tier One and Tier Two investment strategies are currently benchmarked to the ICE Bank of America Merrill Lynch 1-3 Year U.S. Treasury and the ICE Bank of America Merrill Lynch 1-5 Year U.S. Treasury indices, respectively. These indices are made up entirely of U.S. Treasury securities.
- CalOptima's investment guidelines for Tier One and Tier Two portfolios allow investment in a variety of fixed income securities including U.S. Treasury, corporate, and securitized fixed income.
- The following slides detail two more diversified indices that may be appropriate for benchmarking CalOptima's investment managers. The indices reviewed are:
 - ICE Bank of America Merrill Lynch 1-3 Year AAA-A Corporate and Government
 - ICE Bank of America Merrill Lynch 1-5 Year AAA-A Corporate and Government

Tier One Portfolio Characteristics As of 3/31/2018

	Tier One: Payden Low Duration	Tier One: Wells Capital Reserve Account	Tier One: Logan Circle STAMP 1-3 Year	ICE BofA ML 1-3 Year US Treasury	ICE BofA ML 1-3 Year AAA-A US Corp & Gov
Average Duration	1.45	1.74	1.23	1.86	1.88
Yield to Maturity	2.48%	2.56%	2.39%	2.12%	2.42%
Average Quality	AA	AA	AA	AAA	AAA
Credit Quality					
AAA	57	58	66	100	78
AA	14	20	9	0	8
A	28	21	25	0	14
BBB	0	1	0	0	0
Below BBB	0	0	0	0	0
Sector Allocation					
Treasury & Agency	36	33	44	100	75
Corporate	32	26	28	0	18
Municipal	12	16	7	0	1
MBS	0	0	0	0	0
CMBS	3	0	2	0	0
ABS	14	18	17	0	0
Other	3	0	2	0	6
Cash & Equiv.	0	0	0	0	0

- Credit Quality and Sector Allocations of the ICE BofA ML 1-3 Year AAA-A US Corp & Government index are more diversified and more similar to the CalOptima Tier One Portfolios.

Tier Two Portfolio Characteristics As of 3/31/2018

	Tier Two: Logan Circle STAMP 1-5 Year	ICE BofA ML 1-5 Year US Treasury	ICE BofA ML 1-5 Year AAA-A US Corp & Gov
Average Duration	2.13	2.65	2.65
Yield to Maturity	2.54%	2.22%	2.36%
Average Quality	AA	AAA	AAA
Credit Quality			
AAA	61	100	77
AA	12	0	7
A	27	0	16
BBB	0	0	0
Below BBB	0	0	0
Sector Allocation			
Treasury & Agency	45	100	74
Corporate	28	0	19
Municipal	12	0	0
MBS	1	0	0
CMBS	4	0	0
ABS	9	0	0
Other	0	0	7
Cash & Equiv.	0	0	0

- Credit Quality and Sector Allocations of the ICE BofA ML 1-5 Year AAA-A US Corp & Government index are more diversified and more similar to the CalOptima Tier Two Portfolio.

Tier One Trailing Period Performance¹

	Tier One: Payden Low Duration	Tier One: Wells Capital Reserve Account	Tier One: Logan Circle STAMP 1-3 Year	ICE BofA ML 1-3 Year US Treasury	ICE BofA ML 1-3 Year AAA-A US Corp & Gov
Trailing Period Returns (%):					
1 year	0.6	0.4	0.8	0.0	0.2
3 years	0.8	NA	NA	0.4	0.6
5 years	0.8	NA	NA	0.5	0.7
10 years	1.0	NA	NA	0.7	0.9
Common Period	1.5	NA	NA	1.1	1.4
Calendar Year Returns (%):					
2017	1.1	0.9	1.2	0.4	0.7
2016	1.1	NA	NA	0.9	1.1
2015	0.8	NA	NA	0.5	0.7
2014	0.8	NA	NA	0.6	0.7
2013	0.4	NA	NA	0.4	0.6
2012	1.1	NA	NA	0.4	1.2
2011	1.8	NA	NA	1.5	1.5
2010	2.0	NA	NA	2.3	2.6
2009	2.5	NA	NA	0.8	2.8
2008	6.7	NA	NA	6.6	5.2

¹ Performance shown is gross of fees. Common period is from June 2016 to March 2018.

Tier Two Trailing Period Performance¹

	Tier Two: Logan Circle STAMP 1-5 Year	ICE BofA ML 1-5 Year US Treasury	ICE BofA ML 1-5 Year AAA-A US Corp & Gov
Trailing Period Returns (%):			
1 year	0.5	-0.1	0.1
3 years	1.0	0.5	0.7
5 years	1.1	0.6	0.8
Calendar Year Returns (%):			
2017	1.4	0.7	1.0
2016	1.6	1.1	1.3
2015	1.3	1.0	1.1
2014	1.7	1.2	1.4

¹ Performance shown is gross of fees



Index Correlations

Tier One¹

	Tier One: Payden Low Duration	Tier One: Wells Capital Reserve Account	Tier One: Logan Circle STAMP 1-3 Year	ICE BofA ML 1-3 Year US Treasury	ICE BofA ML 1-3 Year AAA-A US Corp & Gov
Correlation					
ICE BofA ML 1-3 Year US Treasury	0.98	0.99	0.95	1.00	0.99
ICE BofA ML 1-3 Year AAA-A US Corp & Gov	0.99	1.00	0.96	0.99	1.00

Tier Two²

	Tier Two: Logan Circle STAMP 1-5 Year	ICE BofA ML 1-5 Year US Treasury	ICE BofA ML 1-5 Year AAA-A US Corp & Gov
Correlation			
ICE BofA ML 1-5 Year US Treasury	0.97	1.00	0.99
ICE BofA ML 1-5 Year AAA-A US Corp & Gov	0.99	0.99	1.00

- Although the differences are minimal, both Tier One and Tier Two portfolios exhibit a higher correlation to the high quality government/corporate index than to the pure U.S. Treasury index.

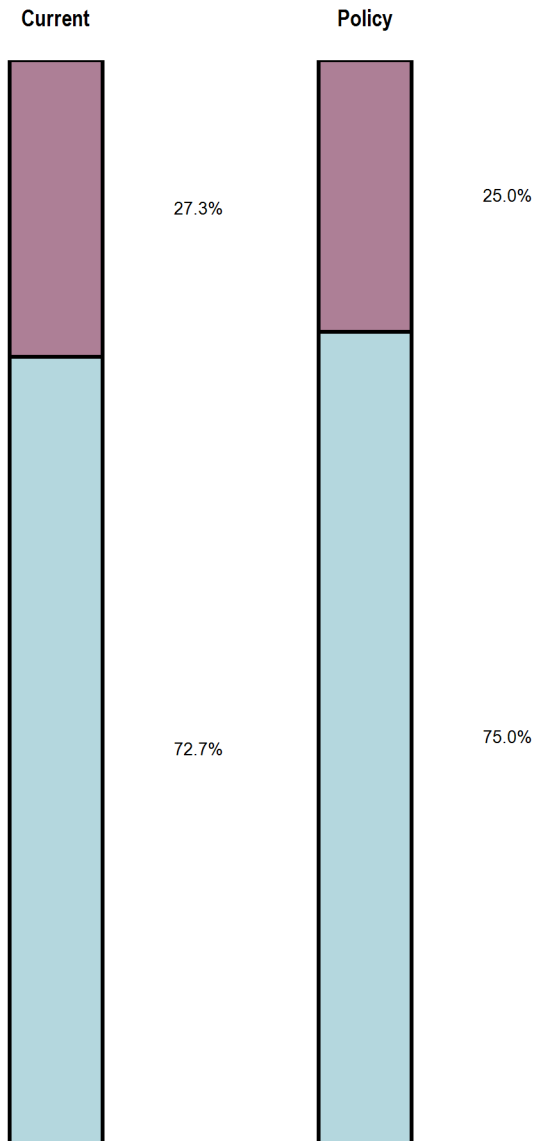
¹ Performance shown is gross of fees. Common period is from June 2016 to March 2018.

² Performance shown is gross of fees. Common period is from April 2013 to March 2018.

Conclusion

- Although there is no perfect benchmark for CalOptima's unique guidelines set forth by the California Code, portfolio construction, historical performance, and correlation indicate that the high quality government and corporate indices would be more appropriate benchmarks for CalOptima's Tier One and Tier Two portfolios.
- The Investment Committee may consider adding the ICE BofA ML 1-3 Year AAA-A Corporate and Government and the ICE BofA ML 1-5 Year AAA-A Corporate and Government indices as secondary benchmarks for their Tier One and Tier Two investment managers, respectively. They could be used as secondary benchmarks for performance, attribution, and portfolio characteristics comparisons.

1Q18 Review



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
Fixed Income	\$536,184,876	27%
Cash	\$1,425,225,101	73%
Total	\$1,961,409,976	100%

Asset Allocation History
5 Years Ending March 31, 2018



As of March 31, 2018

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,961,409,976	100.000	0.207	0.741	1.031	0.802	--	--	0.774	Oct-14
Total Fund(Net)			0.187	0.688	0.962	0.725	--	--	0.690	
Fixed Income(Gross)	536,184,876	27.337	-0.132	0.197	0.590	0.831	--	--	0.944	Oct-14
Fixed Income(Net)			-0.154	0.132	0.503	0.744	--	--	0.898	
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>			<i>-0.130</i>	<i>-0.142</i>	<i>0.032</i>	<i>0.398</i>	<i>0.515</i>	<i>1.126</i>	<i>0.541</i>	<i>Oct-14</i>
Cash(Gross)	1,425,225,101	72.663	0.367	0.972	1.233	0.797	0.530	0.446	1.941	Jul-99
Cash(Net)			0.347	0.928	1.173	0.719	0.438	--	--	
<i>Citi 3mth Treasury Bill</i>			<i>0.348</i>	<i>0.886</i>	<i>1.069</i>	<i>0.494</i>	<i>0.310</i>	<i>0.309</i>	<i>1.734</i>	<i>Jul-99</i>

As of March 31, 2018

Trailing Period Performance

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund(Gross)	1,961,409,976	100.000	--	0.207	0.741	1.031	0.802	--	--	0.774	Oct-14
Fixed Income(Gross)	536,184,876	27.337	27.337	-0.132	0.197	0.590	0.831	--	--	0.944	Oct-14
ICE BofAML 1-3 Yrs US Treasuries TR				-0.130	-0.142	0.032	0.398	0.515	1.126	0.541	Oct-14
Tier One: Payden Low Duration(Gross)	146,625,181	7.475	27.346	-0.076	0.274	0.627	0.814	0.809	1.533	2.963	Jul-99
Tier One: Payden Low Duration(Net)				-0.096	0.214	0.549	0.735	0.716	--	--	
ICE BofAML 1-3 Yrs US Treasuries TR				-0.130	-0.142	0.032	0.398	0.515	1.126	2.847	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR				-0.185	-0.026	0.276	0.676	0.777	1.573	3.175	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				-0.169	-0.075	0.186	0.563	0.672	1.403	3.064	Jul-99
Tier One: Logan Circle STAMP 1-3 Year(Gross)	146,594,365	7.474	27.340	-0.018	0.413	0.790	--	--	--	0.693	May-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				-0.038	0.353	0.710	--	--	--	0.610	
ICE BofAML 1-3 Yrs US Treasuries TR				-0.130	-0.142	0.032	0.398	0.515	1.126	0.125	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR				-0.185	-0.026	0.276	0.676	0.777	1.573	0.436	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				-0.169	-0.075	0.186	0.563	0.672	1.403	0.301	May-16
Tier One: Wells Capital Reserve Account(Gross)	146,066,476	7.447	27.242	-0.156	0.070	0.414	--	--	--	0.559	Jun-16
Tier One: Wells Capital Reserve Account(Net)				-0.174	0.016	0.342	--	--	--	0.487	
ICE BofAML 1-3 Yrs US Treasuries TR				-0.130	-0.142	0.032	0.398	0.515	1.126	0.189	Jun-16
ICE BofAML 1-3 Yrs US Corp & Govt TR				-0.185	-0.026	0.276	0.676	0.777	1.573	0.493	Jun-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR				-0.169	-0.075	0.186	0.563	0.672	1.403	0.357	Jun-16
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	96,898,854	4.940	18.072	-0.354	-0.053	0.495	1.018	1.112	--	1.112	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				-0.386	-0.149	0.367	0.892	0.985	--	0.985	
ICE BofAML 1-5 Yrs US Treasuries TR				-0.378	-0.476	-0.100	0.470	0.645	1.620	0.645	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR				-0.490	-0.326	0.224	0.813	0.992	2.155	0.992	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR				-0.449	-0.390	0.089	0.659	0.843	1.911	0.843	Apr-13

As of March 31, 2018

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Cash(Gross)	1,425,225,101	72.663	72.663	0.367	0.972	1.233	0.797	0.530	0.446	1.941	Jul-99
<i>Citi 3mth Treasury Bill</i>				<i>0.348</i>	<i>0.886</i>	<i>1.069</i>	<i>0.494</i>	<i>0.310</i>	<i>0.309</i>	<i>1.734</i>	<i>Jul-99</i>
Operating: Payden Enhanced Cash(Gross)	454,228,218	23.158	31.871	0.362	1.039	1.311	0.850	0.562	0.462	1.950	Jul-99
Operating: Payden Enhanced Cash(Net)				0.342	0.980	1.236	0.774	0.471	--	--	
<i>Citi 3mth Treasury Bill</i>				<i>0.348</i>	<i>0.886</i>	<i>1.069</i>	<i>0.494</i>	<i>0.310</i>	<i>0.309</i>	<i>1.734</i>	<i>Jul-99</i>
Operating: Logan Circle Enhanced Cash(Gross)	516,366,610	26.326	36.231	0.379	1.012	1.272	--	--	--	1.049	May-16
Operating: Logan Circle Enhanced Cash(Net)				0.358	0.948	1.187	--	--	--	0.965	
<i>Citi 3mth Treasury Bill</i>				<i>0.348</i>	<i>0.886</i>	<i>1.069</i>	<i>0.494</i>	<i>0.310</i>	<i>0.309</i>	<i>0.721</i>	<i>May-16</i>
Operating: Wells Capital Enhanced Cash(Gross)	454,630,272	23.179	31.899	0.346	0.913	1.169	--	--	--	0.941	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.328	0.858	1.096	--	--	--	0.868	
<i>Citi 3mth Treasury Bill</i>				<i>0.348</i>	<i>0.886</i>	<i>1.069</i>	<i>0.494</i>	<i>0.310</i>	<i>0.309</i>	<i>0.742</i>	<i>Jun-16</i>

As of March 31, 2018

Asset Class Performance Summary

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
Total Fund(Gross)	0.754	0.842	--	--	--	--	--	--
Total Fund(Net)	0.666	0.778	--	--	--	--	--	--
Fixed Income(Gross)	0.427	1.775	--	--	--	--	--	--
Fixed Income(Net)	0.336	1.699	--	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
Cash(Gross)	0.858	0.509	0.166	0.131	0.112	0.185	0.137	0.138
Cash(Net)	0.758	0.446	0.058	0.018	-0.023	0.044	-0.008	-0.003
Citi 3mth Treasury Bill	0.455	0.138	0.021	0.038	0.079	0.044	0.138	0.123

As of March 31, 2018

Trailing Period Performance

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
Total Fund(Gross)	0.754	0.842	--	--	--	--	--	--
Fixed Income(Gross)	0.427	1.775	--	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
Tier One: Payden Low Duration(Gross)	0.583	1.461	0.893	1.048	0.534	1.248	1.478	2.946
Tier One: Payden Low Duration(Net)	0.508	1.388	0.783	0.933	0.399	1.105	1.331	2.801
ICE BofAML 1-3 Yrs US Treasuries TR	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.336	1.581	0.901	1.246	0.861	1.169	1.947	3.796
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.147	1.492	0.906	1.038	0.656	1.058	1.782	3.357
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.478	--	--	--	--	--	--	--
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.395	--	--	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.336	1.581	0.901	1.246	0.861	1.169	1.947	3.796
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.147	1.492	0.906	1.038	0.656	1.058	1.782	3.357
Tier One: Wells Capital Reserve Account(Gross)	0.403	--	--	--	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	0.330	--	--	--	--	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
ICE BofAML 1-3 Yrs US Corp & Govt TR	0.336	1.581	0.901	1.246	0.861	1.169	1.947	3.796
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	0.147	1.492	0.906	1.038	0.656	1.058	1.782	3.357
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.140	3.021	1.494	2.095	--	--	--	--
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.016	2.894	1.367	1.969	--	--	--	--
ICE BofAML 1-5 Yrs US Treasuries TR	-0.532	2.426	1.376	1.157	-0.027	2.198	2.154	4.114
ICE BofAML 1-5 Yrs US Corp & Govt TR	0.134	2.649	1.344	2.000	0.718	2.524	2.957	5.717
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	-0.172	2.570	1.376	1.641	0.409	2.362	2.694	5.042

As of March 31, 2018

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
Cash(Gross)	0.858	0.509	0.166	0.131	0.112	0.185	0.137	0.138
<i>Citi 3mth Treasury Bill</i>	0.455	0.138	0.021	0.038	0.079	0.044	0.138	0.123
Operating: Payden Enhanced Cash(Gross)	0.887	0.573	0.166	0.131	0.112	0.185	0.137	0.138
Operating: Payden Enhanced Cash(Net)	0.812	0.505	0.058	0.018	-0.023	0.044	-0.008	-0.003
<i>Citi 3mth Treasury Bill</i>	0.455	0.138	0.021	0.038	0.079	0.044	0.138	0.123
Operating: Logan Circle Enhanced Cash(Gross)	0.898	--	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	0.814	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	0.455	0.138	0.021	0.038	0.079	0.044	0.138	0.123
Operating: Wells Capital Enhanced Cash(Gross)	0.721	--	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	0.649	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	0.455	0.138	0.021	0.038	0.079	0.044	0.138	0.123

As of March 31, 2018

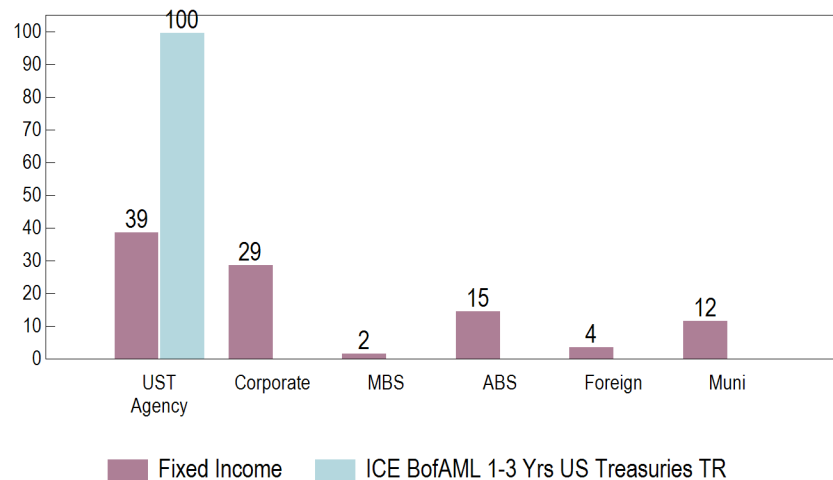
Asset Allocation on March 31, 2018

	Actual	Actual
Tier One: Payden Low Duration	\$146,625,181	27.3%
Tier One: Logan Circle STAMP 1-3 Year	\$146,594,365	27.3%
Tier One: Wells Capital Reserve Account	\$146,066,476	27.2%
Tier Two: Logan Circle STAMP 1-5 Year	\$96,898,854	18.1%
Total	\$536,184,876	100.0%

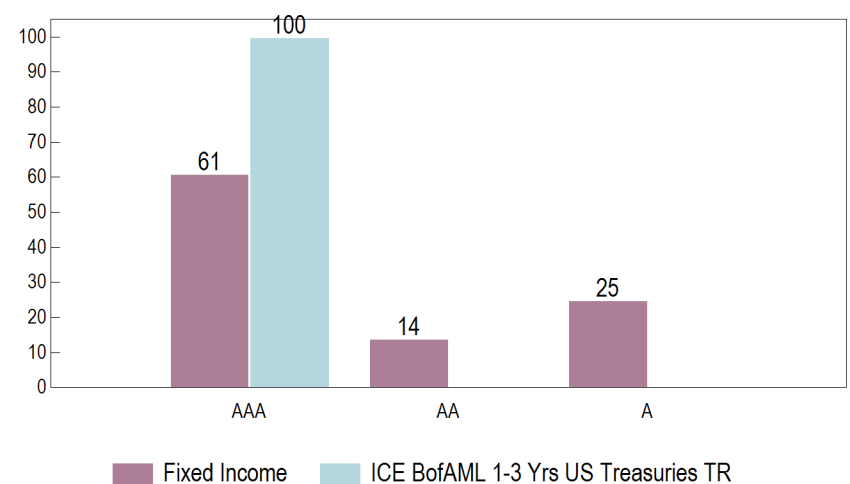
Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	2.5	2.1	2.0
Average Duration	1.6	1.9	1.7
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Tier One: Payden Low Duration

As of March 31, 2018

Account Information

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

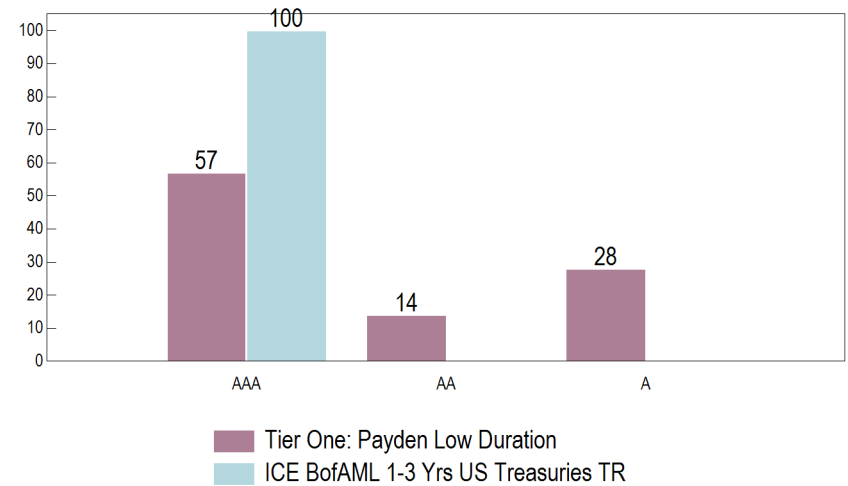
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	-0.076	-0.076	0.627	0.814	0.809	1.533	2.963	Jul-99
Tier One: Payden Low Duration(Net)	-0.096	-0.096	0.549	0.735	0.716	--	--	--
ICE BofAML 1-3 Yrs US Treasuries TR	-0.130	-0.130	0.032	0.398	0.515	1.126	2.847	Jul-99
ICE BofAML 1-3 Yrs US Corp & Govt TR	-0.185	-0.185	0.276	0.676	0.777	1.573	3.175	Jul-99
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	-0.169	-0.169	0.186	0.563	0.672	1.403	3.064	Jul-99

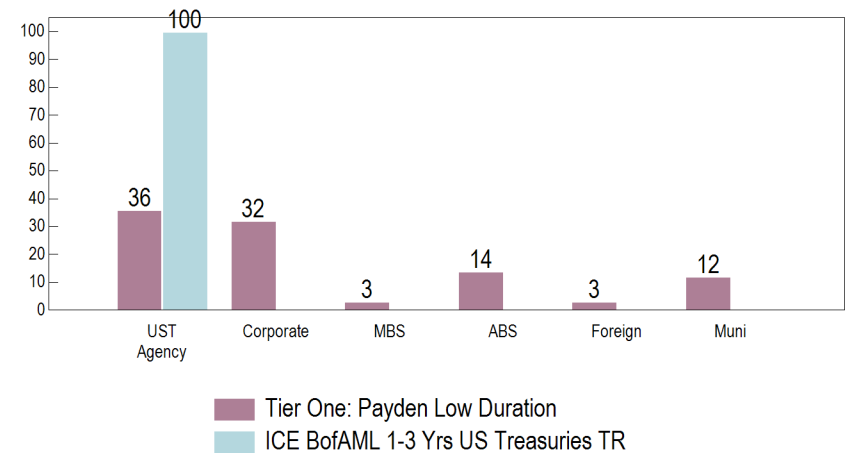
Tier One: Payden Low Duration Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	2.48	2.12	2.03
Average Duration	1.45	1.86	1.49
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of March 31, 2018

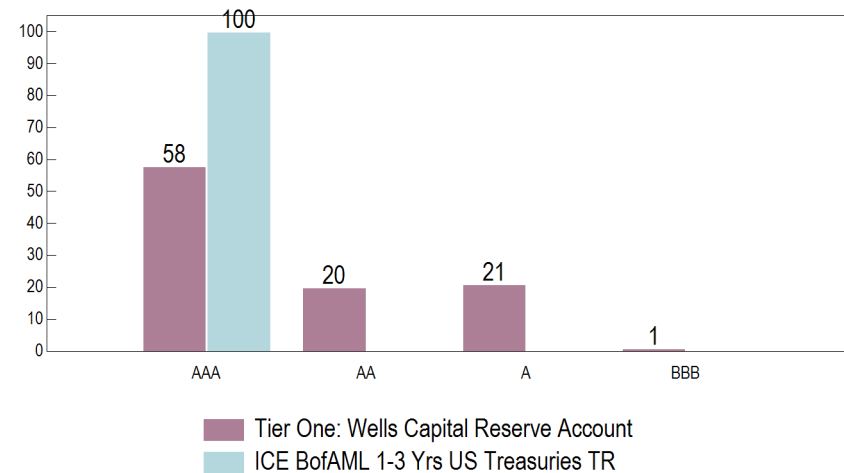
Account Information

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

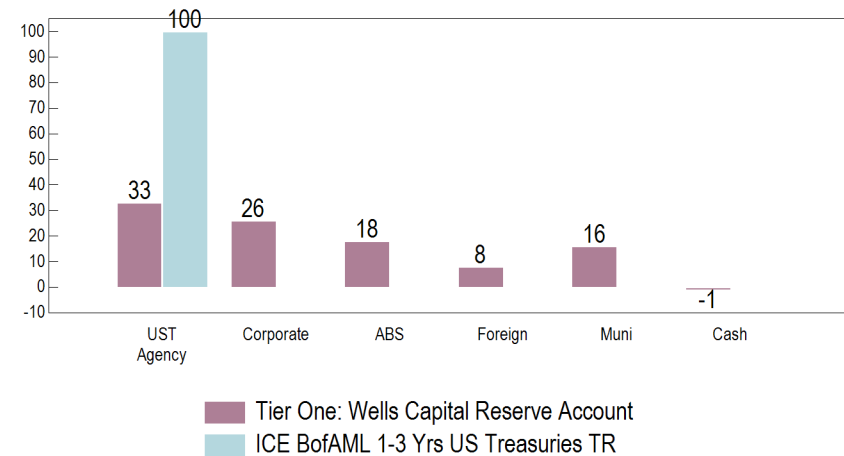
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	-0.156	-0.156	0.414	--	--	--	0.559	Jun-16
Tier One: Wells Capital Reserve Account(Net)	-0.174	-0.174	0.342	--	--	--	0.487	
ICE BofAML 1-3 Yrs US Treasuries TR	-0.130	-0.130	0.032	0.398	0.515	1.126	0.189	Jun-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	-0.185	-0.185	0.276	0.676	0.777	1.573	0.493	Jun-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	-0.169	-0.169	0.186	0.563	0.672	1.403	0.357	Jun-16

Credit Quality Allocation



US Sector Allocation

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

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	2.56	2.12	2.06
Average Duration	1.74	1.86	1.78
Average Quality	AA	AAA	AA



Tier One: Logan Circle STAMP 1-3 Year

As of March 31, 2018

Account Information

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

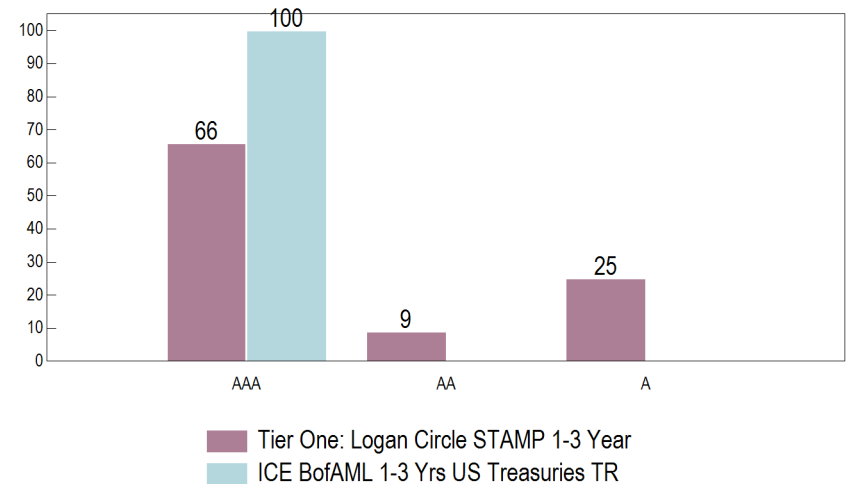
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Logan Circle STAMP 1-3 Year(Gross)	-0.018	-0.018	0.790	--	--	--	0.693	May-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	-0.038	-0.038	0.710	--	--	--	0.610	
ICE BofAML 1-3 Yrs US Treasuries TR	-0.130	-0.130	0.032	0.398	0.515	1.126	0.125	May-16
ICE BofAML 1-3 Yrs US Corp & Govt TR	-0.185	-0.185	0.276	0.676	0.777	1.573	0.436	May-16
ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR	-0.169	-0.169	0.186	0.563	0.672	1.403	0.301	May-16

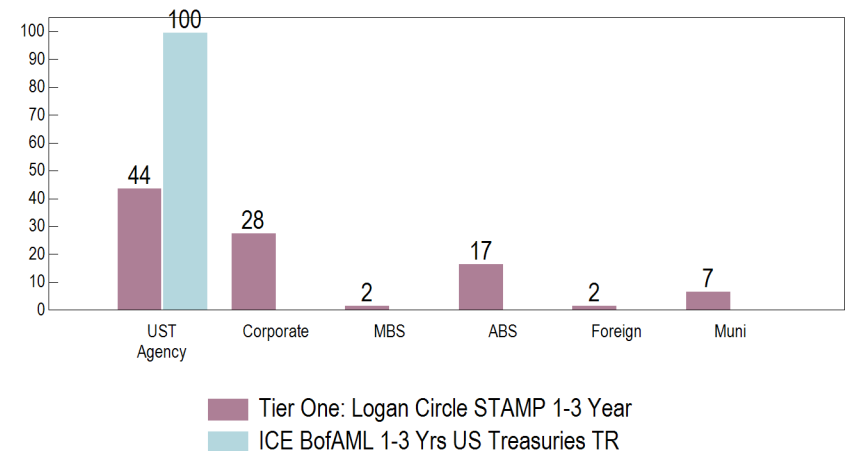
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	2.39	2.12	1.90
Average Duration	1.23	1.86	1.36
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of March 31, 2018

Account Information

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

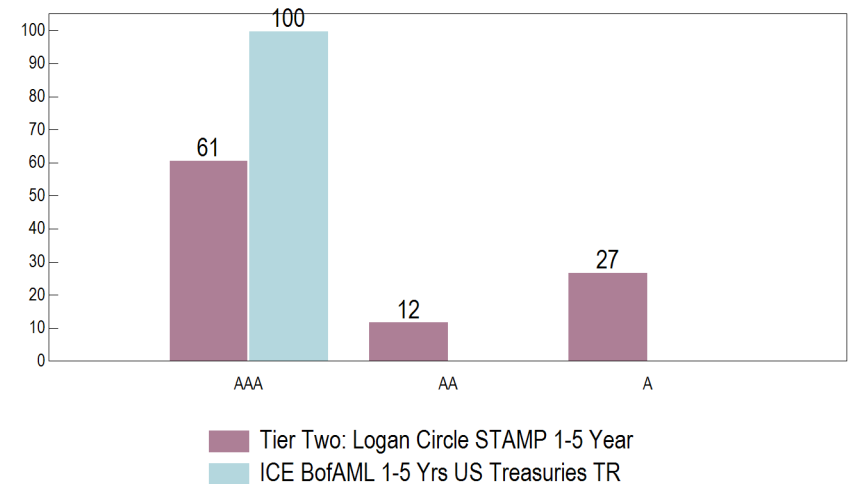
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	-0.354	-0.354	0.495	1.018	1.112	--	1.112	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	-0.386	-0.386	0.367	0.892	0.985	--	0.985	
ICE BofAML 1-5 Yrs US Treasuries TR	-0.378	-0.378	-0.100	0.470	0.645	1.620	0.645	Apr-13
ICE BofAML 1-5 Yrs US Corp & Govt TR	-0.490	-0.490	0.224	0.813	0.992	2.155	0.992	Apr-13
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	-0.449	-0.449	0.089	0.659	0.843	1.911	0.843	Apr-13

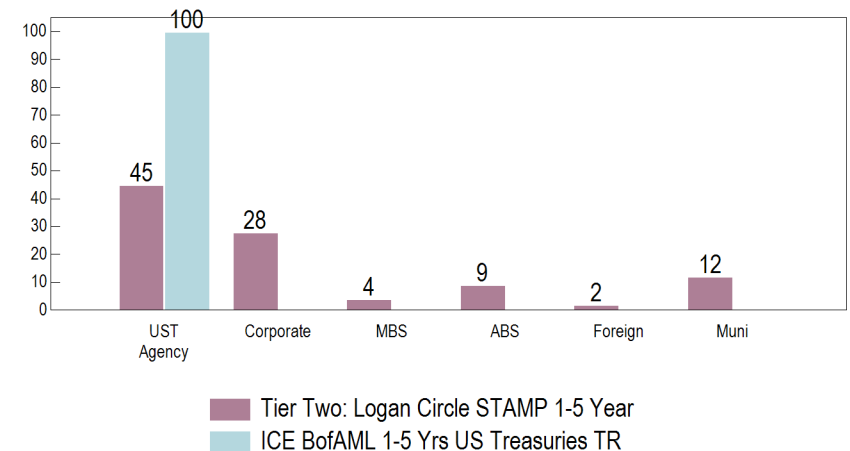
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. ICE BofAML 1-5 Yrs US Treasuries TR

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	2.54	2.22	2.10
Average Duration	2.13	2.65	2.31
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



As of March 31, 2018

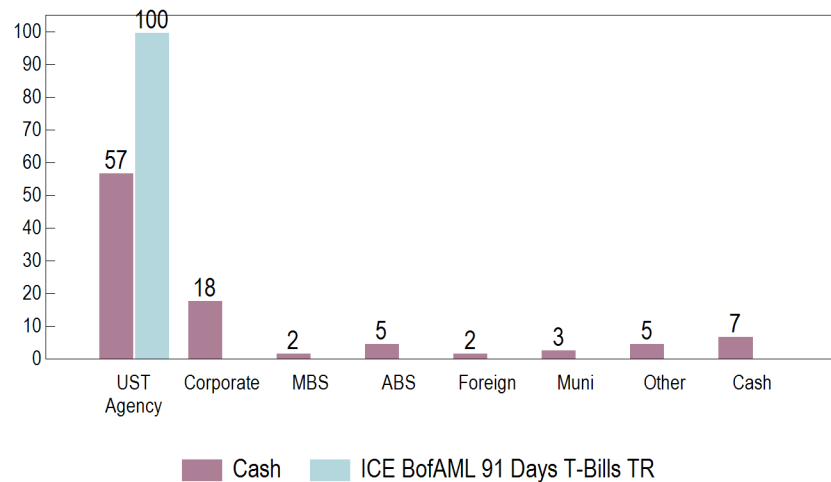
Asset Allocation on March 31, 2018

	Actual	Actual
Operating: Logan Circle Enhanced Cash	\$516,366,610	36.2%
Operating: Payden Enhanced Cash	\$454,228,218	31.9%
Operating: Wells Capital Enhanced Cash	\$454,630,272	31.9%
Total	\$1,425,225,101	100.0%

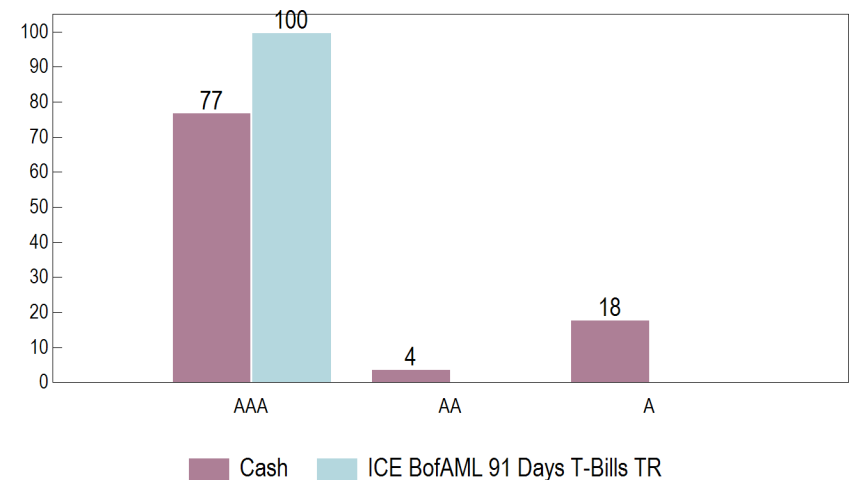
Cash Characteristics
vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	1.9	1.7	1.5
Average Duration	0.2	0.2	0.2
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Operating: Payden Enhanced Cash

As of March 31, 2018

Account Information

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

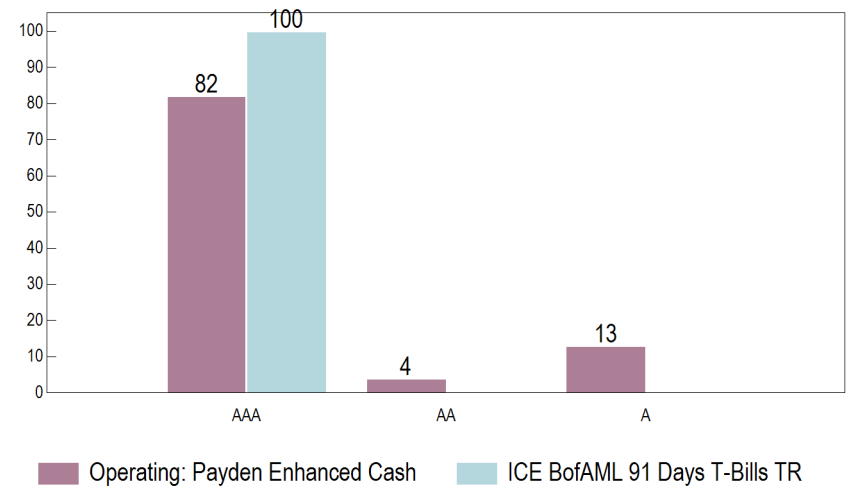
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash(Gross)	0.362	0.362	1.311	0.850	0.562	0.462	1.950	Jul-99
Operating: Payden Enhanced Cash(Net)	0.342	0.342	1.236	0.774	0.471	--	--	--
<i>Citi 3mth Treasury Bill</i>	0.348	0.348	1.069	0.494	0.310	0.309	1.734	Jul-99

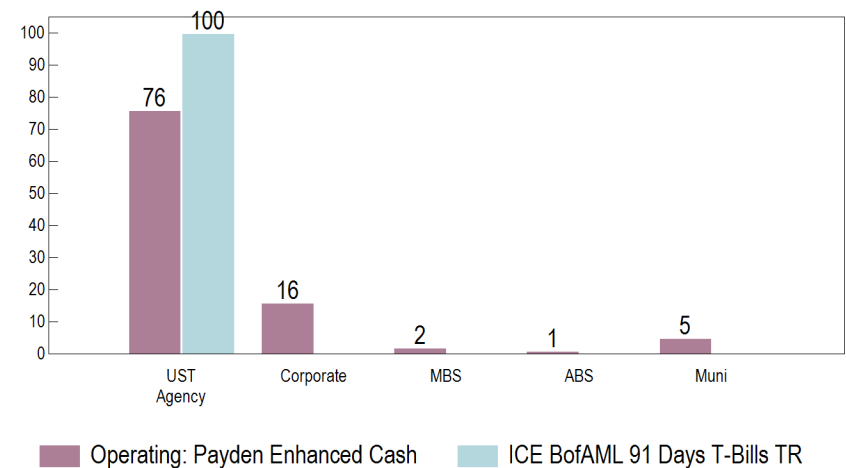
Operating: Payden Enhanced Cash Fixed Income Characteristics
vs. ICE BofAML 91 Days T-Bills TR

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	1.85	1.72	1.58
Average Duration	0.19	0.24	0.22
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Operating: Logan Circle Enhanced Cash

As of March 31, 2018

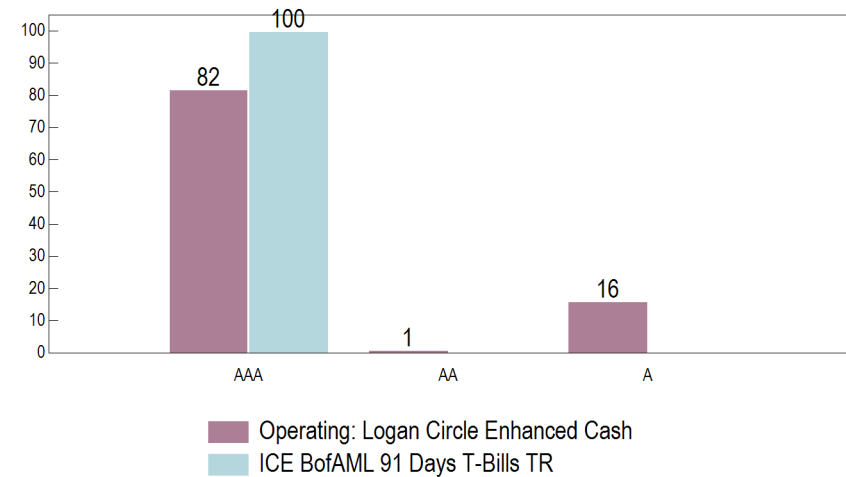
Account Information

Account Name	Operating: Logan Circle Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	5/02/16
Account Type	Cash
Benchmark	Citi 3mth Treasury Bill
Universe	eV US Enh Cash Management Net

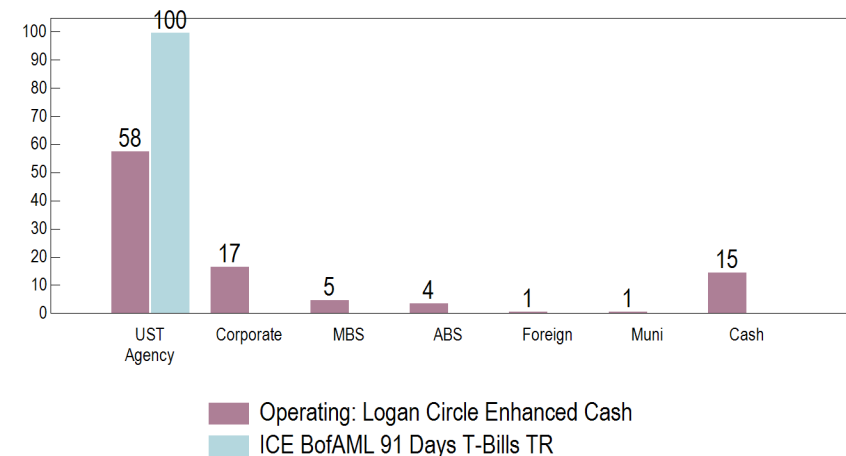
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Logan Circle Enhanced Cash(Gross)	0.379	0.379	1.272	--	--	--	1.049	May-16
Operating: Logan Circle Enhanced Cash(Net)	0.358	0.358	1.187	--	--	--	0.965	
Citi 3mth Treasury Bill	0.348	0.348	1.069	0.494	0.310	0.309	0.721	May-16

Credit Quality Allocation



US Sector Allocation

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

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	1.90	1.72	1.25
Average Duration	0.13	0.24	0.11
Average Quality	AA	AAA	AA



Operating: Wells Capital Enhanced Cash

As of March 31, 2018

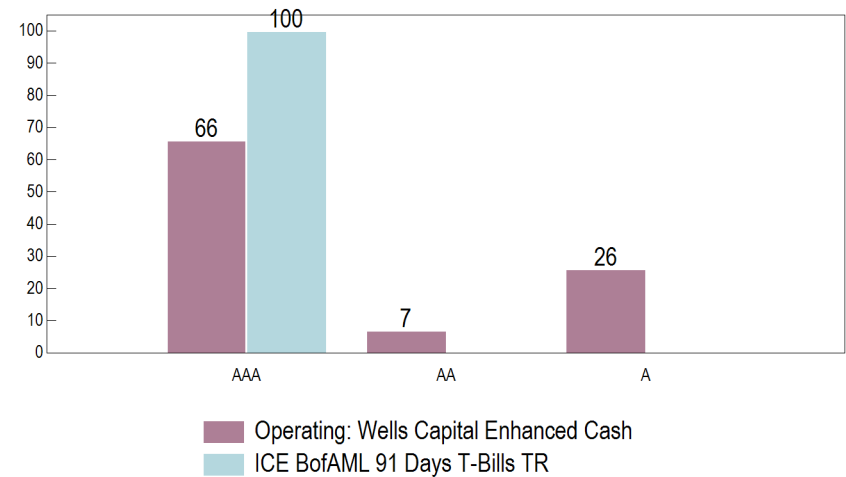
Account Information

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

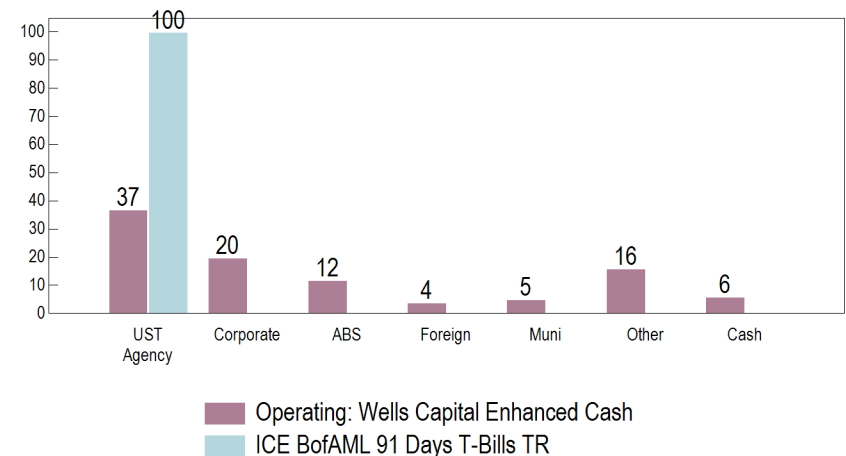
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Wells Capital Enhanced Cash(Gross)	0.346	0.346	1.169	--	--	--	0.941	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.328	0.328	1.096	--	--	--	0.868	
<i>Citi 3mth Treasury Bill</i>	<i>0.348</i>	<i>0.348</i>	<i>1.069</i>	<i>0.494</i>	<i>0.310</i>	<i>0.309</i>	<i>0.742</i>	<i>Jun-16</i>

Credit Quality Allocation



US Sector Allocation

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

	Portfolio Q1-18	Index Q1-18	Portfolio Q4-17
Fixed Income Characteristics			
Yield to Maturity	2.05	1.72	1.83
Average Duration	0.22	0.24	0.48
Average Quality	AA	AAA	AA



As of March 31, 2018

Annual Investment Expense Analysis
As Of March 31, 2018

Name	Fee Schedule	Market Value
Fixed Income		\$536,184,876
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$146,625,181
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	\$146,594,365
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$146,066,476
Tier Two: Logan Circle STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$96,898,854
Cash		\$1,425,225,101
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$454,228,218
Operating: Logan Circle Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$516,366,610
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$454,630,272
Total		\$1,961,409,976

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



Quarterly Investment Report Supplement

Annual Investment Policy (2018) Maturity and Quality Requirements

Allowable Instruments	Maximum Permitted Maturity			Actual Maximum Maturity							Compliance
	Operating Funds	Tier One	Tier Two	Operating Funds			Tier One			Tier Two	
				LC	P&R	WF	LC	P&R	WF	LC	
U.S. Treasuries	450 days	5 years	5 years	154 days	164 days	214 days	4.80 years	2.71 years	2.96 years	4.80 years	Yes
U.S. Agencies	450 days	5 years	5 years	80 days	13 days	362 days	0.56 years	3.02 years	2.45 years	4.46 years	Yes
State & Local Obligations ¹	450 days	5 years	5 years	124 days	276 days	307 days	3.34 years	3.43 years	2.59 years	3.34 years	Yes
Supranationals	450 days	5 years	5 years	N/A	N/A	146 days	4.66 years	2.82 years	2.82 years	4.55 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	98 days	N/A	N/A	N/A	0.21 years	N/A	N/A	Yes
Commercial Paper	270 days	270 days	270 days	39 days	24 days	86 days	N/A	N/A	N/A	N/A	Yes
Repurchase Agreements	30 days	30 days	30 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Medium Term Notes	450 days	5 years	5 years	82 days	342 days	415 days	3.70 years	3.00 years	2.87 years	4.84 years	Yes
Mortgage/ Asset-Backed	450 days	5 years	5 years	360 days	56 days	N/A	4.55 years	2.29 years	4.05 years	4.55 years	Yes
Variable & Floating Rate	450 days	5 years	5 years	82 days	88 days ²	90 days	4.55 years	2.82 years	N/A	4.55 years	Yes

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

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

² Effective Maturity.



