

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

**MONDAY, OCTOBER 30, 2017  
3:00 P.M.**

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

**AGENDA**

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

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

**I. CALL TO ORDER**

*Pledge of Allegiance*

**II. ESTABLISH QUORUM**

**III. APPROVE MINUTES**

- A. Approve Minutes of the July 24, 2017 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC)

**IV. PUBLIC COMMENT**

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

**V. MANAGEMENT REPORTS**

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

**VI. REPORTS**

- A. Consider Recommending Approval of Annual Investment Policy for Calendar Year 2018
- B. Consider Adoption of CalOptima Board of Directors' Investment Advisory Committee Meeting Schedule for Calendar Year 2018
- C. Consider Recommending Appointment to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee for Consideration

**VII. INFORMATION ITEMS**

- A. Quarterly Investment Report Presentation by Meketa
- B. Investment Portfolio Presentation by Payden & Rygel
- C. Investment Portfolio Presentation by Wells Capital Management
- D. Investment Portfolio Presentation by Logan Circle Partners
- E. July 2017 Unaudited Financial Statements

**VIII. COMMITTEE MEMBER COMMENTS**

**IX. ADJOURNMENT**

## **MINUTES**

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

**July 24, 2017**

A Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, July 24, 2017, at CalOptima, 505 City Parkway West, Orange, California.

#### **CALL TO ORDER**

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

#### **ROLL CALL**

Members Present: Patrick Moore, Chair; Peggy Eckroth, Caroline Harkins, Nancy Huang, Rodney Johnson, David Young

Others Present: Hanna Schrinier, Meketa Investment Group; Asha Joshi, Thomas Elder and Darren Marco, Payden & Rygel; Scott Pavlak and Wendy Kaszak, Logan Circle Partners; Steve Scharre and Tony Mellville, Wells Capital Management; Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Faye Heidari, Senior Accountant; Pamela Reichardt, Executive Assistant

#### **MINUTES**

#### **Approve Minutes of the April 24, 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 April 24, 2017, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0)*

#### **PUBLIC COMMENT**

There were no requests for public comment.

## **MANAGEMENT REPORTS**

### **Chief Executive Officer Report**

Michael Schrader, Chief Executive Officer, provided updates on CalOptima's governance structure that was reported in the Orange County Register on July 22, 2017. If adopted, the proposed ordinance change would appoint all five county supervisors to the CalOptima Board of Directors to add more public representation. On a parallel track, SB 4, which would codify the current board structure, is being considered. The Legislature is out on recess until August 21, 2017. After they return, the bill will be voted by the full Assembly, and will then be sent back to the State Senate. The sponsor has also added an urgency clause which will make the bill effective upon the Governor's signature. If the Governor signs the bill, the state law will supersede the county supervisors' ordinance change.

Mr. Schrader also spoke about actions at the federal level to repeal and replace the Affordable Care Act. The various proposals are at the exchange level for Medicaid. It would mean the winding down of Medicaid Expansion. This action would affect one-third of our members, or approximately 235,000 members. The other two-thirds of our members would have significantly reduced funding (i.e., approximately 25%). Staff is tracking this bill, and there will be a vote on a motion to proceed and debate. One complication is that the Senate Parliamentarian has found that some of the bill's provisions would not conform to rules under budget reconciliation, and therefore cannot pass with a simple majority. In addition, the bill could also be amended in the Senate. Staff will continue to track any actions.

### **Chief Financial Officer Report**

Nancy Huang, Interim Chief Financial Officer and Treasurer, provided a finance update. CalOptima received an update from the state on our capitation payments for May, June and July. The May payment will arrive this week, on July 26, 2017. The June payment is scheduled for receipt on August 4, 2017, and the July payment will be released on August 16, 2017. Staff plans to rebalance our operating portfolio as soon as the May capitation payment is received.

Ms. Huang also reported on the Fiscal Year (FY) 2017-18 Medi-Cal rates. CalOptima had received FY 2017-18 draft rates in May and final rates in June. The overall rate reduction is 4.7%. Compared to FY 2016-17 rates, in aggregate, this translates to an annual reduction in revenue of \$110 million. This applies to both Medical Classic and Medical Expansion members. During the budget process, CalOptima adjusted hospital capitation rates for Medical Expansion members by 29%. The total impact is equivalent to the reduction in revenue.

Ms. Huang discussed the DHCS 85% Medical Loss Ratio (MLR) reconciliation process for Medical Expansion members. The reconciliation period covers June 2014 through June 2016. The latest update is that in July, DHCS will release the reconciliation template and guidance. Upon the final approval by the Centers for Medicare & Medicaid Services (CMS), DHCS anticipates implementing the reconciliation process in Fall 2017. Once the reconciliation is

complete, DHCS will recoup the total amount between the actual medical expenses and required medical expenses at 85% for Medicaid Expansion members.

## **REPORTS**

### **Consider Recommending Reappointments to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee for Consideration**

*Action: On motion of Chair Moore, seconded and carried, the Investment Advisory Committee recommended the reappointment of Peggy Eckroth and Caroline Harkins to the Board of Directors' Investment Advisory Committee for a two-year term beginning November 1, 2017. (Motion carried 6-0-0)*

### **Consider Recommending Approval of Proposed Changes to the Annual Investment Policy for Calendar Year 2017**

This item was continued to a future Investment Advisory Committee meeting, with the Chair asking that other committee members forward any comments or questions to Nancy Huang.

## **INFORMATION ITEMS**

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

Hanna Schrinier, Vice President, Meketa Investment Group, presented the investment advisors update. Total assets for fixed income and cash were \$2.1 billion as of June 30, 2017, which is down from first quarter by \$200 million due to an outflow of cash. The balance and fixed income portfolio was \$535 million versus \$1.5 billion for cash. Performance for the total fund was positive for the quarter.

Ms. Schrinier reviewed the performance of all of the Tier One and Tier Two management accounts. She reported that, based on Meketa's analysis funds are in compliance with CalOptima's annual investment policy for the quarter.

Ms. Schrinier also went over the performance attributions in detail and showed where the managers have outperformed benchmarks.

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

Wendy Kaszak, Vice President of Client Services, Logan Circle Partners provided a company update. There are no changes to the team. She also reported that, on July 7, 2017, Fortress Investment Group, Logan Circle's parent company sold Logan Circle to MetLife in an all cash transaction, expected to be completed the end of the 3<sup>rd</sup> quarter. In 2012, MetLife created MetLife Investment Management, which was a third-party asset management business. What was missing to the growth of that business was the total return separate account business function. This was how they came to acquire Logan Circle Partners. The combined entities

will have over \$550 billion in assets and 800 professionals. Logan Circle's CEO/CIO, Jude Driscoll will become a member of MetLife's executive team and will oversee the entire third party total return business. The Logan Circle team will soon move to the MetLife building in New Jersey.

Scott Pavlak commented on the new purchase. He indicated that there are no changes to the team and that, from CalOptima's perspective, the only change we would see is that the back-office reconciliations would change to State Street.

Mr. Pavlak also provided a market overview and went over current themes. He reported that the Tier One Account is outperforming in the quarter, and that all portfolios managed by Logan Circle are in compliance during the second quarter of the calendar year.

**Presentation by Payden & Rygel**

Asha Joshi, Managing Principal, Payden & Rygel provided a firm update. Assets have grown to \$114 billion at the end of the quarter. CalOptima's yields continue to rise.

Darren Marco provided a portfolio update. He first went over the Operating Fund Portfolio as of June, which is up 30 basis points. The performance provides the liquidity that CalOptima needs, but also delivered a return of 27 basis points through June and outperformed the benchmark as well. He also reported that the Tier One Account is going to be short of the benchmark for about one quarter of the year and that the fund is in compliance for the quarter.

**Presentation by Wells Capital Management**

Steve Scharre, Client Relations, Wells Capital Management, provided a firm update. Assets are at \$350 billion, managed by 26 different investment teams across the country.

Tony Melville, Vice President, provided a fund update and reported that the fund is in compliance for the quarter.

**April 2017 Financial Update**

Ms. Huang presented the April financials, as the CalOptima Board of Directors did not meet in the month of July. She first reported on the enrollment summary. Enrollment drives both revenue and expenses. As of April 2017, CalOptima's enrollment is 1% lower than original projections. The two main contributors to CalOptima's are the One Care Connect program with lower enrollment and the Medi-Cal program enrollment, as well. CalOptima added \$18 million dollars to the bottom line in April, nearly \$25 million and \$24.98 million year to date, mainly from investment income. She commented that management is expecting a very good year from the investments side. Management projects about \$40 million for the year and will provide an update at the next meeting. CalOptima's MLR is at 96% and the ALR is at 3.4%. As of April, the balance sheet shows assets of \$2.2 billion dollars. Overall, CalOptima remains financially strong.

### **COMMITTEE MEMBER COMMENTS**

Chair Moore gave an update on the IAC recruitment process. Staff received two applicants. Chair Moore proposed creating an ad hoc committee to review the two applicants and hold interviews with both. The committee will report back at the next meeting. The chair appointed Nancy Huang, Rodney Johnson and David Young to serve on the ad hoc committee.

Chair Moore commented that the Finance and Audit Committee (FAC) should hear from the IAC periodically in terms of how the committee does its work. Chair Moore asked the committee to consider offering a quarterly report or semi-annual report to the FAC, commenting that, it may be helpful for one committee member to present to the FAC.

Chair Moore also asked that for upcoming meetings when he cannot attend, the Committee begins the meeting by selecting an acting chair for that meeting.

### **ADJOURNMENT**

Hearing no further business, Chair Moore, adjourned the meeting at 5:09 p.m.

s/s Pamela Reichardt  
Pamela Reichardt  
Executive Assistant

Approved: October 30, 2017

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 30, 2017** **Special Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

#### **Report Item**

VI. A. Consider Recommending Proposed Changes to the Annual Investment Policy for Calendar Year 2018

#### **Contact**

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

#### **Recommended Action**

Recommend that the Board of Directors' Finance and Audit Committee (FAC) recommend proposed changes to the Annual Investment Policy (AIP) for Calendar Year (CY) 2018.

#### **Background**

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

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

On February 6, 2017, Staff completed the internal administrative policy review process.

#### **Discussion**

Payden & Rygel, Logan Circle Partners, and Wells Capital Management, CalOptima's investment managers, and Meketa Investment Group, Inc., CalOptima's investment adviser submitted proposed revisions to the AIP for CY 2018. Staff has reviewed the proposed revisions and recommends the following changes upon Board approval:

- Section III.D.2.b.ii.m. and n.: Delete Temporary Liquidity Guarantee (TLG) Program securities and Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP) securities from the list of permitted investments with U.S. Government related organizations, as both programs expired.
- Section III.D.1.c.: Add language that prohibits private placement (144a) securities as a permitted investment.
- Sections III.E.3.c. and m.: Revise the maximum holding percentages for State and California Local Agency Obligations from 25% to 30% and Supranational Obligations from 15% to 30%. The increase to the holding percentages fall within the allowable limit under California Government Code section 53600 et seq.



- Management recommends all other provisions in the current AIP remain in effect in CY 2018.

In addition to the proposed changes noted above, the attached red-lined version of the AIP for CY 2018 reflects non-substantive edits that were noted during the review process, as well as other formatting revisions intended to align the AIP with CalOptima's policy and procedure template.

**Fiscal Impact**

There is no immediate fiscal impact.

**Rationale for Recommendation**

The proposed changes to the AIP for CY 2018 reflect the recommendations of CalOptima's investment managers, Payden & Rygel, Logan Circle Partners, and Wells Capital Management and concurrence by CalOptima's investment adviser, Meketa Investment Group, Inc. These recommended changes continue to support CalOptima's goals to maintain safety of principal, and achieve a market rate of return while maintaining necessary liquidity during periods of uncertainty. Per the review conducted by Meketa Investment Group, Inc., there were no changes in the California Government Code affecting local agencies noted for the CY 2018.

**Concurrence**

Meketa Investment Group, Inc.

Gary Crockett, Chief Counsel

**Attachments**

2018 Annual Investment Policy with proposed changes.

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**Authorized Signature**

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**Date**



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

CEO Approval: Michael Schrader \_\_\_\_\_

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

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**I. PURPOSE**

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

**II. POLICY**

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

1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter, the Code) as well as customary standards of prudent investment management. Should the provisions of the Code be, or become, more restrictive than those contained herein, such provisions shall be considered immediately incorporated into this Policy and adhered to.
2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such, each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default.
  - a. CalOptima shall seek to ensure that capital losses are minimized from the erosion of market value and preserve principal by mitigating the two (2) types of risk: Credit Risk and Market Risk.
    - i. Credit Risk shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio, in accordance with this Policy.
    - ii. Market Risk shall be mitigated by matching maturity dates, to the extent possible, with CalOptima's expected cash flow needs and other factors.
  - b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses are inevitable and must be considered within the context of the overall investment return.
3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that each portfolio contain investments for which there is a secondary market and which offer the flexibility to be easily sold at any time with minimal risk of loss of either the principal or interest based upon then prevailing rates.
4. Total Return: CalOptima's investment portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.

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

3  
4 i. These performance benchmarks shall be reviewed monthly by CalOptima's Treasurer  
5 and the Investment Managers and shall be approved by the Board of Directors.  
6

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

10  
11 C. Investment Managers must certify that they will purchase securities from broker-dealers (other than  
12 themselves) or financial institutions in compliance with California Government Code, Section  
13 53601.5 and this Policy.  
14

15 D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima  
16 (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined  
17 in the Code, which shall be applied in the context of managing an overall portfolio.  
18

19 E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members  
20 involved in the investment process shall refrain from personal and professional business activities  
21 that could conflict with the proper execution of the investment program, or which could impair their  
22 ability to make impartial investment decisions.  
23

24 1. CalOptima's Officers and employees involved in the investment process are not permitted to  
25 have any material financial interests in financial institutions, including state or federal credit  
26 unions, that conduct business with CalOptima, and are not permitted to have any personal  
27 financial, or investment holdings, that could be materially related to the performance of  
28 CalOptima's investments.  
29

30 F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for  
31 review and adoption by the Board, to ensure that all investments made are following this Policy.  
32

33 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to  
34 California Government Code, Section 53646, Subdivision (a).  
35

36 2. This policy may only be changed by the Board of Directors.  
37

### 38 **III. PROCEDURE**

#### 39 **A. Delegation of Authority**

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41  
42 1. Authority to manage CalOptima's investment program is derived from an order of the Board of  
43 Directors.  
44

45 a. Management responsibility for the investment program shall be delegated to CalOptima's  
46 Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the  
47 approval of this Policy.  
48

49 i. The Board of Directors may renew the delegation of authority annually.  
50

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

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4       B. CalOptima Treasurer Responsibilities

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6       1. The Treasurer shall be responsible for:

- 7  
8           a. All actions undertaken and shall establish a system of controls to regulate the activities of  
9           subordinate officials and Board-approved Investment Managers;  
10  
11          b. The oversight of CalOptima's investment portfolio;  
12  
13          c. Directing CalOptima's investment program and for compliance with this Policy pursuant to  
14           the delegation of authority to invest funds or to sell or exchange securities; and  
15  
16          d. Providing a quarterly report to the Board of Directors in accordance with California  
17           Government Code, Section 53646, Subdivision (b).

18  
19       2. The Treasurer shall also be responsible for ensuring that:

- 20  
21           a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are  
22           established and reviewed monthly.  
23  
24           b. All Investment Managers are provided a copy of this Policy, which shall be appended to an  
25           Investment Manager's investment contract.  
26  
27           i. Any investments made by an Investment Manager outside this Policy may subject the  
28           Investment Manager to termination for cause or other appropriate remedies or  
29           sanctions, as determined by the Board of Directors.  
30  
31           c. Investment diversification and portfolio performance is reviewed monthly to ensure that  
32           risk levels and returns are reasonable and that investments are diversified in accordance  
33           with this Policy.  
34  
35           d. All Investment Managers are selected and evaluated for review by the Chief Executive  
36           Officer and the Board of Directors.

37  
38       C. Investment Advisory Committee

- 39  
40       1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any  
41       particular investment, purchase any particular investment product, or conduct business with any  
42       particular investment companies, or brokers.  
43  
44           a. It shall not be the purpose of the Investment Advisory Committee to advise on particular  
45           investment decisions of CalOptima.  
46  
47       2. The Investment Advisory Committee shall be responsible for the following functions:  
48  
49           a. Annual review of this Policy before its consideration by the Board of Directors and revision  
50           recommendations, as necessary, to the Finance and Audit Committee of the Board of  
51           Directors.

- 1
- 2 b. Quarterly review of CalOptima's investment portfolio for conformance with this Policy's
- 3 diversification and maturity guidelines, and recommendations to the Finance and Audit
- 4 Committee of the Board of Directors, as appropriate.
- 5
- 6 c. Provision of comments to CalOptima's staff regarding potential investments and potential
- 7 investment strategies.
- 8
- 9 d. Performance of such additional duties and responsibilities pertaining to CalOptima's
- 10 investment program as may be required from time to time by specific action and direction
- 11 of the Board of Directors.
- 12

13 D. Permitted Investments

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- 15 1. CalOptima shall invest only in instruments as permitted by the Code, subject to the limitations
- 16 of this Policy.
- 17
- 18 a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to
- 19 a maximum stated term of four hundred fifty (450) days. Note that the Code allows for up
- 20 to five (5) years.
- 21
- 22 b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise
- 23 specified, are subject to a maximum stated term of five (5) years. Note that the Code allows
- 24 for up to five (5) years.
- 25
- 26 c. Private placement (144a) securities are prohibited.
- 27
- 28 d. The Board of Directors must grant express written authority to make an investment, or to
- 29 establish an investment program, of a longer term.
- 30
- 31 2. Permitted investments shall include:
- 32
- 33 a. U.S. Treasuries
- 34
- 35 i. These investments are direct obligations of the United States of America and securities
- 36 which are fully and unconditionally guaranteed as to the timely payment of principal
- 37 and interest by the full faith and credit of the United States of America.
- 38
- 39 ii. U.S. Government securities include:
- 40
- 41 a) Treasury Bills: U.S. Government securities issued and traded at a discount;
- 42
- 43 b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S.
- 44 Government which guarantees interest and principal payments;
- 45
- 46 c) Treasury Separate Trading of Registered Interest and Principal Securities
- 47 (STRIPS): U.S. Treasury securities that have been separated into their component
- 48 parts of principal and interest payments and recorded as such in the Federal Reserve
- 49 book-entry record-keeping system;
- 50

- d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or bonds, that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation, as measured by the consumer price index (CPI); and
- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.
- iv. Maximum Term:

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

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

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

l) Federal Agricultural Mortgage Company (FAMC);

m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and

n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

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

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

c. State and California Local Agency Obligations

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

ii. Maximum Term:

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

d. Banker's Acceptances

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

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

## ii. Maximum Term:

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

## e. Commercial Paper (CP)

- i. CP is negotiable (i.e., marketable or transferable), although it is typically held to maturity. The maximum maturity is two hundred seventy (270) days, with most CP issued for terms of less than thirty (30) days. CP must meet the following criteria:
- a) Rated P-1 by Moody's, or A-1, or better, by Standard & Poor's;
  - b) Have an A, or higher, rating for the issuer's debt, other than CP, if any, as provided for by Moody's, or Standard & Poor's;
  - c) Issued by corporations organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) or by corporations organized within the U.S. as special purpose corporations, trusts, or LLCs, which have program-wide credit enhancements, including but not limited to, overcollateralization, letter of credit, or a surety bond, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency; and
  - d) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

## ii. Maximum Term:

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

## f. Negotiable Certificates of Deposit

- i. Negotiable Certificates of Deposit must be issued by a Nationally- or state-chartered bank, or state or federal association or by a state licensed branch of a foreign bank, which have been rated F1 or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's and P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

## ii. Maximum Term:



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

## g. Repurchase Agreements

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

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

## ii. Maximum Term:

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

- iii. Reverse repurchase agreements are not allowed.

## h. Corporate Securities

- i. For the purpose of this Policy, permissible corporate securities shall be rated “A” or better by Moody’s, Standard & Poor’s, or Fitch Ratings Service and:
- a) Be issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S. and have total assets in excess of five hundred million dollars (\$500,000,000), and
  - b) May not represent more than ten percent (10%) of the issue in the case of a specific public offering. This limitation does not apply to debt that is "continuously offered" in a mode similar to commercial paper, i.e., medium term notes (MTNs).
  - c) Under no circumstance can the MTNs or any other corporate security of any one (1) corporate issuer represent more than five percent (5%) of the portfolio.

ii. Maximum Term:

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

i. Money Market Funds

- i. Shares of beneficial interest issued by diversified management companies (i.e., money market funds):
  - a) Which are rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services; and
  - b) Such investment may not represent more than ten percent (10%) of the money market fund's assets.

j. Joint Powers Authority Pool

- i. A joint powers authority formed pursuant to California Government Code, Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:
  - a) Registered or exempt from registration with the Securities and Exchange Commission;
  - b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
  - c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A joint powers authority pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.

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

iv. Maximum Term:

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

k. Mortgage or Asset-backed Securities

- i. Pass-through securities are instruments by which the cash flow from the mortgages, receivables, or other assets underlying the security, is passed-through as principal and interest payments to the investor.
- ii. Though these securities may contain a third-party guarantee, they are a package of assets being sold by a trust, not a debt obligation of the sponsor. Other types of "backed" debt instruments have assets (e.g., leases or consumer receivables) pledged to support the debt service.
- iii. Any mortgage pass-through security, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond which:
  - a) Are rated AA- by a nationally recognized rating service; and
  - b) Are issued by an issuer having an "A" (Code), or better, rating by a nationally recognized rating service for its long-term debt.

iv. Maximum Term:

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

l. Variable and Floating Rate Securities

- i. Variable and floating rate securities are appropriate investments when used to enhance yield and reduce risk.
  - a) They should have the same stability, liquidity, and quality as traditional money market securities.

b) A variable rate security provides for the automatic establishment of a new interest rate on pre-determined reset dates.

c) For the purposes of this Policy, a variable rate security and floating rate security shall be deemed to have a maturity equal to the period remaining to that pre-determined interest rate reset date, so long as no investment shall be made in a security that at the time of the investment has a term remaining to a stated final maturity in excess of five (5) years.

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

a) Permitted variable and floating rate securities that have an embedded unconditional put option must have a stated final maturity of the security no greater than five (5) years from the date of purchase.

b) Investments in floating rate securities whose reset is calculated using more than one (1) of the above indices are not permitted, i.e., dual index notes.

c) Ratings for variable and floating rate securities shall be limited to the same minimum ratings as applied to the appropriate asset security class outlined elsewhere in this Policy.

iii. Maximum Term:

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

m. Supranational Obligations

i. The three (3) supranational institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:

a) International Bank for Reconstruction and Development (IBRD);

b) International Finance Corporation (IFC); and

c) Inter-American Development Bank (IADB).

ii. Supranational obligations shall be rated AA by two (2) of the three (3) largest nationally recognized rating services.

## iii. Maximum Term:

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

## n. Pooled Investments

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

## E. Diversification Guidelines

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

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

3.4 Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:

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

ii. Any one repurchase agreement counterparty name:

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

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

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

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

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

- i. If one (1) Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisor (if any) by close of business on the day of the occurrence.
- ii. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in:
- a) The context of the amount in relation to the total portfolio concentration;
  - b) Market and security specific conditions contributing to a breach of this Policy; and
  - c) The Investment Managers' actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

#### F. Maximum Stated Term

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

#### G. Rating Downgrades

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

#### H. Investment Restrictions

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

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

#### IV. ATTACHMENTS

Not Applicable

#### V. REFERENCES

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

#### VI. REGULATORY AGENCY APPROVALS

- A. None to Date

#### VII. BOARD ACTIONS

- A. TBD: Regular Meeting of the CalOptima Board of Directors
- B. 12/03/15: Regular Meeting of the CalOptima Board of Directors
- C. 03/05/15: Regular Meeting of the CalOptima Board of Directors
- D. 06/05/14: Regular Meeting of the CalOptima Board of Directors
- E. 12/05/13: Regular Meeting of the CalOptima Board of Directors
- F. 01/03/13: Regular Meeting of the CalOptima Board of Directors
- G. 10/04/12: Regular Meeting of the CalOptima Board of Directors
- H. 01/06/11: Regular Meeting of the CalOptima Board of Directors
- I. 08/05/10: Regular Meeting of the CalOptima Board of Directors
- J. 12/04/08: Regular Meeting of the CalOptima Board of Directors
- K. 12/07/04: Regular Meeting of the CalOptima Board of Directors
- L. 01/07/03: Regular Meeting of the CalOptima Board of Directors

Policy #: GA.3400

Title: Annual Investments

Effective Date: TBD

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

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

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

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

#### **VIII. REVIEW/REVISION HISTORY**

<b>Version</b>	<b>Date</b>	<b>Policy Number</b>	<b>Policy Title</b>	<b>Line(s) of Business</b>
Effective	TBD	GA.3400	Annual Investments	Administrative



**IX. GLOSSARY**

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

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

<b>Term</b>	<b>Definition</b>
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
Consumer Price Index (CPI)	The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.
Credit Risk	The risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.
Designee	For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).
Finance and Audit Committee (FAC)	A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.
Instrument	Refers to a financial instrument or asset that can be traded. These assets can be cash, bonds, or shares in a company
Investment Advisors	Members of CalOptima Investment Advisory Committee (IAC).
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding the organization's investments.
Investment Managers	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the underlying pool of securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.

<b>Term</b>	<b>Definition</b>
Market Indices	Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).
Market Risk	The risk of market value fluctuations due to overall changes in the general level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.
Medium Term Notes (MTN)	A debt note that usually matures (is paid back) in five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (100) years. They can be issued on a fixed or floating coupon basis.
Negotiable Certificates of Deposit	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.
Prudent Person Standard	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (California Government Code, Section 53600.3)
Rate of Return	The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any capital gains realized on the sale of the investment.
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.

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

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 30, 2017** **Special Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

#### **Report Item**

VI. B. Adopt CalOptima Board of Directors' Investment Advisory Committee Meeting Schedule for Calendar Year 2018

#### **Contact**

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

#### **Recommended Action**

Adopt the meeting schedule of the CalOptima Board of Directors' Investment Advisory Committee for Calendar Year 2018.

#### **Background**

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

#### **Discussion**

The proposed schedule of meetings for Calendar Year 2018 is as follows:

- January 22, 2018
- April 23, 2018
- July 23, 2018
- October 22, 2018

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

#### **Fiscal Impact**

There is no fiscal impact.

#### **Rationale for Recommendation**

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

**Concurrence**

None

**Attachments**

Investment Advisory Committee: Calendar Year 2018 - Meeting Schedule

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

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



A Public Agency

**CalOptima**  
Better. Together.

## **Investment Advisory Committee**

### **Calendar Year 2018 – Meeting Schedule**

#### All Meetings Held At:

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

3:00 – 5:00 P.M.



Monday, January 22, 2018

Monday, April 23, 2018

Monday, July 23, 2018

Monday, October 22, 2018



## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 30, 2017** **Special Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

#### **Report Item**

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

#### **Contact**

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

#### **Recommended Action**

Recommend that the Finance and Audit Committee recommend Board appointment of Susan Munson for a two-year term to fill the current vacancy on the CalOptima Board of Directors' Investment Advisory Committee (IAC) effective December 7, 2017.

#### **Background**

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

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

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

#### **Discussion**

As part of the process of filling the vacancy, CalOptima staff conducted a recruitment process intended to solicit a diverse applicant pool of candidates. The recruitment included an announcement on the CalOptima website, and advertisements in the local business journal and at academic institutions. Applications from two interested candidates were received and submitted them to the IAC Nominations Ad Hoc Committee for review and recommendations.

Prior to conducting on-site interviews on August 21, 2017, the Ad Hoc Committee members evaluated each of the applications submitted. Based on this process, the Ad Hoc Committee comprised of IAC Members Johnson, Young, and Huang, have made a recommendation and forwarded the recommended candidate to the IAC for consideration. The candidate recommended for appointment has proven leadership and expertise in finance and accounting.

**Candidates:**

David Hutchison

Susan Munson\*

David Hutchison is a Partner at Triad Investment Management, LLC. He has over 17 years of experience in equity research and analysis, and investment management. Mr. Hutchison received his M.B.A. degree from the University of Southern California, and his B.A. degree from Macalester College.

Susan Munson is the Founder and CEO of Fixed Income Academy, an educational platform for financial professionals to learn about the bond market and develop their investment management skills. Ms. Munson has over 28 years of experience in finance and investment management, and is knowledgeable about the California Government Code provisions related to public agency investments. She has held positions at Merrill Lynch's Institutional Advisory Division, and continues to work closely with financial institutions, state and local governments, depositories and family offices to provide investor education. Ms. Munson frequently speaks and teaches at the Fixed Income Academy's Bond School and at national and regional conferences and workshops. She maintains her Certified Financial Planner (CFP®) designation, is a Certified Fixed Income Practitioner (CFIP), and is currently registered as an Investment Advisor Representative to provide advisory services to a small group of select clients.

**Fiscal Impact**

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

**Rationale for Recommendation**

The individual recommended for CalOptima's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC.

**Concurrence**

Gary Crockett, Chief Counsel

CalOptima Board Action Agenda Referral

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

Page 3

**Attachment**

None

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**Authorized Signature**

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**Date**

# FUND EVALUATION REPORT

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**CalOptima**

Quarterly Review  
September 30, 2017



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

BOSTON  
MASSACHUSETTS

CHICAGO  
ILLINOIS

MIAMI  
FLORIDA

PORTLAND  
OREGON

SAN DIEGO  
CALIFORNIA

LONDON  
UNITED KINGDOM

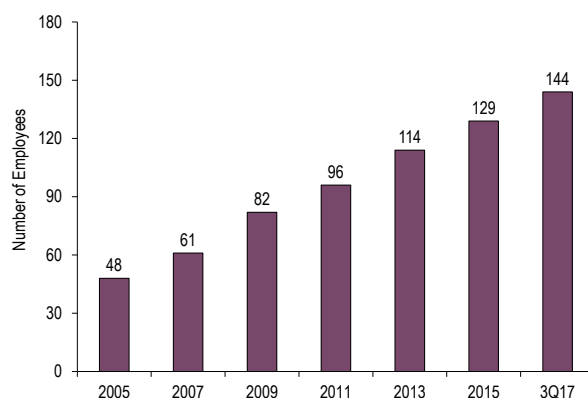
[www.meketagroup.com](http://www.meketagroup.com)

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

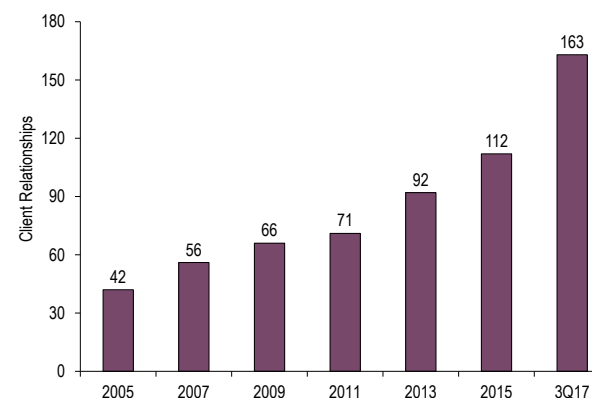
## **Meketa Investment Group Corporate Update**

- Staff of 144, including 97 investment professionals and 31 CFA Charterholders
- 163 clients, with over 270 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.**



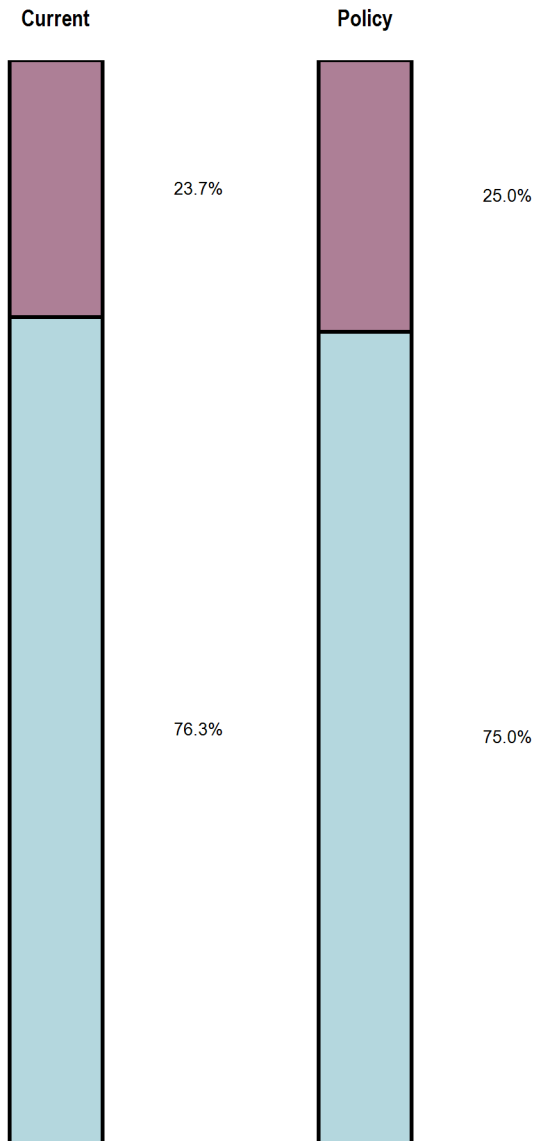
## Asset Classes Followed Intensively by Meketa Investment Group

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



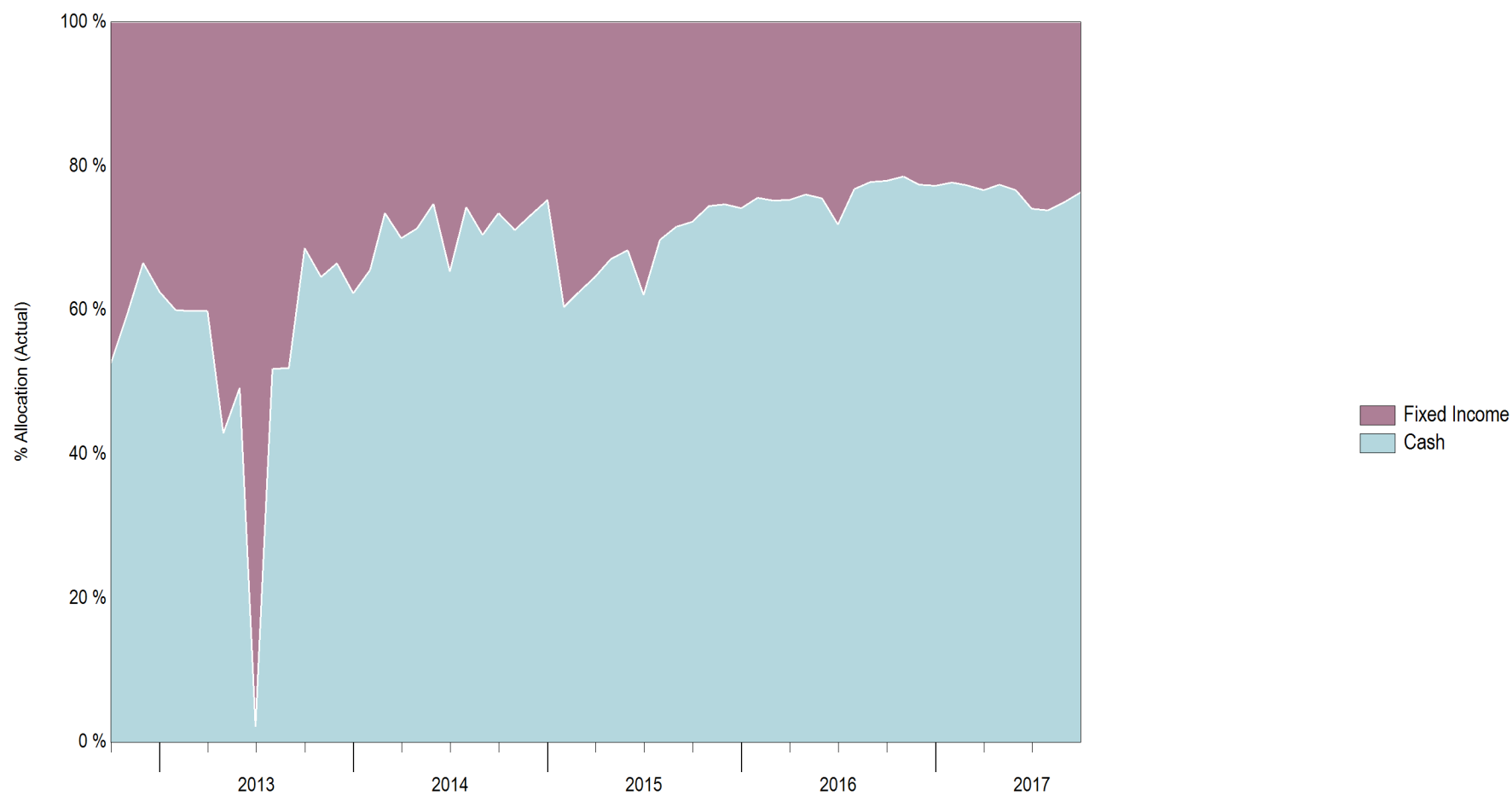
## 3Q17 Review

As of September 30, 2017



## Allocation vs. Targets and Policy

	Current Balance	Current Allocation
Fixed Income	\$537,090,795	24%
Cash	\$1,730,790,573	76%
<b>Total</b>	<b>\$2,267,881,367</b>	<b>100%</b>

**Asset Allocation History**  
5 Years Ending September 30, 2017

As of September 30, 2017

## Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund(Gross)</b>	<b>2,267,881,367</b>	<b>100.000</b>	<b>0.323</b>	<b>0.927</b>	<b>0.763</b>	<b>--</b>	<b>--</b>	<b>0.763</b>	<b>Oct-14</b>
<b>Total Fund(Net)</b>			<b>0.311</b>	<b>0.848</b>	<b>0.680</b>	<b>--</b>	<b>--</b>	<b>0.680</b>	
<b>Fixed Income(Gross)</b>	<b>537,090,795</b>	<b>23.682</b>	<b>0.365</b>	<b>0.749</b>	<b>1.159</b>	<b>--</b>	<b>--</b>	<b>1.159</b>	<b>Oct-14</b>
<b>Fixed Income(Net)</b>			<b>0.343</b>	<b>0.660</b>	<b>1.120</b>	<b>--</b>	<b>--</b>	<b>1.120</b>	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>			<i>0.238</i>	<i>0.237</i>	<i>0.759</i>	<i>0.629</i>	<i>1.702</i>	<i>0.759</i>	<i>Oct-14</i>
<b>Cash(Gross)</b>	<b>1,730,790,573</b>	<b>76.318</b>	<b>0.305</b>	<b>0.972</b>	<b>0.594</b>	<b>0.409</b>	<b>0.572</b>	<b>1.958</b>	<b>Jul-99</b>
<b>Cash(Net)</b>			<b>0.300</b>	<b>0.894</b>	<b>0.511</b>	<b>0.311</b>	<b>--</b>	<b>--</b>	
<i>Citi 3mth Treasury Bill</i>			<i>0.255</i>	<i>0.641</i>	<i>0.287</i>	<i>0.193</i>	<i>0.416</i>	<i>1.747</i>	<i>Jul-99</i>

As of September 30, 2017

## Trailing Period Performance

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund(Gross)</b>	<b>2,267,881,367</b>	<b>100.000</b>	<b>--</b>	<b>0.323</b>	<b>0.927</b>	<b>0.763</b>	<b>--</b>	<b>--</b>	<b>0.763</b>	<b>Oct-14</b>
<b>Fixed Income(Gross)</b>	<b>537,090,795</b>	<b>23.682</b>	<b>23.682</b>	<b>0.365</b>	<b>0.749</b>	<b>1.159</b>	<b>--</b>	<b>--</b>	<b>1.159</b>	<b>Oct-14</b>
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.238	0.237	0.759	0.629	1.702	0.759	Oct-14
Tier One: Payden Low Duration(Gross)	146,756,598	6.471	27.324	0.363	0.926	1.087	0.879	2.064	3.051	Jul-99
Tier One: Payden Low Duration(Net)				0.343	0.850	1.004	0.781	--	--	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.238	0.237	0.759	0.629	1.702	2.948	Jul-99
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>				0.342	0.652	1.043	0.936	2.098	3.285	Jul-99
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3Yr Rated A and above TR USD</i>				0.299	0.484	0.936	0.812	1.938	3.171	Jul-99
Tier One: Logan Circle STAMP 1-3 Year(Gross)	146,506,854	6.460	27.278	0.349	0.727	--	--	--	0.999	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				0.329	0.648	--	--	--	0.916	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.238	0.237	0.759	0.629	1.702	0.547	Jun-16
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>				0.342	0.652	1.043	0.936	2.098	0.956	Jun-16
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3Yr Rated A and above TR USD</i>				0.299	0.484	0.936	0.812	1.938	0.774	Jun-16
Tier One: Wells Capital Reserve Account(Gross)	146,471,481	6.459	27.271	0.347	0.736	--	--	--	0.979	Jun-16
Tier One: Wells Capital Reserve Account(Net)				0.329	0.664	--	--	--	0.906	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.238	0.237	0.759	0.629	1.702	0.547	Jun-16
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>				0.342	0.652	1.043	0.936	2.098	0.956	Jun-16
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3Yr Rated A and above TR USD</i>				0.299	0.484	0.936	0.812	1.938	0.774	Jun-16
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	97,355,862	4.293	18.127	0.418	0.524	1.697	--	--	1.342	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				0.387	0.401	1.570	--	--	1.216	
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>				0.286	-0.061	1.198	0.838	2.365	0.888	Apr-13
<i>BofA Merrill Lynch US Corp &amp; Gov 1-5 Yrs</i>				0.442	0.526	1.543	1.258	2.775	1.276	Apr-13
<i>BofA Merrill Lynch US Corp &amp; Gov 1-5 Yrs Rated A And Above</i>				0.376	0.269	1.398	1.077	2.556	1.109	Apr-13

As of September 30, 2017

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Cash(Gross)</b>	<b>1,730,790,573</b>	<b>76.318</b>	<b>76.318</b>	<b>0.305</b>	<b>0.972</b>	<b>0.594</b>	<b>0.409</b>	<b>0.572</b>	<b>1.958</b>	<b>Jul-99</b>
<i>Citi 3mth Treasury Bill</i>				0.255	0.641	0.287	0.193	0.416	1.747	Jul-99
Operating: Payden Enhanced Cash(Gross)	487,073,665	21.477	28.142	0.347	1.030	0.639	0.436	0.585	1.966	Jul-99
Operating: Payden Enhanced Cash(Net)				0.328	0.955	0.558	0.339	--	--	
<i>Citi 3mth Treasury Bill</i>				0.255	0.641	0.287	0.193	0.416	1.747	Jul-99
Operating: Logan Circle Enhanced Cash(Gross)	487,456,589	21.494	28.164	0.305	1.002	--	--	--	0.955	Jun-16
Operating: Logan Circle Enhanced Cash(Net)				0.284	0.917	--	--	--	0.871	
<i>Citi 3mth Treasury Bill</i>				0.255	0.641	0.287	0.193	0.416	0.548	Jun-16
Operating: Wells Capital Enhanced Cash(Gross)	756,260,318	33.347	43.695	0.316	0.891	--	--	--	0.847	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.298	0.818	--	--	--	0.774	
<i>Citi 3mth Treasury Bill</i>				0.255	0.641	0.287	0.193	0.416	0.548	Jun-16

As of September 30, 2017

## Asset Class Performance Summary

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

As of September 30, 2017

## Trailing Period Performance

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
<b>Total Fund(Gross)</b>	<b>0.754</b>	<b>0.842</b>	--	--	--	--	--	--
<b>Fixed Income(Gross)</b>	<b>0.427</b>	<b>1.775</b>	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	-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
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>	0.336	1.581	0.901	1.246	0.861	1.169	1.947	3.796
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3Yr Rated A and above TR USD</i>	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	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>	0.336	1.581	0.901	1.246	0.861	1.169	1.947	3.796
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3Yr Rated A and above TR USD</i>	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	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	-0.108	1.307	0.876	0.765	0.328	0.776	1.331	2.692
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3 Yrs</i>	0.336	1.581	0.901	1.246	0.861	1.169	1.947	3.796
<i>BofA Merrill Lynch US Corp &amp; Gov 1-3Yr Rated A and above TR USD</i>	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	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>	-0.532	2.426	1.376	1.157	-0.027	2.198	2.154	4.114
<i>BofA Merrill Lynch US Corp &amp; Gov 1-5 Yrs</i>	0.134	2.649	1.344	2.000	0.718	2.524	2.957	5.717
<i>BofA Merrill Lynch US Corp &amp; Gov 1-5 Yrs Rated A And Above</i>	-0.172	2.570	1.376	1.641	0.409	2.362	2.694	5.042



As of September 30, 2017

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

As of September 30, 2017

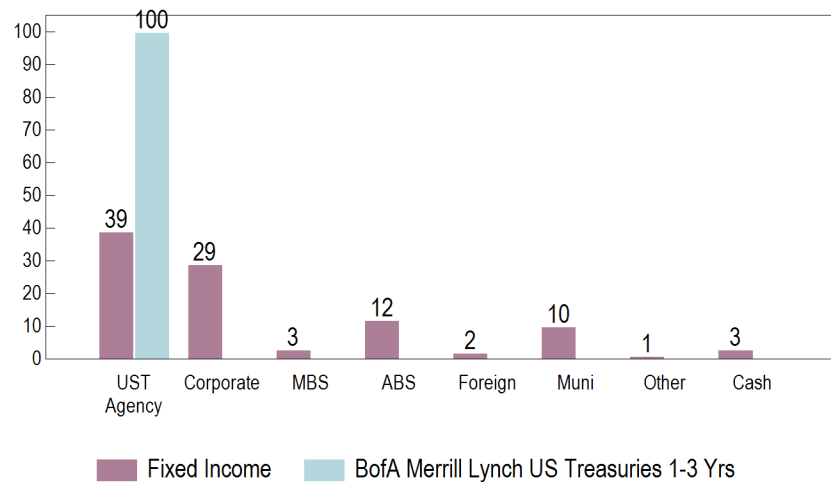
## Asset Allocation on September 30, 2017

	Actual	Actual
Tier One: Payden Low Duration	\$146,756,598	27.3%
Tier One: Logan Circle STAMP 1-3 Year	\$146,506,854	27.3%
Tier One: Wells Capital Reserve Account	\$146,471,481	27.3%
Tier Two: Logan Circle STAMP 1-5 Year	\$97,355,862	18.1%
<b>Total</b>	<b>\$537,090,795</b>	<b>100.0%</b>

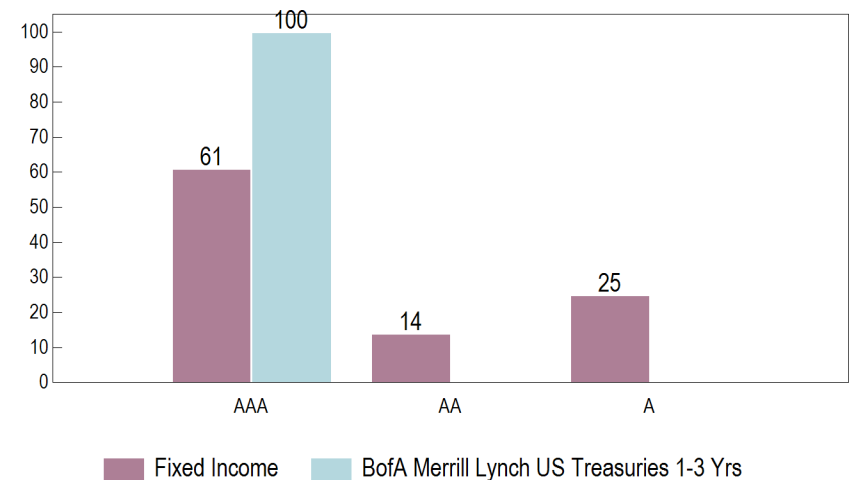
Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.6	1.5	1.6
Average Duration	1.7	1.9	1.6
Average Quality	AA	AAA	AA

## Sector Allocation



## Credit Quality Allocation



## Tier One: Payden Low Duration

As of September 30, 2017

## Account Information

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

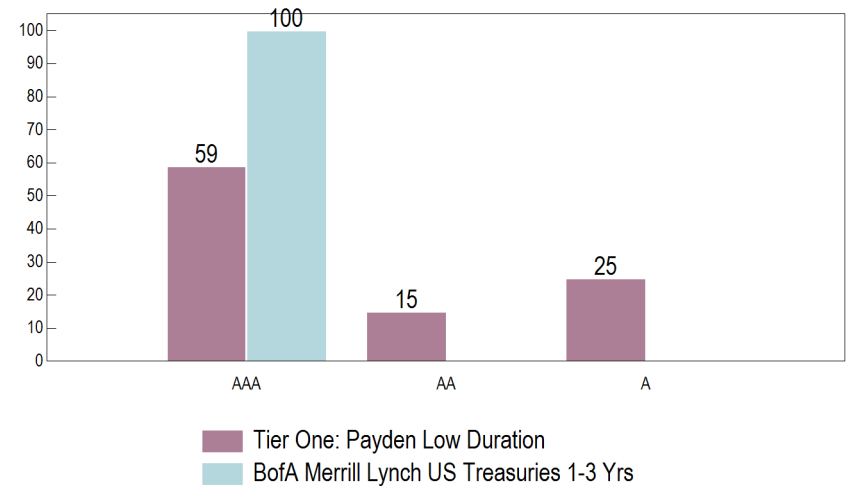
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Payden Low Duration(Gross)	0.363	1.107	0.926	1.087	0.879	2.064	3.051	Jul-99
Tier One: Payden Low Duration(Net)	0.343	1.050	0.850	1.004	0.781	--	--	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.238	0.674	0.237	0.759	0.629	1.702	2.948	Jul-99
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.342	1.041	0.652	1.043	0.936	2.098	3.285	Jul-99
BofA Merrill Lynch US Corp & Gov 1-3Yr Rated A and above TR USD	0.299	0.905	0.484	0.936	0.812	1.938	3.171	Jul-99

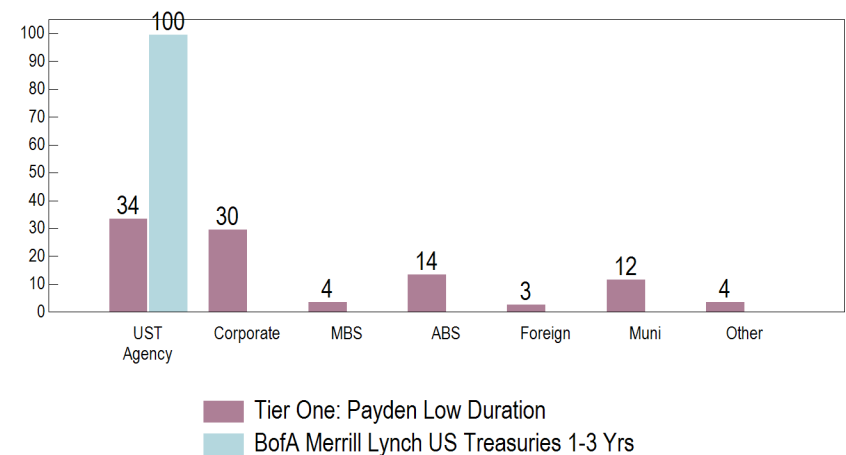
Tier One: Payden Low Duration Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.67	1.48	1.61
Average Duration	1.55	1.88	1.60
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



## Tier One: Wells Capital Reserve Account

As of September 30, 2017

## Account Information

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

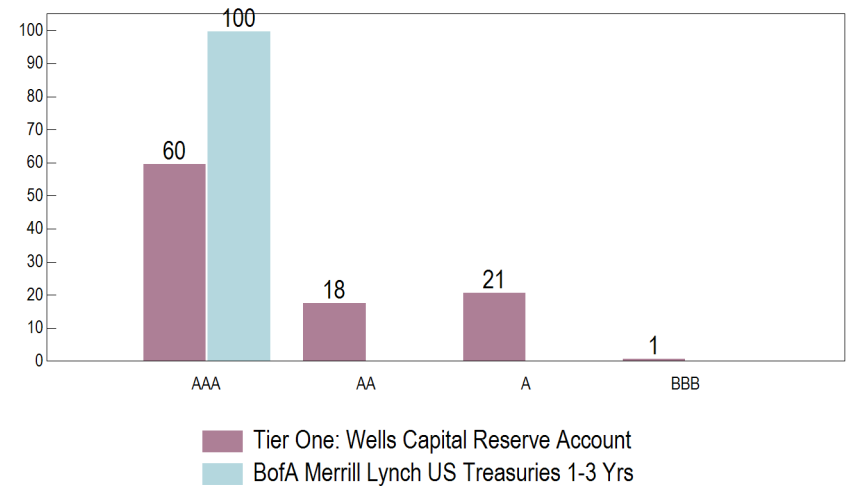
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Wells Capital Reserve Account(Gross)	0.347	1.048	0.736	--	--	--	0.979	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.329	0.994	0.664	--	--	--	0.906	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.238	0.674	0.237	0.759	0.629	1.702	0.547	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.342	1.041	0.652	1.043	0.936	2.098	0.956	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3Yr Rated A and above TR USD	0.299	0.905	0.484	0.936	0.812	1.938	0.774	Jun-16