Annual Investment Policy (2018) Diversification Compliance¹

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	42.3	321.2	46.5	279.4	15.3	91.7	35.3	692.3
U.S. Agencies	100	0.9	6.9	16.2	97.3	21.0	126.2	11.8	230.5
State & Local Obligations ²	25	3.3	25.4	6.8	40.6	7.7	46.1	5.7	112.1
Supranationals	15	1.3	9.9	0.6	3.7	4.7	28.4	2.1	42.0
Negotiable Certificate of Deposit	30	2.9	22.1	0.2	1.4	0.0	0.0	1.2	23.5
Commercial Paper	25	7.1	54.2	1.0	6.0	12.0	72.3	6.8	132.5
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	9.7	73.6	7.1	42.6	15.7	94.4	10.7	210.7
Money Market Funds	20	10.8	81.8	-0.1	-0.4	4.0	23.9	5.4	105.2
Mortgage/Asset-Backed	20	7.0	53.4	4.1	24.4	4.4	26.7	5.3	104.5
Variable & Floating Rate	30	14.6	111.3	18.6	111.8	15.2	91.0	16.0	314.2
Total		100.0	759.9	100.0	600.9	100.0	600.7	100.0	1961.4

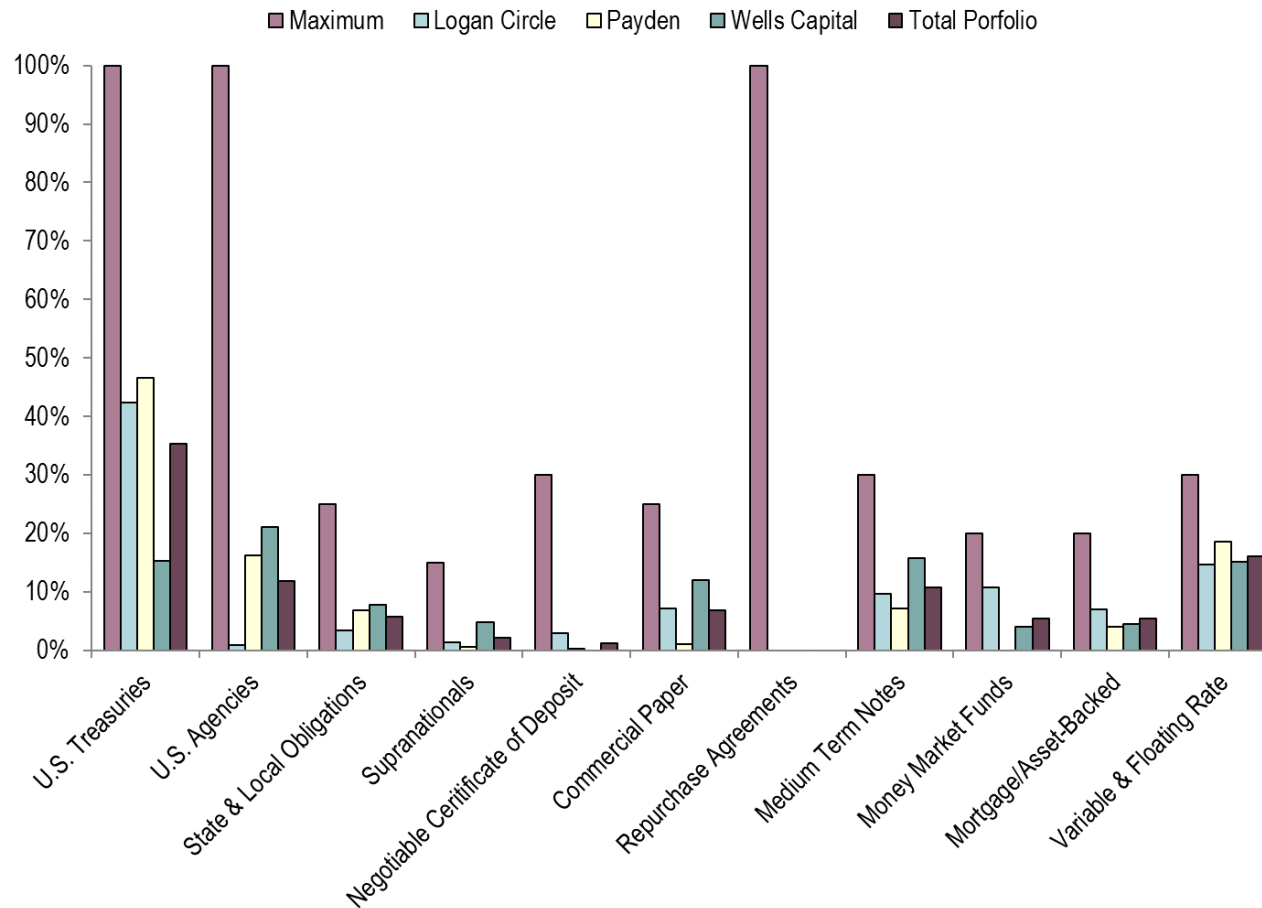
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2018.

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

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

Annual Investment Policy (2018) Actual vs. Diversity Requirements

As of March 31, 2018



Custom Peer Group

Custom Peer Group

- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance U.S. Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison¹.
 - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
 - Two unique buckets were established based on each portfolio's historical average effective duration relative to the ICE BofA Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the ICE BofA Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
 - The Tier One peer group consists of sixteen strategies with a median effective duration of 1.71 years, while the Tier Two peer group consists of ten strategies with a median effective duration of 2.57 years as of December 31, 2017.
- Please note that the analysis is as of December 31, 2017, as the universe of investment managers that had reported data as of March 31, 2018 was very small at the date that these materials were submitted.
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.

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

Custom Peer Group: Logan Circle Tier One

Gross of Fees Returns as of 12/31/2017 ¹	4Q 2017 (%)	1 Year (%)	Since Inception ² (%)
Tier One: Logan Circle STAMP 1-3 Year	0.08	1.23	0.77
Peer Group Median Return	-0.04	1.24	0.96
Peer Group Rank (percentile)	34	50	71

- The Logan Circle Tier One portfolio outperformed the peer group in the fourth quarter of 2017, ranking in the 34th percentile. The strategy underperformed the custom peer group over the trailing 1-year period and since inception.

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

² Formal inception date is June 2016.

Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 12/31/2017¹	4Q 2017 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	-0.01	1.09	1.03	0.85	1.82
Peer Group Median Return	-0.04	1.24	1.17	1.00	1.96
Peer Group Rank (percentile)	42	65	64	63	64

Standard Deviation as of 12/31/2017²	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.56	0.53	1.11
Median Standard Deviation	0.72	0.68	1.07
Peer Group Rank (percentile)	83	89	41

- The Payden Tier One portfolio's trailing returns rank in the third quartile of the peer group over the one-, three-, five-, and ten-year trailing periods. The strategy outperformed the custom peer group over the fourth quarter of 2017.
- 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 1.02 and 1.24.

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

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

Custom Peer Group: Wells Capital Tier One

Gross of Fees Returns as of 12/31/2017 ¹	4Q 2017 (%)	1 Year (%)	Since Inception ² (%)
Tier One: Wells Capital Reserve Account	-0.12	0.93	0.64
Peer Group Median Return	-0.04	1.24	0.96
Peer Group Rank (percentile)	88	72	74

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

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

² Formal inception date is June 2016.

Custom Peer Group: Logan Circle Tier Two

Gross of Fees Returns as of 12/31/2017 ¹	4Q 2017 (%)	1 Year (%)	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	-0.12	1.42	1.46
Peer Group Median Return	-0.16	1.17	1.12
Peer Group Rank (percentile)	33	10	21

Standard Deviation as of 12/31/2017 ²	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.23
Median Standard Deviation	1.07
Peer Group Rank (percentile)	40

- Logan Circle's Tier Two portfolio outperformed the peer group in the fourth quarter, and ranked in the top quartile of the custom peer group over the one- and three-year trailing periods ended December 31, 2017.
- Standard deviation for the strategy over the trailing three year period exceeds the peer group median, ranking in the 40th percentile of the peer group.

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

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

Performance Attribution

Performance Attribution

- The following pages present attribution data for the Logan Circle Tier One and Tier Two portfolios, the Payden & Rygel Tier One portfolio, and the Wells Capital Tier One portfolio.
- Attribution represents outperformance or underperformance, based on active investment decisions across fixed income sub-sectors, relative to a manager's benchmark index. Attribution data demonstrates where managers are able to most effectively add incremental value versus the benchmark.
- Attribution data is provided by the investment managers and is presented gross of investment management fees as of March 31, 2018. Attribution data fields will vary slightly across investment managers.

Logan Circle Tier One Performance Attribution¹
Gross of Fees as of 3/31/2018

Benchmark Relative Attribution (basis points)	1Q 2018	1 Year
Duration	16	25
Yield Curve	0	4
Sector Selection	-5	47
Treasury	-6	30
Agency	1	-2
Corporate	-1	14
Financial	0	10
Industrial	0	2
Utilities	-1	2
MBS	0	0
CMBS	0	1
ABS	0	1
Municipal	1	3
Total Excess Return	11	76
Logan Circle Tier One Return	-2	79
ICE BofA Merrill Lynch 1-3 Year Treasury Return	-13	3

¹ Performance attribution provided by Logan Circle.



Payden & Rygel Tier One Performance Attribution¹
Gross of Fees as of 3/31/2018

Benchmark Relative Attribution (basis points)	1Q 2018	6 Month	1 Year
Duration	14	27	34
Yield Curve	-1	-4	-9
Sector Selection	-8	7	36
Treasury	NA	NA	NA
Agency	2	5	10
Corporate	-8	1	20
Financial	-5	0	11
Industrial	-2	1	8
Utilities	-1	0	1
MBS	0	0	0
CMBS	0	0	1
ABS	-2	1	5
Municipal	0	0	0
Residual	0	-1	-1
Total Excess Return	5	29	60
Payden & Rygel Tier One Return	-8	-9	63
ICE BofA Merrill Lynch 1-3 Year U.S. Treasury Return	-13	-38	3

¹ Performance attribution provided by Payden & Rygel.



Wells Capital Tier One Performance Attribution¹

Gross of Fees as of 3/31/2018

Benchmark Relative Attribution (basis points)	1Q 2018	1 Year
Duration	3	3
Sector Selection	-5	36
Treasury ²	NA	NA
Agency	2	5
Corporate	-7	17
Financial	-5	10
Industrial	-2	4
Utilities	0	3
MBS	0	0
CMBS	0	0
ABS	-3	4
Municipal	3	7
Error Factor	0	3
Total Excess Return³	-2	39
Wells Capital Tier One Return (%)	-16	42
ICE BofA Merrill Lynch 1-3 Year U.S. Treasury Return (%)	-13	3

¹ Performance attribution provided by Wells Capital.

² Treasury sector selection attribution is included in Duration figure.

³ Attribution may not equal Total Excess Return due to rounding.



Logan Circle Tier Two Performance Attribution¹
Gross of Fees as of 3/31/2018

Benchmark Relative Attribution (basis points)	1Q 2018	1 Year
Duration	11	14
Yield Curve	1	3
Sector Selection	-9	42
Treasury	-9	17
Agency	1	0
Corporate	-4	16
Financial	-4	12
Industrial	0	3
Utilities	0	1
MBS	0	0
CMBS	0	2
ABS	0	1
Municipal	3	6
Total Excess Return	3	59
Logan Circle Tier Two Return	-35	49
ICE BofA Merrill Lynch 1-5 Year U.S. Treasury Return	-38	-10

¹ Performance attribution provided by Logan Circle.



Holdings

CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash							
	CASH OR STIF	USD	292,406.56	292,406.56	0.00	1.000	0.20%
Total for Cash			292,406.56	292,406.56	0.00		0.20%
Money Markets							
1,350,000.000	BANK OF NOVA SCOTIA HOUSTON YCD	06417GP77	1,350,000.00	1,350,266.91	266.91	100.020	0.92%
	Mat: 6/15/18 Cpn: 2.20%		0.00	1,320.00			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 3/15/18 St Date: 3/16/18						
Total for Money Markets			1,350,000.00	1,350,266.91	266.91		0.92%
			0.00	1,320.00			
Treasuries							
3,600,000.000	U.S. TREASURY NOTE	9128282K5	3,601,898.44	3,561,525.36	(40,373.08)	98.931	2.43%
	Mat: 7/31/19 Cpn: 1.38%		448.37	8,204.42			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/27/17 St Date: 7/31/17						
11,635,000.000	U.S. TREASURY NOTE	9128282T6	11,615,911.33	11,478,940.91	(136,970.42)	98.659	7.84%
	Mat: 8/31/19 Cpn: 1.25%		5,624.65	12,646.74			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/12/17 St Date: 9/14/17						
4,800,000.000	U.S. TREASURY NOTE	912828F62	4,792,939.54	4,744,482.24	(48,457.30)	98.843	3.26%
	Mat: 10/31/19 Cpn: 1.50%		0.00	30,232.04			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/23/17 St Date: 10/31/17						
1,560,000.000	U.S. TREASURY NOTE	9128283N8	1,557,014.06	1,549,945.32	(7,068.74)	99.356	1.06%
	Mat: 12/31/19 Cpn: 1.88%		969.61	7,352.90			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/11/18 St Date: 1/12/18						
425,000.000	U.S. TREASURY NOTE	9128283S7	424,037.11	423,074.22	(962.89)	99.547	0.29%
	Mat: 1/31/20 Cpn: 2.00%		0.00	1,408.84			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/30/18 St Date: 1/31/18						
1,000,000.000	U.S. TREASURY FRN	9128283T5	999,170.53	999,423.40	252.87	99.942	0.68%
	Mat: 1/31/20 Cpn: 1.77%		2,566.63	2,713.95			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/28/18 St Date: 3/29/18						



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CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
750,000.000	U.S. TREASURY NOTE Mat: 2/29/20 Cpn: 2.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/2/18 St Date: 3/6/18	9128283Y4	750,058.59 275.14	749,794.92 1,467.39	(263.67)	99.973	0.51%
2,910,000.000	U.S. TREASURY NOTE Mat: 6/15/20 Cpn: 1.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/15/17 St Date: 6/20/17	912828XU9	2,910,391.60 596.31	2,859,338.36 12,831.18	(51,053.24)	98.259	1.96%
5,330,000.000	U.S. TREASURY NOTE Mat: 9/15/20 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/15/17 St Date: 9/22/17	9128282V1	5,298,873.28 1,907.15	5,207,839.60 3,385.56	(91,033.68)	97.708	3.55%
1,095,000.000	U.S. TREASURY NOTE Mat: 12/15/20 Cpn: 1.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/12/17 St Date: 12/15/17	9128283L2	1,092,305.27 0.00	1,081,226.96 6,035.29	(11,078.32)	98.742	0.74%
Total for Treasuries			33,042,599.75 12,387.86	32,655,591.28 86,278.31	(387,008.47)		22.33%
Government Related							
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	1,479,151.50 5,750.00	(16,348.50)	98.610	1.01%
1,310,000.000	INTL BANK RECON & DEVELOP Mat: 9/4/20 Cpn: 1.63% Moody's: Aaa S&P: AAA Fitch: AAAu Tr Date: 8/22/17 St Date: 8/29/17	459058GA5	1,309,724.90 0.00	1,283,505.25 1,596.56	(26,219.65)	97.978	0.88%
910,000.000	INTL FINANCE CORP Mat: 1/25/21 Cpn: 2.25% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/18/18 St Date: 1/25/18	45950KCM0	907,324.60 0.00	902,703.62 3,753.75	(4,620.98)	99.198	0.62%
Total for Government Related			3,712,549.50 0.00	3,665,360.37 11,100.31	(47,189.13)		2.51%
Agencies							
1,320,000.000	FNMA C 09/13/17 Q Mat: 6/13/19 Cpn: 1.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/13/16 St Date: 6/15/16	3135G0K77	1,320,000.00 91.67	1,304,967.84 4,950.00	(15,032.16)	98.861	0.89%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
935,000.000	FHLMC Mat: 7/19/19 Cpn: 0.88% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/19/16 St Date: 7/20/16	3137EAEB1	932,737.30 0.00	919,349.97 1,636.25	(13,387.33)	98.326	0.63%
1,420,000.000	FNMA Mat: 8/2/19 Cpn: 0.88% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/29/16 St Date: 8/2/16	3135G0N33	1,417,614.40 0.00	1,394,912.86 2,036.32	(22,701.54)	98.233	0.95%
1,350,000.000	FNMA Mat: 8/28/19 Cpn: 1.00% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/31/16 St Date: 9/2/16	3135G0P49	1,347,894.00 0.00	1,327,480.65 1,162.50	(20,413.35)	98.332	0.91%
1,700,000.000	FHLB Mat: 2/11/20 Cpn: 2.13% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 2/8/18 St Date: 2/9/18	3130ADN32	1,696,889.00 0.00	1,693,184.70 5,218.06	(3,704.30)	99.599	1.16%
870,000.000	FNMA Mat: 2/28/20 Cpn: 1.50% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 2/24/17 St Date: 2/28/17	3135G0T29	869,443.20 0.00	856,981.32 1,196.25	(12,461.88)	98.504	0.59%
2,660,000.000	FHLB Mat: 3/30/20 Cpn: 2.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 3/15/18 St Date: 3/16/18	3130ADUJ9	2,659,521.20 0.00	2,661,042.72 2,632.29	1,521.52	100.039	1.82%
380,000.000	FFCB 1ML+1.0 FRN Mat: 8/24/20 Cpn: 1.88% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/17/17 St Date: 8/24/17	3133EHVR1	380,000.00 0.00	380,208.24 158.88	208.24	100.055	0.26%
1,040,000.000	FHLB Mat: 9/28/20 Cpn: 1.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/7/17 St Date: 9/8/17	3130ACE26	1,036,661.60 0.00	1,014,553.28 119.17	(22,108.32)	97.553	0.69%
1,580,000.000	FHLMC Mat: 11/17/20 Cpn: 1.88% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 11/14/17 St Date: 11/15/17	3137EAEK1	1,578,483.20 0.00	1,558,079.08 11,191.67	(20,404.12)	98.613	1.07%
1,450,000.000	FFCB 1ML+1 FRN Mat: 12/11/20 Cpn: 1.75% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 12/4/17 St Date: 12/11/17	3133EH2J1	1,450,000.00 0.00	1,450,191.40 1,479.84	191.40	100.013	0.99%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,470,000.000	FHLMC Mat: 2/16/21 Cpn: 2.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 2/15/18 St Date: 2/16/18	3137EAEL9	1,466,119.20 0.00	1,466,447.01 4,364.06	327.81	99.758	1.00%
1,460,000.000	FFCB Mat: 4/5/21 Cpn: 2.54% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 3/29/18 St Date: 4/5/18	3133EJJD2	1,460,014.60 0.00	1,460,657.00 0.00	642.40	100.045	1.00%
880,000.000	FFCB 1ML+8.0 FRN Mat: 7/13/22 Cpn: 1.83% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/7/17 St Date: 7/13/17	3133EHRD7	880,000.00 0.00	880,395.12 850.08	395.12	100.045	0.60%
660,000.000	FFCB 1ML+7.0 FRN Mat: 8/1/22 Cpn: 1.73% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/26/17 St Date: 8/1/17	3133EHTJ2	660,000.00 0.00	659,953.14 985.59	(46.86)	99.993	0.45%
730,000.000	FFCB 1ML+8.0 FRN Mat: 9/6/22 Cpn: 1.77% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/29/17 St Date: 9/6/17	3133EHXH1	730,000.00 0.00	730,362.08 933.45	362.08	100.050	0.50%
Total for Agencies			19,885,377.70 91.67	19,758,766.41 38,914.41	(126,611.29)		13.50%

Taxable Muni

610,000.000	WI STATE TAXABLE Mat: 5/1/18 Cpn: 1.64% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 10/27/15 St Date: 10/30/15	977100CQ7	617,411.50 4,986.34	609,829.20 4,178.50	(7,582.30)	99.972	0.42%
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	374,461.88 1,025.63	(538.13)	99.857	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	1,495,260.00 11,040.00	(4,740.00)	99.684	1.03%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: AA- Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,401,568.00 13,673.33	1,568.00	100.112	0.97%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
750,000.000	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	749,232.75 5,815.63	(6,587.25)	99.898	0.51%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	449,330.40 3,054.00	(669.60)	99.851	0.31%
750,000.000	CA STATE GO/ULT TXB Mat: 4/1/19 Cpn: 1.59% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 4/21/17 St Date: 4/27/17	13063DAB4	750,000.00 0.00	745,563.75 5,973.75	(4,436.25)	99.409	0.51%
270,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL Mat: 5/15/19 Cpn: 1.75% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 11/16/16 St Date: 12/6/16	544445AY5	270,000.00 0.00	268,130.52 1,785.00	(1,869.48)	99.308	0.18%
750,000.000	CA ALAMEDA CNTY JT POWER REV TXB Mat: 6/1/19 Cpn: 2.49% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 3/23/18 St Date: 4/24/18	010831DL6	750,000.00 0.00	750,397.50 0.00	397.50	100.053	0.51%
2,100,000.000	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	2,125,137.00 6,545.00	2,097,732.00 14,726.25	(27,405.00)	99.892	1.44%
750,000.000	CA SAN FRANCISCO BART-SALES TAX TXB Mat: 7/1/19 Cpn: 2.01% Moody's: S&P: AA+ Fitch: AA+ Tr Date: 12/15/17 St Date: 12/28/17	797669XS2	750,000.00 0.00	746,934.75 3,896.31	(3,065.25)	99.591	0.51%
335,000.000	CA SAN FRANCISCO REDEV AGY TXB Mat: 8/1/19 Cpn: 2.19% Moody's: S&P: A Fitch: Tr Date: 3/10/17 St Date: 3/29/17	79770GFZ4	335,000.00 0.00	332,662.04 1,224.43	(2,337.97)	99.302	0.23%
910,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/19 Cpn: 2.10% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AB2	910,000.00 0.00	907,185.37 3,181.97	(2,814.63)	99.691	0.62%
500,000.000	NY ST GO/ULT-TXBL Mat: 9/1/19 Cpn: 3.60% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 6/1/17 St Date: 6/6/17	649791EJ5	521,530.00 4,750.00	509,660.50 1,500.00	(11,869.50)	101.932	0.35%



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CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
370,000.000	CA CALIFORNIA ST UNIV SYS REV TAXABLE Mat: 11/1/19 Cpn: 1.98% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 7/5/17 St Date: 7/7/17	13077CT38	371,431.90 1,344.46	367,435.90 3,055.58	(3,996.00)	99.307	0.25%
590,000.000	CA CULVER CITY RDA-TXBL Mat: 11/1/19 Cpn: 1.63% Moody's: S&P: AA- Fitch: Tr Date: 11/15/17 St Date: 12/4/17	230340AL5	587,185.70 0.00	583,220.90 3,115.94	(3,964.80)	98.851	0.40%
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/19 Cpn: 2.85% Moody's: S&P: AA- Fitch: A+ Tr Date: 2/25/16 St Date: 3/1/16	544587C22	381,536.60 2,983.56	372,060.90 4,387.58	(9,475.70)	100.557	0.26%
260,000.000	CA UNIVERSITY OF CALIFORNIA-TXBL Mat: 5/15/20 Cpn: 1.88% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 9/20/17 St Date: 9/28/17	91412G2R5	260,000.00 0.00	256,592.18 2,480.77	(3,407.82)	98.689	0.18%
690,000.000	CA ST HSG FIN AGY REV-TXBL Mat: 8/1/20 Cpn: 2.30% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/21/17 St Date: 6/29/17	13034PZF7	690,000.00 0.00	682,873.68 2,645.00	(7,126.32)	98.967	0.47%
850,000.000	CA SAN FRANCISCO REDEV AGY-TXBL Mat: 8/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 11/10/17 St Date: 11/30/17	79770GGM2	848,886.50 0.00	838,496.10 2,833.33	(10,390.40)	98.647	0.57%
550,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/20 Cpn: 2.26% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AC0	550,000.00 0.00	545,509.80 2,070.75	(4,490.20)	99.184	0.37%
920,000.000	CA SAN DIEGO REDEV AGY TAB PRE-20 TXB Mat: 9/1/20 Cpn: 7.75% Moody's: WR S&P: A- Fitch: Tr Date: 8/30/17 St Date: 9/5/17	79730PDE2	1,078,589.60 792.22	1,027,996.04 5,941.67	(50,593.56)	111.739	0.71%
220,000.000	CA BRENTWOOD INFRA FIN AUTH REV TXB Mat: 9/2/20 Cpn: 2.59% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVB1	220,000.00 0.00	219,446.70 490.85	(553.30)	99.749	0.15%
310,000.000	CA SAN MARCOS REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 12/1/17 St Date: 12/14/17	79876CBQ0	307,904.40 0.00	304,623.98 1,842.78	(3,280.42)	98.266	0.21%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
350,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/20 Cpn: 3.15% Moody's: S&P: AA- Fitch: A+ Tr Date: 4/26/17 St Date: 5/1/17	544587C30	360,734.50 0.00	353,706.15 4,587.92	(7,028.35)	101.059	0.24%
410,000.000	CA ST EDU FACS AUTH REV-CHAPMAN UNV TXB Mat: 4/1/21 Cpn: 2.26% Moody's: A2 S&P: Fitch: Tr Date: 11/9/17 St Date: 11/16/17	130179KQ6	410,000.00 0.00	403,854.10 3,470.14	(6,145.90)	98.501	0.28%
305,180.582	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: Aa1 S&P: AA Fitch: AA+ Tr Date: 9/22/17 St Date: 9/26/17	13066YTY5	302,107.41 2,105.62	297,782.09 2,178.23	(4,325.32)	97.576	0.20%
220,000.000	CA BRENTWOOD INFR FIN AUTH REV TXB Mat: 9/2/21 Cpn: 2.81% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVC9	220,000.00 0.00	219,468.04 532.34	(531.96)	99.758	0.15%
Total for Taxable Muni			18,098,275.11 26,880.26	17,911,015.21 110,707.66	(187,259.90)		12.29%

Credit

570,000.000	CITIZENS BANK Mat: 12/3/18 Cpn: 2.30% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/16/17 St Date: 5/19/17	17401QAC5	572,490.90 6,045.17	568,120.14 4,297.17	(4,370.76)	99.670	0.39%
1,320,000.000	WISCONSIN ELECTRIC POWER Mat: 12/4/18 Cpn: 1.65% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 12/1/15 St Date: 12/4/15	976843BK7	1,318,772.40 0.00	1,312,708.32 7,078.50	(6,064.08)	99.448	0.90%
470,000.000	MORGAN STANLEY Mat: 2/1/19 Cpn: 2.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/22/16 St Date: 1/27/16	61746BDX1	469,685.10 0.00	469,004.07 1,919.17	(681.03)	99.788	0.32%
200,000.000	CHEVRON Mat: 2/28/19 Cpn: 1.69% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 2/28/17 St Date: 3/3/17	166764BS8	200,000.00 0.00	198,785.60 309.10	(1,214.40)	99.393	0.14%
550,000.000	CISCO SYSTEMS Mat: 2/28/19 Cpn: 1.60% Moody's: A1 S&P: AA- Fitch: Tr Date: 2/22/16 St Date: 2/29/16	17275RBB7	549,840.50 0.00	546,441.50 806.67	(3,399.00)	99.353	0.37%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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	647,832.25 830.56	(13,978.25)	99.667	0.44%
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	784,687.25 596.89	(4,712.35)	99.328	0.54%
225,000.000	EXXON MOBIL Mat: 3/15/19 Cpn: 1.82% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 5/8/17 St Date: 5/11/17	30231GAD4	225,866.25 636.65	223,828.43 181.90	(2,037.83)	99.479	0.15%
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	517,973.56 531.56	(1,906.84)	99.610	0.35%
350,000.000	OGLETHORPE POWER Mat: 3/15/19 Cpn: 6.10% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 3/29/17 St Date: 4/3/17	677050AE6	377,244.00 1,067.50	360,228.05 948.89	(17,015.95)	102.922	0.25%
330,000.000	CATERPILLAR FINANCIAL Mat: 3/22/19 Cpn: 1.90% Moody's: A3 S&P: A Fitch: A Tr Date: 3/20/17 St Date: 3/23/17	14912L6W6	329,802.00 0.00	328,110.75 156.75	(1,691.25)	99.428	0.22%
420,000.000	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	455,463.24 10,218.25	435,902.88 11,613.00	(19,560.36)	103.786	0.31%
875,000.000	PEPSICO Mat: 5/2/19 Cpn: 1.55% Moody's: A1 S&P: A+ Fitch: Au Tr Date: 4/27/17 St Date: 5/2/17	713448DR6	874,343.75 0.00	866,780.25 5,613.37	(7,563.50)	99.061	0.59%
195,000.000	AMERICAN EXPRESS Mat: 5/3/19 Cpn: 1.88% Moody's: A2 S&P: A- Fitch: A Tr Date: 4/27/17 St Date: 5/3/17	0258M0EK1	194,920.05 0.00	193,222.38 1,503.13	(1,697.67)	99.088	0.13%
515,000.000	AMGEN Mat: 5/10/19 Cpn: 1.90% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/8/17 St Date: 5/11/17	031162CK4	514,737.35 0.00	510,629.20 3,832.46	(4,108.16)	99.151	0.35%



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640,000.000	BRANCH BANKING & TRUST Mat: 5/10/19 Cpn: 1.45% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAL9	637,027.10 126.88	630,894.08 3,634.67	(6,133.02)	98.577	0.43%
340,000.000	BNY MELLON Mat: 5/15/19 Cpn: 2.20% Moody's: A1 S&P: A Fitch: AA- Tr Date: 9/28/17 St Date: 10/2/17	06406HCU1	342,019.60 2,846.56	338,796.74 2,825.78	(3,222.86)	99.646	0.23%
240,000.000	QUALCOMM Mat: 5/20/19 Cpn: 1.85% Moody's: A1 S&P: A Fitch: Tr Date: 5/19/17 St Date: 5/26/17	747525AM5	239,889.60 0.00	238,365.84 1,615.67	(1,523.76)	99.319	0.16%
235,000.000	COCA-COLA Mat: 5/30/19 Cpn: 1.38% Moody's: Aa3 S&P: AA- Fitch: Au Tr Date: 5/25/16 St Date: 5/31/16	191216BV1	234,835.50 0.00	232,100.34 1,086.06	(2,735.17)	98.766	0.16%
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	138,780.32 908.83	(1,146.88)	99.129	0.10%
220,000.000	GOLDMAN SACHS Mat: 7/23/19 Cpn: 1.95% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/17 St Date: 7/24/17	38141GWP5	219,973.60 0.00	217,503.00 810.33	(2,470.60)	98.865	0.15%
480,000.000	IBM Mat: 9/6/19 Cpn: 1.63% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/5/17 St Date: 9/8/17	44932HAA1	479,635.20 0.00	473,603.52 541.67	(6,031.68)	98.667	0.32%
510,000.000	CITIBANK Mat: 9/18/19 Cpn: 1.85% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	17325FAF5	509,989.80 0.00	503,075.73 340.71	(6,914.07)	98.642	0.34%
225,000.000	GILEAD SCIENCES Mat: 9/20/19 Cpn: 1.85% Moody's: A3 S&P: A Fitch: Tr Date: 9/14/17 St Date: 9/21/17	375558BR3	224,921.25 0.00	222,240.60 127.19	(2,680.65)	98.774	0.15%
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	279,968.90 51.46	(4,558.01)	98.235	0.19%



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Portfolio 2481

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Currency: USD

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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	142,419.58 962.44	(2,558.67)	98.220	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	582,042.69 3,553.47	(11,755.42)	97.822	0.40%
845,000.000	WAL-MART STORES Mat: 10/9/19 Cpn: 1.75% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 10/11/17 St Date: 10/20/17	931142DY6	844,983.10 0.00	836,285.52 6,613.30	(8,697.59)	98.969	0.57%
400,000.000	PNC BANK Mat: 10/18/19 Cpn: 2.40% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/12/17 St Date: 9/14/17	69353RDZ8	404,552.00 3,893.33	397,872.80 4,346.67	(6,679.20)	99.468	0.27%
430,000.000	PROCTER & GAMBLE Mat: 10/25/19 Cpn: 1.75% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 10/23/17 St Date: 10/25/17	742718EZ8	429,849.50 0.00	425,373.20 3,260.83	(4,476.30)	98.924	0.29%
475,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/24/16 St Date: 10/31/16	438516BJ4	474,624.75 0.00	466,513.18 2,789.31	(8,111.58)	98.213	0.32%
165,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.80% Moody's: A2 S&P: A Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	438516BQ8	164,871.30 0.00	162,881.24 1,245.75	(1,990.07)	98.716	0.11%
355,000.000	CHEVRON Mat: 11/15/19 Cpn: 2.19% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 5/8/17 St Date: 5/11/17	166764AN0	357,879.05 3,806.07	352,918.64 2,941.06	(4,960.42)	99.414	0.24%
730,000.000	CATERPILLAR FINANCIAL Mat: 11/29/19 Cpn: 2.00% Moody's: A3 S&P: A Fitch: A Tr Date: 11/27/17 St Date: 11/29/17	14913Q2F5	729,299.20 0.00	720,913.69 4,947.78	(8,385.51)	98.755	0.50%
170,000.000	CATERPILLAR FINANCIAL Mat: 1/10/20 Cpn: 2.10% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Y2	169,813.00 0.00	168,127.96 803.25	(1,685.04)	98.899	0.12%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
510,000.000	CITIGROUP Mat: 1/10/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LF6	509,796.00 0.00	505,144.29 2,811.38	(4,651.71)	99.048	0.35%
510,000.000	BRANCH BANKING & TRUST Mat: 1/15/20 Cpn: 2.10% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAN5	509,959.20 0.00	502,947.21 2,261.00	(7,011.99)	98.617	0.34%
760,000.000	WELLS FARGO Mat: 1/15/20 Cpn: 2.40% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 1/16/18 St Date: 1/23/18	94988J5L7	759,361.60 0.00	754,232.36 3,445.33	(5,129.24)	99.241	0.52%
735,000.000	US BANK CINCINNATI Mat: 1/23/20 Cpn: 2.35% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/18/18 St Date: 1/23/18	90331HJN8	734,669.25 0.00	729,663.90 3,262.58	(5,005.35)	99.274	0.50%
545,000.000	US BANK CINCINNATI Mat: 1/24/20 Cpn: 2.00% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/19/17 St Date: 1/24/17	90331HNB5	543,850.05 0.00	537,548.22 2,028.61	(6,301.84)	98.633	0.37%
520,000.000	IBM Mat: 1/27/20 Cpn: 1.90% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/24/17 St Date: 1/27/17	459200JN2	519,500.80 0.00	512,818.28 1,756.44	(6,682.52)	98.619	0.35%
530,000.000	CAPITAL ONE Mat: 1/31/20 Cpn: 2.35% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/26/17 St Date: 1/31/17	14042RFH9	529,682.00 0.00	521,836.41 2,110.43	(7,845.59)	98.460	0.36%
495,000.000	SUNTRUST BANK Mat: 1/31/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAR8	494,811.90 0.00	488,498.67 1,887.19	(6,313.23)	98.687	0.33%
505,000.000	MICROSOFT Mat: 2/6/20 Cpn: 1.85% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 1/30/17 St Date: 2/6/17	594918BV5	504,661.65 0.00	499,604.58 1,427.33	(5,057.07)	98.932	0.34%
535,000.000	ESTEE LAUDER CO Mat: 2/7/20 Cpn: 1.80% Moody's: A2 S&P: A+ Fitch: Tr Date: 2/6/17 St Date: 2/9/17	29736RAL4	534,925.10 0.00	526,449.10 1,444.50	(8,476.01)	98.402	0.36%



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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
225,000.000	PACCAR FINANCIAL Mat: 2/27/20 Cpn: 1.95% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/22/17 St Date: 2/27/17	69371RN69	224,595.00 0.00	222,016.73 414.38	(2,578.28)	98.674	0.15%
690,000.000	KIMBERLY-CLARK Mat: 3/1/20 Cpn: 1.85% Moody's: A2 S&P: A Fitch: A Tr Date: 5/5/17 St Date: 5/10/17	494368BP7	689,710.20 2,446.63	678,610.86 1,063.75	(11,099.34)	98.349	0.46%
250,000.000	CITIZENS BANK Mat: 3/2/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAG6	249,762.50 0.00	246,132.75 453.13	(3,629.75)	98.453	0.17%
375,000.000	AMERICAN EXPRESS Mat: 3/3/20 Cpn: 2.20% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EE5	374,610.00 0.00	369,533.25 641.67	(5,076.75)	98.542	0.25%
250,000.000	HUNTINGTON NATL BANK Mat: 3/10/20 Cpn: 2.38% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RU9	249,985.00 0.00	246,756.75 346.35	(3,228.25)	98.703	0.17%
730,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.58% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 11/14/17 St Date: 11/16/17	446438RV7	734,234.00 2,445.43	731,900.92 1,046.90	(2,333.08)	100.260	0.50%
400,000.000	JOHN DEERE CAPITAL Mat: 3/13/20 Cpn: 2.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/10/17 St Date: 3/15/17	24422ETQ2	399,688.00 0.00	395,797.60 440.00	(3,890.40)	98.949	0.27%
605,000.000	CONSOLIDATED EDISON Mat: 3/15/20 Cpn: 2.00% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	209115AD6	604,800.35 0.00	594,612.76 537.78	(10,187.60)	98.283	0.41%
290,000.000	AMGEN FRN Mat: 5/11/20 Cpn: 2.26% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/8/17 St Date: 5/11/17	031162CN8	290,000.00 0.00	290,376.71 892.27	376.71	100.130	0.20%
665,000.000	APPLE Mat: 5/11/20 Cpn: 1.80% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/17 St Date: 5/11/17	037833CS7	664,321.70 0.00	654,129.25 4,655.00	(10,192.46)	98.365	0.45%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
725,000.000	INTEL Mat: 5/11/20 Cpn: 1.85% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/8/17 St Date: 5/11/17	458140AZ3	724,724.50 0.00	713,186.13 5,215.97	(11,538.38)	98.371	0.49%
720,000.000	PNC BANK Mat: 5/19/20 Cpn: 2.00% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/16/17 St Date: 5/19/17	69353RFC7	719,186.40 0.00	706,195.44 5,280.00	(12,990.96)	98.083	0.49%
730,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	730,000.00 0.00	733,428.08 1,890.90	3,428.08	100.470	0.50%
250,000.000	CITIZENS BANK Mat: 5/26/20 Cpn: 2.20% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAJ0	249,770.00 0.00	245,072.00 1,909.72	(4,698.00)	98.029	0.17%
455,000.000	HOME DEPOT FRN Mat: 6/5/20 Cpn: 2.17% Moody's: A2 S&P: A Fitch: Au Tr Date: 5/24/17 St Date: 6/5/17	437076BR2	455,000.00 0.00	455,497.32 742.07	497.32	100.109	0.31%
515,000.000	CITIBANK Mat: 6/12/20 Cpn: 2.10% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 6/6/17 St Date: 6/12/17	17325FAE8	514,778.55 0.00	505,429.76 3,274.54	(9,348.80)	98.142	0.35%
360,000.000	JOHN DEERE CAPITAL CORP Mat: 6/22/20 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 6/19/17 St Date: 6/22/17	24422ETS8	359,780.40 0.00	353,139.12 1,930.50	(6,641.28)	98.094	0.24%
270,000.000	MANUFACTURERS & TRADERS TRUST Mat: 8/17/20 Cpn: 2.05% Moody's: A3 S&P: A Fitch: A Tr Date: 8/14/17 St Date: 8/17/17	55279HAN0	269,773.20 0.00	264,087.27 676.50	(5,685.93)	97.810	0.18%
640,000.000	CATERPILLAR FINANCIAL Mat: 9/4/20 Cpn: 1.85% Moody's: A3 S&P: A Fitch: A Tr Date: 9/5/17 St Date: 9/7/17	14913Q2A6	639,462.40 0.00	624,831.36 888.00	(14,631.04)	97.630	0.43%
730,000.000	UNITEDHEALTH GROUP Mat: 10/15/20 Cpn: 1.95% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 10/18/17 St Date: 10/25/17	91324PDC3	728,788.20 0.00	713,078.60 6,168.50	(15,709.60)	97.682	0.49%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
325,000.000	CITIBANK Mat: 10/20/20 Cpn: 2.13% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 10/13/17 St Date: 10/20/17	17325FAJ7	324,886.25 0.00	317,564.65 3,088.63	(7,321.60)	97.712	0.22%
685,000.000	AMERICAN EXPRESS Mat: 10/30/20 Cpn: 2.20% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	025816BP3	684,109.50 0.00	668,697.69 6,321.03	(15,411.82)	97.620	0.46%
200,000.000	FIFTH THIRD BANK Mat: 10/30/20 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/25/17 St Date: 10/30/17	31677QBK4	199,924.00 0.00	195,539.40 1,845.56	(4,384.60)	97.770	0.13%
370,000.000	PNC BANK Mat: 11/5/20 Cpn: 2.45% Moody's: A2 S&P: A Fitch: A+ Tr Date: 10/18/17 St Date: 10/23/17	69353REU8	373,478.00 4,230.33	365,009.44 3,676.36	(8,468.56)	98.651	0.25%
240,000.000	ANTHEM Mat: 11/21/20 Cpn: 2.50% Moody's: Baa2 S&P: A Fitch: BBB Tr Date: 11/14/17 St Date: 11/21/17	036752AE3	239,572.80 0.00	236,110.80 2,166.67	(3,462.00)	98.380	0.16%
435,000.000	STARBUCKS Mat: 11/22/20 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A- Tr Date: 11/20/17 St Date: 11/22/17	855244AL3	434,647.65 0.00	429,145.34 3,429.25	(5,502.32)	98.654	0.30%
755,000.000	PINNACLE WEST CAPITAL Mat: 11/30/20 Cpn: 2.25% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 11/28/17 St Date: 11/30/17	723484AG6	754,524.35 0.00	737,499.10 5,709.69	(17,025.25)	97.682	0.51%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWS5	504,651.55 0.00	497,941.11 3,428.39	(6,710.44)	98.602	0.34%
435,000.000	JOHN DEERE CAPITAL CORP Mat: 1/8/21 Cpn: 2.35% Moody's: A2 S&P: A Fitch: A Tr Date: 1/3/18 St Date: 1/8/18	24422ETZ2	434,773.80 0.00	428,416.28 2,356.85	(6,357.53)	98.487	0.29%
710,000.000	MANUFACTURERS & TRADERS TRUST Mat: 1/25/21 Cpn: 2.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/22/18 St Date: 1/25/18	55279HAR1	709,041.50 0.00	700,762.19 3,416.88	(8,279.31)	98.699	0.48%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
740,000.000	SUNTRUST BANK Mat: 1/29/21 Cpn: 2.59% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/26/18 St Date: 2/2/18	86787EAU1	740,000.00 0.00	735,758.32 3,141.09	(4,241.68)	99.427	0.50%
770,000.000	BB&T CORPORATION Mat: 2/1/21 Cpn: 2.15% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/23/17 St Date: 10/26/17	05531FAZ6	769,645.80 0.00	755,366.92 2,759.17	(14,278.88)	98.100	0.52%
390,000.000	JPMORGAN CHASE Mat: 2/1/21 Cpn: 2.60% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 1/29/18 St Date: 2/1/18	48125LRK0	390,000.00 0.00	387,896.73 1,692.60	(2,103.27)	99.461	0.27%
730,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 2.61% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 11/14/17 St Date: 11/16/17	46647PAC0	732,547.70 2,498.96	732,193.65 1,215.99	(354.05)	100.301	0.50%
685,000.000	REGIONS BANK Mat: 4/1/21 Cpn: 2.75% Moody's: Baa2 S&P: A- Fitch: BBB+ Tr Date: 1/23/18 St Date: 1/26/18	759187CB1	684,931.50 0.00	677,014.96 3,401.22	(7,916.55)	98.834	0.46%
620,000.000	JPMORGAN CHASE FRN Mat: 6/1/21 Cpn: 2.69% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 5/23/17 St Date: 6/1/17	46647PAG1	620,000.00 0.00	623,373.42 1,434.16	3,373.42	100.544	0.43%
845,000.000	BANK OF AMERICA Mat: 7/21/21 Cpn: 2.37% Moody's: A3 S&P: A- Fitch: A Tr Date: 7/18/17 St Date: 7/21/17	06051GGP8	845,000.00 0.00	830,349.39 3,892.40	(14,650.61)	98.266	0.57%
360,000.000	BANK OF AMERICA Mat: 10/1/21 Cpn: 2.33% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/13/17 St Date: 9/18/17	06051GGS2	360,000.00 0.00	352,305.72 4,493.04	(7,694.28)	97.863	0.24%
500,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.92% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	505,560.00 1,442.71	506,131.00 2,802.84	571.00	101.226	0.35%
680,000.000	BANK OF AMERICA Mat: 1/23/22 Cpn: 2.74% Moody's: A3 S&P: A- Fitch: A Tr Date: 1/18/18 St Date: 1/23/18	06051GGY9	680,000.00 0.00	670,293.68 3,516.81	(9,706.32)	98.573	0.46%



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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
390,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.74% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	390,000.00 0.00	392,073.63 1,425.06	2,073.63	100.532	0.27%
510,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 3.01% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	510,000.00 0.00	512,080.80 979.86	2,080.80	100.408	0.35%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.71% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	510,000.00 0.00	513,873.96 2,529.36	3,873.96	100.760	0.35%
405,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 2.23% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/11/17 St Date: 5/16/17	911312BB1	405,000.00 0.00	406,116.59 1,103.85	1,116.59	100.276	0.28%
535,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 5/18/22 Cpn: 2.48% Moody's: A3 S&P: A Fitch: A Tr Date: 5/15/17 St Date: 5/18/17	55279HAM2	535,000.00 0.00	537,910.40 1,475.71	2,910.40	100.544	0.37%
640,000.000	MORGAN STANLEY FRN Mat: 7/22/22 Cpn: 2.67% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/17 St Date: 7/24/17	61744YAJ7	640,000.00 0.00	642,632.96 3,280.97	2,632.96	100.411	0.44%
730,000.000	GOLDMAN SACHS FRN Mat: 10/31/22 Cpn: 2.55% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60 700.83	729,745.96 3,105.24	461.36	99.965	0.50%
Total for Credit			45,902,416.99 44,938.49	45,399,291.86 222,216.67	(503,125.13)		31.11%

Mortgage-Backed

11,527.020	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	11,642.25 14.39	11,506.21 14.89	(136.04)	99.820	0.01%
36,623.848	FNA 2014-M8 FA 1MOFRN CMBS Mat: 5/25/18 Cpn: 1.84% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/11/14 St Date: 7/31/14	3136AKQJ5	36,614.03 12.27	36,582.57 57.97	(31.46)	99.887	0.02%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
718,796.980	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	736,486.13 288.96	717,787.79 1,444.78	(18,698.34)	99.860	0.49%
583,022.385	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	592,627.42 1,064.40	581,729.82 1,128.63	(10,897.59)	99.778	0.40%
372,382.430	FHMS KP03 A2 CMBS Mat: 7/25/19 Cpn: 1.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/7/17 St Date: 6/12/17	3137BNN26	373,313.38 202.54	369,249.20 552.37	(4,064.18)	99.159	0.25%
105,853.100	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	112,270.44 251.40	106,695.69 396.95	(5,574.75)	100.796	0.07%
729,283.365	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	736,586.34 966.99	724,879.22 1,000.33	(11,707.11)	99.396	0.50%
1,670,000.000	FHMS KP04 AG1 1MOFRN CMBS Mat: 7/25/20 Cpn: 1.89% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/15/17 St Date: 11/28/17	3137FBUV6	1,670,000.00 0.00	1,672,855.70 613.75	2,855.70	100.171	1.14%
438,106.491	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.18% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/17 St Date: 7/12/17	62888WAB2	440,536.62 108.52	440,795.15 636.92	258.53	100.614	0.30%
Total for Mortgage-Backed			4,710,076.61 2,909.46	4,662,081.37 5,846.59	(47,995.24)		3.18%
Asset-Backed							
746,911.518	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	746,769.08 0.00	745,030.79 478.02	(1,738.29)	99.748	0.51%
1,265,051.939	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	1,264,852.82 0.00	1,257,930.96 764.65	(6,921.86)	99.437	0.86%



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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,060,000.000	MERCEDES 2017-A A3 LEASE Mat: 4/15/20 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/19/17 St Date: 4/26/17	58769DAD2	1,059,975.83 0.00	1,053,126.96 843.29	(6,848.87)	99.352	0.72%
1,150,000.000	BMW 2017-1 A3 LEASE Mat: 5/20/20 Cpn: 1.98% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/15/17 St Date: 3/22/17	055657AC4	1,149,867.87 0.00	1,142,882.65 695.75	(6,985.22)	99.381	0.78%
732,026.193	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	731,905.77 0.00	728,065.20 390.41	(3,840.58)	99.459	0.50%
650,000.000	NISSAN 2017-B A3 LEASE Mat: 9/15/20 Cpn: 2.05% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/3/17 St Date: 10/10/17	65479BAD2	649,886.45 0.00	644,207.85 592.22	(5,678.60)	99.109	0.44%
300,000.000	BMW 2017-2 A3 LEASE Mat: 10/20/20 Cpn: 2.07% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/17/17 St Date: 10/25/17	05584PAD9	299,999.76 0.00	297,288.60 189.75	(2,711.16)	99.096	0.20%
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	1,144,013.64 223.30	(10,981.16)	99.049	0.78%
1,360,000.000	CITI 2017-A2 A2 CDT Mat: 1/19/21 Cpn: 1.74% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/19/17 St Date: 1/26/17	17305EGA7	1,359,739.56 0.00	1,352,413.92 4,864.27	(7,325.64)	99.442	0.93%
1,069,000.000	TOYOTA 2017-A A3 CAR Mat: 2/16/21 Cpn: 1.73% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/7/17 St Date: 3/15/17	89238MAD0	1,068,874.18 0.00	1,058,039.54 821.94	(10,834.64)	98.975	0.72%
870,000.000	JOHN DEERE 2017-A A3 EQP Mat: 4/15/21 Cpn: 1.78% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/22/17 St Date: 3/2/17	47787XAC1	869,876.11 0.00	860,884.14 688.27	(8,991.97)	98.952	0.59%
420,000.000	USAA 2017-1 A3 CAR Mat: 5/17/21 Cpn: 1.70% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/13/17 St Date: 9/20/17	90290AAC1	419,955.73 0.00	415,524.90 317.33	(4,430.83)	98.935	0.28%



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1,080,000.000	SDART 2017-1 B CAR Mat: 6/15/21 Cpn: 2.10% Moody's: Aaa S&P: AA Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAH8	1,079,917.16 0.00	1,075,229.64 1,008.00	(4,687.52)	99.558	0.73%
1,500,000.000	TOYOTA 2017-B A3 CAR Mat: 7/15/21 Cpn: 1.76% Moody's: Aaa S&P: AAA Fitch: Tr Date: 5/9/17 St Date: 5/17/17	89190BAD0	1,499,884.95 0.00	1,483,017.00 1,173.33	(16,867.95)	98.868	1.01%
1,240,000.000	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/21/17 St Date: 3/28/17	43814TAC6	1,239,926.22 0.00	1,226,413.32 592.44	(13,512.90)	98.904	0.84%
830,000.000	HONDA 2017-3 A3 CAR Mat: 9/20/21 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/25/17 St Date: 9/29/17	43814PAC4	829,910.11 0.00	817,933.46 536.50	(11,976.65)	98.546	0.56%
420,000.000	JOHN DEERE 2017-B A3 EQP Mat: 10/15/21 Cpn: 1.82% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/11/17 St Date: 7/18/17	47788BAD6	419,969.26 0.00	413,788.62 339.73	(6,180.64)	98.521	0.28%
1,200,000.000	AMEX 2017-4 A CDT Mat: 12/15/21 Cpn: 1.64% Moody's: S&P: AAA Fitch: AAA Tr Date: 5/22/17 St Date: 5/30/17	02582JHG8	1,199,807.76 0.00	1,188,529.20 874.67	(11,278.56)	99.044	0.81%
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/18/22 Cpn: 2.08% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	1,340,000.00 0.00	1,345,282.28 1,314.03	5,282.28	100.394	0.92%
1,460,000.000	CITI 2017-A3 A3 CDT Mat: 4/7/22 Cpn: 1.92% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 4/4/17 St Date: 4/11/17	17305EGB5	1,459,579.37 0.00	1,438,337.98 13,548.80	(21,241.39)	98.516	0.99%
740,000.000	TOYOTA 2018-A A3 CAR Mat: 5/16/22 Cpn: 2.35% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/23/18 St Date: 1/31/18	89238BAD4	739,991.49 0.00	735,047.18 772.89	(4,944.31)	99.331	0.50%
Total for Asset-Backed			20,585,684.29 0.00	20,422,987.84 31,029.61	(162,696.45)		13.95%
Grand Total			147,579,386.50 87,207.75	146,117,767.80 507,413.56	(1,461,618.70)		100.00%



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Account #: LCEF00238B2

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Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
CASH												
NA9123459	US DOLLARS	1.883	4/2/2018		Agency	261,359	261,358.830	0.000	-	1.883	.18%	261,358.83
USD120030	USD INTEREST RECEIVABLE	-				603,908	0.000	-	-	-	.41%	603,908.34
CASH TOTALS							261,358.830					865,267.17
CASH & CASH EQUIVALENTS TOTALS							261,358.830					865,267.17
FIXED INCOME												
AGENCIES												
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,999,279.390	.553	.547	2.012	1.36%	1,990,288.00
AGENCIES TOTALS							1,999,279.390					1,990,288.00
ASSET BACKED												
02582JHG8	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.640	12/15/2021	5/15/2019	AAA	1,533,000	1,523,738.270	1.128	1.102	2.525	1.04%	1,518,088.97
05522RCQ9	BA CREDIT CARD TRUST	-				1,075,000	1,077,334.640	-	-	-	.73%	1,077,464.22
055657AC4	BMW VEHICLE LEASE TRUST	1.980	5/20/2020	9/20/2019	Aaa	2,170,000	2,168,093.220	1.126	1.103	2.570	1.47%	2,156,128.06
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	6/20/2018	Aaa	172,204	172,198.800	.138	.138	2.589	.12%	171,910.58
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	995,000	994,933.220	.613	.606	2.417	.67%	989,114.48
161571FW9	CHASE ISSUANCE TRUST	2.057	4/15/2020	4/16/2018	AAA	1,000,000	1,000,128.240	.044	.046	2.040	.68%	1,000,063.80
161571HB3	CHASE ISSUANCE TRUST	2.187	5/17/2021	5/15/2019	AAA	1,230,000	1,234,801.100	1.128	.048	2.074	.84%	1,233,444.00
161571GN8	CHASE ISSUANCE TRUST	2.147	4/15/2021	4/15/2019	AAA	1,415,000	1,419,610.390	1.044	.048	2.037	.97%	1,418,656.64
161571GY4	CHASE ISSUANCE TRUST	1.360	4/15/2020	4/15/2018	AAA	2,500,000	2,498,091.500	.042	.043	2.257	1.70%	2,499,065.50
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	12/17/2018		2,000,000	2,000,000.000	.305	.302	1.989	1.36%	2,000,043.60
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	6/15/2018	Aaa	60,262	60,303.410	.108	.109	2.372	.04%	60,193.85
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	11/15/2018	Aaa	251,866	251,865.820	.246	.245	2.501	.17%	251,219.76
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	5/15/2020	Aaa	450,000	449,964.950	1.271	1.241	2.656	.30%	445,171.10
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	6/15/2019	AAA	1,750,000	1,748,389.330	.932	.916	2.526	1.19%	1,738,361.80
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	11/15/2018	AAA	569,400	569,399.850	.319	.317	2.355	.39%	567,586.95
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	8/15/2018	Aaa	343,970	343,965.950	.205	.204	2.402	.23%	343,337.09
65479AAD4	NISSAN AUTO LEASE TRUST 2017-A	1.910	4/15/2020	10/15/2019	Aaa	1,425,000	1,418,987.810	1.347	1.316	2.612	.96%	1,412,040.48
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	5/15/2019	Aaa	1,574,333	1,574,278.640	.683	.673	2.372	1.07%	1,566,664.06
65478DAA5	NISSAN AUTO RECEIVABLES 2018-A OWNER TRUST	1.900	3/15/2019	9/17/2018		1,000,478	1,000,478.240	.219	.216	1.932	.68%	1,000,494.05
65474VAK7	NISSAN MASTER OWNER TRUST RECEIVABLES	2.417	6/15/2021	6/17/2019	Aaa	1,305,000	1,313,160.700	1.211	.049	2.170	.89%	1,311,309.41
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.097	10/17/2022	10/15/2020	Aaa	1,540,000	1,540,000.000	2.544	.048	2.237	1.05%	1,540,308.15
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,976.620	1.211	1.190	2.695	.27%	394,705.64
89231UAD9	TOYOTA AUTO RECEIVABLES 2016-B OWNER TRUST	1.300	4/15/2020	7/15/2019	Aaa	158,218	157,862.510	.550	.543	2.462	.11%	157,227.58
ASSET BACKED TOTALS							24,917,563.210					24,852,599.77
CMBS												
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	627,424	628,387.370	1.422	1.388	2.580	.43%	623,062.60
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	254,791	256,285.480	.842	.825	2.421	.17%	253,375.02
3137AXHP1	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.573	9/25/2022	9/25/2022	Aaa	1,665,000	1,688,118.840	4.386	4.096	2.875	1.12%	1,642,635.89

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

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Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CMBS (Continued)												
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	610,977	613,447.600	.284	.282	2.376	.42%	610,076.60
CMBS TOTALS							3,186,239.290					3,129,150.11
CMOS												
31393WN47	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	35,426	35,562.260	.130	.130	2.305	.02%	35,465.80
31394GB77	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	30,139	30,254.420	.123	.123	1.999	.02%	30,179.64
31393WVB2	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	112,615	113,061.270	.146	.145	2.235	.08%	112,789.61
CMOS TOTALS							178,877.950					178,435.05
CORPORATES												
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	1,867,000	1,872,010.490	.597	.591	2.576	1.27%	1,859,280.42
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	2.455	3/3/2020	3/3/2020	A2	835,000	835,000.000	1.853	.185	2.546	.57%	838,140.62
0258M0EJ4	AMERICAN EXPRESS CREDIT CORP	2.117	5/3/2019	5/3/2019	A2	325,000	325,000.000	1.094	.093	2.529	.22%	325,380.58
031162CL2	AMGEN INC	2.131	5/10/2019	5/10/2019	Baa1	850,000	852,065.680	1.114	.113	2.512	.58%	851,004.85
037833BR0	APPLE INC	2.740	2/22/2019	2/22/2019	Aa1	425,000	426,866.190	.903	.149	2.314	.29%	428,015.21
037833BD1	APPLE INC	2.000	5/6/2020	5/6/2020	Aa1	1,100,000	1,098,852.720	2.100	2.028	2.620	.74%	1,086,142.39
06051GGS2	BANK OF AMERICA CORP	2.328	10/1/2021	10/1/2021	A-	1,770,000	1,770,019.620	3.503	3.070	2.998	1.18%	1,730,853.44
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	584,125.750	.836	.825	2.793	.39%	577,406.25
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,435,487.490	1.836	1.779	2.866	.96%	1,408,221.78
084664CP4	BERKSHIRE HATHAWAY FINANCE CORP	1.955	1/11/2019	1/11/2019	Aa2	500,000	500,295.350	.783	.033	2.405	.34%	500,709.50
07330NAP0	BRANCH BANKING & TRUST CO	2.172	1/15/2020	1/15/2020	A1	1,040,000	1,041,281.790	1.794	.050	2.650	.71%	1,042,676.95
14040HBQ7	CAPITAL ONE FINANCIAL CORP	2.571	5/12/2020	5/12/2020	Baa1	620,000	620,000.000	2.036	.122	2.949	.42%	621,820.32
14912L6M8	CATERPILLAR FINANCIAL SERVICES CORP	1.800	11/13/2018	11/13/2018	A	1,410,000	1,411,815.240	.619	.613	2.390	.96%	1,404,902.82
17325FAD0	CITIBANK NA	2.571	6/12/2020	6/12/2020	A+	400,000	400,000.000	2.206	.207	2.581	.27%	402,176.24
172967LC3	CITIGROUP INC	2.900	12/8/2021	12/8/2021	BBB+	1,355,000	1,370,031.600	3.689	3.425	3.342	.91%	1,334,356.86
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A	470,000	490,665.440	2.081	2.037	2.881	.33%	480,594.19
207597ED3	CONNECTICUT LIGHT & POWER CO/THE	5.650	5/1/2018	5/1/2018	A+	890,000	892,996.710	.086	.087	2.833	.61%	892,102.95
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	1,100,000	1,099,999.940	.003	.008	5.685	.75%	1,100,000.00
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	1,175,000	1,178,357.420	1.586	1.534	2.913	.80%	1,169,988.90
26442CAD6	DUKE ENERGY CAROLINAS LLC	5.100	4/15/2018	4/16/2018	A	1,050,000	1,051,627.450	.042	.046	2.851	.72%	1,050,953.86
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	1,250,000	1,251,026.340	.389	.386	2.670	.85%	1,247,466.73
375558BQ5	GILEAD SCIENCES INC	2.452	9/20/2019	9/20/2019	A3	880,000	880,000.000	1.478	.223	2.544	.60%	880,535.92
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	945,000	1,026,263.780	3.325	3.037	3.354	.68%	1,000,880.96
38145GAK6	GOLDMAN SACHS GROUP INC/THE	2.889	12/13/2019	12/13/2019	A3	500,000	500,000.000	1.708	.209	2.766	.34%	503,055.60
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,310,000	1,313,531.410	.600	.590	2.673	.89%	1,306,324.62
24422ESF7	JOHN DEERE CAPITAL CORP	1.950	12/13/2018	12/13/2018	A	980,000	982,533.330	.703	.694	2.340	.67%	977,340.24
46647PAG1	JPMORGAN CHASE & CO	2.686	6/1/2021	6/1/2021	A-	1,340,000	1,340,028.440	3.094	.183	2.835	.92%	1,347,361.54
46625HQJ2	JPMORGAN CHASE & CO	2.550	3/1/2021	3/1/2021	A-	400,000	403,155.220	2.919	2.767	3.129	.27%	393,576.72
46625HQV5	JPMORGAN CHASE & CO	3.088	3/22/2019	3/22/2019	A-	725,000	729,085.060	.900	.229	2.602	.50%	728,796.79
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	598,253.540	1.394	1.368	2.750	.40%	590,616.74
55279HAS9	MANUFACTURERS & TRADERS TRUST CO	2.015	1/25/2021	1/25/2021	A	1,810,000	1,811,654.130	2.819	.114	2.565	1.24%	1,810,496.03
61746BEH5	MORGAN STANLEY	2.633	2/14/2020	2/14/2020	A3	690,000	690,000.000	.875	.124	2.759	.47%	692,093.18
61747WAF6	MORGAN STANLEY	5.750	1/25/2021	1/25/2021	A3	1,095,000	1,192,972.670	2.819	2.596	3.288	.80%	1,166,966.89
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,097,766.650	2.208	2.127	2.987	.73%	1,065,377.25

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Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CORPORATES (Continued)												
63743HEP3	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	FLTR	4/5/2019	4/5/2019	A	1,000,000	1,001,033.540	1.017	.017	2.480	.68%	1,000,639.46
65339KAJ9	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.649	9/1/2018	9/4/2018	BBB+	825,000	824,718.440	.419	.428	2.770	.56%	821,151.63
69353RFD5	PNC BANK NA	2.245	5/19/2020	5/19/2020	A	1,045,000	1,047,271.860	2.139	.139	2.580	.71%	1,047,367.94
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	950,000	950,348.350	.306	.302	2.389	.65%	948,421.21
69353RFK9	PNC BANK NA	1.995	1/22/2021	1/22/2021	A	980,000	980,000.000	2.814	.068	2.577	.67%	980,504.88
842434CN0	SOUTHERN CALIFORNIA GAS CO	1.550	6/15/2018	6/15/2018	AA-	410,000	409,972.390	.208	.209	2.749	.28%	408,971.22
86787EAS6	SUNTRUST BANK/ATLANTA GA	2.302	1/31/2020	1/31/2020	A-	1,600,000	1,603,526.290	1.756	.090	2.501	1.10%	1,609,908.83
867914BF9	SUNTRUST BANKS INC	2.350	11/1/2018	11/1/2018	BBB+	200,000	200,563.940	.586	.572	2.698	.14%	199,595.60
94974BFV7	WELLS FARGO & CO	2.205	4/22/2019	4/22/2019	A2	1,000,000	998,914.340	1.064	.064	2.564	.68%	1,002,268.81
CORPORATES TOTALS							41,089,118.600					40,834,446.92
MORTGAGES												
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	10/25/2018	Agency	29,016	29,322.780	.306	.304	(1.206)	.02%	29,472.84
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	5/25/2019	Agency	44,896	45,956.950	.564	.553	2.380	.03%	45,517.52
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	8/25/2019	Agency	103,019	103,019.120	.670	.656	1.751	.07%	104,903.99
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	8/15/2020	Agency	64,860	65,109.480	1.057	1.021	2.229	.05%	66,607.88
MORTGAGES TOTALS							243,408.330					246,502.23
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,245,000	1,245,000.000	1.503	1.469	2.580	.83%	1,221,730.95
13034PZF7	CALIFORNIA HOUSING FINANCE AGENCY	2.300	8/1/2020	8/3/2020	A1	1,000,000	1,000,000.000	2.336	2.260	2.669	.68%	991,690.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	705,874.150	2.586	2.476	2.657	.47%	689,391.35
544445AY5	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	1.750	5/15/2019	5/15/2019	AA	600,000	600,000.000	1.125	1.100	2.325	.41%	596,184.00
769036AY0	CITY OF RIVERSIDE CA	1.625	6/1/2019	6/3/2019	AA-	1,450,000	1,445,068.520	1.169	1.152	2.661	.98%	1,432,803.00
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	585,000	585,000.000	3.336	3.218	2.740	.38%	563,050.80
010878AK2	COUNTY OF ALAMEDA CA	-	-	-	-	1,250,000	1,267,369.610	-	-	-	.86%	1,266,650.00
713575SZ2	PERALTA COMMUNITY COLLEGE DISTRICT	6.159	8/1/2020	8/3/2020	A2	400,000	431,310.500	2.336	2.178	3.222	.29%	426,216.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	608,920.960	2.253	2.178	2.650	.40%	591,900.00
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	1,166,577	1,166,577.400	2.780	2.670	2.620	.78%	1,138,416.22
419792XC5	STATE OF HAWAII	1.750	4/1/2018	4/2/2018	Aa1	805,000	805,000.000	.003	.008	1.746	.55%	805,000.00
MUNICIPALS TOTALS							9,860,121.140					9,723,032.32
SOVEREIGN DEBT												
4581X0CZ9	INTER-AMERICAN DEVELOPMENT BANK	1.750	9/14/2022	9/14/2022	Aaa	750,000	740,913.570	4.456	4.246	2.670	.49%	721,201.50
45950KCA6	INTERNATIONAL FINANCE CORP	1.750	9/4/2018	9/4/2018	Aaa	2,500,000	2,508,139.850	.428	.428	2.109	1.70%	2,496,167.80
SOVEREIGN DEBT TOTALS							3,249,053.420					3,217,369.30
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,703,910	3,736,684.040	2.044	2.017	2.273	2.52%	3,689,487.64
912828UH1	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2023	1/17/2023	Govt	1,503,124	1,483,726.580	4.796	4.725	2.583	1.01%	1,478,096.17

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Portfolio Profile

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FIXED INCOME (Continued)												
US TREASURIES (Continued)												
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	711,711	718,498.780	3.796	3.746	2.510	.48%	704,141.74
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,100,000	6,230,199.700	2.418	2.340	2.352	4.14%	6,067,593.75
912828K25	UNITED STATES TREASURY NOTE/BOND	.750	4/15/2018	4/16/2018	Govt	6,575,000	6,572,985.060	.044	.046	1.424	4.48%	6,573,039.14
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	3,285,000	3,314,573.210	2.840	2.729	2.391	2.22%	3,261,132.44
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,567,794.460	.459	.463	1.866	3.10%	4,544,997.55
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	4,435,000	4,408,892.040	2.086	2.032	2.309	2.95%	4,328,629.27
912828Q37	UNITED STATES TREASURY NOTE/BOND	1.250	3/31/2021	3/31/2021	Govt	7,635,000	7,497,084.280	3.003	2.898	2.400	5.04%	7,382,090.63
912828QQ6	UNITED STATES TREASURY NOTE/BOND	2.375	5/31/2018	5/31/2018	Govt	4,350,000	4,356,088.160	.170	.168	1.741	2.97%	4,354,579.33
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,750,000	2,752,159.210	.254	.255	1.796	1.87%	2,747,029.40
912828L57	UNITED STATES TREASURY NOTE/BOND	1.750	9/30/2022	9/30/2022	Govt	3,500,000	3,459,945.600	4.503	4.251	2.540	2.31%	3,383,105.46
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	13,300,000	13,310,625.210	1.754	1.717	2.253	8.90%	13,043,351.50
US TREASURIES TOTALS							62,409,256.330					61,557,274.02
FIXED INCOME TOTALS							147,132,917.660					145,729,097.72
PORTFOLIO TOTALS							147,394,276.490					146,594,364.89

WELLS CAPITAL - TIER 1
MARCH 31, 2018

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
ALLSTATE CORP	ALL	020002BE0	US020002BE09	020002BE0	0.18%	\$801,312.53
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DV8	US0258M0DV87	0258M0DV8	0.91%	\$4,132,047.20
American Honda Finance Corporation	HNDA	02665KFR3	US02665KFR32	02665KFR3	1.53%	\$6,963,724.44
AMXCA 131 A	AMXCA	02587AAG9	US02587AAG94	02587AAG9	1.01%	\$4,599,233.63
AMXCA 132 A	AMXCA	02582JGG9	US02582JGG94	02582JGG9	0.28%	\$1,293,789.35
AMXCA 141 A	AMXCA	02582JGN4	US02582JGN46	02582JGN4	0.66%	\$3,011,259.82
ANAHEIM CALIF REDEV AGY SUCCESSOR AGY TAX ALLOCATI	ANAEV	032564AN6	US032564AN61	032564AN6	0.15%	\$702,597.00
Apple Inc.	AAPL	03785EE18	US03785EE189	03785EE18	0.44%	\$1,996,599.16
Apple Inc.	AAPL	03785EDD3	US03785EDD31	03785EDD3	0.68%	\$3,097,752.50
BACCT 161 A	BACCT	05522RCV8	US05522RCV87	05522RCV8	0.98%	\$4,477,971.64
BANK OF AMERICA CORP	BAC	06051GFR5	US06051GFR56	06051GFR5	1.11%	\$5,035,300.83
BANK OF NEW YORK MELLON CORP	BK	06406HDB2	US06406HDB24	06406HDB2	0.88%	\$4,017,037.33
BANK OF NEW YORK MELLON CORP	BK	06406HDC0	US06406HDC07	06406HDC0	1.19%	\$5,414,163.26
BB&T CORP	BBT	05531FAP8	US05531FAP80	05531FAP8	0.33%	\$1,493,294.91
BMWLT 172 A2B	BMWLT	05584PAC1	US05584PAC14	05584PAC1	2.09%	\$9,508,052.74
BRANCH BANKING AND TRUST CO	BBT	07330NAM7	US07330NAM74	07330NAM7	0.22%	\$1,007,113.02
Cafco, LLC	C	1247P3EH1	US1247P3EH11	1247P3EH1	0.07%	\$299,177.62
Cafco, LLC	C	1247P3EB4	US1247P3EB41	1247P3EB4	0.77%	\$3,491,768.49
CALIFORNIA ST	CAS	13063DAA6	US13063DAA63	13063DAA6	1.11%	\$5,031,200.00
CAPITAL ONE NA	COF	14042E5W6	US14042E5W63	14042E5W6	0.28%	\$1,257,306.44
Cash	---	CCYUSD	---	CCYUSD	0.00%	\$0.40
CATERPILLAR FINANCIAL SERVICES CORP	CAT	14912L5T4	US14912L5T42	14912L5T4	0.62%	\$2,836,629.13
CHAIT 145 A	CHAIT	161571GN8	US161571GN89	161571GN8	0.48%	\$2,182,825.37
CHARLES SCHWAB CORP	SCHW	808513AJ4	US808513AJ47	808513AJ4	0.97%	\$4,402,326.15
CHEVRON CORP	CVX	166751AJ6	US166751AJ66	166751AJ6	0.56%	\$2,531,687.91
CITIBANK NA	C	17325FAM0	US17325FAM05	17325FAM0	0.99%	\$4,508,072.72
COMET 143A A	COMET	14041NER8	US14041NER89	14041NER8	1.93%	\$8,780,244.33
CRC Funding, LLC	C	12619UEA5	US12619UEA51	12619UEA5	1.32%	\$5,986,294.02
Credit Suisse AG	CS	2254EBFM8	US2254EBFM82	2254EBFM8	0.66%	\$2,984,838.00
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.33%	\$1,510,383.33
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAW7	US22546QAW78	22546QAW7	0.66%	\$3,013,253.27
FEDERAL FARM CREDIT BANKS	FFCBND	313312DF4	US313312DF42	313312DF4	2.15%	\$9,793,300.00
FEDERAL HOME LOAN BANKS	FHLBDN	313385XZ4	US313385XZ46	313385XZ4	4.38%	\$19,932,160.00
FEDERAL HOME LOAN BANKS	FHLBDN	313385XV3	US313385XV32	313385XV3	2.19%	\$9,967,990.00
FEDERAL HOME LOAN BANKS	FHLBDN	313384DQ9	US313384DQ91	313384DQ9	1.08%	\$4,894,000.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMDN	313589XS7	US313589XS72	313589XS7	2.19%	\$9,969,420.00
FIDELITY IMM:GOVT;I	FIGXX	316175108	US3161751082	316175108	5.59%	\$25,409,509.04
FIFTH THIRD BANK	FITB	31677QBB4	US31677QBB41	31677QBB4	0.33%	\$1,499,712.81
FITAT 171 A2B	FITAT	31679RAC9	US31679RAC97	31679RAC9	0.50%	\$2,252,883.79
General Dynamics Corporation	GD	36955EDQ8	US36955EDQ89	36955EDQ8	2.20%	\$9,985,555.56
GOLDMAN SACHS GROUP INC	GS	38141GFM1	US38141GFM15	38141GFM1	0.23%	\$1,030,750.00
GOLDMAN SACHS GROUP INC	GS	38141EB73	US38141EB735	38141EB73	0.44%	\$2,015,852.88
HSBC USA INC	HSBC	40428HPU0	US40428HPU04	40428HPU0	0.66%	\$3,003,066.00
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BR8	US4581X0BR83	4581X0BR8	0.81%	\$3,702,917.86
INTER-AMERICAN DEVELOPMENT BANK	IADB	458182DT6	US458182DT61	458182DT6	0.66%	\$3,002,362.33
INTERNATIONAL FINANCE CORP	IFC	45950KCC2	US45950KCC27	45950KCC2	2.86%	\$13,013,827.11
J.P. Morgan Securities LLC	JPM	46640QEM9	US46640QEM96	46640QEM9	0.44%	\$1,993,966.84

WELLS CAPITAL - TIER 1
MARCH 31, 2018

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
JPMORGAN CHASE BANK NA	JPM	48125LRF1	US48125LRF12	48125LRF1	0.22%	\$996,212.78
JPMORGAN CHASE BANK NA	JPM	48125LRJ3	US48125LRJ34	48125LRJ3	0.73%	\$3,336,926.77
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	LOSGEN	544587K49	US544587K492	544587K49	0.46%	\$2,074,401.05
LOS ANGELES CALIF UNI SCH DIST	LOSSCD	5446466X5	US5446466X55	5446466X5	1.32%	\$6,006,731.67
MBALT 17A A2B	MBALT	58769DAC4	US58769DAC48	58769DAC4	1.05%	\$4,788,621.01
MetLife Short Term Funding LLC	METSHR	59157UEM8	US59157UEM80	59157UEM8	1.32%	\$5,982,501.18
MORGAN STANLEY	MS	6174467V5	US6174467V53	6174467V5	0.55%	\$2,515,305.50
MORGAN STANLEY	MS	61746BDS2	US61746BDS25	61746BDS2	0.44%	\$2,018,365.78
MUFG UNION BANK NA	UNBC	90521APJ1	US90521APJ15	90521APJ1	2.09%	\$9,497,820.54
NALT 17A A2B	NALT	65479AAC6	US65479AAC62	65479AAC6	1.10%	\$4,990,537.60
NALT 17B A2B	NALT	65479BAC4	US65479BAC46	65479BAC4	1.10%	\$5,007,191.58
NAROT 17B A2B	NAROT	65478GAC4	US65478GAC42	65478GAC4	0.55%	\$2,502,214.93
NORTHERN TRUST COMPANY	NTRS	66586GCD7	US66586GCD79	66586GCD7	0.45%	\$2,043,905.11
Old Line Funding, LLC	OLDLLC	67983UDC4	US67983UDC45	67983UDC4	1.32%	\$5,995,758.00
Old Line Funding, LLC	OLDLLC	67983UEH2	US67983UEH23	67983UEH2	0.33%	\$1,495,904.42
ORACLE CORP	ORCL	68389XAC9	US68389XAC92	68389XAC9	0.23%	\$1,027,444.89
PACCAR FINANCIAL CORP	PCAR	69371RM52	US69371RM523	69371RM52	0.25%	\$1,125,150.19
PNC BANK NA	PNC	69353REM6	US69353REM60	69353REM6	0.95%	\$4,322,492.65
PNC BANK NA	PNC	69353REN4	US69353REN44	69353REN4	0.27%	\$1,234,976.85
QUALCOMM INC	QCOM	747525AL7	US747525AL72	747525AL7	0.08%	\$352,354.27
QUALCOMM INC	QCOM	747525AH6	US747525AH60	747525AH6	0.25%	\$1,152,898.43
Receivable	---	CCYUSD	---	CCYUSD	0.02%	\$98,608.29
Salt River Project Agricultural Improvement and Po	---	79572QFC3	US79572QFC33	79572QFC3	0.57%	\$2,588,092.00
SAN DIEGO CALIF TOB SETTLEMENT REV FDG CORP	SDGGEN	797330AB3	US797330AB33	797330AB3	0.45%	\$2,051,975.18
STATE STREET CORP	STT	857477AK9	US857477AK94	857477AK9	0.98%	\$4,475,270.89
TENNESSEE VALLEY AUTHORITY	TVADN	880590VR2	US880590VR21	880590VR2	8.79%	\$39,972,320.00
The Coca-Cola Company	KO	19121BEF2	US19121BEF22	19121BEF2	1.32%	\$5,984,897.34
The Walt Disney Company	DIS	2546R3ER1	US2546R3ER19	2546R3ER1	1.32%	\$5,981,522.52
Thunder Bay Funding, LLC	TBLLC	88602UEF3	US88602UEF30	88602UEF3	1.65%	\$7,480,406.85
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29	89236TDE2	0.65%	\$2,975,674.33
UNITED STATES TREASURY	T	912828WD8	US912828WD88	912828WD8	4.54%	\$20,620,406.75
UNITED STATES TREASURY	T	912828R93	US912828R937	912828R93	6.59%	\$29,959,893.98
UNITED STATES TREASURY	T	912828T42	US912828T420	912828T42	5.47%	\$24,855,012.30
UNIV CALIF REGTS MED CTR POOLED REV	UNVHGR	913366HS2	US913366HS29	913366HS2	0.33%	\$1,503,609.00
UNIVERSITY CALIF REVS	UNVHGR	91412GPZ2	US91412GPZ27	91412GPZ2	1.16%	\$5,266,745.77
US BANK NA	USB	90331HMK5	US90331HMK58	90331HMK5	0.99%	\$4,513,591.00

CalOptima (The Orange County Health Authority)

Account #: LCEF0023802

As of 3/31/2018

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
CASH												
NA9123459	US DOLLARS	1.883	4/2/2018		Agency	383,574	383,574.070	0.000	-	1.883	.40%	383,574.07
USD120030	USD INTEREST RECEIVABLE	-				413,531	0.000	-	-	-	.43%	413,531.47
CASH TOTALS							383,574.070					797,105.54
CASH & CASH EQUIVALENTS TOTALS							383,574.070					797,105.54
FIXED INCOME												
AGENCIES												
3137EACA5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,450,987.350	.992	.971	2.205	1.49%	1,446,474.75
AGENCIES TOTALS							1,450,987.350					1,446,474.75
ASSET BACKED												
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	710,000	709,954.850	.613	.606	2.417	.73%	705,800.28
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	2.170	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,235.940	.444	.030	2.007	1.08%	1,041,664.21
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	12/17/2018		2,000,000	2,000,000.000	.305	.302	1.989	2.06%	2,000,043.60
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	5/15/2020	Aaa	300,000	299,977.310	1.271	1.241	2.656	.31%	296,780.73
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	6/15/2019	AAA	1,380,000	1,376,997.610	.932	.916	2.526	1.41%	1,370,822.45
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	5/15/2019	Aaa	1,049,555	1,049,518.770	.683	.673	2.372	1.08%	1,044,442.71
65475WAD0	NISSAN AUTO RECEIVABLES 2015-B OWNER TRUST	1.340	3/16/2020	2/15/2019	Aaa	392,394	392,150.600	.406	.402	2.579	.40%	390,461.06
65478DAA5	NISSAN AUTO RECEIVABLES 2018-A OWNER TRUST	1.900	3/15/2019	9/17/2018		641,332	641,332.210	.219	.216	1.932	.66%	641,342.34
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.097	10/17/2022	10/15/2020	Aaa	1,025,000	1,025,000.000	2.544	.048	2.237	1.06%	1,025,205.10
ASSET BACKED TOTALS							8,535,167.290					8,516,562.48
CMBS												
3137AXHP1	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.573	9/25/2022	9/25/2022	Aaa	1,100,000	1,115,186.410	4.386	4.096	2.875	1.12%	1,085,224.91
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	431,278	432,507.660	.284	.282	2.376	.44%	430,642.30
CMBS TOTALS							1,547,694.070					1,515,867.21
CMOS												
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	5/25/2018	Agency	569	568.810	.074	.074	1.377	0%	568.42
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	6/25/2018	Agency	5,285	5,285.320	.150	.150	1.879	.01%	5,288.10
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	8/25/2018	Agency	3,617	3,617.040	.145	.145	2.211	0%	3,612.58
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	7/25/2018	Agency	12,251	12,251.240	.188	.187	1.938	.01%	12,262.40
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	2/15/2019	Agency	83,031	83,031.040	.290	.288	2.753	.09%	82,790.13
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	10/15/2018	Agency	2,618	2,618.200	.217	.216	2.551	0%	2,613.12
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	1/15/2020	Agency	71,697	71,709.750	.862	.849	2.366	.07%	71,424.97
62888WAA4	NON GUARANTEED NOT V	2.140	12/8/2020	11/5/2020	Aaa	405,997	406,911.970	2.057	.096	1.978	.42%	407,973.83
CMOS TOTALS							585,993.370					586,533.55
CORPORATES												
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,995.520	.597	.591	2.576	.45%	438,180.71
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,667.820	1.375	1.345	2.684	.67%	646,209.36
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	2.455	3/3/2020	3/3/2020	A2	555,000	555,000.000	1.853	.185	2.546	.57%	557,087.48

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CORPORATES (Continued)												
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	637,078.920	1.958	1.866	3.061	.65%	630,546.14
037833BD1	APPLE INC	2.000	5/6/2020	5/6/2020	Aa1	585,000	584,390.260	2.100	2.028	2.620	.60%	577,630.27
06051GGS2	BANK OF AMERICA CORP	2.328	10/1/2021	10/1/2021	A-	1,295,000	1,290,008.700	3.503	3.070	2.998	1.31%	1,266,358.87
06406RAE7	BANK OF NEW YORK MELLON CORP/THE	2.950	1/29/2023	1/30/2023	A1	1,000,000	995,101.740	4.831	4.432	3.232	1.02%	987,435.23
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	856,376.780	2.247	2.139	3.012	.87%	842,879.47
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	750,000	756,768.540	1.836	1.779	2.866	.77%	743,779.11
07330NAP0	BRANCH BANKING & TRUST CO	2.172	1/15/2020	1/15/2020	A1	525,000	525,000.000	1.794	.050	2.650	.54%	526,351.34
14040HBQ7	CAPITAL ONE FINANCIAL CORP	2.571	5/12/2020	5/12/2020	Baa1	410,000	410,000.000	2.036	.122	2.949	.42%	411,203.76
14912L6M8	CATERPILLAR FINANCIAL SERVICES CORP	1.800	11/13/2018	11/13/2018	A	650,000	650,902.050	.619	.613	2.390	.67%	647,650.24
17325FAD0	CITIBANK NA	2.571	6/12/2020	6/12/2020	A+	300,000	300,000.000	2.206	.207	2.581	.31%	301,632.18
172967LC3	CITIGROUP INC	2.900	12/8/2021	12/8/2021	BBB+	900,000	909,923.180	3.689	3.425	3.342	.91%	886,288.69
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	880,000	882,995.010	1.022	.994	2.650	.91%	879,117.29
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A	480,000	501,152.500	2.081	2.037	2.881	.51%	490,819.59
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	250,000.050	.003	.008	5.685	.26%	250,000.00
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	775,000	776,901.490	1.586	1.534	2.913	.80%	771,694.80
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	722,927.540	3.206	3.037	3.189	.72%	694,681.20
375558BQ5	GILEAD SCIENCES INC	2.452	9/20/2019	9/20/2019	A3	585,000	585,000.000	1.478	.223	2.544	.60%	585,356.27
38145GAK6	GOLDMAN SACHS GROUP INC/THE	2.889	12/13/2019	12/13/2019	A3	575,000	577,313.610	1.708	.209	2.766	.60%	578,513.94
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	650,000	706,216.600	3.325	3.037	3.354	.71%	688,436.64
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	460,000	461,497.290	.600	.590	2.673	.47%	458,709.41
446438RV7	HUNTINGTON NATIONAL BANK/THE	2.581	3/10/2020	3/10/2020	A3	450,000	450,000.000	1.953	.205	2.673	.47%	451,398.25
46625HJE1	JPMORGAN CHASE & CO	3.250	9/23/2022	9/23/2022	A-	920,000	946,703.120	4.481	4.151	3.322	.95%	917,276.81
46647PAG1	JPMORGAN CHASE & CO	2.686	6/1/2021	6/1/2021	A-	795,000	795,000.000	3.094	.183	2.835	.82%	799,367.48
49327M2T0	KEYBANK NA/CLEVELAND OH	2.300	9/14/2022	9/14/2022	A-	1,675,000	1,663,617.350	4.456	4.199	3.257	1.66%	1,608,998.08
55279HAL4	MANUFACTURERS & TRADERS TRUST CO	2.500	5/18/2022	5/18/2022	A	900,000	904,504.730	4.133	3.842	3.253	.90%	873,972.12
55279HAS9	MANUFACTURERS & TRADERS TRUST CO	2.015	1/25/2021	1/25/2021	A	1,030,000	1,030,800.510	2.819	.114	2.565	1.06%	1,030,282.27
61747WAF6	MORGAN STANLEY	5.750	1/25/2021	1/25/2021	A3	730,000	794,449.460	2.819	2.596	3.288	.80%	777,977.93
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	822,941.890	2.208	2.127	2.987	.82%	799,032.94
69353RFK9	PNC BANK NA	1.995	1/22/2021	1/22/2021	A	1,620,000	1,620,792.460	2.814	.068	2.577	1.67%	1,620,834.59
86787EAS6	SUNTRUST BANK/ATLANTA GA	2.302	1/31/2020	1/31/2020	A-	1,210,000	1,213,236.450	1.756	.090	2.501	1.26%	1,217,493.55
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	366,542.680	.625	.615	2.436	.38%	364,898.26
949748GR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A2	950,000	968,445.430	2.686	2.563	3.223	.96%	933,659.69
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	764,608.550	2.958	2.812	3.084	.76%	735,585.79
CORPORATES TOTALS							27,365,860.230					26,991,339.75
MORTGAGES												
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	10/25/2018	Agency	41,520	41,940.760	.306	.304	(1.206)	.04%	42,172.71
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,163,929	1,245,044.940	3.219	2.976	2.960	1.25%	1,211,289.04
3138EJRP5	FANNIE MAE POOL	4.381	6/1/2021	5/25/2021	Agency	743,672	796,908.110	3.050	2.823	2.921	.80%	774,944.37
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	10/15/2018	Agency	9,436	9,436.240	.278	.276	(.833)	.01%	9,571.29
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	6/15/2018	Govt	1,015	1,014.720	.125	.125	4.787	0%	1,012.64
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	5/15/2018	Govt	1,102	1,102.210	.083	.084	4.468	0%	1,100.35
MORTGAGES TOTALS							2,095,446.980					2,040,090.40

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	885,000	885,000.000	1.503	1.469	2.580	.90%	868,459.35
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	Aa2	345,000	345,000.000	.336	.336	2.007	.36%	344,931.00
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,157.060	1.503	1.460	2.504	.15%	148,702.50
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	448,604.820	2.336	2.258	2.669	.46%	447,057.00
13034PZH3	CALIFORNIA HOUSING FINANCE AGENCY	2.512	8/1/2021	8/2/2021	A1	675,000	675,000.000	3.336	3.172	2.819	.69%	668,425.50
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	502,581.900	2.586	2.476	2.657	.51%	491,005.35
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	1.586	1.543	2.551	.25%	242,844.00
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	1.336	1.308	2.560	.18%	174,095.25
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,855.800	1.753	1.703	2.885	.24%	228,493.50
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	2.125	2.050	2.494	.73%	709,072.65
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	415,000	415,000.000	3.336	3.218	2.740	.41%	399,429.20
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	522,771.190	2.292	2.167	2.712	.53%	516,955.00
010878AK2	COUNTY OF ALAMEDA CA	-	-	-	-	825,000	836,463.060	-	-	-	.86%	835,989.00
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	653,987.270	1.586	1.552	2.737	.66%	640,688.25
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	Aa2	305,000	305,389.780	1.669	1.619	2.620	.31%	304,698.05
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	.336	.336	2.001	.62%	599,538.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,917.090	.336	.336	1.909	.17%	164,793.75
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	1.125	1.099	2.980	.50%	483,737.80
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	360,183.950	2.336	2.248	2.712	.37%	356,075.65
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	.336	.336	2.061	.62%	599,544.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	791,405.040	2.253	2.178	2.650	.79%	769,470.00
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	831,863	831,863.210	2.780	2.670	2.620	.84%	811,782.03
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	229,494.020	.919	.900	2.326	.24%	228,993.75
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa1	285,000	285,228.530	.336	.336	1.940	.29%	285,051.30
MUNICIPALS TOTALS							11,457,902.720					11,319,831.88
SOVEREIGN DEBT												
4581X0CZ9	INTER-AMERICAN DEVELOPMENT BANK	1.750	9/14/2022	9/14/2022	Aaa	1,000,000	987,933.030	4.456	4.246	2.670	.99%	961,602.00
459058DL4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.875	3/15/2019	3/15/2019	AAA	725,000	727,936.450	.958	.943	2.221	.75%	722,631.43
SOVEREIGN DEBT TOTALS							1,715,869.480					1,684,233.43
US TREASURIES												
912828UH1	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2023	1/17/2023	Govt	993,136	980,320.370	4.796	4.725	2.583	1.01%	976,599.26
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	2,945,389	2,951,669.140	3.796	3.746	2.510	3.01%	2,914,063.51

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
US TREASURIES (Continued)												
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	1,225,000	1,225,882.460	.254	.255	1.796	1.26%	1,223,676.73
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,130,000	6,212,886.580	2.418	2.340	2.352	6.29%	6,097,434.38
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	4,520,000	4,610,710.330	2.840	2.729	2.391	4.63%	4,487,159.40
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	3,655,000	3,603,229.440	3.918	3.746	2.493	3.67%	3,554,201.97
912828K25	UNITED STATES TREASURY NOTE/BOND	.750	4/15/2018	4/16/2018	Govt	3,295,000	3,293,937.760	.044	.046	1.424	3.40%	3,294,017.33
912828Q37	UNITED STATES TREASURY NOTE/BOND	1.250	3/31/2021	3/31/2021	Govt	1,890,000	1,851,969.540	3.003	2.898	2.400	1.89%	1,827,393.75
912828L57	UNITED STATES TREASURY NOTE/BOND	1.750	9/30/2022	9/30/2022	Govt	8,335,000	8,147,438.860	4.503	4.251	2.540	8.31%	8,056,624.00
912828L99	UNITED STATES TREASURY NOTE/BOND	1.375	10/31/2020	11/2/2020	Govt	5,000,000	4,967,220.420	2.586	2.510	2.368	5.03%	4,876,171.90
912828S76	UNITED STATES TREASURY NOTE/BOND	1.125	7/31/2021	8/2/2021	Govt	4,900,000	4,795,045.580	3.340	3.239	2.447	4.84%	4,693,472.64
US TREASURIES TOTALS							42,640,310.480					42,000,814.87
FIXED INCOME TOTALS							97,395,231.970					96,101,748.32
PORTFOLIO TOTALS							97,778,806.040					96,898,853.86

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash							
	CASH OR STIF	USD	(737,839.66)	(737,839.66)	0.00	1.000	(0.16)%
Total for Cash			(737,839.66)	(737,839.66)	0.00		(0.16)%
Money Markets							
1,700,000.000	FHLMC DISCOUNT NOTE	313397VA6	1,699,737.44	1,699,606.16	(131.28)	99.985	0.37%
	Mat: 4/2/18 Cpn: 0.00%		0.00	196.92			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/29/18 St Date: 3/29/18						
23,000,000.000	U.S. TREASURY BILL	912796NY1	22,990,512.50	22,990,461.39	(51.11)	99.977	5.06%
	Mat: 4/5/18 Cpn: 0.00%		0.00	5,270.83			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/27/18 St Date: 3/27/18						
200,000,000.000	U.S. TREASURY BILL	912796PA1	199,750,250.00	199,751,583.32	1,333.32	99.945	44.01%
	Mat: 4/12/18 Cpn: 0.00%		0.00	148,000.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/15/18 St Date: 3/16/18						
80,000,000.000	FHLB DISCOUNT NOTE	313385VM5	79,893,600.00	79,894,755.55	1,155.55	99.940	17.60%
	Mat: 4/13/18 Cpn: 0.00%		0.00	60,800.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/15/18 St Date: 3/16/18						
3,000,000.000	PRIVATE EXPORT FUNDING CP	7426M3DD8	2,996,360.00	2,995,829.17	(530.83)	99.917	0.66%
	Mat: 4/13/18 Cpn: 0.00%		0.00	1,820.00			
	Moody's: P-1 S&P: NR Fitch: F1+						
	Tr Date: 3/19/18 St Date: 3/20/18						
3,000,000.000	TOYOTA MOTOR CREDIT CP	89233HDQ4	2,994,843.33	2,994,807.33	(36.00)	99.878	0.66%
	Mat: 4/24/18 Cpn: 0.00%		0.00	1,668.33			
	Moody's: P-1 S&P: A-1+ Fitch: F1						
	Tr Date: 3/20/18 St Date: 3/21/18						
3,800,000.000	TORONTO DOMINION NY YCD FRN	89113XAH7	3,800,000.00	3,799,870.53	(129.47)	99.997	0.84%
	Mat: 4/27/18 Cpn: 1.83%		0.00	11,978.36			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 8/2/17 St Date: 8/3/17						
25,000,000.000	U.S. TREASURY BILL	912796NV7	24,761,809.03	24,764,921.53	3,112.50	99.139	5.46%
	Mat: 9/13/18 Cpn: 0.00%		0.00	21,055.56			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/15/18 St Date: 3/16/18						
Total for Money Markets			338,887,112.30	338,891,834.99	4,722.69		74.66%
			0.00	250,790.00			



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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Treasuries							
15,000,000.000	U.S. TREASURY FRN	9128283T5	14,994,044.15	14,991,351.00	(2,693.15)	99.942	3.31%
	Mat: 1/31/20 Cpn: 1.77%		29,015.93	40,709.24			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/15/18 St Date: 3/16/18						
Total for Treasuries			14,994,044.15	14,991,351.00	(2,693.15)		3.31%
			29,015.93	40,709.24			
Tax-Exempt							
600,000.000	CA SAN MARCOS REDEV AGY TAB	79876CBN7	598,158.00	598,002.00	(156.00)	99.667	0.13%
	Mat: 10/1/18 Cpn: 1.50%		0.00	2,675.00			
	Moody's: S&P: AA- Fitch:						
	Tr Date: 12/1/17 St Date: 12/14/17						
Total for Tax-Exempt			598,158.00	598,002.00	(156.00)		0.13%
			0.00	2,675.00			
Taxable Muni							
830,000.000	CA ST EDU FACS AUTH REV-CHAPMAN UNI TXB	130179KM5	830,000.00	830,000.00	0.00	100.000	0.18%
	Mat: 4/1/18 Cpn: 1.37%		0.00	4,261.01			
	Moody's: A2 S&P: Fitch:						
	Tr Date: 11/9/17 St Date: 11/16/17						
1,000,000.000	CA UNIVERSITY OF CALIFORNIA-TXBL	91412G2P9	1,000,000.00	999,451.00	(549.00)	99.945	0.22%
	Mat: 5/15/18 Cpn: 1.48%		0.00	7,528.42			
	Moody's: Aa3 S&P: AA- Fitch: AA-						
	Tr Date: 9/20/17 St Date: 9/28/17						
1,320,000.000	CA ALAMEDA CNTY JT POWERS LEASE REV TXB	010831DK8	1,320,000.00	1,320,138.60	138.60	100.011	0.29%
	Mat: 6/1/18 Cpn: 2.27%		0.00	0.00			
	Moody's: Aa1 S&P: AA+ Fitch: AA+						
	Tr Date: 3/23/18 St Date: 4/24/18						
3,045,000.000	CA STATE GO/ULT CP-TXBL	13068BDJ3	3,045,000.00	3,045,000.00	0.00	100.000	0.67%
	Mat: 6/7/18 Cpn: 2.05%		0.00	3,249.39			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 3/13/18 St Date: 3/13/18						
3,040,000.000	CA LOS ANGELES CMNTY CLG DIST GO NT TXB	54438CWT5	3,040,000.00	3,035,221.12	(4,778.88)	99.843	0.67%
	Mat: 8/1/18 Cpn: 1.62%		0.00	8,208.00			
	Moody's: Aa1 S&P: Fitch:						
	Tr Date: 11/9/17 St Date: 11/30/17						
2,680,000.000	CA SAN JOSE REDEV AGY TAB TXB	798170AA4	2,680,000.00	2,679,244.24	(755.76)	99.972	0.59%
	Mat: 8/1/18 Cpn: 1.90%		0.00	8,477.73			
	Moody's: S&P: AA Fitch: AA						
	Tr Date: 12/8/17 St Date: 12/21/17						



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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,520,000.000	CA LOS ANGELES CNTY REDEV AGY TAB-TXBL Mat: 9/1/18 Cpn: 1.00% Moody's: Aa3 S&P: AA Fitch: Tr Date: 6/16/17 St Date: 6/21/17	54465AGJ5	1,510,648.30 4,984.44	1,511,617.20 1,266.67	968.90	99.449	0.33%
1,380,000.000	CA ABAG FIN AUTH-WINDERMERE RANCH TXB Mat: 9/2/18 Cpn: 1.50% Moody's: S&P: A- Fitch: Tr Date: 3/26/18 St Date: 3/27/18	00037CXA3	1,374,604.20 1,437.50	1,374,756.00 1,667.50	151.80	99.620	0.30%
3,800,000.000	CA CULVER CITY RDA-TXBL Mat: 11/1/18 Cpn: 1.50% Moody's: S&P: AA- Fitch: Tr Date: 11/15/17 St Date: 12/4/17	230340AK7	3,795,516.00 0.00	3,788,132.60 18,525.00	(7,383.40)	99.688	0.84%
1,000,000.000	CA LONG BEACH TIDELANDS REV-TXBL Mat: 11/1/18 Cpn: 1.79% Moody's: A1 S&P: Fitch: Tr Date: 11/22/17 St Date: 11/27/17	54245HAJ3	1,000,160.00 598.00	997,016.00 6,777.33	(3,144.00)	99.702	0.22%
1,060,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: AA- Fitch: A+ Tr Date: 9/11/17 St Date: 9/12/17	544587B98	1,069,565.40 9,068.67	1,061,187.20 10,352.67	(8,378.20)	100.112	0.24%
1,245,000.000	HI STATE GO/ULT TXB Mat: 1/1/19 Cpn: 2.20% Moody's: Aa1 S&P: AA+ Fitch: AA Tr Date: 1/31/18 St Date: 2/14/18	419792WZ5	1,245,000.00 0.00	1,245,895.16 3,575.92	895.16	100.072	0.28%
Total for Taxable Muni			21,910,493.90 16,088.61	21,887,659.12 73,889.64	(22,834.79)		4.83%

Credit

725,000.000	INTERCONTINENTALEXCHANGE GROUP Mat: 10/15/18 Cpn: 2.50% Moody's: A2 S&P: A Fitch: Tr Date: 8/11/17 St Date: 8/16/17	45866FAB0	732,134.00 6,092.01	724,897.78 8,357.64	(7,236.23)	99.986	0.16%
1,000,000.000	GOLDMAN SACHS FRN Mat: 11/15/18 Cpn: 2.94% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 8/10/17 St Date: 8/15/17	38141EB73	1,010,030.00 0.00	1,004,962.00 3,673.44	(5,068.00)	100.496	0.22%
1,100,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 2.59% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/15/15 St Date: 4/20/15	61746BDN3	1,104,125.00 2,838.99	1,105,062.20 5,304.97	937.20	100.460	0.24%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,125,000.000	KEY BANK Mat: 3/8/19 Cpn: 2.35% Moody's: A3 S&P: A- Fitch: A- Tr Date: 2/6/18 St Date: 2/8/18	49327M2N3	1,125,922.50 11,015.63	1,120,817.25 1,689.06	(5,105.25)	99.628	0.25%
1,507,000.000	AMERICAN EXPRESS FRN Mat: 10/30/19 Cpn: 2.34% Moody's: A2 S&P: A- Fitch: A Tr Date: 3/16/18 St Date: 3/20/18	0258M0ED7	1,514,308.95 4,793.44	1,513,341.46 5,967.34	(967.49)	100.421	0.33%
1,500,000.000	CATERPILLAR FINANCIAL FRN Mat: 11/29/19 Cpn: 2.14% Moody's: A3 S&P: A Fitch: A Tr Date: 3/21/18 St Date: 3/23/18	14913Q2D0	1,499,130.00 1,958.23	1,498,779.00 2,759.32	(351.00)	99.919	0.33%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 2.22% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Z9	1,390,000.00 0.00	1,399,510.38 6,936.86	9,510.38	100.684	0.31%
2,580,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 2.50% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LE9	2,589,062.50 5,984.84	2,596,571.34 14,501.01	7,508.84	100.642	0.57%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 2.17% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAP0	1,385,000.00 0.00	1,389,595.43 6,265.74	4,595.43	100.332	0.31%
1,500,000.000	US BANK FRN Mat: 1/24/20 Cpn: 2.06% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 3/16/18 St Date: 3/20/18	90331HNC3	1,502,910.00 4,723.81	1,501,183.50 5,754.46	(1,726.50)	100.079	0.33%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 2.63% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 2/14/17 St Date: 2/17/17	61746BEH5	1,900,000.00 0.00	1,906,357.40 6,393.26	6,357.40	100.335	0.42%
2,645,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 2.56% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	2,648,329.80 6,516.81	2,650,305.87 5,636.47	1,976.07	100.201	0.58%
3,845,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.58% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RV7	3,862,490.00 10,283.82	3,855,012.38 5,514.16	(7,477.62)	100.260	0.85%