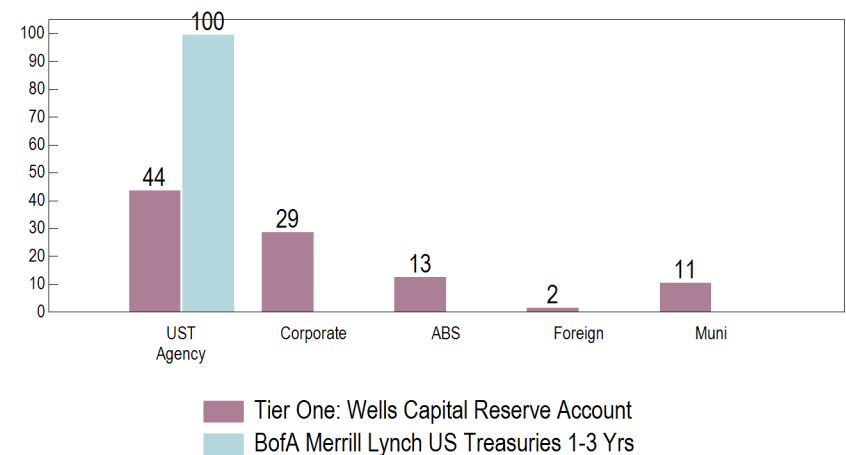
Tier One: Wells Capital Reserve Account Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.67	1.48	1.62
Average Duration	1.74	1.88	1.81
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



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

As of September 30, 2017

## Account Information

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

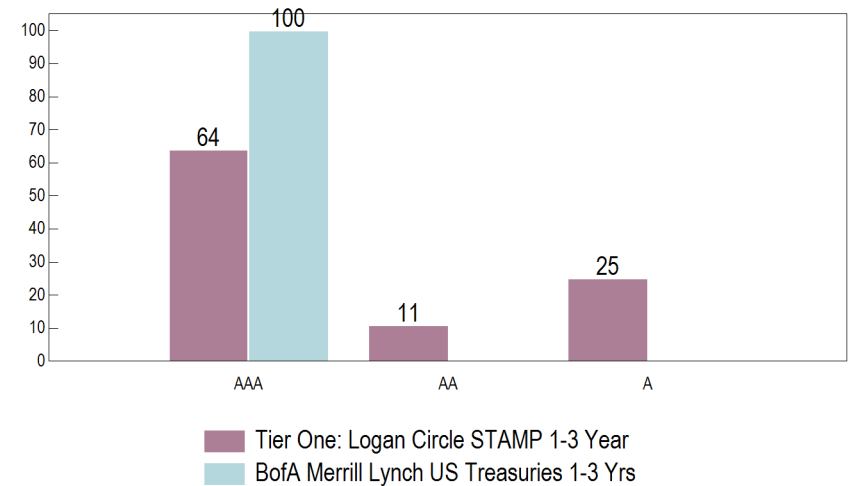
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.349	1.144	0.727	--	--	--	0.999	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.329	1.083	0.648	--	--	--	0.916	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.238	0.674	0.237	0.759	0.629	1.702	0.547	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.342	1.041	0.652	1.043	0.936	2.098	0.956	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3Yr Rated A and above TR USD	0.299	0.905	0.484	0.936	0.812	1.938	0.774	Jun-16

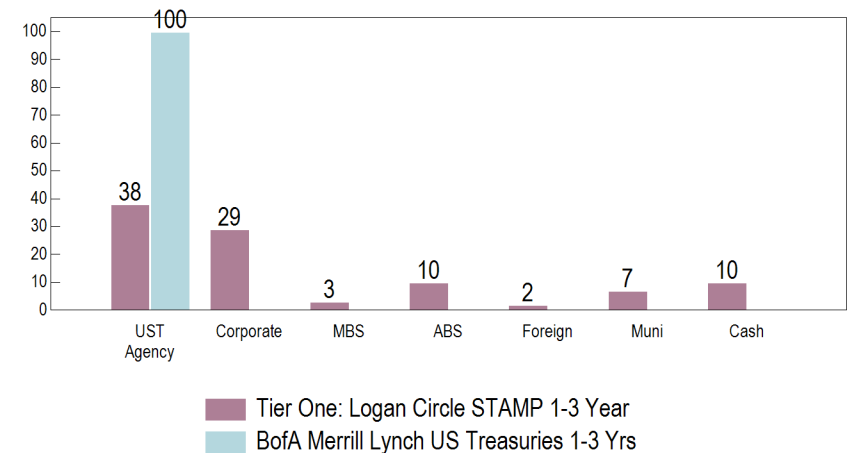
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.53	1.48	1.47
Average Duration	1.24	1.88	1.16
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



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

As of September 30, 2017

## Account Information

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

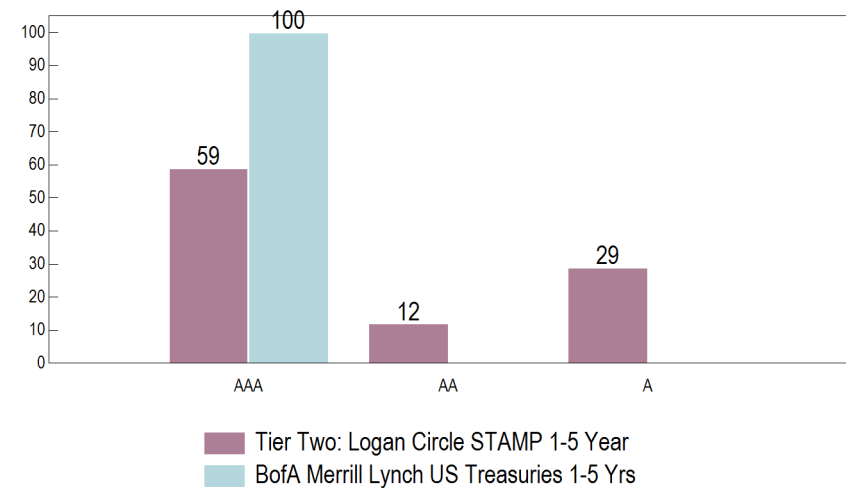
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.418	1.534	0.524	1.697	--	--	1.342	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.387	1.440	0.401	1.570	--	--	1.216	
BofA Merrill Lynch US Treasuries 1-5 Yrs	0.286	1.040	-0.061	1.198	0.838	2.365	0.888	Apr-13
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	0.442	1.559	0.526	1.543	1.258	2.775	1.276	Apr-13
BofA Merrill Lynch US Corp & Gov 1-5 Yrs Rated A And Above	0.376	1.337	0.269	1.398	1.077	2.556	1.109	Apr-13

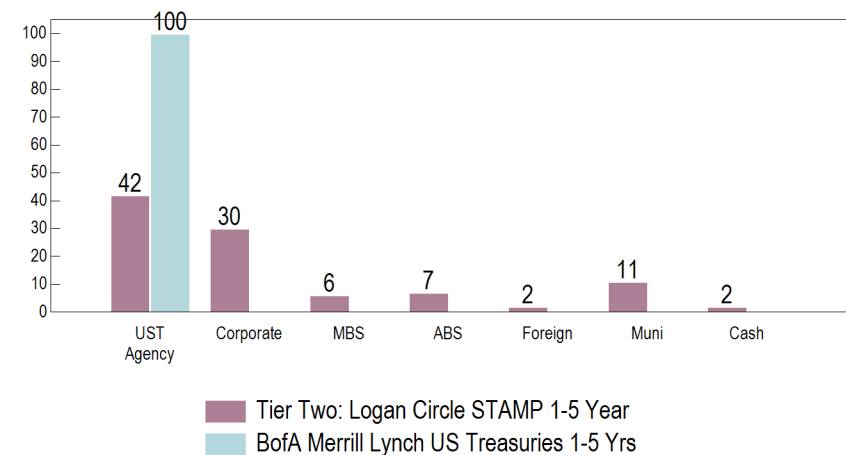
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics  
vs. BofA Merrill Lynch US Treasuries 1-5 Yrs

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.76	1.61	1.71
Average Duration	2.32	2.67	2.16
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



As of September 30, 2017

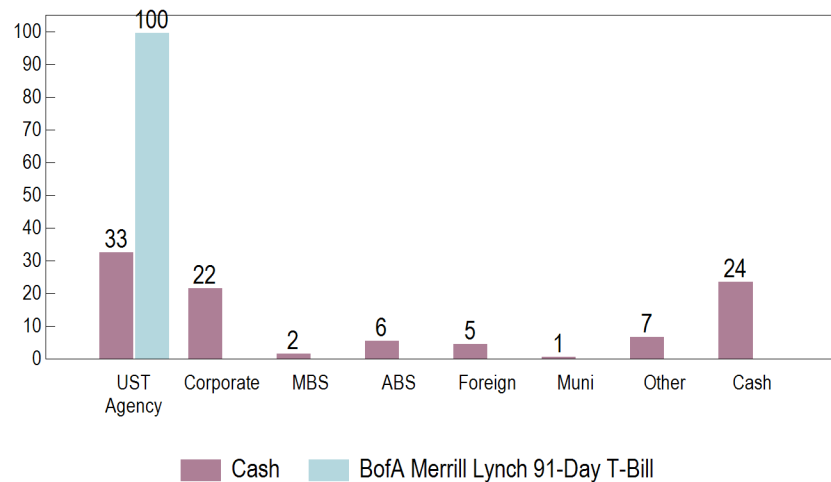
## Asset Allocation on September 30, 2017

	Actual	Actual
Operating: Logan Circle Enhanced Cash	\$487,456,589	28.2%
Operating: Payden Enhanced Cash	\$487,073,665	28.1%
Operating: Wells Capital Enhanced Cash	\$756,260,318	43.7%
<b>Total</b>	<b>\$1,730,790,573</b>	<b>100.0%</b>

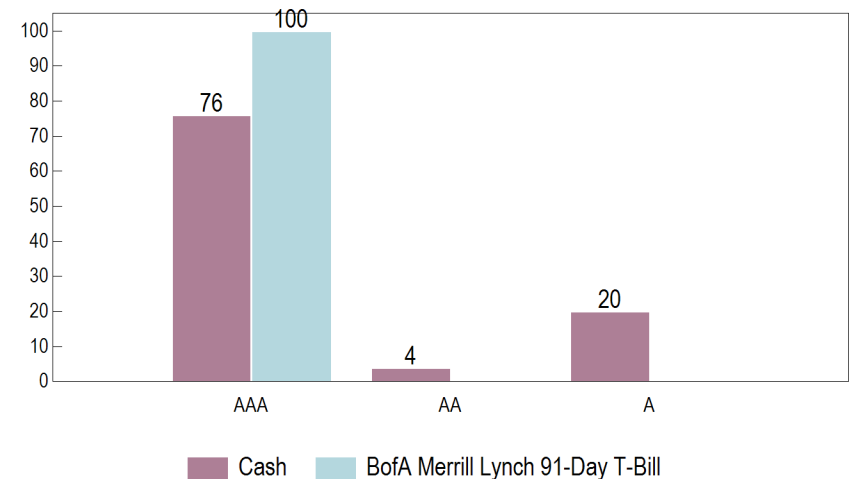
Cash Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
<b>Fixed Income Characteristics</b>			
Yield to Maturity	1.4	1.1	1.2
Average Duration	0.2	0.2	0.2
Average Quality	AA	AAA	AA

## Sector Allocation



## Credit Quality Allocation



## Operating: Payden Enhanced Cash

As of September 30, 2017

## Account Information

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

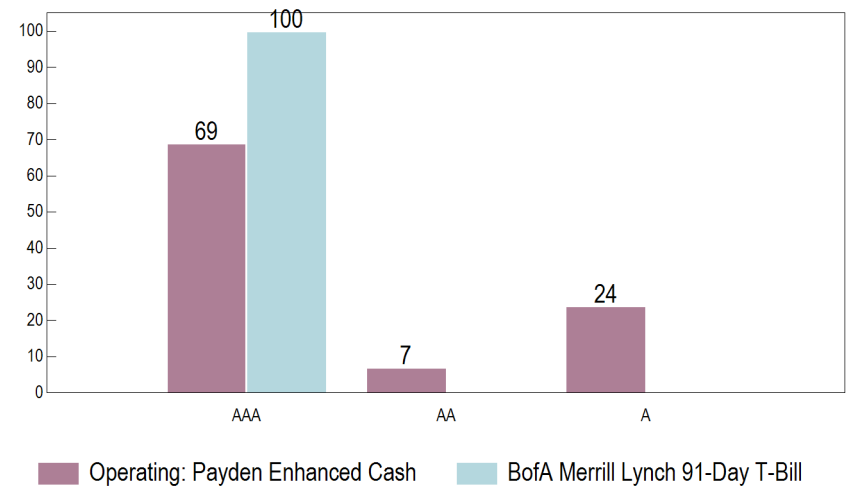
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Payden Enhanced Cash(Gross)	0.347	0.858	1.030	0.639	0.436	0.585	1.966	Jul-99
Operating: Payden Enhanced Cash(Net)	0.328	0.803	0.955	0.558	0.339	--	--	
<i>Citi 3mth Treasury Bill</i>	0.255	0.559	0.641	0.287	0.193	0.416	1.747	Jul-99

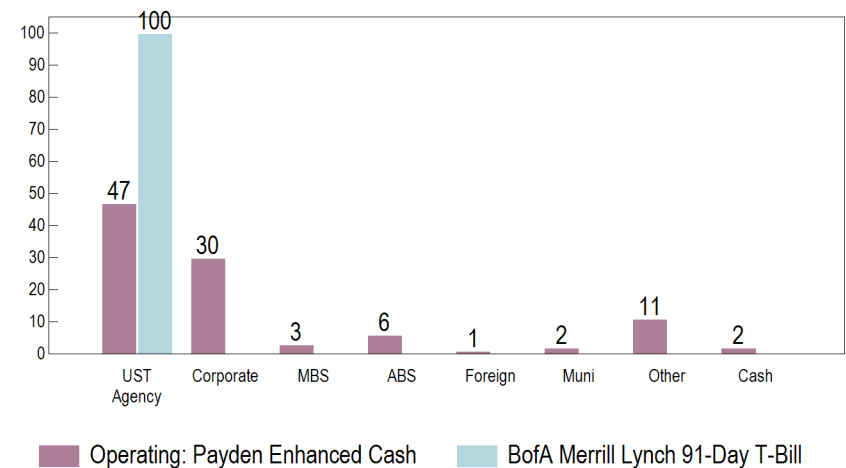
Operating: Payden Enhanced Cash Fixed Income Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.31	1.06	1.34
Average Duration	0.29	0.24	0.37
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation





## Operating: Logan Circle Enhanced Cash

As of September 30, 2017

## Account Information

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

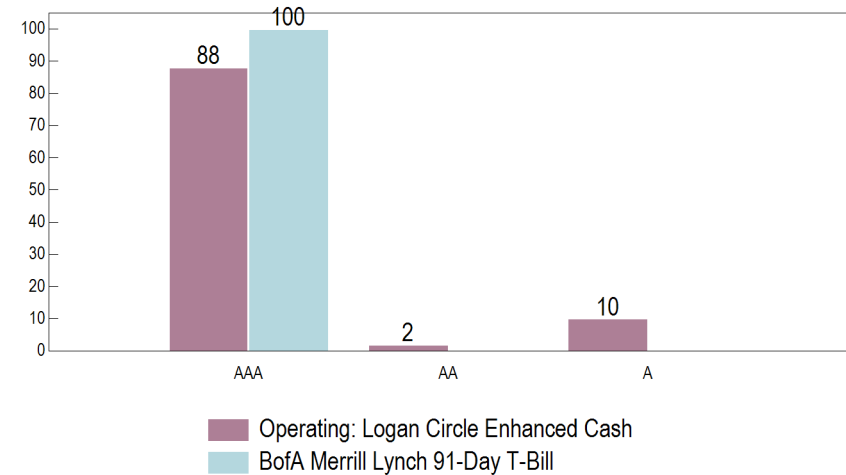
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Logan Circle Enhanced Cash(Gross)	0.305	0.810	1.002	--	--	--	0.955	Jun-16
Operating: Logan Circle Enhanced Cash(Net)	0.284	0.746	0.917	--	--	--	0.871	
Citi 3mth Treasury Bill	0.255	0.559	0.641	0.287	0.193	0.416	0.548	Jun-16

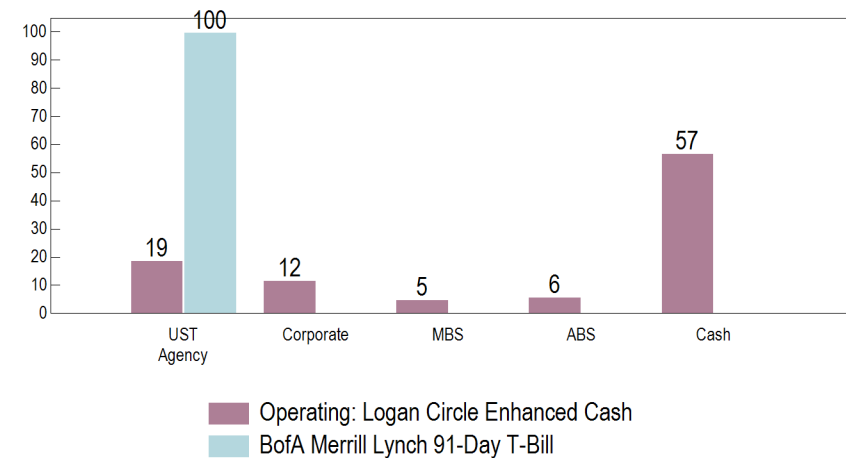
Operating: Logan Circle Enhanced Cash Fixed Income Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.22	1.06	1.11
Average Duration	0.08	0.24	0.07
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



## Operating: Wells Capital Enhanced Cash

As of September 30, 2017

## Account Information

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

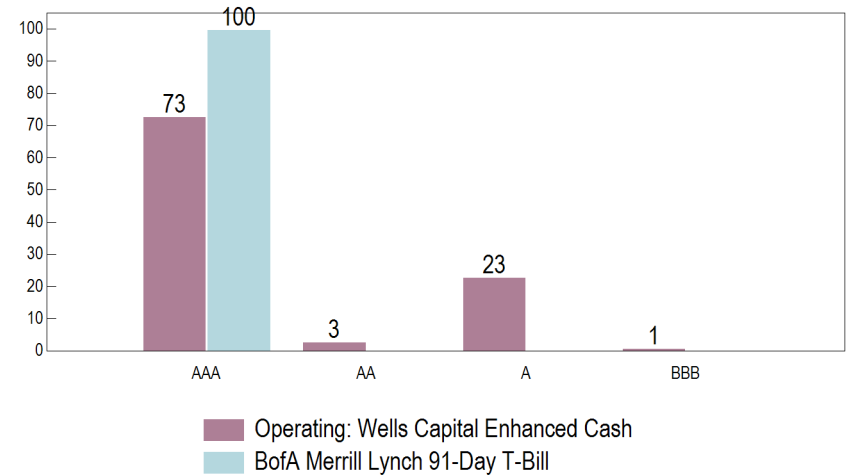
## Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Wells Capital Enhanced Cash(Gross)	0.316	0.748	0.891	--	--	--	0.847	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.298	0.694	0.818	--	--	--	0.774	
Citi 3mth Treasury Bill	0.255	0.559	0.641	0.287	0.193	0.416	0.548	Jun-16

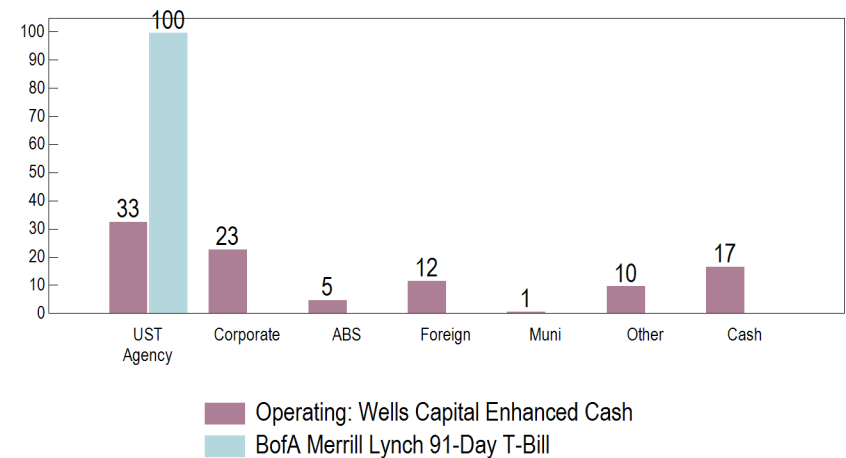
Operating: Wells Capital Enhanced Cash Fixed Income Characteristics  
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q3-17	Index Q3-17	Portfolio Q2-17
Fixed Income Characteristics			
Yield to Maturity	1.50	1.06	1.30
Average Duration	0.30	0.24	0.34
Average Quality	AA	AAA	AA

## Credit Quality Allocation



## US Sector Allocation



As of September 30, 2017

**Annual Investment Expense Analysis**  
**As Of September 30, 2017**

Name	Fee Schedule	Market Value
<b>Fixed Income</b>		<b>\$537,090,795</b>
Tier One: Payden Low Duration	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$146,756,598
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	\$146,506,854
Tier One: Wells Capital Reserve Account	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$146,471,481
Tier Two: Logan Circle STAMP 1-5 Year	0.15% of First \$50.0 Mil, 0.10% of Next \$250.0 Mil, 0.07% Thereafter	\$97,355,862
<b>Cash</b>		<b>\$1,730,790,573</b>
Operating: Payden Enhanced Cash	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$487,073,665
Operating: Logan Circle Enhanced Cash	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$487,456,589
Operating: Wells Capital Enhanced Cash	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$756,260,318
<b>Total</b>		<b>\$2,267,881,367</b>

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



## Quarterly Investment Report Supplement

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

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	31 days	304 days	426 days	4.30 years	2.96 years	2.96 years	4.42 years	Yes
U.S. Agencies	450 days	5 years	5 years	79 days	62 days	275 days	1.05 years	2.99 years	2.95 years	1.49 years	Yes
State & Local Obligations <sup>1</sup>	450 days	5 years	5 years	N/A	397 days	183 days	3.84 years	3.59 years	2.67 years	3.84 years	Yes
Supranationals	450 days	5 years	5 years	N/A	N/A	360 days	4.96 years	2.93 years	2.93 years	4.96 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	279 days	185 days	N/A	114 days	0.47 years	N/A	24 days	Yes
Commercial Paper	270 days	270 days	270 days	37 days	152 days	124 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	89 days	380 days	361 days	4.19 years	2.93 years	2.83 years	4.98 years	Yes
Mortgage/ Asset-Backed	450 days	5 years	5 years	198 days	86 days	N/A	4.99 years	2.53 years	4.38 years	4.99 years	Yes
Variable & Floating Rate	450 days	5 years	5 years	79 days	94 days <sup>2</sup>	79 days	3.67 years	3.01 years	N/A	3.67 years	Yes

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

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

<sup>2</sup> Effective Maturity.



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

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	22.5	164.7	28.8	182.3	22.0	198.6	24.1	545.7
U.S. Agencies	100	2.4	17.4	11.5	72.9	12.5	112.5	8.9	202.7
State & Local Obligations <sup>2</sup>	25	2.9	21.3	3.8	24.3	2.3	20.9	2.9	66.5
Supranationals	15	0.7	5.0	0.6	3.9	6.5	58.6	3.0	67.4
Negotiable Certificate of Deposit	30	19.5	142.9	7.9	50.0	0.0	0.0	8.5	193.0
Commercial Paper	25	9.4	69.1	0.6	3.8	7.9	71.6	6.4	144.4
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	13.0	95.4	8.7	55.0	15.4	138.7	12.7	289.1
Money Market Funds	20	0.5	3.8	0.8	4.9	14.4	130.2	6.1	138.9
Mortgage/Asset-Backed	20	15.6	114.2	8.2	52.0	2.2	19.5	8.2	185.7
Variable & Floating Rate	30	13.9	101.8	29.7	188.4	16.9	152.4	19.5	442.6
<b>Total</b>		<b>100.0</b>	<b>731.3</b>	<b>100.0</b>	<b>633.8</b>	<b>100.0</b>	<b>902.7</b>	<b>100.0</b>	<b>2267.9</b>

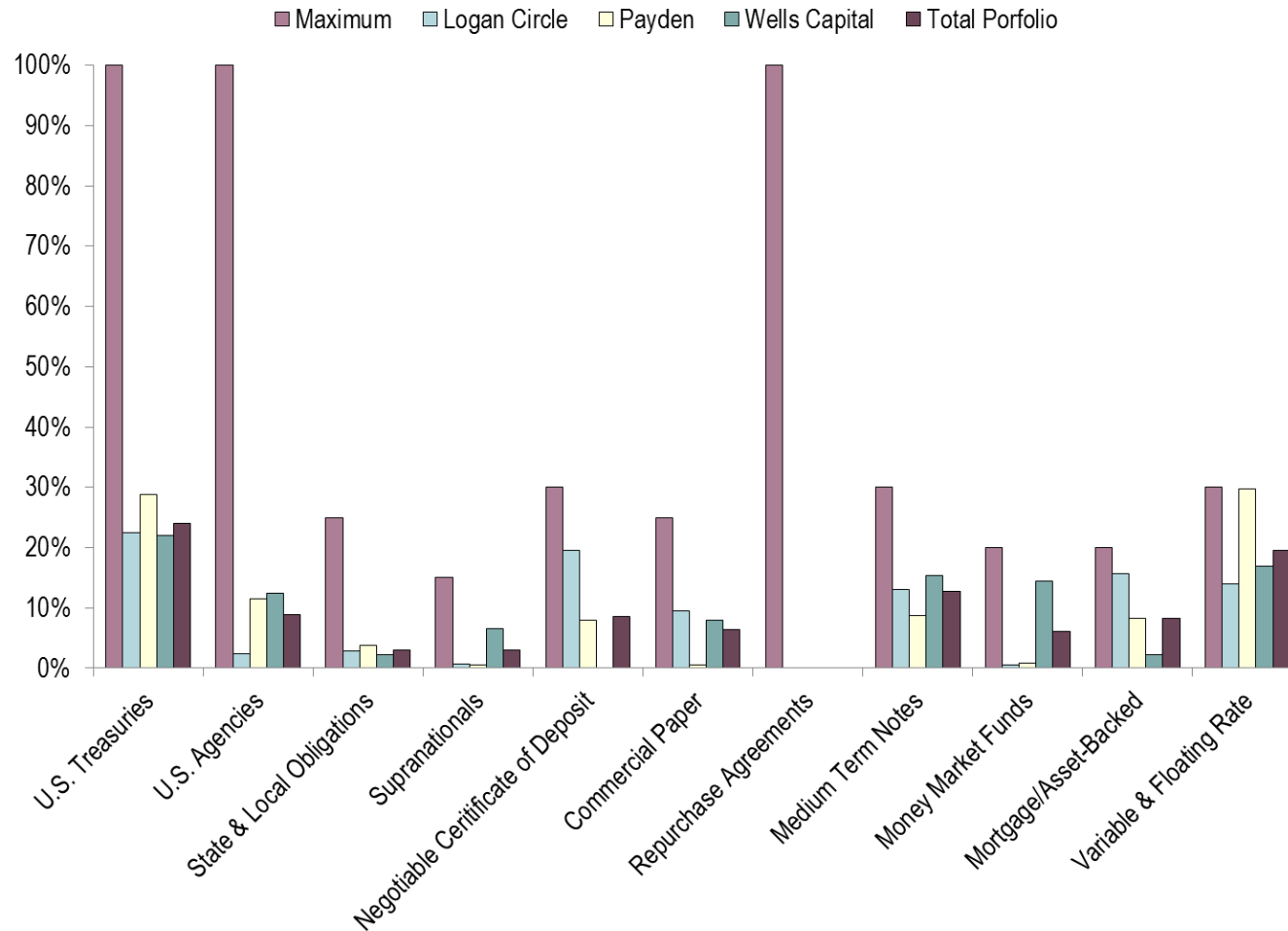
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2016.

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

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

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

As of September 30, 2017



## Custom Peer Group



## Custom Peer Group

- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance U.S. Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison<sup>1</sup>.
  - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
  - Two unique buckets were established based on each portfolio's historical average effective duration relative to the Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
  - The Tier One peer group consists of thirteen strategies with a median effective duration of 1.79 years, while the Tier Two peer group consists of eight strategies with a median effective duration of 2.53 years as of June 30, 2017.
- Please note that the analysis is as of June 30, 2017, as the universe of investment managers that had reported data as of September 30, 2017 was very small at the date that these materials were submitted.
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.

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

### Custom Peer Group: Logan Circle Tier One

Gross of Fees Returns as of 6/30/2017 <sup>1</sup>	2Q 2017 (%)	1 Year (%)	Since Inception <sup>2</sup> (%)
Tier One: Logan Circle STAMP 1-3 Year	0.38	0.48	0.91
Peer Group Median Return	0.37	0.53	0.85
Peer Group Rank (percentile)	48	57	46

- The Logan Circle Tier One portfolio narrowly outperformed the peer group in the second quarter of 2017, ranking in the 48th percentile. The strategy underperformed the peer group over the trailing 1-year period, but outperformed since inception.

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

<sup>2</sup> Formal inception date is June 2016.

### Custom Peer Group: Payden Tier One

<b>Gross of Fees Returns as of 6/30/2017<sup>1</sup></b>	<b>2Q 2017 (%)</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>	<b>10 Years (%)</b>
Tier One: Payden Low Duration	0.35	0.58	0.98	0.90	2.26
Peer Group Median Return	0.37	0.53	1.03	1.02	2.37
Peer Group Rank (percentile)	64	40	57	73	57

<b>Standard Deviation as of 6/30/2017<sup>2</sup></b>	<b>3 Years (%)</b>	<b>5 Years (%)</b>	<b>10 Years (%)</b>
Tier One: Payden Low Duration	0.58	0.53	1.24
Median Standard Deviation	0.74	0.73	1.16
Peer Group Rank (percentile)	87	87	43

- The Payden Tier One portfolio's trailing returns rank in the third quartile of the peer group over the three-, five-, and ten-year trailing periods.
- Standard deviation has ranked favorably versus peers over three- and five-year trailing periods, though ten-year trailing standard deviation is slightly above the peer group median. The ten-year peer group rank is influenced by the tight concentration of peer manager standard deviation between 1.09 and 1.30.

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

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

### Custom Peer Group: Wells Capital Tier One

Gross of Fees Returns as of 6/30/2017 <sup>1</sup>	2Q 2017 (%)	1 Year (%)	Since Inception <sup>2</sup> (%)
Tier One: Wells Capital Reserve Account	0.34	0.40	0.88
Peer Group Median Return	0.37	0.53	85
Peer Group Rank (percentile)	69	62	48

- The Wells Capital Tier One portfolio underperformed the short duration peer group in the second quarter of 2017 and over the 1-year trailing period, ranking in the 69th and 62nd percentiles, respectively. Since inception, the strategy has outperformed the peer group median slightly, ranking in the 48th percentile.

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

<sup>2</sup> Formal inception date is June 2016.

**Custom Peer Group: Logan Circle Tier Two**

<b>Gross of Fees Returns as of 6/30/2017<sup>1</sup></b>	<b>2Q 2017 (%)</b>	<b>1 Year (%)</b>	<b>3 Years (%)</b>
Tier Two: Logan Circle STAMP 1-5 Year	0.55	0.14	1.55
Peer Group Median Return	0.46	0.14	1.51
Peer Group Rank (percentile)	30	51	45

<b>Standard Deviation as of 6/30/2017<sup>2</sup></b>	<b>3 Years (%)</b>
Tier Two: Logan Circle STAMP 1-5 Year	1.28
Median Standard Deviation	1.13
Peer Group Rank (percentile)	40

- Logan Circle's Tier Two portfolio performed reasonably well over the one-year trailing period ended June 30, 2017, ranking in the 51st percentile of the peer group, and the three-year trailing performance ranks slightly above the peer group median.
- 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.

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

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

## Performance Attribution

## Performance Attribution

- The following pages present attribution data for the Logan Circle Tier One and Tier Two portfolios, the Payden & Rygel Tier One portfolio, and the Wells Capital Tier One portfolio.
- Attribution represents outperformance or underperformance, based on active investment decisions across fixed income sub-sectors, relative to a manager's benchmark index. Attribution data demonstrates where managers are able to most effectively add incremental value versus the benchmark.
- Attribution data is provided by the investment managers and is presented gross of investment management fees as of September 30, 2017. Attribution data fields will vary slightly across investment managers.

**Logan Circle Tier One Performance Attribution**

Gross of Fees as of 9/30/2017

<b>Benchmark Relative Attribution (basis points)</b>	<b>3Q 2017</b>	<b>YTD</b>	<b>1 Year</b>
<b>Duration</b>	<b>10</b>	<b>16</b>	<b>23</b>
<b>Yield Curve</b>	<b>-5</b>	<b>-11</b>	<b>-26</b>
<b>Sector Selection</b>	<b>6</b>	<b>42</b>	<b>52</b>
Treasury	0	18	22
Agency	0	-2	-3
Corporate	5	19	22
Financial	4	14	17
Industrial	0	1	2
Utilities	1	4	3
MBS	-1	0	0
CMBS	0	0	0
ABS	1	2	3
Municipal	1	5	8
<b>Total Excess Return</b>	<b>11</b>	<b>47</b>	<b>49</b>
<b>Logan Circle Tier One Return</b>	<b>35</b>	<b>114</b>	<b>73</b>
<b>Merrill Lynch 1-3 Year Treasury Return</b>	<b>24</b>	<b>67</b>	<b>24</b>



**Payden & Rygel Tier One Performance Attribution**  
Gross of Fees as of 9/30/2017

<b>Benchmark Relative Attribution (basis points)</b>	<b>3Q 2017</b>	<b>6 Month</b>	<b>1 Year</b>
<b>Duration</b>	<b>0</b>	<b>-1</b>	<b>2</b>
<b>Yield Curve</b>	<b>18</b>	<b>64</b>	<b>74</b>
<b>Sector Selection</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Treasury <sup>1</sup>	0	2	3
Agency	8	27	31
Corporate	5	18	21
Financial	2	7	8
Industrial	1	2	2
Utilities	NA	NA	NA
MBS	NA	NA	NA
CMBS	2	7	8
ABS	0	1	1
Municipal	0	2	-3
<b>Total Excess Return</b>	<b>10</b>	<b>38</b>	<b>42</b>
<b>Payden &amp; Rygel Tier One Return</b>	<b>34</b>	<b>105</b>	<b>63</b>
<b>Merrill Lynch 1-3 Year U.S. Treasury Return</b>	<b>24</b>	<b>67</b>	<b>21</b>

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

**Wells Capital Tier One Performance Attribution**  
Gross of Fees as of 9/30/2017

<b>Benchmark Relative Attribution (basis points)</b>	<b>3Q 2017</b>	<b>YTD</b>	<b>1 Year</b>
<b>Duration</b>	<b>0</b>	<b>-1</b>	<b>2</b>
<b>Sector Selection</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Treasury <sup>1</sup>	NA	NA	NA
Agency	0	2	3
Corporate	8	27	31
Financial	5	18	21
Industrial	2	7	8
Utilities	1	2	2
MBS	NA	NA	NA
CMBS	NA	NA	NA
ABS	2	7	8
Municipal	0	1	1
Error Factor	0	2	-3
<b>Total Excess Return</b>	<b>10</b>	<b>38</b>	<b>42</b>
<b>Wells Capital Tier One Return (%)</b>	<b>34</b>	<b>105</b>	<b>63</b>
<b>Merrill Lynch 1-3 Year U.S. Treasury Return (%)</b>	<b>24</b>	<b>67</b>	<b>21</b>

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

**Logan Circle Tier Two Performance Attribution**  
Gross of Fees as of 9/30/2017

<b>Benchmark Relative Attribution (basis points)</b>	<b>3Q 2017</b>	<b>YTD</b>	<b>1 Year</b>
<b>Duration</b>	<b>6</b>	<b>7</b>	<b>13</b>
<b>Yield Curve</b>	<b>-3</b>	<b>-4</b>	<b>-17</b>
<b>Sector Selection</b>	<b>10</b>	<b>46</b>	<b>63</b>
Treasury	-1	9	8
Agency	0	-1	-1
Corporate	9	28	34
Financial	6	19	24
Industrial	2	5	6
Utilities	1	4	4
MBS	0	0	1
CMBS	0	1	3
ABS	0	1	2
Municipal	2	8	16
<b>Total Excess Return</b>	<b>13</b>	<b>49</b>	<b>59</b>
<b>Logan Circle Tier Two Return</b>	<b>42</b>	<b>154</b>	<b>53</b>
<b>Merrill Lynch 1-5 Year U.S. Treasury Return</b>	<b>29</b>	<b>104</b>	<b>-6</b>

## Holdings

**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	51,751.75	51,751.75	0.00	1.000	0.04%
<b>Total for Cash</b>			<b>51,751.75</b>	<b>51,751.75</b>	<b>0.00</b>		<b>0.04%</b>
<b>Money Markets</b>							
1,400,000.000	BANK OF TOKYO-MITSUBISHI YCD	06539RDL8	1,400,000.00	1,400,001.64	1.64	100.000	0.96%
	Mat: 2/2/18 Cpn: 1.39%		0.00	1,729.78			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 8/29/17 St Date: 8/30/17						
1,350,000.000	NORDEA BANK NY YCD	65590ALF1	1,350,000.00	1,349,555.09	(444.91)	99.967	0.92%
	Mat: 2/15/18 Cpn: 1.32%		0.00	1,138.50			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 9/7/17 St Date: 9/8/17						
1,350,000.000	BANK OF NOVA SCOTIA HOUSTON YCD	06417GYD4	1,350,000.00	1,349,656.09	(343.91)	99.975	0.92%
	Mat: 3/16/18 Cpn: 1.39%		0.00	1,251.00			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/6/17 St Date: 9/7/17						
1,350,000.000	BNP PARIBAS NY YCD	05582WE91	1,350,000.00	1,349,870.85	(129.15)	99.990	0.92%
	Mat: 3/20/18 Cpn: 1.43%		0.00	965.25			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 9/12/17 St Date: 9/13/17						
1,000,000.000	COOPERATIEVE RABOBANK FRN YCD	21684B2Y9	1,000,000.00	999,800.00	(200.00)	99.980	0.68%
	Mat: 4/11/18 Cpn: 1.36%		0.00	752.78			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/7/17 St Date: 9/11/17						
<b>Total for Money Markets</b>			<b>6,450,000.00</b>	<b>6,448,883.67</b>	<b>(1,116.34)</b>		<b>4.40%</b>
			<b>0.00</b>	<b>5,837.31</b>			
<b>Treasuries</b>							
5,500,000.000	U.S. TREASURY NOTE	912828XV7	5,483,797.11	5,481,134.89	(2,662.22)	99.657	3.75%
	Mat: 6/30/19 Cpn: 1.25%		1,868.20	17,374.32			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/6/17 St Date: 7/10/17						
4,355,000.000	U.S. TREASURY NOTE	912828K5	4,357,075.39	4,348,380.40	(8,694.99)	99.848	2.97%
	Mat: 7/31/19 Cpn: 1.38%		448.37	10,088.69			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/27/17 St Date: 7/31/17						



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
11,635,000.000	U.S. TREASURY NOTE Mat: 8/31/19 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/12/17 St Date: 9/14/17	9128282T6	11,615,911.33 5,624.65	11,586,947.22 12,454.59	(28,964.11)	99.587	7.90%
700,000.000	U.S. TREASURY NOTE Mat: 9/30/19 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/17 St Date: 10/2/17	9128282X7	698,930.06 52.89	698,614.01 52.89	(316.05)	99.802	0.48%
4,690,000.000	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	4,690,631.13 961.07	4,679,963.54 20,759.02	(10,667.59)	99.786	3.20%
5,770,000.000	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	5,736,999.84 2,024.14	5,730,360.33 3,506.63	(6,639.51)	99.313	3.91%
<b>Total for Treasuries</b>			<b>32,583,344.86 10,979.32</b>	<b>32,525,400.39 64,236.14</b>	<b>(57,944.47)</b>		<b>22.21%</b>
<b>Government Related</b>							
1,080,000.000	INTL BANK RECON & DEVELOP Mat: 7/19/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: AAAu Tr Date: 4/12/16 St Date: 4/19/16	459058FE8	1,078,088.40 0.00	1,075,226.40 1,890.00	(2,862.00)	99.558	0.73%
1,300,000.000	HOUSING URBAN DEVELOPMENT Mat: 8/1/18 Cpn: 1.33% Moody's: S&P: Fitch: Tr Date: 5/19/15 St Date: 5/28/15	911759LZ9	1,300,000.00 0.00	1,300,325.00 2,881.67	325.00	100.025	0.89%
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	1,486,470.00 5,750.00	(9,030.00)	99.098	1.02%
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	1,305,022.00 1,892.22	(4,702.90)	99.620	0.89%
<b>Total for Government Related</b>			<b>5,183,313.30 0.00</b>	<b>5,167,043.40 12,413.89</b>	<b>(16,269.90)</b>		<b>3.53%</b>
<b>Agencies</b>							



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,090,000.000	FHLB Mat: 5/28/19 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/11/17 St Date: 5/12/17	3130ABF92	2,086,049.90 0.00	2,086,363.40 11,095.87	313.50	99.826	1.43%
1,320,000.000	FNMA C 09/13/17 Q Mat: 6/13/19 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/13/16 St Date: 6/15/16	3135G0K77	1,320,000.00 91.67	1,313,558.40 4,950.00	(6,441.60)	99.512	0.90%
935,000.000	FHLMC Mat: 7/19/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/20/16	3137EAE81	932,737.30 0.00	924,359.70 1,636.25	(8,377.60)	98.862	0.63%
1,420,000.000	FNMA Mat: 8/2/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/29/16 St Date: 8/2/16	3135G0N33	1,417,614.40 0.00	1,403,442.80 2,036.32	(14,171.60)	98.834	0.96%
1,460,000.000	FHLMC Mat: 8/15/19 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/18/17 St Date: 7/19/17	3137EAEH8	1,457,853.80 0.00	1,455,707.60 4,015.00	(2,146.20)	99.706	0.99%
1,350,000.000	FNMA Mat: 8/28/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/31/16 St Date: 9/2/16	3135G0P49	1,347,894.00 0.00	1,336,797.00 1,237.50	(11,097.00)	99.022	0.91%
870,000.000	FNMA Mat: 2/28/20 Cpn: 1.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/24/17 St Date: 2/28/17	3135G0T29	869,443.20 0.00	867,946.80 1,196.25	(1,496.40)	99.764	0.59%
2,170,000.000	FHLMC C 10/27/17 1X Mat: 4/27/20 Cpn: 1.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/31/17 St Date: 9/5/17	3134GBFU1	2,171,382.29 13,502.22	2,167,135.60 16,244.86	(4,246.69)	99.868	1.49%
1,460,000.000	FFCB 1ML+0.0 FRN Mat: 6/25/20 Cpn: 1.24% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/17/17 St Date: 7/25/17	3133EHRZ8	1,460,000.00 0.00	1,460,868.70 301.06	868.70	100.060	1.00%
380,000.000	FFCB 1ML+1.0 FRN Mat: 8/24/20 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/17/17 St Date: 8/24/17	3133EHVR1	380,000.00 0.00	380,307.80 92.16	307.80	100.081	0.26%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,040,000.000	FHLB Mat: 9/28/20 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/7/17 St Date: 9/8/17	3130ACE26	1,036,661.60 0.00	1,030,276.00 119.17	(6,385.60)	99.065	0.70%
880,000.000	FFCB 1ML+8.0 FRN Mat: 7/13/22 Cpn: 1.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/17 St Date: 7/13/17	3133EHRD7	880,000.00 0.00	878,816.40 579.09	(1,183.60)	99.866	0.60%
660,000.000	FFCB 1ML+7.0 FRN Mat: 8/1/22 Cpn: 1.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/26/17 St Date: 8/1/17	3133EHTJ2	660,000.00 0.00	659,785.50 718.97	(214.50)	99.968	0.45%
730,000.000	FFCB 1ML+8.0 FRN Mat: 9/6/22 Cpn: 1.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/29/17 St Date: 9/6/17	3133EHXH1	730,000.00 0.00	730,065.70 664.94	65.70	100.009	0.50%
<b>Total for Agencies</b>			<b>16,749,636.49 13,593.89</b>	<b>16,695,431.40 44,887.43</b>	<b>(54,205.09)</b>		<b>11.41%</b>
<b>Taxable Muni</b>							
200,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/17 Cpn: 1.51% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERP1	200,000.00 0.00	200,024.00 1,004.67	24.00	100.012	0.14%
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	610,597.80 4,178.50	(6,813.70)	100.098	0.42%
670,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/18 Cpn: 1.30% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 9/27/16 St Date: 9/29/16	91412GPZ2	672,860.90 3,232.08	669,350.10 3,280.32	(3,510.80)	99.903	0.46%
375,000.000	CA MORGAN HILL UNIF SCH DIST GO/ULT TXB Mat: 8/1/18 Cpn: 1.64% Moody's: Aa1 S&P: Fitch: Tr Date: 11/18/15 St Date: 12/17/15	617403EJ5	375,000.00 0.00	375,510.00 1,025.63	510.00	100.136	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	1,501,680.00 11,040.00	1,680.00	100.112	1.03%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,400,000.000	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	1,411,354.00 13,673.33	11,354.00	100.811	0.97%
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	753,510.00 5,815.63	(2,310.00)	100.468	0.52%
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	450,972.00 3,054.00	972.00	100.216	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	749,362.50 5,110.88	(637.50)	99.915	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	269,713.80 1,785.00	(286.20)	99.894	0.19%
75,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/19 Cpn: 1.61% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 5/5/17 St Date: 5/18/17	91412GS71	75,000.00 0.00	75,051.75 446.10	51.75	100.069	0.05%
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	2,110,542.00 14,726.25	(14,595.00)	100.502	1.45%
2,655,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE Mat: 7/1/19 Cpn: 1.80% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 3/2/15 St Date: 3/5/15	91412GSB2	2,676,120.60 8,074.01	2,658,345.30 11,920.95	(17,775.30)	100.126	1.82%
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	335,324.95 1,224.43	324.95	100.097	0.23%
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	516,795.00 1,500.00	(4,735.00)	103.359	0.35%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
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	371,058.20 3,055.58	(373.70)	100.286	0.25%
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	376,556.40 4,387.58	(4,980.20)	101.772	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	259,373.40 40.67	(626.60)	99.759	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	696,037.50 4,055.67	6,037.50	100.875	0.48%
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	1,069,205.60 5,941.67	(9,384.00)	116.218	0.73%
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	360,013.50 4,587.92	(721.00)	102.861	0.25%
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	303,065.68 2,178.23	958.27	99.307	0.21%
<b>Total for Taxable Muni</b>			<b>16,168,280.01 38,186.35</b>	<b>16,123,443.48 104,032.99</b>	<b>(44,836.53)</b>		<b>11.06%</b>

**Credit**

800,000.000	BANK OF AMERICA Mat: 3/26/18 Cpn: 1.65% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/20/15 St Date: 3/26/15	06050TLY6	800,241.00 1,989.17	800,608.00 183.33	367.00	100.076	0.55%
1,220,000.000	ABBVIE Mat: 5/14/18 Cpn: 1.80% Moody's: Baa2 S&P: A- Fitch: Tr Date: 5/5/15 St Date: 5/14/15	00287YAN9	1,218,755.60 0.00	1,221,881.24 8,357.00	3,125.64	100.154	0.84%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
590,000.000	UNITEDHEALTH GROUP Mat: 7/16/18 Cpn: 1.90% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCL4	589,250.70 0.00	591,624.86 2,335.42	2,374.16	100.275	0.40%
60,000.000	BERKSHIRE HATHAWAY Mat: 8/15/18 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084670BX5	59,992.80 0.00	59,831.40 88.17	(161.40)	99.719	0.04%
700,000.000	FIFTH THIRD BANK Mat: 8/20/18 Cpn: 2.15% Moody's: A3 S&P: A- Fitch: A Tr Date: 8/17/15 St Date: 8/20/15	31677QBD0	699,881.00 0.00	703,345.30 1,714.03	3,464.30	100.478	0.48%
395,000.000	JP MORGAN CHASE Mat: 9/21/18 Cpn: 1.45% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 9/20/16 St Date: 9/23/16	48125LRF1	394,814.35 0.00	394,383.80 159.10	(430.55)	99.844	0.27%
515,000.000	WELLS FARGO Mat: 11/28/18 Cpn: 1.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 12/1/16 St Date: 12/8/16	94988J5F0	514,572.55 0.00	515,705.55 3,167.25	1,133.00	100.137	0.35%
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	572,188.77 4,297.17	(302.13)	100.384	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	1,318,291.92 7,078.50	(480.48)	99.871	0.90%
782,000.000	BNY MELLON Mat: 1/15/19 Cpn: 2.10% Moody's: A1 S&P: A Fitch: AA- Tr Date: 7/18/17 St Date: 7/21/17	06406HCP2	786,954.78 273.70	785,401.68 3,466.87	(1,553.10)	100.435	0.54%
470,000.000	MORGAN STANLEY Mat: 2/1/19 Cpn: 2.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/22/16 St Date: 1/27/16	61746BDX1	469,685.10 0.00	473,186.60 1,919.17	3,501.50	100.678	0.32%
320,000.000	APPLE Mat: 2/22/19 Cpn: 1.70% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/16/16 St Date: 2/23/16	037833BQ2	319,945.60 0.00	320,707.20 574.22	761.60	100.221	0.22%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,085,000.000	BRISTOL-MYERS SQUIBB Mat: 2/27/19 Cpn: 1.60% Moody's: A2 S&P: A+ Fitch: A-u Tr Date: 2/22/17 St Date: 2/27/17	110122BA5	1,083,516.05 2,088.44	1,082,558.77 1,639.56	(957.28)	99.775	0.74%
200,000.000	CHEVRON Mat: 2/28/19 Cpn: 1.69% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 2/28/17 St Date: 3/3/17	166764BS8	200,000.00 0.00	200,100.02 309.10	100.02	100.050	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	549,813.02 806.67	(27.48)	99.966	0.38%
450,000.000	EXXON MOBIL Mat: 3/1/19 Cpn: 1.71% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAP7	450,000.00 0.00	450,472.48 640.50	472.48	100.105	0.31%
420,000.000	STRYKER Mat: 3/8/19 Cpn: 2.00% Moody's: Baa1 S&P: A Fitch: Tr Date: 3/3/16 St Date: 3/10/16	863667AK7	419,512.80 0.00	421,007.96 536.67	1,495.16	100.240	0.29%
650,000.000	AT&T Mat: 3/11/19 Cpn: 2.30% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/3/16 St Date: 5/12/16	00206RCC4	661,810.50 2,533.19	653,282.48 830.56	(8,528.02)	100.505	0.45%
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	791,256.13 596.89	1,856.53	100.159	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	225,589.50 181.90	(276.75)	100.262	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	523,603.61 531.56	3,723.21	100.693	0.36%
350,000.000	OGLETHORPE POWER Mat: 3/15/19 Cpn: 6.10% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 3/29/17 St Date: 4/3/17	677050AE6	377,244.00 1,067.50	369,964.70 948.89	(7,279.30)	105.704	0.25%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
325,000.000	CITIBANK Mat: 3/20/19 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/13/17 St Date: 3/20/17	17325FAA6	324,733.50 0.00	325,952.27 198.61	1,218.77	100.293	0.22%
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	330,838.19 156.75	1,036.19	100.254	0.23%
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	448,085.38 11,665.50	(7,377.86)	106.687	0.31%
1,210,000.000	US BANK OHIO Mat: 4/26/19 Cpn: 1.40% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 5/5/17 St Date: 5/10/17	90331HMY6	1,202,413.45 632.53	1,203,723.73 7,293.61	1,310.28	99.481	0.83%
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	874,461.00 5,613.37	117.25	99.938	0.60%
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	195,269.69 1,503.13	349.64	100.138	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	515,370.83 3,805.28	633.48	100.072	0.35%
640,000.000	BRANCH BANKING & TRUST Mat: 5/10/19 Cpn: 1.45% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAL9	637,027.10 126.88	636,519.04 3,634.67	(508.06)	99.456	0.44%
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	341,767.96 2,846.56	(251.64)	100.520	0.23%
1,085,000.000	PFIZER Mat: 5/15/19 Cpn: 2.10% Moody's: A1 S&P: AA Fitch: A+u Tr Date: 5/8/17 St Date: 5/11/17	717081DL4	1,093,904.95 11,160.33	1,092,942.22 8,607.67	(962.73)	100.732	0.75%