CALOPTIMA - OPERATING FUND

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Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,755,000.000	AMGEN FRN Mat: 5/11/20 Cpn: 2.26% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/8/17 St Date: 5/11/17	031162CN8	2,763,660.00 977.32	2,758,578.75 8,476.56	(5,081.26)	100.130	0.61%
1,900,000.000	CAPITAL ONE FINL FRN Mat: 5/12/20 Cpn: 2.57% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 8/16/17 St Date: 8/21/17	14040HBQ7	1,909,842.00 764.42	1,909,091.50 6,511.93	(750.50)	100.479	0.42%
2,380,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	2,380,000.00 0.00	2,391,176.48 6,164.84	11,176.48	100.470	0.53%
405,000.000	CITIZENS BANK FRN Mat: 5/26/20 Cpn: 2.51% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAK7	405,000.00 0.00	404,546.00 961.46	(454.01)	99.888	0.09%
1,595,000.000	BB&T CORPORATION FRN Mat: 6/15/20 Cpn: 2.69% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 8/16/17 St Date: 8/21/17	05531FAW3	1,605,335.60 5,389.44	1,602,016.41 10,636.46	(3,319.20)	100.440	0.36%
1,850,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 6/22/20 Cpn: 2.54% Moody's: A2 S&P: A Fitch: A Tr Date: 3/27/18 St Date: 3/29/18	24422ETR0	1,852,442.00 913.03	1,854,506.60 1,304.32	2,064.60	100.244	0.41%
1,250,000.000	GOLDMAN SACHS FRN Mat: 9/15/20 Cpn: 3.32% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/16/18 St Date: 3/20/18	38141GVQ4	1,270,962.50 577.17	1,270,057.50 1,962.38	(905.00)	101.605	0.28%
1,095,000.000	FLORIDA POWER & LIGHT FRN Mat: 11/6/20 Cpn: 2.07% Moody's: A1 S&P: A- Fitch: A+ Tr Date: 11/1/17 St Date: 11/6/17	341081FN2	1,095,000.00 0.00	1,095,015.33 3,398.37	15.33	100.001	0.24%
1,325,000.000	GOLDMAN SACHS FRN Mat: 12/27/20 Cpn: 3.02% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWF7	1,325,000.00 0.00	1,330,105.23 556.05	5,105.23	100.385	0.29%
1,585,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.15% Moody's: A3 S&P: A- Fitch: Tr Date: 11/8/17 St Date: 11/15/17	05348EBD0	1,585,000.00 0.00	1,585,442.22 7,104.50	442.22	100.028	0.35%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,820,000.000	WELLS FARGO FRN Mat: 1/15/21 Cpn: 2.05% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 1/16/18 St Date: 1/23/18	94988J5M5	1,820,000.00 0.00	1,816,269.00 7,062.81	(3,731.00)	99.795	0.40%
645,000.000	BB&T CORPORATION FRN Mat: 2/1/21 Cpn: 1.99% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/23/17 St Date: 10/26/17	05531FBA0	645,000.00 0.00	641,954.31 2,107.19	(3,045.69)	99.528	0.14%
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 2.61% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 3/2/17 St Date: 3/9/17	46647PAC0	1,330,000.00 0.00	1,333,996.65 2,215.44	3,996.65	100.301	0.29%
1,760,000.000	REGIONS BANK FRN Mat: 4/1/21 Cpn: 2.04% Moody's: Baa2 S&P: A- Fitch: BBB+ Tr Date: 1/23/18 St Date: 1/26/18	759187CC9	1,760,000.00 0.00	1,758,792.64 6,477.46	(1,207.36)	99.931	0.39%
3,900,000.000	BANK OF AMERICA FRN Mat: 7/21/21 Cpn: 2.40% Moody's: A3 S&P: A- Fitch: A Tr Date: 7/18/17 St Date: 7/21/17	06051GGN3	3,901,790.00 1,530.06	3,917,686.50 17,975.13	15,896.50	100.454	0.87%
1,785,000.000	BANK OF AMERICA FRN Mat: 10/1/21 Cpn: 2.34% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/13/17 St Date: 9/18/17	06051GGU7	1,785,000.00 0.00	1,790,197.92 10,346.75	5,197.92	100.291	0.40%
1,485,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.92% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	1,485,000.00 0.00	1,503,209.07 8,324.43	18,209.07	101.226	0.33%
1,647,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.74% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	1,654,935.46 1,762.61	1,655,757.10 6,018.14	821.64	100.532	0.37%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 3.01% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	1,330,000.00 0.00	1,335,426.40 2,555.33	5,426.40	100.408	0.29%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.71% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00 0.00	1,335,064.70 6,571.38	10,064.70	100.760	0.30%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 2.23% Moody's: A1 S&P: A+ Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	2,010,180.00 564.72	2,005,514.00 5,451.11	(4,666.00)	100.276	0.44%
3,390,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 5/18/22 Cpn: 2.48% Moody's: A3 S&P: A Fitch: A Tr Date: 5/15/17 St Date: 5/18/17	55279HAM2	3,395,520.00 321.11	3,408,441.60 9,350.75	12,921.60	100.544	0.75%
Total for Credit			60,898,110.31 67,007.46	60,969,241.87 210,286.51	71,131.56		13.47%

Mortgage-Backed

1,840,000.000	FHMS KP04 AG2 1MOFRN CMBS Mat: 10/25/19 Cpn: 1.87% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/15/17 St Date: 11/28/17	3137FBWU4	1,840,000.00 0.00	1,840,713.92 669.07	713.92	100.039	0.41%
3,030,000.000	FMPRE 2017-TK01A 1MOFRN CMBS Mat: 2/25/20 Cpn: 2.18% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/16/17	30258EAA3	3,030,000.00 0.00	3,041,171.61 1,101.53	11,171.61	100.369	0.67%
2,789,108.716	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 2.15% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	2,801,362.53 426.33	2,795,459.52 3,165.33	(5,903.01)	100.228	0.62%
5,301,088.539	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.18% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	5,320,139.32 2,241.35	5,333,621.32 7,706.72	13,482.00	100.614	1.18%
1,220,000.000	FHMS KI01 A CMBS 1MOFRN Mat: 9/25/22 Cpn: 1.83% Moody's: S&P: Fitch: Tr Date: 3/19/18 St Date: 3/22/18	3137FEC81	1,220,571.88 2,181.39	1,220,502.64 434.13	(69.24)	100.041	0.27%
Total for Mortgage-Backed			14,212,073.73 4,849.07	14,231,469.01 13,076.79	19,395.28		3.14%

Asset-Backed

167,504.653	NISSAN 2017-B A1 CAR Mat: 8/15/18 Cpn: 1.27% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 8/16/17 St Date: 8/23/17	65478GAA8	167,504.65 0.00	167,472.66 100.46	(31.99)	99.981	0.04%
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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
477,280.467	USAA 2017-1 A1 CAR Mat: 9/17/18 Cpn: 1.28% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/13/17 St Date: 9/20/17	90290AAA5	477,280.47 0.00	477,282.85 288.49	2.39	100.001	0.11%
368,282.404	NISSAN 2017-B A1 LEASE Mat: 10/15/18 Cpn: 1.32% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 10/3/17 St Date: 10/10/17	65479BAA8	368,282.40 0.00	368,283.88 229.56	1.47	100.000	0.08%
891,150.493	HONDA 2017-3 A1 CAR Mat: 10/18/18 Cpn: 1.28% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 9/25/17 St Date: 9/29/17	43814PAA8	891,150.49 0.00	890,919.69 411.91	(230.81)	99.974	0.20%
899,675.683	BMW 2017-2 A1 LEASE Mat: 10/22/18 Cpn: 1.35% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 10/17/17 St Date: 10/25/17	05584PAA5	899,675.68 0.00	899,678.38 404.85	2.70	100.000	0.20%
Total for Asset-Backed			2,803,893.70 0.00	2,803,637.46 1,435.27	(256.24)		0.62%
Grand Total			453,566,046.43 116,961.07	453,635,355.77 592,862.45	69,309.34		100.00%



CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2018

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
CASH												
06538N5Q6	BANK TOKYO-MITSUBIS	1.630	7/6/2018	7/6/2018	P-1	2,000,000	2,000,000.000	.272	.265	1.611	.39%	2,000,000.00
06538NJ65	BANK TOKYO-MITSUBIS	-				10,000,000	10,000,000.640	-	-	-	1.94%	10,000,000.64
17305TVL3	CITIBANK NA NY INST	-				5,000,000	4,999,837.250	-	-	-	.97%	4,999,837.25
30229BDB0	EXXON CORP DISC D	-				15,000,000	14,992,611.070	-	-	-	2.90%	14,992,611.07
313385VL7	FEDERAL HOME LOAN BANK DISCOUNT NOTES	-				2,400,000	2,398,789.990	-	-	-	.46%	2,398,789.99
313385VE3	FEDERAL HOME LOAN BANK DISCOUNT NOTES	-				10,000,000	9,997,734.750	-	-	-	1.94%	9,997,734.75
313385VB9	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	4/3/2018	4/3/2018	Agency	8,100,000	8,099,307.000	.008	.011	.770	1.57%	8,099,307.00
34959TKU9	FORTIS BANK C/D	-				5,000,000	4,998,604.510	-	-	-	.97%	4,998,604.51
459053VX9	IBRD DISCOUNT NOTES	-				15,000,000	14,984,049.950	-	-	-	2.90%	14,984,049.95
459515XB3	IFC DISCOUNT NOTES	-				10,000,000	9,975,000.000	-	-	-	1.93%	9,975,000.00
63743DDJ7	NATIONAL RURAL DIS D	-				15,000,000	14,986,895.820	-	-	-	2.90%	14,986,895.82
69372BDT4	PACCAR FINL CORP D D	-				5,000,000	4,993,247.210	-	-	-	.97%	4,993,247.21
69372BDR8	PACCAR FINL CP DIS D	-				4,000,000	3,995,013.360	-	-	-	.77%	3,995,013.36
69372BE89	PACCAR FINL CP DIS D	-				5,000,000	4,990,338.880	-	-	-	.97%	4,990,338.88
74433HDR2	PRUDENTIAL FDG DIS D	-				10,000,000	9,988,333.340	-	-	-	1.93%	9,988,333.34
912796NY1	UNITED STATES TREASURY BILL	-				15,000,000	14,997,505.790	-	-	-	2.90%	14,997,505.79
912796PA1	UNITED STATES TREASURY BILL	0.000	4/12/2018	4/12/2018	Govt	16,000,000	15,992,226.650	.033	.035	1.276	3.10%	15,992,729.12
NA9123459	US DOLLARS	1.883	4/2/2018		Agency	1,849,690	1,849,690.280	0.000	-	1.883	.36%	1,849,690.28
USD120030	USD INTEREST RECEIVABLE	-				2,189,620	0.000	-	-	-	.42%	2,189,619.95
CASH TOTALS							154,239,186.490					156,429,308.91
CORPORATES												
375558BN2	GILEAD SCIENCES INC	2.372	9/20/2018	9/20/2018	A3	7,500,000	7,502,946.460	.478	.222	2.382	1.45%	7,502,946.46
CORPORATES TOTALS							7,502,946.460					7,502,946.46
MUNICIPALS												
54438CWT5	LOS ANGELES COMMUNITY COLLEGE DISTRICT/CA	1.620	8/1/2018	8/1/2018	Aa1	2,680,000	2,680,000.000	.336	.336	1.616	.52%	2,680,000.00
MUNICIPALS TOTALS							2,680,000.000					2,680,000.00
CASH & CASH EQUIVALENTS TOTALS							164,422,132.950					166,612,255.37
FIXED INCOME												
AGENCIES												
3133EFC7	FEDERAL FARM CREDIT BANKS	2.147	9/18/2018	9/18/2018	Agency	3,500,000	3,499,657.280	.472	.217	2.074	.68%	3,502,890.23
AGENCIES TOTALS							3,499,657.280					3,502,890.23
ASSET BACKED												
05582XAB8	BMW VEHICLE LEASE TRUST 2016-2	1.230	1/22/2019	6/20/2018	AAA	127,994	127,925.220	.104	.104	2.278	.02%	127,856.46
43814PAA8	HONDA AUTO RECEIVABLES 2017-3 OWNER TRUST	1.280	10/18/2018	4/18/2018	AA	439,175	439,145.460	.050	.051	1.877	.09%	439,059.69
43813FAA1	HONDA AUTO RECEIVABLES 2017-4 OWNER TRUST	1.430	12/21/2018	6/21/2018		4,583,828	4,583,827.830	.123	.120	1.430	.89%	4,583,849.37
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	12/17/2018		2,750,000	2,750,000.000	.305	.302	1.989	.53%	2,750,059.95
65478DAA5	NISSAN AUTO RECEIVABLES 2018-A OWNER TRUST	1.900	3/15/2019	9/17/2018		1,351,073	1,351,073.180	.219	.216	1.932	.26%	1,351,094.53
65474VAN1	NISSAN MASTER OWNER TRUST RECEIVABLES	2.207	4/18/2022	4/15/2020	Aaa	5,000,000	5,024,365.700	2.044	.051	2.140	.97%	5,021,468.00

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2018

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
ASSET BACKED (Continued)												
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.097	10/17/2022	10/15/2020	Aaa	5,125,000	5,125,000.000	2.544	.048	2.237	.99%	5,126,025.51
ASSET BACKED TOTALS							19,401,337.390					19,399,413.51
CMBS												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	1.771	4/25/2020	12/25/2019	Agency	2,743,205	2,744,443.040	1.267	.071	2.230	.53%	2,739,195.38
3136ANA98	FANNIE MAE-ACES	1.687	3/25/2019	3/25/2019	Agency	1,978,987	1,979,337.010	.752	.071	2.162	.38%	1,976,508.69
3136AJ6Z4	FANNIE MAE-ACES	2.034	3/25/2019	3/25/2019	Agency	102,381	102,251.620	.717	.707	2.367	.02%	102,008.21
3136ANJY4	FANNIE MAE-ACES	1.550	4/25/2018	4/25/2018	Agency	59,364	59,358.050	.069	.070	2.689	.01%	59,255.93
3136ANMF1	FANNIE MAE-ACES	1.612	11/25/2018	11/25/2018	Agency	4,313,224	4,312,516.900	.429	.070	1.901	.83%	4,310,197.33
31398GGH6	FANNIE MAE-ACES	4.001	1/25/2019	1/25/2019	Agency	56,292	56,759.540	.787	.771	3.221	.01%	56,491.42
3136A4M97	FANNIE MAE-ACES	2.430	1/25/2019	1/25/2019	Agency	123,218	123,184.720	.645	.637	2.502	.02%	122,972.66
3137AKKC4	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.303	9/25/2018	9/25/2018	Aaa	3,500,000	3,507,201.690	.448	.445	2.479	.68%	3,492,074.60
3137ANMN2	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.220	12/25/2018	12/25/2018	Aaa	4,920,000	4,916,299.470	.635	.627	2.418	.95%	4,906,951.67
3137AL6V6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.323	10/25/2018	10/25/2018	Aaa	3,471,933	3,475,260.080	.531	.525	2.345	.67%	3,466,367.34
31398E2E3	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	5.053	1/25/2019	1/25/2019	Agency	724,949	737,945.520	.609	.597	2.804	.14%	732,399.84
CMBS TOTALS							22,014,557.640					21,964,423.07
CMOS												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	2.030	1/8/2020	1/8/2020	Aaa	2,978,127	2,987,265.370	1.100	1.054	1.972	.58%	2,984,761.41
CMOS TOTALS							2,987,265.370					2,984,761.41
CORPORATES												
0258M0DU0	AMERICAN EXPRESS CREDIT CORP	2.674	5/26/2020	5/26/2020	A2	2,000,000	2,017,834.600	2.072	.172	2.625	.39%	2,017,676.14
0258M0DL0	AMERICAN EXPRESS CREDIT CORP	2.728	3/18/2019	3/18/2019	A2	11,478,000	11,526,061.990	.972	.218	2.541	2.23%	11,513,414.11
06051GGU7	BANK OF AMERICA CORP	2.345	10/1/2021	10/1/2021	A-	2,300,000	2,306,398.610	2.511	.259	2.907	.45%	2,305,619.22
06051GDX4	BANK OF AMERICA CORP	5.650	5/1/2018	5/1/2018	A-	5,350,000	5,365,549.960	.086	.087	2.655	1.04%	5,363,479.59
06051GFE4	BANK OF AMERICA CORP	2.565	4/1/2019	4/1/2019	A-	3,100,000	3,120,027.500	1.011	.259	2.579	.60%	3,119,251.53
05531FAR4	BB&T CORP	2.433	2/1/2019	2/1/2019	A2	7,000,000	7,031,003.350	.761	.088	2.434	1.36%	7,027,654.76
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	2.814	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	.964	.211	2.412	.31%	1,608,834.34
17325FAK4	CITIBANK NA	2.045	10/20/2020	10/20/2020	A+	2,000,000	2,000,000.000	2.558	.057	2.720	.39%	1,996,409.28
172967JN2	CITIGROUP INC	1.700	4/27/2018	4/27/2018	BBB+	7,635,000	7,634,939.210	.075	.076	2.417	1.48%	7,630,800.75
31677QBL2	FIFTH THIRD BANK/CINCINNATI OH	2.017	10/30/2020	10/30/2020	A-	1,000,000	999,991.490	2.508	.085	2.612	.19%	999,355.47
38148LAB2	GOLDMAN SACHS GROUP INC/THE	2.904	4/23/2020	4/23/2020	A3	2,000,000	2,029,212.030	1.983	.081	2.782	.39%	2,028,004.00
38141GFM1	GOLDMAN SACHS GROUP INC/THE	6.150	4/1/2018	4/2/2018	A3	12,795,000	12,795,000.000	.003	.008	5.968	2.48%	12,795,000.00
46625HJL5	JPMORGAN CHASE & CO	1.625	5/15/2018	5/15/2018	A-	4,965,000	4,964,378.100	.125	.125	2.438	.96%	4,959,875.92
61746BEH5	MORGAN STANLEY	2.633	2/14/2020	2/14/2020	A3	2,000,000	2,006,929.350	.875	.124	2.759	.39%	2,006,067.20
61746BDN3	MORGAN STANLEY	2.591	1/24/2019	1/24/2019	A3	9,494,000	9,538,319.080	.819	.070	2.651	1.85%	9,534,160.38
717081DF7	PFIZER INC	2.425	6/15/2018	6/15/2018	A+	500,000	500,133.540	.214	.209	2.350	.10%	500,098.30
69353RFD5	PNC BANK NA	2.245	5/19/2020	5/19/2020	A	2,000,000	2,006,451.730	2.139	.139	2.580	.39%	2,004,531.94
CORPORATES TOTALS							77,442,230.540					77,410,232.93

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2018

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
MORTGAGES												
3138EGTT1	FANNIE MAE POOL	3.766	6/1/2018	5/25/2018	Agency	232,553	232,598.940	.153	.151	3.171	.04%	232,215.86
MORTGAGES TOTALS							232,598.940					232,215.86
MUNICIPALS												
419792XC5	STATE OF HAWAII	1.750	4/1/2018	4/2/2018	Aa1	1,645,000	1,645,000.000	.003	.008	1.746	.32%	1,645,000.00
MUNICIPALS TOTALS							1,645,000.000					1,645,000.00
SOVEREIGN DEBT												
45950KCC2	INTERNATIONAL FINANCE CORP	-				5,000,000	4,989,691.750	-	-	-	.97%	4,988,450.00
SOVEREIGN DEBT TOTALS							4,989,691.750					4,988,450.00
US TREASURIES												
912828K25	UNITED STATES TREASURY NOTE/BOND	.750	4/15/2018	4/16/2018	Govt	17,000,000	16,994,856.360	.044	.046	1.424	3.29%	16,994,930.09
912828UZ1	UNITED STATES TREASURY NOTE/BOND	.625	4/30/2018	4/30/2018	Govt	35,000,000	34,971,882.920	.086	.084	1.497	6.77%	34,973,794.10
912828UU2	UNITED STATES TREASURY NOTE/BOND	.750	3/31/2018	4/2/2018	Govt	11,000,000	11,000,000.010	.003	.008	.747	2.13%	11,000,000.00
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	43,725,000	43,689,001.770	.254	.255	1.796	8.46%	43,677,767.38
912828QB9	UNITED STATES TREASURY NOTE/BOND	2.875	3/31/2018	4/2/2018	Govt	20,000,000	20,000,000.030	.003	.008	2.834	3.87%	20,000,000.00
912828QQ6	UNITED STATES TREASURY NOTE/BOND	2.375	5/31/2018	5/31/2018	Govt	36,000,000	36,038,876.500	.170	.168	1.741	6.98%	36,037,897.92
912828RE2	UNITED STATES TREASURY NOTE/BOND	1.500	8/31/2018	8/31/2018	Govt	35,000,000	34,943,689.510	.418	.417	1.893	6.77%	34,942,578.30
912828Q45	UNITED STATES TREASURY NOTE/BOND	.875	3/31/2018	4/2/2018	Govt	20,000,000	19,999,999.980	.003	.008	.871	3.87%	20,000,000.00
US TREASURIES TOTALS							217,638,307.080					217,626,967.79
FIXED INCOME TOTALS							349,850,645.990					349,754,354.80
PORTFOLIO TOTALS							514,272,778.940					516,366,610.17

WELLS CAPITAL - OPERATING
MARCH 31, 2018

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
ALAMEDA CNTY CALIF JT PWRS AUTH LEASE REV	ALAUTL	010831DM4	US010831DM47	010831DM4	1.37%	\$2,004,260.00
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0EK1	US0258M0EK14	0258M0EK1	0.68%	\$998,434.33
AMXCA 171 A	AMXCA	02587AAJ3	US02587AAJ34	02587AAJ3	0.86%	\$1,253,808.36
AMXCA 173 A	AMXCA	02582JHE3	US02582JHE38	02582JHE3	1.07%	\$1,567,608.05
APPLE INC	AAPL	037833CK4	US037833CK41	037833CK4	0.93%	\$1,363,140.63
BANK OF AMERICA CORP	BAC	06051GEE5	US06051GEE52	06051GEE5	1.27%	\$1,848,378.93
BANK OF NEW YORK MELLON CORP	BK	06406HCU1	US06406HCU14	06406HCU1	0.72%	\$1,054,648.47
BANK OF NEW YORK MELLON CORP	BK	06406HDF3	US06406HDF38	06406HDF3	0.68%	\$993,376.89
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54	084664CK5	1.01%	\$1,475,314.67
BMWLT 171 A3	BMWLT	055657AC4	US055657AC48	055657AC4	0.41%	\$596,527.44
BMWLT 172 A3	BMWLT	05584PAD9	US05584PAD96	05584PAD9	0.80%	\$1,163,654.55
BMWOT 16A A3	BMWOT	05582QAD9	US05582QAD97	05582QAD9	0.74%	\$1,079,692.67
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91	07330NAL9	1.49%	\$2,180,840.57
CALIFORNIA ST	CAS	13063DAB4	US13063DAB47	13063DAB4	1.37%	\$2,003,170.00
CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	CASWTR	13067WPB2	US13067WPB27	13067WPB2	0.69%	\$1,000,644.00
CAPITAL ONE NA	COF	14042RBS9	US14042RBS94	14042RBS9	0.94%	\$1,377,559.40
Cash	---	CCYUSD	---	CCYUSD	0.02%	\$31,001.12
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03	17305EFW0	1.83%	\$2,677,553.19
CCCIT 17A9 A9	CCCIT	17305EGH2	US17305EGH27	17305EGH2	0.34%	\$494,255.80
CHAIT 162 A	CHAIT	161571HC1	US161571HC16	161571HC1	2.03%	\$2,959,325.67
CHEVRON CORP	CVX	166764BH2	US166764BH21	166764BH2	1.30%	\$1,893,068.33
CITIBANK NA	C	17325FAE8	US17325FAE88	17325FAE8	0.57%	\$838,986.83
CITIBANK NA	C	17325FAL2	US17325FAL22	17325FAL2	0.82%	\$1,195,251.20
COAST CMNTY COLLEGE DIST CALIF	CSTHGR	190335JD2	US190335JD27	190335JD2	0.98%	\$1,438,648.92
COCA-COLA CO	KO	191216BT6	US191216BT60	191216BT6	0.34%	\$494,342.42
COCA-COLA CO	KO	191216BV1	US191216BV17	191216BV1	1.09%	\$1,587,677.64
COMET 164 A	COMET	14041NFF3	US14041NFF33	14041NFF3	0.40%	\$589,998.37
COMET 171 A	COMET	14041NFK2	US14041NFK28	14041NFK2	0.64%	\$941,061.00
E I DU PONT DE NEMOURS AND CO	DD	263534CL1	US263534CL10	263534CL1	0.34%	\$497,671.83
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921	3133EGW92	1.02%	\$1,486,131.00
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHEZ2	US3133EHEZ20	3133EHEZ2	2.04%	\$2,978,897.33
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHFL2	US3133EHFL25	3133EHFL2	0.68%	\$991,210.33
FEDERAL HOME LOAN BANKS	FHLB	313380FB8	US313380FB82	313380FB8	2.03%	\$2,965,204.50
FEDERAL HOME LOAN BANKS	FHLB	3130A0JR2	US3130A0JR23	3130A0JR2	4.83%	\$7,055,713.00
FEDERAL HOME LOAN BANKS	FHLB	313383HU8	US313383HU84	313383HU8	1.15%	\$1,684,568.44
FEDERAL HOME LOAN BANKS	FHLB	3130A66T9	US3130A66T96	3130A66T9	2.99%	\$4,373,298.81
FEDERAL HOME LOAN BANKS	FHLB	3130A9EP2	US3130A9EP21	3130A9EP2	1.01%	\$1,473,029.83
FEDERAL HOME LOAN BANKS	FHLB	3130ACM92	US3130ACM925	3130ACM92	1.36%	\$1,990,978.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G9Q75	US3134G9Q755	3134G9Q75	0.34%	\$494,805.47
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0P49	US3135G0P490	3135G0P49	0.30%	\$442,946.10
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397	3135G0R39	2.36%	\$3,446,194.89
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0T29	US3135G0T294	3135G0T29	0.56%	\$813,681.83
FIDELITY IMM:GOVT,I	FIGXX	316175108	US3161751082	316175108	0.23%	\$336,114.50
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11	31677QBH1	0.34%	\$491,501.78
FITAT 171 A3	FITAT	31679RAD7	US31679RAD70	31679RAD7	0.41%	\$600,594.72
FREDDIE MAC	FHLMC	3137EAAE5	US3137EAAE51	3137EAAE5	1.02%	\$1,483,229.00
GEORGIA POWER CO	SO	373334KG5	US373334KG57	373334KG5	1.28%	\$1,869,737.86
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19	38145XAA1	0.96%	\$1,405,494.88
HAROT 172 A3	HAROT	43811BAC8	US43811BAC81	43811BAC8	1.63%	\$2,373,744.20
HAROT 173 A3	HAROT	43814PAC4	US43814PAC41	43814PAC4	0.18%	\$256,299.52
HAWAII ST	HIS	419792SM9	US419792SM99	419792SM9	1.68%	\$2,447,164.46

WELLS CAPITAL - OPERATING
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HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
HONEYWELL INTERNATIONAL INC	HON	438516BQ8	US438516BQ81	438516BQ8	0.83%	\$1,213,174.10
HSBC USA INC	HSBC	40428HPV8	US40428HPV86	40428HPV8	1.50%	\$2,192,467.20
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BY3	US4581X0BY35	4581X0BY3	0.30%	\$442,767.49
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CX4	US4581X0CX43	4581X0CX4	1.02%	\$1,487,433.46
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOP	IBRD	459058FQ1	US459058FQ12	459058FQ1	1.35%	\$1,967,254.67
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058DW0	US459058DW08	459058DW0	1.37%	\$2,004,730.67
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058FK4	US459058FK42	459058FK4	1.68%	\$2,455,020.14
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058GA5	US459058GA50	459058GA5	1.34%	\$1,961,709.50
INTERNATIONAL FINANCE CORP	IFC	45950KCM0	US45950KCM09	45950KCM0	0.92%	\$1,344,552.75
JDOT 2018 A3	JDOT	47788CAC6	US47788CAC64	47788CAC6	0.51%	\$750,528.42
JOHN DEERE CAPITAL CORP	DE	24422ETJ8	US24422ETJ81	24422ETJ8	0.67%	\$983,591.22
JOHN DEERE CAPITAL CORP	DE	24422ETZ2	US24422ETZ24	24422ETZ2	0.68%	\$989,849.06
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76	46625HQU7	1.43%	\$2,084,505.15
LOS ANGELES CALIF MUN IMPT CORP LEASE REV	LOGSEN	544587K64	US544587K641	544587K64	0.41%	\$601,337.17
LOS ANGELES CALIF WASTEWTR SYS REV	LOSUTL	53945CGW4	US53945CGW47	53945CGW4	0.79%	\$1,153,206.27
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAG5	US55279HAG56	55279HAG5	0.96%	\$1,395,504.60
MARIN CALIF CMNTY COLLEGE DIST	MRNHGR	56781RGL5	US56781RGL50	56781RGL5	0.34%	\$496,774.17
MBART 161 A3	MBART	58769BAD6	US58769BAD64	58769BAD6	1.32%	\$1,932,042.87
NALT 17A A3	NALT	65479AAD4	US65479AAD46	65479AAD4	0.51%	\$743,815.87
NAROT 16C A3	NAROT	65478WAD7	US65478WAD74	65478WAD7	2.17%	\$3,162,729.42
OREGON ST DEPT ADMINISTRATIVE SVCS LOTTERY REV	ORSGEN	68607VS71	US68607VS710	68607VS71	0.69%	\$1,000,940.00
Payable	---	CCYUSD	---	CCYUSD	-3.42%	-\$5,001,334.92
PNC BANK NA	PNC	69353RFC7	US69353RFC79	69353RFC7	1.35%	\$1,973,508.67
Receivable	---	CCYUSD	---	CCYUSD	2.04%	\$2,981,496.42
SAN DIEGO CALIF TOB SETTLEMENT REV FDG CORP	SDGGEN	797330AD9	US797330AD98	797330AD9	0.69%	\$1,011,446.32
SAN DIEGO CNTY CALIF PENSION OBLIG	SDGFAC	797398DH4	US797398DH41	797398DH4	1.08%	\$1,578,654.58
SAN FRANCISCO CALIF BAY AREA RAPID TRAN DIST SALES	SFOTRN	797669XT0	US797669XT03	797669XT0	1.25%	\$1,826,757.93
SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	SFOAPT	79766DKL2	US79766DKL28	79766DKL2	2.02%	\$2,950,998.98
SAN JOSE CALIF REDEV AGY SUCCESSOR AGY TAX ALLOCAT	SJSDEV	798170AC0	US798170AC09	798170AC0	1.03%	\$1,498,777.50
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16	83191GAD1	1.42%	\$2,070,162.15
TAOT 16C A3	TAOT	89237WAD9	US89237WAD92	89237WAD9	0.79%	\$1,147,118.83
TAOT 16D A3	TAOT	89231LAD9	US89231LAD91	89231LAD9	0.20%	\$296,846.72
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29	89236TDE2	1.29%	\$1,884,593.74
UNITED STATES TREASURY	T	9128282V1	US9128282V18	9128282V1	2.57%	\$3,758,676.64
UNITED STATES TREASURY	T	9128282Z2	US9128282Z22	9128282Z2	2.95%	\$4,304,290.20
UNITED STATES TREASURY	T	9128283G3	US9128283G32	9128283G3	2.04%	\$2,973,110.78
UNITED STATES TREASURY	T	9128283L2	US9128283L27	9128283L2	1.51%	\$2,208,756.78
UNITED STATES TREASURY	T	9128284B3	US9128284B36	9128284B3	2.06%	\$3,002,388.67
UNITEDHEALTH GROUP INC	UNH	91324PDC3	US91324PDC32	91324PDC3	0.72%	\$1,044,493.26
UNIVERSITY CALIF REVS	UNVHGR	91412GSB2	US91412GSB22	91412GSB2	1.03%	\$1,500,150.00
US BANK NA	USB	90331HML4	US90331HML41	90331HML4	1.37%	\$1,997,950.50
WALT DISNEY CO	DIS	25468PDL7	US25468PDL76	25468PDL7	0.44%	\$637,614.34
YUBA CALIF LEVEE FING AUTH REV	YUBGEN	988211BL1	US988211BL13	988211BL1	0.68%	\$995,141.67

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

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

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

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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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MINUTES
REGULAR MEETING
OF THE
CALOPTIMA BOARD OF DIRECTORS’
FINANCE AND AUDIT COMMITTEE

CALOPTIMA
505 CITY PARKWAY WEST
ORANGE, CALIFORNIA

February 15, 2018

CALL TO ORDER

Chair Lee Penrose called the meeting to order at 2:00 p.m. Director Schoeffel led the Pledge of Allegiance.

Members Present: Lee Penrose, Chair; Scott Schoeffel, Ron DiLuigi

Members Absent: All members present

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

MANAGEMENT REPORTS

1. Chief Financial Officer (CFO) Report

CFO Greg Hamblin presented an overview of the Department of Health Care Services (DHCS) Medical Loss Ratio (MLR) calculation for Medi-Cal Adult Expansion Members (MCE) for the 18-month period of January 1, 2014 through June 30, 2015, and the 12-month period of July 1, 2015 through June 30, 2016. DHCS has provided the final data request templates and instructions designed to collect the data needed to perform the MCE-MLR calculations. The estimated timeline was reviewed, including: MLR data due to DHCS on March 9, 2018; DHCS review of data files is estimated between March 10 and April 30, 2018; and receipt of the DHCS determination letter is anticipated in April 2018. Payments due to DHCS are anticipated to occur in the July-August 2018 timeframe. It was noted that CalOptima’s health network MLR audit is currently in process. Field work is expected to be completed by the end of February 2018, and final audit reports are anticipated to be completed by the end of March 2018.

PUBLIC COMMENT

Ana Sanchez, M.D. – Oral re: Agenda Item 4, Consider Recommending Board of Directors’ Receive and File the 2017 Compliance Program Effectiveness Audit Report.

INVESTMENT ADVISORY COMMITTEE UPDATE

2. Treasurer's Report

Mr. Hamblin presented an overview of the Treasurer's Report for the period October 1, 2017 through December 31, 2017. 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.

CONSENT CALENDAR

3. Approve the Minutes of the November 16, 2017 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the October 30, 2017 Special Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Director DiLuigi, seconded and carried, the Committee approved the Consent Calendar as presented. (Motion carried 3-0-0)

REPORTS

4. Consider Recommending Board of Directors Receive and File the 2017 Compliance Program Effectiveness Audit Report

Silver Ho, Executive Director, Compliance, presented the action to recommend that the Board of Directors receive and file the 2017 Compliance Program Effectiveness (CPE) Audit Report. The Centers for Medicare & Medicaid Services (CMS) requires that all Medicare Advantage (Part C) and Prescription Drug (Part D) plan sponsors conduct an independent audit to assess the effectiveness of its Compliance Program on at least an annual basis and share the results with its Board of Directors. Compliance Strategies, Inc., conducted the CPE audit for the period October 1, 2016 through September 30, 2017. Virgilio Florentino, Principal, Compliance Strategies, provided an overview of the audit components, assessment and audit results, and determined that CalOptima demonstrated it had an effective Compliance Program to review and address issues of non-compliance and potential fraud and abuse.

Action: On motion of Director DiLuigi, seconded and carried, the Committee recommended the Board of Directors' receive and file the 2017 Compliance Program Effectiveness Audit Report as presented. (Motion carried 3-0-0)

5. Consider Recommending the Board of Directors Authorize Proposed Budget Allocation Changes in the CalOptima Fiscal Year 2017-2018 Operating Budget

Chief Operating Officer Ladan Khamseh presented the action to recommend that the Board of Directors authorize reallocation of budgeted, but unused, funds in the amount of \$150,000 from Claims Administration Purchased Services – Claims Imaging and Indexing services to fund the annual fees through June 30, 2018 of the Claims Administration Purchased Services – Electronic Data Interchange (EDI) Clearinghouse Services, and \$70,000 from Claims Administration Purchased Services – Trizetto Group for Robot Process for Rate Adjustments to fund the annual fees through June 30, 2018 of the Claims Administration Purchased Services – EDI Clearinghouse Services. It was noted that a shortfall of nearly \$220,000 is projected for Claims Administration Purchased Services – Electronic Data

Interchange (EDI) Clearinghouse Services by June 30, 2018 due to under estimation of the expenses related to the two EDI clearinghouses. The proposed budget allocations are anticipated to correspond to the expected transactional volume for these services during the current fiscal year.

After discussion of the matter, the Committee took the following action.

Action: On motion of Director Schoeffel, seconded and carried, the Committee recommended that the Board of Directors authorize reallocation of budgeted, but unused, funds in the amount of \$150,000 from Claims Administration Purchased Services – Claims Imaging and Indexing services to fund the annual fees through June 30, 2018 of the Claims Administration Purchased Services – Electronic Data Interchange (EDI) Clearinghouse Services, and \$70,000 from Claims Administration Purchased Services – Trizetto Group for Robot Process for Rate Adjustments to fund the annual fees through June 30, 2018 of the Claims Administration Purchased Services – EDI Clearinghouse Services. (Motion carried 3-0-0)

INFORMATION ITEMS

6. December 2017 Financial Summary

Mr. Hamblin provided an overview of the balance sheet, Board-Designated Reserves and tangible net equity (TNE) requirement as of December 31, 2017.

7. Child Health and Disability Prevention Program (CHDP) Update

Candice Gomez, Executive Director, Program Implementation, presented an update on the recent changes to CHDP, a preventive program for children and youth up to 21 years of age that includes periodic health assessments, care coordination, immunizations, and access to diagnostic and treatment services. Since 1998, CalOptima has covered CHDP services on a fee for service basis for all members up to age 21. The recent DHCS transition of CHDP fee for service claims to national standards, as well as the impact of phasing out the PM 160 form, was reviewed with the Committee. Staff is awaiting final reporting guidance from DHCS.

The following Information Items were accepted as presented:

8. CalOptima Information 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

COMMITTEE MEMBER COMMENTS

Committee members congratulated staff on the successful Compliance Program Effectiveness Audit.

ADJOURNMENT

Hearing no further business, Chair Penrose adjourned the meeting at 2:54 p.m.

/s/ Suzanne Turf
Suzanne Turf
Clerk of the Board

Approved: May 17, 2018

MINUTES

MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' INVESTMENT ADVISORY COMMITTEE

January 22, 2018

A meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, January 22, 2018, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

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

ROLL CALL

Members Present: Patrick Moore, Chair, Peggy Eckroth, Greg Hamblin, Rodney Johnson, Susan Munson, David Young

Members Absent: Caroline Harkins

Others Present: Hanna Schrinier, Nika Barbakadze, Meketa Investment Group; Asha Joshi, Darren Marco, Payden & Rygel; Scott Pavlak, Dan Perullo, Logan Circle Partners; Steve Scharre, Tony Mellville, Gary Schlossberg, Wells Capital Management; Gary Crockett, Chief Counsel; Nancy Huang, Controller, Faye Heidari, Accounting Manager, Joyce Mellinger, Accounting Manager, Pamela Reichardt, Executive Assistant

On behalf of the Investment Advisory Committee (IAC), Member David Young welcomed new member Susan Munson to the IAC.

MINUTES

Approve Minutes of the October 30, 2017, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Chair Moore, seconded and carried, the Minutes of the October 30, 2017 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0, Caroline Harkins absent)

PUBLIC COMMENT

There were no requests for public comment.

MANAGEMENT REPORTS

Chief Financial Officer (CFO) Report

CFO Greg Hamblin presented a status report on the Department of Health Care Services Medical Loss Ratio Audit and reported on the timeline and distributions to Health Networks for payouts totaling approximately \$140 million. Mr. Hamblin provided an update on upcoming program changes related to Intergovernmental Transfer funding and Proposition 56 physician supplemental payments. He also indicated that CalOptima anticipates that the state will release CalOptima's Medi-Cal Expansion rates for the upcoming 2018-19 fiscal year sometime in May.

REPORTS

None

INFORMATION ITEMS

Annual Investment Policy for Calendar Year 2018

CalOptima management presented the final Board-approved Annual Investment Policy (AIP) for Calendar Year (CY) 2018.

Presentation by Meketa Investment Group

Hanna Schriener, Vice President, Meketa Investment Group, presented a fund update as of December 31, 2017, along with a total fund review, CalOptima's investment results, and an investment compliance report. She reported that CalOptima's investment portfolio was in compliance for quarter ended December 31, 2017.

Nika Barbakadze, Research Analyst, reported on the peer group and performance aggregation.

Presentation by Wells Capital Management

Steve Scharre, Client Relations Director, Wells Capital Management, provided a firm update, and reported that Wells Capital had approximately \$374 billion under management.

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

Gary Schlossberg, Senior Economist, provided an economic overview.

Presentation by Logan Circle Partners

Dan Perullo, Client Service Officer, Logan Circle Partners gave a firm update.

Scott Pavlak, Senior Portfolio Manager, presented a portfolio update, market overview and reported fund performance. Mr. Pavlak reported that CalOptima's portfolio was in compliance for the quarter.

Presentation by Payden & Rygel

Asha Joshi, Managing Principal, Payden & Rygel provided a firm update and provided a brief market outlook.

Darren Marco, Vice President, reported on the operating fund portfolio. He also reported that CalOptima's portfolio was in compliance for the quarter.

October 2017 Financial Update

Nancy Huang, Controller, presented a summary as of CalOptima's financial performance through October 2017. At that time, CalOptima's enrollment totaled 781,000 members, the year-to-date medical loss ratio (MLR) was 96% and the administrative loss ratio (ALR) was 3.3%. Ms. Huang provided an overview of company operating performance, the balance sheet and Board designated reserves.

ADJOURNMENT

Hearing no further business, Chair Moore, adjourned the meeting at 4:44 p.m.

/s/ Pamela Reichardt
Pamela Reichardt
Executive Assistant

Approved: April 23, 2018

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 17, 2018 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

3. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2018-19 Operating Budget

Contact

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

Recommended Actions

Recommend that the CalOptima Board of Directors:

1. Approve the CalOptima Fiscal Year (FY) 2018-19 Operating Budget; and
2. Authorize the expenditure and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy

Background

The CalOptima FY 2018-19 Operating Budget provides revenues and appropriations for the period of July 1, 2018, through June 30, 2019, and includes the following budget categories:

- Medi-Cal;
- OneCare Connect;
- OneCare;
- Program for All-Inclusive Care for the Elderly (PACE);
- Facilities; and
- Investment income.

Staff is submitting the complete budget for all lines of business for approval with assumptions based on available information to date. Pursuant to CalOptima Policies GA. 3202: CalOptima Signature Authority, GA. 5002: Purchasing Policy, and GA.5003: Budget and Operations Forecasting, the Board's approval of the budget authorizes the expenditure and appropriates the funds requested for the item without further Board action.

The primary revenue source is the State of California. As of this writing, the Legislature continues to meet in hearings to discuss the Governor's budget proposal released in January. The January budget proposal would increase the state's share to fund Affordable Care Act's optional Medi-Cal expansion effective January 1, 2018, proposes to restrict 340B drug reimbursement in the Medi-Cal program, and continues implementation of federal Medicaid managed care regulations.

In early May, the Governor will release the revised state budget with updated revenue projections and additional budget proposals. The Legislature will consider the additional proposals, take final actions, and pass the budget by June 15, 2018.

Until the final budget is enacted, CalOptima's budget will have a level of uncertainty.

- FY 2018-19 rates for Medi-Cal, including rates for both the Classic and Expansion populations, were made available in draft form on April 27, 2018. However, draft rates are subject to change, and are not finalized until the California Department of Health Care Services (DHCS) receives federal approval and CalOptima executes a signed contract amendment with DHCS; and
- FY 2018-19 rates for Medi-Cal supplemental benefits, such as Managed Long-Term Services and Supports (MLTSS) have not yet been released.

CalOptima Budget Overview

I. Consolidated Operating Budget

The FY 2018-19 consolidated operating budget is a combined income and spending plan for all CalOptima programs and activities.

Table 1: FY 2018-19 Consolidated Operating Budget

	FY 2018-19 Budget
Average Monthly Enrollment	783,865
Revenue	\$3,460,562,644
Medical Costs	\$3,289,519,514
Administrative Costs	\$152,735,888
Operating Income/Loss	\$18,307,242
Investments, Net	\$5,000,000
Change in Net Assets	\$23,307,242
Medical Loss Ratio (MLR)	95.1%
Administrative Loss Ratio (ALR)	4.4%

Budget Assumptions

Medical Cost: Several methods were utilized to develop the medical expense forecasts. Predominantly, projections were based on trends calculated from historical experience. In addition, adjustments were applied to account for any known changes to operations, program structure, benefits, and regulatory policies. For new programs, staff used historical data, proxy data and industry benchmarks, and checked results for reasonability.

Administrative Cost: To take into consideration seasonal and cyclical spending patterns, FY 2018-19 was forecasted on a 12-month rolling actual. To ensure inclusion in the budget, Staff reviewed all contract encumbrances. Lastly, internal departments identified resource requirements based on changes to enrollment, regulatory and organizational needs. Staff considered:

- Salaries, Wages & Benefits for current staff, unfilled budgeted positions and new budgeted positions;
- Professional Fees, Purchased Services, Printing & Postage and Other Operating Costs based on the needs and priorities of providing care to members;
- Depreciation & Amortization on current assets and projected assets according to Generally Accepted Accounting Principles (GAAP); and
- Indirect Cost Allocation primarily based on revenue and adjusted where necessary.

Of note, CalOptima has several contracts for claims administration, credit balance recovery, and Social Security Income conversion that are paid on a contingency basis. The following table provides a comparison of consolidated general and administrative expenses from the previous fiscal year.

Table 2: Comparison of Consolidated General and Administrative Expenses

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget	FY 2018-19 Budget vs. FY 2017-18 Forecast
Revenues	\$3,549,751,437	\$3,326,530,002	\$3,460,562,644	\$134,032,642
Salaries, Wages & Benefits	\$73,303,786	\$78,632,015	\$97,406,401	\$18,774,386
Non-Salaries & Wages	\$38,775,816	\$41,127,173	\$55,329,487	\$14,202,314
Professional Fees	\$1,259,140	\$2,307,813	\$5,033,200	\$2,725,387
Purchased services	\$11,324,446	\$10,669,537	\$15,125,894	\$4,456,357
Printing & Postage	\$3,770,719	\$4,689,860	\$6,397,746	\$1,707,886
Depreciation & Amortization	\$5,948,304	\$6,899,904	\$7,525,209	\$625,305
Other Operating Exp/Indirect Cost Allocation, Occupancy	\$16,473,207	\$16,560,059	\$21,247,438	\$4,687,379
Total G&A	\$112,079,601	\$119,759,188	\$152,735,888	\$32,976,700
ALR	3.2%	3.6%	4.4%	0.8%
ALR Breakdown:				
Salaries, Wages & Benefits	2.1%	2.4%	2.8%	0.4%
Non-Salaries & Wages	1.1%	1.2%	1.6%	0.4%

* Forecasted as of March 2018

Note: FY 2017-18 forecasted figures does not include unfilled open positions

The FY 2018-19 Operating Budget ALR is 4.4%. The total ALR increase from FY 2017-18 Forecast to FY 2018-19 Budget is 0.8% or \$33.0 million. Of this amount, 0.2% is related to new programs, 0.3% is related to increased vendor cost, 0.3% is related to increased labor expense. The following table provides additional detail on the projected administrative expense change.

Table 3: Breakdown of Projected Administrative Expense Change

In \$(million's)	Core Admin Changes	New Programs (WCM, BHT, HHP)	Projected Admin Expense Change
Salaries, Wages & Benefits	\$12.5	\$6.3	\$18.8
Non-Salaries & Wages	\$11.8	\$2.4	\$14.2
Professional Fees	\$2.5	\$0.2	\$2.7
Purchased services	\$3.8	\$0.7	\$4.5
Printing & Postage	\$1.4	\$0.3	\$1.7
Depreciation & Amortization	\$0.6	\$0.0	\$0.6
Other Operating Expenses	\$3.6	\$1.1	\$4.7

In \$(million's)	Core Admin Changes	New Programs (WCM, BHT, HHP)	Projected Admin Expense Change
Total G&A	\$24.4	\$8.6	\$33.0
ALR	0.6%	0.2%	0.8%

Attachment B: Administrative Budget Details provides additional information regarding all general and administrative expenses included in the FY 2018-19 Operating Budget.

II. Enrollment by Line of Business

The following table provides a comparison of total average enrollment for the past two (2) fiscal years with the projected enrollment for FY 2018-19.

Table 4: Total Average Enrollment by Program

Program	FY 2016-17 Actual*	FY 2017-18 Forecast*	FY 2018-19 Budget*	% Change 18 v. 19
Medi-Cal	773,732	768,750	766,070	-0.3%
OneCare Connect	15,558	14,943	14,866	-0.5%
OneCare	1,350	1,324	1,324	0.0%
PACE	212	265	351	32.5%
Total	790,852	785,282	782,611	-0.3%

* Enrollment as of June of every fiscal year when available, otherwise most current month

III. Operating Budget by Line of Business

A. Medi-Cal Program

Through a contract with DHCS, CalOptima has administered the Medi-Cal program for Orange County since October 1995. CalOptima's current contract expires on December 31, 2020. The table below illustrates the Consolidated Medi-Cal Operating Budget.

Table 5: FY 2018-19 Medi-Cal Consolidated Operating Budget – Includes MSSP

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	777,057	774,053	767,359
Revenue	\$3,144,012,925	\$2,950,310,063	\$3,105,673,528
Medical Costs	\$3,014,868,476	\$2,860,665,674	\$2,951,687,294
Administrative Costs	\$88,649,070	\$96,348,364	\$126,348,995
Operating Income/Loss	\$40,495,380	(\$6,703,976)	\$27,637,239
MLR	95.9%	97.0%	95.0%
ALR	2.8%	3.3%	4.1%

* Forecasted as of March 2018

Change in net assets excludes net other income and grant income

For FY 2018-19, Medi-Cal membership is defined into three main categories: Classic, Expansion, and Whole Child Model (WCM). The following table illustrates the Medi-Cal Operating Budget by each of these categories.

Table 6: FY 2018-19 Medi-Cal Operating Budget by Group

	Medi-Cal Classic	Medi-Cal Expansion	Medi-Cal WCM	Total
Average Monthly Enrollment	518,107	243,001	6,251	767,359
Revenue	\$1,634,445,510	\$1,334,029,135	\$137,198,883	\$3,105,673,528
Medical Costs	\$1,578,666,340	\$1,243,068,856	\$129,952,098	\$2,951,687,294
Administrative Costs				\$126,348,995
Operating Income/Loss				\$27,637,239
MLR	96.6%	93.2%	94.7%	95.0%
ALR				4.1%

* WCM enrollment begins January 1, 2019 with an estimated 12,502 members

DHCS uses Category of Aid (COA) to classify Medi-Cal enrollment into cohorts of similar acuity. DHCS develops CalOptima's capitation rates based on these cohorts. The following table shows the projected enrollment distribution by COA.

Table 7: FY 2018-19 Medi-Cal Enrollment Projection

	FY 2017-18 Forecast*	FY 2018-19 Budget*	Variance	
			Diff	%
BCCTP	620	620	-	0.0%
Disabled	47,093	44,161	(2,932)	-6.2%
Long Term Care	3,437	3,569	132	3.8%
Aged	63,546	66,234	2,688	4.2%
TANF <= 18 (Child)	317,228	302,269	(14,959)	-4.7%
TANF > 18 (Adult)	96,172	91,886	(4,286)	-4.5%
Medi-Cal Classic Subtotal	528,096	508,739	(19,357)	-3.7%
Medi-Cal Expansion	240,655	244,830	4,175	1.7%
WCM	0	12,502	12,502	N/A
Total	768,751	766,071	(2,680)	-0.3%

* Enrollment as of June of every fiscal year

General Budget Assumptions – Medi-Cal

Consolidated Enrollment: Enrollment projections are based on actual data through March 2018 and trended through June 2019. The budget assumes continued slight growth of Aged and Medi-Cal Expansion enrollment, offset by small decreases in the Child and Adult aid categories. Beginning in January 2019, some enrollment will migrate from the Child and Disabled populations to the WCM population.

Classic Revenue: The FY 2018-19 Operating Budget applies draft FY 2018-19 capitation rates received from DHCS on April 27, 2018. Rates reflect an increase of 2.59% from the prior fiscal year. In addition, the following has been incorporated into the revenue assumptions:

- WCM implementation beginning January 1, 2019; draft rates received from DHCS on May 1, 2018;
- Non-Medical Transportation (NMT) benefit;
- Coordinated Care Initiative rates are based on Calendar Year (CY) 2017 draft rates for the dual eligible population, and removes In-Home Supportive Services (IHSS) as a managed care benefit effective January 1, 2018;
- Capitation rates for Behavioral Health Treatment for autism services are based on FY 2017-18 rates; and
- Proposition 56 physician services supplemental payments.

Classic Medical Cost: Provider capitation payments were based on capitation rates and enrollment distribution as of February 2018. Fee-for-service (FFS) costs were based on historical claims trended to June 2019, and were developed by network type, COA, and category of service. Provider reimbursement rates for Classic members were kept at FY 2017-18 levels. Reinsurance attachment points remained at \$17,000 for Professional and \$150,000 for Hospital, with coinsurance at 20%. Mental health expenses were converted from a capitation to a FFS reimbursement methodology. The budget incorporates projections for the WCM program and NMT benefit, and Proposition 56 physician services supplemental payments. It also reflects the removal of IHSS as a managed care benefit (effective January 1, 2018), and includes projected expenses for quality improvement programs.

Expansion Revenue: The FY 2018-19 Operating Budget applies draft FY 2018-19 capitation rates received from DHCS on April 27, 2018. Rates reflect an increase of 3.24% from prior fiscal year.