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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	240,616.81 1,541.67	727.21	100.257	0.17%
670,000.000	COCA-COLA Mat: 5/30/19 Cpn: 1.38% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 5/25/16 St Date: 5/31/16	191216BV1	669,531.00 0.00	667,621.48 3,096.42	(1,909.52)	99.645	0.46%
140,000.000	CITIGROUP Mat: 6/7/19 Cpn: 2.05% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 6/2/16 St Date: 6/9/16	172967KS9	139,927.20 0.00	140,070.02 908.83	142.82	100.050	0.10%
560,000.000	WALT DISNEY COMPANY Mat: 7/12/19 Cpn: 0.88% Moody's: A2 S&P: A+ Fitch: A Tr Date: 7/7/16 St Date: 7/12/16	25468PDL7	558,118.40 0.00	551,648.16 1,075.28	(6,470.24)	98.509	0.38%
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	219,705.19 798.42	(268.41)	99.866	0.15%
680,000.000	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	679,483.20 0.00	680,883.98 705.97	1,400.78	100.130	0.46%
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	510,433.49 340.71	443.69	100.085	0.35%
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	225,242.33 115.63	321.08	100.108	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	283,230.14 51.46	(1,296.76)	99.379	0.19%
145,000.000	PEPSICO Mat: 10/4/19 Cpn: 1.35% Moody's: A1 S&P: A+ Fitch: Au Tr Date: 10/3/16 St Date: 10/6/16	713448DJ4	144,978.25 0.00	144,611.11 962.44	(367.14)	99.732	0.10%



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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
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	588,663.24 3,553.47	(5,134.86)	98.935	0.40%
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	403,751.98 4,346.67	(800.02)	100.938	0.28%
475,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/24/16 St Date: 10/31/16	438516BJ4	474,624.75 0.00	471,779.50 2,789.31	(2,845.25)	99.322	0.32%
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	358,141.73 2,941.06	262.68	100.885	0.25%
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	170,887.41 803.25	1,074.41	100.522	0.12%
510,000.000	CITIGROUP Mat: 1/10/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LF6	509,796.00 0.00	513,019.22 2,811.38	3,223.22	100.592	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	511,937.95 2,261.00	1,978.75	100.380	0.35%
545,000.000	US BANK CINCINNATI Mat: 1/24/20 Cpn: 2.00% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 1/19/17 St Date: 1/24/17	90331HNB5	543,850.05 0.00	546,645.36 2,028.61	2,795.31	100.302	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	521,024.35 1,756.44	1,523.55	100.197	0.36%
530,000.000	CAPITAL ONE Mat: 1/31/20 Cpn: 2.35% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/26/17 St Date: 1/31/17	14042RFH9	529,682.00 0.00	533,097.32 2,110.43	3,415.32	100.584	0.36%



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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	497,252.26 1,887.19	2,440.36	100.455	0.34%
505,000.000	MICROSOFT Mat: 2/6/20 Cpn: 1.85% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 1/30/17 St Date: 2/6/17	594918BV5	504,661.65 0.00	506,595.81 1,427.33	1,934.16	100.316	0.35%
535,000.000	ESTEE LAUDER CO Mat: 2/7/20 Cpn: 1.80% Moody's: A2 S&P: A+ Fitch: Tr Date: 2/6/17 St Date: 2/9/17	29736RAL4	534,925.10 0.00	534,796.69 1,444.50	(128.41)	99.962	0.37%
225,000.000	PACCAR FINANCIAL Mat: 2/27/20 Cpn: 1.95% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/22/17 St Date: 2/27/17	69371RN69	224,595.00 0.00	224,997.75 414.38	402.75	99.999	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	689,897.88 1,063.75	187.68	99.985	0.47%
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	250,472.00 453.13	709.50	100.189	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	377,137.50 641.67	2,527.50	100.570	0.26%
465,000.000	WALT DISNEY COMPANY Mat: 3/4/20 Cpn: 1.95% Moody's: A2 S&P: A+ Fitch: A Tr Date: 3/1/17 St Date: 3/6/17	25468PDP8	464,879.10 0.00	466,678.65 680.06	1,799.55	100.361	0.32%
250,000.000	HUNTINGTON NATL BANK Mat: 3/10/20 Cpn: 2.38% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RU9	249,985.00 0.00	251,462.50 346.35	1,477.50	100.585	0.17%
400,000.000	JOHN DEERE CAPITAL Mat: 3/13/20 Cpn: 2.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/10/17 St Date: 3/15/17	24422ETQ2	399,688.00 0.00	402,795.99 440.00	3,107.99	100.699	0.27%



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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	605,095.59 537.78	295.24	100.016	0.41%
290,000.000	AMGEN FRN Mat: 5/11/20 Cpn: 1.76% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/8/17 St Date: 5/11/17	031162CN8	290,000.00 0.00	291,595.00 722.73	1,595.00	100.550	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	665,552.62 4,655.00	1,230.92	100.083	0.46%
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	726,333.99 5,215.97	1,609.49	100.184	0.50%
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	719,222.39 5,280.00	35.99	99.892	0.49%
730,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 1.86% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	730,000.00 0.00	731,288.45 1,512.50	1,288.45	100.177	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	249,862.50 1,909.72	92.50	99.945	0.17%
455,000.000	HOME DEPOT FRN Mat: 6/5/20 Cpn: 1.47% Moody's: A2 S&P: A Fitch: Au Tr Date: 5/24/17 St Date: 6/5/17	437076BR2	455,000.00 0.00	456,121.12 481.78	1,121.12	100.246	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	515,860.05 3,274.54	1,081.50	100.167	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	360,144.03 1,930.50	363.63	100.040	0.25%



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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
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	269,576.11 676.50	(197.09)	99.843	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	637,875.19 789.33	(1,587.21)	99.668	0.44%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWG5	504,651.55 0.00	508,519.80 3,428.39	3,868.25	100.697	0.35%
620,000.000	JPMORGAN CHASE FRN Mat: 6/1/21 Cpn: 2.00% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 5/23/17 St Date: 6/1/17	46647PAG1	620,000.00 0.00	623,465.80 1,031.32	3,465.80	100.559	0.43%
845,000.000	BANK OF AMERICA Mat: 7/21/21 Cpn: 2.37% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 7/18/17 St Date: 7/21/17	06051GGP8	845,000.00 0.00	845,050.67 3,892.40	50.67	100.006	0.58%
360,000.000	BANK OF AMERICA Mat: 10/1/21 Cpn: 2.33% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 9/13/17 St Date: 9/18/17	06051GGS2	360,000.00 0.00	359,506.08 302.64	(493.92)	99.863	0.25%
500,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.49% 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	507,275.00 2,521.48	1,715.00	101.455	0.35%
390,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.24% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	390,000.00 0.00	393,810.30 1,237.14	3,810.30	100.977	0.27%
510,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.27% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	510,000.00 0.00	510,335.58 642.38	335.58	100.066	0.35%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.27% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	510,000.00 0.00	513,419.55 2,191.04	3,419.55	100.671	0.35%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
405,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 1.69% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/11/17 St Date: 5/16/17	911312BB1	405,000.00 0.00	406,433.30 876.73	1,433.30	100.354	0.28%
535,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 5/18/22 Cpn: 1.93% Moody's: A3 S&P: A Fitch: A Tr Date: 5/15/17 St Date: 5/18/17	55279HAM2	535,000.00 0.00	536,603.40 1,259.83	1,603.40	100.300	0.37%
640,000.000	MORGAN STANLEY FRN Mat: 7/22/22 Cpn: 2.24% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/17 St Date: 7/24/17	61744YAJ7	640,000.00 0.00	642,776.32 2,750.80	2,776.32	100.434	0.44%
<b>Total for Credit</b>			<b>43,511,023.52 51,207.11</b>	<b>43,550,555.94 176,604.91</b>	<b>39,532.42</b>		<b>29.80%</b>

**Mortgage-Backed**

40,402.152	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/26/13 St Date: 5/1/13	3136A7L26	41,295.42 0.00	40,373.22 50.94	(922.19)	99.928	0.03%
892,122.060	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	901,040.07 1,113.91	891,747.37 1,152.32	(9,292.70)	99.958	0.61%
105,026.275	FNA 2014-M8 FA 1MOFRN CMBS Mat: 5/25/18 Cpn: 1.49% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/11/14 St Date: 7/31/14	3136AKQJ5	104,998.13 35.18	105,031.53 130.16	33.40	100.005	0.07%
970,322.180	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	994,201.21 390.07	973,634.86 1,950.35	(20,566.35)	100.341	0.66%
766,492.792	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	779,120.42 1,399.36	769,270.56 1,483.80	(9,849.85)	100.362	0.53%
389,686.910	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	390,661.13 211.95	389,677.95 578.04	(983.18)	99.998	0.27%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
162,447.600	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	172,295.98 385.81	166,210.70 609.18	(6,085.29)	102.317	0.11%
1,411,240.162	FNA 2015-M13 ASQ2 CMBS Mat: 9/25/19 Cpn: 1.65% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/15 St Date: 10/30/15	3136AQDQ0	1,425,372.18 1,871.22	1,410,737.76 1,935.75	(14,634.42)	99.964	0.96%
485,345.507	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 1.79% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/17 St Date: 7/12/17	62888WAB2	488,037.66 120.22	488,404.15 579.54	366.49	100.630	0.33%
<b>Total for Mortgage-Backed</b>			<b>5,297,022.19 5,527.72</b>	<b>5,235,088.10 8,470.08</b>	<b>(61,934.09)</b>		<b>3.57%</b>
<b>Asset-Backed</b>							
1,619,760.810	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	1,619,451.92 0.00	1,619,444.96 1,036.65	(6.97)	99.981	1.10%
1,850,000.000	JOHN DEERE 2016-A A3 EQP Mat: 4/15/20 Cpn: 1.36% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/23/16 St Date: 3/2/16	47788MAC4	1,849,708.81 0.00	1,847,017.80 1,118.22	(2,691.01)	99.839	1.26%
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	1,060,505.94 843.29	530.11	100.048	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	1,152,999.42 695.75	3,131.55	100.261	0.79%
900,000.000	USAA 2016-1 A3 CAR Mat: 6/15/20 Cpn: 1.20% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAC4	899,851.95 0.00	897,384.60 480.00	(2,467.35)	99.709	0.61%
1,155,000.000	BMW 2016-A A3 CAR Mat: 11/25/20 Cpn: 1.16% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/12/16 St Date: 7/20/16	05582QAD9	1,154,994.80 0.00	1,147,335.96 223.30	(7,658.84)	99.336	0.78%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,360,000.000	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	1,360,962.93 4,864.27	1,223.37	100.071	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	1,068,021.32 821.94	(852.86)	99.908	0.73%
870,000.000	JOHN DEERE 2017-A A3 EQP Mat: 4/15/21 Cpn: 1.78% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/22/17 St Date: 3/2/17	47787XAC1	869,876.11 0.00	870,233.16 688.27	357.05	100.027	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	419,376.30 218.17	(579.43)	99.852	0.29%
1,080,000.000	SDART 2017-1 B CAR Mat: 6/15/21 Cpn: 2.10% Moody's: Aa1 S&P: AA Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAH8	1,079,917.16 0.00	1,077,626.47 1,008.00	(2,290.69)	99.780	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	1,499,383.61 1,173.33	(501.35)	99.959	1.02%
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	1,238,370.60 592.44	(1,555.62)	99.869	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	829,441.41 82.54	(468.70)	99.933	0.57%
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	419,881.56 339.73	(87.70)	99.972	0.29%
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	1,197,910.57 874.67	(1,897.19)	99.826	0.82%



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**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/18/22 Cpn: 1.53% 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	1,346,756.28 913.84	6,756.28	100.504	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	1,460,652.08 13,237.33	1,072.71	100.045	1.00%
<b>Total for Asset-Backed</b>			<b>20,521,291.59 0.00</b>	<b>20,513,304.97 29,211.74</b>	<b>(7,986.62)</b>		<b>14.00%</b>
<b>Grand Total</b>			<b>146,515,663.71 119,494.40</b>	<b>146,310,903.10 445,694.49</b>	<b>(204,760.61)</b>		<b>100.00%</b>



## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
06371ELH8	BANK OF MONTREAL IN	1.270	10/24/2017	10/24/2017	A-1	2,200,000	2,200,000.000	.069	.068	1.268	1.50%	2,200,000.00
06538NB97	BANK TOKYO-MITSUBIS	1.500	10/16/2017	10/16/2017	F1	2,500,000	2,500,240.370	.047	.046	1.285	1.71%	2,500,240.37
05582WZS6	BNP PARIBAS NY BRH C/D	1.450	1/22/2018	1/22/2018	A-1	1,500,000	1,500,000.000	.319	.313	1.446	1.02%	1,500,000.00
60683BBF9	MITSUBISHI TR & BKG	1.210	10/20/2017	10/20/2017	F1	2,200,000	2,200,000.000	.058	.057	1.210	1.50%	2,200,000.00
63873FY93	NATIXIS SA/NEW YORK NY	1.801	11/1/2017	11/1/2017	A-1	1,500,000	1,500,630.110	.092	.090	1.338	1.02%	1,500,630.11
65602UWN4	NORINCHUKIN BK C/D	1.200	11/1/2017	11/1/2017	A-1	1,500,000	1,500,000.000	.092	.090	1.200	1.02%	1,500,000.00
83369YTE6	SOCIETE GENERALE NY C/D 1.340% 10/31/2017 DD 07/26/17	1.340	10/31/2017	10/31/2017	F1	2,500,000	2,500,100.490	.089	.087	1.291	1.71%	2,500,100.49
NA9123459	US DOLLARS	1.232	10/2/2017		Agency	7,509,416	7,509,415.640	0.000	-	1.232	5.13%	7,509,415.64
USD120030	USD INTEREST RECEIVABLE	-				530,534	0.000	-	-	-	.36%	530,534.01
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(7,298,389)	(7,298,389.090)	-	-	-	(4.98%)	(7,298,389.09)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				784,549	784,549.250	-	-	-	.54%	784,549.25
<b>CASH TOTALS</b>							<b>14,896,546.770</b>					<b>15,427,080.78</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>14,896,546.770</b>					<b>15,427,080.78</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3130A6LZ8	FEDERAL HOME LOAN BANKS	.625	10/26/2017	10/26/2017	Agency	2,875,000	2,874,706.440	.075	.073	.979	1.96%	2,874,232.38
3130A7CX1	FEDERAL HOME LOAN BANKS	.875	3/19/2018	3/19/2018	Agency	1,980,000	1,979,850.300	.472	.465	1.169	1.35%	1,977,259.68
3134G8L98	FEDERAL HOME LOAN MORTGAGE CORP	1.050	2/26/2018	2/26/2018	Agency	915,000	915,000.000	.408	.398	1.315	.62%	914,063.96
3137EADX4	FEDERAL HOME LOAN MORTGAGE CORP	1.000	12/15/2017	12/15/2017	Agency	3,110,000	3,109,605.610	.211	.210	1.080	2.12%	3,109,452.64
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,998,626.730	1.056	1.038	1.424	1.36%	1,993,746.00
<b>AGENCIES TOTALS</b>							<b>10,877,789.080</b>					<b>10,868,754.66</b>
<b>ASSET BACKED</b>												
055657AC4	BMW VEHICLE LEASE TRUST	1.980	5/20/2020	9/20/2019	Aaa	670,000	672,738.530	1.646	1.604	1.808	.46%	671,942.00
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	7/20/2018	Aaa	446,835	446,813.700	.449	.443	1.450	.30%	446,624.89
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	995,000	994,911.100	1.155	1.136	1.704	.68%	991,951.12
161571GT5	CHASE ISSUANCE TRUST	1.590	2/18/2020	2/15/2018	AAA	1,125,000	1,125,961.340	.378	.377	1.379	.77%	1,125,908.78
161571FT6	CHASE ISSUANCE TRUST	1.494	12/16/2019	12/15/2017	AAA	2,170,000	2,171,302.830	.214	.046	1.340	1.48%	2,170,726.08
161571GQ1	CHASE ISSUANCE TRUST	1.380	11/15/2019	11/15/2017	AAA	1,500,000	1,503,153.450	.128	.128	1.327	1.02%	1,500,108.15
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.736	1/21/2020	1/22/2018	Aaa	600,000	599,858.440	.308	.057	1.450	.41%	600,645.60
43814KAC5	HONDA AUTO RECEIVABLES 2015-1 OWNER TRUST	1.050	10/15/2018	2/15/2018	Aaa	779,218	779,218.520	.183	.182	1.386	.53%	778,747.71
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	7/15/2018	Aaa	224,653	224,872.910	.330	.326	1.438	.15%	224,568.71
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	11/15/2018	Aaa	546,198	546,235.820	.486	.480	1.498	.37%	546,057.99
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	6/15/2020	Aaa	450,000	449,951.870	1.827	1.780	1.788	.31%	449,989.70
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	157,498	157,637.520	.133	.132	1.433	.11%	157,479.50
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	6/15/2019	AAA	1,405,000	1,404,972.510	1.431	1.400	1.715	.96%	1,406,617.01
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	12/15/2018	AAA	1,139,539	1,140,209.660	.531	.524	1.512	.78%	1,138,531.49
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	9/15/2018	Aaa	585,000	584,988.240	.674	.664	1.513	.40%	584,929.68
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	5/15/2019	Aaa	1,800,000	1,799,917.510	1.089	1.069	1.669	1.23%	1,799,553.42

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>ASSET BACKED (Continued)</b>												
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,966.740	1.714	1.678	1.883	.27%	397,888.56
<b>ASSET BACKED TOTALS</b>							<b>15,002,710.690</b>					<b>14,992,270.39</b>
<b>CMBS</b>												
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	247,362	247,603.150	.357	.355	1.402	.17%	247,169.37
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	10/25/2017	Agency	46,439	46,469.060	.072	.071	1.182	.03%	46,403.45
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	186,926	189,473.310	1.907	1.853	1.805	.13%	187,960.17
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	332,125	334,420.360	1.098	1.074	1.659	.23%	332,563.91
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	824,774	832,251.260	.749	.735	1.768	.56%	827,437.11
3137AXHP1	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.573	9/25/2022	9/25/2022	Agency	1,665,000	1,690,523.440	4.889	4.553	2.275	1.15%	1,685,871.44
<b>CMBS TOTALS</b>							<b>3,340,740.580</b>					<b>3,327,405.45</b>
<b>CMOS</b>												
31394GB77	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	138,557	139,988.200	.316	.311	1.941	.10%	139,431.59
31393WN47	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	151,896	153,475.550	.326	.321	2.456	.10%	152,642.30
31393WVB2	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	399,916	404,206.250	.359	.353	2.474	.27%	402,118.60
<b>CMOS TOTALS</b>							<b>697,670.000</b>					<b>694,192.49</b>
<b>CORPORATES</b>												
0258M0EJ4	AMERICAN EXPRESS CREDIT CORP	1.641	5/3/2019	5/3/2019	A2	325,000	325,000.000	1.508	.098	1.519	.22%	325,821.60
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.746	3/3/2020	3/3/2020	A2	835,000	835,000.000	2.353	.186	1.688	.57%	836,908.94
0258M0D29	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	1,867,000	1,876,900.620	1.100	1.062	1.784	1.28%	1,868,823.33
031162CN8	AMGEN INC	1.759	5/11/2020	5/11/2020	Baa1	565,000	565,000.000	2.619	.125	1.609	.39%	567,890.94
037833BR0	APPLE INC	2.134	2/22/2019	2/22/2019	Aa1	425,000	427,880.810	1.406	.157	1.391	.29%	429,629.04
06051GGS2	BANK OF AMERICA CORP	2.328	10/1/2021	10/1/2021	BBB+	1,770,000	1,770,016.000	4.006	3.434	2.383	1.21%	1,766,301.92
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	586,816.340	1.258	1.264	1.755	.40%	583,554.05
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,439,792.020	2.256	2.229	1.978	.98%	1,433,142.84
084664CP4	BERKSHIRE HATHAWAY FINANCE CORP	1.555	1/11/2019	1/11/2019	Aa2	500,000	500,483.390	1.283	.034	1.445	.34%	501,046.92
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	805,000	822,485.520	.422	.416	1.761	.56%	822,221.98
07330NAP0	BRANCH BANKING & TRUST CO	1.754	1/15/2020	1/15/2020	A1	790,000	790,000.000	2.294	.052	1.660	.54%	792,716.19
14040HBQ7	CAPITAL ONE FINANCIAL CORP	2.069	5/12/2020	5/12/2020	Baa1	620,000	620,000.000	2.539	.129	1.919	.43%	623,158.27
14912L6M8	CATERPILLAR FINANCIAL SERVICES CORP	1.800	11/13/2018	11/13/2018	A	1,410,000	1,413,270.540	1.122	1.101	1.685	.96%	1,411,781.93
17325FAD0	CITIBANK NA	1.810	6/12/2020	6/12/2020	A+	400,000	400,000.000	2.706	.209	1.679	.27%	401,909.28
172967LC3	CITIGROUP INC	2.900	12/8/2021	12/8/2021	BBB+	1,355,000	1,371,980.500	4.108	3.871	2.582	.94%	1,371,693.94
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	1,100,000	1,105,491.060	1.092	1.102	1.956	.75%	1,104,118.90
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A	470,000	495,464.350	2.583	2.465	2.050	.34%	492,998.98
207597ED3	CONNECTICUT LIGHT & POWER CO/THE	5.650	5/1/2018	5/1/2018	A+	890,000	911,090.940	.589	.569	1.615	.62%	910,948.82
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	1,100,000	1,123,578.040	.506	.489	1.547	.77%	1,123,743.53
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	660,000	667,216.780	2.089	2.009	2.196	.45%	665,899.79
26442CAD6	DUKE ENERGY CAROLINAS LLC	5.100	4/15/2018	4/16/2018	A	1,050,000	1,072,745.750	.544	.529	1.917	.73%	1,068,003.68
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	1,050,000	1,050,269.920	.414	.402	1.562	.72%	1,049,505.94
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	250,000	249,982.480	.808	.809	1.567	.17%	251,164.99
375558BQ5	GILEAD SCIENCES INC	1.576	9/20/2019	9/20/2019	A3	880,000	880,000.000	1.983	.233	1.491	.60%	881,847.44
38145GAK6	GOLDMAN SACHS GROUP INC/THE	2.117	12/13/2019	12/13/2019	A3	500,000	500,000.000	2.208	.214	1.808	.34%	503,835.94



## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	945,000	1,037,879.700	3.828	3.471	2.524	.71%	1,038,380.05
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,310,000	1,316,951.390	1.017	1.035	1.888	.90%	1,314,164.18
24422ESF7	JOHN DEERE CAPITAL CORP	1.950	12/13/2018	12/13/2018	A	980,000	984,322.000	1.206	1.182	1.643	.67%	983,564.06
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	700,000	700,648.910	.339	.365	1.609	.48%	700,210.00
46647PAG1	JPMORGAN CHASE & CO	1.996	6/1/2021	6/1/2021	A-	1,340,000	1,340,035.720	3.594	.184	1.896	.92%	1,346,793.80
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	595,723.880	1.897	1.856	1.889	.41%	596,782.00
49327M2A1	KEYBANK NA/CLEVELAND OH	1.650	2/1/2018	2/1/2018	A-	1,450,000	1,451,125.930	.339	.340	1.549	.99%	1,450,471.28
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	800,000	800,457.840	.439	.433	1.490	.55%	799,855.63
61747WAF6	MORGAN STANLEY	5.750	1/25/2021	1/25/2021	A3	1,095,000	1,209,526.050	3.322	3.031	2.464	.83%	1,209,060.88
61746BEH5	MORGAN STANLEY	2.109	2/14/2020	2/14/2020	A3	690,000	690,000.000	1.378	.130	1.791	.47%	693,511.30
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,101,863.690	2.711	2.602	2.094	.74%	1,087,227.23
65339KAJ9	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.649	9/1/2018	9/4/2018	BBB+	825,000	824,380.540	.922	.920	1.696	.56%	824,639.95
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	950,000	950,913.880	.719	.750	1.641	.65%	951,490.87
69353RFD5	PNC BANK NA	1.676	5/19/2020	5/19/2020	A	545,000	545,000.000	2.642	.145	1.563	.37%	547,170.70
842434CN0	SOUTHERN CALIFORNIA GAS CO	1.550	6/15/2018	6/15/2018	AA-	410,000	409,905.800	.711	.701	1.674	.28%	409,640.15
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.841	1/31/2020	1/31/2020	A-	1,000,000	1,000,000.000	2.258	.095	1.621	.69%	1,005,926.85
867914BF9	SUNTRUST BANKS INC	2.350	11/1/2018	11/1/2018	BBB+	200,000	201,125.350	1.006	1.005	1.832	.14%	201,027.13
90331HMU4	US BANK NA/CINCINNATI OH	1.450	1/29/2018	1/29/2018	AA-	1,505,000	1,505,463.590	.250	.332	1.410	1.03%	1,505,138.20
90331HMQ3	US BANK NA/CINCINNATI OH	1.350	1/26/2018	1/26/2018	AA-	650,000	649,820.020	.325	.300	1.365	.44%	649,961.10
927804FM1	VIRGINIA ELECTRIC & POWER CO	1.200	1/15/2018	1/16/2018	A2	725,000	724,220.500	.294	.296	1.607	.49%	724,127.27
94974BFV7	WELLS FARGO & CO	1.772	4/22/2019	4/22/2019	A	1,000,000	998,406.500	1.564	.066	1.614	.68%	1,003,154.51
94988J5E3	WELLS FARGO BANK NA	1.917	5/24/2019	5/24/2019	Aa2	415,000	415,703.730	1.656	1.159	1.482	.29%	418,199.80
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	415,000	427,892.090	.508	.484	2.159	.29%	428,230.76
<b>CORPORATES TOTALS</b>							<b>41,681,832.170</b>					<b>41,677,396.88</b>
<b>MORTGAGES</b>												
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	7/25/2019	Agency	155,858	157,435.020	.848	.827	1.313	.11%	160,177.69
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	5/25/2018	Agency	123,245	125,126.980	.347	.343	(2.554)	.09%	126,092.08
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	5/25/2019	Agency	71,375	73,544.920	.781	.760	1.870	.05%	73,118.22
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	7/15/2020	Agency	86,039	87,973.820	1.229	1.185	1.720	.06%	89,291.63
<b>MORTGAGES TOTALS</b>							<b>444,080.740</b>					<b>448,679.62</b>
<b>MUNICIPALS</b>												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,410,000	1,410,000.000	2.006	1.956	1.924	.95%	1,392,882.60
13034PYC5	CALIFORNIA HOUSING FINANCE AGENCY	1.594	2/1/2018	2/1/2018	A1	1,000,000	1,000,000.000	.339	.340	1.306	.68%	1,000,960.00
13034PZF7	CALIFORNIA HOUSING FINANCE AGENCY	2.300	8/1/2020	8/3/2020	A1	1,000,000	1,000,000.000	2.839	2.731	2.031	.69%	1,007,370.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	707,929.660	3.089	2.948	1.991	.48%	702,068.15
544445AY5	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	1.750	5/15/2019	5/15/2019	AA	600,000	600,000.000	1.628	1.586	1.865	.41%	598,890.00
769036AY0	CITY OF RIVERSIDE CA	1.625	6/1/2019	6/3/2019	AA-	1,450,000	1,442,993.170	1.672	1.639	2.052	.98%	1,439,850.00
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	585,000	585,000.000	3.839	3.698	2.121	.39%	572,878.80
544587B80	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	1.924	11/1/2017	11/1/2017	A+	1,100,000	1,100,851.550	.089	.090	1.440	.75%	1,100,462.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	610,860.840	2.756	2.656	1.977	.41%	600,828.00

## CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>MUNICIPALS (Continued)</b>												
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	3.282	3.151	1.982	.79%	1,156,661.49
93265PBQ1	WALNUT ENERGY CENTER AUTHORITY	4.650	1/1/2018	1/2/2018	A+	1,000,000	1,008,673.940	.256	.259	1.656	.69%	1,007,570.00
<b>MUNICIPALS TOTALS</b>							<b>10,632,886.560</b>					<b>10,580,421.04</b>
<b>SOVEREIGN DEBT</b>												
4581XOCZ9	INTER-AMERICAN DEVELOPMENT BANK	1.750	9/14/2022	9/14/2022	Aaa	750,000	739,942.500	4.958	4.718	2.110	.50%	737,358.75
45950KCA6	INTERNATIONAL FINANCE CORP	1.750	9/4/2018	9/4/2018	Aaa	2,500,000	2,517,730.550	.931	.920	1.522	1.71%	2,505,233.20
<b>SOVEREIGN DEBT TOTALS</b>							<b>3,257,673.050</b>					<b>3,242,591.95</b>
<b>US TREASURIES</b>												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,658,585	3,699,414.230	2.544	2.517	1.581	2.51%	3,676,531.31
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	703,008	710,689.470	4.293	4.251	1.868	.48%	705,209.46
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	4,435,000	4,402,732.880	2.587	2.521	1.563	2.99%	4,385,972.45
912828H37	UNITED STATES TREASURY NOTE/BOND	.875	1/15/2018	1/16/2018	Govt	3,750,000	3,747,233.610	.293	.297	1.152	2.56%	3,746,937.41
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,750,000	2,756,513.560	.753	.747	1.296	1.88%	2,751,611.34
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,100,000	6,256,776.480	2.920	2.818	1.620	4.22%	6,187,449.23
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,572,999.710	.961	.957	1.369	3.10%	4,546,958.23
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	2,200,000	2,231,453.130	3.337	3.204	1.694	1.52%	2,230,593.75
912828QQ6	UNITED STATES TREASURY NOTE/BOND	2.375	5/31/2018	5/31/2018	Govt	1,425,000	1,436,368.740	.669	.658	1.309	.98%	1,435,075.19
912828UR9	UNITED STATES TREASURY NOTE/BOND	.750	2/28/2018	2/28/2018	Govt	2,400,000	2,400,000.000	.420	.414	1.198	1.64%	2,395,500.00
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	13,300,000	13,313,620.020	2.253	2.207	1.512	9.00%	13,186,222.62
<b>US TREASURIES TOTALS</b>							<b>45,527,801.830</b>					<b>45,248,060.99</b>
<b>FIXED INCOME TOTALS</b>							<b>131,463,184.700</b>					<b>131,079,773.47</b>
<b>PORTFOLIO TOTALS</b>							<b>146,359,731.470</b>					<b>146,506,854.25</b>

WELLS CAPITAL - TIER 1  
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HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0EK1	US0258M0EK14	0258M0EK1	0.69%	\$1,008,870.33
AMERICAN HONDA FINANCE CORP	HNDA	02665WAC5	US02665WAC55	02665WAC5	1.19%	\$1,747,421.53
APPLE INC	AAPL	037833CK4	US037833CK41	037833CK4	0.94%	\$1,383,659.75
BANK OF AMERICA NA	BAC	06050TME9	US06050TME90	06050TME9	1.52%	\$2,221,594.47
BANK OF NEW YORK MELLON CORP	BK	06406HCU1	US06406HCU14	06406HCU1	0.73%	\$1,064,852.37
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54	084664CK5	1.02%	\$1,491,772.67
BMWLT 171 A3	BMWLT	055657AC4	US055657AC48	055657AC4	0.41%	\$602,102.10
BMWOT 16A A3	BMWOT	05582QAD9	US05582QAD97	05582QAD9	0.74%	\$1,083,579.39
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91	07330NAL9	1.50%	\$2,200,011.37
CALIFORNIA ST	CA	13063DAB4	US13063DAB47	13063DAB4	1.37%	\$2,013,209.00
CAPITAL ONE NA	COF	14042RBS9	US14042RBS94	14042RBS9	0.95%	\$1,391,468.40
Cash	---	CCYUSD	---	CCYUSD	-0.18%	-\$259,970.73
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03	17305EFW0	1.30%	\$1,909,346.42
CHAIT 162 A	CHAIT	161571HC1	US161571HC16	161571HC1	1.36%	\$1,988,131.98
CHEVRON CORP	CVX	166764BH2	US166764BH21	166764BH2	1.30%	\$1,908,435.53
CITIBANK NA	C	17325FAA6	US17325FAA66	17325FAA6	0.69%	\$1,003,939.11
CITIBANK NA	C	17325FAE8	US17325FAE88	17325FAE8	0.58%	\$856,854.68
COAST CMNTY COLLEGE DIST CALIF	CA	190335JD2	US190335JD27	190335JD2	1.00%	\$1,461,874.13
COCA-COLA CO	KO	191216BV1	US191216BV17	191216BV1	1.09%	\$1,602,212.04
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.86%	\$1,260,074.03
E I DU PONT DE NEMOURS AND CO	DD	263534CL1	US263534CL10	263534CL1	0.35%	\$507,770.78
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921	3133EGW92	1.03%	\$1,503,877.50
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHEZ2	US3133EHEZ20	3133EHEZ2	2.06%	\$3,019,541.33
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHFL2	US3133EHFL25	3133EHFL2	0.69%	\$1,004,891.33
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGJ48	US3133EGJ480	3133EGJ48	1.02%	\$1,495,923.75
FEDERAL HOME LOAN BANKS	FHLB	313376BR5	US313376BR50	313376BR5	2.41%	\$3,530,808.36
FEDERAL HOME LOAN BANKS	FHLB	3130ABF92	US3130ABF921	3130ABF92	2.06%	\$3,011,172.08
FEDERAL HOME LOAN BANKS	FHLB	3130A66T9	US3130A66T96	3130A66T9	3.03%	\$4,442,687.66
FEDERAL HOME LOAN BANKS	FHLB	313383HU8	US313383HU84	313383HU8	1.17%	\$1,711,826.24
FEDERAL HOME LOAN BANKS	FHLB	313380FB8	US313380FB82	313380FB8	2.04%	\$2,992,987.50
FEDERAL HOME LOAN BANKS	FHLB	313379EE5	US313379EE59	313379EE5	1.34%	\$1,962,639.63
FEDERAL HOME LOAN BANKS	FHLB	3130A9EP2	US3130A9EP21	3130A9EP2	1.01%	\$1,484,626.33
FEDERAL HOME LOAN BANKS	FHLB	3130A0JR2	US3130A0JR23	3130A0JR2	3.15%	\$4,608,648.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G9Q75	US3134G9Q755	3134G9Q75	0.34%	\$498,015.97
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0E58	US3135G0E585	3135G0E58	1.37%	\$2,003,871.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397	3135G0R39	2.37%	\$3,474,870.39
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0T29	US3135G0T294	3135G0T29	0.56%	\$824,172.53
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0P49	US3135G0P490	3135G0P49	0.68%	\$991,118.67
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	0.18%	\$268,732.07
FIFTH THIRD BANK	FITB	31677QBD0	US31677QBD07	31677QBD0	0.17%	\$251,777.15
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11	31677QBH1	0.34%	\$497,014.28

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FITAT 171 A3	FITAT	31679RAD7	US31679RAD70	31679RAD7	0.42%	\$608,578.15
FREDDIE MAC	FHLMC	3137EAAA5	US3137EAAA51	3137EAAA5	1.02%	\$1,500,672.50
GEORGIA POWER CO	SO	373334KG5	US373334KG57	373334KG5	1.30%	\$1,901,958.06
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19	38145XAA1	0.97%	\$1,418,310.48
HAROT 163 A3	HAROT	438124AC3	US438124AC33	438124AC3	1.22%	\$1,793,219.20
HAROT 173 A3	HAROT	43814PAC4	US43814PAC41	43814PAC4	0.18%	\$259,757.61
HAWAII ST	HI	419792SM9	US419792SM99	419792SM9	1.69%	\$2,471,218.68
HDMOT 16A A3	HDMOT	41284DAC6	US41284DAC65	41284DAC6	1.36%	\$1,995,514.11
HSBC USA INC (NEW)	HSBC	40428HPJ5	US40428HPJ58	40428HPJ5	1.52%	\$2,222,040.52
INTEL CORP	INTC	458140AQ3	US458140AQ35	458140AQ3	1.05%	\$1,533,603.67
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CX4	US4581X0CX43	4581X0CX4	1.03%	\$1,507,158.71
INTERCONTINENTALEXCHANGE INC	ICE	45866FAB0	US45866FAB04	45866FAB0	0.35%	\$510,063.89
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058GA5	US459058GA50	459058GA5	1.36%	\$1,994,992.89
JDOT 16B A3	JDOT	47788NAC2	US47788NAC20	47788NAC2	0.68%	\$996,318.56
JOHN DEERE CAPITAL CORP	DE	24422ETJ8	US24422ETJ81	24422ETJ8	0.68%	\$995,660.22
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76	46625HQU7	1.44%	\$2,102,892.75
LOS ANGELES CALIF WASTEWATER SYS REV	CA	53945CGW4	US53945CGW47	53945CGW4	0.80%	\$1,167,135.19
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAG5	US55279HAG56	55279HAG5	0.96%	\$1,412,863.20
MARIN CALIF CMNTY COLLEGE DIST	CA	56781RGL5	US56781RGL50	56781RGL5	0.34%	\$500,094.17
MBART 161 A3	MBART	58769BAD6	US58769BAD64	58769BAD6	1.36%	\$1,990,392.80
MICROSOFT CORP	MSFT	594918BF0	US594918BF05	594918BF0	0.24%	\$356,325.02
MORGAN STANLEY	MS	61746BDX1	US61746BDX10	61746BDX1	0.76%	\$1,112,170.77
MUFG UNION BANK NA	UNBC	90521APJ1	US90521APJ15	90521APJ1	1.23%	\$1,805,652.80
NALT 17A A3	NALT	65479AAD4	US65479AAD46	65479AAD4	0.51%	\$751,590.07
NAROT 16C A3	NAROT	65478WAD7	US65478WAD74	65478WAD7	0.85%	\$1,241,655.18
OREGON ST DEPT ADMINISTRATIVE SVCS LOTTERY REV	OR	68607VS71	US68607VS710	68607VS71	0.69%	\$1,006,212.00
PNC BANK NA	PNC	69353RFC7	US69353RFC79	69353RFC7	1.37%	\$2,013,322.67
QUALCOMM INC	QCOM	747525AP8	US747525AP86	747525AP8	0.16%	\$228,353.78
Receivable	---	CCYUSD	---	CCYUSD	0.01%	\$21,967.54
SAN DIEGO CNTY CALIF PENSION OBLIG	CA	797398DH4	US797398DH41	797398DH4	1.10%	\$1,610,154.58
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFG6	US79770GFG64	79770GFG6	0.41%	\$601,379.00
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16	83191GAD1	1.42%	\$2,079,011.55
SOUTHERN CALIF PUB PWR AUTH REV	CA	84247PHT1	US84247PHT12	84247PHT1	1.72%	\$2,523,955.60
TAOT 16B A3	TAOT	89231UAD9	US89231UAD90	89231UAD9	0.48%	\$698,842.95
TAOT 16C A3	TAOT	89237WAD9	US89237WAD92	89237WAD9	0.82%	\$1,194,725.60
TAOT 16D A3	TAOT	89231LAD9	US89231LAD91	89231LAD9	0.20%	\$298,425.29
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29	89236TDE2	1.30%	\$1,901,173.14
UNITED STATES TREASURY	UST	912828R44	US912828R440	912828R44	4.21%	\$6,164,306.77
UNITED STATES TREASURY	UST	912828A75	US912828A750	912828A75	1.37%	\$2,009,769.52
UNITED STATES TREASURY	UST	9128282V1	US9128282V18	9128282V1	2.78%	\$4,074,144.31
UNITED STATES TREASURY	UST	912828T83	US912828T834	912828T83	2.58%	\$3,781,116.32
UNITED STATES TREASURY	UST	912828XS4	US912828XS49	912828XS4	0.68%	\$1,001,075.82

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UNITED STATES TREASURY	UST	9128282T6	US9128282T61	9128282T6	0.49%	\$722,689.02
UNITED STATES TREASURY	UST	912828ST8	US912828ST86	912828ST8	1.51%	\$2,205,147.95
UNITED STATES TREASURY	UST	912828Q52	US912828Q525	912828Q52	3.40%	\$4,977,621.50
UNIVERSITY CALIF REVS	CA	91412GSB2	US91412GSB22	91412GSB2	1.03%	\$1,507,905.00
US BANK NA	USB	90331HML4	US90331HML41	90331HML4	1.39%	\$2,031,982.50
WALT DISNEY CO	DIS	25468PDL7	US25468PDL76	25468PDL7	0.44%	\$641,386.29
YUBA CALIF LEVEE FING AUTH REV	CA	988211BL1	US988211BL13	988211BL1	0.68%	\$1,000,561.67

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>CASH</b>												
06371ELH8	BANK OF MONTREAL IN	1.270	10/24/2017	10/24/2017	A-1	1,000,000	1,000,000.000	.069	.068	1.268	1.03%	1,000,000.00
60683BBF9	MITSUBISHI TR & BKG	1.210	10/20/2017	10/20/2017	F1	950,000	950,000.000	.058	.057	1.210	.98%	950,000.00
NA9123459	US DOLLARS	1.232	10/2/2017		Agency	4,935,898	4,935,898.400	0.000	-	1.232	5.07%	4,935,898.40
USD120030	USD INTEREST RECEIVABLE	-				365,034	0.000	-	-	-	.37%	365,034.19
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(7,501,133)	(7,501,132.850)	-	-	-	(7.70%)	(7,501,132.85)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				2,897,896	2,897,895.620	-	-	-	2.98%	2,897,895.62
<b>CASH TOTALS</b>							<b>2,282,661.170</b>					<b>2,647,695.36</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>2,282,661.170</b>					<b>2,647,695.36</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3137EAC5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,464,406.010	1.494	1.452	1.503	1.51%	1,472,143.28
<b>AGENCIES TOTALS</b>							<b>1,464,406.010</b>					<b>1,472,143.28</b>
<b>ASSET BACKED</b>												
05522RCT3	BA CREDIT CARD TRUST	1.564	6/15/2020	1/16/2018	AAA	1,250,000	1,249,071.720	.297	.046	1.299	1.29%	1,251,098.63
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	710,000	709,938.190	1.155	1.136	1.704	.73%	707,824.42
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	1.665	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,284.490	.947	.032	1.286	1.07%	1,043,951.79
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.736	1/21/2020	1/22/2018	Aaa	430,000	429,860.080	.308	.057	1.450	.44%	430,462.68
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	6/15/2020	Aaa	300,000	299,968.210	1.827	1.780	1.788	.31%	299,993.13
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	412,059	412,062.230	.133	.132	1.433	.42%	412,010.32
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	6/15/2019	AAA	935,000	934,981.840	1.431	1.400	1.715	.96%	936,076.09
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	5/15/2019	Aaa	1,200,000	1,199,944.940	1.089	1.069	1.669	1.23%	1,199,702.28
65475WAD0	NISSAN AUTO RECEIVABLES 2015-B OWNER TRUST	1.340	3/16/2020	2/15/2019	Aaa	665,313	664,797.930	.605	.597	1.536	.68%	664,548.25
<b>ASSET BACKED TOTALS</b>							<b>6,940,909.630</b>					<b>6,945,667.59</b>
<b>CMBS</b>												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	10/25/2017	Agency	120,742	120,534.010	.072	.071	1.182	.12%	120,649.03
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	351,366	350,142.710	.357	.355	1.402	.36%	351,092.79
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	582,193	585,849.580	.749	.735	1.768	.60%	584,073.25
3137AXHP1	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.573	9/25/2022	9/25/2022	Agency	1,100,000	1,116,864.060	4.889	4.553	2.275	1.14%	1,113,788.94
<b>CMBS TOTALS</b>							<b>2,173,390.360</b>					<b>2,169,604.01</b>
<b>CMOS</b>												
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	4/25/2018	Agency	12,135	12,039.280	.269	.265	2.440	.01%	12,177.46
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	7/25/2018	Agency	39,841	39,831.440	.396	.390	1.482	.04%	40,097.69
31392GPN9	FANNIE MAE REMICS	5.000	1/25/2018	12/25/2017	Agency	6,593	6,507.180	.143	.141	1.757	.01%	6,601.10
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	5/25/2018	Agency	26,673	26,466.880	.347	.342	1.776	.03%	26,807.59
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	8/25/2018	Agency	20,477	20,392.970	.337	.333	1.994	.02%	20,478.52
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	1/15/2019	Agency	182,187	181,784.610	.490	.482	1.949	.19%	182,097.43
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	10/15/2018	Agency	13,489	13,443.500	.298	.294	1.995	.01%	13,479.27
31393GWV2	FREDDIE MAC REMICS	5.000	12/15/2017	12/15/2017	Agency	7,972	7,991.700	.125	.124	1.560	.01%	7,991.19

## CalOptima (The Orange County Health Authority)

Account #: LCEF0023802

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CMOS (Continued)</b>												
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	12/15/2019	Agency	101,063	100,928.340	1.038	1.018	1.786	.10%	101,212.77
31393NDD8	FREDDIE MAC REMICS	5.000	3/15/2018	3/15/2018	Agency	9,221	9,142.090	.221	.219	2.220	.01%	9,259.94
62888WAA4	NON GUARANTEED NOT V	1.791	12/8/2020	11/5/2020	Aaa	445,321	446,506.810	2.314	.085	1.724	.46%	446,234.80
<b>CMOS TOTALS</b>							<b>865,034.800</b>					<b>866,437.76</b>
<b>CORPORATES</b>												
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.746	3/3/2020	3/3/2020	A2	555,000	555,000.000	2.353	.186	1.688	.57%	556,268.82
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,988.240	1.100	1.062	1.784	.45%	440,429.71
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,547.250	1.878	1.828	1.798	.67%	655,398.26
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	645,589.780	2.461	2.321	2.149	.67%	650,457.84
031162CN8	AMGEN INC	1.759	5/11/2020	5/11/2020	Baa1	375,000	375,000.000	2.619	.125	1.609	.39%	376,918.77
06051GGS2	BANK OF AMERICA CORP	2.328	10/1/2021	10/1/2021	BBB+	645,000	645,000.000	4.006	3.434	2.383	.66%	643,652.40
06051GEM7	BANK OF AMERICA CORP	5.700	1/24/2022	1/24/2022	BBB+	590,000	667,005.400	4.319	3.847	2.605	.68%	664,127.59
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	857,799.170	2.664	2.631	1.996	.89%	863,855.16
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	750,000	758,613.180	2.256	2.229	1.978	.78%	756,941.64
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	505,000	515,464.060	.422	.416	1.761	.53%	515,803.85
07330NAP0	BRANCH BANKING & TRUST CO	1.754	1/15/2020	1/15/2020	A1	525,000	525,000.000	2.294	.052	1.660	.54%	526,805.07
14040HBQ7	CAPITAL ONE FINANCIAL CORP	2.069	5/12/2020	5/12/2020	Baa1	410,000	410,000.000	2.539	.129	1.919	.42%	412,088.54
14912L6M8	CATERPILLAR FINANCIAL SERVICES CORP	1.800	11/13/2018	11/13/2018	A	650,000	651,637.000	1.122	1.101	1.685	.67%	650,821.46
17325FAD0	CITIBANK NA	1.810	6/12/2020	6/12/2020	A+	300,000	300,000.000	2.706	.209	1.679	.31%	301,431.96
172967LC3	CITIGROUP INC	2.900	12/8/2021	12/8/2021	BBB+	900,000	911,275.900	4.108	3.871	2.582	.94%	911,088.23
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	880,000	884,467.250	1.525	1.474	1.974	.91%	887,577.66
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	950,000	951,679.990	1.092	1.102	1.956	.98%	953,557.23
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A	480,000	505,773.180	2.583	2.465	2.050	.52%	503,488.32
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	254,722.950	.506	.489	1.547	.26%	255,396.26
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	410,000	414,519.270	2.089	2.009	2.196	.42%	413,665.02
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	500,000	499,437.780	.414	.402	1.562	.51%	499,764.74
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	724,169.120	3.708	3.492	2.249	.73%	715,015.87
375558BQ5	GILEAD SCIENCES INC	1.576	9/20/2019	9/20/2019	A3	585,000	585,000.000	1.983	.233	1.491	.60%	586,228.13
38145GAK6	GOLDMAN SACHS GROUP INC/THE	2.117	12/13/2019	12/13/2019	A3	575,000	577,998.950	2.208	.214	1.808	.60%	579,411.33
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	650,000	715,044.100	3.828	3.471	2.524	.73%	714,229.67
446438RV7	HUNTINGTON NATIONAL BANK/THE	1.827	3/10/2020	3/10/2020	A3	450,000	450,000.000	2.453	.210	1.602	.47%	452,849.13
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	460,000	462,757.130	1.017	1.035	1.888	.47%	461,462.23
46625HJE1	JPMORGAN CHASE & CO	3.250	9/23/2022	9/23/2022	A-	920,000	949,746.920	4.983	4.598	2.523	.98%	951,114.98
46647PAG1	JPMORGAN CHASE & CO	1.996	6/1/2021	6/1/2021	A-	795,000	795,000.000	3.594	.184	1.896	.82%	799,030.65
49327M2T0	KEYBANK NA/CLEVELAND OH	2.300	9/14/2022	9/14/2022	A-	1,675,000	1,662,353.750	4.958	4.662	2.508	1.70%	1,658,868.19
55279HAL4	MANUFACTURERS & TRADERS TRUST CO	2.500	5/18/2022	5/18/2022	A	900,000	905,049.000	4.553	4.291	2.419	.93%	903,133.65
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	500,000	499,636.240	.439	.433	1.490	.51%	499,909.77
61747WAF6	MORGAN STANLEY	5.750	1/25/2021	1/25/2021	A3	730,000	806,350.700	3.322	3.031	2.464	.83%	806,040.59
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	825,900.780	2.711	2.602	2.094	.84%	815,420.42
69353RDD7	PNC BANK NA	2.250	7/2/2019	7/2/2019	A	620,000	622,069.120	1.675	1.659	1.794	.64%	624,637.02
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.841	1/31/2020	1/31/2020	A-	660,000	660,000.000	2.258	.095	1.621	.68%	663,911.72
87236YAE8	TD AMERITRADE HOLDING CORP	2.950	4/1/2022	4/1/2022	A2	880,000	897,466.500	4.339	4.075	2.448	.92%	898,100.03
91324PBJ0	UNITEDHEALTH GROUP INC	6.000	2/15/2018	2/15/2018	A-	725,000	736,508.660	.378	.378	1.687	.76%	736,703.23
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	366,981.320	1.044	1.054	1.549	.38%	367,513.64

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>CORPORATES (Continued)</b>												
92343VDC6	VERIZON COMMUNICATIONS INC	1.750	8/15/2021	8/16/2021	BBB+	800,000	794,816.630	3.878	3.706	2.323	.80%	783,076.41
927804FM1	VIRGINIA ELECTRIC & POWER CO	1.200	1/15/2018	1/16/2018	A2	480,000	479,482.860	.294	.296	1.607	.49%	479,422.20
949748GR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	950,000	971,912.340	3.189	3.032	2.174	.99%	960,930.88
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	275,000	286,797.520	.508	.484	2.159	.29%	283,767.37
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	767,119.370	3.378	3.269	2.239	.77%	753,898.28
<b>CORPORATES TOTALS</b>							<b>28,959,681.410</b>					<b>28,934,213.92</b>
<b>MORTGAGES</b>												
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	5/25/2018	Agency	176,351	178,971.150	.347	.343	(2.554)	.19%	180,425.35
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,174,328	1,269,602.290	3.707	3.405	2.381	1.29%	1,253,640.34
3138EJRP5	FANNIE MAE POOL	4.380	6/1/2021	5/25/2021	Agency	904,116	979,472.390	3.521	3.241	2.319	.99%	966,538.31
31385XBG1	FANNIE MAE POOL	6.000	3/1/2018	10/25/2017	Agency	44	43.050	.072	.071	.090	0%	43.72
31371KVC2	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	587	580.240	.072	.071	2.783	0%	586.32
31391WS93	FANNIE MAE POOL	5.500	11/1/2017	11/25/2017	Agency	528	520.280	.113	.112	1.836	0%	528.46
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	9/15/2018	Agency	21,225	21,118.430	.467	.460	(.790)	.02%	21,759.25
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	5/15/2018	Govt	4,103	4,087.290	.333	.328	.963	0%	4,144.16
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	4/15/2018	Govt	7,106	7,066.840	.292	.288	.682	.01%	7,173.00
<b>MORTGAGES TOTALS</b>							<b>2,461,461.960</b>					<b>2,434,838.91</b>
<b>MUNICIPALS</b>												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,010,000	1,010,000.000	2.006	1.956	1.924	1.02%	997,738.60
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	Aa2	345,000	345,000.000	.839	.827	1.689	.36%	345,755.55
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,209.840	2.006	1.942	1.828	.15%	150,253.50
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	448,308.210	2.839	2.733	2.031	.47%	454,288.50
13034PZH3	CALIFORNIA HOUSING FINANCE AGENCY	2.512	8/1/2021	8/2/2021	A1	675,000	675,000.000	3.839	3.630	2.230	.70%	681,939.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	504,067.250	3.089	2.948	1.991	.51%	500,034.15
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	2.089	2.024	1.891	.25%	245,453.25
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	1.839	1.791	1.899	.18%	175,834.75
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,815.760	2.256	2.180	2.435	.24%	230,322.00
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	2.628	2.527	2.131	.73%	714,277.85
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	415,000	415,000.000	3.839	3.698	2.121	.42%	406,401.20
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	527,857.970	2.794	2.623	2.030	.54%	529,995.00
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	653,666.060	2.089	2.040	2.077	.66%	644,913.00
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	Aa2	305,000	305,506.260	2.172	2.095	2.085	.32%	308,056.10
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	.839	.828	1.558	.62%	601,080.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,790.920	.839	.828	1.485	.17%	165,074.25
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	1.628	1.584	2.323	.50%	486,065.30
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	361,295.820	2.839	2.718	2.040	.37%	362,866.80



## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>MUNICIPALS (Continued)</b>												
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	.839	.828	1.617	.62%	601,104.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	793,952.860	2.756	2.656	1.977	.80%	781,076.40
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	3.282	3.151	1.982	.85%	824,792.37
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	231,992.330	1.422	1.377	1.664	.24%	233,268.75
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa2	285,000	285,568.820	.839	.827	1.492	.29%	286,199.85
<b>MUNICIPALS TOTALS</b>							<b>10,758,895.310</b>					<b>10,726,790.17</b>
<b>SOVEREIGN DEBT</b>												
4581XOCZ9	INTER-AMERICAN DEVELOPMENT BANK	1.750	9/14/2022	9/14/2022	Aaa	1,000,000	986,590.000	4.958	4.718	2.110	1.01%	983,145.00
459058DL4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.875	3/15/2019	3/15/2019	AAA	725,000	729,486.190	1.461	1.432	1.534	.75%	728,553.23
<b>SOVEREIGN DEBT TOTALS</b>							<b>1,716,076.190</b>					<b>1,711,698.23</b>
<b>US TREASURIES</b>												
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	1,941,382	1,953,022.850	4.293	4.251	1.868	2.00%	1,947,463.05
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	1,280,000	1,266,146.780	2.587	2.521	1.563	1.30%	1,265,850.00
912828S76	UNITED STATES TREASURY NOTE/BOND	1.125	7/31/2021	8/2/2021	Govt	4,900,000	4,779,585.800	3.837	3.726	1.784	4.91%	4,780,753.89
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	6,520,000	6,676,247.040	3.337	3.204	1.694	6.79%	6,610,668.75
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	4,555,000	4,482,304.140	4.420	4.221	1.866	4.66%	4,532,580.84
912828L99	UNITED STATES TREASURY NOTE/BOND	1.375	10/31/2020	11/2/2020	Govt	5,000,000	4,960,874.480	3.087	2.994	1.651	5.09%	4,958,593.75
912828N55	UNITED STATES TREASURY NOTE/BOND	1.000	12/31/2017	1/2/2018	Govt	2,000,000	1,999,531.250	.253	.259	1.145	2.05%	1,999,254.04
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,130,000	6,230,252.380	2.920	2.818	1.620	6.39%	6,217,879.31
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,200,000	2,204,764.690	.753	.747	1.296	2.26%	2,201,289.07
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	4,975,000	4,982,162.770	2.253	2.207	1.512	5.07%	4,932,440.42
<b>US TREASURIES TOTALS</b>							<b>39,534,892.180</b>					<b>39,446,773.12</b>
<b>FIXED INCOME TOTALS</b>							<b>94,874,747.850</b>					<b>94,708,166.99</b>
<b>PORTFOLIO TOTALS</b>							<b>97,157,409.020</b>					<b>97,355,862.35</b>

**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	4,858,152.66	4,858,152.66	0.00	1.000	1.00%
<b>Total for Cash</b>			<b>4,858,152.66</b>	<b>4,858,152.66</b>	<b>0.00</b>		<b>1.00%</b>
<b>Money Markets</b>							
3,800,000.000	WESTPAC BANKING NY YCD	96121TX52	3,800,000.00	3,800,045.45	45.45	100.001	0.79%
	Mat: 10/3/17 Cpn: 1.36%		0.00	52,110.67			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 9/29/16 St Date: 10/3/16						
5,700,000.000	SUMITOMO MITSUI NY YCD	86563YZE6	5,700,000.00	5,700,052.44	52.44	100.001	1.17%
	Mat: 10/5/17 Cpn: 1.27%		0.00	17,695.33			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 7/3/17 St Date: 7/5/17						
30,000,000.000	FHLB DISCOUNT NOTE	313385MQ6	29,954,950.00	29,955,550.00	600.00	99.985	6.16%
	Mat: 10/6/17 Cpn: 0.00%		0.00	40,800.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 8/11/17 St Date: 8/14/17						
8,000,000.000	FHLB DISCOUNT NOTE	313385MV5	7,995,023.11	7,995,311.56	288.45	99.973	1.64%
	Mat: 10/11/17 Cpn: 0.00%		0.00	2,714.67			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/18/17 St Date: 9/19/17						
5,000,000.000	SVENSKA HANDELSBANKEN NY YCD	86958JMD8	4,999,999.85	4,999,994.65	(5.20)	100.000	1.03%
	Mat: 10/24/17 Cpn: 1.23%		19,736.11	27,222.22			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 8/17/17 St Date: 8/18/17						
6,000,000.000	FHLB DISCOUNT NOTE	313385NS1	5,990,775.00	5,991,004.33	229.33	99.913	1.23%
	Mat: 11/1/17 Cpn: 0.00%		0.00	3,929.17			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/7/17 St Date: 9/8/17						
10,000,000.000	FAMC DISCOUNT NOTE	31315LNU8	9,949,644.44	9,950,085.50	441.06	99.907	2.05%
	Mat: 11/3/17 Cpn: 0.00%		0.00	40,913.89			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 5/10/17 St Date: 5/11/17						
1,000,000.000	CREDIT AGRICOLE NY YCD	22534HN64	1,000,016.03	999,990.65	(25.38)	99.999	0.21%
	Mat: 12/1/17 Cpn: 1.29%		967.50	1,146.67			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 9/25/17 St Date: 9/26/17						



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
5,000,000.000	FHLMC DISCOUNT NOTE Mat: 12/1/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/13/17 St Date: 9/14/17	313397PY1	4,988,841.67 0.00	4,989,074.17 2,431.94	232.50	99.827	1.02%
20,000,000.000	U.S. TREASURY BILL Mat: 1/4/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/8/17 St Date: 8/8/17	912796LC1	19,913,828.33 0.00	19,915,535.00 31,230.00	1,706.67	99.731	4.10%
4,000,000.000	MIZUHO BANK YCD Mat: 1/5/18 Cpn: 1.30% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/5/17 St Date: 9/6/17	60700AFQ2	4,000,000.00 0.00	3,999,522.48 3,611.11	(477.52)	99.988	0.82%
3,800,000.000	SWEDBANK NY YCD Mat: 1/23/18 Cpn: 1.31% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 7/27/17 St Date: 7/28/17	87019UU56	3,800,000.00 0.00	3,799,196.30 8,988.06	(803.70)	99.979	0.78%
32,040,000.000	U.S. TREASURY BILL Mat: 2/1/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/2/17	912796LJ6	31,830,767.40 0.00	31,824,767.04 99,036.90	(6,000.36)	99.635	6.55%
3,800,000.000	BANK OF TOKYO-MITSUBISHI YCD Mat: 2/2/18 Cpn: 1.39% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 8/29/17 St Date: 8/30/17	06539RDL8	3,800,000.00 0.00	3,800,004.45 4,695.11	4.45	100.000	0.78%
6,000,000.000	U.S. TREASURY BILL Mat: 2/8/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/13/17 St Date: 9/14/17	912796NR6	5,974,152.50 0.00	5,973,737.67 2,989.17	(414.83)	99.609	1.23%
4,000,000.000	NORDEA BANK NY YCD Mat: 2/15/18 Cpn: 1.32% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/7/17 St Date: 9/8/17	65590ALF1	4,000,000.00 0.00	3,998,681.76 3,373.33	(1,318.24)	99.967	0.82%
3,800,000.000	TOYOTA MOTOR CREDIT CP Mat: 3/1/18 Cpn: 0.00% Moody's: P-1 S&P: A-1+ Fitch: F1 Tr Date: 9/5/17 St Date: 9/6/17	89233HC10	3,775,105.78 0.00	3,773,758.04 3,536.11	(1,347.74)	99.399	0.78%
3,800,000.000	BANK OF NOVA SCOTIA HOUSTON YCD Mat: 3/16/18 Cpn: 1.39% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/6/17 St Date: 9/7/17	06417GYD4	3,800,000.00 0.00	3,799,031.95 3,521.33	(968.05)	99.975	0.78%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,800,000.000	BNP PARIBAS NY YCD Mat: 3/20/18 Cpn: 1.43% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/12/17 St Date: 9/13/17	05582WE91	3,800,000.00 0.00	3,799,636.45 2,717.00	(363.55)	99.990	0.78%
5,800,000.000	DNB NOR BANK YCD Mat: 4/3/18 Cpn: 1.41% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 9/27/17 St Date: 9/28/17	23340Q4A8	5,800,000.00 0.00	5,756,266.31 681.50	(43,733.69)	99.246	1.18%
3,800,000.000	COOPERATIEVE RABOBANK FRN YCD Mat: 4/11/18 Cpn: 1.36% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/7/17 St Date: 9/11/17	21684B2Y9	3,800,000.00 0.00	3,799,240.00 2,860.56	(760.00)	99.980	0.78%
3,800,000.000	TORONTO DOMINION NY YCD FRN Mat: 4/27/18 Cpn: 1.38% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 8/2/17 St Date: 8/3/17	89113XAH7	3,800,000.00 0.00	3,800,000.00 8,597.82	0.00	100.000	0.78%
<b>Total for Money Markets</b>			<b>172,473,104.11 20,703.61</b>	<b>172,420,486.19 364,802.56</b>	<b>(52,617.92)</b>		<b>35.47%</b>

**Treasuries**

10,000,000.000	U.S. TREASURY NOTE Mat: 2/28/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/21/17 St Date: 2/22/17	912828UR9	9,982,812.50 36,256.91	9,983,200.10 6,422.65	387.60	99.832	2.05%
10,000,000.000	U.S. TREASURY NOTE Mat: 5/15/18 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/10/17 St Date: 5/11/17	912828XA3	9,980,859.38 48,895.03	9,985,900.10 37,771.74	5,040.72	99.859	2.06%
27,000,000.000	U.S. TREASURY NOTE Mat: 5/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/9/17 St Date: 3/10/17	912828R51	26,896,171.88 66,057.69	26,931,960.27 79,395.49	35,788.39	99.748	5.55%
15,000,000.000	U.S. TREASURY NOTE Mat: 7/15/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/2/17 St Date: 5/3/17	912828XK1	14,950,195.31 39,157.46	14,949,450.30 27,819.29	(745.01)	99.663	3.07%
30,000,000.000	U.S. TREASURY NOTE Mat: 7/31/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/9/17 St Date: 5/10/17	912828S68	29,823,046.88 61,533.15	29,861,400.60 37,907.61	38,353.72	99.538	6.14%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Treasuries</b>			<b>91,633,085.95 251,900.24</b>	<b>91,711,911.37 189,316.79</b>	<b>78,825.42</b>		<b>18.87%</b>
<b>Government Related</b>							
3,820,000.000	INTL FINANCE CORP FRN	45950VKP0	3,820,000.00	3,820,553.90	553.90	100.015	0.79%
	Mat: 3/6/18 Cpn: 1.28%		0.00	3,399.99			
	Moody's: Aaa S&P: AAA Fitch:						
	Tr Date: 2/27/17 St Date: 3/6/17						
<b>Total for Government Related</b>			<b>3,820,000.00 0.00</b>	<b>3,820,553.90 3,399.99</b>	<b>553.90</b>		<b>0.79%</b>
<b>Agencies</b>							
4,200,000.000	FFCB 1ML+14.0 FRN	3133EGPA7	4,206,548.14	4,209,555.00	3,006.86	100.228	0.87%
	Mat: 8/1/18 Cpn: 1.38%		1,011.95	4,820.27			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/13/16 St Date: 10/14/16						
10,000,000.000	FNMA 1ML+0.0 FRN	3135G0HZ9	9,965,700.00	10,017,400.00	51,700.00	100.174	2.06%
	Mat: 2/28/19 Cpn: 1.23%		6,695.50	11,653.92			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/12/16 St Date: 10/13/16						
4,670,000.000	FFCB FRN	3133EHZK2	4,670,000.00	4,667,081.25	(2,918.75)	99.938	0.96%
	Mat: 9/25/20 Cpn: 1.24%		0.00	962.97			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/14/17 St Date: 9/25/17						
<b>Total for Agencies</b>			<b>18,842,248.14 7,707.45</b>	<b>18,894,036.25 17,437.16</b>	<b>51,788.11</b>		<b>3.88%</b>
<b>Taxable Muni</b>							
1,040,000.000	CA STATE GO/ULT CP-TXBL	13068BCT2	1,040,000.00	1,039,854.40	(145.60)	99.986	0.21%
	Mat: 11/30/17 Cpn: 1.24%		0.00	883.29			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 9/6/17 St Date: 9/6/17						
2,680,000.000	CA OAKLAND-ALAMEDA LEASE TXB	672211BE8	2,681,611.35	2,679,651.60	(1,959.75)	99.987	0.55%
	Mat: 2/1/18 Cpn: 1.69%		13,419.61	7,562.07			
	Moody's: Aa3 S&P: Fitch: AA						
	Tr Date: 5/12/17 St Date: 5/17/17						
1,050,000.000	CA STATE GO/ULT TXB	13063DAA6	1,050,000.00	1,048,635.00	(1,365.00)	99.870	0.22%
	Mat: 4/1/18 Cpn: 1.25%		0.00	5,605.60			
	Moody's: Aa3 S&P: AA- Fitch: AA-						
	Tr Date: 4/21/17 St Date: 4/27/17						



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,000,000.000	CA UNIVERSITY OF CALIFORNIA-TXBL Mat: 5/15/18 Cpn: 1.48% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 9/20/17 St Date: 9/28/17	91412G2P9	1,000,000.00 0.00	999,610.00 123.42	(390.00)	99.961	0.21%
1,250,000.000	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	1,242,257.50 4,219.44	1,243,725.00 1,041.67	1,467.50	99.498	0.26%
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	1,068,596.60 10,352.67	(968.80)	100.811	0.22%
<b>Total for Taxable Muni</b>			<b>8,083,434.25 26,707.72</b>	<b>8,080,072.60 25,568.70</b>	<b>(3,361.65)</b>		<b>1.66%</b>
<b>Credit</b>							
1,500,000.000	BANK OF AMERICA FRN Mat: 3/22/18 Cpn: 2.39% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 8/10/17 St Date: 8/15/17	06051GEW5	1,508,295.00 5,303.75	1,506,480.00 897.40	(1,815.00)	100.432	0.31%
2,000,000.000	WELLS FARGO FRN Mat: 4/23/18 Cpn: 1.94% Moody's: A2 S&P: A Fitch: AA- Tr Date: 1/29/15 St Date: 2/3/15	94974BFK1	2,003,940.00 542.12	2,006,560.00 7,446.25	2,620.00	100.328	0.41%
3,000,000.000	GOLDMAN SACHS FRN Mat: 4/30/18 Cpn: 2.37% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	38141GVK7	3,050,390.00 6,625.48	3,017,964.00 12,847.14	(32,426.00)	100.599	0.62%
5,000,000.000	QUALCOMM FRN Mat: 5/18/18 Cpn: 1.59% Moody's: A1 S&P: A Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AH6	5,000,000.00 0.00	5,007,290.00 9,033.61	7,290.00	100.146	1.03%
2,325,000.000	AMERICAN EXPRESS FRN Mat: 5/22/18 Cpn: 1.90% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/14/15 St Date: 4/17/15	025816BH1	2,330,342.25 4,410.79	2,331,510.00 4,920.53	1,167.75	100.280	0.48%
3,200,000.000	KEYBANK FRN Mat: 6/1/18 Cpn: 1.84% Moody's: A3 S&P: A- Fitch: A- Tr Date: 5/27/15 St Date: 6/1/15	49327M2L7	3,200,000.00 0.00	3,210,128.00 4,896.29	10,128.00	100.317	0.66%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**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
2,145,000.000	PNC BANK Mat: 6/1/18 Cpn: 1.60% Moody's: A2 S&P: A Fitch: A+ Tr Date: 6/21/17 St Date: 6/26/17	69353REM6	2,147,317.20 2,383.33	2,146,482.20 11,440.00	(835.01)	100.069	0.44%
500,000.000	PNC BANK FRN Mat: 6/1/18 Cpn: 1.74% Moody's: A2 S&P: A Fitch: A+ Tr Date: 8/10/17 St Date: 8/15/17	69353REN4	501,600.00 1,689.35	501,414.50 723.38	(185.50)	100.283	0.10%
750,000.000	BB&T CORPORATION FRN Mat: 6/15/18 Cpn: 2.18% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 8/10/17 St Date: 8/15/17	05531FAP8	754,297.50 2,675.82	753,605.25 726.67	(692.25)	100.481	0.15%
5,700,000.000	CISCO SYSTEMS Mat: 6/15/18 Cpn: 1.65% Moody's: A1 S&P: AA- Fitch: Tr Date: 8/11/17 St Date: 8/16/17	17275RAU6	5,711,364.80 15,936.25	5,707,689.30 27,692.50	(3,675.50)	100.135	1.18%
5,700,000.000	UNITEDHEALTH GROUP Mat: 7/16/18 Cpn: 1.90% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 8/11/17 St Date: 8/16/17	91324PCL4	5,720,976.00 9,025.00	5,715,697.80 22,562.50	(5,278.20)	100.275	1.18%
3,800,000.000	BNY MELLON FRN Mat: 8/1/18 Cpn: 1.87% Moody's: A1 S&P: A Fitch: AA- Tr Date: 8/10/17 St Date: 8/15/17	06406HCM9	3,820,786.00 2,764.27	3,817,753.60 12,044.33	(3,032.40)	100.467	0.79%
4,750,000.000	PRUDENTIAL FINANCIAL FRN Mat: 8/15/18 Cpn: 2.10% Moody's: Baa1 S&P: A Fitch: A- Tr Date: 8/10/17 St Date: 8/15/17	74432QBX2	4,782,775.00 386.99	4,778,324.25 12,991.91	(4,450.75)	100.596	0.98%
500,000.000	CAPITAL ONE FRN Mat: 8/17/18 Cpn: 2.46% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/10/17 St Date: 8/15/17	14042E5W6	504,075.00 2,911.80	503,816.50 1,540.11	(258.50)	100.763	0.10%
3,000,000.000	FIFTH THIRD BANK FRN Mat: 8/20/18 Cpn: 2.23% Moody's: A3 S&P: A- Fitch: A Tr Date: 10/13/15 St Date: 10/16/15	31677QBE8	3,005,250.00 5,903.54	3,018,936.00 7,421.30	13,686.00	100.631	0.62%
3,715,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.92% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	3,733,582.85 9,719.86	3,735,380.49 3,366.81	1,797.64	100.549	0.77%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**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
3,000,000.000	VERIZON COMMUNICATIONS FRN Mat: 9/14/18 Cpn: 3.07% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 4/15/15 St Date: 4/20/15	92343VBM5	3,123,600.00 6,230.18	3,047,475.00 4,347.99	(76,125.00)	101.583	0.63%
1,000,000.000	WELLS FARGO FRN Mat: 9/14/18 Cpn: 1.72% Moody's: A2 S&P: A Fitch: AA- Tr Date: 9/16/14 St Date: 9/23/14	94974BGD6	1,000,000.00 0.00	1,002,995.00 811.83	2,995.00	100.300	0.21%
2,632,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/15/18 Cpn: 1.57% Moody's: A2 S&P: A Fitch: A Tr Date: 1/3/17 St Date: 1/6/17	24422ETN9	2,636,126.86 2,972.35	2,637,698.28 8,743.68	1,571.42	100.217	0.54%
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	730,567.93 8,357.64	(1,566.07)	100.768	0.15%
1,330,000.000	CITIBANK FRN Mat: 11/9/18 Cpn: 1.54% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/3/17 St Date: 5/9/17	17325FAC2	1,330,000.00 0.00	1,331,690.43 3,018.13	1,690.43	100.127	0.27%
1,000,000.000	GOLDMAN SACHS FRN Mat: 11/15/18 Cpn: 2.42% 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	1,009,439.00 3,152.92	(591.00)	100.944	0.21%
3,000,000.000	US BANCORP FRN Mat: 11/15/18 Cpn: 1.81% Moody's: A1 S&P: A+ Fitch: AA Tr Date: 10/21/15 St Date: 10/26/15	91159HHF0	3,000,630.00 4,727.92	3,013,593.00 7,069.58	12,963.00	100.453	0.62%
5,050,000.000	CHEVRON FRN Mat: 11/16/18 Cpn: 1.82% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 11/9/15 St Date: 11/17/15	166764BB5	5,050,000.00 0.00	5,078,507.25 11,770.96	28,507.25	100.565	1.05%
1,000,000.000	AT&T FRN Mat: 11/27/18 Cpn: 2.23% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 7/30/14 St Date: 8/4/14	00206RCB6	1,019,860.00 2,179.54	1,008,122.00 2,041.62	(11,738.00)	100.812	0.21%
890,000.000	CITIGROUP FRN Mat: 12/7/18 Cpn: 2.18% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 12/1/15 St Date: 12/7/15	172967KF7	890,000.00 0.00	895,870.44 1,291.82	5,870.44	100.660	0.18%



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**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
1,100,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 2.16% 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	1,107,763.80 4,559.27	3,638.80	100.706	0.23%
1,430,000.000	CITIBANK FRN Mat: 3/20/19 Cpn: 1.67% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/13/17 St Date: 3/20/17	17325FAB4	1,430,000.00 0.00	1,432,867.15 727.51	2,867.15	100.201	0.29%
1,075,000.000	CATERPILLAR FINANCIAL FRN Mat: 3/22/19 Cpn: 1.60% Moody's: A3 S&P: A Fitch: A Tr Date: 3/20/17 St Date: 3/23/17	14912L6X4	1,075,000.00 0.00	1,077,318.78 430.82	2,318.78	100.216	0.22%
1,280,000.000	BRANCH BANKING & TRUST FRN Mat: 5/1/19 Cpn: 1.84% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAM7	1,280,000.00 0.00	1,286,963.20 3,991.97	6,963.20	100.544	0.27%
1,825,000.000	AMERICAN EXPRESS FRN Mat: 5/3/19 Cpn: 1.64% Moody's: A2 S&P: A- Fitch: A Tr Date: 4/27/17 St Date: 5/3/17	0258M0EJ4	1,825,000.00 0.00	1,830,018.75 4,906.87	5,018.75	100.275	0.38%
1,315,000.000	QUALCOMM FRN Mat: 5/20/19 Cpn: 1.68% Moody's: A1 S&P: A Fitch: Tr Date: 5/19/17 St Date: 5/26/17	747525AN3	1,315,000.00 0.00	1,320,373.09 2,510.63	5,373.09	100.409	0.27%
1,905,000.000	US BANK CINCINNATI FRN Mat: 5/24/19 Cpn: 1.47% Moody's: A1 S&P: AA- Fitch: Tr Date: 5/25/17 St Date: 5/31/17	90331HNE9	1,905,000.00 0.00	1,905,461.01 2,950.33	461.01	100.024	0.39%
720,000.000	BERKSHIRE HATHAWAY FRN Mat: 8/15/19 Cpn: 1.58% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084664CL3	720,000.00 0.00	722,399.04 1,480.50	2,399.04	100.333	0.15%
2,000,000.000	GILEAD SCIENCES FRN Mat: 9/20/19 Cpn: 1.58% Moody's: A3 S&P: A Fitch: Tr Date: 9/14/17 St Date: 9/21/17	375558BQ5	2,000,000.00 0.00	2,004,780.00 875.62	4,780.00	100.239	0.41%
1,775,000.000	FIFTH THIRD BANK FRN Mat: 9/27/19 Cpn: 1.92% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBJ7	1,775,000.00 0.00	1,783,823.53 378.61	8,823.53	100.497	0.37%



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**CALOPTIMA - OPERATING FUND**

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**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
1,915,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/9/19 Cpn: 1.59% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETK5	1,915,000.00 0.00	1,923,441.32 7,016.14	8,441.32	100.441	0.40%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 1.81% 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	1,398,405.33 5,813.72	8,405.33	100.605	0.29%
1,330,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 2.09% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LE9	1,330,000.00 0.00	1,340,347.40 6,421.36	10,347.40	100.778	0.28%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 1.75% 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	1,390,211.76 5,127.36	5,211.76	100.376	0.29%
1,150,000.000	SUNTRUST BANK FRN Mat: 1/31/20 Cpn: 1.84% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAS6	1,150,000.00 0.00	1,157,210.50 3,646.42	7,210.50	100.627	0.24%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 2.11% 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	1,910,054.80 5,343.08	10,054.80	100.529	0.39%
2,645,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 1.86% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	2,648,329.80 6,516.81	2,647,179.48 3,545.69	(1,150.32)	100.082	0.54%
930,000.000	AMERICAN EXPRESS FRN Mat: 3/3/20 Cpn: 1.75% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EF2	930,000.00 0.00	932,445.90 1,172.80	2,445.90	100.263	0.19%
3,845,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 1.83% 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	3,870,726.90 3,903.14	8,236.90	100.669	0.80%
2,755,000.000	AMGEN FRN Mat: 5/11/20 Cpn: 1.76% 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	2,770,152.50 6,865.89	6,492.50	100.550	0.57%



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Portfolio 2480

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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
1,900,000.000	CAPITAL ONE FINL FRN Mat: 5/12/20 Cpn: 2.07% 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	1,910,383.50 5,241.75	541.50	100.547	0.39%
1,930,000.000	PNC BANK FRN Mat: 5/19/20 Cpn: 1.68% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/16/17 St Date: 5/19/17	69353RFD5	1,930,000.00 0.00	1,938,434.10 3,684.80	8,434.10	100.437	0.40%
2,380,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 1.86% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	2,380,000.00 0.00	2,384,200.70 4,931.15	4,200.70	100.177	0.49%
405,000.000	CITIZENS BANK FRN Mat: 5/26/20 Cpn: 1.89% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAK7	405,000.00 0.00	406,002.78 700.63	1,002.78	100.248	0.08%
1,980,000.000	WALT DISNEY CO FRN Mat: 6/5/20 Cpn: 1.51% Moody's: A2 S&P: A+ Fitch: A Tr Date: 6/1/17 St Date: 6/6/17	25468PDT0	1,980,000.00 0.00	1,982,475.00 2,153.74	2,475.00	100.125	0.41%
1,185,000.000	HOME DEPOT FRN Mat: 6/5/20 Cpn: 1.47% Moody's: A2 S&P: A Fitch: Au Tr Date: 5/24/17 St Date: 6/5/17	437076BR2	1,185,000.00 0.00	1,187,919.84 1,254.75	2,919.84	100.246	0.24%
1,595,000.000	BB&T CORPORATION FRN Mat: 6/15/20 Cpn: 1.89% 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	1,605,016.60 1,339.80	(319.00)	100.628	0.33%
1,115,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 6/22/20 Cpn: 1.61% Moody's: A2 S&P: A Fitch: A Tr Date: 6/19/17 St Date: 6/22/17	24422ETR0	1,115,000.00 0.00	1,117,273.49 449.64	2,273.49	100.204	0.23%
1,325,000.000	GOLDMAN SACHS FRN Mat: 12/27/20 Cpn: 2.06% 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	1,330,749.18 303.24	5,749.18	100.434	0.27%
1,895,000.000	IBM FRN Mat: 1/20/21 Cpn: 1.58% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/5/17 St Date: 9/8/17	44932HAE3	1,895,000.00 0.00	1,895,879.28 1,909.53	879.28	100.046	0.39%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,000,000.000	APPLE FRN Mat: 2/23/21 Cpn: 2.44% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 8/17/17 St Date: 8/22/17	037833BT6	2,064,240.00 11,710.89	2,062,328.00 5,296.29	(1,912.00)	103.116	0.42%
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 1.87% 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	1,331,553.44 1,379.67	1,553.44	100.117	0.27%
3,900,000.000	BANK OF AMERICA FRN Mat: 7/21/21 Cpn: 1.97% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 7/18/17 St Date: 7/21/17	06051GGN3	3,901,790.00 1,530.06	3,910,783.50 15,344.32	8,993.50	100.277	0.81%
1,785,000.000	BANK OF AMERICA FRN Mat: 10/1/21 Cpn: 1.97% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 9/13/17 St Date: 9/18/17	06051GGU7	1,785,000.00 0.00	1,791,163.61 1,270.54	6,163.61	100.345	0.37%
1,485,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.49% 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	1,506,606.75 7,488.80	21,606.75	101.455	0.31%
880,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.24% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	880,000.00 0.00	888,597.60 2,791.50	8,597.60	100.977	0.18%
1,360,000.000	WALT DISNEY CO FRN Mat: 3/4/22 Cpn: 1.71% Moody's: A2 S&P: A+ Fitch: A Tr Date: 3/1/17 St Date: 3/6/17	25468PDS2	1,360,000.00 0.00	1,370,941.20 1,675.78	10,941.20	100.805	0.28%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.27% 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	1,330,875.14 1,675.22	875.14	100.066	0.27%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.27% 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	1,333,884.13 5,692.42	8,884.13	100.671	0.28%
2,825,000.000	APPLE FRN Mat: 5/11/22 Cpn: 1.66% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/17 St Date: 5/11/17	037833CP3	2,825,000.00 0.00	2,844,291.93 6,640.14	19,291.93	100.683	0.59%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,385,000.000	INTEL FRN Mat: 5/11/22 Cpn: 1.66% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/8/17 St Date: 5/11/17	458140BC3	3,391,480.00 921.76	3,396,657.94 7,956.41	5,177.94	100.344	0.70%
2,000,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 1.69% Moody's: A1 S&P: A+ Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	2,010,180.00 564.72	2,007,078.00 4,329.55	(3,102.00)	100.354	0.41%
3,390,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 5/18/22 Cpn: 1.93% 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	3,400,159.83 7,982.84	4,639.83	100.300	0.70%
<b>Total for Credit</b>			<b>144,084,364.86 134,299.69</b>	<b>144,260,189.95 354,317.10</b>	<b>175,825.09</b>		<b>29.69%</b>

**Mortgage-Backed**

479,214.953	NGN 2010-R2 1A 1MOFRN NCUA GNTD Mat: 11/6/17 Cpn: 1.60% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/17/16 St Date: 8/22/16	62888UAA8	479,364.71 201.88	479,304.09 512.58	(60.62)	100.019	0.10%
839,912.643	FHMS K701 A2 CMBS Mat: 11/25/17 Cpn: 3.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/16/16 St Date: 11/21/16	3137A7JU5	855,661.01 1,811.41	839,956.32 2,717.12	(15,704.69)	100.005	0.17%
1,160,981.375	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/20/16 St Date: 10/25/16	3136A7L26	1,164,972.25 1,171.04	1,160,150.11 1,463.80	(4,822.14)	99.928	0.24%
3,030,000.000	FMPRE 2017-TK01A 1MOFRN CMBS Mat: 2/25/20 Cpn: 1.56% 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	3,038,311.29 785.84	8,311.29	100.274	0.62%
111,052.948	NGN 2011-R4 1A 1MOFRN NCUA GNTD Mat: 3/6/20 Cpn: 1.61% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	62889FAA0	111,096.33 45.01	111,054.61 119.28	(41.71)	100.002	0.02%
3,297,222.500	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 1.64% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	3,311,708.69 504.00	3,297,951.19 2,847.16	(13,757.50)	100.022	0.68%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
249,051.300	FHMS KF02 A1 1MOFRN CMBS Mat: 7/25/20 Cpn: 1.61% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/19/15 St Date: 11/24/15	3137B5J79	249,051.30 119.74	249,266.73 66.90	215.43	100.087	0.05%
5,872,680.629	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 1.79% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	5,893,785.57 2,483.02	5,909,690.26 7,012.41	15,904.70	100.630	1.21%
<b>Total for Mortgage-Backed</b>			<b>15,095,639.84 6,336.11</b>	<b>15,085,684.60 15,525.09</b>	<b>(9,955.24)</b>		<b>3.10%</b>
<b>Asset-Backed</b>							
1,153,231.756	JOHN DEERE 2017-A A1 EQP Mat: 3/15/18 Cpn: 0.88% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 2/22/17 St Date: 3/2/17	47787XAA5	1,153,231.76 0.00	1,152,632.08 451.04	(599.68)	99.948	0.24%
361,820.165	BMW 2017-1 A1 LEASE Mat: 3/20/18 Cpn: 1.00% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/15/17 St Date: 3/22/17	055657AA8	361,820.16 0.00	361,822.34 110.56	2.17	100.001	0.07%
2,000,847.548	MERCEDES 2017-A A1 LEASE Mat: 4/16/18 Cpn: 1.15% Moody's: S&P: A-1+ Fitch: F1+ Tr Date: 4/19/17 St Date: 4/26/17	58769DAA8	2,000,847.55 0.00	2,000,553.42 1,022.66	(294.12)	99.985	0.41%
693,278.131	NISSAN 2017-A A1 CAR Mat: 4/16/18 Cpn: 1.00% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/21/17 St Date: 3/28/17	654747AA2	693,278.13 0.00	693,282.98 308.12	4.85	100.001	0.14%
920,252.927	DRIVE 2017-1 A1 CAR Mat: 7/16/18 Cpn: 1.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 6/21/17 St Date: 6/28/17	26208EAA2	920,252.93 0.00	920,258.45 552.15	5.52	100.001	0.19%
2,357,241.380	JOHN DEERE 2017-B A1 EQP Mat: 7/16/18 Cpn: 1.35% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 7/11/17 St Date: 7/18/17	47788BAA2	2,357,241.38 0.00	2,357,309.74 1,414.34	68.36	100.003	0.48%
3,272,315.517	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	3,272,315.52 0.00	3,272,394.05 1,847.04	78.54	100.002	0.67%



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**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
4,570,000.000	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	4,570,000.00 0.00	4,570,123.39 1,787.38	123.39	100.003	0.94%
635,309.150	TOYOTA 2016-B A2A CAR Mat: 10/15/18 Cpn: 1.02% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/14/17 St Date: 9/18/17	89231UAB3	635,011.35 54.00	634,973.07 288.01	(38.28)	99.947	0.13%
11,000,000.000	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	11,000,000.00 0.00	11,000,297.00 782.22	297.00	100.003	2.26%
<b>Total for Asset-Backed</b>			<b>26,963,998.77 54.00</b>	<b>26,963,646.52 8,563.52</b>	<b>(352.25)</b>		<b>5.54%</b>
<b>Grand Total</b>			<b>485,854,028.58 447,708.83</b>	<b>486,094,734.04 978,930.90</b>	<b>240,705.46</b>		<b>100.00%</b>



# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>CASH &amp; CASH EQUIVALENTS</b>												
<b>ASSET BACKED</b>												
055657AA8	BMW VEHICLE LEASE TRUST	1.000	3/20/2018	10/20/2017		577,373	577,372.560	.058	.057	.998	.12%	577,373.20
<b>ASSET BACKED TOTALS</b>							<b>577,372.560</b>					<b>577,373.20</b>
<b>CASH</b>												
06371ELH8	BANK OF MONTREAL IN	1.270	10/24/2017	10/24/2017	A-1	8,000,000	8,000,000.000	.069	.068	1.268	1.64%	8,000,000.00
06417GQV3	BANK OF NOVA SCOTIA/HOUSTON	1.617	11/16/2017	11/16/2017	P-1	10,000,000	10,003,152.600	.133	.131	1.372	2.05%	10,003,152.60
06538N5Q6	BANK TOKYO-MITSUBIS	1.630	7/6/2018	7/6/2018	F1	2,000,000	2,000,000.000	.778	.761	1.624	.41%	2,000,000.00
05582WG99	BNP PARIBAS NY BRH	1.150	11/1/2017	11/1/2017	A-1	10,000,000	10,000,000.000	.092	.090	1.150	2.05%	10,000,000.00
05582WZS6	BNP PARIBAS NY BRH C/D	1.450	1/22/2018	1/22/2018	A-1	2,000,000	2,000,000.000	.319	.313	1.446	.41%	2,000,000.00
17305TSH6	CITIBANK NA NY INST	1.320	11/27/2017	11/27/2017	P-1	2,000,000	2,000,000.000	.164	.161	1.317	.41%	2,000,000.00
22534HQ38	CREDIT AGRICOLE COR	1.170	10/18/2017	10/18/2017	F1	15,000,000	15,000,000.000	.053	.052	1.170	3.08%	15,000,000.00
30229AX38	EXXON CORP DISC D	0.000	10/3/2017	10/3/2017	A-1+	6,000,000	5,999,630.000	.011	.011	.555	1.23%	5,999,630.00
30229AX46	EXXON CORP DISC D	0.000	10/4/2017	10/4/2017	A-1+	12,000,000	11,998,900.000	.014	.014	.660	2.46%	11,998,900.00
313385NA0	FEDERAL HOME LN BK CONS 0.0 16OCT17	0.000	10/16/2017	10/16/2017	Agency	15,000,000	14,993,625.000	.047	.046	.901	3.08%	14,993,625.00
313385NC6	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	10/18/2017	10/18/2017	Agency	15,000,000	14,992,775.000	.053	.052	.913	3.08%	14,992,775.00
313385NS1	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	11/1/2017	11/1/2017	Agency	10,000,000	9,991,388.860	.089	.090	.940	2.05%	9,991,388.86
313385MX1	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	10/13/2017	10/13/2017	Agency	15,000,000	14,994,910.020	.039	.038	.873	3.08%	14,994,910.02
313385NK8	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	10/25/2017	10/25/2017	Agency	9,000,000	8,993,849.990	.072	.071	.947	1.85%	8,993,849.99
313385MV5	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	10/11/2017	10/11/2017	Agency	6,000,000	5,998,308.320	.033	.033	.846	1.23%	5,998,308.32
45818LNK2	IADB DISCOUNT NOTES	0.000	10/25/2017	10/25/2017	A-1+	12,000,000	11,991,760.010	.072	.071	.877	2.46%	11,992,404.00
46640PY64	J P MORGAN SEC DIS D	0.000	11/6/2017	11/6/2017	P-1	4,000,000	3,994,600.000	.103	.103	1.281	.82%	3,994,600.00
46640PX24	J P MORGAN SECS DI D	0.000	10/2/2017	10/2/2017	P-1	7,000,000	6,999,766.750	.008	.008	.401	1.44%	6,999,766.75
60683BBF9	MTSUBISHI TR & BKG	1.210	10/20/2017	10/20/2017	F1	15,000,000	15,000,000.000	.058	.057	1.210	3.08%	15,000,000.00
60700AAV6	MIZUHO BANK C/D	1.350	11/17/2017	11/17/2017	F1	5,000,000	5,000,544.920	.136	.133	1.263	1.03%	5,000,544.92
63873FY93	NATIXIS SA/NEW YORK NY	1.801	11/1/2017	11/1/2017	A-1	5,500,000	5,502,310.520	.092	.090	1.338	1.13%	5,502,310.52
65602UWN4	NORINCHUKIN BK C/D	1.200	11/1/2017	11/1/2017	A-1	14,000,000	14,000,000.000	.092	.090	1.200	2.87%	14,000,000.00
69372AX49	PACCAR FINL CORP D D	0.000	10/4/2017	10/4/2017	A-1	10,000,000	9,999,058.400	.014	.014	.678	2.05%	9,999,058.40
69372AXH0	PACCAR FINL CORP D D	0.000	10/17/2017	10/17/2017	A-1	6,900,000	6,896,534.640	.050	.049	1.005	1.41%	6,896,534.64
74433GXT8	PRUDENTIAL FDG DIS D	0.000	10/27/2017	10/27/2017	P-1	10,000,000	9,991,911.110	.078	.076	1.041	2.05%	9,991,911.11
86563YHT3	SUMITOMO MITSUI BKG	1.420	10/17/2017	10/17/2017	F1	4,000,000	4,000,291.460	.050	.049	1.257	.82%	4,000,291.46
86563YJ95	SUMITOMO MITSUI BKG INSTL C/D	1.200	10/6/2017	10/6/2017	F1	15,000,000	14,999,936.380	.019	.019	1.221	3.08%	14,999,936.38
89113XFD1	TORONTO-DOMINION BK	1.180	10/16/2017	10/16/2017	A-1+	15,000,000	15,000,000.000	.047	.046	1.179	3.08%	15,000,000.00
90275DFR6	UBS AG STAMFORD BRH	1.600	2/21/2018	2/21/2018	F1	4,125,000	4,126,803.960	.403	.394	1.476	.85%	4,126,803.96
NA9123459	US DOLLARS	1.232	10/2/2017		Agency	975,653	975,652.640	0.000	-	1.232	.20%	975,652.64
USD120030	USD INTEREST RECEIVABLE	-				1,545,487	0.000	-	-	-	.32%	1,545,486.51
93884EXC4	WASHINGTON GAS/LT D	0.000	10/12/2017	10/12/2017	F1	13,000,000	12,995,551.070	.036	.035	.948	2.67%	12,995,551.07
<b>CASH TOTALS</b>							<b>278,441,261.650</b>					<b>279,987,392.15</b>
<b>CASH &amp; CASH EQUIVALENTS TOTALS</b>							<b>279,018,634.210</b>					<b>280,564,765.35</b>
<b>FIXED INCOME</b>												
<b>AGENCIES</b>												
3133EFC7	FEDERAL FARM CREDIT BANKS	1.291	9/18/2018	9/18/2018	Agency	5,000,000	4,998,982.130	.972	.218	1.194	1.03%	5,005,975.50
<b>AGENCIES TOTALS</b>							<b>4,998,982.130</b>					<b>5,005,975.50</b>



# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2017

## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>ASSET BACKED</b>												
02582JGY0	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2014-3	1.524	5/15/2020	10/16/2017	AAA	6,000,000	6,006,823.400	.047	.046	1.268	1.23%	6,000,723.60
02587TAA1	AMERICAN EXPRESS ISSUANCE TRUST II	1.514	2/15/2019	3/15/2018	AAA	10,000,000	10,009,199.700	.464	.047	1.259	2.05%	10,011,859.00
161571FT6	CHASE ISSUANCE TRUST	1.494	12/16/2019	12/15/2017	AAA	7,830,000	7,834,699.350	.214	.046	1.340	1.61%	7,832,619.92
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.736	1/21/2020	1/22/2018	Aaa	2,160,000	2,159,489.890	.308	.057	1.450	.44%	2,162,324.16
36159LCN4	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.686	10/20/2019	10/20/2017	Aaa	3,610,000	3,607,812.690	.058	.057	1.343	.74%	3,610,721.64
47787XAA5	JOHN DEERE OWNER TRUST 2017	.880	3/15/2018	12/15/2017		932,532	932,532.410	.119	.116	1.332	.19%	932,037.14
65478TAD4	NISSAN AUTO LEASE TRUST 2015-B	1.540	4/16/2018	10/15/2017	Aaa	206,568	206,626.650	.044	.044	1.412	.04%	206,579.27
<b>ASSET BACKED TOTALS</b>							<b>30,757,184.090</b>					<b>30,756,864.73</b>
<b>CMBS</b>												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	1.621	4/25/2020	12/25/2019	Agency	3,345,261	3,347,132.600	1.681	.073	1.424	.69%	3,350,223.59
3136ANMF1	FANNIE MAE-ACES	1.445	11/25/2018	11/25/2018	Agency	6,075,162	6,073,404.580	.907	.071	1.249	1.25%	6,078,020.55
3136ANA98	FANNIE MAE-ACES	1.528	3/25/2019	3/25/2019	Agency	7,682,924	7,684,908.830	1.216	.071	1.427	1.58%	7,682,808.89
3136ALYC9	FANNIE MAE-ACES	1.637	11/25/2017	11/25/2017	Agency	5,131	5,131.460	.138	.138	2.312	0%	5,120.95
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	1,093,451	1,093,797.420	.357	.355	1.402	.22%	1,092,600.96
3137ABFV8	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	3.154	2/25/2018	2/25/2018	Agency	4,086,088	4,108,135.370	.354	.351	2.099	.84%	4,092,809.62
<b>CMBS TOTALS</b>							<b>22,312,510.260</b>					<b>22,301,584.56</b>
<b>CMOS</b>												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	1.681	1/8/2020		Aaa	3,680,965	3,695,481.440	2.050	.082	.610	.76%	3,691,876.18
62889FAA0	NCUA GUARANTEED NOTES TRUST 2011-R4	1.611	3/6/2020		Agency	27,964	27,968.350	0.000	.082	0.000	.01%	27,963.89
<b>CMOS TOTALS</b>							<b>3,723,449.790</b>					<b>3,719,840.07</b>
<b>CORPORATES</b>												
025816BH1	AMERICAN EXPRESS CO	1.905	5/22/2018	5/22/2018	A3	1,000,000	1,000,597.770	.650	.148	1.511	.21%	1,002,704.47
037833AG5	APPLE INC	1.561	5/3/2018	5/3/2018	Aa1	1,500,000	1,500,355.610	.597	.097	1.267	.31%	1,502,107.50
060505DP6	BANK OF AMERICA CORP	5.750	12/1/2017	12/1/2017	BBB+	9,950,000	10,017,849.900	.172	.171	1.713	2.06%	10,018,431.22
073902PR3	BEAR STEARNS COS LLC/THE	6.400	10/2/2017	10/2/2017	A-	5,100,000	5,100,682.340	.008	.008	6.205	1.05%	5,100,000.00
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	2.010	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	1.464	.216	1.330	.33%	1,616,517.95
14912L6Q9	CATERPILLAR FINANCIAL SERVICES CORP	2.014	2/23/2018	2/23/2018	A	1,215,000	1,215,000.000	.403	.150	1.393	.25%	1,218,233.63
166764AX8	CHEVRON CORP	1.671	11/9/2017	11/9/2017	AA-	1,250,000	1,250,000.000	.114	.112	1.302	.26%	1,250,520.20
166764BC3	CHEVRON CORP	1.344	11/9/2017	11/9/2017	AA-	5,430,000	5,430,253.880	.111	.112	1.357	1.11%	5,429,879.67
172967JQ5	CITIGROUP INC	2.007	4/27/2018	4/27/2018	BBB+	2,340,000	2,338,568.370	.578	.077	1.601	.48%	2,345,942.10
172967EM9	CITIGROUP INC	6.125	11/21/2017	11/21/2017	BBB+	7,000,000	7,044,080.360	.144	.144	1.941	1.44%	7,041,756.33
30231GAS1	EXXON MOBIL CORP	1.917	2/28/2018	2/28/2018	AA+	2,355,000	2,355,000.000	.422	.169	1.297	.48%	2,361,250.17
38141EC49	GOLDMAN SACHS GROUP INC/THE	2.120	12/15/2017	12/15/2017	A3	4,900,000	4,900,116.490	.214	.210	1.515	1.01%	4,906,309.88
24422ESU4	JOHN DEERE CAPITAL CORP	1.594	1/16/2018	1/16/2018	A	1,309,000	1,308,246.440	.297	.046	1.411	.27%	1,309,931.71
61744YAD0	MORGAN STANLEY	5.950	12/28/2017	12/28/2017	A3	8,000,000	8,082,961.250	.247	.245	1.789	1.66%	8,081,410.48
713448DB1	PEPSICO INC	1.000	10/13/2017	10/13/2017	A1	5,052,000	5,051,584.600	.039	.038	1.140	1.04%	5,051,714.87
717081DF7	PFIZER INC	1.620	6/15/2018	6/15/2018	A+	500,000	500,452.400	.719	.215	1.368	.10%	500,937.09
94974BFK1	WELLS FARGO & CO	1.942	4/23/2018	4/23/2018	A	1,052,000	1,052,621.920	.567	.066	1.415	.22%	1,055,363.05
<b>CORPORATES TOTALS</b>							<b>59,748,371.330</b>					<b>59,793,010.32</b>

# CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2017



## Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
<b>FIXED INCOME (Continued)</b>												
<b>US TREASURIES</b>												
912828M23	UNITED STATES TREASURY FLOATING RATE NOTE	1.221	10/31/2017	10/31/2017	Govt	6,300,000	6,300,330.940	.089	.011	1.071	1.29%	6,300,845.15
912828F54	UNITED STATES TREASURY NOTE/BOND	.875	10/15/2017	10/16/2017	Govt	16,000,000	15,998,528.450	.044	.046	1.000	3.28%	15,999,095.68
912828TS9	UNITED STATES TREASURY NOTE/BOND	.625	9/30/2017	10/2/2017	Govt	15,000,000	15,000,000.020	.003	.008	.623	3.08%	15,000,000.00
912828PF1	UNITED STATES TREASURY NOTE/BOND	1.875	10/31/2017	10/31/2017	Govt	23,000,000	23,014,877.780	.087	.087	1.135	4.72%	23,014,607.99
912828PA2	UNITED STATES TREASURY NOTE/BOND	1.875	9/30/2017	10/2/2017	Govt	25,000,000	25,000,000.100	.003	.008	1.858	5.13%	25,000,000.00
<b>US TREASURIES TOTALS</b>							<b>85,313,737.290</b>					<b>85,314,548.82</b>
<b>FIXED INCOME TOTALS</b>							<b>206,854,234.890</b>					<b>206,891,824.00</b>
<b>PORTFOLIO TOTALS</b>							<b>485,872,869.100</b>					<b>487,456,589.35</b>

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HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DL0	US0258M0DL06	0258M0DL0	1.20%	\$9,060,728.89
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DW6	US0258M0DW60	0258M0DW6	0.20%	\$1,510,715.37
AMERICAN HONDA FINANCE CORP	HNDA	02665WAQ4	US02665WAQ42	02665WAQ4	1.20%	\$9,045,820.00
AMXCA 131 A	AMXCA	02587AAG9	US02587AAG94	02587AAG9	0.61%	\$4,607,912.05
AMXCA 132 A	AMXCA	02582JGG9	US02582JGG94	02582JGG9	0.17%	\$1,295,979.03
APPLE INC	AAPL	037833AG5	US037833AG56	037833AG5	0.66%	\$5,019,812.92
BANK OF AMERICA NA	BAC	06050TLY6	US06050TLY63	06050TLY6	1.14%	\$8,657,933.49
BANK OF NEW YORK MELLON CORP	BK	06406HCJ6	US06406HCJ68	06406HCJ6	0.30%	\$2,301,411.05
BANK OF NEW YORK MELLON CORP	BK	06406HDC0	US06406HDC07	06406HDC0	0.72%	\$5,422,674.72
BB&T CORP	BBT	05531FAM5	US05531FAM59	05531FAM5	1.06%	\$8,021,575.56
BB&T CORP	BBT	05531FAP8	US05531FAP80	05531FAP8	0.20%	\$1,498,467.50
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664BE0	US084664BE04	084664BE0	0.74%	\$5,600,402.21
Cafco, LLC	C	1247P3B19	US1247P3B195	1247P3B19	0.66%	\$4,976,458.35
CALIFORNIA ST	CA	13063DAA6	US13063DAA63	13063DAA6	0.66%	\$5,019,343.33
CAPITAL ONE NA	COF	14042E5W6	US14042E5W63	14042E5W6	0.17%	\$1,263,242.77
Cash	---	CCYUSD	---	CCYUSD	-16.60%	-\$125,537,554.27
CCCIT 17A1 A1	CCCIT	17305EFZ3	US17305EFZ34	17305EFZ3	0.38%	\$2,907,460.10
CHAIT 145 A	CHAIT	161571GN8	US161571GN89	161571GN8	0.29%	\$2,186,119.65
CHARLES SCHWAB CORP	SCHW	808513AJ4	US808513AJ47	808513AJ4	0.79%	\$5,938,257.87
CHARLES SCHWAB CORP	SCHW	808513AK1	US808513AK10	808513AK1	0.05%	\$400,482.40
Chevron Corporation	CVX	16677JXQ4	US16677JXQ48	16677JXQ4	0.16%	\$1,213,078.54
CISCO SYSTEMS INC	CSCO	17275RAY8	US17275RAY80	17275RAY8	0.40%	\$3,008,839.33
CITIGROUP INC	C	172967JV4	US172967JV44	172967JV4	0.76%	\$5,751,952.32
COMCAST CORP	CMCSA	20030NAU5	US20030NAU54	20030NAU5	0.42%	\$3,180,808.92
COMCAST CORP	CMCSA	20030NAR2	US20030NAR26	20030NAR2	0.27%	\$2,047,019.89
COMCAST CORP	CMCSA	20030NAW1	US20030NAW11	20030NAW1	0.42%	\$3,140,686.00
COMET 143A A	COMET	14041NER8	US14041NER89	14041NER8	1.03%	\$7,788,260.42
CRC Funding, LLC	C	12619TY32	US12619TY326	12619TY32	1.32%	\$9,987,895.80
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.20%	\$1,512,088.83
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAW7	US22546QAW78	22546QAW7	0.93%	\$7,049,213.93
EXXON MOBIL CORP	XOM	30231GAM4	US30231GAM42	30231GAM4	0.17%	\$1,267,780.53
EXXON MOBIL CORP	XOM	30231GAS1	US30231GAS12	30231GAS1	0.66%	\$5,022,057.26
FEDERAL FARM CREDIT BANKS	FFCB	313313XK9	US313313XK99	313313XK9	0.66%	\$4,960,500.00
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EFKM8	US3133EFKM86	3133EFKM8	1.59%	\$12,035,115.33
FEDERAL HOME LOAN BANKS	FHLB	3130AAQ43	US3130AAQ433	3130AAQ43	1.32%	\$10,003,110.00
FEDERAL HOME LOAN BANKS	FHLB	313385NS1	US313385NS13	313385NS1	1.32%	\$9,991,670.00
FEDERAL HOME LOAN BANKS	FHLB	313385XL5	US313385XL59	313385XL5	0.52%	\$3,968,268.00
FEDERAL HOME LOAN BANKS	FHLB	313385YV2	US313385YV23	313385YV2	0.65%	\$4,952,605.00
FEDERAL HOME LOAN BANKS	FHLB	313385TR7	US313385TR75	313385TR7	2.63%	\$19,908,120.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0PQ0	US3135G0PQ06	3135G0PQ0	0.20%	\$1,505,481.54
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	35.98%	\$272,083,994.58
FIFTH THIRD BANK	FITB	31677QAV1	US31677QAV14	31677QAV1	0.66%	\$5,004,290.83