Expansion Medical Cost: Provider capitation payments for both Professional and Hospital Services were kept at FY 2017-18 levels. However, analysis continues to show that the current capitation reimbursement levels for this population is significantly higher than what is supported by membership and utilization data. FFS cost trends were developed by network type, COA, and category of service. Staff maintained current FFS reimbursement levels for inpatient and outpatient hospital, clinic, and primary care and specialist contract rates. Reinsurance attachment points remained at \$17,000 for Professional and \$150,000 for Hospital, with coinsurance at 20%. The budget includes projected expenses for quality improvement programs.

Whole Child Model Revenue: The FY 2018-19 Operating Budget applies draft FY 2018-19 capitation rates received from DHCS on May 1, 2018. Draft rates reflect reimbursement for both California Children's Services (CCS) and non-CCS services. The budget assumes that the WCM program transitions to CalOptima effective January 2019.

Whole Child Model Medical Cost: Costs are based on the program assumptions developed by DHCS as there was limited experience data available to forecast medical expenses. Staff utilized draft rates as a proxy for actual experience. 91.9% of revenue is expected to go towards medical costs, 2.8% for

medical management, and 5.3% for administrative expenses. Other assumptions include the continuity of existing medical care delivery arrangements and that aggregate costs will be equivalent to revenue.

B. OneCare Connect

Through a three-way contract with the Center for Medicare & Medicaid Services (CMS), DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect program is a three-year Medicare and Medicaid demonstration program that promotes coordinated health care delivery to seniors and persons with disabilities who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period began October 1, 2013 and ends December 31, 2019. The table below illustrates the OneCare Connect Operating Budget.

Table 8: FY 2018-19 OneCare Connect Operating Budget

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	16,834	15,143	14,873
Revenue	\$371,630,947	\$340,603,831	\$308,598,939
Medical Costs	\$355,225,238	\$314,092,828	\$294,602,890
Administrative Costs	\$20,540,042	\$20,767,424	\$22,698,581
Operating Income/Loss	(\$4,134,333)	\$5,743,579	(\$8,702,532)
MLR	95.6%	92.2%	95.5%
ALR	5.5%	6.1%	7.4%

* Forecasted as of March 2018

General Budget Assumptions – OneCare Connect

Enrollment: Average OneCare Connect membership is projected to decline by approximately 1.8% from FY 2017-18 through FY 2018-19.

Revenue: The FY 2018-19 Operating Budget applies actual rates from CY 2018 and draft rates for CY 2019 for Medicare Parts C and D. Part C base rates will increase by 4.76% effective January 2019. Staff applied a projected Risk Adjustment Factor (RAF) score of 1.28 to Part C revenue. The budget does not include projections for CMS risk adjustment reconciliation. In addition, the budget assumes a Year 3 savings target of 5.5% and a quality withhold of 3%.

Staff applied Medi-Cal CY 2017 draft rates from DHCS and adjusted by forecasted enrollment in the specified population cohorts. The final Medi-Cal revenue will be adjusted to reflect the actual population mix.

Medical Cost: Provider capitation payments were based on Percent of Premium (POP) rates for the Medicare component and fixed per member per month (PMPM) rates for the Medi-Cal component. FFS expenses were projected based on actual OneCare Connect experience, trended through June 2019. Staff applied the projected enrollment mix for Physician Hospital Consortia (PHC), Shared Risk Groups (SRG), Health Maintenance Organizations (HMO), and the CalOptima Community Network (CCN) taking into account prior health network risk arrangement changes (e.g. a health network changing from PHC to HMO). In addition, the budget includes expenses for approved supplemental benefits.

MLTSS costs were based on historical experience. The budget reflects the removal of IHSS as a managed care benefit effective January 1, 2018, and projected expenses for quality improvement programs.

C. OneCare

Through a contract with the CMS, CalOptima has administered a Medicare Advantage Dual Eligible Special Needs Plan since October 2005. OneCare will continue to provide services for beneficiaries not eligible for the OneCare Connect program. The table below illustrates the OneCare Operating Budget.

Table 9: FY 2018-19 OneCare Operating Budget

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	1,237	1,367	1,324
Revenue	\$18,615,729	\$15,521,459	\$19,357,913
Medical Costs	\$16,424,251	\$14,657,796	\$18,497,977
Administrative Costs	\$1,225,310	\$1,131,584	\$1,585,022
Operating Income/Loss	\$966,168	(\$267,922)	(\$725,086)
MLR	88.2%	94.4%	95.6%
ALR	6.6%	7.3%	8.2%

* Forecasted as of March 2018

General Budget Assumptions – OneCare

Enrollment: The FY 2018-19 Operating Budget assumes enrollment will remain flat compared to current membership levels.

Revenue: Staff based Medicare Parts C and D rates on CY 2018 Monthly Membership Report (MMR) actuals and projected a 3.4% increase to Part C base rates effective January 2019. Staff applied a projected RAF score of 1.08 to Part C revenue. The budget does not include projections for CMS risk adjustment reconciliation.

Medical Cost: Provider capitation payments were based on 38.7% POP (inclusive of quality incentive payments). FFS medical expenses were based on historical claims incurred through February 2018. In addition, the budget includes expenses for approved supplemental benefits, which reflects a decrease to the Part D member cost sharing amounts.

D. PACE

Through a contract with CMS, CalOptima began Orange County's first PACE program on October 1, 2013. The PACE program provides coordinated care for persons age 55 and older who need a higher level of care to remain in their homes. The table below illustrates the PACE Operating Budget.

Table 10: FY 2018-19 PACE Operating Budget

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	190	232	309
Revenue	\$15,202,259	\$19,887,414	\$26,932,264
Medical Costs	\$14,159,096	\$17,167,062	\$24,731,353
Administrative Costs	\$1,433,065	\$1,376,717	\$2,103,290
Operating Income/Loss	(\$389,902)	\$1,343,635	\$97,620
MLR	93.1%	86.3%	91.8%
ALR	9.4%	6.9%	7.8%

* Forecasted as of March 2018

Although PACE has reached an operational surplus during FY 2017-18, Management will continue to focus on several areas of opportunities to improve the PACE program, including:

- Service area expansion through Alternative Care Settings (ACS) for improved member access;
- Ensure accurate reporting of experience and cost data through the Rate Development Template (RDT) filing;
- More acute management of medical utilization, mix, and expense;
- Implement initiatives to gain greater administrative efficiencies and operational economies of scale; and
- Improve coding and submission of diagnostic data.

General Budget Assumptions – PACE

Enrollment: The FY 2018-19 Operating Budget assumes PACE enrollment is projected to increase on average of 7 members per month (ending at 351 members by June 2019). This is higher than the prior year's growth due to the ACS expansion. Population is projected to consist of 53% dual eligible members and 47% Medi-Cal only members.

Revenue: The FY 2018-19 Operating Budget applies rates from CY 2018 actuals for Medicare Parts C and D, and projects a 2.0% increase to Part C base rates effective January 2019. Medicare Part D rates and subsidies were based on CY 2018 payments. Staff applied a projected RAF score of 2.26 to Part C revenue. No additional trend assumptions were applied. Medi-Cal PMPM rates are based on CY 2018 RDT rates provided by DHCS on February 15, 2018.

Medical Cost: Medical expenses were projected using a combination of actual experience and industry benchmarks. The budget includes material depreciation costs associated with start-up capital expenses. Staff reclassified 96% of some administrative expenses as medical expenses to better reflect the actual costs of delivering medical care.

E. Investment Income

The table below illustrates projected net investment income.

Table 11: Investment Income

	FY 2016-17 Actual	FY 2017-18 YTD Forecast*	FY 2018-19 Budget
Investment Income	\$15,064,815	\$18,118,208	\$5,000,000

* Forecasted as of March 2018

Budget Assumptions – Investment Income

The FY 2018-19 budget projects \$5,000,000 in net investment income. The budget is lower than FY 2017-18 Forecast due to forecasted cash outflows from CalOptima's portfolio in FY 2018-19. This includes the Medi-Cal Expansion rate adjustment from DHCS' recoupment of overpayment, a contingency payable to DHCS due to the 85% MLR reconciliation, and the FY 2016-17 and FY 2017-18 shared risk pool payout.

Fiscal Impact

As outlined above and more detailed information contained in Attachment A: FY 2018-19 Budget for all Lines of Business, the FY 2018-19 Operating Income reflects a projected gain of \$18.3 million. In addition, the budget includes projected investment income of \$5 million, resulting in a projected total gain of \$23.3 million in changes to net assets.

Rationale for Recommendation

Management submits the FY 2018-19 Operating Budget for all program areas using the best available assumptions to provide health care services to CalOptima's forecasted enrollment.

Concurrence

Gary Crockett, Chief Counsel

Attachments

1. Attachment A: FY 2018-19 Budget for all Lines of Business
2. Attachment B: Administrative Budget Details
3. PowerPoint Presentation: Fiscal Year 2018-19 Proposed Operating and Capital Budget

/s/ Michael Schrader
Authorized Signature

5/10/2018
Date

CalOptima Fiscal Year 2018-19 Budget
By Line of Business

	Medi-Cal (Classic)	Medi-Cal (Expansion)	Medi-Cal (WCM)	Total	OCC	OneCare	PACE	Facilities	Other	Consolidated
Member Months	6,217,281	2,916,015	75,012	9,208,308	178,472	15,888	3,708	-		9,406,376
Avg Members	518,107	243,001	6,251	767,359	14,873	1,324	309	-		783,865
Revenues										
Capitation revenue	\$ 1,634,445,510	\$ 1,334,029,135	\$ 137,198,883	\$ 3,105,673,528	\$ 308,598,939	\$ 19,357,913	\$ 26,932,264	\$ -		\$ 3,460,562,644
Total	<u>\$ 1,634,445,510</u>	<u>\$ 1,334,029,135</u>	<u>\$ 137,198,883</u>	<u>\$ 3,105,673,528</u>	<u>\$ 308,598,939</u>	<u>\$ 19,357,913</u>	<u>\$ 26,932,264</u>	<u>\$ -</u>		<u>\$ 3,460,562,644</u>
Medical Costs										
1 Provider capitation	\$ 423,848,466	\$ 619,600,772	\$ 72,446,519	\$ 1,115,895,758	\$ 142,376,175	\$ 5,402,693	\$ -	\$ -		\$ 1,263,674,625
2 Claims Payments	\$ 491,680,078	\$ 330,196,847	\$ 18,309,820	\$ 840,186,745	\$ 51,966,785	\$ 7,294,551	\$ -	\$ -		\$ 899,448,081
3 LTC/Skilled Nursing Facilities	\$ 401,472,982	\$ 33,600,389	\$ 1,267,322	\$ 436,340,693	\$ 19,326,362	\$ -	\$ -	\$ -		\$ 455,667,055
4 Prescription Drugs	\$ 229,359,629	\$ 235,472,276	\$ 34,119,887	\$ 498,951,792	\$ 63,562,845	\$ 5,293,104	\$ -	\$ -		\$ 567,807,742
5 Case Mgmt & Oth Medical	\$ 32,305,185	\$ 24,198,571	\$ 3,808,549	\$ 60,312,305	\$ 17,370,723	\$ 507,629	\$ 24,731,353	\$ -		\$ 102,922,010
Total	<u>\$ 1,578,666,340</u>	<u>\$ 1,243,068,856</u>	<u>\$ 129,952,098</u>	<u>\$ 2,951,687,294</u>	<u>\$ 294,602,890</u>	<u>\$ 18,497,977</u>	<u>\$ 24,731,353</u>	<u>\$ -</u>		<u>\$ 3,289,519,514</u>
MLR	96.6%	93.2%	94.7%	95.0%	95.5%	95.6%	91.8%		*	95.1%
Gross Margin	\$ 55,779,170	\$ 90,960,279	\$ 7,246,785	\$ 153,986,234	\$ 13,996,049	\$ 859,936	\$ 2,200,911	\$ -		\$ 171,043,130
Administrative Expenses										
Salaries, Wages, & Employee Benefits				\$ 84,796,466	\$ 10,519,014	\$ 480,071	\$ 1,610,850	\$ -		\$ 97,406,401
Professional Fees				\$ 4,281,000	\$ 515,000	\$ 235,200	\$ 2,000	\$ -		\$ 5,033,200
Purchased services				\$ 11,371,714	\$ 3,016,981	\$ 209,100	\$ 252,320	\$ 275,779		\$ 15,125,894
Printing & Postage				\$ 5,079,715	\$ 1,034,420	\$ 158,471	\$ 125,140	\$ -		\$ 6,397,746
Depreciation & Amortization				\$ 5,544,907	\$ 0	\$ -	\$ 25,088	\$ 1,955,214		\$ 7,525,209
Other Operating Expenses				\$ 17,958,288	\$ 924,438	\$ 82,600	\$ 46,304	\$ 2,288,253		\$ 21,299,883
Indirect Cost Allocation, Occupancy Expense				\$ (2,683,095)	\$ 6,688,728	\$ 419,580	\$ 41,588	\$ (4,519,246)		\$ (52,445)
Total				<u>\$ 126,348,995</u>	<u>\$ 22,698,581</u>	<u>\$ 1,585,022</u>	<u>\$ 2,103,290</u>	<u>\$ 0</u>		<u>\$ 152,735,888</u>
ALR				4.1%	7.4%	8.2%	7.8%		*	4.4%
Operating Income/(Loss)				<u>\$ 27,637,239</u>	<u>\$ (8,702,532)</u>	<u>\$ (725,086)</u>	<u>\$ 97,620</u>	<u>\$ (0)</u>	\$ -	<u>\$ 18,307,242</u>
Investment Income									\$ 5,000,000	\$ 5,000,000
MCO Tax Revenue				\$ 130,244,985						\$ 130,244,985
MCO Tax Expense				<u>\$ (130,244,985)</u>						<u>\$ (130,244,985)</u>
CHANGE IN NET ASSETS				<u>\$ 27,637,239</u>	<u>\$ (8,702,532)</u>	<u>\$ (725,086)</u>	<u>\$ 97,620</u>	<u>\$ (0)</u>	<u>\$ 5,000,000</u>	<u>\$ 23,307,242</u>

Attachment B

Medi-Cal: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Authorization	Appropriation
Legal	General and Adversarial Legal Fees	1,200,000	X	X
Consulting	Consulting Services Related to Information System Training and Implementation	315,000	X	X
Consulting	Executive Office Internal Audit	300,000	X	X
Professional Fees	Compensation Study	300,000	X	X
Consulting	Government Affairs Contract and Management of State and Federal Lobbyists	246,000	X	X
Audit Fees	Medical Loss Ratio Audit	205,500	X	X
Professional Fees	Legal Support to Human Resources Matters	200,000	X	X
Audit Fees	Financial Audit Annual Contract	180,000	X	X
Consulting	Health Insurance Portability and Accountability Act (HIPAA) Security and Miscellaneous Consulting/Professional Services	158,000	X	X
Professional Fees	Core System (Facets) Upgrade Consultation and Other Core Application Support	157,000	X	X
Consulting	Rebasing, Network Support and Other Related Actuarial Consulting Services	150,000	X	X
Consulting	Consulting Fees To Support Program Outreach, Website Redesign Efforts, Acquisition Of Data For Strategic Direction, And Digital Initiatives	100,000	X	X
Professional Fees	External Medical Reviewer	83,000	X	X
Professional Fees	Professional Services Required for Corporate Applications and Systems	81,000	X	X
Consulting	Investment Advisory Annual Contract	77,500	X	X
Professional Fees	Professional Fees for Various Accounting Projects and Consulting Services	75,000	X	X
Professional Fees	Employee Engagement Survey, Executive Recruiter Expenses and Ad-Hoc Consulting	70,000	X	X
Consulting	Support for New Projects Related to Whole Child Model, Health Home, Whole Person Care and New Requirements for Behavioral Health	60,000	X	X
Professional Fees	Consulting Services to Provide Outreach to the Vietnamese and Latino Community	55,000	X	X
Consulting	Consultant for Medi-Cal Mock Audit and Other Required Audits	50,000	X	X
Consulting	Annual IBNR Certification Review	50,000	X	X
Consulting	Consultant for Development of Covered CA Product	50,000	X	X
Professional Fees	Professional Fees for Various Capital Project Training & Consulting Related Expenses	40,200	X	X
Consulting	Semi-Annual Chronic Illness and Disability Payment System (CDPS) Risk Adjustment	30,000	X	X
Consulting	Space Planning Services	22,000	X	X
Consulting	Provider Reimbursement Development	15,000	X	X
Consulting	Required Annual A-133 Audit	9,000	X	X

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Attachment B

Medi-Cal: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Authorization	Appropriation
Consulting	General Consulting Services for Audit and Oversight	1,800	X	X
Total Professional Fees		4,281,000		

Attachment B

Medi-Cal: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Authorization	Appropriation
Purchased Services	Pharmacy Benefits Management Fees	2,760,000	X	X
Claims Review	Claims Web Based Fraud, Waste, and Abuse Services	1,690,500	X	X
Claims Review	Coordination Of Benefits (COB) Project	1,030,000	X	X
Claims Review	Forensic Validation Review Services	865,000	X	X
EDI Claims Clearinghouse	Electronic Data Interchange Institutional Claims	844,000	X	X
Interpretive Services	Language Interpreter Services, Language Translation Services of Written Materials, Video Interpretative Services and Design Software for Regulatory Mandated Annual Member Materials	542,569	X	X
Claims Review	Long-Term Care Rate Adjustments	435,000	X	X
Purchased Services	Conversion Of Temporary Assistance To Needy Families (TANF) to Supplemental Security Income (SSI)	400,000	X	X
Bank Fees	Business Bank Fees	348,000	X	X
Purchased Services	Third Party Check Printing and Mailing Fees	300,000	X	X
Imaging Services	Claims Imaging and Indexing Services	288,000	X	X
Purchased Services	Disaster Recovery Technology Services	240,000	X	X
Advertising	Radio, Television, Print, Outdoor and Digital Advertising to Promote and Support Enrollment and Participation	170,000	X	X
Advertising	Recruitment Advertisement and Sourcing	135,000	X	X
Claims Review	Credit Balance Recovery	135,000	X	X
Broker Services	Insurance Broker Services	134,250	X	X
Purchased Services	Stack Parking Services	125,000	X	X
Claims Review	Recovery of Third Party Liability (Subrogation)	120,000	X	X
Purchased Services	Benefit Broker Services	105,000	X	X
Purchased Services	Cloud E-Mail Security and Data Loss Prevention Cloud Service for O365 Exchange Online	89,000	X	X
Purchased Services	Electronic Human Resources Files	80,000	X	X
Purchased Services	Claims Pricing Automation Enhancements	65,000	X	X
Purchased Services	Healthcare Productivity Automation Services	50,000	X	X
Purchased Services	Regulatory 508 Compliance Remediation Services for PDF Files to Make Them Accessible to People with Disabilities on the Website as Required by the Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS) and Section 508 Regulations	50,000	X	X
Purchased Services	Offsite Backup Tape Storage and Services	48,000	X	X
Purchased Services	OCSD (Orange County Sheriff Department) Armed Security Services for Board and Other Meetings, Restacking Services, Flu Shots and Tuberculosis (TB) Tests	43,900	X	X
Purchased Services	Retirement Funds Advisory	41,500	X	X
Employee Benefits	Flexible Spending Accounts (FSA)/ Consolidated Omnibus Budget Reconciliation Act (COBRA)	31,500	X	X
Purchased Services	Employee Assistance Program	30,000	X	X
Purchased Services	Executive Coaching	30,000	X	X
Purchased Services	Photography Services and Stock Photograph Purchases for Use in Member, Provider, Marketing, Outreach and Other Community Oriented Materials	20,000	X	X

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Attachment B

Medi-Cal: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Authorization	Appropriation
Purchased Services	Wellness and Ad-Hoc Programs	19,000	X	X
Purchased Services	Tax Form Processing Fees and Other General Purchased Services	18,500	X	X
License fees	Compensation System Subscription Fee	15,000	X	X
Purchased Services	Background Screening	15,000	X	X
Purchased Services	Member Survey	15,000	X	X
Purchased Services	General Services for Customer Services, Member Liaison, Provider Data Management Services, Operations Management, Executive Office, and Other Various Departments	13,910	X	X
Purchased Services	Destruction of Electronic Media	12,000	X	X
Purchased Services	Online Phishing Testing Service, Security Newsletter Subscription and Other Services	6,200	X	X
Purchased Services	Drug Screenings	6,000	X	X
Purchased Services	Imaging Services	4,885	X	X
Total Purchased Services		11,371,714		

Attachment B

Medi-Cal: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Authorization	Appropriation
Printing	Print, Fulfillment and Postage for Regular Monthly Mailings	2,418,900	X	X
Printing	Print Fulfillment and Postage for Quarterly Newsletters	974,000	X	X
Printing	Print Fulfillment and Postage for New Member/Enrollment Packages	789,000	X	X
Postage	General Postage for Outgoing Mail	625,000	X	X
Printing	Printing of the Annual Report to the Community, Holiday Cards, CalOptima Brochures, Marketing Materials, Ad Hoc Materials, Provider Press Mailings, and Community Events Materials	80,100	X	X
Printing	Miscellaneous Member Materials, Printing Expenses and Supplies For Various Departments	77,615	X	X
Printing	Programming Changes for New And Existing Packets	53,100	X	X
Courier	Mail Services Charges, Courier/Delivery of Materials	37,000	X	X
Printing	Printing Services for Facilities Projects and Events, Safety and Security, Other CalOptima Departments Printing Needs)	25,000	X	X
Total Printing & Postage		5,079,715		

Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Maintenance	CalOptima Link Software Licenses, an Online System for Provider Networks to Submit and View Authorizations, Check Claim Status and Remittance Payment Advice, and to Verify Member Eligibility for Point of Service and Care	1,584,000	X	X
Equipment	Telecommunications and Network Connectivity Expenses, Business Telephones and Accessories (Desk Phones, Headsets, Tablets Accessories)	1,534,000	X	X
Maintenance	Facets Core System (Enrollment, Claims, Authorizations, and Other Modules) License Renewal and Maintenance	1,459,500	X	X
Maintenance	Operating Systems and Office Software Suite License Costs to Support Entire Organization	1,124,500	X	X
Maintenance	Network Connectivity Maintenance and Support for CalOptima Sites (Network Monitoring Tools, Web Filters, All Main Distribution Frame and Intermediate Distribution Frame Batteries, Internet Optimizers, Routers, Wireless Application Protocol Devices, Other Tools)	1,042,700	X	X
Maintenance	Corporate Software Maintenance (Provider Sanctioning and Analytics, Data Warehouse Cleansing, Analytics, Business Application Workflow, Website Content Management, Compliance Applications)	1,015,850	X	X
Maintenance	Clinical Editing Tool and Maintenance	887,600	X	X
Professional Dues	Association Membership Dues (Provide Advocacy, Program Support, Technical Support Regarding State and Federal Regulatory Issues)	727,500	X	X
Maintenance	Server Connectivity Maintenance and Support for Server Equipment (Servers, Storage, Virtual Machine Licenses, Backup Software)	679,800	X	X
Equipment	Replacement Hardware for Operating System Upgrade, Desktop Software Licenses, and Other Minor Computer Equipment	652,500	X	X
Maintenance	Information Security Data Loss Prevention Solution Annual Maintenance	530,000	X	X
Maintenance	Database Administrator License Renewals, Maintenance, and Support	465,000	X	X
Insurance	Directors and Officers Liability Insurance	405,000	X	X
Insurance	Errors and Omissions Professional Liability Insurance	400,000	X	X
Repair & Maintenance	Maintenance for Windows and Carpet Cleaning, Furniture Repair, Refreshment, Doors, Audio Visual Equipment, Plumbing and Other General Maintenance Needs	353,600	X	X
Maintenance	Human Resources Corporate Application Software Maintenance (Training, Recruitment, Performance Evaluation, HR Benefits, Employee Time and Attendance and Payroll)	338,100	X	X
Subscriptions	Healthcare Information Research and Analysis and Information Systems Audit and Control Association Subscription Renewal	338,000	X	X
Maintenance	Application Software Maintenance - IT Development Tools (Data Modeling, Architecture, Technical Libraries, Documentation, Technical Frameworks, Electronic Data Interchange, Software Development Testing)	334,570	X	X
Office Supplies	Office Supplies (Paper, Toner, Batteries, Mouse Pads, Keyboards, Environmental Health And Safety, Disaster Recovery, Other Miscellaneous Items) for Company-Wide Usage	291,500	X	X
Maintenance	Contract Management System	267,000	X	X
Maintenance	Maintenance and Support Annual Renewal for the Telecommunications Network Systems	257,800	X	X

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Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Maintenance	Additional Software License and Upgrade Costs for Operating Systems and Office Software Suite	250,000	X	X
Maintenance	Finance Corporate Applications Software Maintenance (Accounting and Finance, Procurement, Bids, Accounting, Administrative Contract Management, Budget Systems)	230,703	X	X
Maintenance	Facets Software True-Up Maintenance	222,000	X	X
Maintenance	24/7 Support to Assist CalOptima's Operating Systems and Office Software Suite Related Questions and Issues	192,000	X	X
Insurance	General Liabilities Insurance	192,000	X	X
Maintenance	Maintenance and Support for the Production/Development of Citrix Operating System/Software Environments	153,000	X	X
Maintenance	Software to Generate and Interface with Facets Letters	144,800	X	X
Maintenance	User Licenses for Claims Medicare Pricing Software	140,000	X	X
Equipment	Purchases and Installation of Office Furniture for Adds, Moves, Furniture, Fixture And Equipment, and Various Other Articles of Minor Equipment	135,000	X	X
Education	Tuition Reimbursement for Staff Development, Organizational Development Programs (CalOptima Special Speakers, Trainers, Computer Classes, Other Training Events)	120,000	X	X
Training	System and Software Update Training	101,235	X	X
Training & Seminar	Professional Development and Education related to Department Functions (Staff Training, Seminars/Conferences, Professional Certifications, Additional Development Opportunities)	101,200	X	X
Maintenance	Provider and Physician Credentialing System Maintenance and License Renewal	94,600	X	X
Public Activities*	Sponsorship, Registration Fees and Other Related Costs for New and Anticipated Community Events and Health Fairs	84,500	X	X
Office Supplies	Office Supplies for Various Departments' Needs for Everyday Operations	67,638	X	X
Training	Board Member Stipends, Memberships, Conferences and Training	66,000	X	X
Maintenance	Information Services Corporate Software Maintenance - Enterprise Help Desk Management Application	65,000	X	X
Training & Seminar	Training and Seminars for Professional Development and Education to Provide Additional Support	60,000	X	X
Maintenance	Capital Project Related Maintenance	57,658	X	X
Training & Seminar	Training and Seminars for Professional Development and Education	50,164	X	X
Training & Seminar	Human Resources Conferences and Training Supplies for Staff	49,600	X	X
Maintenance	Annual Maintenance for MSSP Software License	38,600	X	X
Subscriptions	Subscription Fees for Various Licenses, Literature and Organizations	38,370	X	X
Travel	Travel Expenses for Conferences/Seminars and Meetings	32,650	X	X
Maintenance	Subscription Renewal for Standard Medical Coding Schedules and Multiple User Licenses	28,350	X	X
Professional Dues	Professional Dues and Member Fees for Various Professional Associations	27,562	X	X
Maintenance	Maintenance of Computer Software and Hardware	26,075	X	X
Food Services	Employee Appreciation Events	25,000	X	X
Telephone	Field Staff Phone Service and Other Telephone Expenses	23,020	X	X

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Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Training & Seminar	Training and Seminars for Professional Development and Education	22,200	X	X
Travel	Mileage Reimbursement for Duties Required by Job Function and Travel to Community Presentations, Provider Offices, and Member Enrollment	20,600	X	X
Insurance	Crime Insurance, Property Insurance, Commercial Auto Insurance	20,600	X	X
Food Services	Food Services Allowances as Needed for Sponsoring Member and Provider Meetings, Conferences and Other Events	20,485	X	X
Public Activities	Orange County Community Indicators Report	20,000	X	X
Training & Seminar	Training and Seminars for Certifications, Continuing Legal Education and Staff Development	18,800	X	X
Training & Seminar	Training, Seminars and Conferences for Staff Development	18,000	X	X
Travel	Travel Expenses for State Meetings, Regulatory and Legislative Issues, Strategic Development, Conferences/Seminars and Association Meetings	17,400	X	X
Food Services	Food Services for Provider Advisory Committee, CalOptima Community Network Lunch and Learn Events and CCN Anniversary Event	17,000	X	X
Public Activities	Supplies and Costs Associated with Various Outreach, Community Events, Sponsorships and Health Fairs	15,800	X	X
Public Activities	Employee Engagement Events	15,000	X	X
Travel	Staff Mileage and Travel Expenses (Airfare, Hotel, Food) for Sacramento Meetings Three Times per Year	13,500	X	X
Training & Seminar	Training and Seminars for Professional Development And Education	13,200	X	X
Public Activities	Promotional/Marketing and Outreach Activities to Help Elevate the CalOptima Brand in the Community to Support Enrollment	13,000	X	X
Public Activities	Physician Forums for California Children's Services (CCS) Transition	13,000	X	X
Public Activities	Orange County Strategic Plan for Aging	12,500	X	X
Maintenance	Accounting Software Annual Maintenance	12,400	X	X
Maintenance	Maintenance and Support for Printers	12,000	X	X
Maintenance	Maintenance and Support for Batch Scheduler System	12,000	X	X
Food Services	Food Services for Community Events and Department Training	12,000	X	X
Training	Process Improvement Training and Personnel Development	11,700	X	X
Professional Dues	Medical Licenses and Required Certifications	10,700	X	X
Subscriptions	Subscription Fees for Both Clinical and Programmatic Support, and Normal Maintenance of Certification Licensure	10,500	X	X
Subscriptions	Subscriptions for Existing Software and Databases	10,358	X	X
Training & Seminar	Training and Seminars for Professional Development and Education	10,000	X	X
Software	Computer Software for Medical Coding and Design of Print Materials and Other Related Expenses	9,900	X	X
Travel	Travel Expenses for Conferences/Seminars and Meetings	9,400	X	X
Subscriptions	Subscription Fees for Various Professional Organizations, Institutes and Associations	8,900	X	X

Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Training & Seminar	Training for Facilities Staff in International Facilities Management Association (IFMA) Classes, Environmental Health & Safety (EH&S) Classes, OSHA Classes, Floor Warden Training and Other Training Courses	8,000	X	X
Incentives	Incentive Items for Provider Outreach and Employee Engagement Events	7,500	X	X
Maintenance	Maintenance and Renewal for Procurement Software	6,900	X	X
Training & Seminar	Accounting and Reporting Software Upgrade and Other Training	6,500	X	X
Travel	Travel Expenses for Annual Audits, Training, Conferences/Seminars and Meetings	6,000	X	X
Food Services	Food Services for CalOptima Informational Series, Legislative Luncheon Events, Member and Provider Meetings/Conferences, Board Meetings and Other Events	5,700	X	X
Other Expenses	Committee Members Stipends	5,400	X	X
Other Expenses	State Non-Reimbursable Funds for Services and Items for MSSP Clients	4,600	X	X
Food Services	General Supplies for CalOptima Staff	1,500	X	X
Total Other Operating Expenses		17,958,288		

* All Community Events and Activities Involving Financial Support from CalOptima of Over \$1,000 Requires Prior Explicit Board Approval

Attachment B

OneCare Connect: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Consulting	Annual Mock Audit Using Centers for Medicare & Medicaid Services (CMS) Audit Protocols	350,000	X	X
Consulting	Annual Compliance Program Effectiveness (CPE) Audit	100,000	X	X
Actuary	Provider Capitation Development, Revenue Capitation Review and Other Related Actuarial Consulting Services	65,000	X	X
Total Professional Fees		515,000		

OneCare Connect: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Purchased Services	Behavioral Health Contractual Administrative Fees	1,250,000	X	X
Purchased Services	Pharmacy Benefits Management	1,017,000	X	X
Interpreter Services	Language Interpretation and Translation of Member Materials	275,000	X	X
Advertising	Advertising and Media Buys (Newspapers, Magazines, Radio, Bus Shelter, Other Media)	200,000	X	X
Data Transmission	Claims Processing through Automation Data Flow	118,581	X	X
Purchased Services	Analytic Services to Project Sweeps Risk Adjustment Factors (RAF) Adjustments and Other Purchased Services	79,000	X	X
Data Transmission	Data Submission To and From Centers For Medicare & Medicaid Services (CMS) for Enrollment and Regulatory Reporting and Hierarchical Condition Category (HCC) Scores Analytics	72,000	X	X
Purchased Services	Services to Support Customer Services, Audit & Oversight and Office of Compliance Operations	5,400	X	X
Total Purchased Services		3,016,981		

Attachment B

OneCare Connect: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Member Communications	Maintenance of Enrolled Members (Printing, Fulfillment, Postage), Member Routine Annual and Quarterly Mailings, Other Related Printing & Postage Expenses	550,000	X	X
Printing & Postage	Marketing Materials Including Sales Brochures, Posters, Handouts and Other Member and Provider Oriented Materials and Postage	400,000	X	X
Printing & Postage	Printing of Enrollment Materials and Other Related Printing Expenses	80,000	X	X
Member Communications	Member and Provider Materials and Other Printing Fees for Various Departments	4,420	X	X
Total Printing & Postage		1,034,420		

OneCare Connect: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Maintenance	User Licenses for Claims Medicare Pricing Automation	523,250	X	X
Public Activities	Marketing and Outreach Activities and Promotional Items for Various Events	235,400	X	X
Travel	Travel Expenses for Visits to Provider Offices, Presentations, Health Fairs, Community Events, Annual Audits and Conferences	61,470	X	X
Public Activities	Fees for Registration, Sponsorships, Promotional Items for Community Events, Resource Fairs, Health Fairs and Other Events; Costs Tied to Supplies to Prepare and Participate	34,500	X	X
Training & Seminars	Training and Seminars for Professional Development and Education	31,199	X	X
Food Services	Food Services Allowances as Needed for Sponsoring Member and Provider Meetings, Conferences and Other Events	21,070	X	X
Office Supplies	Office Supplies Needed for Everyday Department Operations, Phone Accessories and Services	8,970	X	X
Subscriptions	Subscriptions and Professional Dues	8,579	X	X
Total Other Operating Expenses		924,438		

Attachment B

OneCare: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Consulting	Annual Contract Bid for OneCare	201,200	X	X
Consulting	Consulting Services Related to Required Audits	34,000	X	X
Total Professional Fees		235,200		

OneCare: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Purchased Services	Pharmacy Benefits Management	135,500	X	X
Interpreter Services	Language Interpretation and Translation of Member Materials	73,600	X	X
Total Purchased Services		209,100		

OneCare: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Member Communications	Maintenance of Enrolled Members (Printing, Fulfillment, Postage)	145,971	X	X
Member Communications	Member Marketing Materials	12,500	X	X
Total Printing & Postage		158,471		

OneCare: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Maintenance	User Licenses for Claims Medicare Pricing Automation	67,500	X	X
Public Activities	Marketing and Outreach Activities and Promotional Items for Various Events	14,000	X	X
Office Supplies	Office Supplies Needed for Everyday Operations	1,100	X	X
Total Other Operating Expenses		82,600		

Attachment B

PACE: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Professional Fees	Part D Actuarial Services and Other Consulting Fees	2,000	X	X
Total Professional Fees		2,000		

PACE: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Purchased Services	Advertising (Radio, Television, Print, Outdoor, Digital) to Promote and Support Enrollment and Participation	250,000	X	X
Purchased Services	Health Outcomes Survey, Satisfaction Survey, Translation Services and Other Related Expenses	2,320	X	X
Total Purchased Services		252,320		

PACE: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Printing & Postage	Communication (Mass Mailers, Fliers, Letterheads, Envelopes, Brochures In Multiple Languages)	125,140	X	X
Total Printing & Postage		125,140		

PACE: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Repairs & Maintenance	Repairs and Maintenance of Minor Equipment, Building and Unforeseen Incidentals and Building Security Services	18,640	X	X
Public Activities	Outreach Events and Promotional Marketing Items to Help Elevate PACE Center and Support Program Enrollment and Expansion	12,640	X	X
Travel	Staff Travel and Mileage For Home Visits, Marketing and Enrollment	4,088	X	X
Utilities	Electricity, Gas, Water and Other Related Expenses	3,320	X	X
Insurance	General Liability, Property, Earthquake, and Other Insurance Fees	2,640	X	X
Telephone	Business Telephone Accessories	1,648	X	X
Property Tax	Property Tax Assessment	1,032	X	X
Training	Staff Development Training (Registration Fees, Travel, Accommodations, Incidentals)	640	X	X
Food Services	Food Services Allowances, As Needed, for Sponsoring Member and Provider Meetings and Conferences	600	X	X
Minor Equipment & Supplies	Minor Equipment and Supplies (Kitchen, Rehab, Social Day, Staff Break Room, Clinic Small Equipment)	480	X	X
Supplies	Office Supplies for Staff	400	X	X
Subscriptions	Subscriptions, Membership, Registration for Dietetic and Other Discipline Specific Memberships	176	X	X
Total Other Operating Expenses		46,304		

Attachment B

Facilities: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Building Administration	Property Management Company Fee	187,632	X	X
Building Administration	Management Fee	72,000	X	X
Building Administration	Various Administration Expenses (Telephone, Office Supplies, Permits, Licenses, Fees, Furniture, Equipment Lease, Postage, Courier)	16,147	X	X
Total Purchased Services		275,779		

Facilities: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Utilities	Electricity	491,000	X	X
Janitorial	Janitorial Night Contract	301,000	X	X
Insurance	Property, Liability, and Earthquake Insurance	191,000	X	X
Fire/Life Safety Security	Security Contract	190,817	X	X
Janitorial	Janitorial Day Contract	121,616	X	X
Janitorial	Janitorial Supplies	80,400	X	X
Fire/Life Safety Security	Other Fire/Life Safety Expenses (Phone, Emergency Generator, Other Expenses)	53,770	X	X
Landscape	Exterior Landscape Contract	40,600	X	X
Fire/Life Safety Security	Security Equipment and Maintenance	28,724	X	X
Landscape	Landscape Extras	21,100	X	X
Utilities	Water-Building	20,766	X	X
Property Tax	Property Tax Assessments	19,620	X	X
Building Expenses	Various Building Expenses (Trash, Water For Irrigation, Interior Plants)	16,612	X	X
Utilities	Gas	8,580	X	X
Total Other Operating Expenses		1,585,605		

Facilities: Repairs & Maintenance				
Specific Type	Objective of the Item Proposed	Budget FY2019 Input	Appropriation	Authorization
Repairs & Maintenance	Engineering Contract	264,049	X	X
Repairs & Maintenance	Plumbing	85,090	X	X
Repairs & Maintenance	Other Repair and Maintenance (Signage, Steam Cleaning, Roof, Locksmith, Pest Control Contract, Other Maintenance)	75,080	X	X
Repairs & Maintenance	HVAC Miscellaneous	72,800	X	X
Repairs & Maintenance	Electrical Repairs and Supplies	43,950	X	X
Repairs & Maintenance	Windows	38,274	X	X
Repairs & Maintenance	Elevator Maintenance Contract	24,846	X	X
Repairs & Maintenance	Painting	24,800	X	X
Repairs & Maintenance	Walls/Ceilings/Floors/Sidewalks/Railings	21,475	X	X
Parking Lot Maintenance	Parking Lot Maintenance	17,140	X	X
Repairs & Maintenance	HVAC Maintenance Contract	15,532	X	X
Repairs & Maintenance	Water Treatment	13,612	X	X
Repairs & Maintenance	Door Maintenance and Repair	6,000	X	X
Total Repairs & Maintenance		702,648		



CalOptima
Better. Together.

Fiscal Year 2018-19 Proposed Operating and Capital Budget





**Board of Directors' Finance and Audit Committee Meeting
May 17, 2018**

Greg Hamblin, Chief Financial Officer

Overview

- FY 2018-19 Major Changes
- Consolidated Operating Budget
- Operating Budgets by Line of Business
 - Medi-Cal
 - OneCare Connect
 - OneCare
 - PACE
- Capital Budget

Lines of Business

	Start Date	Program Type	Contractor/ Regulator
	October 1995	California's Medicaid program	California Department of Health Care Services (DHCS)
	October 2005	Medicare Advantage Special Needs Plan (SNP)	Centers for Medicare & Medicaid Services (CMS)
	October 2013	Medicare and Medicaid Program	Three-way contract: CMS, DHCS and CalOptima
	July 2015	Medicare and Medicaid Duals Demonstration	Three-way contract: CMS, DHCS and CalOptima

- Medi-Cal program includes: (1) Classic, (2) Expansion (3) Whole Child Model

FY 2018-19 Major Changes

- New Programs

- Jan 2019: Whole-Child Model (CCS Redesign)
- July 2019: Health Homes Program

- Operational Updates

- Jan 2018: IHSS financing removed from managed care
- Jan 2018: Internal management of mental health benefit began
- July 2018: Members without an autism diagnosis will transition from the Regional Center to CalOptima for BHT services

- Other Budget Updates

- 2.95% average increase in Medi-Cal capitation rates
- Slight increases in OneCare Connect and OneCare base rates effective January 1, 2019

Comparative Budget - Consolidated

	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	783,038	795,318	790,795	783,865
Revenue	\$3,163,128,771	\$3,549,751,437	\$3,326,530,002	\$3,460,562,644
Medical Costs	\$3,037,911,046	\$3,400,677,061	\$3,206,583,360	\$3,289,519,514
Administrative Costs	\$107,574,166	\$112,079,601	\$119,759,188	\$152,735,888
Operating Income/Loss	\$18,643,559	\$36,994,775	\$187,454	\$18,307,242
Investments, Net	\$13,879,371	\$15,064,815	\$18,118,208	\$5,000,000
Change in Net Assets**	\$32,522,930	\$52,059,590	\$18,305,662	\$23,307,242
Medical Loss Ratio	96.0%	95.8%	96.4%	95.1%
Administrative Loss Ratio	3.4%	3.2%	3.6%	4.4%

* Forecasted as of March 2018

** Change in net assets excludes net other income and grant income

FY 2018-19 Consolidated Enrollment

Program	FY 2015-16 Actual*	FY 2016-17 Actual*	FY 2017-18 Forecast*	FY 2018-19 Budget*	% Change 18 v. 19
Medi-Cal	776,608	773,732	768,750	766,070	-0.3%
OneCare Connect	18,368	15,558	14,943	14,866	-0.5%
OneCare	1,174	1,350	1,324	1,324	0.0%
PACE	167	212	265	351	32.5%
Total	796,317	790,852	785,282	782,611	-0.3%

* Enrollment as of June of every fiscal year when available, otherwise most current month

Enrollment Assumptions

- Medi-Cal: Continued slight growth of Aged and Medi-Cal Expansion enrollment will offset small decreases in the Child and Adult aid categories
- OneCare Connect: Increased sales efforts, combined with an improving disenrollment rate projected to stabilize enrollment starting in January 2019
- OneCare: Projected to remain flat compared to current membership levels
- PACE: Consists of approximately 53% dual eligibles and 47% Medi-Cal only members; net monthly enrollment projected to increase on average by 7 members

Consolidated Budget Highlights

- Revenue and Enrollment

	Revenue	Revenue %	Enrollment	Enrollment %
Medi-Cal	\$3.1B	89.7%	767,359	97.9%
OneCare Connect	\$308.6M	8.9%	14,873	1.9%
OneCare	\$19.4M	0.6%	1,324	0.2%
PACE	\$26.9M	0.8%	309	0.0%

- Medical and Administrative Expenses

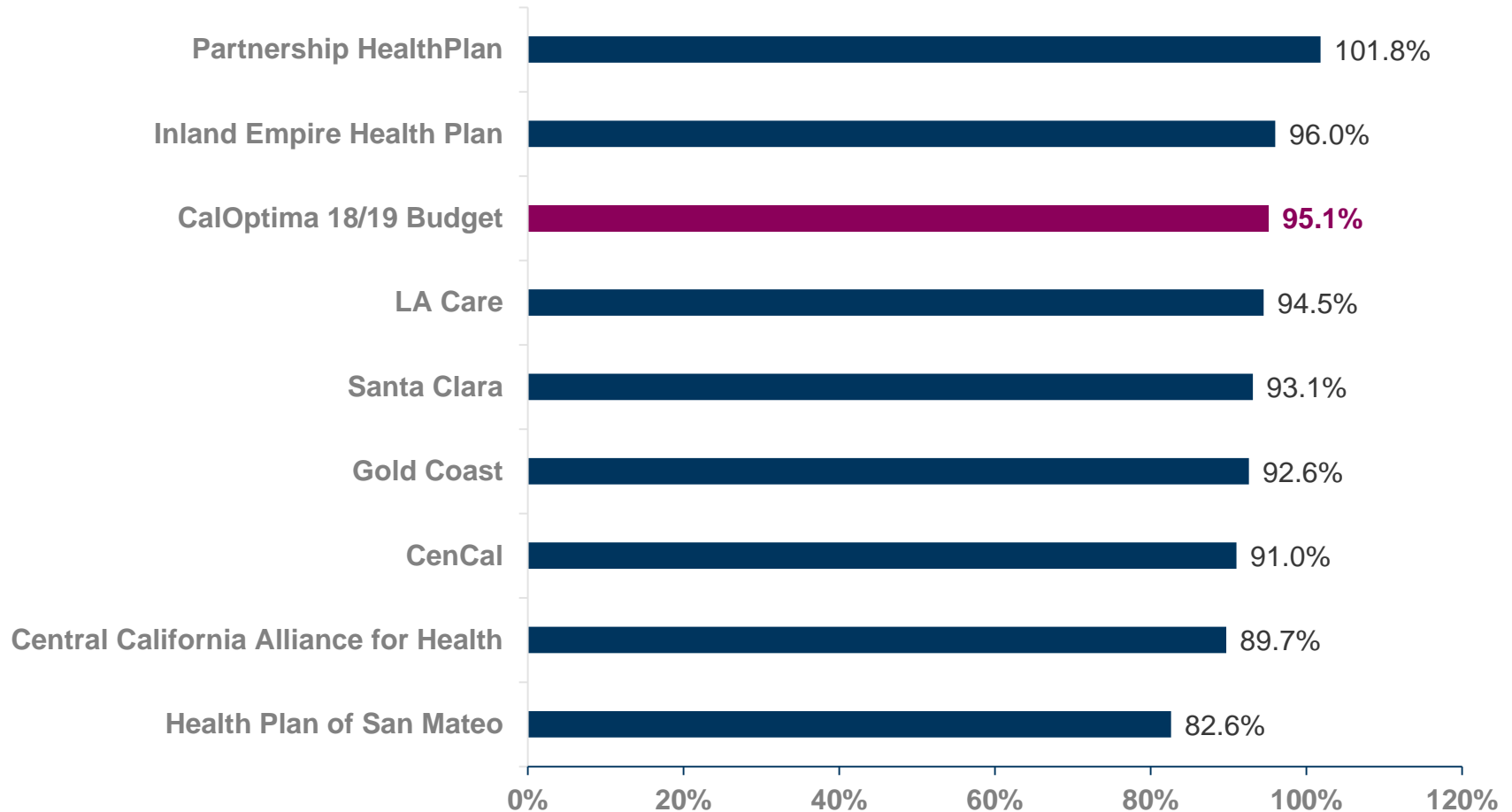
	FY 2018-19 Budget	MLR/ALR
Medical Expenses	\$3.3B	95.1%
Administrative Expenses	\$152.7M	4.4%

Consolidated Budget Highlights (cont.)