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FITAT 171 A2B	FITAT	31679RAC9	US31679RAC97	31679RAC9	0.30%	\$2,251,359.98
FREDDIE MAC	FHLMC	3137EADN6	US3137EADN69	3137EADN6	0.66%	\$5,002,384.17
GENERAL ELECTRIC CAPITAL CORP	GE	36962G7F5	US36962G7F52	36962G7F5	0.10%	\$752,169.32
GOLDMAN SACHS GROUP INC	GS	38141GFM1	US38141GFM15	38141GFM1	0.14%	\$1,052,600.00
GOLDMAN SACHS GROUP INC	GS	38141EB73	US38141EB735	38141EB73	0.27%	\$2,024,982.00
GOLDMAN SACHS GROUP INC	GS	38141EC49	US38141EC493	38141EC49	0.56%	\$4,263,487.37
HSBC USA INC	HSBC	40428HPQ9	US40428HPQ91	40428HPQ9	0.48%	\$3,637,429.80
HSBC USA INC	HSBC	40428HPU0	US40428HPU04	40428HPU0	0.40%	\$3,019,062.33
HSBC USA INC (NEW)	HSBC	40428HPH9	US40428HPH92	40428HPH9	0.36%	\$2,760,335.65
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BZ0	US4581X0BZ00	4581X0BZ0	1.61%	\$12,158,557.87
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CK2	US4581X0CK22	4581X0CK2	2.65%	\$20,013,046.67
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CL0	US4581X0CL05	4581X0CL0	1.33%	\$10,060,939.44
INTER-AMERICAN DEVELOPMENT BANK	IADB	45818WAY2	US45818WAY21	45818WAY2	2.95%	\$22,312,133.08
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	459058DN0	US459058DN09	459058DN0	0.67%	\$5,031,815.00
INTERNATIONAL FINANCE CORP	IFC	45950KCA6	US45950KCA60	US45950KCA60	0.66%	\$5,017,027.50
INTERNATIONAL FINANCE CORP	IFC	45950KBV1	US45950KBV17	45950KBV1	0.37%	\$2,775,494.26
INTERNATIONAL FINANCE CORP	IFC	45950VKP0	US45950VKP03	45950VKP0	0.29%	\$2,211,982.48
INTERNATIONAL FINANCE CORP	IFC	45950VFH4	US45950VFH42	45950VFH4	1.06%	\$8,006,473.46
JOHN DEERE CAPITAL CORP	DE	24422ETN9	US24422ETN93	24422ETN9	0.27%	\$2,010,840.98
JPMORGAN CHASE BANK NA	JPM	48121CYK6	US48121CYK60	48121CYK6	1.40%	\$10,609,000.00
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAA8	US55279HAA86	55279HAA8	0.13%	\$1,000,786.67
MBALT 17A A2B	MBALT	58769DAC4	US58769DAC48	58769DAC4	0.87%	\$6,583,630.53
Microsoft Corporation	MSFT	59515MY25	US59515MY259	59515MY25	0.40%	\$2,996,846.49
MORGAN STANLEY	MS	61744YAD0	US61744YAD04	61744YAD0	0.31%	\$2,333,119.05
MORGAN STANLEY	MS	6174467V5	US6174467V53	6174467V5	0.33%	\$2,527,661.69
MORGAN STANLEY	MS	61746BDS2	US61746BDS25	61746BDS2	0.27%	\$2,021,287.92
MORGAN STANLEY	MS	61746BDY9	US61746BDY92	61746BDY9	0.07%	\$509,395.77
MUFG UNION BANK NA	UNBC	90521APJ1	US90521APJ15	90521APJ1	0.73%	\$5,548,095.21
NALT 17A A2B	NALT	65479AAC6	US65479AAC62	65479AAC6	0.46%	\$3,504,957.50
NAROT 17B A2B	NAROT	65478GAC4	US65478GAC42	65478GAC4	0.33%	\$2,501,588.96
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	NRUC	63743HEP3	US63743HEP38	63743HEP3	0.16%	\$1,237,933.07
Old Line Funding, LLC	OLDLLC	67983TZ58	US67983TZ582	67983TZ58	1.32%	\$9,975,768.30
Old Line Funding, LLC	OLDLLC	67983TZF6	US67983TZF64	67983TZF6	1.05%	\$7,977,447.52
Payable	---	CCYUSD	---	CCYUSD	-6.06%	-\$45,829,742.33
PEPSICO INC	PEP	713448CU0	US713448CU00	713448CU0	0.55%	\$4,164,669.42
Pfizer Inc.	PFE	71708EYF6	US71708EYF68	71708EYF6	0.92%	\$6,989,755.29
Pfizer Inc.	PFE	71708EYL3	US71708EYL37	71708EYL3	0.40%	\$2,995,125.00
PNC BANK NA	PNC	69353REJ3	US69353REJ32	69353REJ3	0.25%	\$1,893,132.36
PNC BANK NA	PNC	69353REM6	US69353REM60	69353REM6	0.57%	\$4,330,564.53
PNC BANK NA	PNC	69353REN4	US69353REN44	69353REN4	0.16%	\$1,237,145.77
QUALCOMM INC	QCOM	747525AL7	US747525AL72	747525AL7	0.51%	\$3,894,500.65
QUALCOMM INC	QCOM	747525AH6	US747525AH60	747525AH6	0.15%	\$1,153,647.48
Receivable	---	CCYUSD	---	CCYUSD	3.89%	\$29,444,718.33

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STATE STREET CORP	STT	857477AK9	US857477AK94	857477AK9	0.40%	\$3,012,348.00
TAOT 17C A2B	TAOT	89237RAC2	US89237RAC25	89237RAC2	0.99%	\$7,504,491.72
The Walt Disney Company	DIS	2546R2XS0	US2546R2XS08	2546R2XS0	0.66%	\$4,995,732.50
Thunder Bay Funding, LLC	TBLLC	88602TYF4	US88602TYF47	88602TYF4	1.65%	\$12,479,160.13
Toyota Motor Credit Corporation	TOYOTA	89233GZJ8	US89233GZJ83	89233GZJ8	0.92%	\$6,980,617.77
UNITED STATES TREASURY	UST	912828RT9	US912828RT95	912828RT9	0.27%	\$2,008,695.80
UNITED STATES TREASURY	UST	912828UA6	US912828UA67	912828UA6	0.24%	\$1,852,464.96
UNITED STATES TREASURY	UST	912828UE8	US912828UE89	912828UE8	1.32%	\$10,009,143.80
UNITED STATES TREASURY	UST	912828UJ7	US912828UJ76	912828UJ7	2.65%	\$20,010,043.70
UNITED STATES TREASURY	UST	912828UR9	US912828UR92	912828UR9	2.64%	\$19,975,345.30
UNITED STATES TREASURY	UST	912828UZ1	US912828UZ19	912828UZ1	0.13%	\$998,946.49
UNITED STATES TREASURY	UST	912828VQ0	US912828VQ01	912828VQ0	1.99%	\$15,039,428.64
UNITED STATES TREASURY	UST	912828G79	US912828G799	912828G79	0.86%	\$6,517,301.83
UNITED STATES TREASURY	UST	912828L40	US912828L401	912828L40	2.97%	\$22,430,834.75
UNITED STATES TREASURY	UST	912828M72	US912828M722	912828M72	1.33%	\$10,025,735.74
UNITED STATES TREASURY	UST	912828N55	US912828N555	912828N55	3.31%	\$25,053,854.35
UNITED STATES TREASURY	UST	912828C3	US912828C37	912828C3	5.26%	\$39,806,930.61
US BANK NA	USB	90331HMU4	US90331HMU40	90331HMU4	0.27%	\$2,005,178.44
US BANK NA	USB	90331HNE9	US90331HNE98	90331HNE9	0.93%	\$7,010,827.13

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

The Russell Indices<sup>®</sup>, TM, SM are trademarks/service marks of the Frank Russell Company.

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.



LOS ANGELES | BOSTON | LONDON | PARIS

## CalOptima Investment Advisory Committee Meeting

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*October 30, 2017*

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

(213) 830-4247  
ajoshi@payden.com

**Jeffrey C. Cleveland**  
*Principal*

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**Darren T. Marco**  
*Vice President*

(213) 830-4643  
dmarco@payden.com

# Firm Update



## Independence

- US Corporation – Privately Held
- 21 Shareholders – All Active in the Management of the Firm
- Conflict-free, Headline-free

## Tenure and Stability

- Established in 1983 – Three Decades of Experience
- Exceptionally Low Turnover
- Strategy leaders in place for multiple years

## Client Focused

- Tailored Mandates and Reporting to Client-Specified Parameters
- Investment Management is our Only Source of Revenue
- 100% Transparency to Investment Process and Research

## Size

- \$116 Billion in Assets Under Management
- A leader in large balance sheet relationships

### Advising the World's Leading Institutions and Individual Investors

**\$116**  
BILLION  
AUM

**34**  
ACCOUNTS  
OVER  
\$1BILLION

**370**  
CLIENT  
RELATIONSHIPS

**25**  
YEARS  
AVERAGE TENURE OF  
MANAGEMENT TEAM

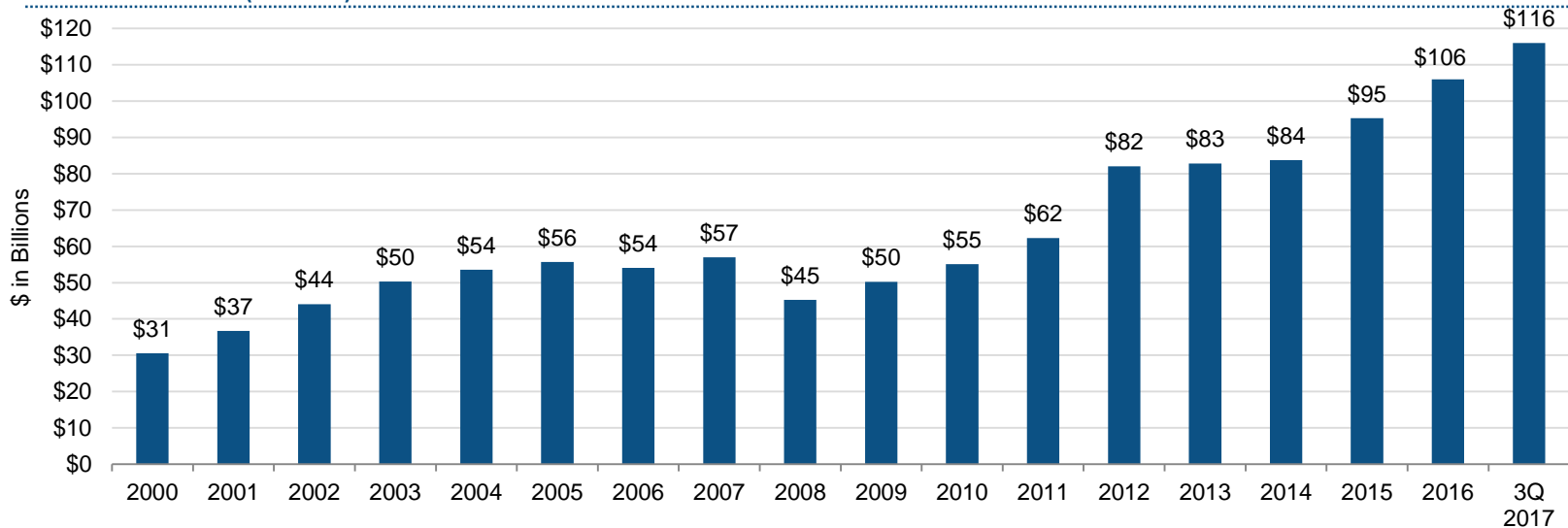
**\$200-400**  
MILLION  
AVERAGE  
ACCOUNT SIZE

**186**  
EMPLOYEES

# Payden & Rygel Assets Under Management Trends



**Total Firm Assets (Billions)**



**Assets Under Management by Strategy, 3Q 2017**

■ Low Duration	\$42.0 bn	■ Absolute Return Bond	\$4.7 bn
■ Enhanced Cash	\$30.4 bn	■ Municipal	\$2.5 bn
■ Core Bond and Strategic Income	\$16.7 bn	■ Equity	\$2.7 bn
■ Global Fixed Income	\$6.5 bn		

Dedicated strategies and assets included above:

■ Investment Grade Corporate	\$47.7 bn
■ Securitized Debt	\$12.5 bn
■ Emerging Market Debt	\$10.7 bn
■ High Yield Corporate	\$3.2 bn



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II

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III

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## Economics Overview



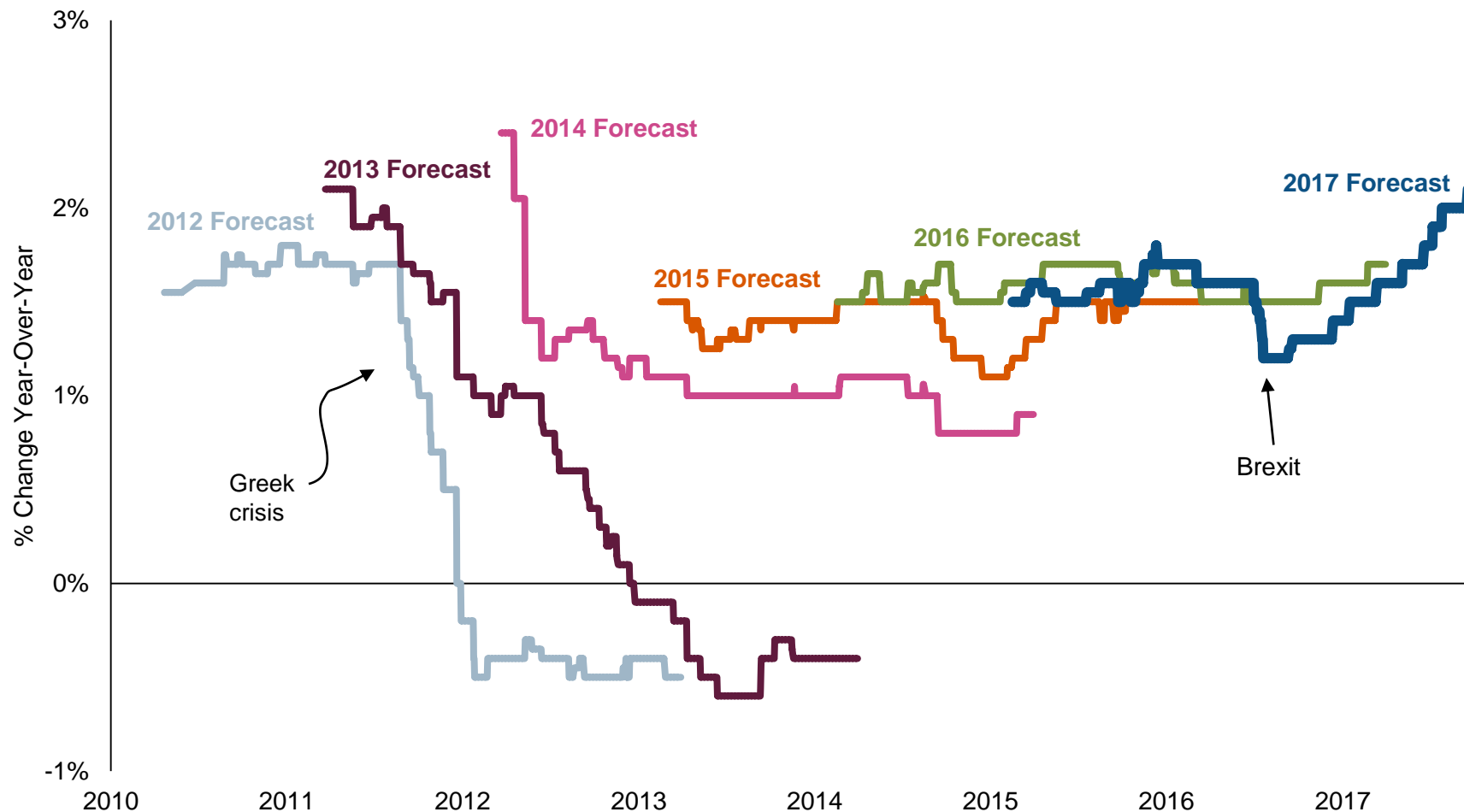
# 1. Narrative: “Politics > Economics”; Our View: No, Economic Fundamentals Will “Trump”

## Politics, Global Economy Looks Better Now Than Any Time in the Last Decade



Ignore politics and focus on underlying fundamentals. Indeed, the euro area unemployment rate fell to 9.1% in July, its lowest level since the start of 2009. Economic growth on the continent rose 2.3% year-over-year in Q2 2017, its fastest annual growth pace since Q1 2011. And forecasters appear to be taking notice at long last. After slashing forecasts post-“Brexit,” forecasters have continually upgraded their GDP expectations as 2017 progresses. 2017’s progress means Europe is back.

### Evolution of Year-End Forecasts for Euro Area Real GDP Growth By Year, 2012-2017



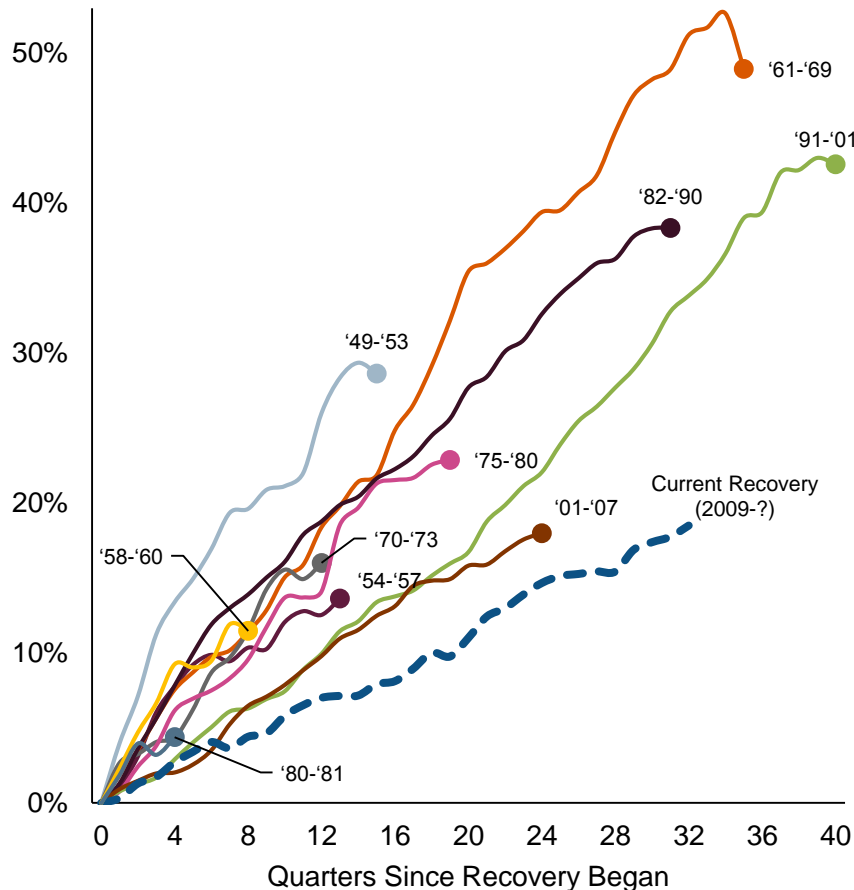
Source: Bloomberg

## 2. Narrative: “The End is Near”; Our View: The US Cycle Will Rival the 1990s Expansion

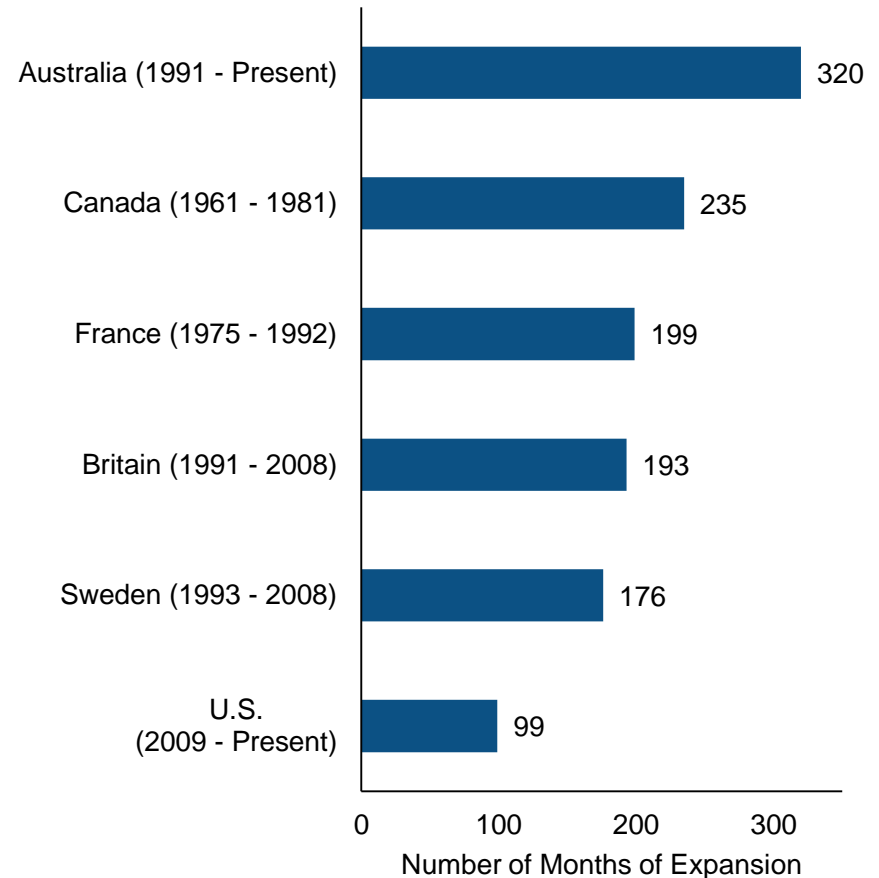


The U.S. economic recovery has now surpassed 99 months—the third longest expansion on record. Think it’s “long in the tooth”? Think again. Just like you can’t have a hangover (recession) without the party (rapid, unsustainable growth), we think the modest pace of the expansion implies more room to run. Globally, expansions have far surpassed 100 months. For example, the Australians haven’t seen a recession for 25 years. Perhaps the U.S. economy is just getting started?

### Cumulative Change in U.S. Real GDP During Different Recoveries



### Number of Months During an Economic Expansion



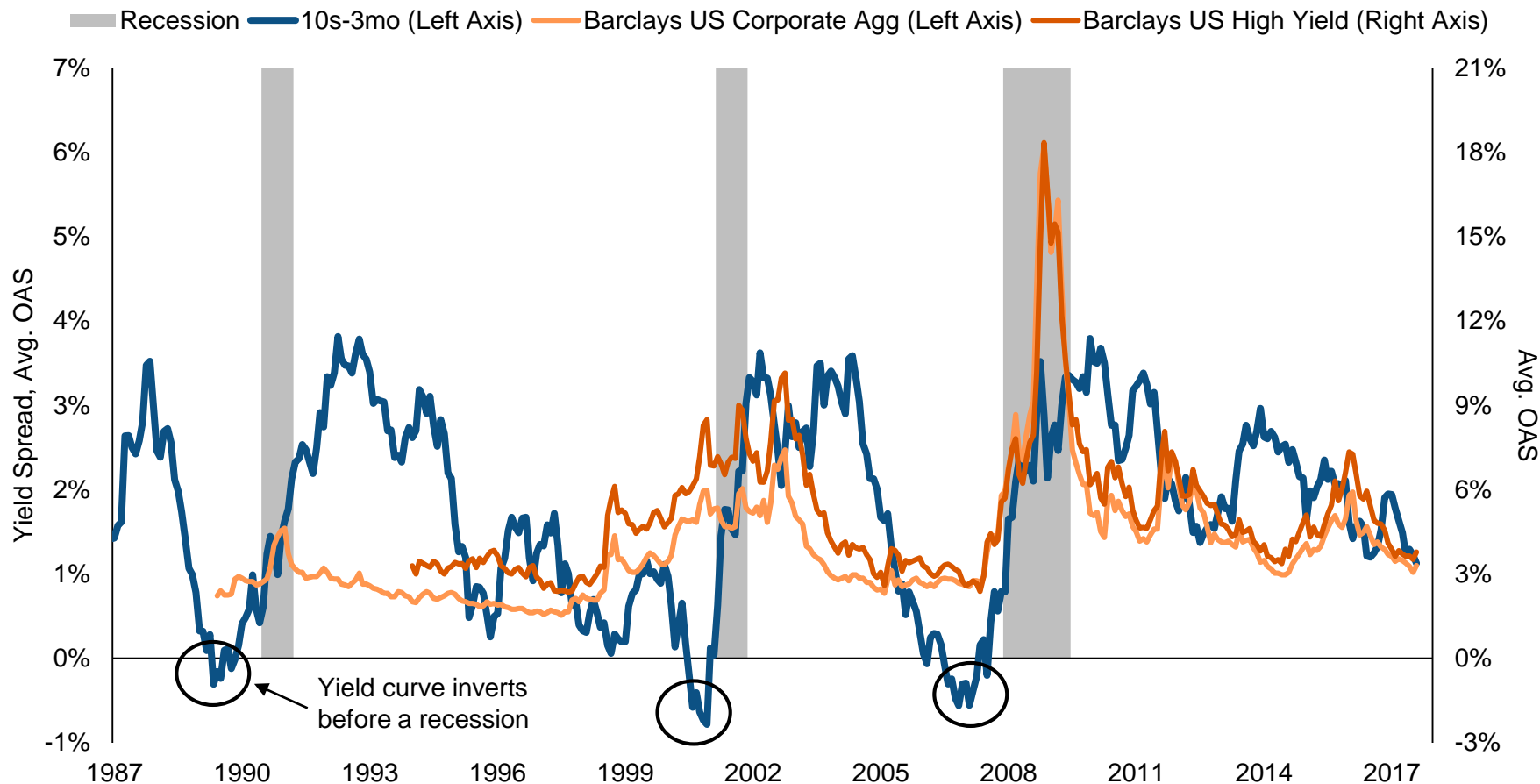
Source: Minneapolis Fed, Bureau of Economic Analysis, Deutsche Bank, Haver Analytics

### 3. Narrative: “Credit Spreads Are Too Tight”; Our View: Not If The Cycle Continues!



The yield curve is the single best forecaster of turning points in the economy, with one “false positive” in the post-WWII era. Since the yield curve is a reliable recession alarm, it also helps us with credit and equity exposure: the yield curve “inverts” prior to spread widening episodes. With a modest slope remaining in the 3-month-10-year yield curve, we are still comfortable with our credit overweight across most portfolios.

#### Treasury Yield Curve Slope (10-Year Treasury Minus 3-month), Barclays Corporate and High Yield Average OAS



Source: Bloomberg, Barclays, Payden Calculations

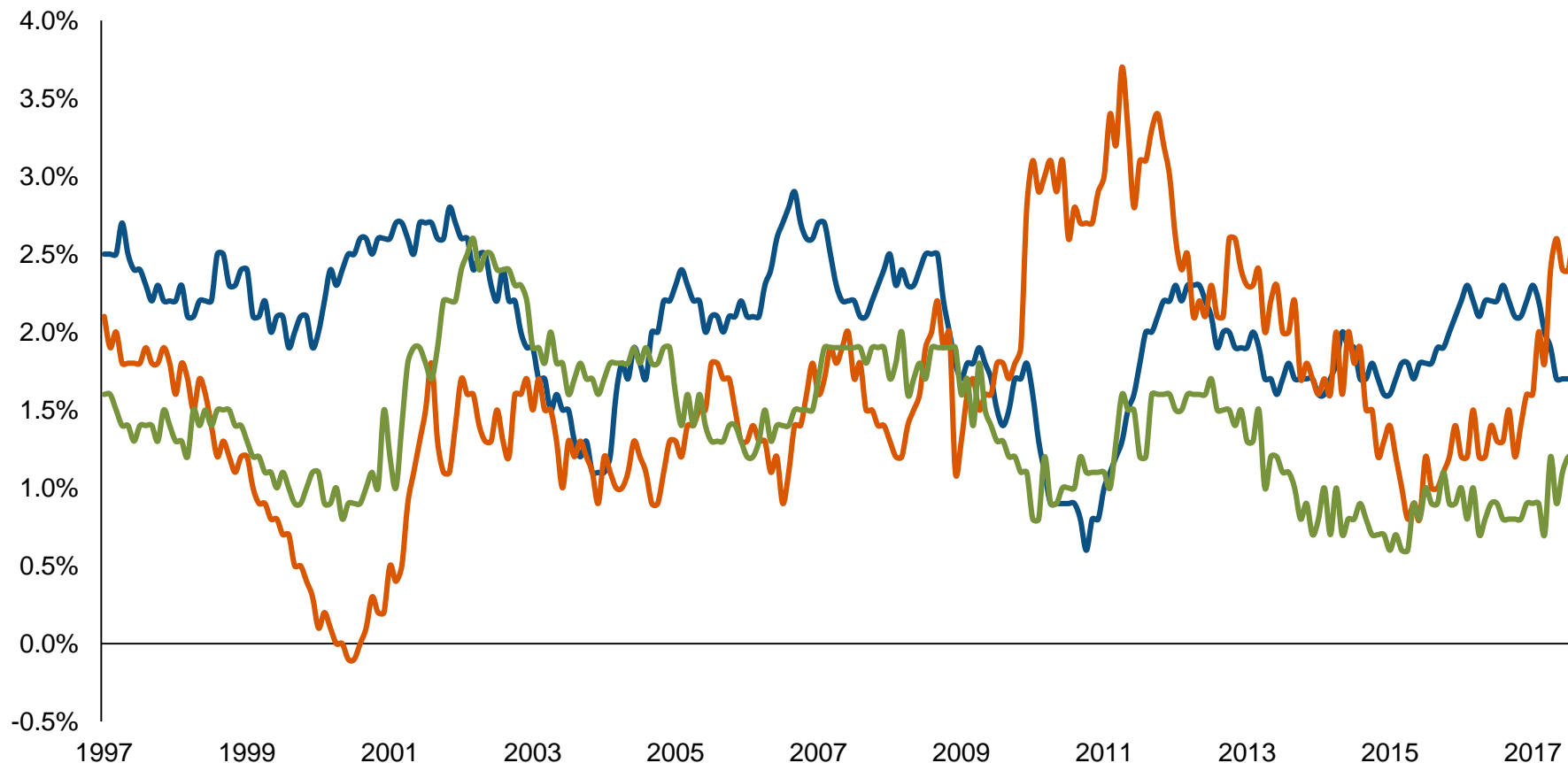
## 4. Narrative: “There Is No Inflation”; Our View: Inflation Is a Lagging Indicator



With so much distress about low inflation in the press and the market, we want to remind readers that high and rising inflation normally occurs *late* in the economic cycle—when the economy is overheating or has overheated. The lack of inflation suggests the cycle has more room to run. The obsessive focus on inflation by markets is wrong—it’s backward looking. Ever try navigating your automobile while looking out the back window? Ignore recent inflation data and focus on growth momentum and tighter labor markets.

### Core CPI Measures in U.S., U.K., and the Euro Area

— US Core CPI — UK Core CPI — Euro Area Core CPI



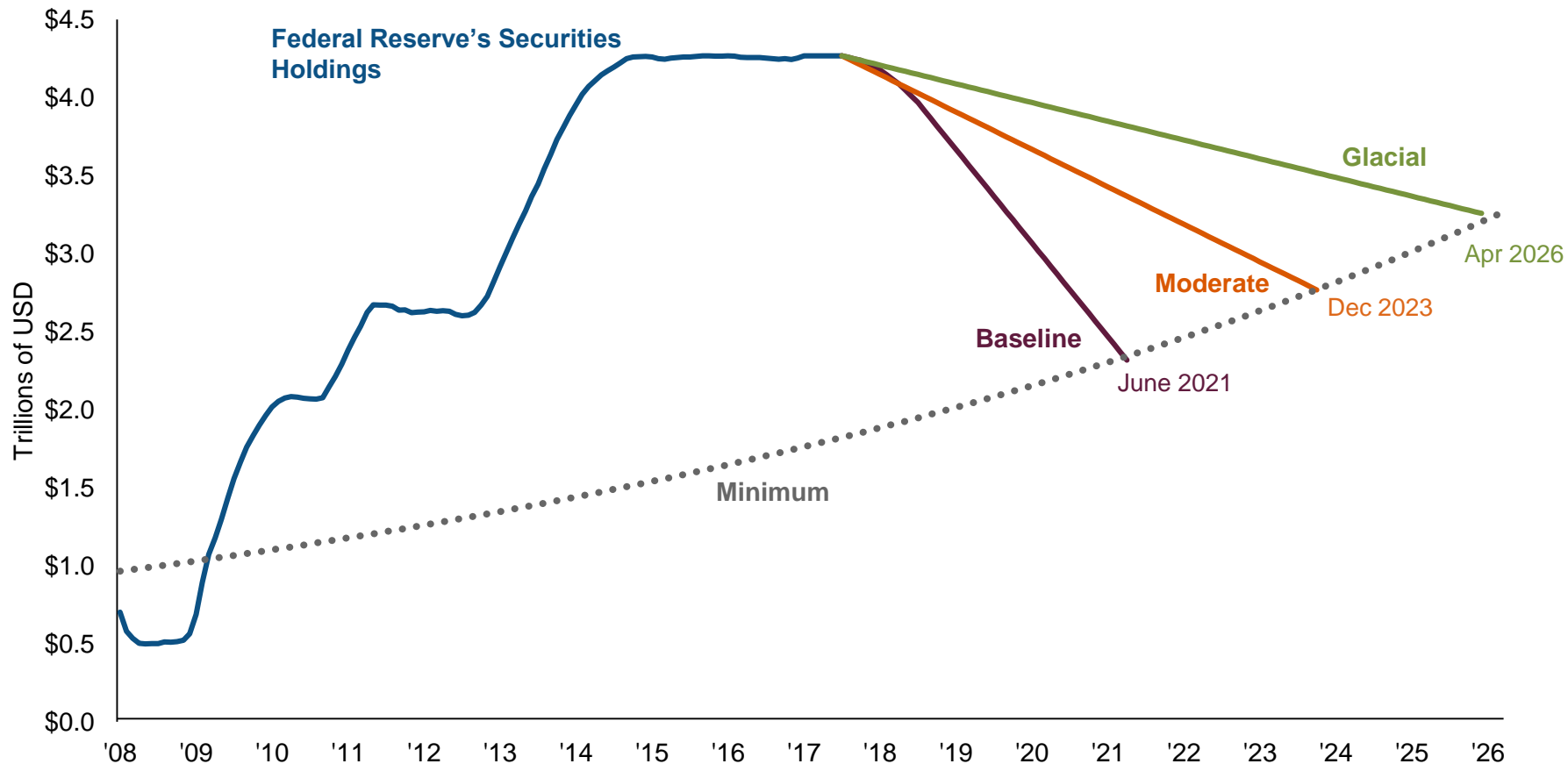
Source: U.S. Bureau of Labor Statistics, U.K. Office for National Statistics, Eurostat

# 5. Narrative: “Central Bank Balance Sheets Are Driving Everything. The Roll Off Will Wreak Havoc On Markets”; Our View: Central Bank Balance Sheets Are Overhyped



Judging by the financial media’s fondness for the topic, this might be the biggest idea percolating at the moment. The Fed announced that the roll off will commence in October, but we are not worried about the consequences. Dire economic and market consequences from the Fed’s balance sheet have time and again proved more imagined than real. The same will likely be true of the ECB’s tapering process, set to begin in 2018.

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



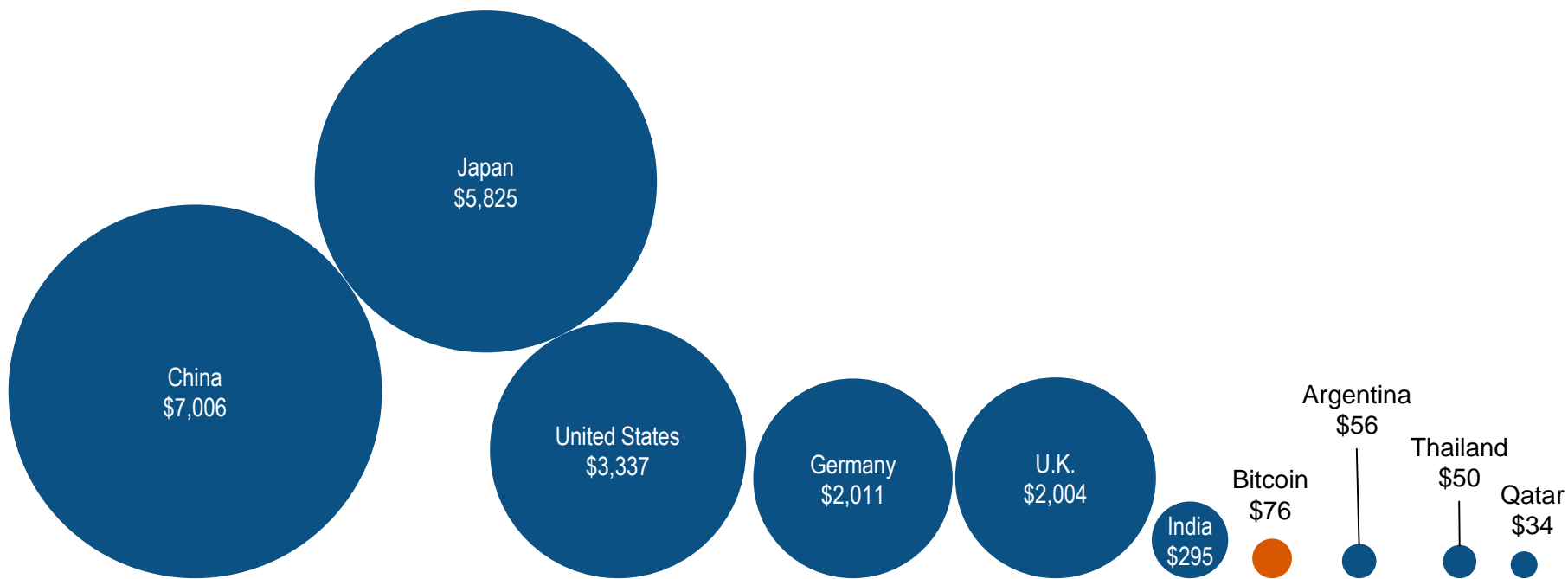
Source: Federal Reserve, Payden Calculations

## 6. “Bitcoin Is A Modern Tulip Bubble”; Our View: Bitcoin Represents the Dawn of a Novel New Economic Institution.



The supply of bitcoin will approach 21 million in 2140. With 16,586,438 already in digital wallets, scarcity and predictability are baked into the software. Why does that matter? Are you prone to doubt the wisdom of central bankers tinkering with currencies in say, Venezuela, Argentina or China? Are you drawn to gold, or rare paintings, or real estate as an inflation hedge? The first scarce digital asset provides a unique, new option as a store of value. Bitcoin looks cheap relative to gold’s \$9 trillion market cap and major M1s.

M1 Money Supply Value in Various Countries Compared to Total Value of Bitcoin (Billions of USD)



Source: Oxford Economics, Bloomberg, Payden Calculations

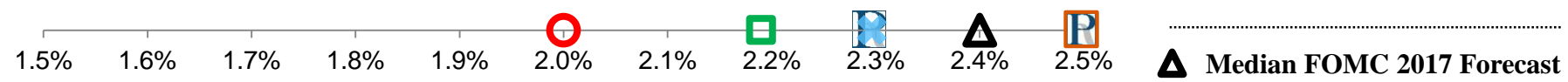
Note: M1 = cash + coin + bank deposits

# Our 2017 Outlook Summary: Continued Growth and Rising Inflation Should Allow The Fed To Continue Raising Rates. We Expect 1 More Rate Hike in 2017.

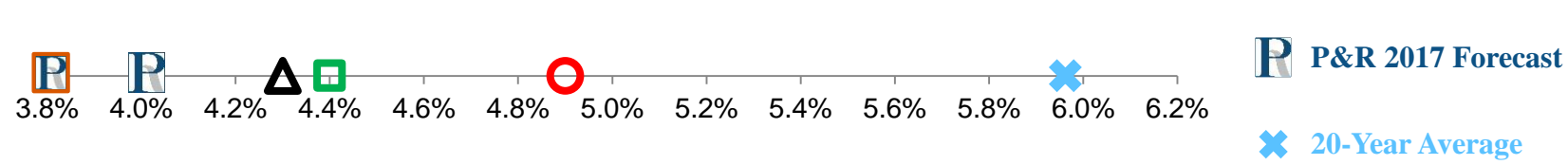


We expect a modest acceleration to 2.3-2.5% GDP growth over the next 12-15 months, which will put downward pressure on the unemployment rate. We expect slightly higher inflation (1.5% year-over-year on core PCE by year-end 2017 and 1.9% by year-end 2018). We think it is still too soon to forecast significantly higher 2018 GDP growth given the limited details on the timing, size, and composition of Trump's economic policies. We think this economic backdrop is still consistent with at least one more rate hike in 2017 (December) and three hikes in 2018.

## Economic Growth (Real GDP)



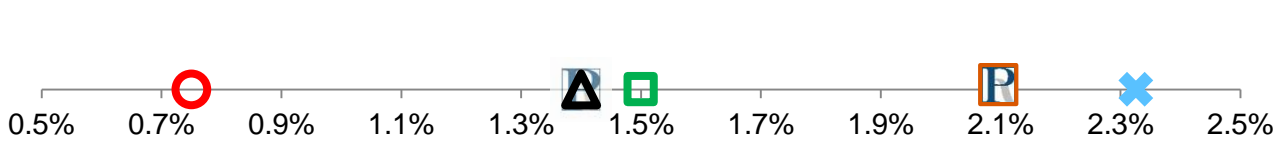
## Unemployment Rate



## Core PCE Inflation



## Policy Interest Rate At Year End



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



II

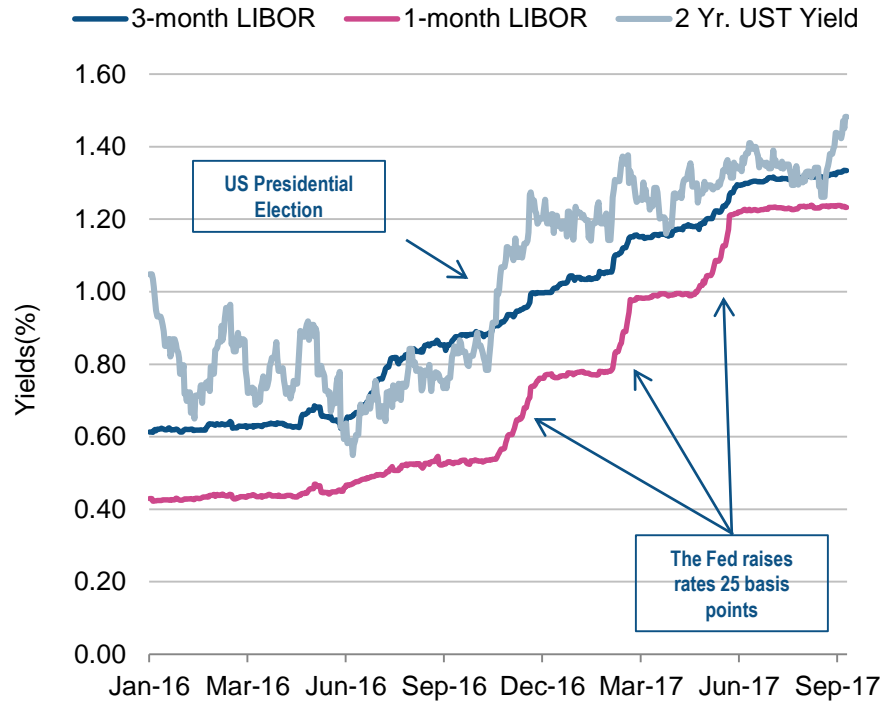
## Market Update and Portfolio Review



# Front-End Rates are Higher While Investment Grade Credit Spreads are Tighter

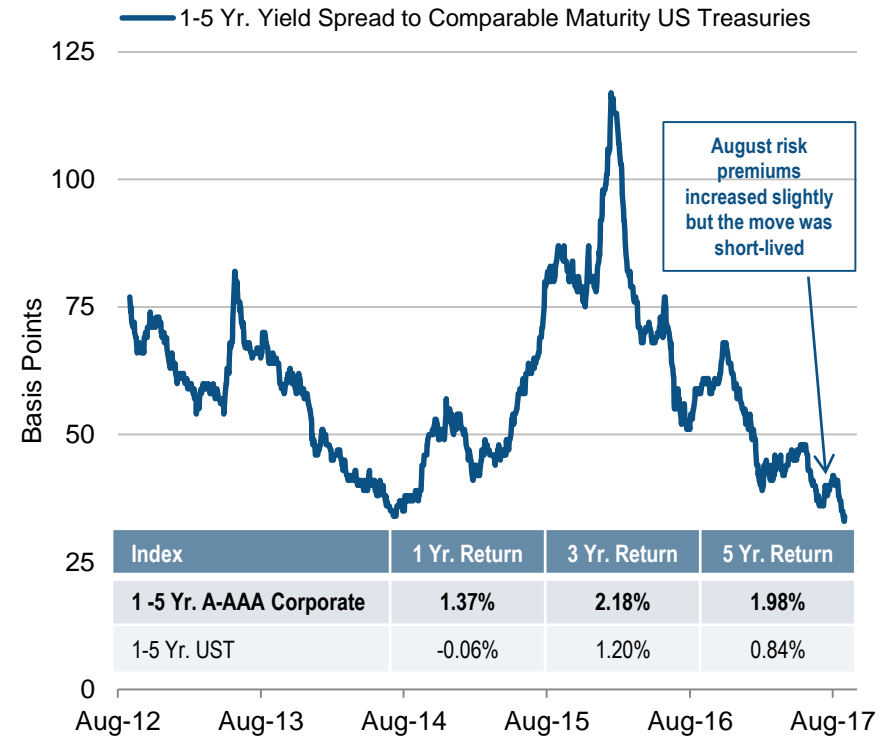


## Short-term Rates Drift Higher, Albeit at a Slower Pace



Source: Bloomberg.

## Corporate Credit Spreads Remain Resilient



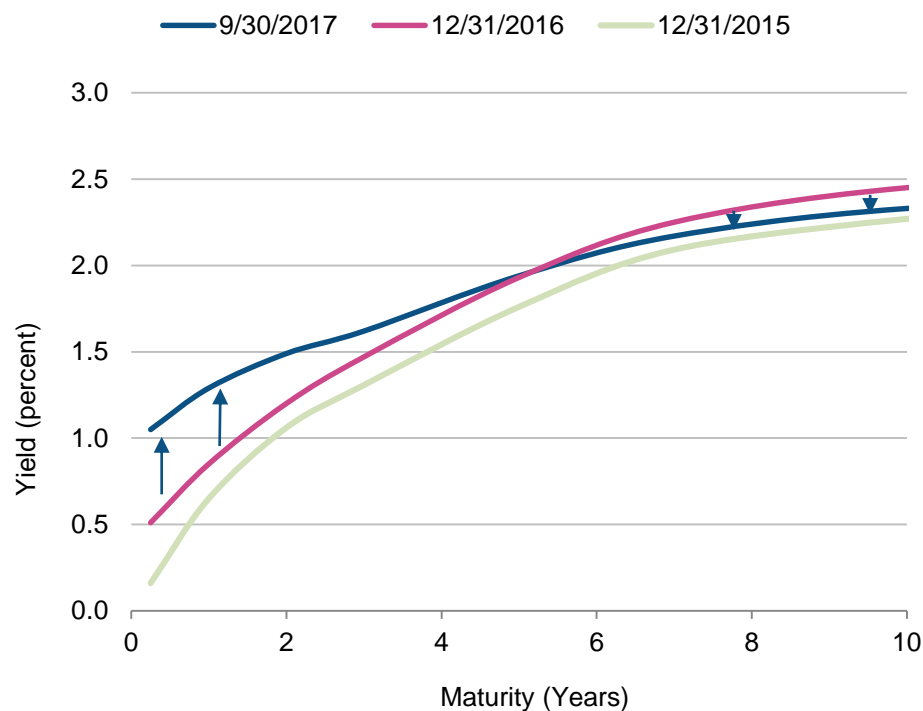
Source: Merrill Lynch Indices ending 9/30/2017; returns over 1 year annualized.

- Front-end rates traded in a narrow range for the quarter but began to drift higher at September month-end as the Fed committed to reducing its balance sheet reinvestments beginning in October.
- Despite some spread widening in August driven by a rise in geopolitical tensions with North Korea, corporate credit risk premiums continued to narrow as the global economic and corporate fundamental landscape remained sound.

# US Interest Rates Driven by Monetary Policy Normalization



## US Interest Rates: Flatter Curve Continuation



## Quarter-over-Quarter Change in US Treasury Yields

Maturity (Years)	Yields (%) 9/30/2017	Yields (%) 06/30/2017	Change (%)
0.25	1.05	1.03	0.02
1	1.29	1.24	0.05
2	1.49	1.38	0.11
3	1.62	1.55	0.07
5	1.94	1.89	0.05
7	2.17	2.14	0.03
10	2.33	2.31	0.02
20	2.63	2.61	0.02
30	2.86	2.84	0.02

- We are more aligned with the Fed than market expectations for future hikes, with one additional hike in 2017 and another 3 possibly in 2018 based on current economic forecasts.
- Long-term rates are vulnerable to global economic growth continuing at a steady pace and inflation reappearing.