- Medical Expenses Breakdown

	FY 2018-19 Budget	% of Total
Provider Capitation	\$1.3B	38.4%
Claims Payments	\$899.4M	27.3%
LTC/ SNF	\$455.7M	13.9%
Prescription Drugs	\$567.8M	17.3%
Other Medical, including Medical Management	\$102.9M	3.1%

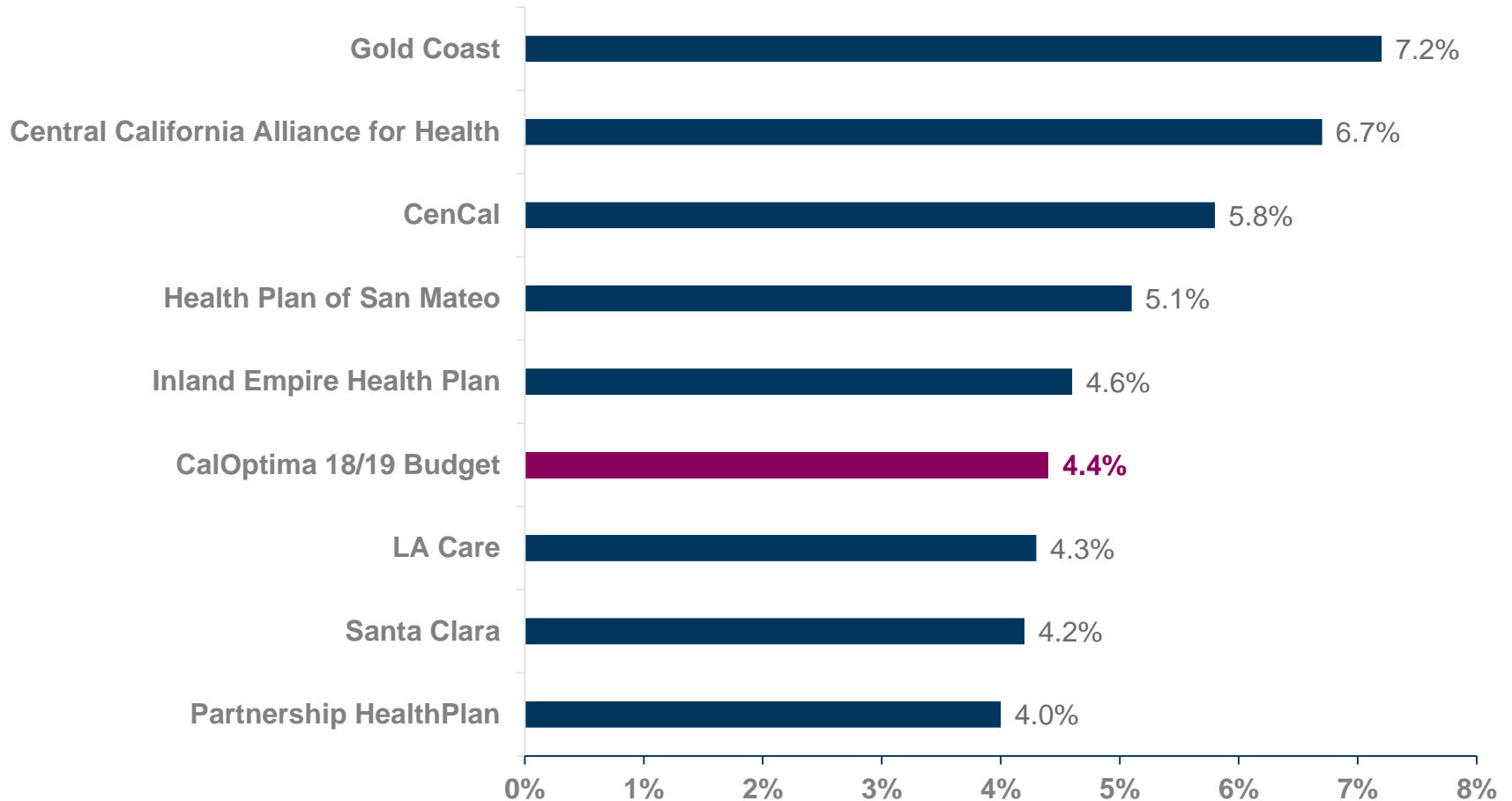
MLR Benchmark Comparison



Source: Board materials posted on plan websites between Nov 2017 – Feb 2018

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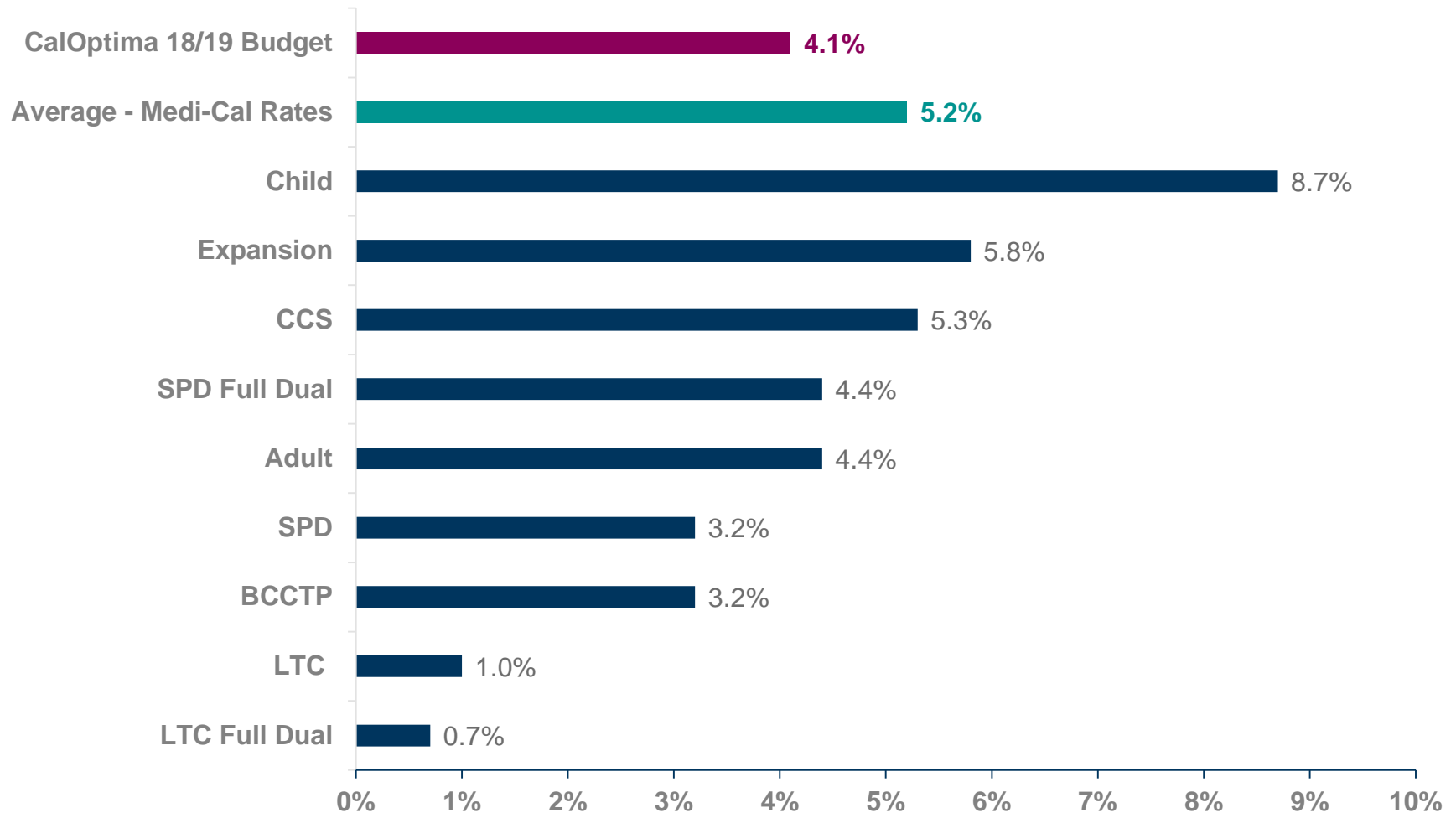
ALR Benchmark Comparison



Source: Board materials posted on plan websites between Nov 2017 and Feb 2018

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FY 2018-19 Medi-Cal Administrative % in Rates by Category of Aid



Consolidated General and Administrative Expenses

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget	FY 2018-19 Budget vs. FY 2017-18 Forecast
Revenues	\$3,549,751,437	\$3,326,530,002	\$3,460,562,644	\$134,032,642
Salaries, Wages & Benefits	\$73,303,786	\$78,632,015	\$97,406,401	\$18,774,386
Non-Salaries & Wages	\$38,775,816	\$41,127,173	\$55,329,487	\$14,202,314
Professional Fees	\$1,259,140	\$2,307,813	\$5,033,200	\$2,725,387
Purchased services	\$11,324,446	\$10,669,537	\$15,125,894	\$4,456,357
Printing & Postage	\$3,770,719	\$4,689,860	\$6,397,746	\$1,707,886
Depreciation & Amortization	\$5,948,304	\$6,899,904	\$7,525,209	\$625,305
Other Operating Exp/Indirect Cost Allocation, Occupancy	\$16,473,207	\$16,560,059	\$21,247,438	\$4,687,379
Total G&A	\$112,079,601	\$119,759,188	\$152,735,888	\$32,976,700
Admin Loss Ratio (ALR)	3.2%	3.6%	4.4%	0.8%
ALR Breakdown:				
Salaries, Wages & Benefits	2.1%	2.4%	2.8%	0.4%
Non-Salaries & Wages	1.1%	1.2%	1.6%	0.4%

* Forecasted as of March 2018

Notes: FY 2017-18 Forecast figures do not include unfilled open positions

Normalized FY 2017-18 ALR without IHSS benefit = 3.8%

Details on Administrative Expense Variance

- Total ALR increase from FY 2018 Forecast to FY 2019 Budget = 0.8% or \$33.0M
 - 0.2% related to new programs (WCM, HHP, BHT)
 - 0.3% related to increased vendor cost
 - 0.3% related to increased labor expense

in \$(million's)	Core Admin Changes	New Programs (WCM, BHT, HHP)	Projected Admin Expense Change
Salaries, Wages & Benefits	\$12.5	\$6.3	\$18.8
Professional Fees	\$2.5	\$0.2	\$2.7
Purchased Services	\$3.8	\$0.7	\$4.5
Printing and Postage	\$1.4	\$0.3	\$1.7
Depreciation & Amortization	\$0.6	\$0.0	\$0.6
Other Operating	\$3.6	\$1.1	\$4.7
Total G&A	\$24.4	\$8.6	\$33.0
Admin Loss Ratio (ALR)	0.6%	0.2%	0.8%

Consolidated General and Administrative Expenses

Category	Rationale	Amount
New Program Implementation and Operating Costs <ul style="list-style-type: none"> • Whole Child Model - \$7.7M • Behavioral Health Treatment - \$800K • Health Homes Program - \$100K 	<ul style="list-style-type: none"> • New programs and increased services in existing programs 	\$8.6M
Salaries – Existing Positions <ul style="list-style-type: none"> • Currently open positions - \$6M • Merit increases - \$1.6M • Market adjustments - \$2M 	<ul style="list-style-type: none"> • 60 open positions • Increased salaries – 3% • Projected salary adjustments from compensation study 	\$9.6M
Salaries – New Positions <ul style="list-style-type: none"> • PACE new positions - \$400K • Other LOB - new positions - \$2.5M 	<ul style="list-style-type: none"> • Alternative Care Setting expansion • Maintenance of business/ regulatory requirements 	\$2.9M
Non-Salaries: Professional Fees <ul style="list-style-type: none"> • Compensation study - \$300K • Audits - \$500K • Employee relations - \$270K • Legal fees - \$300K • Other miscellaneous - \$800K 	<ul style="list-style-type: none"> • New study • New internal audit, financial compliance • Legal support of HR matters • Litigation services budgeted consistent with prior year • Consulting services – IS training and exchange product 	\$2.5M

Consolidated General and Administrative Expenses (cont.)

Category	Rationale	Amount
Non-Salaries: Purchased Services <ul style="list-style-type: none"> • Claims recovery and review - \$2.5M • Pharmacy benefit management - \$200K • Translation services - \$200K • Other miscellaneous - \$500K 	<ul style="list-style-type: none"> • Increased editing and review fees(savings in reduced medical costs) • Increased volume • Increased usage • Increased human resources (recruiting, background check), IS security enhancements 	\$3.8M
Non-Salaries: Printing and Postage <ul style="list-style-type: none"> • Postage increase - \$800K • Increase member notifications - \$500K 	<ul style="list-style-type: none"> • Increased rates • Regulatory requirement – increased frequency and type – program changes related 	\$1.4M
Non-Salaries: Other Operating Expenses <ul style="list-style-type: none"> • Computer equipment; license upgrades - \$1.5M • Maintenance and support fees - \$1.7M • Other miscellaneous - \$300K 	<ul style="list-style-type: none"> • New, replaced and upgraded equipment with associated license fees • New contracts and increased renewals • Travel and training, association dues, and public activities, meetings 	\$3.6M
Non-Salaries: Depreciation and Amortization <ul style="list-style-type: none"> • Current and projected assets - \$600K 	<ul style="list-style-type: none"> • Current and projected assets 	\$600K

CalOptima Consolidated Income Statement: Attachment A

Attachment A

CalOptima Fiscal Year 2018-19 Budget By Line of Business

	Medi-Cal (Classic)	Medi-Cal (Expansion)	Medi-Cal (WCM)	Total	OCC	OneCare	PACE	Facilities	Other	Consolidated
Member Months	6,217,281	2,916,015	75,012	9,208,308	178,472	15,888	3,708	-		9,406,376
Avg Members	518,107	243,001	6,251	767,359	14,873	1,324	309	-		783,865
Revenues										
Capitation revenue	\$ 1,634,445,510	\$ 1,334,029,135	\$ 137,198,883	\$ 3,105,673,528	\$ 308,598,939	\$ 19,357,913	\$ 26,932,264	\$ -		\$ 3,460,562,644
Total	\$ 1,634,445,510	\$ 1,334,029,135	\$ 137,198,883	\$ 3,105,673,528	\$ 308,598,939	\$ 19,357,913	\$ 26,932,264	\$ -		\$ 3,460,562,644
Medical Costs										
1 Provider capitation	\$ 423,848,466	\$ 619,600,772	\$ 72,446,519	\$ 1,115,895,758	\$ 142,376,175	\$ 5,402,693	\$ -	\$ -		\$ 1,263,674,625
2 Claims Payments	\$ 491,680,078	\$ 330,196,847	\$ 18,309,820	\$ 840,186,745	\$ 51,966,785	\$ 7,294,551	\$ -	\$ -		\$ 899,448,081
3 LTC/Skilled Nursing Facilities	\$ 401,472,982	\$ 33,600,389	\$ 1,267,322	\$ 436,340,693	\$ 19,326,362	\$ -	\$ -	\$ -		\$ 455,667,055
4 Prescription Drugs	\$ 229,359,629	\$ 235,472,276	\$ 34,119,887	\$ 498,951,792	\$ 63,562,845	\$ 5,293,104	\$ -	\$ -		\$ 567,807,742
5 Case Mgmt & Oth Medical	\$ 32,305,185	\$ 24,198,571	\$ 3,808,549	\$ 60,312,305	\$ 17,370,723	\$ 507,629	\$ 24,731,353	\$ -		\$ 102,922,010
Total	\$ 1,578,666,340	\$ 1,243,068,856	\$ 129,952,098	\$ 2,951,687,294	\$ 294,602,890	\$ 18,497,977	\$ 24,731,353	\$ -		\$ 3,289,519,514
MLR	96.6%	93.2%	94.7%	95.0%	95.5%	95.6%	91.8%			95.1%
Gross Margin	\$ 55,779,170	\$ 90,960,279	\$ 7,246,785	\$ 153,986,234	\$ 13,996,049	\$ 859,936	\$ 2,200,911	\$ -		\$ 171,043,130
Administrative Expenses										
Salaries, Wages, & Employee Benefits				\$ 84,796,466	\$ 10,519,014	\$ 480,071	\$ 1,610,850	\$ -		\$ 97,406,401
Professional Fees				\$ 4,281,000	\$ 515,000	\$ 235,200	\$ 2,000	\$ -		\$ 5,033,200
Purchased services				\$ 11,371,714	\$ 3,016,981	\$ 209,100	\$ 252,320	\$ 275,779		\$ 15,125,894
Printing & Postage				\$ 5,079,715	\$ 1,034,420	\$ 158,471	\$ 125,140	\$ -		\$ 6,397,746
Depreciation & Amortization				\$ 5,544,907	\$ 0	\$ -	\$ 25,088	\$ 1,955,214		\$ 7,525,209
Other Operating Expenses				\$ 17,958,288	\$ 924,438	\$ 82,600	\$ 46,304	\$ 2,288,253		\$ 21,299,883
Indirect Cost Allocation, Occupancy Expense				\$ (2,683,095)	\$ 6,688,728	\$ 419,580	\$ 41,588	\$ (4,519,246)		\$ (52,445)
Total				\$ 126,348,995	\$ 22,698,581	\$ 1,585,022	\$ 2,103,290	\$ 0		\$ 152,735,888
ALR				4.1%	7.4%	8.2%	7.8%			4.4%
Operating Income/(Loss)				\$ 27,637,239	\$ (8,702,532)	\$ (725,086)	\$ 97,620	\$ (0)	\$ -	\$ 18,307,242
Investment Income									\$ 5,000,000	\$ 5,000,000
MCO Tax Revenue				\$ 130,244,985						\$ 130,244,985
MCO Tax Expense				\$ (130,244,985)						\$ (130,244,985)
CHANGE IN NET ASSETS				\$ 27,637,239	\$ (8,702,532)	\$ (725,086)	\$ 97,620	\$ (0)	\$ 5,000,000	\$ 23,307,242

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FY 2018-19 Operating Budget

Budgets by Line of Business

Medi-Cal Program

Start Date	October 1995
Program Type	California's Medicaid Program
Contractor/ Regulator	California Department of Health Care Services (DHCS)
Eligibility	<ul style="list-style-type: none">• Child and family• Senior• Persons with disabilities• Low-income (includes Medi-Cal Expansion)
Services	<ul style="list-style-type: none">• Comprehensive health• Prescriptions• Vision• Mental Health• MLTSS• (Dental provided by DHCS)

Medi-Cal Budget

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	777,057	774,053	767,359
Revenue	\$3,144,012,925	\$2,950,310,063	\$3,105,673,528
Medical Costs	\$3,014,868,476	\$2,860,665,674	\$2,951,687,294
Administrative Costs	\$88,649,070	\$96,348,364	\$126,348,995
Operating Income/Loss	\$40,495,380	(\$6,703,976)	\$27,637,239
Medical Loss Ratio	95.9%	97.0%	95.0%
Administrative Loss Ratio	2.8%	3.3%	4.1%

* Forecasted as of March 2018

Change in net assets excludes net other income and grant income

Medi-Cal Assumptions: Classic

- Revenue

- Draft FY 2018-19 capitation rates received from DHCS on April 27, 2018; reflect an increase of 2.59%
- CCI rates based on CY17 draft rates for the dual eligible population; IHSS removed as a managed care benefit effective January 1, 2018
- Behavioral Health Treatment (BHT) rates based on FY 2017-18 rates

- Medical Costs

- FFS costs trends developed by network type, category of aid (COA), and category of service
- Provider reimbursement rates were kept at FY 2017-18 levels
- Reinsurance attachment points remained at \$17K (Professional) and \$150K (Hospital); coinsurance at 20%
- Mental health expense converted from capitation to FFS reimbursement
- Removed IHSS as a managed care benefit effective January 1, 2018

Medi-Cal Assumptions: Expansion

- Revenue

- Draft FY 2018-19 rates received from DHCS on April 27, 2018; reflect an increase of 3.24%

- Medical Costs

- Provider capitation payments kept at FY 2017-18 levels
- FFS costs trends developed by network type, COA, and category of service
- Current FFS provider reimbursement rates kept at FY 2017-18 levels
- Reinsurance attachment points remained at \$17K (Professional) and \$150K (Hospital); coinsurance at 20%

Medi-Cal Assumptions: WCM

- Revenue
 - FY 2018-19 WCM draft rates received from DHCS on May 1, 2018
 - Rates include reimbursement for both CCS and non-CCS services
 - WCM program effective date is January 1, 2019
- Medical Costs
 - Based on program assumptions developed by DHCS
 - Limited experience data available for forecasting medical expenses
 - Utilized draft rates as a proxy for actual experience
 - Assumes continuity of existing medical care delivery model
 - Assumes aggregate costs will be equivalent to revenue

Category	Cost	% of Revenue
Medical	\$126,143,549	91.9%
Medical Management	\$3,808,549	2.8%
Administrative	\$7,246,785	5.3%
Total	\$137,198,883	100%

OneCare Connect Program

Start Date	July 2015
Program Type	Medicare and Medicaid Duals Demonstration
Contractor/ Regulator	CMS and DHCS
Eligibility	Medi-Cal member who also has Medicare (i.e., dual eligible)
Services	<ul style="list-style-type: none">• Comprehensive health• Prescriptions• Vision• MLTSS• Assessment• Care planning• Care coordination• Supplemental benefits

OneCare Connect Budget

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	16,834	15,143	14,873
Revenue	\$371,630,947	\$340,603,831	\$308,598,939
Medical Costs	\$355,225,238	\$314,092,828	\$294,602,890
Administrative Costs	\$20,540,042	\$20,767,424	\$22,698,581
Operating Income/Loss	(\$4,134,333)	\$5,743,579	(\$8,702,532)
Medical Loss Ratio	95.6%	92.2%	95.5%
Administrative Loss Ratio	5.5%	6.1%	7.4%

* Forecasted as of March 2018

OneCare Connect Assumptions

- Revenue

- Medicare rates based on CY 2018 rate report from CMS and draft rates for CY 2019 for Parts C and D
 - Medicare rates are not developed from a bid process that uses plan's actual data
- Applied 4.76% increase to Part C base rate effective January 2019
- Assumed improved Part C RAF score of 1.28
- Applied Year 3 savings targets of 5.5% and quality withhold of 3%
- Medi-Cal rates based on CY 2017 draft rates from DHCS and were adjusted by forecasted population mix
 - DHCS develops plan rates using RDT base data that has a 2 year lag
- FY 2017-18 includes IHSS benefit for 6 months
 - Impact for FY 2018-19: Reduces revenue and increases the ALR %

OneCare Connect Assumptions (cont.)

- Medical cost

- Capitation rates based on percent of premium rates for the Medicare component and fixed PMPM rates for the Medi-Cal component
- FFS expenses based on actual OneCare Connect experience trended through June 2019
- Applied projected enrollment mix for PHC, SRG, HMO, and CCN networks
- Included expenses for approved supplemental benefits
- Removed IHSS as a managed care benefit effective January 1, 2018

OneCare Program

Start Date	October 2005
Program Type	Medicare Advantage Special Needs Plan (SNP)
Contractor/ Regulator	Centers for Medicare & Medicaid Services (CMS)
Eligibility	Medi-Cal member who also has Medicare (i.e., dual eligible)
Services	<ul style="list-style-type: none">• Comprehensive health• Prescriptions• Vision• Mental Health• Supplemental Benefits

OneCare Budget

	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	1,237	1,367	1,324
Revenue	\$18,615,729	\$15,521,459	\$19,357,913
Medical Costs	\$16,424,251	\$14,657,796	\$18,497,977
Administrative Costs	\$1,225,310	\$1,131,584	\$1,585,022
Operating Income/Loss	\$966,168	(\$267,922)	(\$725,086)
Medical Loss Ratio	88.2%	94.4%	95.6%
Administrative Loss Ratio	6.6%	7.3%	8.2%

* Forecasted as of March 2018

OneCare Assumptions

- Revenue

- Medicare Part C and Part D rates based on CY 2018 Monthly Membership Report (MMR) actuals
- Applied 3.4% increase to Part C base rate effective January 2019
- Assumed improved Part C RAF score of 1.08

- Medical cost

- Provider capitation payments based on 38.7 percent of premium
- FFS medical costs based on historical claims through February 2018
- Included expenses for approved supplemental benefits
- Included decrease to Part D member cost sharing amounts

PACE Program

Start Date	October 2013
Program Type	Medicare and Medicaid Program
Contractor/ Regulator	CMS and DHCS
Eligibility	Member who is: <ul style="list-style-type: none">• ≥ 55;• Meet nursing facility level of care; and• Live in a PACE service area
Services	<ul style="list-style-type: none">• All Medicare and Medicaid services• 16 additional services, such as social services, nursing facility care, personal care, nutritional counseling and recreational therapy

PACE Budget

Program	FY 2016-17 Actual	FY 2017-18 Forecast*	FY 2018-19 Budget
Average Monthly Enrollment	190	232	309
Revenue	\$15,202,259	\$19,887,414	\$26,932,264
Medical Costs	\$14,159,096	\$17,167,062	\$24,731,353
Administrative Costs	\$1,433,065	\$1,376,717	\$2,103,290
Operating Income/Loss	(\$389,902)	\$1,343,635	\$97,620
Medical Loss Ratio	93.1%	86.3%	91.8%
Administrative Loss Ratio	9.4%	6.9%	7.8%

* Forecasted as of March 2018

PACE Assumptions

- Revenue

- Medicare Parts C and D rates based on 2018 actuals
- Assumed 2.0% increase to Part C base rate effective January 2019
- Applied projected Part C RAF score of 2.26
 - Assumed improved coding and submission of diagnostic data
- Medicare Part D rates and subsidies based on CY 2018 payments
- Medi-Cal PMPM rates based on CY 2018 RDT rates received from DHCS on February 15, 2018

- Medical cost

- Based on mix of actual experience and industry benchmarks
- Included material depreciation costs associated with start-up capital expenses
- State Rate Benchmark MLR is 92% based on DHCS Rate Development

FY 2018-19 Capital Budget

Capital Budget by Category

Overview of Capital Budget

Category	FY 2018-19 Budget	% of Total
Information Systems		
Hardware	\$1,789,500	18.2%
Software	\$2,475,600	25.2%
Professional fees related to implementation	<u>\$2,604,000</u>	<u>26.5%</u>
Subtotal	\$6,869,100	69.9%
505 Building Improvements	\$2,796,356	28.5%
PACE	\$156,300	1.6%
Total	\$9,821,756	100%

- Departments submit requests for capital projects based on strategic and operational needs
- Information Services Department reviews technology requests

Information Systems Budget

Project Type	FY 2018-19 Budget
Infrastructure (i.e., network, upgrades, storage, security)	\$1,593,500
Applications Management (e.g., claims, medical management, HR systems)	\$1,034,600
Applications Development (e.g., provider portal, data warehouse, member portal, website, electronic HR)	\$4,241,000
Total	\$6,869,100

- Represents nearly 69.9% of total Capital Budget
- Addresses information technology infrastructure needs
- Supports internal operations
- Ensures compliance with state and federal statutory, regulatory and contractual requirements

505 Building Improvements

Project Type	FY 2018-19 Budget
10th Floor Improvements	\$2,285,000
Replace Master Control Center for HVAC	\$130,000
Copier Capital Lease	\$125,156
Replace Deteriorating Cast Iron Pipes	\$110,000
Upgrade Sound Recording in Conference Room 108	\$50,000
Convert Remaining Pneumatic Controls to Direct Digital Controls (DDC)	\$45,200
Resurface and Fill Cooling Tower for Leak Prevention	\$25,000
Equipment and Furniture Upgrades for 6th Floor Training Room	\$18,000
Inspect and Correct Emergency Electrical Panels	\$8,000
Total	\$2,796,356

PACE Center Budget

Project Type	FY 2018-19 Budget
New Furniture, Data and Phones to Maximize Workstations	\$112,000
New Optometry Equipment	\$25,000
Dishwasher Replacement	\$11,000
High Resolution and Color LCD Touchscreen EKG Machine	\$4,300
Patio Shade – Outdoor Umbrellas and Furniture for PACE Center	\$4,000
Total	\$156,300

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 17, 2018 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

4. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2018-19 Capital Budget

Contact

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

Recommended Action

Recommend that the CalOptima Board of Directors:

1. Approve the CalOptima Fiscal Year (FY) 2018-19 Capital Budget; and
2. Authorize the expenditure and appropriate the funds for the items listed in Attachment A: Fiscal Year 2018-19 Capital Budget by Project, which shall be procured in accordance with CalOptima policy.

Background

As of March 31, 2018, CalOptima has recorded gross capital assets of \$90.3 million in the 505 building, building improvements, furniture, equipment, and information systems. To account for these fixed assets wearing out over time, Staff has charged against the cost of these assets an accumulated depreciation totaling \$40.1 million. Staff will record capital assets acquired in FY 2018-19 at acquisition cost and will depreciate the value on a straight-line basis over their estimated useful lives as follows:

- Five (5) years for office furniture and fixtures;
- Three (3) years for computer equipment and software;
- The lesser of fifteen (15) years or remaining term of lease for leasehold improvements; and
- Ten (10) to twenty (20) years based on components for building improvements.

The resulting net book value of these fixed assets was \$50.2 million as of March 31, 2018. Prior board-approved capital budgets were \$8.4 million in FY 2017-18, and \$10.1 million in FY 2016-17 respectively.

Pursuant to CalOptima Policies GA. 3202: CalOptima Signature Authority, GA. 5002: Purchasing Policy, and GA. 5003: Budget and Operations Forecasting, the Board's approval of the budget authorizes the expenditure of the item and appropriates the funds requested without further Board action.

Discussion

Management proposes a Capital Budget of \$9.8 million for FY 2018-19 for the following asset types within three (3) asset categories:

Category	Amount	% of Total
Information Systems		
Hardware	\$1,789,500	18.2%
Software	\$2,475,600	25.2%
Professional fees related to implementation	<u>\$2,604,000</u>	<u>26.5%</u>
Subtotal	\$6,869,100	69.9%
505 Building Improvements	\$2,796,356	28.5%
PACE	\$156,300	1.6%
Total	\$9,821,756	100%

1. Information Systems

Information Systems represent nearly \$6.9 million or 69.9% of the Capital Budget. This asset category primarily addresses CalOptima's information technology infrastructure needs.

Project Type	Amount	% of Total
Infrastructure	\$1,593,500	23.2%
Applications Management	\$1,034,600	15.1%
Applications Development	\$4,241,000	61.7%
Total	\$6,869,100	100%

The Capital Budget includes hardware, software, and professional fees related to implementation to fund multiple systems upgrades. More detailed information is provided in Attachment A: Fiscal Year 2018-19 Capital Budget by Project. These upgrades are necessary to support internal operations, and to continue to comply with state and federal contractual, regulatory and statutory requirements.

2. 505 Building Improvements

505 Building Improvements represent \$2.8 million or 28.5% of the Capital Budget. The largest item of \$2.3 million or 81.7% of the 505 Building capital expenditures is to fund the 10th Floor Improvements.

Project Type	Amount	% of Total
10th Floor Improvements	\$2,285,000	81.7%
Replace Master Control Center for HVAC	\$130,000	4.7%
Copier Capital Lease	\$125,156	4.5%
Replace Deteriorating Cast Iron Pipes	\$110,000	3.9%
Upgrade Sound Recording in Conference Room 108	\$50,000	1.8%
Convert Remaining Pneumatic Controls to Direct Digital Controls (DDC)	\$45,200	1.6%
Resurface and Fill Cooling Tower for Leak Prevention	\$25,000	0.9%
Equipment and Furniture Upgrades for 6th Floor Training Room	\$18,000	0.6%
Inspect and Correct Emergency Electrical Panels	\$8,000	0.3%
Total	\$2,796,356	100%

3. Program for All-Inclusive Care for the Elderly (PACE)

The remaining portion of \$156,300 or 1.6% of the Capital Budget is for capital expenditures at the PACE center.

Project Type	Amount	% of Total
New Furniture, Data and Phones to Maximize Workstations	\$112,000	71.7%
New Optometry Equipment	\$25,000	16.0%
Dishwasher Replacement	\$11,000	7.0%
High Resolution and Color LCD Touchscreen EKG Machine	\$4,300	2.7%
Patio Shade - Outdoor Umbrellas and Furniture for PACE Center	\$4,000	2.6%
Total	\$156,300	100%

Fiscal Impact

Investment in the Capital Budget will reduce CalOptima's investment principal by \$9,821,756. At a 1% return rate, this would reduce annual interest income by approximately \$98,218. Depreciation expense for Current Program Infrastructure and 505 Building Improvements is reflected in CalOptima's operating budget.

Rationale for Recommendation

The FY 2018-19 Capital Budget will enable necessary system upgrades, enhance operational efficiencies, support strategic initiatives, comply with federal and state requirements, and provide expansion of building capacity to accommodate CalOptima's growth.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Attachment A: Fiscal Year 2018-19 Capital Budget by Project

/s/ Michael Schrader
Authorized Signature

5/10/2018
Date

Attachment A
Fiscal Year 2018-19 Capital Budget by Project

INFRASTRUCTURE	BUDGET FY2019			APPROPRIATION	AUTHORIZATION
	HARDWARE	SOFTWARE	PROFESSIONAL FEES		
Network	903,500	30,000	42,000	975,500	X
Upgrades/Replacements	300,000	-	-	300,000	X
Storage	275,000	-	23,000	298,000	X
Security	-	-	20,000	20,000	X
TOTAL INFRASTRUCTURE	\$ 1,478,500	\$ 30,000	\$ 85,000	\$ 1,593,500	

APPLICATIONS MANAGEMENT	BUDGET FY2019			APPROPRIATION	AUTHORIZATION
	HARDWARE	SOFTWARE	PROFESSIONAL FEES		
Hierarchical Condition Categories (HCC) Risk Adjustment	25,000	250,000	75,000	350,000	X
Workforce Management	-	180,000	60,000	240,000	X
Clinical Editing Solution	-	-	100,000	100,000	X
Facets Workflow Implementation	-	-	100,000	100,000	X
Cactus Facets Interface	-	-	100,000	100,000	X
Healthcare Process Automation (HPA) Robots Virtual Machine (VM) Server	76,000	-	-	76,000	X
Health Network Credentialing Data	-	15,000	5,000	20,000	X
Cactus Solution Interface	-	15,000	5,000	20,000	X
Altruista - New Platform for Enterprise Analytics	-	-	15,000	15,000	X
Provider Monitoring Module	-	8,600	5,000	13,600	X
TOTAL APPLICATIONS MANAGEMENT	\$ 101,000	\$ 468,600	\$ 465,000	\$ 1,034,600	

APPLICATIONS DEVELOPMENT	BUDGET FY2019			APPROPRIATION	AUTHORIZATION
	HARDWARE	SOFTWARE	PROFESSIONAL FEES		
Provider Portal	50,000	700,000	300,000	1,050,000	X
Data Warehouse Expansion	-	-	750,000	750,000	X
Provider Data Management Solution	-	400,000	100,000	500,000	X
Medication Therapy Management (MTM)	100,000	175,000	50,000	325,000	X
CalOptima Member Portal	-	-	300,000	300,000	X
Electronic Human Resource Employee Files	60,000	150,000	80,000	290,000	X
CalOptima Website Redesign	-	-	240,000	240,000	X
Texting Software for Member/Provider Outreach	-	175,000	25,000	200,000	X
Software Solution to Capture Members Gaps in Care	-	200,000	-	200,000	X
Online Provider Directory Attestation	-	-	150,000	150,000	X
Budget Tool Implementation	-	65,000	39,000	104,000	X
Legal File Tracking Software System	-	90,000	10,000	100,000	X
Human Resource Recruiting Module	-	22,000	10,000	32,000	X
TOTAL APPLICATIONS DEVELOPMENT	\$ 210,000	\$ 1,977,000	\$ 2,054,000	\$ 4,241,000	

505 BUILDING IMPROVEMENTS	BUDGET FY2019			APPROPRIATION	AUTHORIZATION
	BUILDING	EQUIPMENT	PROFESSIONAL FEES		
10th Floor Improvement	1,865,000	270,000	150,000	2,285,000	X
Replace Master Control Center for HVAC	130,000	-	-	130,000	X
Copier Capital Lease	125,156	-	-	125,156	X
Replace Deteriorating Cast Iron Pipes	110,000	-	-	110,000	X
Upgrade Sound Recording in Conference Room 108	50,000	-	-	50,000	X
Convert Remaining Pneumatic Controls to Direct Digital Controls (DDC)	45,200	-	-	45,200	X
Resurface and Fill Cooling Tower for Leak Prevention	25,000	-	-	25,000	X
Equipment and Furniture Upgrades for 6th Floor Training Room	18,000	-	-	18,000	X
Inspect and Correct Emergency Electrical Panels	8,000	-	-	8,000	X
TOTAL 505 BUILDING IMPROVEMENTS	\$ 2,376,356	\$ 270,000	\$ 150,000	\$ 2,796,356	

PACE	BUDGET FY2019			APPROPRIATION	AUTHORIZATION
	EQUIPMENT	PROFESSIONAL FEES	INPUT		
New Furniture, Data and Phones to Maximize Workstations	97,000	-	15,000	112,000	X
New Optometry Equipment	25,000	-	-	25,000	X
Dishwasher Replacement	11,000	-	-	11,000	X
High Resolution and Color LCD Touchscreen EKG Machine	4,300	-	-	4,300	X
Patio Shade - Outdoor Umbrellas and Furniture for PACE Center	4,000	-	-	4,000	X
TOTAL PACE	\$ 141,300	\$ -	\$ 15,000	\$ 156,300	

TOTAL FY19 NEW CAPITAL BUDGET	\$ 4,307,156	\$ 2,745,600	\$ 2,769,000	\$ 9,821,756	
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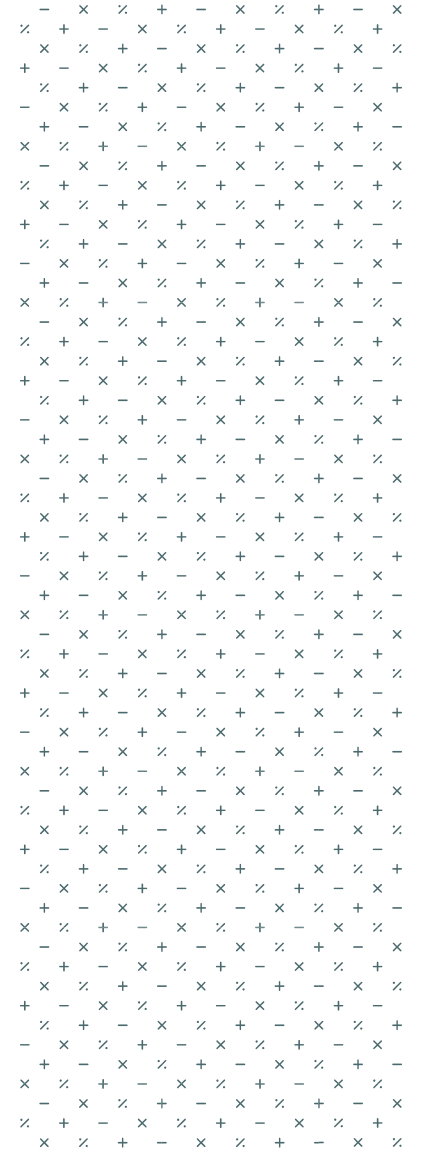


Audit Entrance:

CalOptima

May 17, 2018

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Audit Committee

CalOptima



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Thank you for your continued engagement of Moss Adams LLP, the provider of choice for health care organizations. We are pleased to present our audit plan for CalOptima (the “Health Plan”) for the year ending June 30, 2018. We would also like to discuss current-year developments and auditing standard changes that will affect our audit.

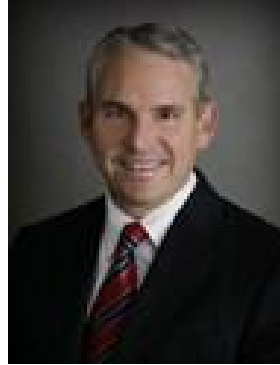
We welcome any questions or input you may have regarding our audit plan and we look forward to working with you.

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Your Dedicated Team



DeVon Wiens
Engagement
Reviewer



Chris Pritchard
Concurring
Reviewer

Other Team Members:

Jessica Pelzman
Engagement Manager

Shivali Kumar
Audit Senior



**Aparna
Venkateswaran**
Engagement
Senior Manager

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Required Communications to Those Charged with Governance

Now

- Auditor's responsibility under U.S. and government auditing standards
 - Planned scope and timing of audit
-

Later

- Significant audit findings
- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Management representations
- Management consultations with other independent accountants
- Other audit findings or issues

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Our Responsibility

Our responsibility under US Generally Accepted Auditing Standards and Government Auditing Standards.

1

To express our opinion on whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and Government Auditing Standards issued by the Comptroller General of the United States, and design the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement.

3

To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process and administering federal awards. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



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Audit Process

Internal Controls



Analytical Procedures



Substantive Procedures

Includes information technology

Revenues and expenses

Confirmation of account balances

Trends, comparisons, and expectations

Vouching to supporting documentation

Representations from attorneys and management

Examining objective evidence



What is Materiality?

The amount of a misstatement that could influence the economic decisions of users, taken on the basis of the consolidated financial statements.



7

How It's Calculated:

- Using certain quantitative (e.g., total assets) and qualitative factors (e.g., covenants, expectations, or industry factors)

It's Used To Identify:

- Significant risk areas
- Nature, timing, extent, and scope of test work
- Findings or misstatements

Significant Audit Areas



Premium revenue and receivables



Cash and cash equivalents



Investments



Medical claims liability, capitation payable and payable to State of California



Consideration of Fraud

Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”

How we gather information to identify fraud-related risks of material misstatement:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures to be performed:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate the business rationale for significant unusual transactions

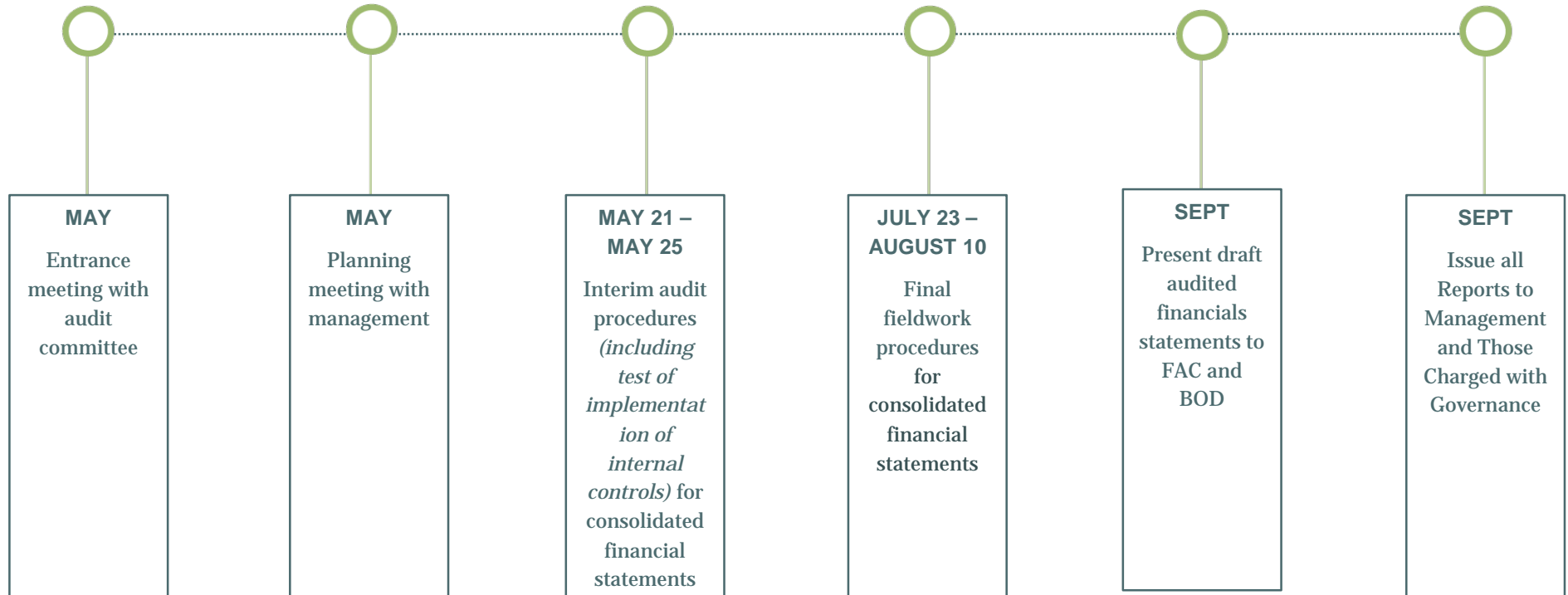
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Timeline

2018



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Deliverables

We will issue the following reports:

- Audit report on the consolidated financial statements of CalOptima as of and for the year ended June 30, 2018.
- GAGAS Report on *Internal Control over Financial Reporting* and on *Compliance and Other Matters*
- Report on Compliance for *The Major Program* and Report on *Internal Control over Compliance* Required by Uniform Guidance

Report to those charged with governance

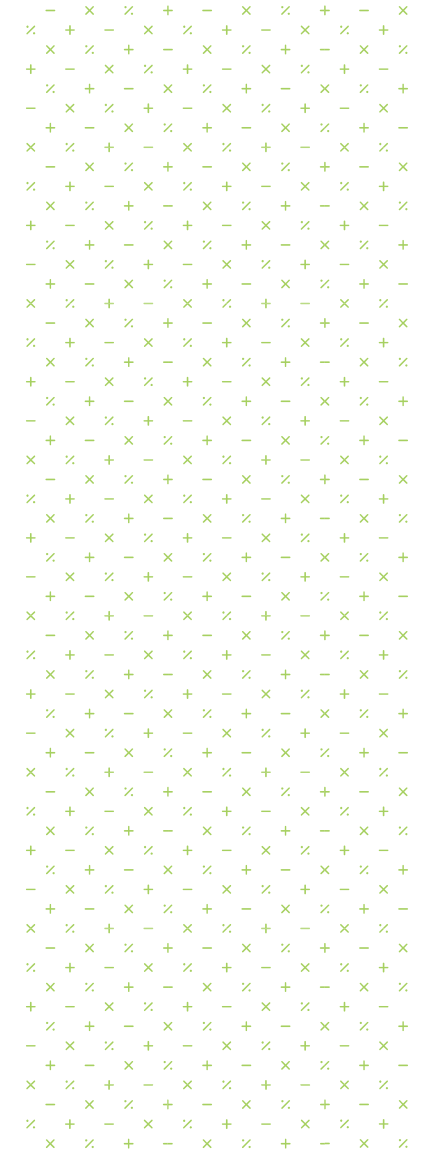
- Communicating required matters and other matters of interest

Non-attest services:

- Assist in drafting of the consolidated financial statements of CalOptima, excluding Management's Discussion and Analysis, for the year ended June 30, 2018



Accounting Update



New Standards

GASB 74/75 | Financial Reporting for Postemployment Benefits other than Pension Plans (OPEB)

- Effectively replaces GASB 43 and 45
- OPEB Plans – defined benefit and defined contribution – administered through trusts that meet the following criteria:
 - Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable
 - OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms
 - OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members
- Effective for OPEB plan annual periods beginning after June 15, 2016 and employers for annual periods beginning after June 15, 2017

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New Standards

GASB 83 | Certain Asset Retirement Obligations

- Asset retirement obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset
- Establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs
- Effective for fiscal years beginning after December 15, 2018



New Standards

GASB 84 | Fiduciary Activities

Clarifies fiduciary activities as having the following characteristics:

1. Government controls the assets of the activity.
 2. Those assets are not derived solely from the government's own source revenue.
 3. One of the following:
 - The assets result from a pass-through grant or trust agreement.
 - Assets are used to benefit individuals not typical recipients of the government's goods and services (i.e. employees receive the benefit instead of patients.)
 - Assets are to be used to benefit other organizations or governments.
- Would require stand alone business-type entities (i.e. hospitals) with pension and OPEB trusts or patient custodial accounts to report separate fiduciary fund financial statements within the financial statements.
 - Effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

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New Standards

GASB 85 | Omnibus 2017



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- This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).
- This Statement addresses the following topics (and others):
 1. Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation.
 2. Reporting amounts previously reported as goodwill and “negative” goodwill
 3. Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
 4. Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Effective for reporting periods beginning after December 15, 2017. Earlier application is encouraged.

New Standards

GASB 86 | Certain Debt Extinguishment Issues

- The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt.
- This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- Effective for reporting periods beginning after December 15, 2017. Earlier application is encouraged.



New Standards

GASB 87 | Leases

- Would treat all leases as financings (no classification of capital v. operating) similar to FASB ASU 2016-02.
- Includes non-cancellable period + periods covered by options to renew if reasonably certain to be exercised.
- Lessee would record an intangible asset (amortized over the shorter of its useful life or lease term) and present value of future lease payments as a liability.
- Lessor would record a lease receivable and deferred inflow of resources for cash received up front + future payments (revenue recognized over lease term in a systematic and rational basis).
- Effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.



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THANK YOU





CalOptima
Better. Together.

Financial Summary

March 2018

Board of Directors' Finance and Audit Committee Meeting
May 17, 2018

Greg Hamblin
Chief Financial Officer

FY 2017-18: Consolidated Enrollment

- March 2018 MTD:

- Overall enrollment was 788,700 member months
 - Actual lower than budget by 15,595 or 1.9%
 - Medi-Cal: unfavorable variance of 14,715 members
 - TANF unfavorable variance of 15,794 members
 - SPD unfavorable variance of 3,191 members
 - Medi-Cal Expansion (MCE) favorable variance of 4,082 members
 - Long-Term Care (LTC) favorable variance of 188 members
 - OneCare Connect: unfavorable variance of 819 members
 - 5,878 decrease from prior month
 - Medi-Cal: decrease of 5,742 from February
 - OneCare Connect: decrease of 143 from February
 - OneCare: increase of 1 from February
 - PACE: increase of 6 from February

FY 2017-18: Consolidated Enrollment

- March 2018 YTD:

- Overall enrollment was 7,117,159 member months
 - Actual lower than budget by 110,003 or 1.5%
 - Medi-Cal: unfavorable variance of 106,465 members or 1.5%
 - TANF unfavorable variance of 118,062 members
 - SPD unfavorable variance of 13,830 members
 - MCE favorable variance of 23,849 members
 - LTC favorable variance of 1,578 members
 - OneCare Connect: unfavorable variance of 3,628 members or 2.6%
 - OneCare: favorable variance of 123 members or 1.0%
 - PACE: unfavorable variance of 33 members or 1.6%

FY 2017-18: Consolidated Revenues

- March 2018 MTD:

- Actual higher than budget by \$2.5 million or 1.0%
 - Medi-Cal: unfavorable to budget by \$2.2 million or 1.0%
 - Unfavorable volume variance of \$4.3 million
 - Favorable price variance of \$2.1 million due to:
 - \$2.8 million of FY18 Applied Behavior Analysis (ABA) revenue
 - \$3.5 million of FY18 non-LTC revenue
 - (\$1.7) million of FY18 Hepatitis C revenue
 - (\$1.5) million of FY18 Coordinated Care Initiative (CCI) revenue
 - (\$1.3) million of prior year CCI and non-LTC revenue

FY 2017-18: Consolidated Revenues (cont.)

- March 2018 MTD:

- OneCare Connect: favorable to budget by \$4.5 million or 17.7%
 - Unfavorable volume variance of \$1.3 million due to lower enrollment
 - Favorable price variance of \$5.8 million due to FY18 and prior year rate adjustment
- OneCare: favorable to budget by \$127.9 thousand or 8.6%
 - Unfavorable volume variance of \$59.9 thousand
 - Favorable price variance of \$187.8 thousand due to rate increase
- PACE: favorable to budget by \$88.5 thousand or 5.1%
 - Unfavorable volume variance of \$33.8 thousand
 - Favorable price variance of \$122.3 thousand

FY 2017-18: Consolidated Revenues (cont.)

- March 2018 YTD:

- Actual higher than budget by \$75.4 million or 3.1%
 - Medi-Cal: favorable to budget by \$59.7 million or 2.8%
 - Unfavorable volume variance of \$32.4 million
 - Favorable price variance of \$92.1 million due to:
 - \$32.2 million of FY18 In-Home Supportive Services (IHSS) Dual and Non-Dual revenue
 - \$27.2 million of LTC revenue from Non-LTC
 - \$27.1 million of ABA revenue
 - \$17.2 million of prior year CCI and IHSS revenue
 - \$6.2 million due to release of prior year reserve offset by:
 - (\$12.0) million of Hepatitis C revenue
 - (\$5.3) million due to true up of prior year rates

FY 2017-18: Consolidated Revenues (cont.)

- March 2018 YTD:

- OneCare Connect: favorable to budget by \$15.9 million or 6.6%
 - Unfavorable volume variance of \$6.2 million
 - Favorable price variance of \$22.1 million due to 15% rate increase
- OneCare: Unfavorable to budget by \$1.0 million or 8.3%
 - Favorable volume variance of \$0.1 million
 - Unfavorable price variance of \$1.2 million
 - Due to Part D and Hierarchical Condition Category (HCC) reconciliation
- PACE: favorable to budget by \$0.8 million or 5.7%
 - Unfavorable volume variance of \$0.2 million
 - Favorable price variance of \$1.0 million due to Part D true-up

FY 2017-18: Consolidated Medical Expenses

- March 2018 MTD:

- Actual higher than budget by \$4.7 million or 1.9%
 - Medi-Cal: favorable variance of \$0.8 million
 - Favorable volume variance of \$4.2 million
 - Unfavorable price variance of \$3.3 million
 - Professional Claims unfavorable variance of \$9.6 million due to Behavioral Health Treatment (BHT) expenses of \$5.6 million, crossover expenses of \$1.7 million and claim expenses of \$2.0 million
 - Managed Long-Term Services and Support (MLTSS) unfavorable variance of \$4.0 million due to LTC expenses
 - Facilities favorable variance of \$8.4 million due Shared Risk release
 - OneCare Connect: unfavorable variance of \$5.3 million
 - Favorable volume variance of \$1.3 million
 - Unfavorable price variance of \$6.6 million

FY 2017-18: Consolidated Medical Expenses (cont.)