# LIBOR – A Contributor in All Interest Rate Environments



	Trailing 12-Month Total Return	2017 YTD Total Return
<b>3-month LIBOR</b>	1.03%	0.82%
<b>3-month T-bill</b>	0.66%	0.57%
<b>6-month T-bill</b>	0.81%	0.68%
<b>12-month T-bill</b>	0.60%	0.52%
<b>2 Yr. Treasury</b>	-0.02%	0.53%
<b>3 Yr. Treasury</b>	-0.31%	0.93%
<b>5 Yr. Treasury</b>	-1.94%	1.43%
<b>7 Yr. Treasury</b>	-2.09%	2.53%
<b>10 Yr. Treasury</b>	-4.61%	2.35%
<b>30 Yr. Treasury</b>	-8.67%	5.87%

Source: Bloomberg, Bank of America Merrill Lynch as of 9/30/2017

## Cumulative Returns through September 30, 2017



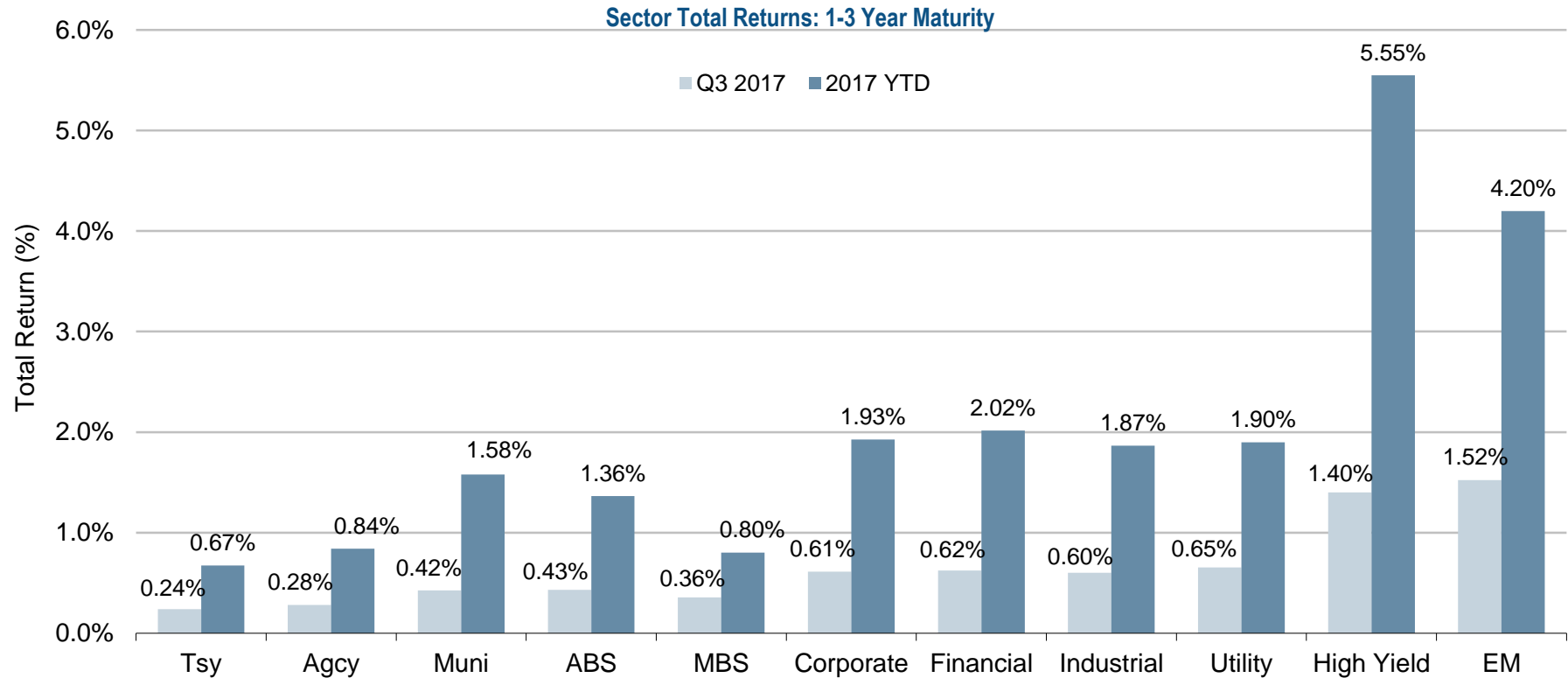
Source: Bloomberg, Bank of America Merrill Lynch.

- Currently, 30% of your investment assets have adjustable rate coupons indexed to LIBOR, up from 20% at the end of 2016.
- LIBOR has been a consistent performer in both rising and falling interest rate environments.
- 3-month LIBOR outperformed significantly over the past 12 months compared to longer duration bonds, which underperformed due to a swift rise in interest rates following the 2016 US Election.
- Looking at 2017 YTD, LIBOR has outperformed the front-end of the curve just trailing the 3 Year US Treasury return.

# Fixed-Income Sector Performance as of September 30, 2017



## Positive Returns Across All Sectors as Rates Move Sideways and Spreads Remain Firm



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

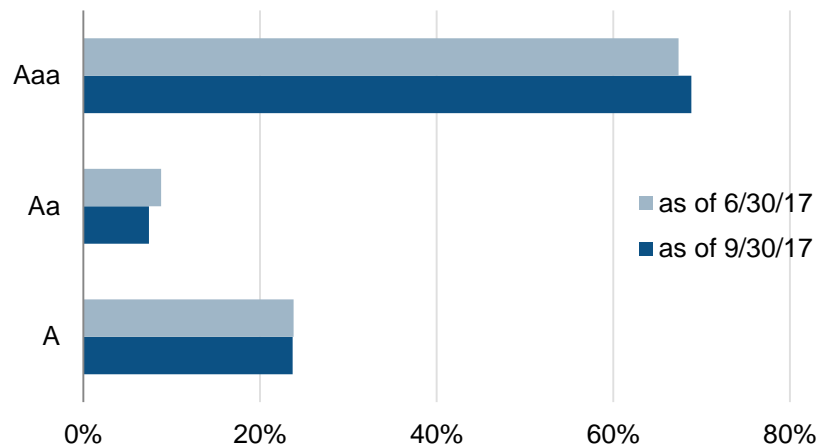
# Operating Fund Portfolio as of September 30, 2017



## Summary Data

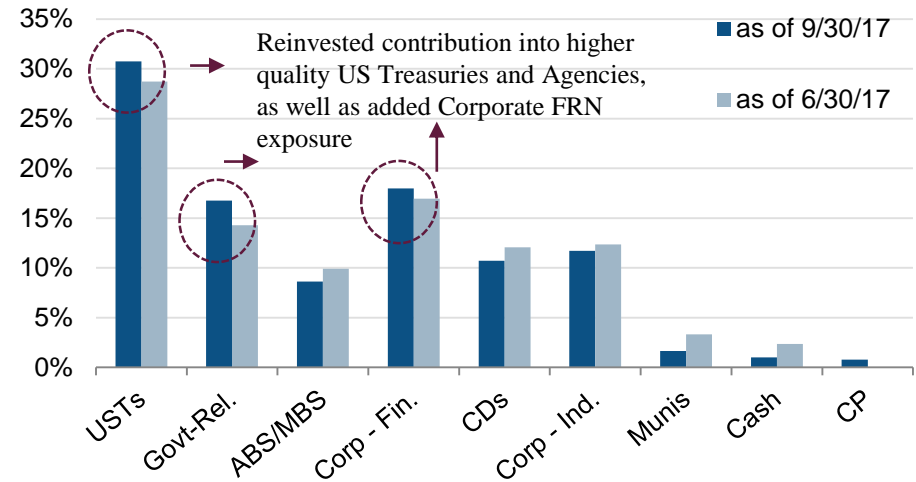
	Operating Fund	Benchmark
Market Value	\$487,073,665	-
Yield to Maturity (%)	1.31	0.92
Effective Duration	0.29	0.15
Average Rating	AA+	Aaa/AA+u

## Credit Quality Breakdown - Percentage of Portfolio

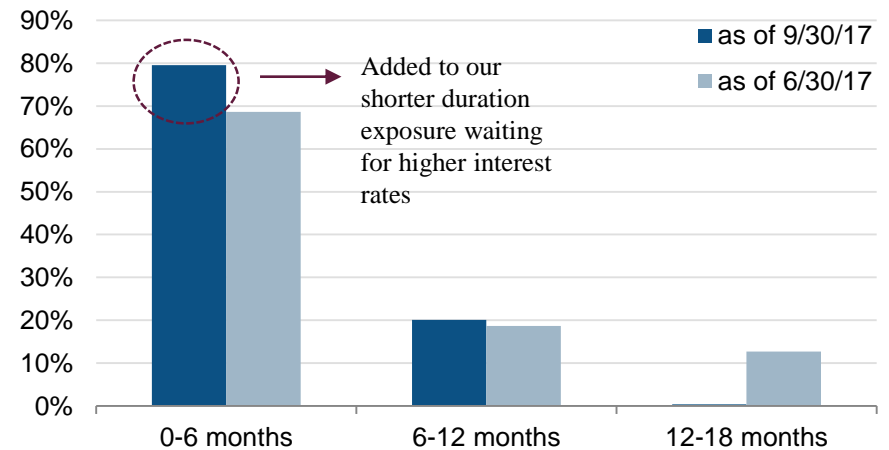


Source: Payden & Rygel Calculations

## Portfolio Sector Allocation



## Duration Distribution



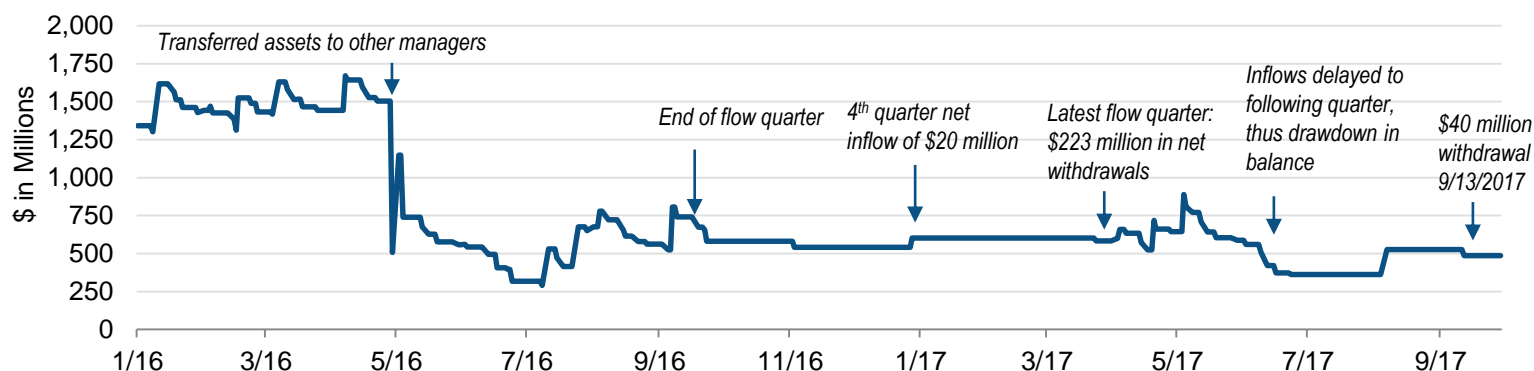
# Operating Fund Performance: Returns & Strategy



## PORTFOLIO RETURNS (As of 09/30/17)

	3Q 2017	YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Operating Fund (gross)	0.35%	0.85%	1.03%	0.64%	0.43%
Operating Fund (net)	0.33%	0.80%	0.95%	0.55%	0.34%
Citigroup 3 Month Treasury Bill Index	0.26%	0.56%	0.64 %	0.29%	0.19%
Alpha (net)	0.07%	0.24%	0.31%	0.26%	0.15%

## Operating Fund Market Value History



- Added new issue and secondary auto and equipment financing ABS (Deere, Toyota, Honda) securities which allow for the continuous reinvestment of principal at higher yields should rates move higher.
- Of the \$50 million in corporate bonds added to the operating fund this quarter, 75% were floating rate notes.
- We continued to hold agency discount notes and T-bills for liquidity purposes which benefited from a rise in front-end rates.

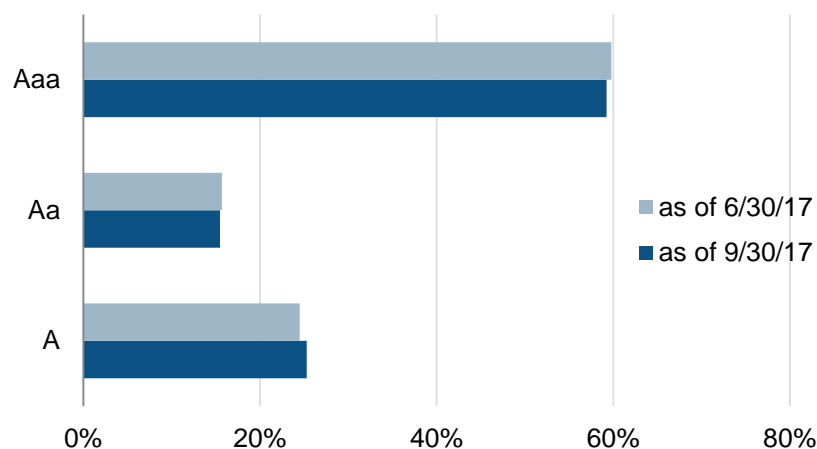
# Tier One Fund Portfolio as of September 30, 2017



## Summary Data

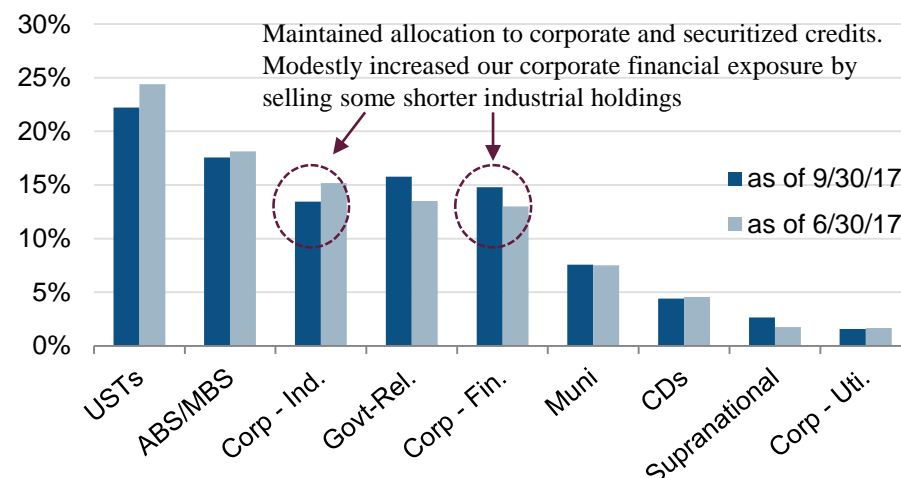
	Tier One Fund	Benchmark
Market Value	\$146,756,598	-
Yield to Maturity (%)	1.67	1.47
Effective Duration	1.55	1.82
Average Rating	AA	Aaa/AA+u

## Credit Quality Breakdown - Percentage of Portfolio

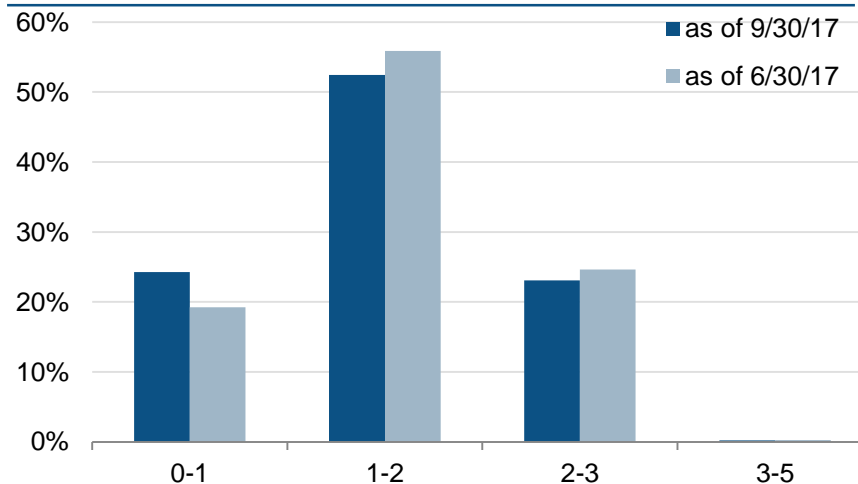


Source: Payden.

## Portfolio Sector Allocation



## Duration Distribution



# Tier One Fund Performance: Returns & Strategy



## PORTFOLIO RETURNS (As of 09/30/17)

	3Q 2017	YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
Tier One Fund (gross)	0.36%	1.11%	0.93%	1.09%	0.88%
Tier One Fund (net)	0.34%	1.05%	0.85%	1.00%	0.78%
Merrill Lynch 1-3 Year Treasury*	0.24%	0.67%	0.56 %	0.76%	0.63%
Alpha (net)	0.10%	0.38%	0.29%	0.24%	0.15%

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

## Tier One Fund Attribution

Attribution (basis points)	3Q 2017	YTD 2017
<b>Interest Rates</b>	<b>+1</b>	<b>-1</b>
<b>Sector Selection</b>	<b>+11</b>	<b>+46</b>
Agency	+2	+8
Corporate	+8	+29
Financial	+5	+16
Industrial	+3	+9
Utilities	+0	+4
ABS/MBS	+1	9
<b>Residual</b>	<b>-1</b>	<b>-2</b>
<b>Total</b>	<b>+11</b>	<b>43</b>

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



# CalOptima – Compliance Report – As of September 30, 2017



Allowable Instruments	CalOPTIMA-Combined		Maximum Stated Term Per Security		Actual Maximum Maturity				Minimum Quality Per Security	Actual Minimum Credit
	Maximum % of Portfolio	Actual %	Operating Funds	Reserve Tier 1	Operating Funds		Reserve Tier 1			
U.S. Treasuries	100	28.77%	450 Days	5 Years	304	Days	2.96	Years	TSY	TSY
Federal Agencies	100	11.50%	450 Days	5 Years	62	Days	2.99	Years	AGY	AGY
State of CA & Other Municipal Obligations	25	3.84%	450 Days	5 Years	397	Days	3.59	Years	A2/A	A-
Supranationals	15	0.61%	450 Days	5 Years			2.93	Years	Aa2/AA	AAA
Bankers Acceptances	30	0.00%	180 Days	180 Days					A1/P1	n/a
Commercial Paper	25	0.60%	270 Days	270 Days	152				A1/P1	A-1/P-1
Negotiable Certificates of Deposit	30	7.89%	1 Year	1 Year	185	Days	0.47	Years	A1/P1	A-1/P-1
Repurchase Agreements	100	0.00%	30 Days	30 Days					TSY	n/a
Medium Term Notes & Depository Notes	30	8.09%	450 Days	5 Years	380	Days	2.93	Years	A3/A-	A3/A-
Money Market & other Mutual Funds (combined)	20	0.77%	N/A	N/A	1	Days	0.00	Years	Aaa/AAA	AAA
Mortgage & Asset-Backed Securities (combined)	20	8.20%	450 Days	5 Years	86	Days	2.53	Years	Aa3/AA-	Aa1/AA+
Variable & Floating Rate Securities	30	29.73%	450 Days	5 Years	94	Days	3.01	Years	A3/A-	A3/A-

100.00%

## Diversification Guidelines

<b>Maximum per Corporate Issuer</b>	5%	1.46%
<b>Repurchase Agreements (Maturity &gt; 7 days)</b>	25%	0.00%
<b>Repurchase Agreements (Maturity &lt; = 7 days)</b>	50%	0.00%



III

## Biographies

# Biographies



**Joan A. Payden, CFA®**

*President and CEO*

*1983 – Established Payden & Rygel*

Joan Payden, CFA®, is the President and Chief Executive Officer of Payden & Rygel, the global investment management firm that she founded in 1983. Payden has overseen the firm's international expansion and its growth to more than \$113 billion in assets under management. In 1992 the firm launched Payden & Rygel Investment Group, a family of mutual funds, of which she is chairman and chief executive officer. Subsequently many of these strategies were duplicated in UCITS funds domiciled in Ireland. In 1998 Payden & Rygel Global Ltd. was founded in London. At the same time, the firm established Metzler/Payden LLC, its joint venture with Metzler Bank, Germany's oldest private bank. Joan serves on the UCLA Anderson School board of advisors, and is a trustee of the University of Southern California and Loyola Marymount University. She is also a member of the board of the Town Hall of Los Angeles, the Los Angeles Sports Council, the California Chamber of Commerce, and the Natural History Museum of Los Angeles. She is past chairman of the Investment Counsel Association of America.

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



**James P. Sarni, CFA®**

*Managing Principal*

*1991 – Joined Payden & Rygel*

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

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

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

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



**Brian W. Matthews, CFA®**

*Managing Principal and CFO*

*1986 – Joined Payden & Rygel*

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

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

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

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



**Mary Beth Syal, CFA®**

*Managing Principal*

*1991 – Joined Payden & Rygel*

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

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

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

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

# Biographies



**Scott J. Weiner, PhD**  
*Managing Principal*

1993 – Joined Payden & Rygel

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

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

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



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

1997 – Joined Payden & Rygel

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

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

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

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



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

1994 – Joined Payden & Rygel

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

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

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

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



**Michael E. Salvay, CFA®**  
*Managing Principal*

1997 – Joined Payden & Rygel

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

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

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

# Biographies



## **Robin B.B. Creswell, FCSI**

*Managing Principal-London*

*1998 – Joined Payden & Rygel*

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

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

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

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



## **Gregory T. Morrison, CPA, CFA®**

*Managing Principal*

*1998 – Joined Payden & Rygel*

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

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

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



## **Kristin Johnson Ceva, PhD, CFA®**

*Managing Principal*

*1998 – Joined Payden & Rygel*

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

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

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

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



## **Justin G. Bullion, CFA®**

*Managing Principal*

*2010 – Joined Payden & Rygel*

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

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

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

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

# Biographies



**James T. Wong, CFA®**  
*Managing Principal*

*1995 – Joined Payden & Rygel*

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

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

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



**David P. Ballantine, CFA®, CFP**  
*Principal*

*1991 – Joined Payden & Rygel*

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

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

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

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



**Nigel Jenkins, ASIP**  
*Managing Principal-London*

*2006 – Joined Payden & Rygel*

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

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

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



**Yot Chattrabhuti**  
*Principal*

*1997 – Joined Payden & Rygel*

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

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

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

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



# Biographies



**Erinn R. King, CFA®**

*Principal*

*2010 – Joined Payden & Rygel*

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

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

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

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



**Jeffrey C. Cleveland**

*Principal – Chief Economist*

*2006 – Joined Payden & Rygel*

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

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

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

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



**Mark J. Morris, CFA®**

*Principal-London*

*2002 – Joined Payden & Rygel*

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

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

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

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



**Arthur Hovsepian, CFA®**

*Principal*

*2004 – Joined Payden & Rygel*

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

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

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

# Biographies



## Bradley Hersh

*Principal – Treasurer*

*1998 – Joined Payden & Rygel*

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

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

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



## Darren Marco

*Vice President*

*2016 – Joined Payden & Rygel*

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

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

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



Wells Capital Management | September 2017

# Portfolio review

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## CalOptima

Presented by:

Tony Melville, CFA, Senior Portfolio Manager

Stephen Scharre, CFA, Client Relations Director



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# Wells Capital Management

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# Wells Capital Management

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

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

## **Independent investment thinking**

Our strong investment culture thrives on independent investment thinking.

## **Rigorous investment risk management**

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

## **Client-centric relationships**

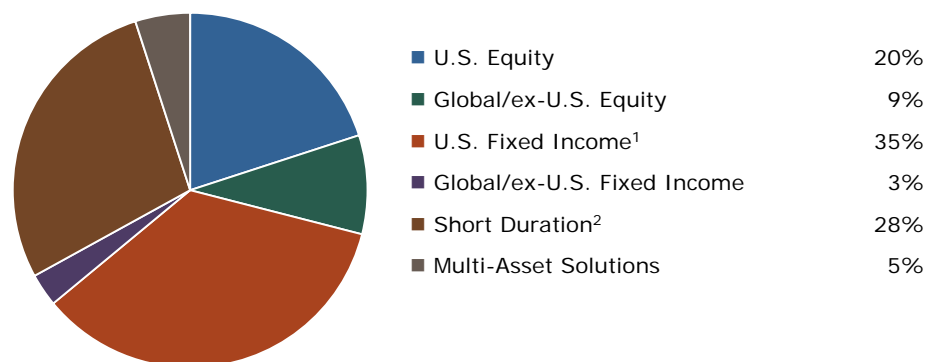
Enduring client relationships are cultivated by being client-centric, not product-centric.

# Wells Capital Management

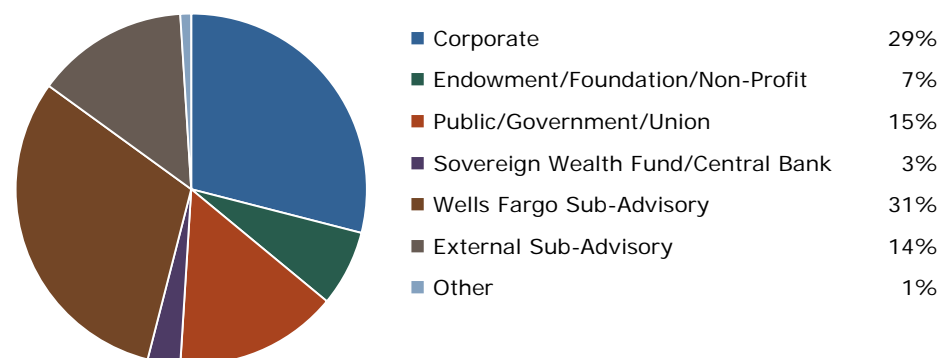
## WellsCap profile

- Established in 1996
- AUM in excess of \$353 billion
- 27 independent investment teams
- Over 1,000 clients in more than 30 countries worldwide
- 414 investment professionals with an average firm tenure of 11 years
- Signatory to the Principles for Responsible Investment

## Assets under management



## Assets by clients



As of June 30, 2017. Total firm assets under management are \$353B. The charts above excludes \$97B in Money Market Mutual Funds and other Wells Fargo Affiliated Money Market Accounts. Assets under management, excluding Money Market Mutual Funds and other Wells Fargo Affiliated Money Market accounts total \$256B. Total firm assets under management includes \$5B in Non-Discretionary AUM and Notional AUM.

<sup>1</sup> Includes accounts with durations over 1-5 year benchmarks.

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

# **Short Duration Fixed Income overview**

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# Short Duration Fixed Income overview

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

- \$62.5 B<sup>1</sup> in assets under management as of June 30, 2017
- Taxable, municipal and crossover strategies for **offshore and domestic** institutional portfolios
- **Competitive risk-adjusted returns** with primary objectives of **principal preservation and liquidity**
- **Tenured team** of investment professionals
- **Depth of credit research** capabilities across corporate, municipal and structured asset classes
- **Emphasis on risk management** in the construction, management and oversight of client portfolios
- Singular focus on **consultative client partnerships**

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

<sup>1</sup> Short Duration AUM managed by Short Duration, Municipal, and Customized Fixed Income teams.

# Short Duration Fixed Income investment team

## Investment team



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



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



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



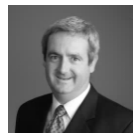
**Dean Meddaugh, CFA**  
Senior Portfolio Manager  
*ABS, MBS & CMBS*  
Entered industry in 1994, WellsCap 2004



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



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



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



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



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



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



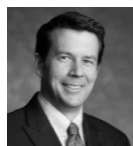
**Samuel Arocha**  
Repo Trader  
Entered industry in 1989, WellsCap 1989



**George Hoch**  
*Portfolio Analyst*  
Entered industry in 2011, WellsCap 2015

## Firm-Wide Credit Research

### Money Market Research



**Matthew Grimes, CFA**  
Head of Money Markets  
Credit Research

Team of 10 Analysts

### Global Credit Research Platform Resources



**Jamie Newton, CFA**  
Co-Head of Global Credit  
Research

Team of 10 Analysts



**Duncan Warwick-Champion**  
Co-Head of Global Credit  
Research

Team of 9 Analysts

### Municipal Credit Research



**Thomas Stoeckmann**  
Head of Municipal  
Credit Research

Team of 12 Analysts

## Additional firm-wide fixed income resources

Global Investment Grade &  
High Yield Credit Research

Money Market Research

Municipal Credit Research

Structured Products Research

Note: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.



# WellsCap Fixed Income research resources

## Global Credit Research – 71 Investment professionals

### Corporate Research Analysts – 43 Total

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

### Municipal Research Analysts – 15 Total

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

### Structured Products – 13 Total

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

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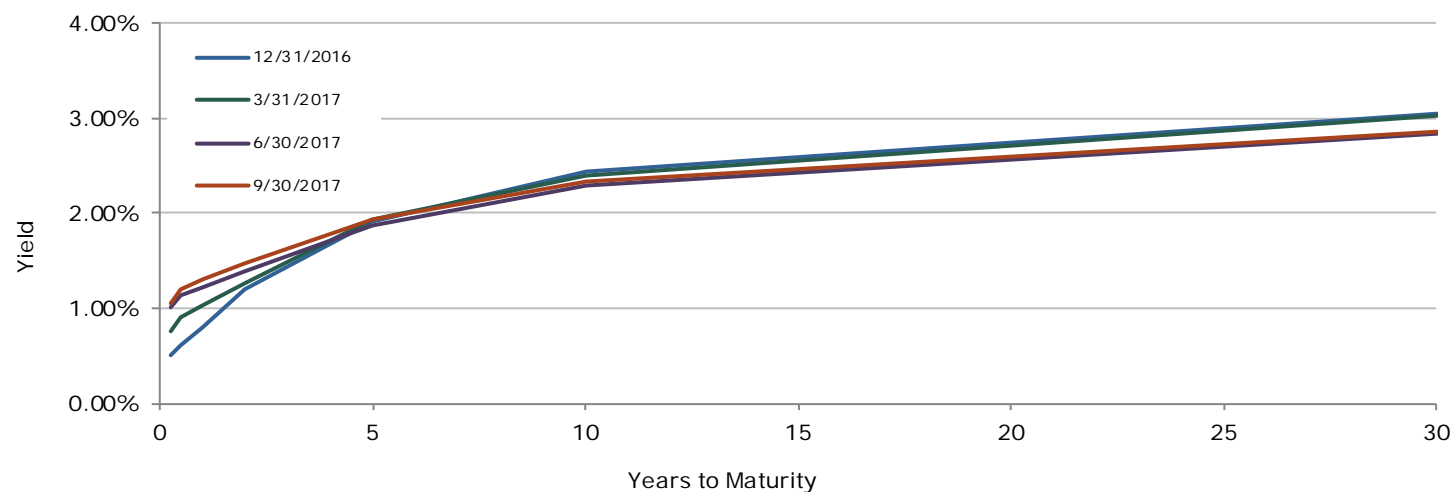
# Market overview

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# Short duration review

As of September 30, 2017

Treasury Yield Curve



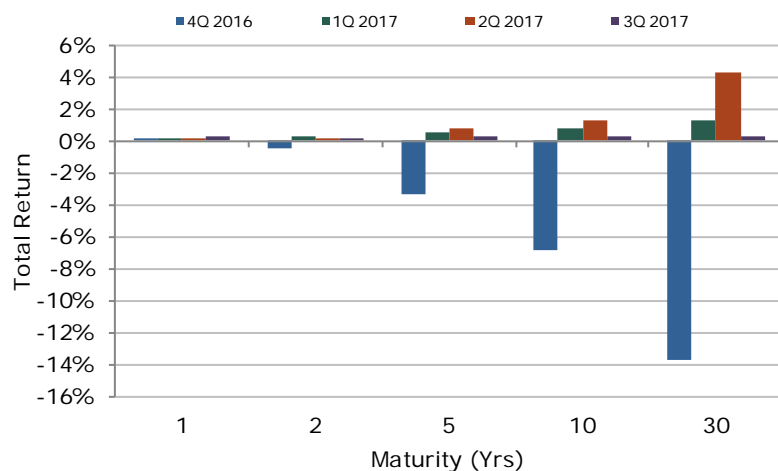
Treasury Yield Curve	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017
3 Month	0.28%	0.50%	0.76%	1.02%	1.05%
6 Month	0.45%	0.62%	0.90%	1.14%	1.19%
1 Year	0.60%	0.81%	1.03%	1.23%	1.30%
2 Year	0.77%	1.20%	1.26%	1.38%	1.48%
5 Year	1.15%	1.92%	1.93%	1.88%	1.93%
10 Year	1.61%	2.43%	2.39%	2.30%	2.33%
30 Year	2.33%	3.05%	3.02%	2.84%	2.86%

Source: Barclays

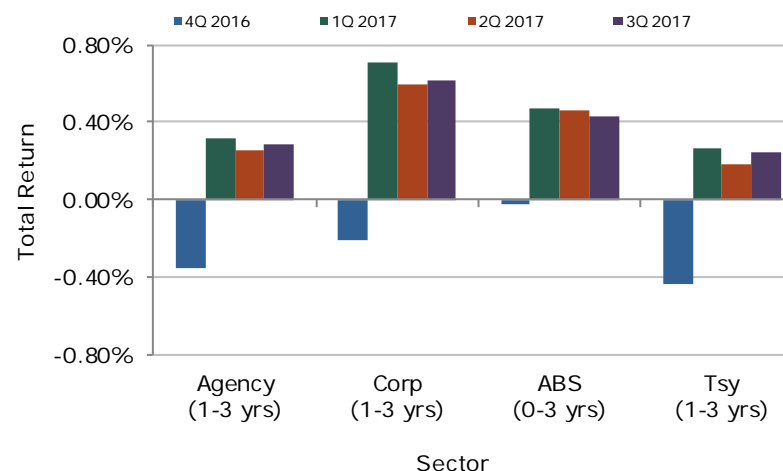
# Short duration review

As of September 30, 2017

## Total Return by Maturity



## Total Return by Sector



Total Return by Maturity	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017
1	0.06%	0.05%	0.16%	0.14%	0.25%
2	-0.11%	-0.54%	0.23%	0.12%	0.18%
5	-0.34%	-3.33%	0.46%	0.72%	0.25%
10	-0.75%	-6.81%	0.78%	1.29%	0.27%
30	0.02%	-13.74%	1.27%	4.21%	0.32%

Total Return by Sector	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017
Agency (1-3 yrs)	0.03%	-0.35%	0.31%	0.26%	0.29%
Corporate (1-3 yrs)	0.34%	-0.21%	0.70%	0.60%	0.61%
Asset Backed (0-3 yrs)	0.42%	-0.02%	0.47%	0.46%	0.43%
Treasury (1-3 yrs)	-0.10%	-0.43%	0.26%	0.18%	0.24%

Source: Barclays, BofAML

# Economic summary: Big Six Summary

---

- **Growth:** 2% trend so far in 2017 – hurricane noise to follow
- **Employment:** job growth persists ~ 175,000/month
- **Inflation:** core inflation low and fairly stable under 2%
- **Monetary:** 1 more rate hike in 2017 + balance sheet run-off begins
- **Fiscal:** tax reform odds have slipped, but remain a potential tail event
- **International:** Korean tensions discounted for now; Spain coming apart?

# Market summary & outlook – Enhanced cash

As of September 30, 2017

## Market summary & outlook

Sector	Target Allocation*	Comments:
Duration and Yield Curve		Portfolios are positioned neutral to slightly long given the recent back up in rates. The very front-end of the yield curve remains steep in 12-18 month maturities.
Government related		Sovereign, Supranational and Foreign Agencies (SSAs) have richened and offer less relative value for all but high quality or very constrained accounts. Agencies are fair, but bid/ask spreads remain wide. Limit investments to large, benchmark issues.
Corporate		We are cautious on lower-rated, higher beta subsectors of the corporate universe after significant spread tightening YTD. Domestic and European financials remain attractive relative to similarly-rated industrials.
Commercial Paper		CP maturities 3 months and shorter are preferred given a relatively flat CP curve. Avoid late December maturities due to expected reinvestment risk and consider early 2018 maturities as opportunities present themselves. Short corporate bonds and A-2/P-2 issuers can provide additional yield and add diversification.
ABS		ABS remains an attractive, high-quality, low-risk asset class with excellent liquidity. For portfolios with a lower risk tolerance, stay in the more liquid sectors and stay up in the credit structure. For those portfolios with a higher risk tolerance, consider subordinate tranches of prime auto deals, foreign credit card bank deals and select benchmark subprime issuers. The primary market offers better relative value versus the secondary market; however, the concessions are shrinking.
Municipals**		The SIFMA (floating rate) index has come under pressure to due to increasing inventories and quarter-end pressures. The index could reset above its YTD high of 0.92% which was reached in April following the March rate hike, quarter-end, and tax payments. The flat yield curve has kept demand strong for shorter-dated maturities despite rich muni/Treasury ratios. At ~65% of Treasuries, 1 and 2-year tenors are attractive for the highest tax bracket investors.

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

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

# Market summary & outlook – Limited duration

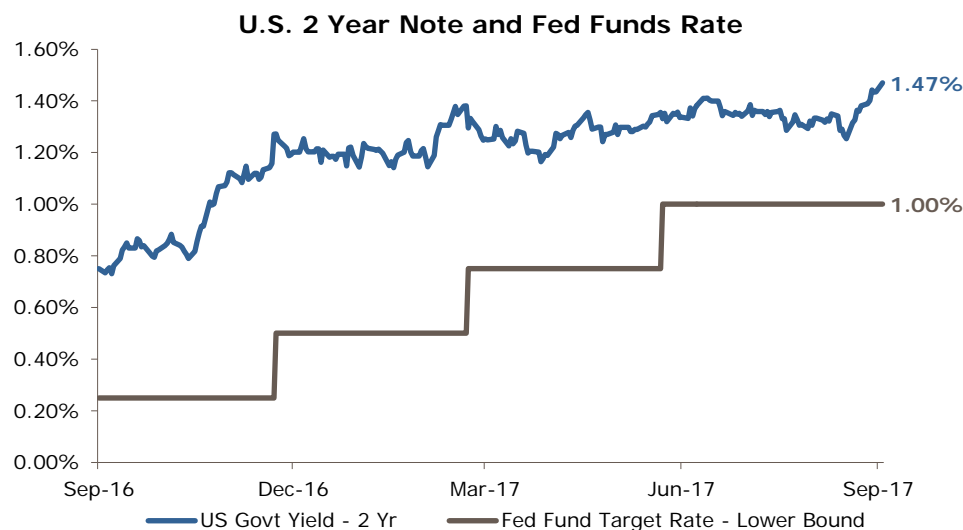
As of September 30, 2017

## Market summary & outlook

Sector	Underweight	Neutral	Overweight	Comments:
Duration and Yield Curve				Portfolios in the 1-3 year and 1-5 year strategies remain positioned 0.10 to 0.15 short versus benchmark durations as 2 year yields have broken out of the recent range. We expect an additional rate hike at the December 2017 meeting which the market is not fully pricing in (currently at 70%).
Government related				Sovereign, Supranational and Foreign Agencies (SSAs) have richened and offer less relative value for all but high quality or very constrained accounts. Agencies are fair, but bid/ask spreads remain wide. Limit investments to large, benchmark issues.
Corporate				We are cautious on lower-rated, higher beta subsectors of the corporate universe after significant spread tightening YTD. Domestic and European financials remain attractive relative to similarly-rated industrials.
Agency CMO/MBS				The Federal Reserve announced that it would begin tapering mortgage reinvestments in October. While gradual, the tapering should put pressure on mortgage spreads.
ABS				ABS remains an attractive, high-quality, low-risk asset class with excellent liquidity. For portfolios with a lower risk tolerance, stay in the more liquid sectors and stay up in the credit structure. For those portfolios with a higher risk tolerance, consider subordinate tranches of prime auto deals, foreign credit card bank deals and select benchmark subprime issuers. The primary market offers better relative value versus the secondary market; however, the concessions are shrinking.
CMBS				We recommend staying higher up in the capital structure particularly when purchasing CMBS 2.0 and 3.0 deals to mitigate any credit and liquidity concerns. Supply in the front end will continue to be very limited from a new issue perspective.
Municipals				Muni/treasury ratios have cheapened slightly from their lows but remain historically rich. At ~68% of Treasuries, municipals are only attractive for the highest tax-bracket individuals. We recommend a combination of VRDNs and longer taxable securities for limited duration strategies. Any uptick in supply and/or rates could widen ratios from their recent tights and provide a more attractive entry point for municipals.

# Treasury and duration

As of September 30, 2017



Source: Factset, Wells Capital Management

## Review & Commentary

- The yield on the 2 year Treasury note has gone from 1.26% at the beginning of the month to 1.47% (a high since November 2008), breaking through the top of the recent range and major resistance of 1.42%.
- The 2s/5s curve hit a recent low of +35 bps but has steepened recently and is currently at +45 bps. The 2s/5s curve has flattened 39 bps from the late December 2016 wide of +84 bps.
- Market expectations for one future rate hike in 2017 at the December 13<sup>th</sup> meeting stand at 70%. This is up from only 20% at the beginning of the month. We expect one more rate hike in 2017 at the December meeting with additional hikes in 2018.
- In October the Fed will initiate the balance sheet normalization program by gradually reducing its holdings of both U.S. Treasury and Agency Mortgage securities.

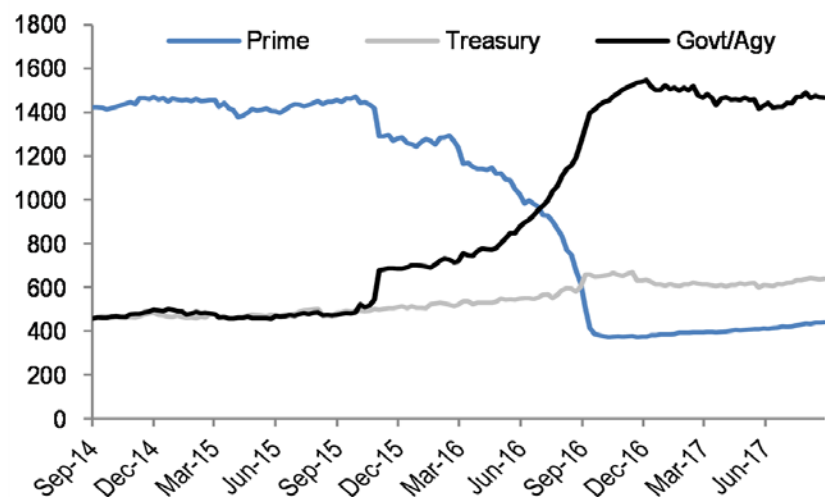
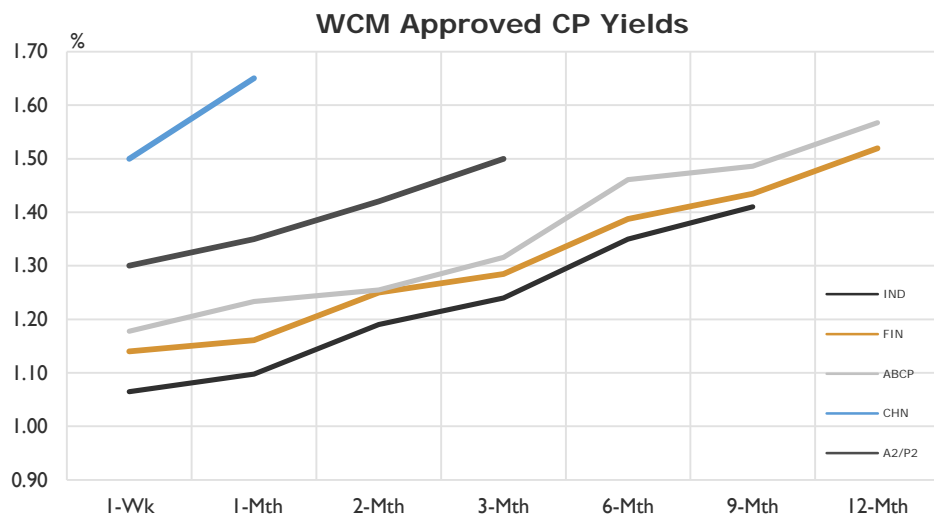
## Strategy

- Portfolios in the 1-3 year and 1-5 year strategies remain positioned 0.10 to 0.15 short versus benchmark durations as 2 year yields have broken out of the recent range. We expect a rate hike at the December 2017 meeting, which the market is not fully pricing in, and 2 year yields to approach or surpass 1.60% by year end.
- Enhanced cash strategies are positioned neutral to slightly long given the recent back up in rates. The very front-end of the yield curve remains steep in the 12-18 month maturities.
- In the short-term, we believe the curve can steepen from these levels as rates move higher. Ultimately, however, the curve will remain flat as the Fed tightens monetary policy.



# Money market instruments

As of September 30, 2017



Source: Bloomberg, Wells Capital Management, J.P. Morgan

## Review & Commentary

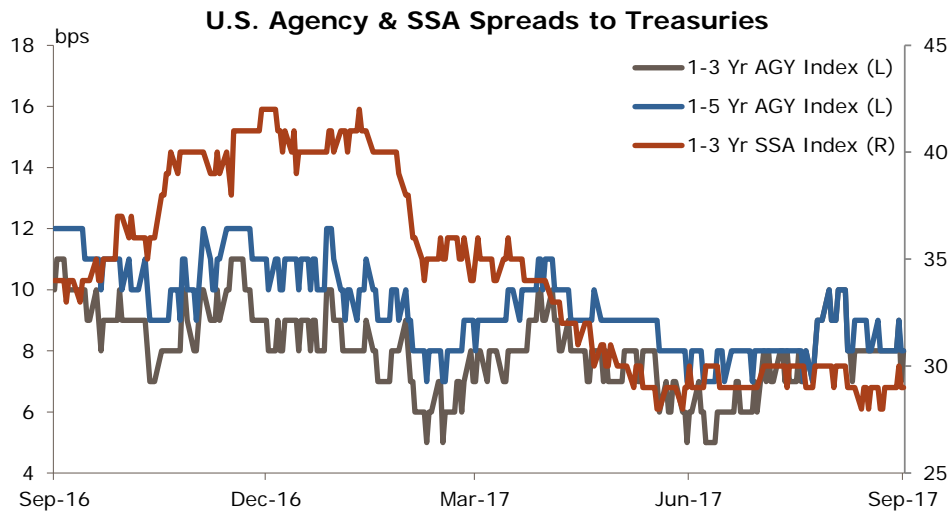
- Commercial Paper (CP) and CD trading volume ticked up earlier in the month with both investors and issuers looking to lock up funding and investment over the quarter end. Volume is expected to decline subsequently going into the quarter-end. There is demand going into 2018, mainly in floating Japanese and Australian bank paper, while fixed rate demand is a little more subdued since investors are expecting a premium that includes a December rate hike.
- Dealer repo transactions with MMFs have increased from a low of \$343B in June 2015 to \$818B in August 2017, led by increased supply in French, UK, and Japanese banks. Banks have found ways to adapt to new banking regulations and have become more efficient in providing balance sheet through netting activities.
- Tier-2 commercial paper continues to trade well, though maturities seem to be shortening to the 30-45 day tenor.

## Strategy

- CP maturities 3 months and shorter are preferred given a relatively flat CP curve.
- Avoid late December maturities due to expected reinvestment risk and consider early 2018 maturities as opportunities present themselves.
- Short corporate bonds inside 18 months continue to be attractive, offer good liquidity and provide additional diversification opportunities in the front end. There have been 1 year opportunities with month-end index selling, particularly with heavy September new issuance.
- We are selectively investing in A-2/P-2 rated issuers with stable short-term credit outlooks and in tenors that offer a sufficient increase in yield over A-1/P-1 rated issuers. A-2/P-2 issuers are skewed toward industrial issuers.

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

As of September 30, 2017



## Review & Commentary

- SSA yield spreads over U.S. Treasuries, Agencies are fair and even attractive versus some corporate industrial issuers. Due to higher benchmark swap rates, SSA yield spreads over Treasuries can be 15-30 bps.
- U.S. Agency excess returns in September were +1 bp for both the 1-3 year and 1-5 year maturity indices. YTD excess returns are +16 bps and +25 bps, respectively.
- Agency yield spreads versus Treasuries were unchanged on the month; bid/ask spreads remain wide.

## Recent Sovereign, Supranational and Foreign Agency Trades

Description	Rating	Guarantee	Spread vs. TSY
OKB 1.125 5/29/18	Aa1/AA+	Explicit - Austria	+19
RENTEN 1.875 9/17/18	Aaa/AAA	Explicit - Germany	+14
EDC 1 11/01/18	Aaa/AAA	Explicit - Canada	+15
SEK 1.25 4/12/19	Aa1/AA+	Implicit - Sweden	+26

## Recent U.S. Agency Trades

Description	Rating	Spread vs. TSY
FHLB 0.875 8/05/19	Aaa/AA+	+7
FHLB 2 9/13/19	Aaa/AA+	+8
FNMA 0 10/09/19	AA-/AA-	+35
FHLMC 1.625 9/29/20	Aaa/AA+	+9*

\*new issue purchases

\*\*secondary callable purchase

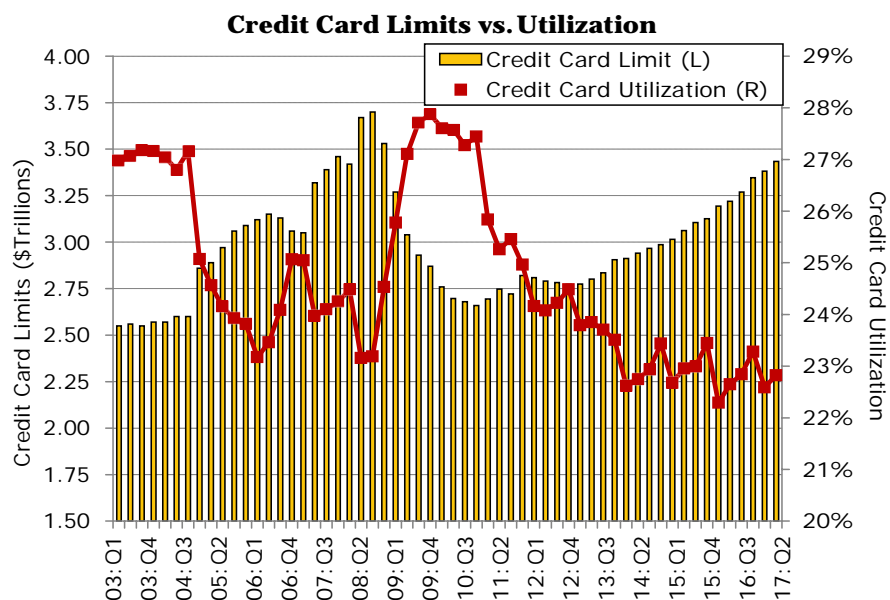
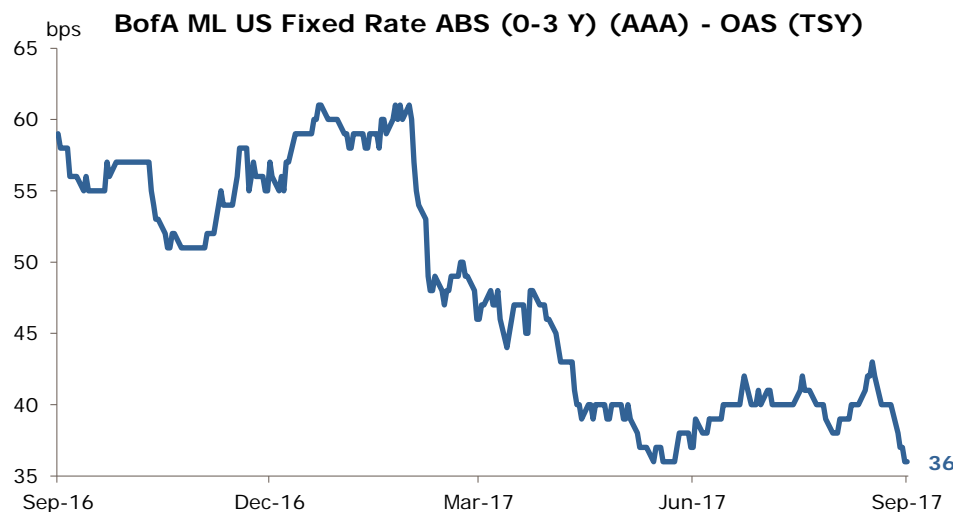
Source: Factset, BofA Merrill Lynch, Wells Capital Management

## Strategy

- U.S. Agency valuations are fair to rich. Bid/ask spreads for off-the-run issues can be as wide as 6 bps.
- U.S. Agency sub-debt offers attractive yield spreads over Treasuries of 35 bps.
- SSAs are less attractive than prior months but still represent some value for high quality and/or constrained accounts.
- SSAs shorter than 3 years do not benefit from roll-down in yield spreads to Treasuries and indexes typically sell 1 year bonds, which makes the 1 year and shorter secondary offerings the most attractive.

# Asset-backed securities

As of September 30, 2017



Source: Factset, BofA Merrill Lynch, Citigroup Global Markets

## Review & commentary

- 2017 YTD ABS issuance at \$166B vs \$151B last year. Credit card and esoteric issuance both up \$8B versus last year. New issue concessions remain albeit at very small margins. Supply has picked up after ABS East in Miami. Anticipate supply to be steady from now until the Thanksgiving holiday.
- Post-hurricane auto notes: Auto insurance coverage straightforward, proceeds of claims will be paid to the lender first to pay off a loan prior to borrower receiving any funds. Slight uptick in delinquencies (affected areas) and prepayments (claims being processed).
- Credit Card borrowers remain disciplined as credit limits rise. Credit limits have steadily increased since 2013, but borrowers seem disciplined as utilization rates remain low and stable. Monthly payment rates are high (leading indicator) while banks have been tightening lending standards as charge-off rates have risen.

## Strategy

- Prime auto lease deals are most attractive sub-sector in consumer ABS picking 10 bps to prime auto loan deals. Residual risk is manageable given the latest Manheim used vehicle readings as well as the structural protections in deals. Canadian, UK and US bank credit card issuers offer good value versus on-the-run prime auto loan issuers. Select benchmark subprime issuers provide incremental yield pickup with plenty of credit support and structural enhancements for protection against losses. In subprime autos, avoid small lenders without funding diversification and deep subprime issuers that have private equity investors.
- Primary market offers better relative value based on wider spreads compared to the secondary markets.
- Up-in-quality bias has us favoring the ABS sector versus highly rated unsecured corporates especially when considering relative value, fundamentals and liquidity.