- March 2018 YTD:

- Actual higher than budget by \$95.7 million or 4.1%
 - Medi-Cal: unfavorable variance of \$86.0 million
 - Favorable volume variance of \$31.0 million
 - Unfavorable price variance of \$117.0 million
 - MLTSS expenses unfavorable variance of \$53.6 million
 - Professional Claims expenses unfavorable variance of \$39.6 million
 - Provider Capitation expenses unfavorable variance of \$21.8 million
 - OneCare Connect: unfavorable variance of \$11.6 million
 - Favorable volume variance of \$5.8 million
 - Unfavorable price variance of \$17.4 million

- Medical Loss Ratio (MLR):

- March 2018 MTD: Actual: 98.4% Budget: 97.5%
- March 2018 YTD: Actual: 96.4% Budget: 95.5%

FY 2017-18: Consolidated Administrative Expenses

- March 2018 MTD:

- Actual lower than budget by \$1.8 million or 14.6%
 - Salaries, wages and benefits: favorable variance of \$0.9 million
 - Purchased Services: favorable variance of \$0.5 million
 - Other categories: favorable variance of \$0.4 million

- March 2018 YTD:

- Actual lower than budget by \$22.1 million or 20.1%
 - Purchased Services: favorable variance of \$8.9 million
 - Salaries, wages and benefits: favorable variance of \$6.9 million
 - Other categories: favorable variance of \$6.2 million

- Administrative Loss Ratio (ALR):

- March 2018 MTD: Actual: 4.0% Budget: 4.7%
- March 2018 YTD: Actual: 3.5% Budget: 4.5%

FY 2017-18: Change in Net Assets

- March 2018 MTD:

- \$3.8 million deficit
- \$1.7 million favorable to budget
 - Higher than budgeted revenue of \$2.5 million
 - Higher than budgeted medical expenses of \$4.7 million
 - Lower than budgeted administrative expenses of \$1.8 million
 - Higher than budgeted investment and other income of \$2.1 million

- March 2018 YTD:

- \$15.5 million surplus
- \$13.2 million favorable to budget
 - Higher than budgeted revenue of \$75.4 million
 - Higher than budgeted medical expenses of \$95.7 million
 - Lower than budgeted administrative expenses of \$22.1 million
 - Higher than budgeted investment and other income of \$11.4 million

Enrollment Summary:

March 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,303	64,963	(1,660)	(2.6%)	Aged	569,198	570,666	(1,468)	(0.3%)
621	618	3	0.5%	BCCTP	5,513	5,562	(49)	(0.9%)
47,281	48,815	(1,534)	(3.1%)	Disabled	426,732	439,045	(12,313)	(2.8%)
320,242	328,966	(8,724)	(2.7%)	TANF Child	2,893,897	2,965,581	(71,684)	(2.4%)
96,404	103,474	(7,070)	(6.8%)	TANF Adult	887,533	933,911	(46,378)	(5.0%)
3,456	3,268	188	5.8%	LTC	30,990	29,412	1,578	5.4%
241,014	236,932	4,082	1.7%	MCE	2,152,615	2,128,766	23,849	1.1%
772,321	787,036	(14,715)	(1.9%)	Medi-Cal	6,966,478	7,072,943	(106,465)	(1.5%)
14,793	15,612	(819)	(5.2%)	OneCare Connect	136,288	139,916	(3,628)	(2.6%)
251	256	(5)	(2.0%)	PACE	2,091	2,124	(33)	(1.6%)
1,335	1,391	(56)	(4.0%)	OneCare	12,302	12,179	123	1.0%
788,700	804,295	(15,595)	(1.9%)	CalOptima Total	7,117,159	7,227,162	(110,003)	(1.5%)

Financial Highlights: March 2018

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
788,700	804,295	(15,595)	(1.9%)	Member Months	7,117,159	7,227,162	(110,003)	(1.5%)
258,436,980	255,949,681	2,487,299	1.0%	Revenues	2,494,742,075	2,419,345,071	75,397,004	3.1%
254,187,988	249,492,168	(4,695,820)	(1.9%)	Medical Expenses	2,404,937,520	2,309,268,775	(95,668,745)	(4.1%)
10,375,773	12,148,518	1,772,744	14.6%	Administrative Expenses	87,843,067	109,956,622	22,113,554	20.1%
(6,126,782)	(5,691,005)	(435,777)	(7.7%)	Operating Margin	1,961,488	119,674	1,841,813	1539.0%
2,327,893	231,157	2,096,736	907.1%	Non Operating Income (Loss)	13,523,465	2,123,187	11,400,278	536.9%
(3,798,889)	(5,459,848)	1,660,958	30.4%	Change in Net Assets	15,484,952	2,242,861	13,242,091	590.4%
98.4%	97.5%	(0.9%)		Medical Loss Ratio	96.4%	95.5%	(1.0%)	
4.0%	4.7%	0.7%		Administrative Loss Ratio	3.5%	4.5%	1.0%	
<u>(2.4%)</u>	<u>(2.2%)</u>	(0.1%)		Operating Margin Ratio	<u>0.1%</u>	<u>0.0%</u>	0.1%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: March (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>
(4.6)	(4.5)	(0.1)	Medi-Cal	(3.3)	3.3	(6.5)
(1.6)	(1.2)	(0.4)	OCC	4.3	(1.9)	6.2
(0.1)	(0.1)	0.0	OneCare	(0.2)	(1.1)	0.9
<u>0.1</u>	<u>0.0</u>	<u>0.1</u>	PACE	<u>1.0</u>	<u>(0.1)</u>	<u>1.1</u>
(6.1)	(5.7)	(0.4)	Operating	1.8	0.1	1.7
<u>2.3</u>	<u>0.2</u>	<u>2.1</u>	Inv./Rental Inc, MCO tax	<u>13.6</u>	<u>2.1</u>	<u>11.5</u>
2.3	0.2	2.1	Non-Operating	13.6	2.1	11.5
(3.8)	(5.5)	1.7	TOTAL	15.5	2.2	13.2

Consolidated Revenue & Expense:

March 2018 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	531,307	241,014	772,321	14,793	1,335	251	788,700
REVENUES							
Capitation Revenue	\$ 119,616,647	\$ 105,699,362	\$ 225,316,009	\$ 29,685,229	\$ 1,616,439	\$ 1,819,302	\$ 258,436,980
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>119,616,647</u>	<u>105,699,362</u>	<u>225,316,009</u>	<u>29,685,229</u>	<u>1,616,439</u>	<u>1,819,302</u>	<u>258,436,980</u>
MEDICAL EXPENSES							
Provider Capitation	34,185,039	49,898,134	84,083,173	11,825,883	440,125	-	96,349,181
Facilities	26,801,600	8,723,099	35,524,699	3,390,132	520,975	329,309	39,765,115
Ancillary	-	-	-	742,594	80,817	-	823,411
Skilled Nursing	-	-	-	-	74,724	-	74,724
Professional Claims	14,822,966	9,508,653	24,331,619	-	-	439,705	24,771,324
Prescription Drugs	18,082,024	18,910,768	36,992,792	4,861,780	440,387	172,379	42,467,337
Quality Incentives	-	-	-	-	-	-	-
MLTSS Facility Payments	34,221,857	2,450,523	36,672,380	7,788,316	-	-	44,460,697
Medical Management	1,981,919	801,719	2,783,638	991,726	75,014	563,753	4,414,130
Reinsurance & Other	515,820	306,421	822,241	130,000	2,861	106,967	1,062,069
Total Medical Expenses	<u>130,611,224</u>	<u>90,599,318</u>	<u>221,210,542</u>	<u>29,730,430</u>	<u>1,634,903</u>	<u>1,612,113</u>	<u>254,187,988</u>
Medical Loss Ratio	109.2%	85.7%	98.2%	100.2%	101.1%	88.6%	98.4%
GROSS MARGIN	(10,994,577)	15,100,044	4,105,467	(45,201)	(18,464)	207,189	4,248,991
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,690,413	724,688	21,591	70,585	6,507,277
Professional fees			169,955	29,898	13,333	0	213,186
Purchased services			774,394	221,332	20,985	21,110	1,037,820
Printing and Postage			398,215	39,465	2,084	0	439,763
Depreciation and Amortization			462,547	-	-	2,074	464,622
Other expenses			1,308,802	40,069	119	8,865	1,357,855
Indirect cost allocation, Occupancy expense			(132,762)	452,803	28,291	6,918	355,251
Total Administrative Expenses			<u>8,671,563</u>	<u>1,508,255</u>	<u>86,403</u>	<u>109,552</u>	<u>10,375,773</u>
Admin Loss Ratio			3.8%	5.1%	5.3%	6.0%	4.0%
INCOME (LOSS) FROM OPERATIONS			(4,566,096)	(1,553,457)	(104,867)	97,638	(6,126,782)
INVESTMENT INCOME			-	-	-	-	2,348,961
NET GRANT INCOME			(21,262)	-	-	-	(21,262)
OTHER INCOME			194	-	-	-	194
CHANGE IN NET ASSETS			<u>\$ (4,587,164)</u>	<u>\$ (1,553,457)</u>	<u>\$ (104,867)</u>	<u>\$ 97,638</u>	<u>\$ (3,798,889)</u>
BUDGETED CHANGE IN ASSETS			(4,453,559)	(1,167,143)	(109,119)	38,816	(5,459,848)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(133,606)</u>	<u>(386,314)</u>	<u>4,252</u>	<u>58,822</u>	<u>1,660,958</u>

Consolidated Revenue & Expense:

March 2018 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	4,813,863	2,152,615	6,966,478	136,288	12,302	2,091	7,117,159
REVENUES							
Capitation Revenue	\$ 1,245,464,394	\$ 967,268,154	\$ 2,212,732,547	\$ 255,452,873	11,641,094	\$ 14,915,561	\$ 2,494,742,075
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,245,464,394</u>	<u>967,268,154</u>	<u>2,212,732,547</u>	<u>255,452,873</u>	<u>11,641,094</u>	<u>14,915,561</u>	<u>2,494,742,075</u>
MEDICAL EXPENSES							
Provider Capitation	341,465,901	451,310,896	792,776,797	102,072,163	1,314,137	-	896,163,097
Facilities	230,079,270	153,363,950	383,443,220	28,036,280	4,375,734	2,717,454	418,572,689
Ancillary	-	-	-	5,726,908	496,557	-	6,223,465
Skilled Nursing	-	-	-	-	225,663	-	225,663
Professional Claims	88,402,352	77,157,676	165,560,028	-	-	3,282,454	168,842,481
Prescription Drugs	165,671,502	163,163,842	328,835,344	46,398,913	4,031,273	1,168,420	380,433,950
MLTSS Facility Payments	420,596,630	22,787,195	443,383,825	42,961,015	-	17,988	486,362,828
Medical Management	17,353,445	6,510,203	23,863,648	8,990,755	488,836	4,790,642	38,133,881
Reinsurance & Other	4,929,352	2,707,042	7,636,394	1,383,587	61,146	898,338	9,979,465
Total Medical Expenses	<u>1,268,498,454</u>	<u>877,000,802</u>	<u>2,145,499,256</u>	<u>235,569,621</u>	<u>10,993,347</u>	<u>12,875,296</u>	<u>2,404,937,520</u>
Medical Loss Ratio	101.8%	90.7%	97.0%	92.2%	94.4%	86.3%	96.4%
GROSS MARGIN	(23,034,060)	90,267,351	67,233,291	19,883,252	647,747	2,040,265	89,804,555
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			49,290,768	6,899,295	212,972	695,976	57,099,011
Professional fees			1,305,048	254,622	132,682	38,508	1,730,860
Purchased services			5,910,516	1,537,177	172,115	80,088	7,699,895
Printing and Postage			2,847,183	582,829	62,261	24,969	3,517,241
Depreciation and Amortization			3,708,076	-	-	19,252	3,727,328
Other expenses			10,430,155	393,526	(578)	116,525	10,939,627
Indirect cost allocation, Occupancy expense			(3,105,471)	5,908,119	269,236	57,221	3,129,104
Total Administrative Expenses			<u>70,386,273</u>	<u>15,575,568</u>	<u>848,688</u>	<u>1,032,538</u>	<u>87,843,067</u>
Admin Loss Ratio			3.2%	6.1%	7.3%	6.9%	3.5%
INCOME (LOSS) FROM OPERATIONS			(3,152,982)	4,307,684	(200,941)	1,007,727	1,961,488
INVESTMENT INCOME			-	-	-	-	13,588,656
NET RENTAL INCOME			-	-	-	-	54,103
NET GRANT INCOME			(120,287)	-	-	-	(120,287)
OTHER INCOME			993	-	-	-	993
CHANGE IN NET ASSETS			<u>\$ (3,272,276)</u>	<u>\$ 4,307,684</u>	<u>\$ (200,941)</u>	<u>\$ 1,007,727</u>	<u>\$ 15,484,952</u>

Balance Sheet:

As of March 2018

ASSETS

Current Assets

Operating Cash	\$872,620,409
Investments	629,313,354
Capitation receivable	203,828,866
Receivables - Other	22,387,573
Prepaid Expenses	5,297,330
Total Current Assets	<u>1,733,447,533</u>

Capital Assets Furniture and equipment	35,380,257
Building/Leasehold improvements	5,885,793
505 City Parkway West	49,743,943
	<u>91,009,992</u>
Less: accumulated depreciation	(40,078,904)
Capital assets, net	<u>50,931,088</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	24,257,976
Long term investments	<u>511,926,899</u>
Total Board-designated Assets	<u>536,184,876</u>
Total Other Assets	<u>536,484,876</u>

Deferred outflows of Resources - Pension Contributions	5,234,198
Deferred outflows of Resources - Difference in Experience	1,072,771
Deferred outflows of Resources - Excess Earnings	<u>5,270,171</u>

TOTAL ASSETS & OUTFLOWS	<u>2,332,440,636</u>
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$11,465,633
Medical claims liability	1,434,348,789
Accrued payroll liabilities	11,402,098
Deferred revenue	14,565,884
Deferred lease obligations	139,894
Capitation and withholds	<u>84,000,478</u>
Total Current Liabilities	<u>1,555,922,777</u>

Other employment benefits liability	30,142,475
Net Pension Liabilities	15,992,029
Long Term Liabilities	<u>100,000</u>

TOTAL LIABILITIES	<u>1,602,157,282</u>
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Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,340,010
Tangible net equity (TNE)	86,464,983
Funds in excess of TNE	<u>642,478,362</u>

Net Assets	<u>728,943,345</u>
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TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>2,332,440,636</u>
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Board Designated Reserve and TNE Analysis As of March 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	146,625,181				
	Tier 1 - Logan Circle	146,594,365				
	Tier 1 - Wells Capital	146,066,476				
		439,286,022	293,288,561	456,040,079	145,997,461	(16,754,057)
TNE Requirement	Tier 2 - Logan Circle	96,898,854	86,464,983	86,464,983	10,433,871	10,433,871
Consolidated:		536,184,876	379,753,543	542,505,062	156,431,332	(6,320,186)
<i>Current reserve level</i>		1.98	1.40	2.00		



UNAUDITED FINANCIAL STATEMENTS

March 2018

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**CalOptima - Consolidated
Financial Highlights
For the Nine Months Ended March 31, 2018**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
788,700	804,295	(15,595)	(1.9%)	Member Months	7,117,159	7,227,162	(110,003)	(1.5%)
258,436,980	255,949,681	2,487,299	1.0%	Revenues	2,494,742,075	2,419,345,071	75,397,004	3.1%
254,187,988	249,492,168	(4,695,820)	(1.9%)	Medical Expenses	2,404,937,520	2,309,268,775	(95,668,745)	(4.1%)
10,375,773	12,148,518	1,772,744	14.6%	Administrative Expenses	87,843,067	109,956,622	22,113,554	20.1%
(6,126,782)	(5,691,005)	(435,777)	(7.7%)	Operating Margin	1,961,488	119,674	1,841,813	1539.0%
2,327,893	231,157	2,096,736	907.1%	Non Operating Income (Loss)	13,523,465	2,123,187	11,400,278	536.9%
(3,798,889)	(5,459,848)	1,660,958	30.4%	Change in Net Assets	15,484,952	2,242,861	13,242,091	590.4%
98.4%	97.5%	(0.9%)		Medical Loss Ratio	96.4%	95.5%	(1.0%)	
4.0%	4.7%	0.7%		Administrative Loss Ratio	3.5%	4.5%	1.0%	
<u>(2.4%)</u>	<u>(2.2%)</u>	(0.1%)		Operating Margin Ratio	<u>0.1%</u>	<u>0.0%</u>	0.1%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

CalOptima
Financial Dashboard
For the Nine Months Ended March 31, 2018

MONTH - TO - DATE

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	772,321	787,036	↓	(14,715) (1.9%)
OneCare Connect	14,793	15,612	↓	(819) (5.2%)
OneCare	1,335	1,391	↓	(56) (4.0%)
PACE	251	256	↓	(5) (2.0%)
Total	788,700	804,295	↓	(15,595) (1.9%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (4,587)	\$ (4,454)	↓	\$ (134) (3.0%)
OneCare Connect	(1,553)	(1,167)	↓	(386) (33.1%)
OneCare	(105)	(109)	↑	4 3.9%
PACE	98	39	↑	59 151.5%
505 Bldg.	-	(19)	↑	19 100.0%
Investment Income & Other	2,349	250	↑	2,099 839.6%
Total	\$ (3,799)	\$ (5,460)	↑	\$ 1,661 30.4%

MLR	Actual	Budget	% Point Var	
Medi-Cal	98.2%	97.6%	↓	(0.6)
OneCare Connect	100.2%	96.8%	↓	(3.3)
OneCare	101.1%	100.8%	↓	(0.4)

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 8,672	\$ 9,928	↑	\$ 1,256 12.7%
OneCare Connect	1,508	1,969	↑	461 23.4%
OneCare	86	98	↑	11 11.6%
PACE	110	154	↑	44 28.8%
Total	\$ 10,376	\$ 12,149	↑	\$ 1,773 14.6%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	912	900		(12)
OneCare Connect	212	237		25
OneCare	3	3		0
PACE	58	65		7
Total	1,185	1,205		20

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	846	874		(28)
OneCare Connect	70	66		4
OneCare	448	464		(16)
PACE	4	4		0
Total	1,368	1,408		(39)

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	6,966,478	7,072,943	↓	(106,465) (1.5%)
OneCare Connect	136,288	139,916	↓	(3,628) (2.6%)
OneCare	12,302	12,179	↑	123 1.0%
PACE	2,091	2,124	↓	(33) (1.6%)
Total	7,117,159	7,227,162	↓	(110,003) (1.5%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (3,272)	\$ 3,254	↓	\$ (6,527) (200.5%)
OneCare Connect	4,308	(1,917)	↑	6,224 324.7%
OneCare	(201)	(1,093)	↑	892 81.6%
PACE	1,008	(125)	↑	1,133 904.0%
505 Bldg.	54	(127)	↑	181 142.7%
Investment Income & Other	13,589	2,250	↑	11,339 503.9%
Total	\$ 15,485	\$ 2,243	↑	\$ 13,242 590.4%

MLR	Actual	Budget	% Point Var	
Medi-Cal	97.0%	95.7%	↓	(1.3)
OneCare Connect	92.2%	93.5%	↑	1.3
OneCare	94.4%	101.7%	↑	7.2

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 70,386	\$ 90,267	↑	\$ 19,881 22.0%
OneCare Connect	15,576	17,451	↑	1,876 10.7%
OneCare	849	883	↑	34 3.9%
PACE	1,033	1,355	↑	323 23.8%
Total	\$ 87,843	\$ 109,957	↑	\$ 22,114 20.1%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	8,028	8,104		76
OneCare Connect	1,976	2,133		158
OneCare	27	27		(0)
PACE	491	574		83
Total	10,522	10,838		316

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	868	873		(5)
OneCare Connect	69	66		3
OneCare	448	451		(3)
PACE	4	4		1
Total	1,389	1,393		(4)

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended March 31, 2018**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	788,700		804,295		(15,595)	
Revenues						
Medi-Cal	\$ 225,316,009	\$ 291.74	\$ 227,498,968	\$ 289.06	\$ (2,182,959)	\$ 2.68
OneCare Connect	29,685,229	2,006.71	25,231,318	1,616.15	4,453,911	390.56
OneCare	1,616,439	1,210.82	1,488,583	1,070.15	127,856	140.66
PACE	1,819,302	7,248.22	1,730,812	6,760.98	88,490	487.23
Total Operating Revenue	<u>258,436,980</u>	<u>327.67</u>	<u>255,949,681</u>	<u>318.23</u>	<u>2,487,299</u>	<u>9.45</u>
Medical Expenses						
Medi-Cal	221,210,542	286.42	222,024,807	282.10	814,265	(4.32)
OneCare Connect	29,730,430	2,009.76	24,429,341	1,564.78	(5,301,089)	(444.98)
OneCare	1,634,903	1,224.65	1,499,916	1,078.30	(134,987)	(146.35)
PACE	1,612,113	6,422.76	1,538,104	6,008.22	(74,009)	(414.54)
Total Medical Expenses	<u>254,187,988</u>	<u>322.29</u>	<u>249,492,168</u>	<u>310.20</u>	<u>(4,695,820)</u>	<u>(12.09)</u>
Gross Margin	4,248,991	5.39	6,457,513	8.03	(2,208,522)	(2.64)
Administrative Expenses						
Salaries and Benefits	6,507,277	8.25	7,393,428	9.19	886,151	0.94
Professional fees	213,186	0.27	376,189	0.47	163,003	0.20
Purchased services	1,037,820	1.32	1,495,525	1.86	457,704	0.54
Printing and Postage	439,763	0.56	529,870	0.66	90,107	0.10
Depreciation and Amortization	464,622	0.59	463,298	0.58	(1,324)	(0.01)
Other	1,357,855	1.72	1,549,792	1.93	191,937	0.21
Indirect cost allocation, Occupancy expense	355,251	0.45	340,416	0.42	(14,835)	(0.03)
Total Administrative Expenses	<u>10,375,773</u>	<u>13.16</u>	<u>12,148,518</u>	<u>15.10</u>	<u>1,772,744</u>	<u>1.95</u>
Income (Loss) From Operations	(6,126,782)	(7.77)	(5,691,005)	(7.08)	(435,777)	(0.69)
Investment income						
Interest income	2,506,617	3.18	250,000	0.31	2,256,617	2.87
Realized gain/(loss) on investments	(367,763)	(0.47)	-	-	(367,763)	(0.47)
Unrealized gain/(loss) on investments	210,106	0.27	-	-	210,106	0.27
Total Investment Income	<u>2,348,961</u>	<u>2.98</u>	<u>250,000</u>	<u>0.31</u>	<u>2,098,961</u>	<u>2.67</u>
Net Rental Income	-	-	(18,843)	(0.02)	18,843	0.02
Total Net Grant Income	(21,262)	(0.03)	-	-	(21,262)	(0.03)
Other Income	194	0.00	-	-	194	0.00
Change In Net Assets	<u>(3,798,889)</u>	<u>(4.82)</u>	<u>(5,459,848)</u>	<u>(6.79)</u>	<u>1,660,959</u>	<u>1.97</u>
Medical Loss Ratio	98.4%		97.5%		(0.9%)	
Administrative Loss Ratio	4.0%		4.7%		0.7%	

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

** Includes MSSP

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the Nine Months Ended March 31, 2018**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	7,117,159		7,227,162		(110,003)	
Revenues						
Medi-Cal	\$ 2,212,732,547	\$ 317.63	\$ 2,153,001,322	\$ 304.40	\$ 59,731,225	\$ 13.23
OneCare Connect	255,452,873	1,874.36	239,545,083	1,712.06	15,907,790	162.30
OneCare	11,641,094	946.28	12,690,399	1,041.99	(1,049,305)	(95.71)
PACE	14,915,561	7,133.22	14,108,267	6,642.31	807,294	490.91
Total Operating Revenue	2,494,742,075	350.52	2,419,345,071	334.76	75,397,004	15.77
Medical Expenses						
Medi-Cal	2,145,499,256	307.97	2,059,480,023	291.18	(86,019,233)	(16.80)
OneCare Connect	235,569,621	1,728.47	224,010,604	1,601.04	(11,559,017)	(127.43)
OneCare	10,993,347	893.62	12,899,999	1,059.20	1,906,652	165.58
PACE	12,875,296	6,157.48	12,878,149	6,063.16	2,853	(94.32)
Total Medical Expenses	2,404,937,520	337.91	2,309,268,775	319.53	(95,668,745)	(18.38)
Gross Margin	89,804,555	12.62	110,076,296	15.23	(20,271,741)	(2.61)
Administrative Expenses						
Salaries and Benefits	57,099,011	8.02	64,039,887	8.86	6,940,876	0.84
Professional fees	1,730,860	0.24	3,452,708	0.48	1,721,848	0.23
Purchased services	7,699,895	1.08	16,631,872	2.30	8,931,977	1.22
Printing and Postage	3,517,241	0.49	4,788,354	0.66	1,271,113	0.17
Depreciation and Amortization	3,727,328	0.52	4,169,682	0.58	442,354	0.05
Other	10,939,627	1.54	13,810,368	1.91	2,870,740	0.37
Indirect cost allocation, Occupancy expense	3,129,104	0.44	3,063,751	0.42	(65,353)	(0.02)
Total Administrative Expenses	87,843,067	12.34	109,956,622	15.21	22,113,554	2.87
Income (Loss) From Operations	1,961,488	0.28	119,674	0.02	1,841,813	0.26
Investment income						
Interest income	19,927,483	2.80	2,250,000	0.31	17,677,483	2.49
Realized gain/(loss) on investments	(1,633,180)	(0.23)	-	-	(1,633,180)	(0.23)
Unrealized gain/(loss) on investments	(4,705,647)	(0.66)	-	-	(4,705,647)	(0.66)
Total Investment Income	13,588,656	1.91	2,250,000	0.31	11,338,656	1.60
Net Rental Income	54,103	0.01	(126,813)	(0.02)	180,916	0.03
Total Net Grant Income	(120,287)	(0.02)	-	-	(120,287)	(0.02)
Other Income	993	0.00	-	-	993	0.00
Change In Net Assets	15,484,953	2.18	2,242,861	0.31	13,242,092	1.87
Medical Loss Ratio	96.4%		95.5%		(1.0%)	
Administrative Loss Ratio	3.5%		4.5%		1.0%	

* 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 March 31, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	531,307	241,014	772,321	14,793	1,335	251	788,700
REVENUES							
Capitation Revenue	\$ 119,616,647	\$ 105,699,362	\$ 225,316,009	\$ 29,685,229	\$ 1,616,439	\$ 1,819,302	\$ 258,436,980
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>119,616,647</u>	<u>105,699,362</u>	<u>225,316,009</u>	<u>29,685,229</u>	<u>1,616,439</u>	<u>1,819,302</u>	<u>258,436,980</u>
MEDICAL EXPENSES							
Provider Capitation	34,185,039	49,898,134	84,083,173	11,825,883	440,125	-	96,349,181
Facilities	26,801,600	8,723,099	35,524,699	3,390,132	520,975	329,309	39,765,115
Ancillary	-	-	-	742,594	80,817	-	823,411
Skilled Nursing	-	-	-	-	74,724	-	74,724
Professional Claims	14,822,966	9,508,653	24,331,619	-	-	439,705	24,771,324
Prescription Drugs	18,082,024	18,910,768	36,992,792	4,861,780	440,387	172,379	42,467,337
Quality Incentives	-	-	-	-	-	-	-
MLTSS Facility Payments	34,221,857	2,450,523	36,672,380	7,788,316	-	-	44,460,697
Medical Management	1,981,919	801,719	2,783,638	991,726	75,014	563,753	4,414,130
Reinsurance & Other	515,820	306,421	822,241	130,000	2,861	106,967	1,062,069
Total Medical Expenses	<u>130,611,224</u>	<u>90,599,318</u>	<u>221,210,542</u>	<u>29,730,430</u>	<u>1,634,903</u>	<u>1,612,113</u>	<u>254,187,988</u>
Medical Loss Ratio	109.2%	85.7%	98.2%	100.2%	101.1%	88.6%	98.4%
GROSS MARGIN	(10,994,577)	15,100,044	4,105,467	(45,201)	(18,464)	207,189	4,248,991
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,690,413	724,688	21,591	70,585	6,507,277
Professional fees			169,955	29,898	13,333	0	213,186
Purchased services			774,394	221,332	20,985	21,110	1,037,820
Printing and Postage			398,215	39,465	2,084	0	439,763
Depreciation and Amortization			462,547	-	-	2,074	464,622
Other expenses			1,308,802	40,069	119	8,865	1,357,855
Indirect cost allocation, Occupancy expense			(132,762)	452,803	28,291	6,918	355,251
Total Administrative Expenses			<u>8,671,563</u>	<u>1,508,255</u>	<u>86,403</u>	<u>109,552</u>	<u>10,375,773</u>
Admin Loss Ratio			3.8%	5.1%	5.3%	6.0%	4.0%
INCOME (LOSS) FROM OPERATIONS			(4,566,096)	(1,553,457)	(104,867)	97,638	(6,126,782)
INVESTMENT INCOME			-	-	-	-	2,348,961
NET GRANT INCOME			(21,262)	-	-	-	(21,262)
OTHER INCOME			194	-	-	-	194
CHANGE IN NET ASSETS			<u>\$ (4,587,164)</u>	<u>\$ (1,553,457)</u>	<u>\$ (104,867)</u>	<u>\$ 97,638</u>	<u>\$ (3,798,889)</u>
BUDGETED CHANGE IN ASSETS			(4,453,559)	(1,167,143)	(109,119)	38,816	(5,459,848)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(133,606)</u>	<u>(386,314)</u>	<u>4,252</u>	<u>58,822</u>	<u>1,660,958</u>

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

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	4,813,863	2,152,615	6,966,478	136,288	12,302	2,091	7,117,159
REVENUES							
Capitation Revenue	\$ 1,245,464,394	\$ 967,268,154	\$ 2,212,732,547	\$ 255,452,873	11,641,094	\$ 14,915,561	\$ 2,494,742,075
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,245,464,394</u>	<u>967,268,154</u>	<u>2,212,732,547</u>	<u>255,452,873</u>	<u>11,641,094</u>	<u>14,915,561</u>	<u>2,494,742,075</u>
MEDICAL EXPENSES							
Provider Capitation	341,465,901	451,310,896	792,776,797	102,072,163	1,314,137	-	896,163,097
Facilities	230,079,270	153,363,950	383,443,220	28,036,280	4,375,734	2,717,454	418,572,689
Ancillary	-	-	-	5,726,908	496,557	-	6,223,465
Skilled Nursing	-	-	-	-	225,663	-	225,663
Professional Claims	88,402,352	77,157,676	165,560,028	-	-	3,282,454	168,842,481
Prescription Drugs	165,671,502	163,163,842	328,835,344	46,398,913	4,031,273	1,168,420	380,433,950
MLTSS Facility Payments	420,596,630	22,787,195	443,383,825	42,961,015	-	17,988	486,362,828
Medical Management	17,353,445	6,510,203	23,863,648	8,990,755	488,836	4,790,642	38,133,881
Reinsurance & Other	4,929,352	2,707,042	7,636,394	1,383,587	61,146	898,338	9,979,465
Total Medical Expenses	<u>1,268,498,454</u>	<u>877,000,802</u>	<u>2,145,499,256</u>	<u>235,569,621</u>	<u>10,993,347</u>	<u>12,875,296</u>	<u>2,404,937,520</u>
Medical Loss Ratio	101.8%	90.7%	97.0%	92.2%	94.4%	86.3%	96.4%
GROSS MARGIN	(23,034,060)	90,267,351	67,233,291	19,883,252	647,747	2,040,265	89,804,555
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			49,290,768	6,899,295	212,972	695,976	57,099,011
Professional fees			1,305,048	254,622	132,682	38,508	1,730,860
Purchased services			5,910,516	1,537,177	172,115	80,088	7,699,895
Printing and Postage			2,847,183	582,829	62,261	24,969	3,517,241
Depreciation and Amortization			3,708,076	-	-	19,252	3,727,328
Other expenses			10,430,155	393,526	(578)	116,525	10,939,627
Indirect cost allocation, Occupancy expense			(3,105,471)	5,908,119	269,236	57,221	3,129,104
Total Administrative Expenses			<u>70,386,273</u>	<u>15,575,568</u>	<u>848,688</u>	<u>1,032,538</u>	<u>87,843,067</u>
Admin Loss Ratio			3.2%	6.1%	7.3%	6.9%	3.5%
INCOME (LOSS) FROM OPERATIONS			(3,152,982)	4,307,684	(200,941)	1,007,727	1,961,488
INVESTMENT INCOME			-	-	-	-	13,588,656
NET RENTAL INCOME			-	-	-	-	54,103
NET GRANT INCOME			(120,287)	-	-	-	(120,287)
OTHER INCOME			993	-	-	-	993
CHANGE IN NET ASSETS			<u>\$ (3,272,276)</u>	<u>\$ 4,307,684</u>	<u>\$ (200,941)</u>	<u>\$ 1,007,727</u>	<u>\$ 15,484,952</u>
BUDGETED CHANGE IN ASSETS			3,254,386	(1,916,791)	(1,092,576)	(125,345)	2,242,861
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(6,526,662)</u>	<u>6,224,475</u>	<u>891,635</u>	<u>1,133,072</u>	<u>13,242,091</u>

March 31, 2018 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is (\$3.8) million, \$1.7 million favorable to budget
- Operating deficit is \$6.1 million with a surplus in non-operating of \$2.3 million

YEAR TO DATE RESULTS:

- Change in Net Assets is \$15.5 million, \$13.2 million favorable to budget
- Operating surplus is \$1.8 million, \$1.7 million favorable to budget

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>	
(4.6)	(4.5)	(0.1)	Medi-Cal	(3.3)	3.3	(6.5)	
(1.6)	(1.2)	(0.4)	OCC	4.3	(1.9)	6.2	
(0.1)	(0.1)	0.0	OneCare	(0.2)	(1.1)	0.9	
<u>0.1</u>	<u>0.0</u>	<u>0.1</u>	PACE	<u>1.0</u>	<u>(0.1)</u>	<u>1.1</u>	
(6.1)	(5.7)	(0.4)	Operating	1.8	0.1	1.7	
<u>2.3</u>	<u>0.2</u>	<u>2.1</u>	Inv./Rental Inc, MCO tax	<u>13.6</u>	<u>2.1</u>	<u>11.5</u>	
2.3	0.2	2.1	Non-Operating	13.6	2.1	11.5	
(3.8)	(5.5)	1.7	TOTAL	15.5	2.2	13.2	

CalOptima
Enrollment Summary
For the Nine Months Ended March 31, 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,303	64,963	(1,660)	(2.6%)	Aged	569,198	570,666	(1,468)	(0.3%)
621	618	3	0.5%	BCCTP	5,513	5,562	(49)	(0.9%)
47,281	48,815	(1,534)	(3.1%)	Disabled	426,732	439,045	(12,313)	(2.8%)
320,242	328,966	(8,724)	(2.7%)	TANF Child	2,893,897	2,965,581	(71,684)	(2.4%)
96,404	103,474	(7,070)	(6.8%)	TANF Adult	887,533	933,911	(46,378)	(5.0%)
3,456	3,268	188	5.8%	LTC	30,990	29,412	1,578	5.4%
241,014	236,932	4,082	1.7%	MCE	2,152,615	2,128,766	23,849	1.1%
772,321	787,036	(14,715)	(1.9%)	Medi-Cal	6,966,478	7,072,943	(106,465)	(1.5%)
14,793	15,612	(819)	(5.2%)	OneCare Connect	136,288	139,916	(3,628)	(2.6%)
251	256	(5)	(2.0%)	PACE	2,091	2,124	(33)	(1.6%)
1,335	1,391	(56)	(4.0%)	OneCare	12,302	12,179	123	1.0%
788,700	804,295	(15,595)	(1.9%)	CalOptima Total	7,117,159	7,227,162	(110,003)	(1.5%)

Enrollment (By Network)								
169,214	174,673	(5,459)	(3.1%)	HMO	1,532,976	1,568,783	(35,807)	(2.3%)
222,573	225,049	(2,476)	(1.1%)	PHC	2,004,968	2,035,130	(30,162)	(1.5%)
197,464	208,296	(10,832)	(5.2%)	Shared Risk Group	1,797,760	1,884,737	(86,977)	(4.6%)
183,070	179,018	4,052	2.3%	Fee for Service	1,630,774	1,584,293	46,481	2.9%
772,321	787,036	(14,715)	(1.9%)	Medi-Cal	6,966,478	7,072,943	(106,465)	(1.5%)
14,793	15,612	(819)	(5.2%)	OneCare Connect	136,288	139,916	(3,628)	(2.6%)
251	256	(5)	(2.0%)	PACE	2,091	2,124	(33)	(1.6%)
1,335	1,391	(56)	(4.0%)	OneCare	12,302	12,179	123	1.0%
788,700	804,295	(15,595)	(1.9%)	CalOptima Total	7,117,159	7,227,162	(110,003)	(1.5%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2018

Network Type	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	MMs
HMO													
Aged	4,058	4,045	4,051	3,864	4,020	3,980	3,982	3,958	3,941	-	-	-	35,899
BCCTP	1	1	1	5	1	5	1	1	1	-	-	-	17
Disabled	6,749	6,740	6,729	6,703	6,733	6,743	6,743	6,777	6,780	-	-	-	60,697
TANF Child	61,492	61,733	61,361	61,023	60,598	60,595	53,730	59,508	59,394	-	-	-	539,434
TANF Adult	30,429	30,420	30,313	30,127	29,905	30,059	36,236	30,408	30,207	-	-	-	278,104
LTC	3	4	6	4	4	3	2	3	4	-	-	-	33
MCE	68,020	68,792	69,169	68,294	68,764	69,313	68,665	68,888	68,887	-	-	-	618,792
	170,752	171,735	171,630	170,020	170,025	170,698	169,359	169,543	169,214	-	-	-	1,532,976
PHC													
Aged	1,480	1,493	1,530	1,401	1,561	1,581	1,603	1,608	1,615	-	-	-	13,872
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	7,318	7,264	7,258	7,236	7,229	7,221	7,264	7,256	7,298	-	-	-	65,344
TANF Child	162,801	163,976	163,202	162,046	162,030	162,046	154,874	160,957	160,820	-	-	-	1,452,752
TANF Adult	12,604	12,571	12,410	12,356	12,311	12,312	19,241	13,212	13,146	-	-	-	120,163
LTC	-	-	1	1	-	-	1	1	-	-	-	-	4
MCE	38,398	38,821	39,088	38,681	39,261	39,620	39,555	39,715	39,694	-	-	-	352,833
	222,601	224,125	223,489	221,721	222,392	222,780	222,538	222,749	222,573	-	-	-	2,004,968
Shared Risk Group													
Aged	3,809	3,756	3,831	3,029	3,765	3,641	3,706	3,680	3,687	-	-	-	32,904
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	8,108	8,058	8,035	7,951	7,978	7,887	7,873	7,810	7,756	-	-	-	71,456
TANF Child	72,723	72,861	72,102	71,427	71,139	70,753	63,054	69,468	69,054	-	-	-	632,581
TANF Adult	32,775	32,737	32,316	31,441	31,785	31,475	39,189	32,293	31,899	-	-	-	295,910
LTC	-	1	2	-	-	2	-	3	3	-	-	-	11
MCE	85,799	86,330	86,191	81,677	85,025	84,995	84,574	85,241	85,065	-	-	-	764,897
	203,214	203,743	202,477	195,526	199,692	198,753	198,396	198,495	197,464	-	-	-	1,797,760
Fee for Service (Dual)													
Aged	48,036	48,599	48,846	48,863	49,108	49,578	53,851	53,491	49,628	-	-	-	450,000
BCCTP	25	22	25	23	22	23	21	24	18	-	-	-	203
Disabled	20,343	20,528	20,516	20,448	20,494	20,691	22,065	22,052	20,849	-	-	-	187,986
TANF Child	3	3	2	2	1	1	1	2	2	-	-	-	17
TANF Adult	1,205	1,226	1,184	1,156	1,118	1,165	1,160	1,093	1,095	-	-	-	10,402
LTC	3,002	3,124	3,126	3,068	3,137	3,112	3,106	3,068	3,108	-	-	-	27,851
MCE	2,816	2,848	2,758	2,831	2,113	1,660	1,713	1,774	1,888	-	-	-	20,401
	75,430	76,350	76,457	76,391	75,993	76,230	81,917	81,504	76,588	-	-	-	696,860
Fee for Service (Non-Dual)													
Aged	3,580	3,855	4,031	3,714	4,250	4,117	4,197	4,347	4,432	-	-	-	36,523
BCCTP	601	602	599	523	598	589	588	590	602	-	-	-	5,292
Disabled	4,466	4,559	4,578	4,364	4,703	4,604	4,721	4,656	4,598	-	-	-	41,249
TANF Child	27,513	31,414	31,119	30,822	28,520	31,545	27,514	29,694	30,972	-	-	-	269,113
TANF Adult	18,753	19,744	20,087	19,517	19,142	20,210	23,898	21,546	20,057	-	-	-	182,954
LTC	372	364	379	194	363	353	366	359	341	-	-	-	3,091
MCE	43,457	44,664	44,438	40,886	42,402	44,767	44,918	44,580	45,480	-	-	-	395,692
	98,742	105,202	105,231	100,120	99,978	106,185	106,202	105,772	106,482	-	-	-	933,914
MEDI-CAL TOTAL													
Aged	60,963	61,748	62,289	60,871	62,704	62,897	67,339	67,084	63,303	-	-	-	569,198
BCCTP	627	625	625	552	621	617	610	615	621	-	-	-	5,513
Disabled	46,984	47,149	47,116	46,702	47,137	47,146	48,666	48,551	47,281	-	-	-	426,732
TANF Child	324,532	329,987	327,786	325,320	322,288	324,940	299,173	319,629	320,242	-	-	-	2,893,897
TANF Adult	95,766	96,698	96,310	94,597	94,261	95,221	119,724	98,552	96,404	-	-	-	887,533
LTC	3,377	3,493	3,514	3,267	3,504	3,470	3,475	3,434	3,456	-	-	-	30,990
MCE	238,490	241,455	241,644	232,469	237,565	240,355	239,425	240,198	241,014	-	-	-	2,152,615
	770,739	781,155	779,284	763,778	768,080	774,646	778,412	778,063	772,321	-	-	-	6,966,478
PACE	215	221	228	227	233	235	236	245	251	-	-	-	2,091
OneCare	1,367	1,386	1,404	1,406	1,378	1,372	1,320	1,334	1,335	-	-	-	12,302
OneCare Connect	15,365	15,229	15,265	15,234	15,254	15,223	14,989	14,936	14,793	-	-	-	136,288
TOTAL	787,686	797,991	796,181	780,645	784,945	791,476	794,957	794,578	788,700	-	-	-	7,117,159

ENROLLMENT:

Overall MTD enrollment was 788,700

- Unfavorable to budget by 15,595 or 1.9%
- Decreased 5,878 from prior month (February 2018)
- Decreased 4,742 from prior year (March 2017)

Medi-Cal enrollment was 772,321

- Unfavorable to budget by 14,715
 - TANF unfavorable by 15,794
 - SPD unfavorable by 3,191
 - Expansion favorable by 4,082
 - LTC favorable by 188
- Decreased 5,742 from prior month

OneCare Connect enrollment was 14,793

- Unfavorable to budget by 819
- Decreased 143 from prior month

OneCare enrollment was 1,335

- Unfavorable to budget by 56
- Increased 1 from prior month

PACE enrollment was 251

- Unfavorable to budget by 5
- Increased 6 from prior month

**CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2018**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
772,321	787,036	(14,715)	(1 9%)	Member Months	6,966,478	7,072,943	(106,465)	(1 5%)
225,316,009	227,498,968	(2,182,959)	(1 0%)	Revenues	2,212,732,547	2,153,001,322	59,731,225	2 8%
225,316,009	227,498,968	(2,182,959)	(1 0%)	Capitation revenue	2,212,732,547	2,153,001,322	59,731,225	2 8%
				Total Operating Revenues	2,212,732,547	2,153,001,322	59,731,225	2 8%
84,083,173	86,844,970	2,761,797	3 2%	Medical Expenses				
35,524,699	44,747,311	9,222,612	20 6%	Provider capitation	792,776,797	782,780,348	(9,996,449)	(1 3%)
24,331,619	15,025,255	(9,306,364)	(61 9%)	Facilities	383,443,220	393,989,495	10,546,275	2.7%
36,992,792	38,462,113	1,469,321	3 8%	Professional Claims	165,560,028	127,910,951	(37,649,077)	(29.4%)
36,672,380	33,243,310	(3,429,070)	(10 3%)	Prescription drugs	328,835,344	326,836,427	(1,998,917)	(0 6%)
2,783,638	3,386,831	603,193	17 8%	MLTSS	443,383,825	395,781,685	(47,602,140)	(12 0%)
822,241	315,017	(507,224)	(161 0%)	Medical Management	23,863,648	29,345,964	5,482,316	18.7%
				Reinsurance & other	7,636,394	2,835,153	(4,801,241)	(169 3%)
221,210,542	222,024,807	814,265	0.4%	Total Medical Expenses	2,145,499,256	2,059,480,023	(86,019,233)	(4 2%)
4,105,467	5,474,161	(1,368,694)	(25 0%)	Gross Margin	67,233,291	93,521,299	(26,288,008)	(28.1%)
5,690,413	6,321,273	630,860	10 0%	Administrative Expenses				
169,955	319,522	149,567	46 8%	Salaries, wages & employee benefits	49,290,768	54,695,063	5,404,295	9 9%
774,394	1,222,530	448,136	36.7%	Professional fees	1,305,048	2,942,708	1,637,660	55.7%
398,215	401,236	3,021	0 8%	Purchased services	5,910,516	14,174,775	8,264,259	58 3%
462,547	461,246	(1,301)	(0 3%)	Printing and postage	2,847,183	3,623,134	775,951	21.4%
1,308,802	1,480,698	171,896	11 6%	Depreciation & amortization	3,708,076	4,151,214	443,138	10.7%
(132,762)	(278,785)	(146,023)	(52.4%)	Other operating expenses	10,430,155	13,189,084	2,758,929	20 9%
				Indirect cost allocation	(3,105,471)	(2,509,065)	596,406	23 8%
8,671,563	9,927,720	1,256,157	12.7%	Total Administrative Expenses	70,386,273	90,266,913	19,880,640	22 0%
10,540,079	0	(10,540,079)	0 0%	Operating Tax				
10,156,021	0	(10,156,021)	0 0%	Tax Revenue	105,540,563	0	(105,540,563)	0 0%
384,058	0	(384,058)	0 0%	Premium tax expense	91,877,167	0	(91,877,167)	0 0%
				Sales tax expense	13,663,396	0	(13,663,396)	0 0%
(0)	0	(0)	0 0%	Total Net Operating Tax	(0)	0	(0)	0 0%
9,678	291,249	(281,571)	(96.7%)	Grant Income				
0	258,276	258,276	100 0%	Grant Revenue	249,540	2,621,241	(2,371,701)	(90 5%)
30,940	32,973	2,033	6 2%	Grant expense - Service Partner	156,825	2,324,484	2,167,659	93 3%
				Grant expense - Administrative	213,002	296,757	83,755	28 2%
(21,262)	0	(21,262)	0 0%	Total Net Grant Income	(120,287)	0	(120,287)	0 0%
194	0	194	0 0%	Other income	993	0	993	0 0%
(4,587,164)	(4,453,559)	(133,605)	(3 0%)	Change in Net Assets	(3,272,275)	3,254,386	(6,526,661)	(200 5%)
=====	=====	=====	=====		=====	=====	=====	=====
98.2%	97.6%	(0.6%)	(0 6%)	Medical Loss Ratio	97 0%	95.7%	(1.3%)	(1.4%)
3.8%	4.4%	0.5%	11 8%	Admin Loss Ratio	3 2%	4 2%	1.0%	24.1%

MEDI-CAL INCOME STATEMENT – MARCH MONTH:

REVENUES of \$225.3 million are unfavorable to budget by \$2.2 million, driven by:

- Unfavorable volume related variance of \$4.3 million
- Favorable price related variance of \$2.1 million due to:
 - \$2.8 million of fiscal year 2018 revenue for Applied Behavior Analysis (ABA)
 - \$3.5 million of fiscal year 2018 non-LTC (Long-Term Care), offset by:
 - (\$1.7) million fiscal year 2018 Hepatitis C, (\$1.5) million of fiscal year 2018 Coordinated Care Initiative (CCI) and (\$1.3) million of prior year CCI and non-LTC revenue

MEDICAL EXPENSES: Overall \$221.2 million, favorable to budget by \$0.8 million due to:

- **Facility** expense is favorable to budget \$9.2 million due to release of Shared Risk accrual of \$9.9 million and crossover claims
- **Provider Capitation** is favorable to budget by \$2.8 million due to Behavioral Health Treatment's (BHT) transition in-house
- **Professional Claims** expense is unfavorable to budget \$9.3 million due to BHT, professional, and crossover claims
- **Managed Long-Term Services and Support (MLTSS)** is unfavorable to budget \$3.4 million due to In Home Health Services (IHHS) claims
- **Prescription Drug** expense is favorable to budget \$1.5 million due to over accrual in February

ADMINISTRATIVE EXPENSES are \$8.7 million, favorable to budget \$1.3 million, driven by:

- **Salary & Benefits:** \$0.6 million favorable to budget
- **Purchased Services:** \$0.4 million favorable to budget due to lower outside claims processing fees, mostly from mental health claims processing being brought in-house
- **Other Non-Salary:** \$0.2 million favorable to budget

CHANGE IN NET ASSETS is (\$4.6) million for the month, unfavorable to budget by \$0.1 million

**CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2018**

Month			
Actual	Budget	\$ Variance	% Variance
14,793	15,612	(819)	(5.2%)
8,288,726	4,051,382	4,237,344	104.6%
16,893,890	15,799,021	1,094,869	6.9%
4,502,612	5,380,915	(878,303)	(16.3%)
29,685,229	25,231,318	4,453,911	17.7%
11,825,883	9,044,404	(2,781,479)	(30.8%)
3,390,132	5,256,761	1,866,629	35.5%
742,594	644,001	(98,593)	(15.3%)
7,788,316	2,439,232	(5,349,084)	(219.3%)
4,861,780	5,692,843	831,063	14.6%
991,726	1,225,298	233,572	19.1%
130,000	126,802	(3,198)	(2.5%)
29,730,430	24,429,341	(5,301,089)	(21.7%)
(45,201)	801,977	(847,178)	(105.6%)
724,688	952,271	227,583	23.9%
29,898	38,333	8,435	22.0%
221,332	239,869	18,537	7.7%
39,465	103,800	64,335	62.0%
40,069	50,419	10,350	20.5%
452,803	584,428	131,625	22.5%
1,508,255	1,969,120	460,865	23.4%
0	0	0	0.0%
(1,553,457)	(1,167,143)	(386,314)	(33.1%)
100.2%	96.8%	(3.3%)	(3.4%)
5.1%	7.8%	2.7%	34.9%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	136,288	139,916	(3,628)	(2.6%)
Revenues				
Medi-Cal Capitation revenue	59,167,736	57,184,576	1,983,160	3.5%
Medicare Capitation revenue part C	147,713,955	135,207,286	12,506,669	9.2%
Medicare Capitation revenue part D	48,571,183	47,153,221	1,417,962	3.0%
Total Operating Revenue	255,452,873	239,545,083	15,907,790	6.6%
Medical Expenses				
Provider capitation	102,072,163	78,086,448	(23,985,715)	(30.7%)
Facilities	28,036,280	45,864,511	17,828,231	38.9%
Ancillary	5,726,908	5,603,453	(123,455)	(2.2%)
Long Term Care	42,961,015	32,485,387	(10,475,628)	(32.2%)
Prescription drugs	46,398,913	50,002,496	3,603,583	7.2%
Medical management	8,990,755	10,909,677	1,918,922	17.6%
Other medical expenses	1,383,587	1,058,632	(324,955)	(30.7%)
Total Medical Expenses	235,569,621	224,010,604	(11,559,017)	(5.2%)
Gross Margin	19,883,252	15,534,479	4,348,773	28.0%
Administrative Expenses				
Salaries, wages & employee benefits	6,899,295	8,300,145	1,400,850	16.9%
Professional fees	254,622	345,002	90,379	26.2%
Purchased services	1,537,177	2,158,914	621,737	28.8%
Printing and postage	582,829	934,206	351,377	37.6%
Other operating expenses	393,526	453,152	59,626	13.2%
Indirect cost allocation, Occupancy Expense	5,908,119	5,259,852	(648,267)	(12.3%)
Total Administrative Expenses	15,575,568	17,451,270	1,875,702	10.7%
Operating Tax				
Total Net Operating Tax	0	0	0	0.0%
Change in Net Assets	4,307,684	(1,916,791)	6,224,475	324.7%
Medical Loss Ratio	92.2%	93.5%	1.3%	1.4%
Admin Loss Ratio	6.1%	7.3%	1.2%	16.3%

ONECARE CONNECT INCOME STATEMENT – MARCH MONTH:

REVENUES of \$29.7 million are favorable to budget by \$4.5 million driven by:

- Unfavorable volume related variance of \$1.3 million due to lower enrollment
- Favorable price related variance of \$5.8 million due to fiscal year 2018 rate adjustment and CCI

MEDICAL EXPENSES of \$29.8 million are unfavorable to budget \$5.3 million due to:

- Favorable volume related variance of \$1.3 million due to lower enrollment
- Unfavorable price related variance of \$6.6 million due to provider capitation and CCI