# CalOptima

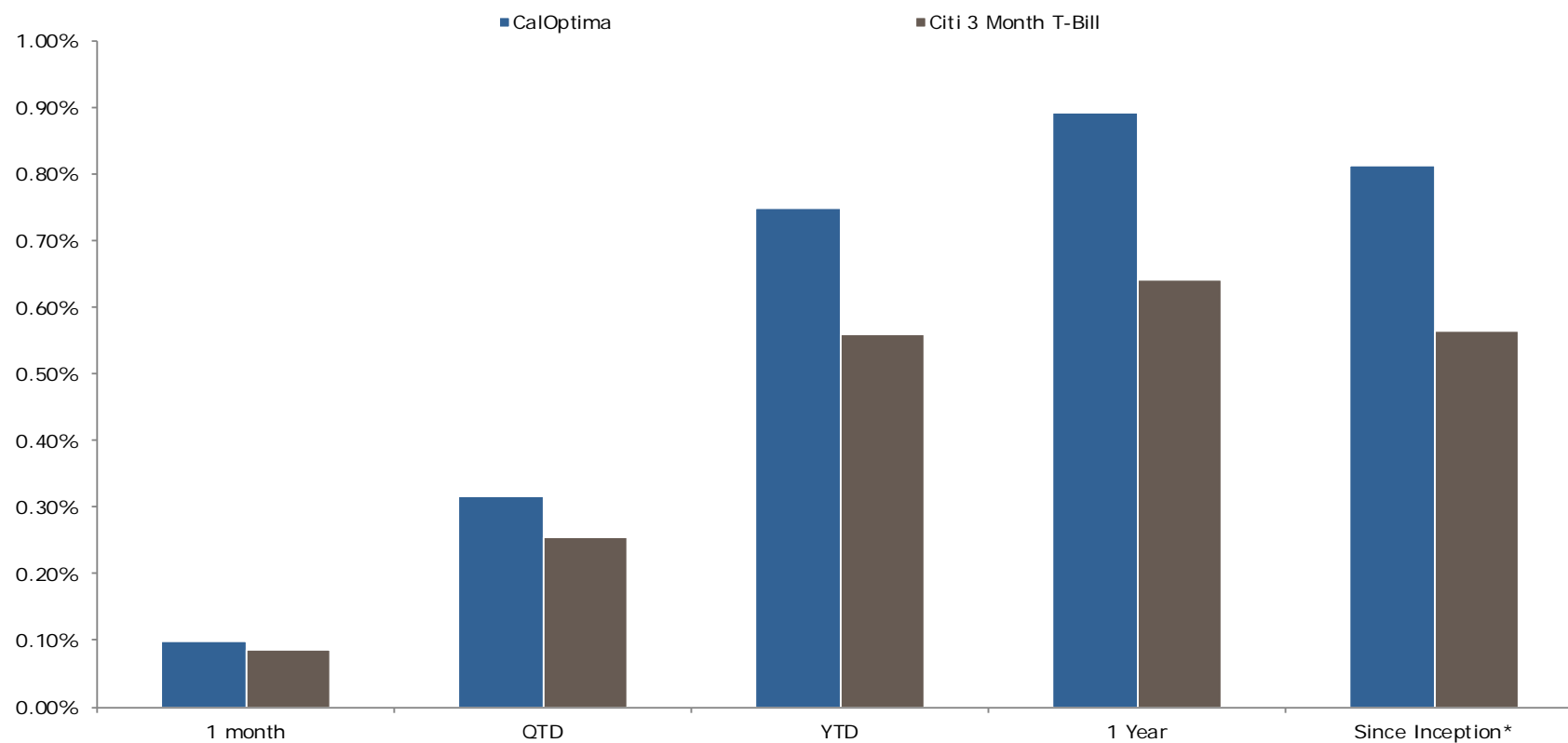
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# Performance summary

As of September 30, 2017

	1 month	QTD	YTD	1 Year	Since Inception*
CalOptima	0.10%	0.32%	0.75%	0.89%	0.81%
Citi 3 Month T-Bill	0.09%	0.26%	0.56%	0.64%	0.56%

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

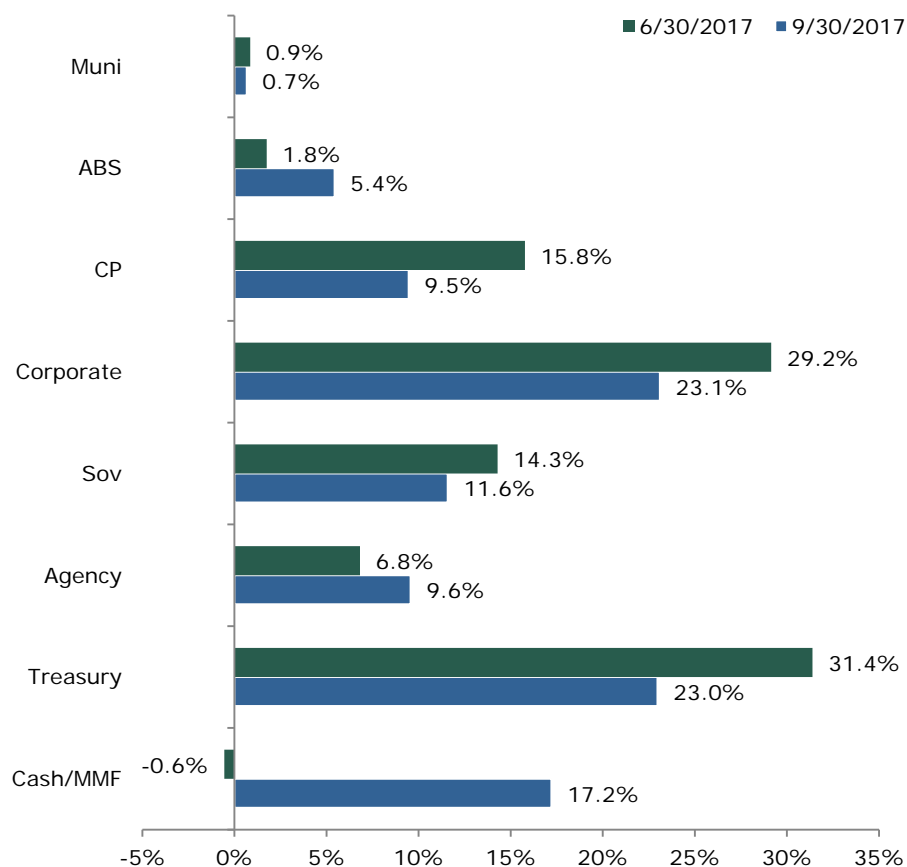


\*Inception Date is May 3, 2016  
Source: Clearwater

# Portfolio changes

As of September 30, 2017

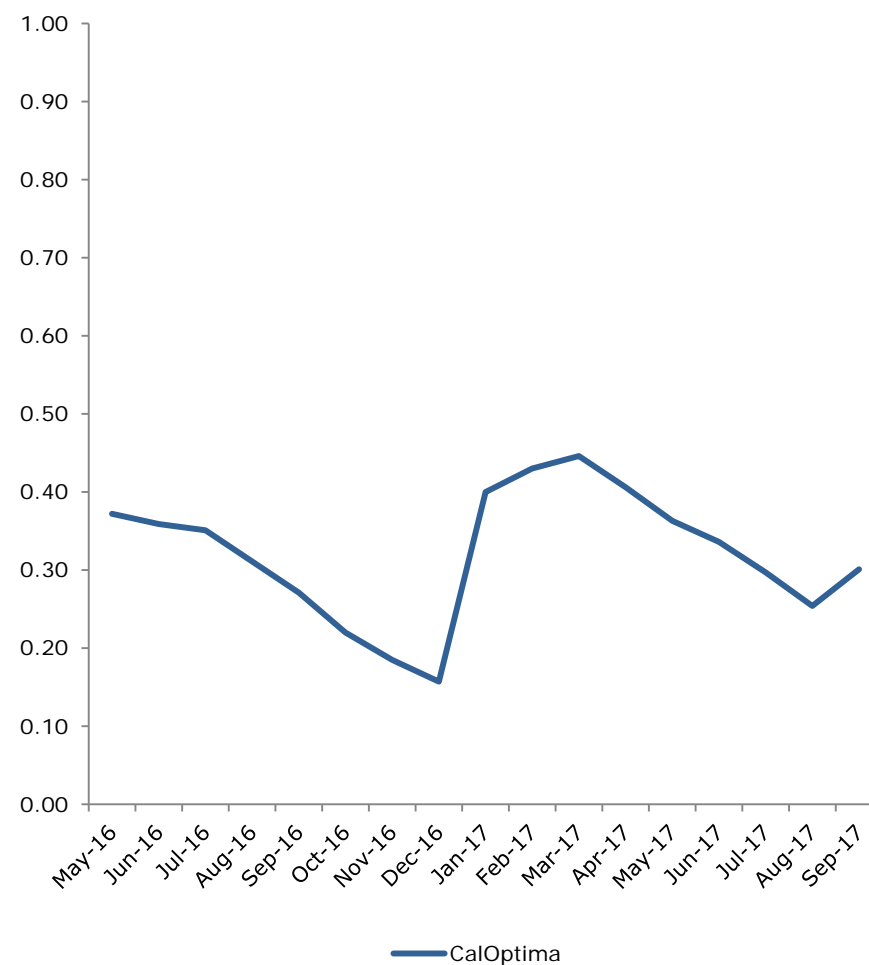
## Allocation over time



	9/30/2017	6/30/2017	Change
Market Value	\$756,260,318	\$584,444,088	\$171,816,231

Source: Clearwater

## Duration



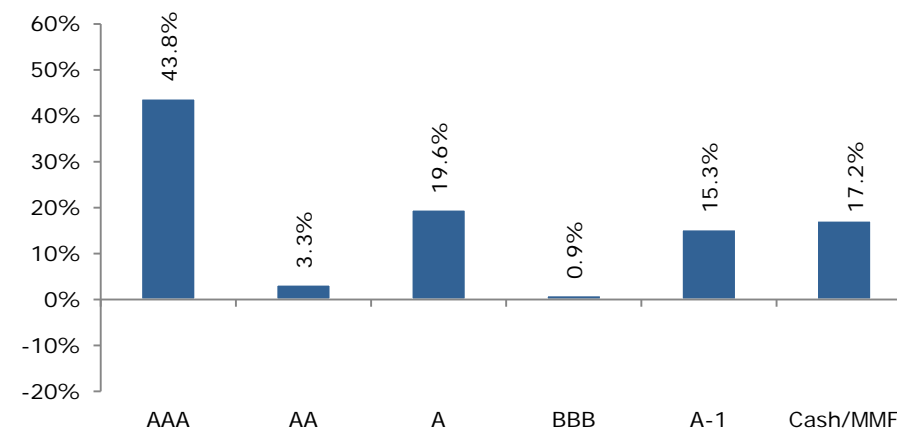
# Portfolio summary

As of September 30, 2017

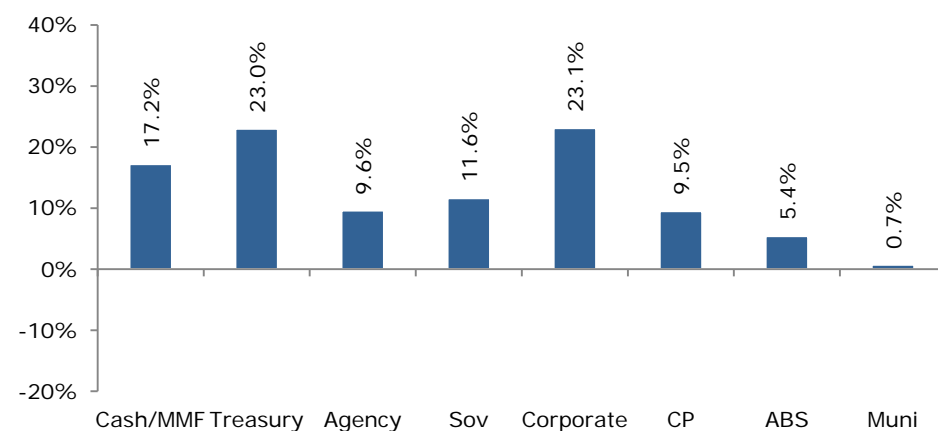
## Characteristics

Name	CalOptima
Market Value (\$)	\$756,260,318
Average Effective Maturity (yrs)	0.45
Duration	0.30
Purchase Yield (%)	1.08
Current Market Yield (%)	1.25
Average Quality	AA+

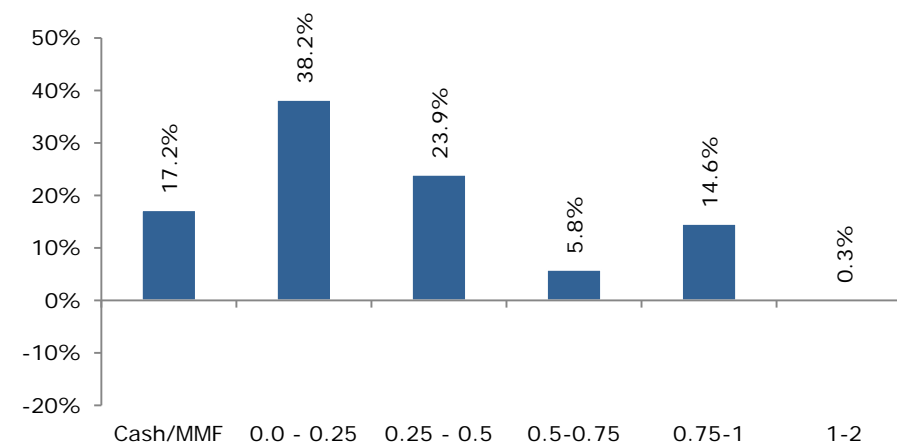
## Credit quality



## Security type



## Duration



Source: Clearwater

## **CalOptima – Tier 1**

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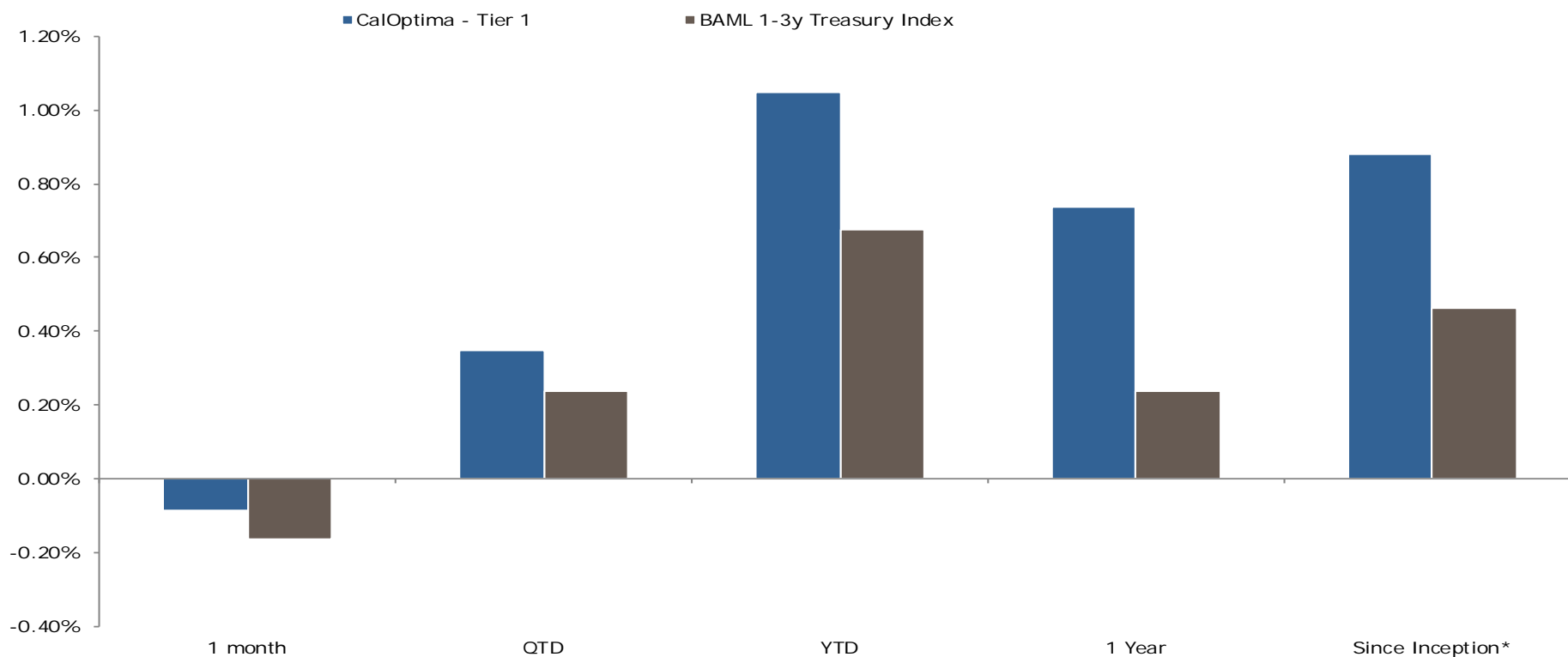


# Performance summary

As of September 30, 2017

	1 month	QTD	YTD	1 Year	Since Inception*
CalOptima - Tier 1	-0.09%	0.35%	1.05%	0.74%	0.88%
BAML 1-3y Treasury Index	-0.16%	0.24%	0.67%	0.24%	0.46%

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



\* Inception Date is May 3, 2016  
Source: Clearwater

# Performance attribution

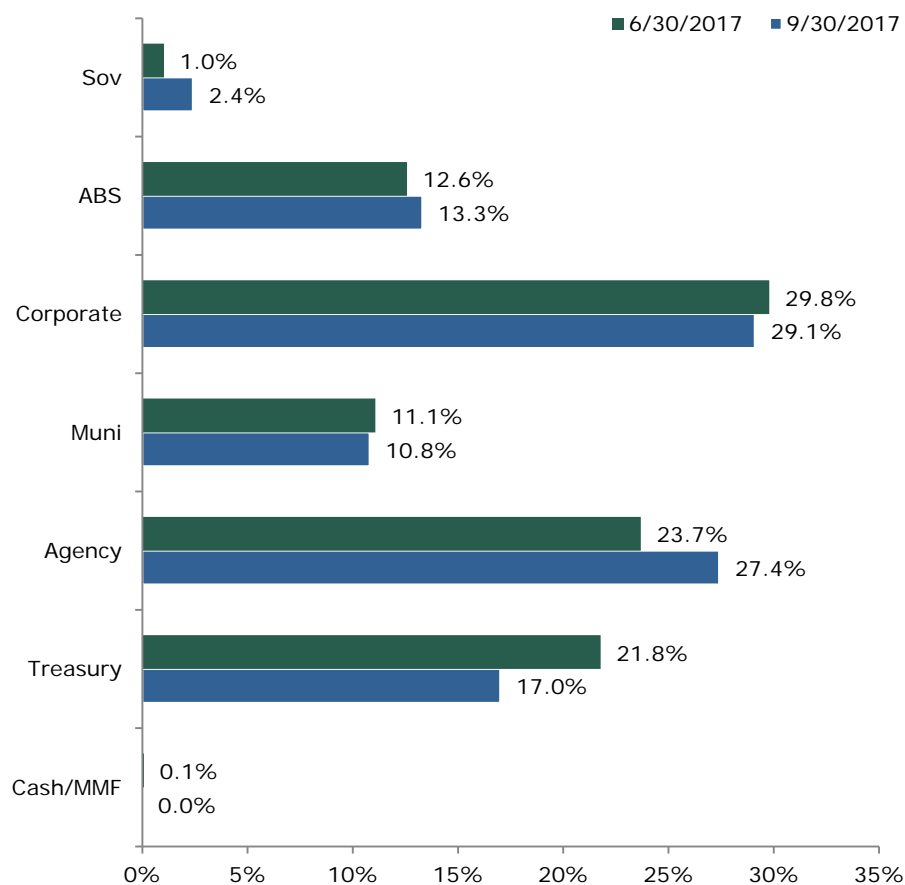
(In basis points)	3Q 2017	YTD	1 Year	Since Inception*
<b>Duration</b>	0	-1	2	0
<b>Curve</b>				
<b>Sector Selection</b>				
Agency	0	2	3	5
Corporate				
Financial	5	18	21	19
Industrial	2	7	8	14
Utilities	1	2	2	2
MBS				
CMBS				
ABS	2	7	8	11
Municipal	0	1	1	4
Error factor	0	2	-3	3
<b>Total Contribution</b>	10	38	42	58
<b>((Strategy)) Return</b>	34	105	63	131
<b>((Benchmark)) Return</b>	24	67	21	73

\* from 6/1/2016 un-annualized

# Portfolio changes

As of September 30, 2017

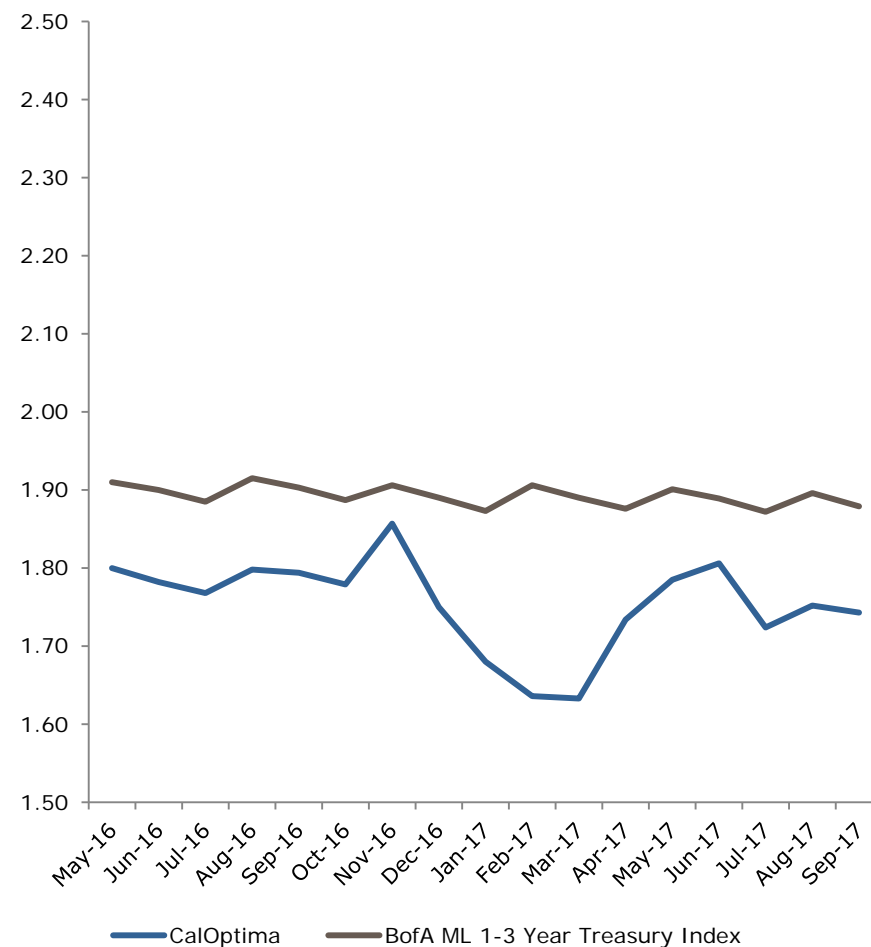
## Allocation over time



	9/30/2017	6/30/2017	Change
Market Value	\$146,471,481	\$145,964,635	\$506,845

Source: Clearwater

## Duration



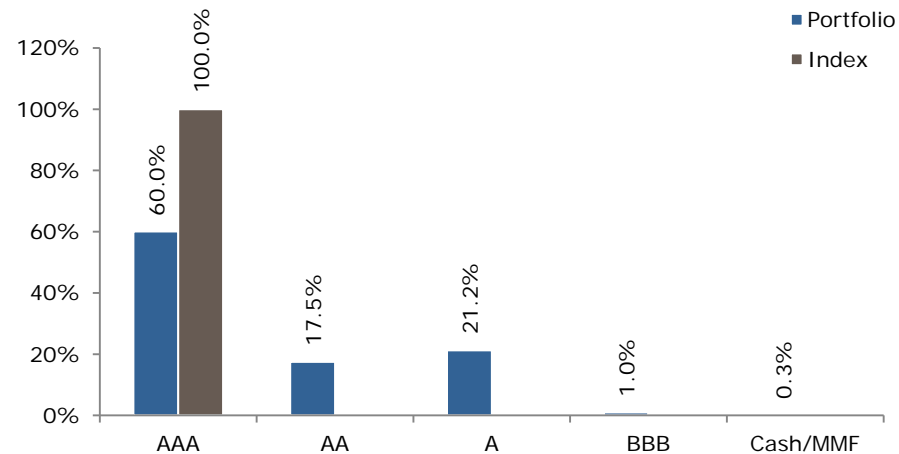
# Index comparison

As of September 30, 2017

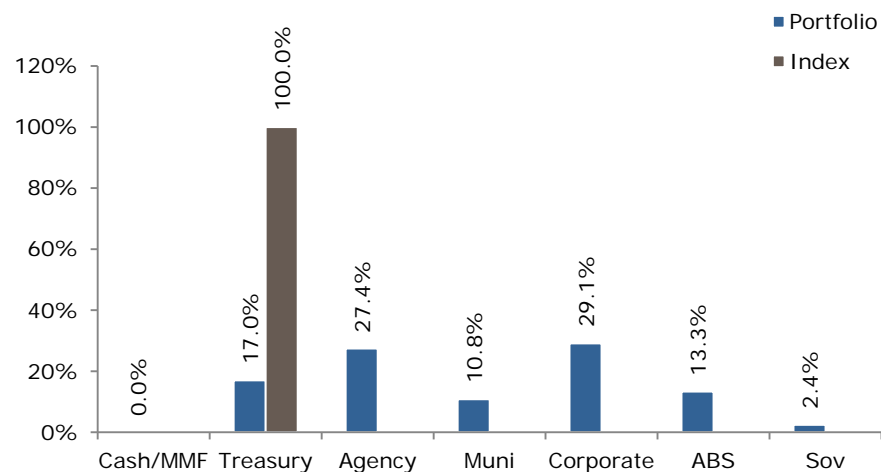
## Characteristics

Name	CalOptima – Tier 1	Index*
Market Value (\$)	146,471,480	---
Average Effective Maturity (yrs)	1.80	1.93
Duration	1.74	1.88
Purchase Yield (%)	1.47	---
Current Market Yield (%)	1.67	1.49
Average Quality	AA+	AAA
*BofA ML 1-3 Year Treasury Index		

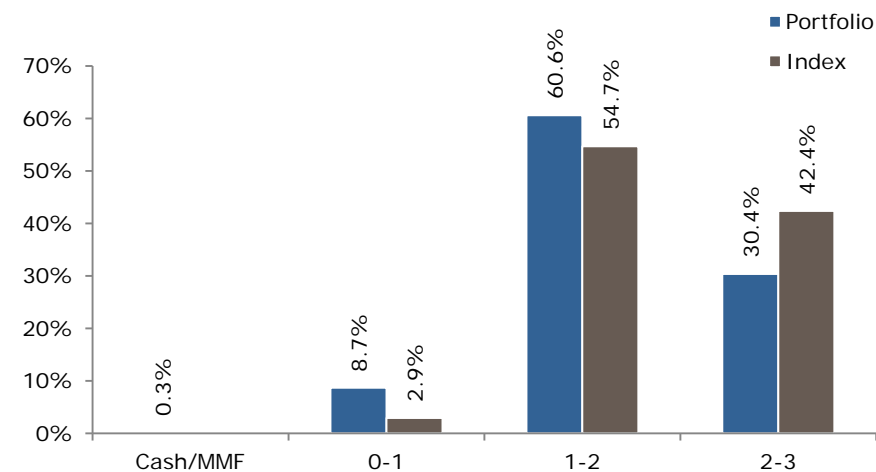
## Credit quality



## Security type



## Duration



Source: Clearwater

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Portfolio Review

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



*October 30<sup>th</sup>, 2017*

Scott Pavlak, CFA – Portfolio Management

Wendy Kaszak – Client Services

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## SECTION I

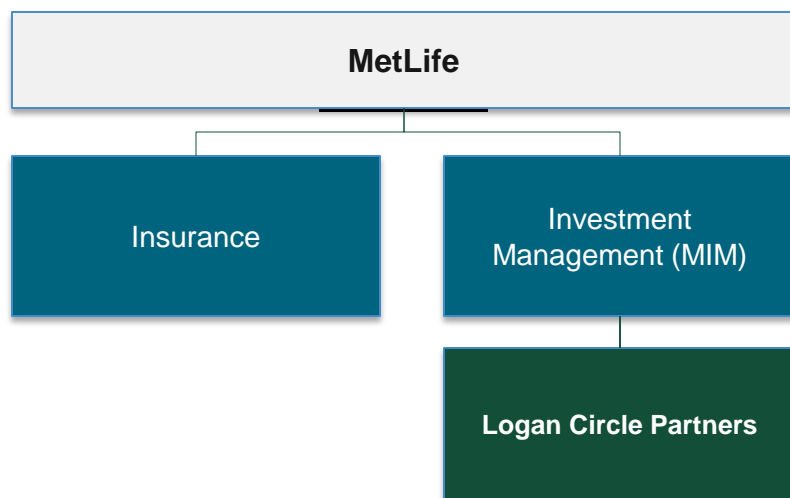
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### **Firm Overview**

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# ORGANIZATIONAL OVERVIEW

- Logan Circle Partners, L.P. (“Logan Circle” or “LCP”) is a MetLife, Inc. company and is part of MetLife Investment Management, MetLife Inc.’s Institutional Investment Management Business.
- We are dedicated solely to the institutional marketplace and have \$35.5 billion<sup>1</sup> in total assets under management.
- The senior members of our short duration investment team have worked together on fixed income portfolios for over 25 years.
- Suite of fixed income investment strategies includes broad coverage of both the risk spectrum (Enhanced Cash to High Yield) and the term structure (Short-Term to Long Duration).

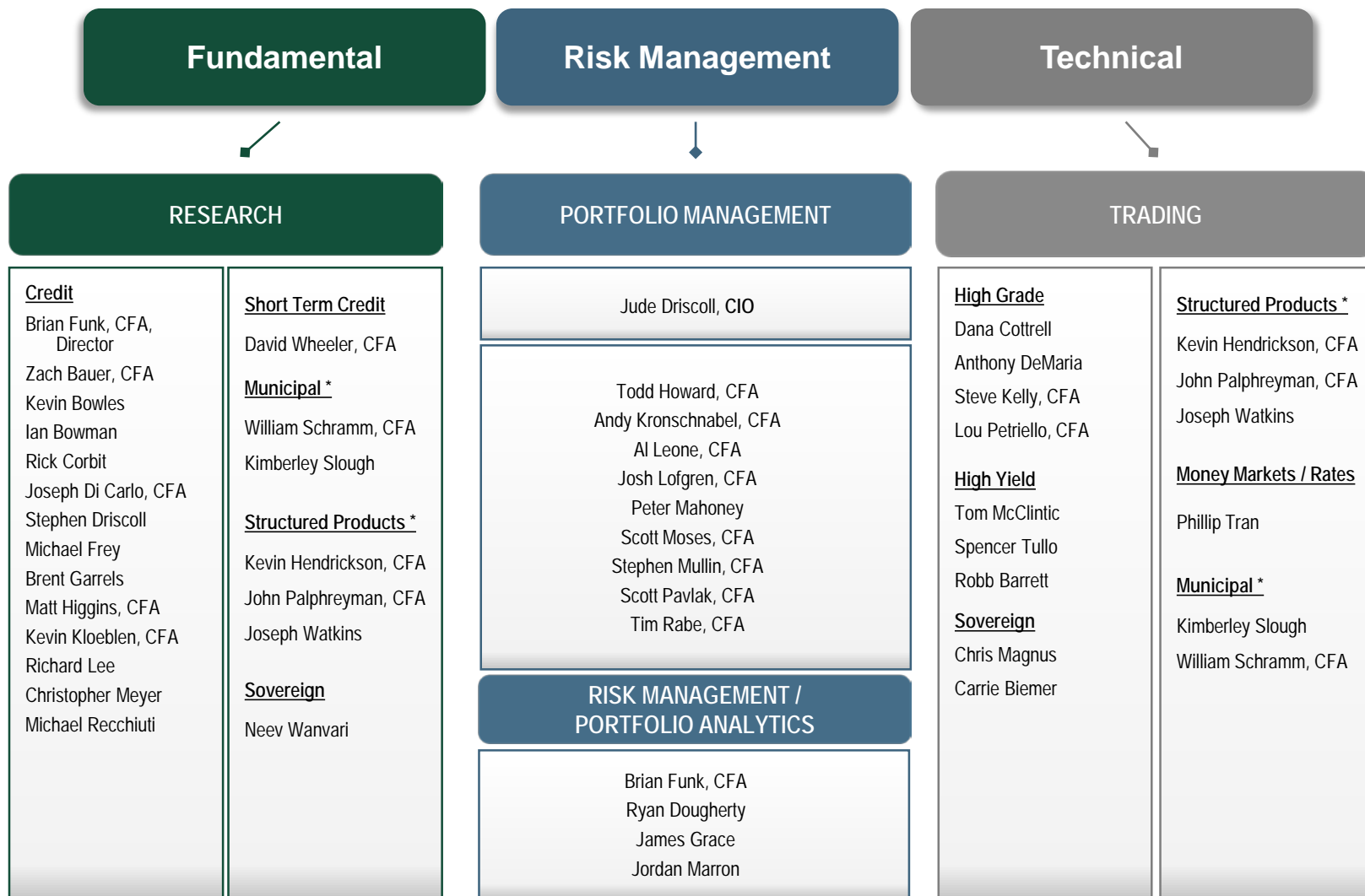


Assets by Client Type <i>(\$ millions as of June 30, 2017)</i>	
Corporate	\$14,416
Sub-Advisory	\$13,052
Public	\$3,325
Insurance	\$1,553
Other	\$3,137
<b>TOTAL</b>	<b>\$35,483</b>

75 Employees <i>(as of September 30, 2017)</i>	
Portfolio Management	10
Research	19
Trading	13
Risk / Portfolio Analytics	4
Client Services	14
Legal / Compliance	3
Administration / Operations	12
<b>TOTAL</b>	<b>75</b>

<sup>1</sup> Based on unaudited estimates and are subject to change. Fee paying assets under management as of 6/30/17.





\* Our structured products and municipals analysts have both research and trading responsibilities

## **SECTION II**

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### **Market Review**

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### ■ GDP

Domestic economy will continue to grow in the low 2% range although hurricane-related distortions in the data are expected over the next several quarters. Consumer spending to remain the primary contributor to growth. Increases in business fixed investment and government spending are needed to propel growth trajectory upward. Any positive impact from the enactment of tax reform will not be felt until 2018.

### ■ Consumer

Present situation component of consumer confidence remains elevated while future expectations have declined slightly. Household debt, apart from home mortgages, is rising while savings rate remains low. Hurricanes providing a temporary boost to auto sales from the summer lows. Low overall savings rate masks dispersion between various income strata and will limit the ability of consumers to dramatically push spending higher.

### ■ Business

Continued improvement in revenue trends and profitability, especially in the commodity space, has stabilized credit metrics. Strength in sentiment indicators such as PMI and business confidence signals continued uptick in business fixed investment. While the final version of tax reform is yet to be determined, businesses are poised to derive the greatest benefit. Regulatory reform efforts will continue to benefit both financial and industrial market segments.

### ■ Residential / Commercial Real Estate

Shortage of inventory in lesser priced homes supports mid-single digit price appreciation with large divergence geographically. With nearly 25% of national housing starts in Florida and Texas, hurricane-related weakness will depress starts and sales over the near term. Affordability for first-time home buyers is at post-crisis lows. Recent Federal Reserve Senior Loan Officer Opinion Survey shows modest tightening in CRE lending standards. Retail bankruptcies and store closings continue to challenge mall properties, while new construction supply puts downward pressure on multi-family and hotel sub-sectors.

### ■ Inflation

Tight labor market and rising wages expected to push core service inflation higher while weak dollar and rising import prices have similar effect on core goods prices. ISM manufacturing index, a leading indicator of inflation, strongest since 2004. Survey of Professional Forecaster's inflation expectations assumes a more prominent role in Fed deliberations regarding the 2% inflation target.

### ■ U.S. Monetary Policy

Federal Reserve's balance sheet reduction commences with any future policy adjustments coming in the form of changes in the federal-funds rate. Although the long-term dot plot was lowered, market expectations regarding fed-funds increases through 2018 remain too low. Changing Fed board composition likely to lead to a more hawkish Fed, especially if progress on the fiscal front is realized, with a softer stance on financial regulation.

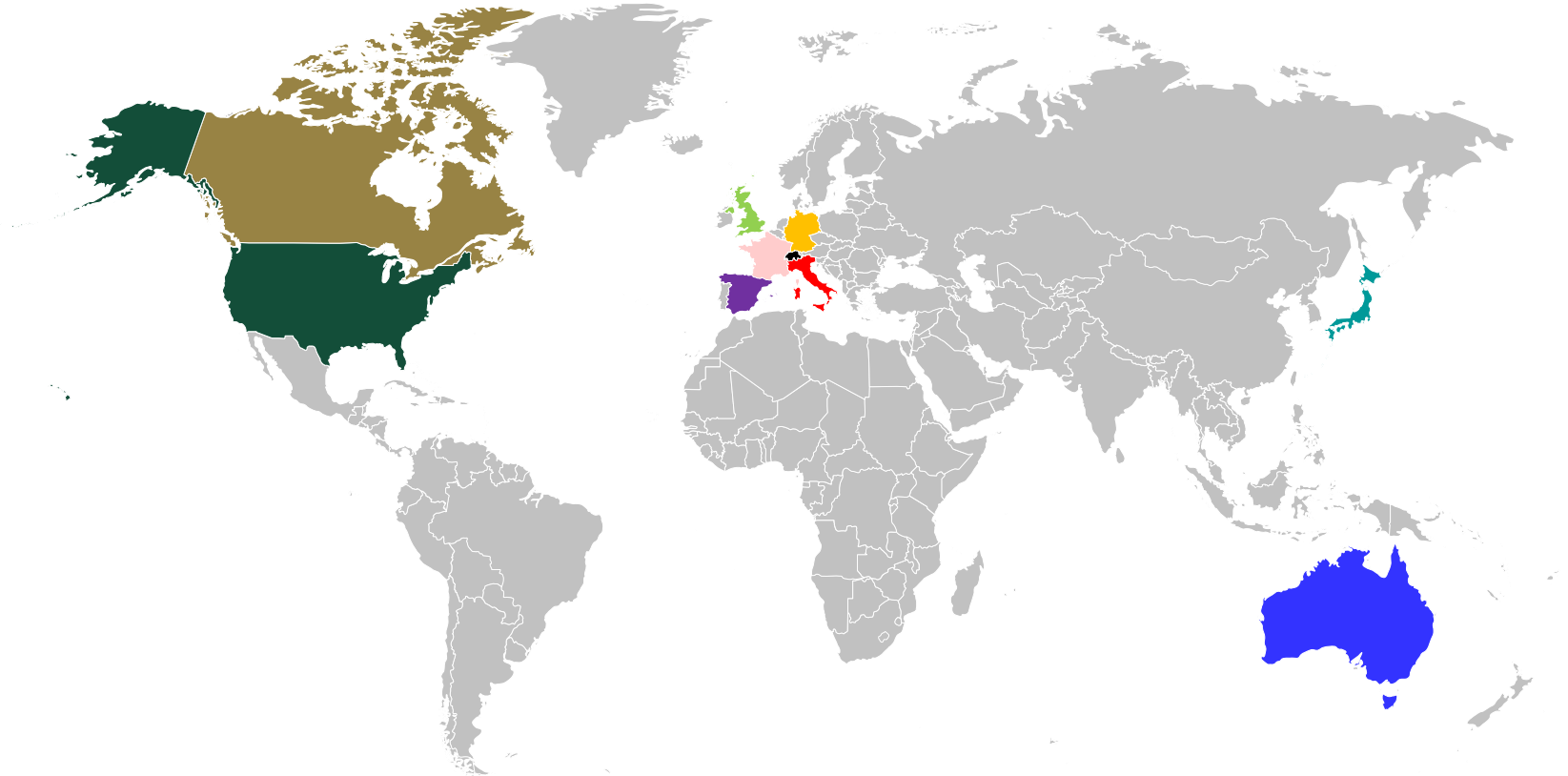
### ■ Employment

Absent a significant improvement in the labor force participation rate, the unemployment rate will continue to decline and exert upward pressure on wages. Increasing proportion of new entrants to the labor force are lower skilled workers, a barometer of labor market tightness. Voluntary job separations (U.S. Quits Rate) at cycle highs demonstrates strong employee confidence. Shortage of skilled labor impacting many small to medium sized businesses.

### ■ Central Banks / International

Synchronized global economic growth pushing Central Banks away from accommodative policies. Shifts in European political landscape continue to move in a more populist direction with Germany, Spain and Italy at the forefront. Rising geopolitical tensions in the Middle East and Asia represent tail risks to financial markets. The conclusion of the Chinese 19<sup>th</sup> National Congress should consolidate power for current leadership, leading to a more assertive posture on the international stage.

## WORLD INTEREST RATES – as of September 30, 2017\*



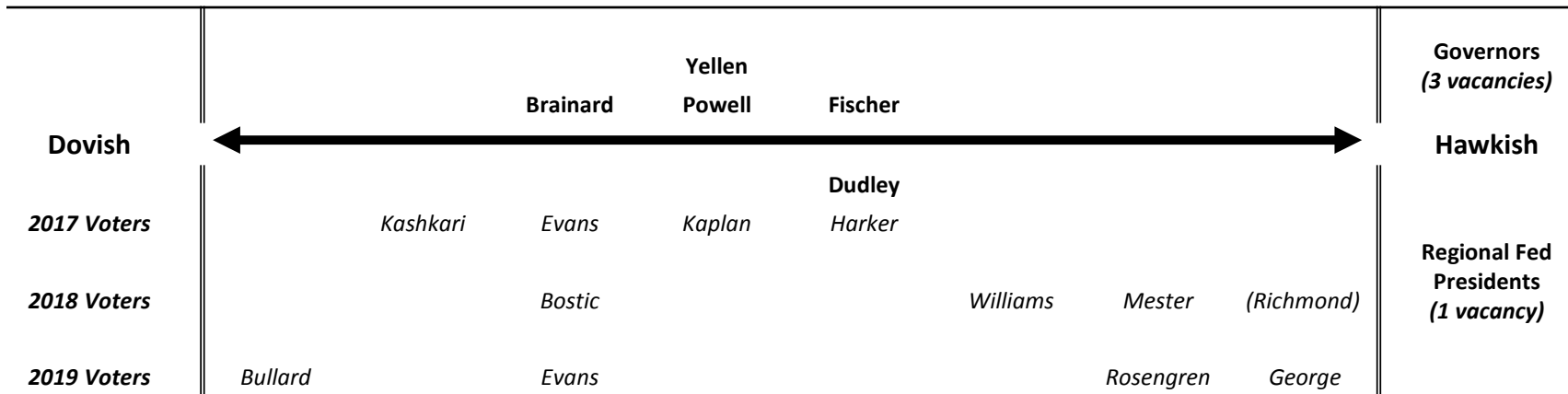
Country	United States	Canada	United Kingdom	Italy	Spain	France	Germany	Switzerland	Japan	Australia
2-Year	1.49%	1.52%	0.44%	(0.25%)	(0.34%)	(0.49%)	(0.70%)	(0.85%)	(0.13%)	1.95%
	+0.30	+0.77	+0.40	(0.06)	(0.04)	+0.20	+0.10	+0.22	+0.06	+0.13
5-Year	1.94%	1.75%	0.78%	0.70%	0.25%	(0.01%)	(0.27%)	(0.53%)	(0.09%)	2.36%
	+0.01	+0.64	+0.31	+0.10	(0.01)	+0.12	+0.27	+0.18	+0.03	+0.03
10-Year	2.33%	2.10%	1.36%	2.11%	1.60%	0.74%	0.46%	(0.05%)	0.06%	2.84%
	(0.11)	+0.38	+0.13	+0.30	+0.22	+0.06	+0.26	+0.17	+0.02	+0.07
30-Year	2.86%	2.47%	1.91%	3.28%	2.83%	1.84%	1.29%	0.42%	0.86%	-
	(0.21)	+0.16	+0.05	+0.35	+0.22	+0.23	+0.35	+0.07	+0.14	-

\* Shaded rows indicate change from December 31, 2016.

Source: Bloomberg

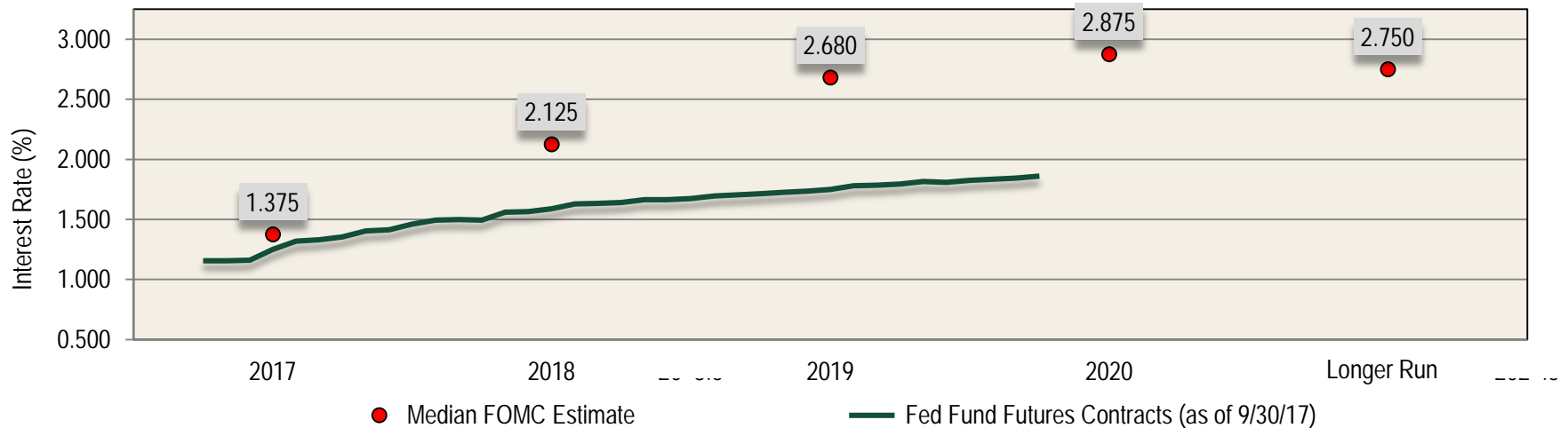
# FEDERAL RESERVE

## FOMC Dove-Hawk Spectrum



Note: NY Fed President (Dudley) is always a voter. Richmond Fed President Lacker stepped down abruptly; there is no replacement yet.