ADMINISTRATIVE EXPENSES of \$1.5 million are favorable to budget \$0.5

CHANGE IN NET ASSETS is (\$1.6) million, \$0.4 million unfavorable to budget

**CalOptima - OneCare
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2018**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,335	1,391	(56)	(4.0%)	Member Months	12,302	12,179	123	1.0%
				Revenues				
52,172	48,337	3,835	7.9%	Medi-Cal Capitation revenue	576,777	423,150	153,627	36.3%
954,079	939,770	14,309	1.5%	Medicare Part C Revenue	7,192,826	7,977,582	(784,756)	(9.8%)
610,188	500,476	109,712	21.9%	Medicare Part D Revenue	3,871,491	4,289,667	(418,176)	(9.7%)
1,616,439	1,488,583	127,856	8.6%	Total Operating Revenue	11,641,094	12,690,399	(1,049,305)	(8.3%)
				Medical Expenses				
440,125	411,537	(28,588)	(6.9%)	Provider capitation	1,314,137	3,506,436	2,192,299	62.5%
520,975	459,682	(61,293)	(13.3%)	Inpatient	4,375,734	3,988,631	(387,103)	(9.7%)
80,817	50,378	(30,439)	(60.4%)	Ancillary	496,557	433,728	(62,829)	(14.5%)
74,724	44,111	(30,613)	(69.4%)	Skilled nursing facilities	225,663	376,237	150,574	40.0%
440,387	503,405	63,018	12.5%	Prescription drugs	4,031,273	4,327,384	296,111	6.8%
75,014	21,911	(53,103)	(242.4%)	Medical management	488,836	200,153	(288,683)	(144.2%)
2,861	8,892	6,031	67.8%	Other medical expenses	61,146	67,430	6,284	9.3%
1,634,903	1,499,916	(134,987)	(9.0%)	Total Medical Expenses	10,993,347	12,899,999	1,906,652	14.8%
(18,464)	(11,333)	(7,131)	(62.9%)	Gross Margin	647,747	(209,600)	857,347	409.0%
				Administrative Expenses				
21,591	21,095	(496)	(2.4%)	Salaries, wages & employee benefits	212,972	185,146	(27,826)	(15.0%)
13,333	13,334	1	0.0%	Professional fees	132,682	119,998	(12,684)	(10.6%)
20,985	11,990	(8,995)	(75.0%)	Purchased services	172,115	107,960	(64,155)	(59.4%)
2,084	19,287	17,203	89.2%	Printing and postage	62,261	181,091	118,830	65.6%
119	171	52	30.5%	Other operating expenses	(578)	1,593	2,171	136.3%
28,291	31,909	3,618	11.3%	Indirect cost allocation, Occupancy Expense	269,236	287,188	17,952	6.3%
86,403	97,786	11,383	11.6%	Total Administrative Expenses	848,688	882,976	34,288	3.9%
(104,867)	(109,119)	4,252	3.9%	Change in Net Assets	(200,941)	(1,092,576)	891,635	81.6%
=====	=====	=====	=====		=====	=====	=====	=====
101.1%	100.8%	(0.4%)	(0.4%)	Medical Loss Ratio	94.4%	101.7%	7.2%	7.1%

CalOptima - PACE
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2018

Month			
Actual	Budget	\$ Variance	% Variance
251	256	(5)	(2.0%)
1,368,561	1,336,519	32,042	2.4%
319,191	313,061	6,130	2.0%
131,550	81,232	50,318	61.9%
1,819,302	1,730,812	88,490	5.1%
563,753	608,385	44,632	7.3%
329,309	369,833	40,524	11.0%
439,705	304,945	(134,760)	(44.2%)
172,379	128,164	(44,215)	(34.5%)
0	11,019	11,019	100.0%
106,967	105,758	(1,209)	(1.1%)
0	0	0	0.0%
0	10,000	10,000	100.0%
1,612,113	1,538,104	(74,009)	(4.8%)
207,189	192,708	14,481	7.5%
70,585	98,789	28,204	28.6%
0	5,000	5,000	100.0%
21,110	21,136	26	0.1%
0	5,547	5,547	100.0%
2,074	2,052	(22)	(1.1%)
8,865	18,504	9,639	52.1%
6,918	2,864	(4,054)	(141.5%)
109,552	153,892	44,340	28.8%
3,504	0	3,504	0.0%
3,504	0	(3,504)	0.0%
0	0	0	0.0%
97,638	38,816	58,822	151.5%
88.6%	88.9%	0.3%	0.3%
6.0%	8.9%	2.9%	32.3%

Year - To - Date			
Actual	Budget	\$ Variance	% Variance
2,091	2,124	(33)	(1.6%)
11,127,017	10,865,104	261,913	2.4%
2,989,494	2,564,192	425,302	16.6%
799,050	678,971	120,079	17.7%
14,915,561	14,108,267	807,294	5.7%
4,790,642	5,318,182	527,540	9.9%
2,717,454	3,013,735	296,281	9.8%
3,282,454	2,485,504	(796,950)	(32.1%)
1,168,420	1,045,452	(122,968)	(11.8%)
17,988	104,008	86,020	82.7%
842,338	861,268	18,930	2.2%
0	0	0	0.0%
56,000	50,000	(6,000)	(12.0%)
12,875,296	12,878,149	2,853	0.0%
2,040,265	1,230,118	810,147	65.9%
695,976	859,533	163,557	19.0%
38,508	45,000	6,492	14.4%
80,088	190,224	110,136	57.9%
24,969	49,923	24,954	50.0%
19,252	18,468	(784)	(4.2%)
116,525	166,539	50,014	30.0%
57,221	25,776	(31,445)	(122.0%)
1,032,538	1,355,463	322,925	23.8%
44,878	0	44,878	0.0%
44,878	0	(44,878)	0.0%
0	0	0	0.0%
1,007,727	(125,345)	1,133,072	904.0%
86.3%	91.3%	5.0%	5.4%
6.9%	9.6%	2.7%	27.9%

**CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2018**

Actual	Month		
	Budget	\$ Variance	% Variance
0	0	0	0.0%
-----	-----	-----	-----
0	0	0	0.0%
-----	-----	-----	-----
42,179	23,186	(18,994)	(81.9%)
170,582	161,474	(9,108)	(5.6%)
14,913	9,117	(5,797)	(63.6%)
108,911	158,122	49,211	31.1%
30,611	0	(30,611)	0.0%
(367,197)	(333,055)	34,142	10.3%
-----	-----	-----	-----
0	18,843	18,843	100.0%
-----	-----	-----	-----
0	(18,843)	18,843	100.0%
=====	=====	=====	=====

Revenues

Rental income

Total Operating Revenue

Administrative Expenses

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
155,426	42,774	112,652	263.4%
-----	-----	-----	-----
155,426	42,774	112,652	263.4%
-----	-----	-----	-----
302,258	208,673	(93,585)	(44.8%)
1,447,600	1,453,263	5,664	0.4%
134,220	82,050	(52,169)	(63.6%)
989,984	1,423,094	433,111	30.4%
380,744	0	(380,744)	0.0%
(3,153,481)	(2,997,494)	155,987	5.2%
-----	-----	-----	-----
101,324	169,587	68,263	40.3%
-----	-----	-----	-----
54,103	(126,813)	180,916	142.7%
=====	=====	=====	=====

OTHER STATEMENTS – MARCH MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is (\$104.9) thousand, \$4.3 thousand favorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$97.6 thousand, \$58.8 thousand favorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$0.0 thousand, \$18.8 thousand favorable to budget

**CalOptima
BALANCE SHEET
March 31, 2018**

ASSETS

Current Assets	
Operating Cash	\$872,620,409
Investments	629,313,354
Capitation receivable	203,828,866
Receivables - Other	22,387,573
Prepaid Expenses	5,297,330
Total Current Assets	<u>1,733,447,533</u>

Capital Assets	
Furniture and equipment	35,380,257
Building/Leasehold improvements	5,885,793
505 City Parkway West	49,743,943
	<u>91,009,992</u>
Less: accumulated depreciation	(40,078,904)
Capital assets, net	<u>50,931,088</u>

Other Assets	
Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	24,257,976
Long term investments	511,926,899
Total Board-designated Assets	<u>536,184,876</u>
Total Other Assets	<u>536,484,876</u>

Deferred outflows of Resources - Pension Contributions	5,234,198
Deferred outflows of Resources - Difference in Experience	1,072,771
Deferred outflows of Resources - Excess Earnings	<u>5,270,171</u>

TOTAL ASSETS & OUTFLOWS	<u>2,332,440,636</u>
------------------------------------	-----------------------------

LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts payable	\$11,465,633
Medical claims liability	1,434,348,789
Accrued payroll liabilities	11,402,098
Deferred revenue	14,565,884
Deferred lease obligations	139,894
Capitation and withholds	84,000,478
Total Current Liabilities	<u>1,555,922,777</u>

Other employment benefits liability	30,142,475
Net Pension Liabilities	15,992,029
Long Term Liabilities	100,000
TOTAL LIABILITIES	<u>1,602,157,282</u>

Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,340,010
Tangible net equity (TNE)	86,464,983
Funds in excess of TNE	642,478,362
Net Assets	<u>728,943,345</u>

TOTAL LIABILITIES, INFLOWS & FUND BALANCES	<u>2,332,440,636</u>
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CalOptima
Board Designated Reserve and TNE Analysis
as of March 31, 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	146,625,181				
	Tier 1 - Logan Circle	146,594,365				
	Tier 1 - Wells Capital	146,066,476				
Board-designated Reserve						
		439,286,022	293,288,561	456,040,079	145,997,461	(16,754,057)
TNE Requirement	Tier 2 - Logan Circle	96,898,854	86,464,983	86,464,983	10,433,871	10,433,871
Consolidated:		536,184,876	379,753,543	542,505,062	156,431,332	(6,320,186)
<i>Current reserve level</i>		1.98	1.40	2.00		

CalOptima
Statement of Cash Flows
March 31, 2018

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(3,798,889)	15,484,953
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	506,801	4,029,586
Changes in assets and liabilities:		
Prepaid expenses and other	55,899	357,316
Catastrophic reserves		
Capitation receivable	154,741,124	317,332,296
Medical claims liability	559,752,125	187,922,769
Deferred revenue	(102,480,786)	(89,407,240)
Payable to providers	(3,425,556)	(496,839,232)
Accounts payable	(20,290,740)	(26,896,643)
Other accrued liabilities	227,038	2,060,512
Net cash provided by/(used in) operating activities	<u>585,287,015</u>	<u>(85,955,683)</u>
GASB 68 CalPERS Adjustments	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	5,468,206	453,112,398
Change in property and equipment	(423,433)	(659,647)
Change in Board designated reserves	(912,161)	(1,046,502)
Net cash provided by/(used in) investing activities	<u>4,132,611</u>	<u>451,406,249</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	589,419,626	365,450,564
CASH AND CASH EQUIVALENTS, beginning of period	<u>\$283,200,783</u>	<u>507,169,844</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 872,620,410</u>	<u>\$ 872,620,410</u>

BALANCE SHEET:

ASSETS increased \$430.0 million from February

- **Cash and Cash Equivalents** increased by \$589.4 million due to capitation received of \$665.0 million offset by quarterly tax payment of \$32.5 million, \$31.0 million shared risk payment and higher claim payments
- **Investments** decreased \$5.5 million based upon month end cut-off and the timing of transfers for daily payments
- **Net Capitation Receivables** decreased \$155.2 million due transfer of balance to Deferred Revenue

LIABILITIES increased \$433.8 million from February

- **Medical Claims Liability** by line of business increased \$559.8 million due to DHCS payment discussed above and transfer of balance from Deferred Revenue
- **Deferred Revenue** decreased \$102.5 million due recognition of deferred revenue and transfer of balance to Receivables
- **Accrued Expenses** decreased \$21.2 million due to timing of payments

NET ASSETS are \$728.9 million, a decrease of \$3.8 million from February

CalOptima Foundation
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2018
Consolidated

Actual	Month		% Variance
	Budget	\$ Variance	
<hr/>			
0	0	0	0.0%
<hr/>			
0	6,184	6,184	100.0%
0	2,985	2,985	100.0%
0	0	0	0.0%
0	0	0	0.0%
0	0	0	0.0%
2,083	231,923	229,840	99.1%
<hr/>			
2,083	241,092	239,009	99.1%
<hr/>			
0	0	0	0.0%
<hr/>			
(2,083)	(241,092)	(239,009)	(99.1%)
<hr/>			

Revenues

Total Operating Revenue

Operating Expenditures

Personnel

Taxes and Benefits

Travel

Supplies

Contractual

Other

Total Operating Expenditures

Investment Income

Program Income

Actual	Year - To - Date		
	Budget	\$ Variance	% Variance
-----	-----	-----	-----
0	0	0	0.0%
-----	-----	-----	-----
0	55,658	55,658	100.0%
0	26,863	26,863	100.0%
0	0	0	0.0%
0	0	0	0.0%
0	0	0	0.0%
18,747	2,087,307	2,068,560	99.1%
-----	-----	-----	-----
18,747	2,169,828	2,151,081	99.1%
0	0	0	0.0%
-----	-----	-----	-----
(18,747)	(2,169,828)	(2,151,081)	(99.1%)
=====	=====	=====	=====

**CalOptima Foundation
Balance Sheet
March 31, 2018**

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,868,139	Accounts payable-Current	18,747
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,868,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>18,747</u>
		Total Liabilities	<u>18,747</u>
		Net Assets	<u>2,849,392</u>
TOTAL ASSETS	<u>2,868,139</u>	TOTAL LIABILITIES & NET ASSETS	<u>2,868,139</u>

CALOPTIMA FOUNDATION - MARCH MONTH

INCOME STATEMENT:

OPERATING REVENUE

- No activity

OPERATING EXPENSES

- Audit Fees \$2.1 thousand

BALANCE SHEET:

ASSETS

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

LIABILITIES

- Accrued Payables--\$18.7 thousand for Audit fees

NET INCOME is (\$2.1) thousand, (\$18.7) thousand YTD

**Budget Allocation Changes
Reporting Changes for March 2018**

Transfer Month	Line of Business	From	To	Amount	Expense Description
July	Medi-Cal	IS - Infrastructure - Professional Fee (Virtualization Architecture Assessment)	IS - Infrastructure - Professional Fee (On-Site Staff for the Phone System)	\$48,600	Re-Purpose \$48,600 from Professional Fees (Virtualization Architecture Assessment) to pay for an on-site staff for the phone system
July	Medi-Cal	Facilities - Purchased Services (Restacking Services)	Facilities - Purchased Services (Reconfiguration Services)	\$15,000	Re-Purpose \$15,000 from Purchased Services (Restacking Services) to reconfiguration and breakdown of furniture for the mail room and the Rover Rock Offices and other related expenses
August	Medi-Cal	Health Education & Disease Mgmt. - Purchased Services (Adult Weight Management Vendor)	Health Education & Disease Mgmt. - Purchased Services (Ansafoe)	\$30,000	Re-Purpose \$30,000 from Purchased Services (Adult Weight Management Vendor) to pay for Ansafoe services
August	Medi-Cal	Health Education & Disease Mgmt. - Purchased Services (Pediatric Weight Management Vendor)	Health Education & Disease Mgmt. - Purchased Services (Captivate contract and other initiatives)	\$25,000	Re-Purpose \$25,000 from Purchased Services (Pediatric Weight Management Vendor) to pay for Captivate contract and other initiatives
August	PACE	PACE Administrative - Purchased Services (Encounter Reporting & Translation Services)	PACE Administrative - Purchased Services (Satisfaction Survey)	\$12,208	Re-Purpose \$12,208 from Purchased Services (Encounter Reporting & Translation Services) to pay for Satisfaction Survey
August	Medi-Cal	Facilities - Capital Project (Upgrade CalOptima and Building Access System)	Facilities - Capital Project (Mail Room/Basement/Property Management Office)	\$15,000	Reallocate \$15,000 from Capital Project (Upgrade CalOptima and Building Access System) to Capital Project (Mail Room/Basement/Property Management Office)
September	Medi-Cal	Other G&A - Other Operating Expenses	Facilities - Building Repair and Maintenance	\$65,000	Reallocate \$65,000 from Other G&A (other operating expenses) to cover cost to conduct a review/study from soil engineer and the necessary repairs of the east entry sinkhole.
September	OCC	Health Education & Disease Management - Member Communications	Health Education & Disease Management - Purchased Services	\$12,000	Reallocate \$12,000 within medical management activities budget for additional funding needed on CareNet in OneCare Connect.
November	Medi-Cal	Human Resources - Purchased Services -Temporary Outsource Service	Human Resources - Purchased Services - General	\$10,000	Re-Purpose \$10,000 from Purchased Services (Temporary Outsource Service) to fund for training module design and other department initiatives in Purchased Services
November	Medi-Cal	IS - Application Development capital project - Disaster Recovery	IS - Application Development capital project - Fraud, Waste and Abuse	\$27,500	Reallocate \$65,000 from Disaster Recovery project to cover additional funds needed for Fraud, Waste and Abuse project.
January	Medi-Cal	10th Floor Building Improvement Project	Budget Planning Software Project	\$70,000	Reallocate \$70,000 from 10th Floor Building Improvement project for upgrade to BI 360 Budget Planning Tool
January	PACE	PACE Clinic - Professional Claims - Emergent Transpiration	PACE Clinic - Professional Claims - Interpreters	\$15,000	Reallocate \$15,000 from Emergent Transportation medical expenses to cover for interpreting services
March	Medi-Cal	Facilities - Replace Lights in Passenger Elevator Project	Facilities - Fire Proofing Project	\$40,000	Reallocate \$40,000 capital from Replace Lights in Passenger Elevator project to Fire Proofing project
March	Medi-Cal	Facilities - Convert Pneumatic Controls Project	Facilities - Fire Proofing Project	\$10,000	Reallocate \$10,000 capital from Convert Pneumatic Controls project to Fire Proofing project
March	Medi-Cal	Cultural & Linguistic Services - Member Communications - Mailings	Cultural & Linguistic Services - Member Communications - Newsletter	\$45,000	Reallocate \$45,000 from member communication mailings to member communication newsletters

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.



Proposition 56

**Board of Directors' Finance and Audit Committee Meeting
May 17, 2018**

Greg Hamblin, Chief Financial Officer

Candice Gomez, Executive Director, Program Implementation

Proposition 56 Background

- California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) increases excise tax rate on cigarettes and tobacco products
- Includes additional funding for Medi-Cal and Denti-Cal
- Managed Care Plans (MCPs) directed to provide additional compensation for certain Medi-Cal related services
 - Intermediate Care Facilities for the Developmentally Disabled (ICF-DDs)
 - Women's health services for pregnancy termination
 - Physician services

Physician Service Payments

- Department of Health Care Services (DHCS) released guidance on May 1, 2018
 - Services rendered between DOS 7/1/17–6/30/18
 - Provider must be contracted with CalOptima or delegated entity providing Medi-Cal covered services
 - Provider **cannot** be an FQHC, Rural Health Clinic, American Indian Health Program or a cost-based reimbursement clinic
 - Applies to 13 specific procedure codes
 - Office visits for new or established patients
 - Psychiatric diagnostic evaluation (with or without medical services)
 - Pharmacologic Management

Payment and Reporting Requirements

- Proposition 56 payments included in DHCS capitation to CalOptima beginning April 30, 2018
- Payments to providers to be made within 90 calendar days
 - Initial (catch-up): 90 days following first capitation payment from DHCS
 - Ongoing: Within 90 days of receipt of clean claim or accepted capitated encounter
- Quarterly reporting to DHCS
 - Submitted 45 days after the end of the quarter
 - Template forthcoming
 - No new encounter data submission requirements

Proposed Implementation

- Initial catch-up
 - CalOptima Direct and CalOptima Community Network
 - CalOptima reconcile payment for dates of service July 1, 2017 to current as of the catch-up process date
 - Behavioral health claims
 - CalOptima reconcile payment for dates of service July 1, 2017 to current as of the catch-up process date
 - CalOptima to utilize Magellan Healthcare encounter data to identify and pay
 - Health network
 - Health network reconcile payment for dates of service July 1, 2017 to current as of the catch-up process date
- On-going processing
 - Process Proposition 56 payments as claims are received

Funding to the Health Network

- Initial catch-up
 - Estimated funding based on encounter data plus 80 percent of the administrative fee
 - Remaining claims balance and 20 percent of the administrative fee distributed once paid claims report received
- On-going processing
 - Health network pays Proposition 56 claims payment
 - Submits paid claims report 15 working days after end of quarter
 - CalOptima reimburses health network for claims and administrative fee after receipt of paid claims report

Next Steps

- Anticipated Board action June 7, 2018
 - Proposition 56 implementation
 - Health network contract amendments
- First payment distribution to providers no later than July 30, 2018

Board of Directors' Finance and Audit Committee Meeting May 17, 2018

Information Systems Security Update - Quarter Ending March 31, 2018

Recent and Upcoming Activities:

1. In this quarter, Information Security team has reported 11 Data Loss Prevention incidents to the Privacy team.
2. Access to cloud-based storage sites are blocked.
3. Optical Character Recognition is installed and integrated with the Data Loss Prevention solution. It allows DLP solution to detect ePHI that is embedded in image.
4. Information Security management completed the DHCS HIPAA audit with the Privacy Officer.

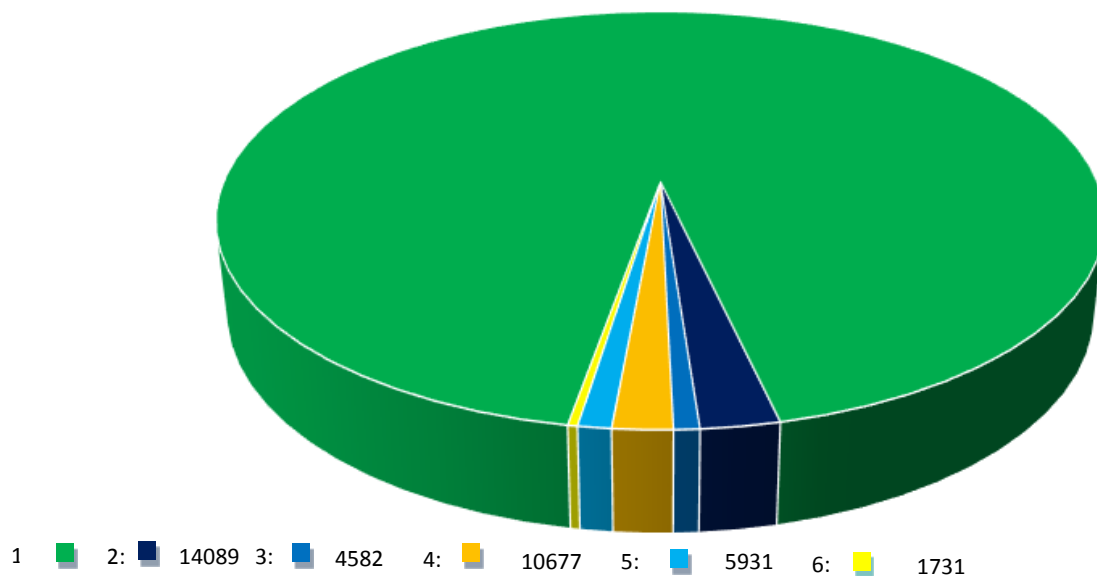
Top External Attempts

Quarterly Executive Report January-March 2018

Background

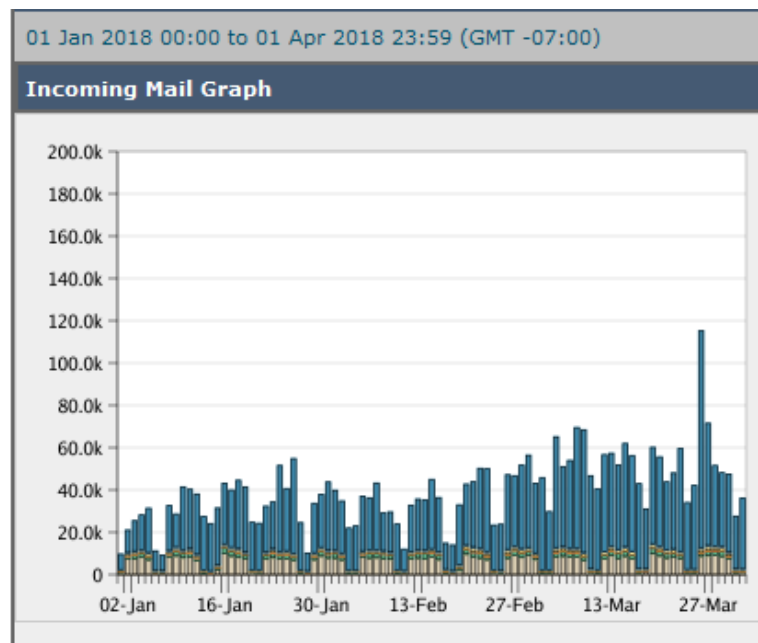
The following report shows the malicious activities that were prevented from accessing CalOptima's network. **None of the attempts were successful.** Also, it is important to note that these attempts are not specifically targeted at CalOptima, but rather are commonly triggered attempts against entire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













All Attempts



	<i>Attack Name</i>	<i>Severity</i>	<i>Hit count</i>	<i>Description</i>
1	DNS: ISC BIND UDP DNS Number of Answers Buffer Overflow Vulnerability	Critical	542727	A buffer overflow attack that allows remote code execution.
2	CLDAP: MS Windows Server CLDAP Reflection DDoS Vulnerability	Critical	14089	This uses native windows LDAP to amplify denial of service type attacks.
3	HTTP: Adobe Flash ATF Filesize Buffer Overflow Vulnerability	Critical	4582	An exploit which when used can result in arbitrary code execution.
4	Invalid TCP Traffic: Possible Recon Scan (No Flags Set)	Minor	10677	An attack designed to map internal networks for further attack and exploitation.
5	DNS: Version Request (UDP)	Minor	5931	Attempts to slow down / deny service or usability to several machines.
6	DNS: Suspicious DNS Lookup NOERROR Response (DGA)	Minor	1731	A compromised host on the Internet tried to contact CalOptima's systems to launch an attack on other hosts but was unsuccessful.

The following charts show the inbound email traffic through our IronPort appliances with the ultimate goal of delivering clean messages to the intended CalOptima email recipients. The majority of the messages that are stopped are from senders of poor reputation and spammers. Other protection that is applied protects CalOptima against malicious emails containing known viruses, malware and malicious URLs.



Incoming Mail Summary			+
Message Category	%	Messages	
 Stopped by Reputation Filtering	71.8%	2.1M	
 Stopped as Invalid Recipients	1.8%	52.8k	
 Spam Detected	2.6%	75.2k	
 Virus Detected	0.0%	14	
 Detected by Advanced Malware Protection	0.0%	0	
 Messages with Malicious URLs	0.2%	5,037	
 Stopped by Content Filter	0.1%	2,074	
 Stopped by DMARC	0.0%	0	
 S/MIME Verification/Decryption Failed	0.0%	0	
Total Threat Messages:		76.3%	2.2M
 Marketing Messages	5.8%	165.9k	
 S/MIME Verification/Decryption Successful	0.0%	0	
 Clean Messages	17.9%	517.0k	
Total Attempted Messages:			2.9M



CalOptima
Better. Together.

Cost Containment Improvements/Initiatives

**Board of Directors' Finance & Audit Committee Meeting
May 17, 2018**

**Greg Hamblin, Chief Financial Officer
Ken Wong, Director, Budget and Vendor Management**

Resources Committee - Labor

Report of Open Position/Temporary - March 2018

Line of Business	Mar-18		YTD Open Position (\$)	Temporary Help		Variance
	FTE's	Dollars		Actual	Budget	
MC	60.73	\$ 615,392	\$ 4,855,674	\$ 1,426,433	\$ 534,773	\$ (891,660)
EX	2.00	\$ 18,419	\$ 43,002	\$ -	\$ -	\$ -
OC		\$ -	\$ -	\$ 14,815	\$ -	\$ (14,815)
OCC	11.00	\$ 106,181	\$ 850,448	\$ 1,008	\$ 70,869	\$ 69,861
PACE	8.25	\$ 78,578	\$ 653,472	\$ 291,548	\$ 221,067	\$ (70,481)
MSSP		\$ -	\$ 45,633	\$ 10,706	\$ 29,997	\$ 19,291
Total	81.98	\$ 818,571	\$ 6,448,229	\$ 1,744,509	\$ 856,706	\$ (887,803)

Notes:

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

Resources Committee – Non-Labor

Professional Fees

LOB	Mar MTD		Variance		YTD		Variance		FY 2018
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 198,803	\$ 316,803	\$ 118,000	37%	\$ 1,569,334	\$ 2,884,237	\$ 1,314,903	46%	\$ 3,855,633
OC	\$ 13,333	\$ 13,334	\$ 1	0%	\$ 132,682	\$ 121,498	\$ (11,184)	-9%	\$ 161,500
OCC	\$ 29,898	\$ 39,749	\$ 9,851	25%	\$ 230,746	\$ 447,754	\$ 217,007	48%	\$ 567,000
PACE	\$ -	\$ 5,000	\$ 5,000	100%	\$ 38,508	\$ 45,000	\$ 6,492	14%	\$ 60,000
MSSP	\$ 710	\$ 833	\$ 124	15%	\$ 6,386	\$ 7,497	\$ 1,112	15%	\$ 9,996
Total	\$ 242,744	\$ 375,719	\$ 132,975	35%	\$ 1,977,656	\$ 3,505,986	\$ 1,528,330	44%	\$ 4,654,129

Purchased Services

LOB	Mar MTD		Variance		YTD		Variance		FY 2018
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 861,007	\$ 1,109,883	\$ 248,876	22%	\$ 6,317,233	\$ 9,993,408	\$ 3,676,175	37%	\$ 13,323,064
OC	\$ 34,197	\$ 29,607	\$ (4,590)	-16%	\$ 149,206	\$ 267,013	\$ 117,807	44%	\$ 355,834
OCC	\$ 178,535	\$ 183,535	\$ 5,000	3%	\$ 926,765	\$ 1,649,508	\$ 722,743	44%	\$ 2,200,117
PACE	\$ 21,186	\$ 21,284	\$ 98	0%	\$ 80,325	\$ 191,556	\$ 111,231	58%	\$ 255,408
MSSP	\$ -	\$ 167	\$ 167	100%	\$ 334	\$ 1,503	\$ 1,169	78%	\$ 2,004
Total	\$ 1,094,924	\$ 1,344,476	\$ 249,551	19%	\$ 7,473,864	\$ 12,102,988	\$ 4,629,124	38%	\$ 16,136,427

Resources Committee – Non-Labor (cont.)

Printing and Postage

LOB	Mar MTD		Variance		YTD		Variance		FY 2018
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 403,828	\$ 421,290	\$ 17,462	4%	\$ 3,031,332	\$ 3,805,634	\$ 774,302	20%	\$ 5,069,492
OC	\$ 12,657	\$ 20,549	\$ 7,892	38%	\$ 74,805	\$ 193,449	\$ 118,644	61%	\$ 255,097
OCC	\$ 39,465	\$ 110,018	\$ 70,553	64%	\$ 530,972	\$ 992,552	\$ 461,580	47%	\$ 1,322,606
PACE	\$ -	\$ 5,547	\$ 5,547	100%	\$ 24,969	\$ 49,923	\$ 24,954	50%	\$ 66,566
MSSP	\$ -	\$ 333	\$ 333	100%	\$ -	\$ 2,997	\$ 2,997	100%	\$ 3,996
Total	\$ 455,949	\$ 557,737	\$ 101,788	18%	\$ 3,662,078	\$ 5,044,555	\$ 1,382,477	27%	\$ 6,717,757

Other Operating Expenses

LOB	Mar MTD		Variance		YTD		Variance		FY 2018
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 1,402,728	\$ 1,651,831	\$ 249,103	15%	\$ 11,284,221	\$ 14,663,082	\$ 3,378,861	23%	\$ 19,612,047
OC	\$ 306	\$ 1,119	\$ 813	73%	\$ 1,935	\$ 10,079	\$ 8,144	81%	\$ 13,249
OCC	\$ 42,203	\$ 58,526	\$ 16,323	28%	\$ 423,420	\$ 531,765	\$ 108,345	20%	\$ 706,796
PACE	\$ 41,334	\$ 60,823	\$ 19,489	32%	\$ 391,357	\$ 537,422	\$ 146,065	27%	\$ 720,487
MSSP	\$ 5,908	\$ 7,748	\$ 1,840	24%	\$ 51,702	\$ 69,732	\$ 18,030	26%	\$ 92,976
Total	\$ 1,492,480	\$ 1,780,047	\$ 287,567	16%	\$ 12,152,635	\$ 15,812,080	\$ 3,659,445	23%	\$ 21,145,555

Resources Committee – Non-Labor (cont.)

Consolidated - Non-Labor

LOB	Mar MTD		Variance		YTD		Variance		FY 2018	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget	
MC	\$ 2,866,366	\$ 3,499,807	\$ 633,441	18%	\$ 22,202,121	\$ 31,346,362	\$ 9,144,241	29%	\$ 41,860,236	
OC	\$ 60,492	\$ 64,609	\$ 4,117	6%	\$ 358,629	\$ 592,039	\$ 233,410	39%	\$ 785,680	
OCC	\$ 290,102	\$ 391,828	\$ 101,726	26%	\$ 2,111,903	\$ 3,621,578	\$ 1,509,675	42%	\$ 4,796,519	
PACE	\$ 62,520	\$ 92,654	\$ 30,134	33%	\$ 535,159	\$ 823,901	\$ 288,742	35%	\$ 1,102,461	
MSSP	\$ 6,618	\$ 9,081	\$ 2,463	27%	\$ 58,421	\$ 81,729	\$ 23,308	29%	\$ 108,972	
Total	\$ 3,286,098	\$ 4,057,979	\$ 771,881	19%	\$ 25,266,233	\$ 36,465,609	\$ 11,199,376	31%	\$ 48,653,867	

Contingency Contract Report

CalOptima Active Contingency Contracts			Q3 FY18		invoiced as of 4/25/2018														
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid																			
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18									
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Qtr 1	Qtr 2	Qtr 3*	Total						
MEDICAL COST																			
HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/2020)																			
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	\$ 4,067,881	\$ 647,480	\$ 2,907,062	\$ 736,261	\$ 4,290,803						
Fee	\$ 297,348	\$ 702,938	\$ 484,359	\$ 641,281	\$ 586,762	\$ 361,202	\$ 794,557	\$ 909,550	\$ 935,613	\$ 148,920	\$ 668,624	\$ 169,340	\$ 986,885						
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	\$ 3,132,268	\$ 498,560	\$ 2,238,437	\$ 566,921	\$ 3,303,919						
Verscend (Verisk/HCI) - Claims review for appropriate billing - (expires 1/31/2019)																			
Savings	\$ 164,913	\$ 2,397,831	\$ 3,385,560	\$ 2,517,497	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 2,690,597	\$ 159,922	\$ 867,751	760,525	\$ 1,788,199						
Fee	\$ 37,165	\$ 483,209	\$ 691,554	\$ 559,136	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 393,455	\$ 39,980	\$ 199,219	207,173	\$ 446,372						
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	\$ 2,297,143	\$ 119,941	\$ 668,532	\$ 553,353	\$ 1,341,826						
Verscend (Verisk/HCI)/ TAG - Facility claims forensic review - (services terminated 12/31/17)																			
Savings		-	\$ 900,976	\$ 1,362,980	\$ 3,516,297	\$ 3,727,308	\$ 16,538,781	\$ 3,726,475	\$ 4,068,735	\$ 653,567	\$ 580,738		\$ 1,234,305						
Fee		-	\$ 270,293	\$ 408,904	\$ 1,054,889	\$ 1,118,193	\$ 2,008,000	\$ 791,798	\$ 1,140,356	\$ 163,392	\$ 145,184		\$ 308,576						
Net Savings	-	-	\$ 630,683	\$ 954,076	\$ 2,461,408	\$ 2,609,114	\$ 14,530,781	\$ 2,934,678	\$ 2,928,380	\$ 490,176	\$ 435,553	-	\$ 925,729						
OptumInsight - Credit balance recovery - (expires 6/30/2018)																			
Savings	-	-	-	\$ 76,715	\$ 26,203	\$ 30,246	N/A	\$ 44,834	\$ 404,824	\$ 80,391	\$ 36,505	\$ 23,116	\$ 140,012						
Fee	-	-	-	\$ 9,206	\$ 3,144	\$ 3,630	N/A	\$ 5,380	\$ 48,579	\$ 9,647	\$ 4,381	\$ 2,774	\$ 16,801						
Net Savings	-	-	-	\$ 67,509	\$ 23,059	\$ 26,616		\$ 39,454	\$ 356,245	\$ 70,744	\$ 32,124	\$ 20,342	\$ 123,211						
TOTAL																			
Savings	\$ 1,354,306	\$ 5,209,582	\$ 6,224,285	\$ 6,522,317	\$ 8,705,661	\$ 7,850,202	\$ 23,438,635	\$ 11,249,969	\$ 11,232,038	\$ 1,541,360	4,392,056	1,519,903	\$ 7,453,319						
Fee	\$ 334,514	\$ 1,186,146	\$ 1,446,206	\$ 1,618,527	\$ 2,240,427	\$ 2,210,357	\$ 4,173,694	\$ 2,345,328	\$ 2,518,002	\$ 361,940	1,017,408	379,287	\$ 1,758,635						
Net Savings	\$ 1,019,792	\$ 4,023,436	\$ 4,778,079	\$ 4,903,791	\$ 6,465,234	\$ 5,639,844	\$ 19,264,941	\$ 8,904,640	\$ 8,714,036	\$ 1,179,421	\$ 3,374,648	\$ 1,140,616	\$ 5,694,684						
REVENUE																			
Human Arc - SSI Outreach & Aid Code Conversion - (expires 6/30/2018)																			
Capitation Revenue				\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 9,281,708	\$ 2,633,803	\$ 2,738,113	\$2,860,639	\$ 8,232,554						
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 360,018	\$ 81,302	\$ 85,508	\$99,216	\$ 266,026						
Total Net Revenue	-	-	-	\$ 1,221,535	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 8,921,690	\$ 2,552,501	\$ 2,652,605	\$ 2,761,423	\$ 7,966,528						
Note:																			
* January 2018 HMS invoice not received as of 4/25/2018; report reflects information for February and March only																			

Board of Directors' Finance and Audit Committee Meeting May 17, 2018

Shared Risk Pool Performance Update

Medi-Cal: As of March 31, 2018, Medi-Cal has five (5) Shared Risk Groups (SRGs).

Effective Dates:

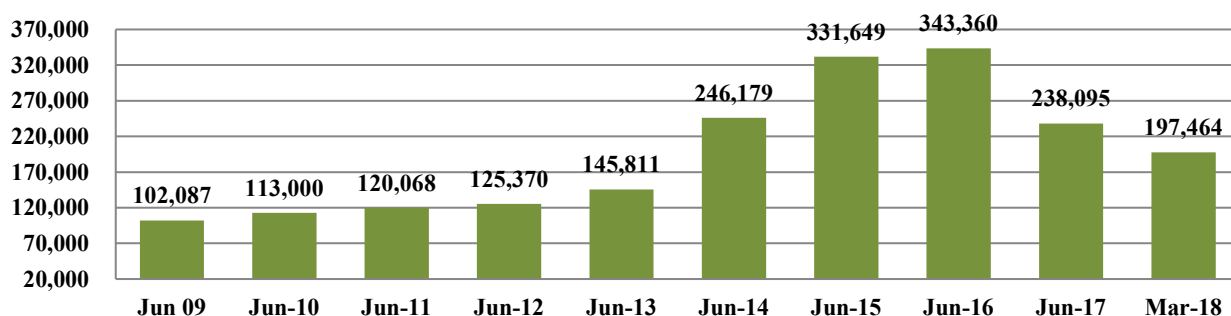
- Noble and Talbert – January 2008
- Arta and UCMG – July 2008
- AltaMed – March 2014
- Monarch* – July 2008 to January 2017
- Prospect* – May 2007 to June 2017

** Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.*

Enrollment

- SRGs are serving approximately 197,500 members. It represents about 26% of CalOptima's Medi-Cal enrollment.

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



Pool Performance - (Medi-Cal Classic + Expansion)

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	-	57,808,875	23,123,550	34,685,325	7	0	7
2015	-	358,004,843	143,201,937	214,802,906	7	0	7
2016	-	402,449,648	160,979,859	241,469,789	7	0	7

Period	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2017	-	292,021,508	116,808,603	175,212,905	7	0	7
2018Q2	-	51,787,599	20,715,040	31,072,559	5	0	5
	\$(22,325,123)	\$1,204,821,249	\$ 478,954,346	\$ 703,541,781			

Note: IBNR is calculated based on the paid claims experience.

OneCare: As of March 31, 2018, OneCare has eight (8) Participating Medical Groups (PMGs).

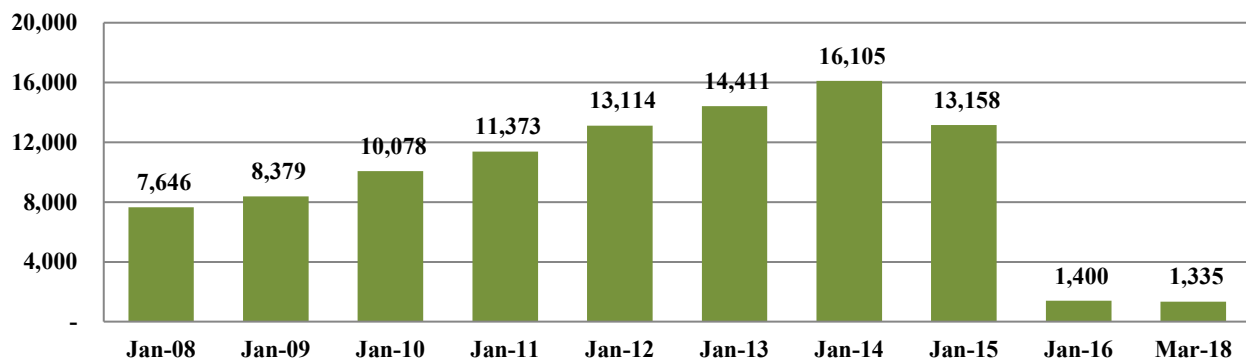
Effective Dates:

- AMVI/Prospect - October 2005
- Talbert and Monarch – October 2005
- Noble – December 2012
- Family Choice – October 2005
- AltaMed – August 2008
- Arta and UCMG – January 2013

Enrollment

- Overall enrollment decreased due to transitioning of members from OneCare to OneCare Connect 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)	4,769,324	1,892,617	2,310,002	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	(3,485,139)	10,050,507	1,962,394	4,602,974	13	3	10
2015	(154,268)	10,372,797	5,050,405	5,168,124	8	1	7

2016	(386,678)	340,937	(185,231)	139,490	8	3	5
2017	(334,985)	310,098	(156,120)	131,233	8	5	3
	<u>\$(8,152,378)</u>	<u>\$82,190,828</u>	<u>\$34,134,990</u>	<u>\$39,903,459</u>			

Note: Group share deficit limited to \$5.00 PMPM

OneCare Connect: As of March 31, 2018, OneCare Connect has six (6) Shared Risk Groups (SRGs).

Effective Dates:

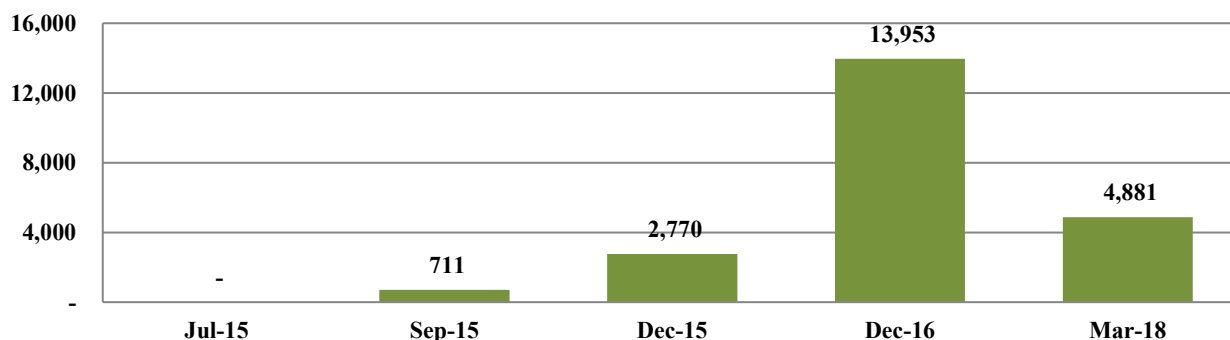
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Monarch* – July 2015 to January 2017
- FCMG – January 2016
- Talbert – January 2016
- Arta Western – January 2016
- Prospect* – July 2015 to June 2017

* Monarch became an HMO group in February 2017. Prospect became an HMO group in July 2017.

Enrollment

SRGs are serving approximately 4,900 members. It represents about 33% of CalOptima's OneCare Connect enrollment.

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



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2015	(261,199)	224,558	(121,755)	85,114	5	2	3
2016	(769,273)	19,502,913	9,016,973	9,716,667	8	1	7
2017	(815,878)	7,030,668	2,856,356	3,358,434	8	3	5
2018Q1	(373,179)	1,567,143	417,077	776,886	6	1	5
	<u>\$ (2,219,529)</u>	<u>\$ 28,325,282</u>	<u>\$ 12,168,651</u>	<u>\$ 13,937,101</u>			

Note: Group share deficit limited to \$5.00 PMPM



Board of Directors' Finance and Audit Committee Meeting May 17, 2018

Quarterly Reinsurance Report

Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Health Networks for Policy Years (PY) 2016, 2017, and 2018

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

The figures reported below reflect the estimated results for PY 2016, 2017, and 2018 as of March 31, 2018.

	PY 2016	PY 2017	PY 2018
Total Budgeted Reinsurance Costs	\$4,680,964	\$4,628,918*	\$2,780,209
Amount paid through 03/31/18	\$2,777,735	\$3,912,268	\$192,899
Potential Remaining Payments by CY	\$1,903,229	\$716,650	\$2,587,310
Total Accrued Liability @ 03/31/18	\$1,930,891	\$517,487	\$2,466,007
Under/(Over) Budget	\$(27,662)	\$199,163	\$121,303

*PY 2016's remaining balance will be trued-up during the year-end process.

PY 2016 and PY 2017 thresholds are \$13,000 for Professional and \$100,000 for Hospital; coinsurance level is at 10%.

PY 2018 threshold increased to \$17,000 for Professional and \$150,000 for Hospital, coinsurance level is at 20%.

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)

PY 2018 = Fiscal Year 2018 (July 1, 2017, through June 30, 2018)

**Board of Directors' Finance and Audit Committee Meeting
May 17, 2018**

Quarterly Health Network Financial Update

On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated Physician Groups, Hospitals and HMOs that comprise CalOptima's Health Networks. After internal review, CalOptima's 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 October 31, 2017, all other Health Network entities were required to submit their unaudited financial statements for the period ending December 31, 2017.

Results of the December 31, 2017 Financial Review

	Physician Groups	Hospitals	HMOs
Total	9	4	4
Passed Review	9	4	4
Failed Review	0	0	0
On Notice	0	0	0
On-Site Review	0	0	0
Did Not Submit Statements	0	0	0

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

- a) Current Ratio - must be ≥ 1.0
- b) Tangible Net Equity - must be ≥ 1.0
- c) Cash to Claims Ratio - must be ≥ 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 = \$18.6M



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Purchasing Report

**Board of Director's Finance and Audit Committee Meeting
May 17, 2018**

Greg Hamblin, Chief Financial Officer

Ken Wong, Director, Budget and Procurement

Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report
January 1, 2018 through March 31, 2018
Completed Major Commitments over \$100,000

<i>Nature of Services</i>	<i>FY18 Q3 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2018</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
WAN Products and Maintenance	\$ 103,340	FusionStorm	Three Bids received	Insight Public Sector	\$ 103,340	103,340	0	12/30/2018
Microsoft Service Consulting	\$ 117,400	Nth Generation Computing Inc	Renewal		\$ 117,400	117,400	0	4/1/2019
Security Solutions Services	\$ 118,250	Optiv Security Inc.	Renewal		\$ 118,250	-	118,250	3/31/2021
Smart Comm Software	\$ 144,352	Smart Communications	Renewal		\$ 144,352	144,352	0	4/1/2019
OC MA-PD Bid Development	\$ 145,400	Milliman USA	Renewal		\$ 145,400	-	145,400	6/30/2018
Provider Coaching	\$ 147,899	SullivanLuallin Group	One Bid Received	New	\$ 147,899	-	147,899	12/31/2018
Claims Editing Services	\$ 150,000	Optuminsight Inc	Amendment	ACE	\$ 150,000	150,000	0	2/19/2019
Actuarial Services	\$ 180,000	Milliman USA	Renewal		\$ 180,000	34,165	145,835	6/30/2018

Quarterly Purchasing Reports Commitments

<i>Nature of Services</i>	<i>FY18 Q3 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2018</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Customer Service Portal	\$ 180,329	Inovalon Inc	Renewal		\$ 180,329	-	180,329	10/31/2019
HPE Storage	\$ 256,356	Nth Generation Computing Inc	Renewal		\$ 256,356	256,356	0	4/1/2019
Provider Directory Printing	\$ 257,132	Sapphire Printing Group	Three Bids received	New	\$ 257,132	43,280	213,852	6/30/2018
Contract Mgmt. Services	\$ 266,032	McKesson Technologies Inc	Amendment	New	\$ 266,032	266,032	0	12/29/2021
Gartner Group Services	\$ 287,270	County of Ventura Info Tech Svc Dept	Bid Exception/Cooperative Purchase		\$ 287,270	-	287,270	4/30/2019
Fraud, Waste and Abuse Software	\$ 300,000	Verisk Health Inc	Renewal		\$ 300,000	111,207	188,793	1/31/2019
Medical Diagnosis	\$ 641,000	MCG Health LLC	Bid Exception		\$ 641,000	-	641,000	3/31/2019
Claims Editing	\$ 887,600	Optuminsight Inc	Renewal		\$ 887,600	887,600	0	2/19/2019
Microsoft Licenses	\$ 925,527	Crayon Software Experts LLC	Bid Exception/Cooperative Purchase	County of Ventura	\$ 925,527	925,527	0	10/31/2018
Printing and Mailing	\$ 1,019,000	Dome Printing	Renewal	Dome	\$ 1,019,000	663,261	355,739	6/30/2018

Quarterly Purchasing Report – In Process

Quarterly Purchasing Report
January 1, 2018 through March 31, 2018
Major Commitments Greater than \$100,000 in Process

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Internal Auditor</u> 16-074	RFP issued 04/08/16 Four proposals received Staff is evaluating strategies in this area
<u>Perinatal Services</u> 18-015	RFP issued 11/15/17 Three proposals received Contract with Contracting department
<u>457(b) Benefit</u> 17-027	RFP issued 09/13/17 Seven proposals received Contract signed with Empower
<u>State Advocacy Services</u> 18-004	RFP issued 08/31/17 Two proposals received RFP was cancelled and re-issued (18-039)
<u>Office 365 Exchange Software</u> 18-009	RFP issued 09/25/17 Seven Proposals received Staff is interviewing prospective vendors
<u>PACE/ACS</u> 18-011	RFP issued 11/03/17 Seven proposals received Contract(s) with the Contracting department
<u>CG CAHPS Survey</u> 18-026	RFP issued 11/30/17 Three proposals were received Staff is interviewing Offerors
<u>NMT Taxi and Administrative Services</u> 18-006	RFP issued 12/27/17 Seven proposals received Staff is evaluating proposals

Quarterly Purchasing Report – In Process

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Timely Access Survey</u> 18-030	RFP issued 11/30/17 Three proposals received Staff is evaluating proposals
<u>CAHPS Survey</u> 18-028	RFP issued 11/30/17 Four proposals received Staff is evaluating proposals
<u>Clinical Editing solution</u> 18-003	RFP issued 01/09/18 Three proposals received Staff is evaluating proposals
<u>State Legislative Services</u> 18-039	RFP issued 03/16/18 Two proposals received Staff is evaluating proposals
<u>Legal Staffing Services</u> 18-053	RFP issued 03/23/18 Two proposals received Staff is evaluating proposals
<u>508 Remediation Services</u> 18-037	RFP issued 03/01/18 Seven proposals received Staff is evaluating proposals
<u>Extreme Network Switches</u> 18-036	RFQ issued 01/11/18 Two proposals received Contract issued 01/19/18

CalOptima's Mission

To provide members with access to quality health care services delivered in a cost-effective and compassionate manner



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Medi-Cal

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OneCare (HMO SNP)

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OneCare Connect

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PACE

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