## Fed Expectations vs Fed Funds Futures Rate



Source: Federal Reserve, Bloomberg, BofA Merrill Lynch

# CONGRESSIONAL BUDGET OFFICE – as of September 30, 2017

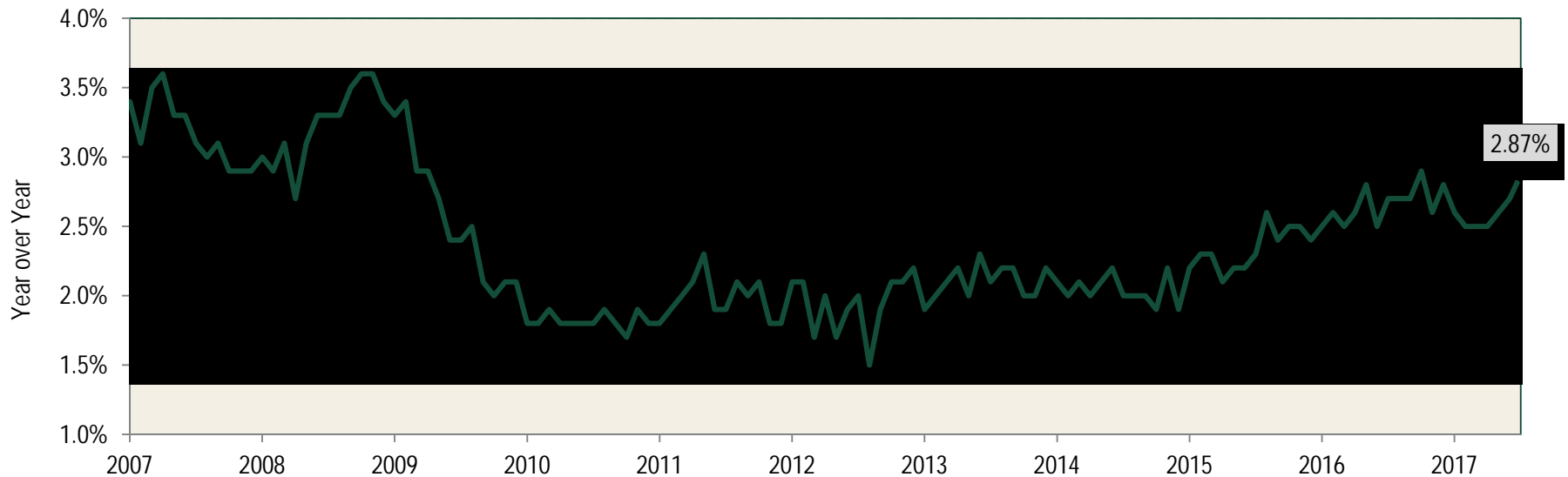
(\$ Billions)	1973	1983	1993	2003	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2020*
Revenues	231	601	1,154	1,782	2,407	2,568	2,524	2,105	2,163	2,303	2,450	2,775	3,021	3,250	3,268	3,853
Outlays	246	808	1,409	2,160	2,655	2,729	2,983	3,518	3,457	3,603	3,537	3,455	3,506	3,688	3,853	4,628
Social Security	48	169	302	470	544	581	612	678	701	725	768	808	845	882	910	1,114
Medicare	9	56	143	274	377	436	456	500	520	560	551	585	600	634	692	842
Medicaid	5	19	76	161	181	191	201	251	273	275	251	265	301	350	368	454
Income Security	14	64	117	196	200	203	261	350	437	404	354	340	311	300	304	312
Retirement & Disability	18	58	68	100	113	122	129	138	138	144	144	153	158	161	164	176
Defense	77	210	292	405	520	548	612	657	689	699	671	626	596	583	585	635
Other	57	144	212	401	494	410	458	758	502	566	579	457	466	554	589	671
Net Interest	17	90	199	153	227	237	253	187	196	230	220	221	229	223	240	423
Deficit (-) or Surplus Total	-15	-208	-255	-378	-248	-161	-459	-1,413	-1,294	-1,300	-1,087	-680	-485	-438	-585	-775
Total U.S. Debt	466	1,372	4,351	6,760	8,451	8,951	9,986	11,876	13,529	14,764	16,051	16,719	17,794	18,120	19,539	22,503

Source: Congressional Budget Office

## U.S. EMPLOYMENT – as of September 30, 2017

	Labor Force Participation Rate	Unemployment Rate	Non-Farm Payroll
Average (1982 – 2014)	65.7%	6.4%	124,942
Current	63.1%	4.2%	-33,000
Average (2015 – 2017)	62.8%	4.9%	190,515

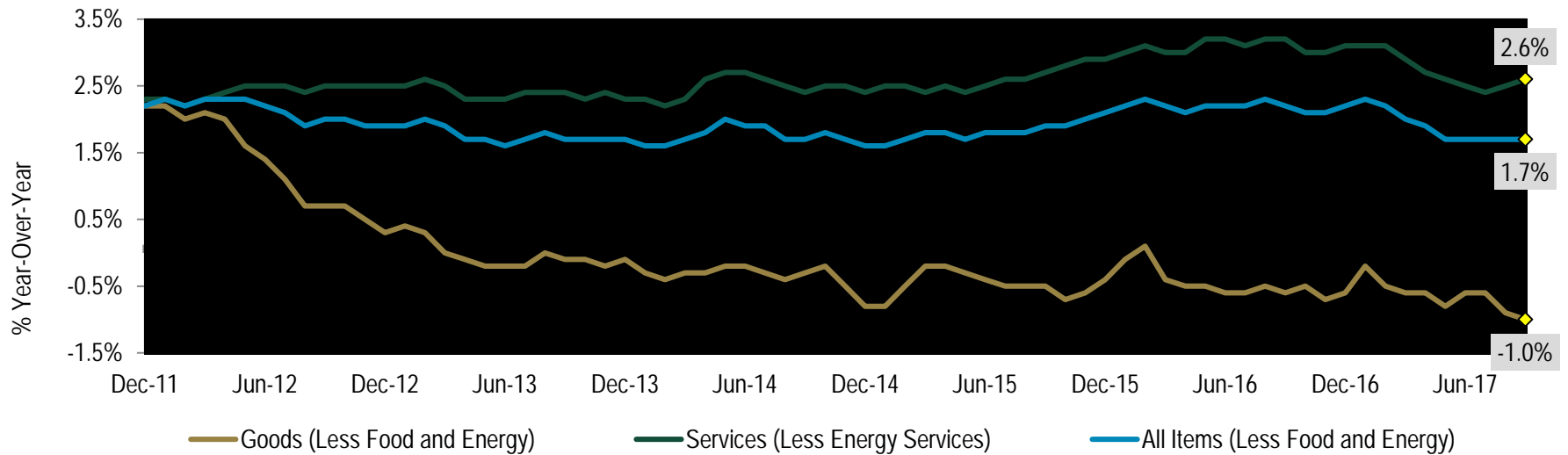
### U.S. Average Hourly Earnings



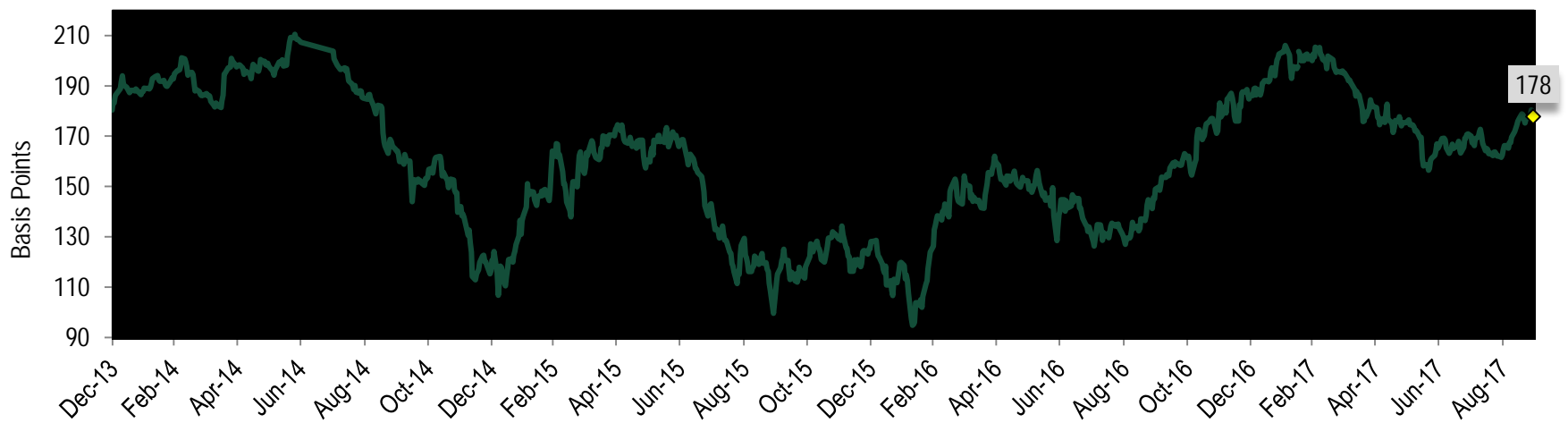
Source: Bureau of Labor Statistics

# U.S. INFLATION

## CPI Core Breakdown



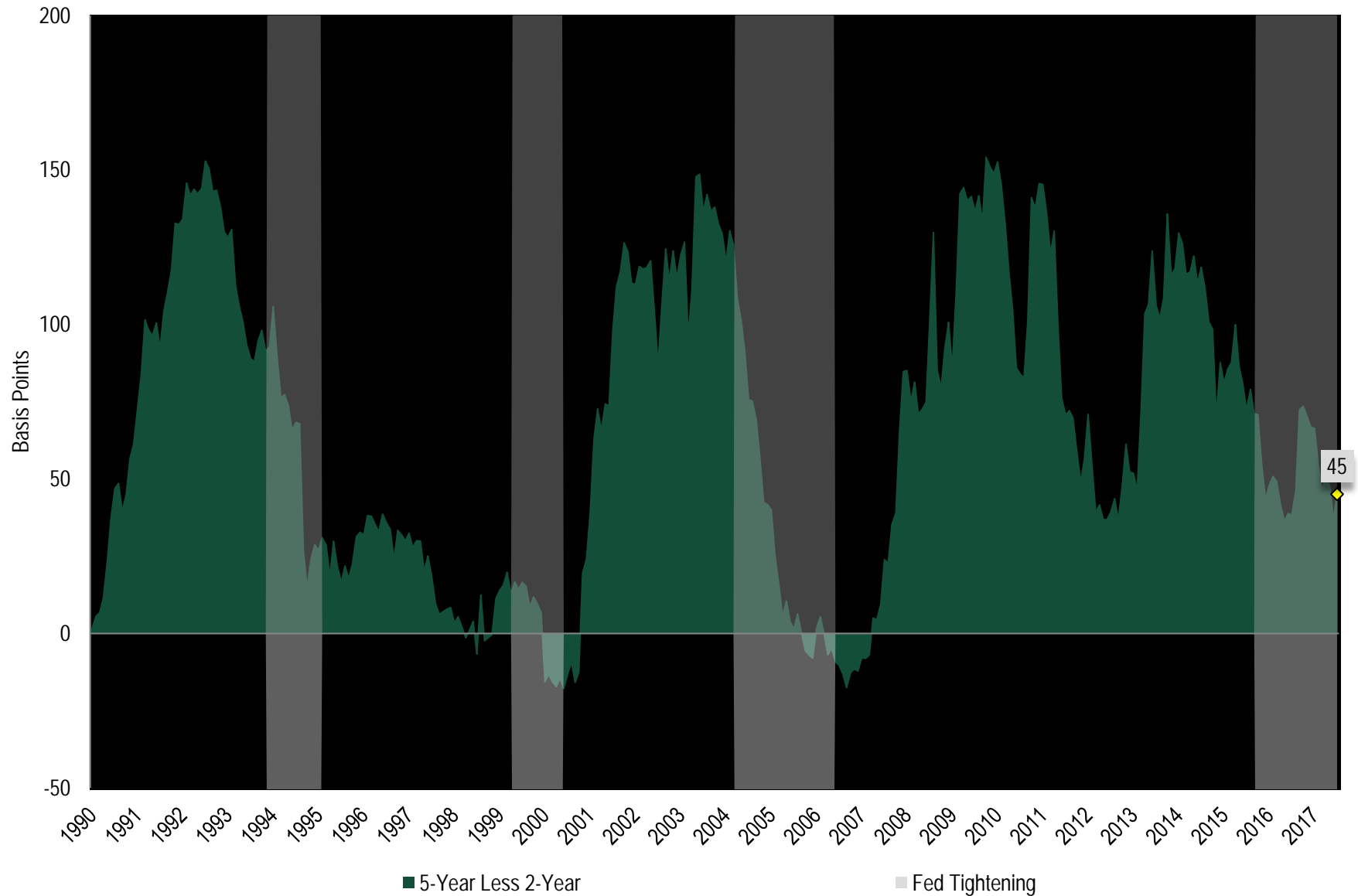
## 5-Year TIPS Breakeven Rate



Source: Bureau of Labor Statistics, Bloomberg



## YIELD CURVE POSITIONING – as of September 30, 2017



Source: Bloomberg

## HISTORICAL CORPORATE BOND OAS – as of September 30, 2017

OAS (bps)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Corporate (1–5)	174	70	61	65	62	196	639	166	136	227	110	89	99	121	96	66
Financial (1–5)	165	51	50	57	56	212	663	204	158	308	126	93	96	104	100	67
Industrial (1–5)	176	86	73	75	69	181	624	135	116	164	96	85	103	134	92	65
Utility (1–5)	236	79	63	73	71	175	576	155	131	169	110	99	89	120	101	70
Corporate (All)	188	94	83	92	91	200	573	180	161	252	152	128	144	173	130	107
High Yield (All)	890	418	309	371	289	591	1803	622	531	709	526	400	504	695	422	356

### Corporate Allocation

	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
BofA ML 1-5 Yr Corporate OAS (bps)	89	78	68	78	99	89	101	126	121	121	112	95	96	84	75	66
CalOptima Tier Two	30%	23%	24%	20%	25%	29%	29%	23%	24%	26%	21%	23%	28%	26%	29%	30%
CalOptima Tier One	-	-	-	-	-	-	-	-	-	-	22%	24%	26%	26%	29%	29%
CalOptima Operating Fund	-	-	-	-	-	-	-	-	-	-	25%	25%	17%	26%	7%	12%

Past performance is not indicative of future results.

Source: BofA Merrill Lynch

## **SECTION III**

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### **Portfolio Review**

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## PERFORMANCE – as of September 30, 2017

	3Q 2017	YTD	1-Year	3-Year	Since Inception <sup>1</sup> (4/1/13)
Tier Two (Gross of fees)	0.42%	1.54%	0.53%	1.70%	1.34%
Tier Two (Net of fees)	0.39%	1.44%	0.40%	1.57%	1.21%
Bank of America Merrill Lynch 1-5 Years U.S. Treasury <sup>2</sup>	0.29%	1.04%	-0.06%	1.20%	0.89%

	3Q 2017	YTD	1-Year	3-Year	Since Inception <sup>1</sup> (5/2/16)
Tier One (Gross of fees)	0.35%	1.14%	0.73%	--	1.00%
Tier One (Net of fees)	0.33%	1.08%	0.65%	--	0.92%
Bank of America Merrill Lynch 1-3 Years U.S. Treasury <sup>2</sup>	0.24%	0.67%	0.24%	--	0.55%

	3Q 2017	YTD	1-Year	3-Year	Since Inception <sup>1</sup> (5/2/16)
Operating Fund (Gross of fees)	0.31%	0.81%	1.00%	--	0.95%
Operating Fund (Net of fees)	0.28%	0.75%	0.92%	--	0.87%
Citigroup 3-Month Treasury Bill <sup>2</sup>	0.26%	0.56%	0.64%	--	0.55%

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

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

## QUARTERLY CHANGES IN NET ASSETS – as of September 30, 2017

TIER TWO	July to September 2017
Beginning Market Value	\$96,950,892
<i>Net Investment Income</i>	\$395,264
<i>Realized and Unrealized Gains and Losses</i>	\$9,706
Ending Market Value	\$97,355,862
Net Change in Market Value	+\$404,970

TIER ONE	July to September 2017
Beginning Market Value	\$145,997,548
<i>Net Investment Income</i>	\$475,770
<i>Realized and Unrealized Gains and Losses</i>	\$33,537
Ending Market Value	\$145,506,854
Net Change in Market Value	+\$509,306

OPERATING FUND	July to September 2017
Beginning Market Value	\$583,988,827
<i>Net Investment Income</i>	\$1,490,257
<i>Realized and Unrealized Gains and Losses</i>	-\$22,494
<i>Net Cash Transfers</i>	-\$98,000,000
Ending Market Value	\$487,456,589
Net Change in Market Value	-\$96,532,237

Past performance is not indicative of future results.

## PERFORMANCE ATTRIBUTION (in basis points) – as of September 30, 2017

Tier Two	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CBMS	Asset Backed	Municipal	Excess Return
3Q 2017	6	-3	-1	0	9	0	0	0	2	13
2Q 2017	-2	-1	15	0	6	0	0	0	-1	17
1Q 2017	3	0	-4	0	13	0	0	0	7	19
2017	7	-4	10	0	28	0	0	0	8	49

Tier One	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CBMS	Asset Backed	Municipal	Excess Return
3Q 2017	10	-5	0	0	5	-1	0	1	1	11
2Q 2017	1	-4	20	-2	4	0	0	0	1	20
1Q 2017	5	-1	-2	0	9	0	0	1	4	15
2017	16	-10	18	-2	18	-1	0	2	6	46

Operating Fund	Duration	Yield Curve	Treasury	Agency	Corporate	RMBS	CBMS	Asset Backed	Municipal	Excess Return
3Q 2017	2	-2	4	0	0	1	0	0	0	5
2Q 2017	1	2	5	0	1	0	0	0	0	9
1Q 2017	2	-1	8	0	1	0	0	1	0	12
2017	5	-1	17	0	2	1	0	1	0	26

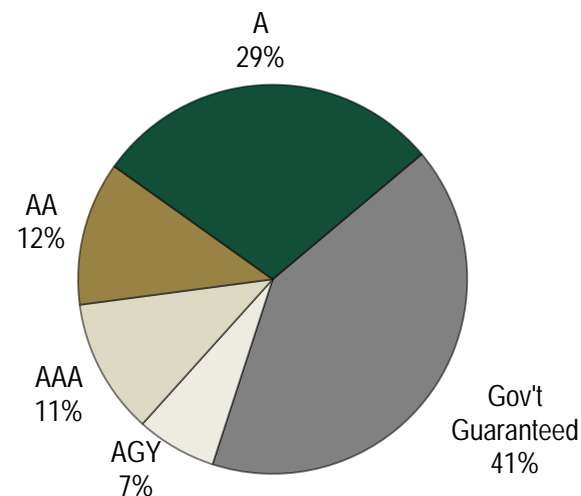
Past performance is not indicative of future results. <sup>1</sup>Performance for periods greater than one year are annualized.

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

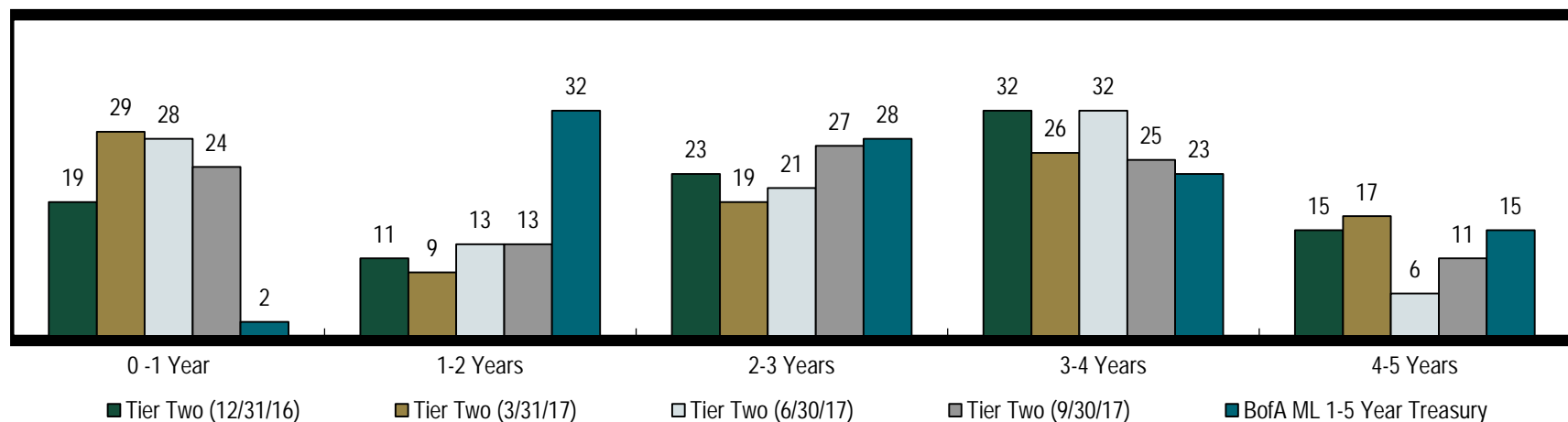
## TIER TWO PORTFOLIO – as of September 30, 2017

	Tier Two	BofA ML U.S. Treasury 1-5 Year <sup>1</sup>
Yield to Maturity	1.80%	1.61%
Duration	2.32 Years	2.68 Years
Spread Duration	1.31 Years	NA
Average Quality (Moody's)	Aa2	TSY
Fixed / Floating	91% / 9%	NA
Market Value	97,355,862	NA

### Quality Ratings Distribution



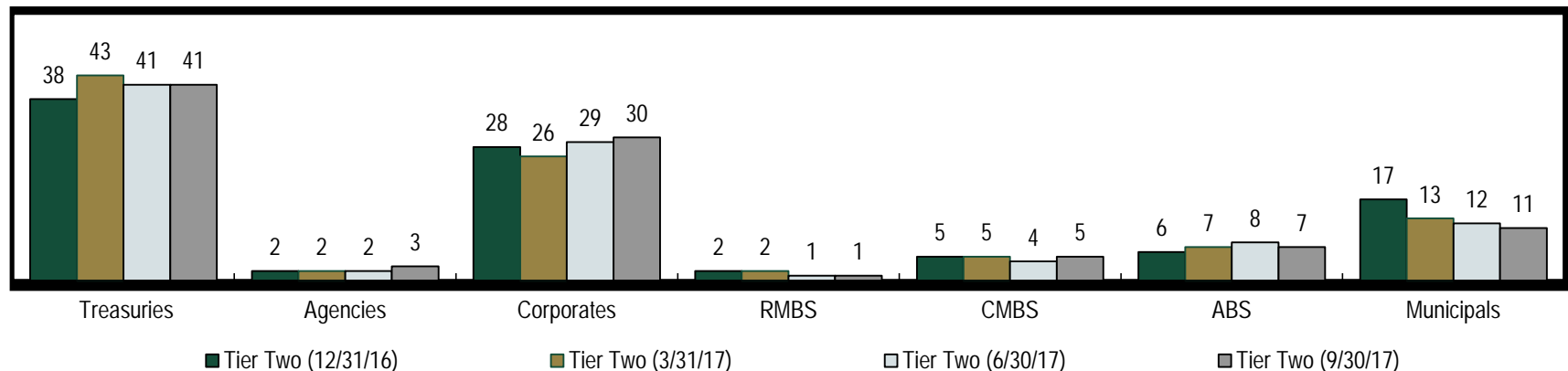
### Duration Distribution (% Market Value)



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

## TIER TWO PORTFOLIO – as of September 30, 2017

### Sector Distribution (% Market Value)



#### Treasuries/Agencies

- Added TIPS maturing in January 2022
- Sold TIPS maturing in April 2020
- Purchased five-year supranational Inter-American Development Bank (IADB)

#### Structured Products

- Bought a 4.9 year CMBS Freddie Mac K-bond

#### Corporates

- Performed a number of extension trades in banking subsector, buying: BAC, JPM, M&T Bank, Key Bank 2022s and Citi, GS, MS 2021s, selling front end positions in same names.
- Participated in a few new issues: BAC 4-year fixed, Gilead 2-year floating, Key Bank 5-year fixed

#### Municipals

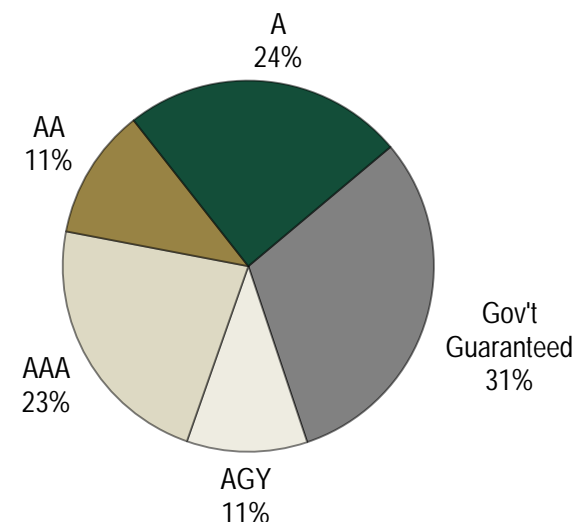
- 2017 maturities including Mt. Diablo, CA School District 8/1/2017, Cerritos, CA Community College District 8/1/2017, Sacramento, CA Municipal Utility District 8/15/2017



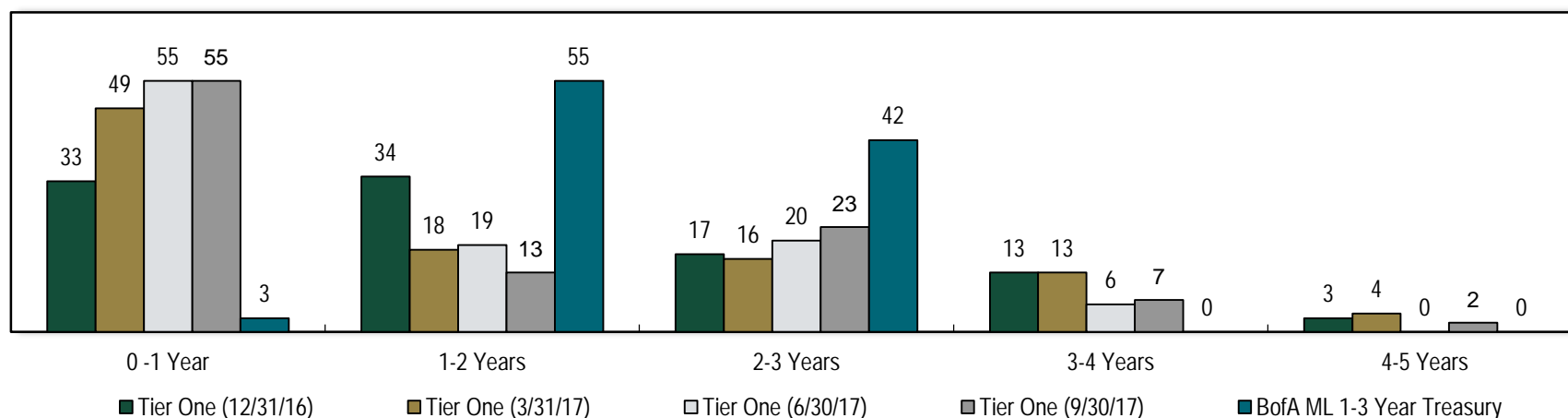
## TIER ONE PORTFOLIO – as of September 30, 2017

	Tier One	BofA ML U.S. Treasury 1-3 Year <sup>1</sup>
Yield to Maturity	1.58%	1.48%
Duration	1.24 Years	1.88 Years
Spread Duration	0.81 Years	NA
Average Quality (Moody's)	Aa2	TSY
Fixed / Floating	90% / 10%	NA
Market Value	\$146,506,854	NA

### Quality Ratings Distribution



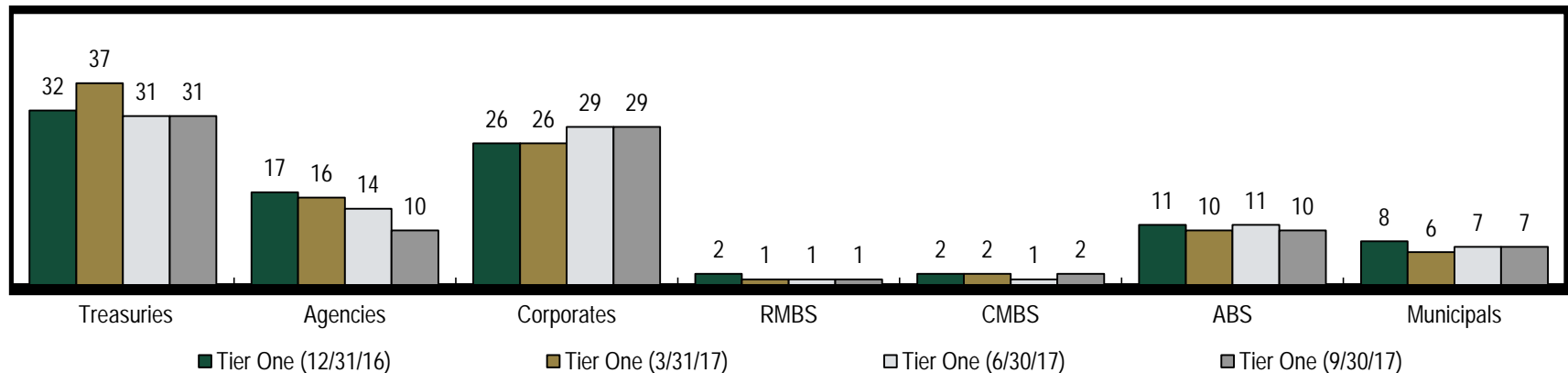
### Duration Distribution (% Market Value)



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

## TIER ONE PORTFOLIO – as of September 30, 2017

### Sector Distribution (% Market Value)



#### Treasuries/Agencies

- Added three-year Treasuries in addition to TIPS maturing in January 2022
- Purchased five-year supranational Inter-American Development Bank (IADB)

#### Structured Products

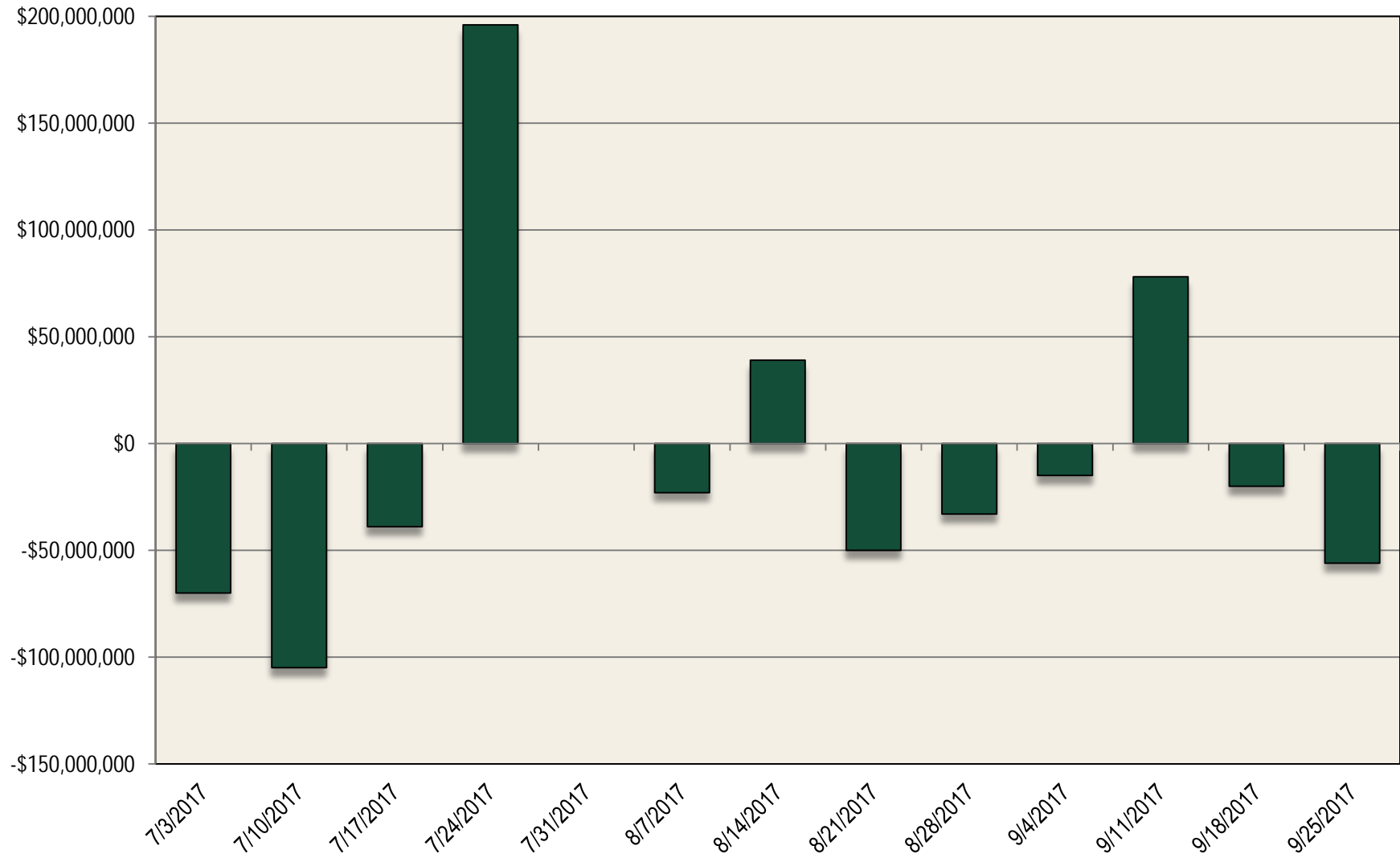
- Bought a 0.5-year Chase credit card
- Sold a 0.1-year John Deere equipment ABS
- Added a 4.9-year Freddie Mac K-bond CMBS

#### Corporates

- Performed a number of extension trades in banking subsector: BAC, Citi, GS, MS, JPM buying 2021 paper and selling front end 2018 paper in same names
- Participated in two new issues in corporates: Bank of America 4-year fixed rate and Gilead 2-year floater

## OPERATING FUND PORTFOLIO FLOWS – as of September 30, 2017

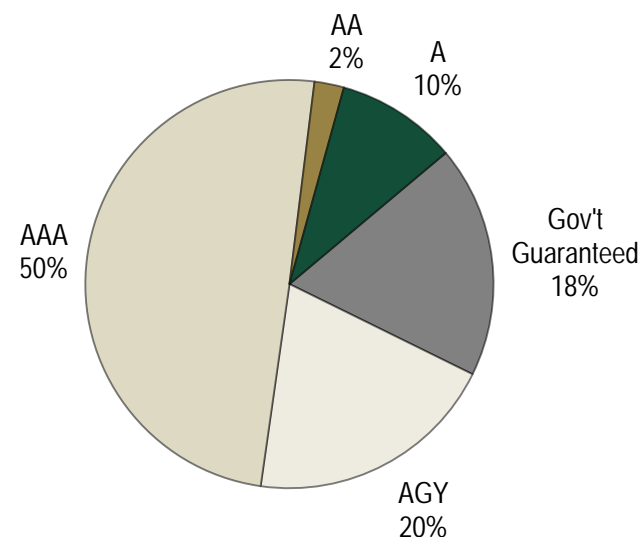
Weekly Net Cash Flows (7/1/17 – 9/30/17)



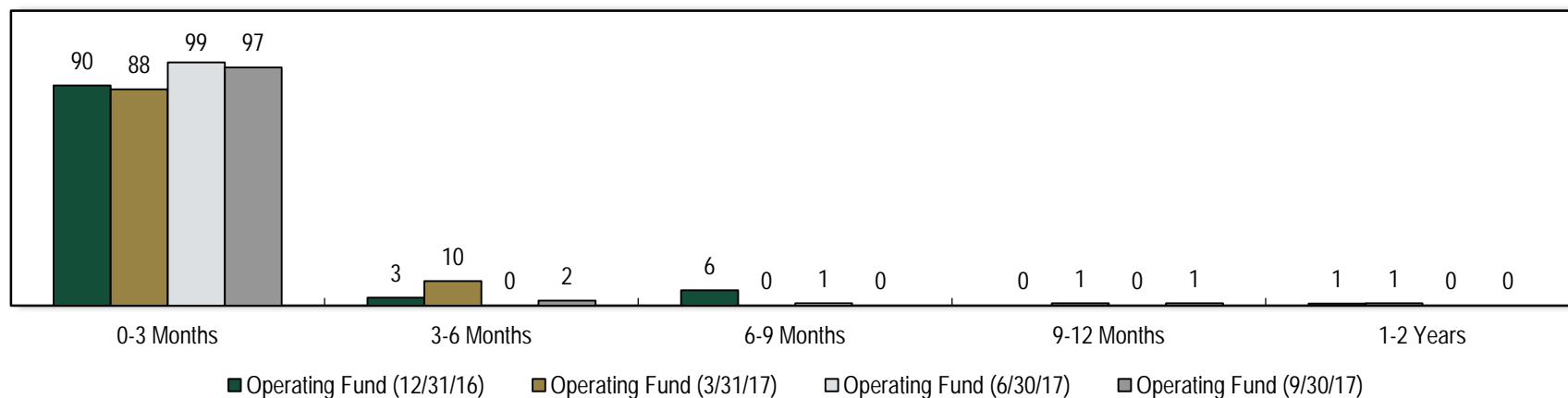
## OPERATING FUND PORTFOLIO – as of September 30, 2017

	Operating Fund	Citigroup 3-Month Treasury Bill <sup>1</sup>
Yield to Maturity	1.22%	1.01%
Duration	0.08 Years	0.24 Years
Spread Duration	0.14 Years	NA
Average Quality ( <i>Moody's</i> )	Aa2	TSY
Fixed / Floating	80% / 20%	NA
Market Value	\$487,456,589	NA

Quality Ratings Distribution



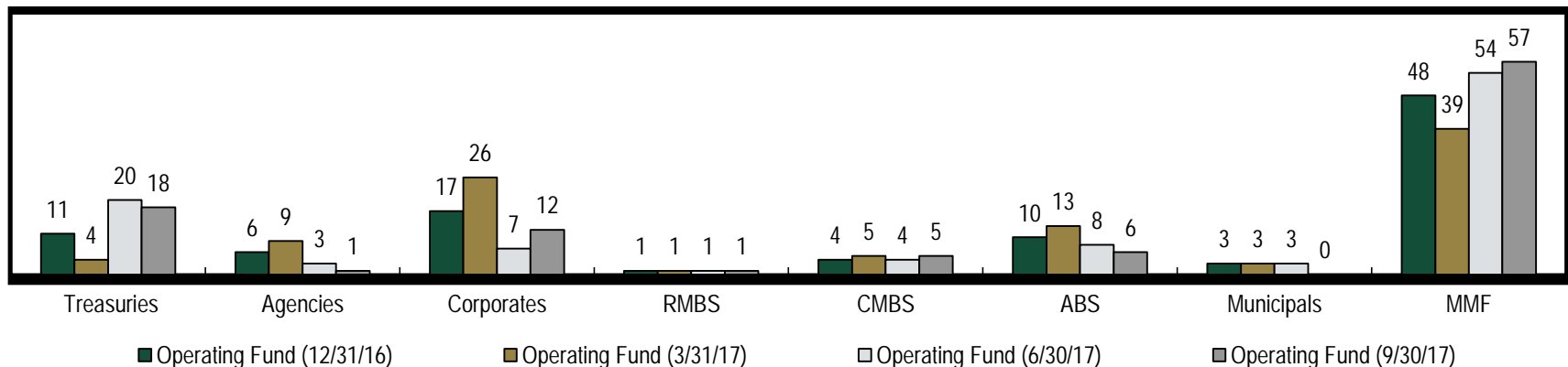
Duration Distribution (% Market Value)



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

## OPERATING FUND PORTFOLIO – as of September 30, 2017

### Sector Distribution (% Market Value)



#### Treasuries/Agencies

- Purchased short Treasuries maturing in 2017 to help match expected cash flows
- Added U.S. agency and Washington D.C. based Supranational (IBRD, IFC, IADB) discount notes
- Invested in higher yielding money market instruments (commercial paper and certificates of deposit)

#### Structured Products

- Paydowns and maturities of auto, credit card, and equipment ABS tranches reduced exposure
- Sold a 1.8 year Amex credit card floater

#### Corporates

- Purchased a number of short tenor Corporate bonds all maturing in late 2017: Bank of America, Citibank, JP Morgan, Morgan Stanley, Chevron, and Pepsi

## TIER TWO PORTFOLIO COMPLIANCE – as of September 30, 2017

Permitted Investments	Max % of Portfolio	Actual %	Max Stated Term Per Security	Actual Max Maturity	Min Quality Per Security	Actual Min Credit
U.S. Treasuries	100 (Code)	41	5 Years	4.42 Years	TSY	TSY
Agencies	100 (Code)	3	5 Years	1.49 Years	AGY	AGY
Corporate	30 (Code)	30	5 Years	4.98 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	13	5 Years	4.99 Years	AA-	AAA
Municipals	25 (Code 100)	11	5 Years	3.84 Years	A-	A-
Commercial Paper	25 (Code)	NA	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	2	1 Year	24 Days	A1/P1	A1/P1
Variable & Floating Rate Securities*	30 (Code)	9	5 Years	3.67 Years	A-	A-

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

## TIER ONE PORTFOLIO COMPLIANCE – as of September 30, 2017

Permitted Investments	Max % of Portfolio	Actual %	Max Stated Term Per Security	Actual Max Maturity	Min Quality Per Security	Actual Min Credit
U.S. Treasuries	100 (Code)	31	5 Years	4.30 Years	TSY	TSY
Agencies	100 (Code)	10	5 Years	1.05 Years	AGY	AGY
Corporate	30 (Code)	29	5 Years	4.19 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	13	5 Years	4.99 Years	AA-	AAA
Municipals	25 (Code 100)	7	5 Years	3.84 Years	A-	A+
Commercial Paper	25 (Code)	NA	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	10	1 Year	114 Days	A1/P1	A1/P1
Variable & Floating Rate Securities*	30 (Code)	10	5 Years	3.67 Years	A-	A-

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

## OPERATING FUND PORTFOLIO COMPLIANCE – as of September 30, 2017

Permitted Investments	Max % of Portfolio	Actual %	Max Stated Term Per Security	Actual Max Maturity	Min Quality Per Security	Actual Min Credit
U.S. Treasuries	100 (Code)	18	450 Days	31 Days	TSY	TSY
Agencies	100 (Code)	1	450 Days	79 Days	AGY	AGY
Corporate	30 (Code)	12	450 Days	89 Days	A-	A
Mortgages & Asset-Backed (combined)	20 (Code)	12	450 Days	198 Days	AA-	AAA
Municipals	25 (Code 100)	0	450 Days	NA	A-	NA
Commercial Paper	25 (Code)	14	270 Days	37 Days	A1/P1	A1/P1
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	26	1 Year	279 Days	A1/P1	A1/P1
Variable & Floating Rate Securities*	30 (Code)	20	450 Days	79 Days	A-	A

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





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# **Financial Summary**

## **July 2017**

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

# FY 2017-18: Consolidated Enrollment

---

- July 2017 MTD:

- Overall enrollment was 787,686 member months
  - Actual lower than budget by 14,030 or 1.7%
    - Medi-Cal: unfavorable variance of 13,958 members
      - TANF unfavorable variance of 13,884 members
      - SPD unfavorable variance of 2,641 members
      - Medi-Cal Expansion (MCE) favorable variance of 2,458 members
    - OneCare Connect: unfavorable variance of 123 members
  - 0.2% or 1,380 decrease from prior month
    - Medi-Cal: decrease of 1,489 from June
    - OneCare Connect: decrease of 140 from June
    - OneCare: increase of 246 from June
    - PACE: increase of 3 from June

# FY 2017-18: Consolidated Revenues

---

- July 2017 MTD:
  - Actual higher than budget by \$3.1 million or 1.1%
    - Medi-Cal: favorable to budget by \$3.7 million or 1.5%
      - Unfavorable volume variance of \$4.4 million
      - Favorable price variance of \$8.0 million due to:
        - \$4.5 million for Coordinated Care Initiative (CCI) revenue and In-Home Supportive Services (IHSS)
        - \$1.9 million of FY 2017 LTC related revenue recognized for members with Non-LTC aid codes
        - \$1.5 million of FY 2017 Behavioral Health Treatment (BHT) revenue
    - OneCare Connect: unfavorable to budget by \$0.8 million or 3.0%
      - Unfavorable volume variance of \$0.2 million due to lower enrollment
      - Unfavorable price variance of \$0.6 million due to Part D

# FY 2017-18: Consolidated Medical Expenses

- July 2017 MTD:

- Actual higher than budget by \$9.0 million or 3.5%
  - Medi-Cal: unfavorable variance of \$9.8 million
    - MLTSS unfavorable variance of \$6.1 million
      - LTC unfavorable variance of \$3.5 million adjustment of IHSS expense corresponding with the favorable CCI revenue variance
      - Nursing facility unfavorable variance of \$2.0 million
    - Provider Capitation unfavorable variance of \$0.9 million due to BHT capitation
    - Facilities expenses unfavorable variance of \$1.1 million due to Hospital Shared Risk
  - OneCare Connect: favorable variance of \$0.4 million
    - Favorable volume variance of \$0.2 million due to lower enrollment
    - Favorable price variance of \$0.2 million in Rx

- Medical Loss Ratio (MLR)

- July 2017 MTD:      Actual: 97.6%                      Budget: 95.4%

# FY 2017-18: Consolidated Administrative Expenses

---

- July 2017 MTD:

- Actual lower than budget by \$3.4 million or 27.8%
  - Salaries and Benefits: favorable variance of \$1.1 million due to open positions
    - Medi-Cal: 35 open positions
    - OneCare Connect: 4 open positions
  - Purchased Services: favorable variance of \$1.1 million due to Mental Health Contract amendment recorded in Medical
  - Other categories: favorable variance of \$1.1 million

- Administrative Loss Ratio (ALR):

- July 2017 MTD:                      Actual: 3.2%                      Budget: 4.4%

# FY 2017-18: Change in Net Assets

---

- July 2017 MTD:
  - \$0.6 million surplus
  - \$0.2 million unfavorable to budget
    - Higher than budgeted revenue of \$3.1 million
    - Higher than budgeted medical expenses of \$9.0 million
    - Lower than budgeted administrative expenses of \$3.4 million
    - Higher than budgeted investment and other income of \$2.5 million

# Enrollment Summary:

## July 2017

Month-to-Date				
Enrollment (By Aid Category)	Actual	Budget	Variance	%
Aged	60,963	61,853	(890)	(1.4%)
BCCTP	627	618	9	1.5%
Disabled	46,984	48,744	(1,760)	(3.6%)
TANF Child	324,532	330,072	(5,540)	(1.7%)
TANF Adult	95,766	104,110	(8,344)	(8.0%)
LTC	3,377	3,268	109	3.3%
MCE	238,490	236,032	2,458	1.0%
<b>Medi-Cal</b>	<b>770,739</b>	<b>784,697</b>	<b>(13,958)</b>	<b>(1.8%)</b>
<b>OneCare Connect</b>	<b>15,365</b>	<b>15,488</b>	<b>(123)</b>	<b>(0.8%)</b>
<b>PACE</b>	<b>215</b>	<b>216</b>	<b>(1)</b>	<b>(0.5%)</b>
<b>OneCare</b>	<b>1,367</b>	<b>1,315</b>	<b>52</b>	<b>4.0%</b>
<b>CalOptima Total</b>	<b>787,686</b>	<b>801,716</b>	<b>(14,030)</b>	<b>(1.7%)</b>

Enrollment (By Network)				
HMO	170,752	173,966	(3,214)	(1.8%)
PHC	222,601	227,238	(4,637)	(2.0%)
Shared Risk Group	203,214	210,648	(7,434)	(3.5%)
Fee for Service	174,172	172,847	1,325	0.8%
<b>Medi-Cal</b>	<b>770,739</b>	<b>784,697</b>	<b>(13,958)</b>	<b>(1.8%)</b>
<b>OneCare Connect</b>	<b>15,365</b>	<b>15,488</b>	<b>(123)</b>	<b>(0.8%)</b>
<b>PACE</b>	<b>215</b>	<b>216</b>	<b>(1)</b>	<b>(0.5%)</b>
<b>OneCare</b>	<b>1,367</b>	<b>1,315</b>	<b>52</b>	<b>4.0%</b>
<b>CalOptima Total</b>	<b>787,686</b>	<b>801,716</b>	<b>(14,030)</b>	<b>(1.7%)</b>

# Financial Highlights:

## July 2017

	Month-to-Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	787,686	801,716	(14,030)	(1.7%)
Revenues	276,803,657	273,738,545	3,065,112	1.1%
Medical Expenses	270,136,964	261,093,434	(9,043,530)	(3.5%)
Administrative Expenses	8,731,762	12,088,105	3,356,343	27.8%
<b>Operating Margin</b>	<b>(2,065,069)</b>	<b>557,006</b>	<b>(2,622,075)</b>	<b>(470.7%)</b>
Non Operating Income (Loss)	2,709,910	252,544	2,457,366	973.0%
<b>Change in Net Assets</b>	<b>644,841</b>	<b>809,550</b>	<b>(164,709)</b>	<b>(20.3%)</b>
Medical Loss Ratio	97.6%	95.4%	(2.2%)	
Administrative Loss Ratio	3.2%	4.4%	1.3%	
Operating Margin Ratio	<u>(0.7%)</u>	<u>0.2%</u>	(0.9%)	
Total Operating	100.0%	100.0%		



# Consolidated Performance Actual vs. Budget: July 2017 (in millions)

	MONTH-TO-DATE		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Medi-Cal	(1.9)	1.4	(3.4)
OCC	(0.5)	(0.6)	0.1
OneCare	0.0	(0.2)	0.2
PACE	<u>0.3</u>	<u>(0.1)</u>	<u>0.4</u>
<b>Operating</b>	<b>(2.1)</b>	<b>0.6</b>	<b>(2.6)</b>
Inv./Rental Inc, MCO tax	<u>2.7</u>	<u>0.3</u>	<u>2.5</u>
<b>Non-Operating</b>	<b>2.7</b>	<b>0.3</b>	<b>2.5</b>
<b>TOTAL</b>	<b>0.6</b>	<b>0.8</b>	<b>(0.2)</b>

# Consolidated Revenue & Expense:

## July 2017 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>Member Months</b>	532,249	238,490	770,739	15,365	1,367	215	787,686
<b>REVENUES</b>							
Capitation Revenue	\$ 147,148,251	\$ 101,311,804	\$ 248,460,055	\$ 25,492,870	\$ 1,348,574	\$ 1,502,158	\$ 276,803,657
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>147,148,251</u>	<u>101,311,804</u>	<u>248,460,055</u>	<u>25,492,870</u>	<u>1,348,574</u>	<u>1,502,158</u>	<u>276,803,657</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	38,252,454	49,812,008	88,064,462	9,846,523	400,462	-	98,311,447
Facilities	24,090,011	20,888,338	44,978,348	2,480,464	394,962	202,365	48,056,139
Ancillary	-	-	-	584,735	31,515	-	616,250
Skilled Nursing	-	-	-	-	27,268	-	27,268
Professional Claims	7,184,543	8,072,631	15,257,174	-	-	243,696	15,500,870
Prescription Drugs	17,693,301	18,439,029	36,132,330	5,033,741	425,143	93,462	41,684,675
Long-term Care Facility Payments	53,169,264	2,490,933	55,660,197	5,231,479	-	(11,203)	60,880,473
Medical Management	2,810,261	-	2,810,261	1,064,319	28,294	424,452	4,327,325
Reinsurance & Other	73,685	265,957	339,642	260,312	8,663	123,900	732,517
<b>Total Medical Expenses</b>	<u>143,273,518</u>	<u>99,968,896</u>	<u>243,242,414</u>	<u>24,501,572</u>	<u>1,316,306</u>	<u>1,076,672</u>	<u>270,136,964</u>
<b>Medical Loss Ratio</b>	<b>97.4%</b>	<b>98.7%</b>	<b>97.9%</b>	<b>96.1%</b>	<b>97.6%</b>	<b>71.7%</b>	<b>97.6%</b>
<b>GROSS MARGIN</b>	<b>3,874,733</b>	<b>1,342,908</b>	<b>5,217,641</b>	<b>991,298</b>	<b>32,268</b>	<b>425,485</b>	<b>6,666,693</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Benefits			4,975,290	728,583	27,705	71,692	5,803,270
Professional fees			172,345	-	0	1,557	173,902
Purchased services			608,528	89,340	10,735	5,858	714,461
Printing and Postage			167,600	12,798	6,442	215	187,054
Depreciation and Amortization			375,995	-	-	2,096	378,092
Other expenses			1,101,679	29,387	0	3,874	1,134,941
Indirect cost allocation, Occupancy expense			(279,013)	584,428	31,910	2,718	340,043
<b>Total Administrative Expenses</b>			<u>7,122,425</u>	<u>1,444,536</u>	<u>76,791</u>	<u>88,009</u>	<u>8,731,762</u>
<b>Admin Loss Ratio</b>			<b>2.9%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>5.9%</b>	<b>3.2%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			(1,904,784)	(453,238)	(44,523)	337,476	(2,065,069)
<b>INVESTMENT INCOME</b>			-	-	-	-	2,709,333
<b>NET RENTAL INCOME</b>			-	-	-	-	3,170
<b>NET GRANT INCOME</b>			(2,666)	-	-	-	(2,666)
<b>OTHER INCOME</b>			73	-	-	-	73
<b>CHANGE IN NET ASSETS</b>			<u>\$ (1,907,377)</u>	<u>\$ (453,238)</u>	<u>\$ (44,523)</u>	<u>\$ 337,476</u>	<u>\$ 644,841</u>
<b>BUDGETED CHANGE IN ASSETS</b>			1,443,045	(594,005)	(219,575)	(72,459)	809,550
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>(3,350,421)</u>	<u>140,767</u>	<u>175,051</u>	<u>409,935</u>	<u>(164,709)</u>

# Balance Sheet:

## As of July 2017

### ASSETS

#### Current Assets

Operating Cash	\$520,629,891
Investments	1,042,089,960
Capitation receivable	555,427,127
Receivables - Other	20,691,018
Prepaid Expenses	5,183,841

<b>Total Current Assets</b>	<b><u>2,144,021,837</u></b>
-----------------------------	-----------------------------

Capital Assets Furniture and equipment	33,437,912
Leasehold improvements	5,884,660
505 City Parkway West	49,422,364
	88,744,936
Less: accumulated depreciation	(35,029,816)
Capital assets, net	<u>53,715,120</u>

Other Assets Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	29,002,485
Long term investments	507,352,179
Total Board-designated Assets	536,354,664
<b>Total Other Assets</b>	<b><u>536,654,664</u></b>

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	5,270,171

<b>TOTAL ASSETS &amp; OUTFLOWS</b>	<b><u>2,745,968,760</u></b>
------------------------------------	-----------------------------

### LIABILITIES & FUND BALANCES

#### Current Liabilities

Accounts payable	\$19,191,148
Medical claims liability	1,256,027,205
Accrued payroll liabilities	9,641,084
Deferred revenue	110,962,533
Deferred lease obligations	190,764
Capitation and withholds	589,500,324

<b>Total Current Liabilities</b>	<b><u>1,985,513,058</u></b>
----------------------------------	-----------------------------

Other employment benefits liability	28,767,486
Net Pension Liabilities	16,144,973
Long Term Liabilities	100,000

<b>TOTAL LIABILITIES</b>	<b><u>2,030,525,517</u></b>
--------------------------	-----------------------------

Deferred inflows of Resources - Excess Earnings	-
Deferred inflows of Resources - Changes in Assumptions	1,340,010
Tangible net equity (TNE)	89,980,450
Funds in excess of TNE	624,122,783

<b>Net Assets</b>	<b><u>714,103,233</u></b>
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<b>TOTAL LIABILITIES, INFLOWS &amp; FUND BALANCES</b>	<b><u>2,745,968,760</u></b>
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# Board Designated Reserve and TNE Analysis As of July 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	146,551,672				
	Tier 1 - Logan Circle	146,259,887				
	Tier 1 - Wells Capital	146,315,362				
Board-designated Reserve		439,126,921	310,823,204	482,596,199	128,303,717	(43,469,278)
TNE Requirement	Tier 2 - Logan Circle	97,227,743	89,980,450	89,980,450	7,247,293	7,247,293
	<b>Consolidated:</b>	536,354,664	400,803,654	572,576,648	135,551,010	(36,221,985)
	<i>Current reserve level</i>	1.87	1.40	2.00		



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Medi-Cal  
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OneCare (HMO SNP)  
**CalOptima**  
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A Public Agency

OneCare Connect  
**CalOptima**  
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A Public Agency

PACE  
**CalOptima**  
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## UNAUDITED FINANCIAL STATEMENTS

July 2017

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**CalOptima - Consolidated**  
**Financial Highlights**  
**For the One Month Ended July 31, 2017**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
787,686	801,716	(14,030)	(1.7%)	Member Months	787,686	801,716	(14,030)	(1.7%)
276,803,657	273,738,545	3,065,112	1.1%	Revenues	276,803,657	273,738,545	3,065,112	1.1%
270,136,964	261,093,434	(9,043,530)	(3.5%)	Medical Expenses	270,136,964	261,093,434	(9,043,530)	(3.5%)
8,731,762	12,088,105	3,356,343	27.8%	Administrative Expenses	8,731,762	12,088,105	3,356,343	27.8%
<b>(2,065,069)</b>	<b>557,006</b>	<b>(2,622,075)</b>	<b>(470.7%)</b>	<b>Operating Margin</b>	<b>(2,065,069)</b>	<b>557,006</b>	<b>(2,622,075)</b>	<b>(470.7%)</b>
2,709,910	252,544	2,457,366	973.0%	Non Operating Income (Loss)	2,709,910	252,544	2,457,366	973.0%
<b>644,841</b>	<b>809,550</b>	<b>(164,709)</b>	<b>(20.3%)</b>	<b>Change in Net Assets</b>	<b>644,841</b>	<b>809,550</b>	<b>(164,709)</b>	<b>(20.3%)</b>
97.6%	95.4%	(2.2%)		Medical Loss Ratio	97.6%	95.4%	(2.2%)	
3.2%	4.4%	1.3%		Administrative Loss Ratio	3.2%	4.4%	1.3%	
<u>(0.7%)</u>	<u>0.2%</u>	(0.9%)		Operating Margin Ratio	<u>(0.7%)</u>	<u>0.2%</u>	(0.9%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		



**CalOptima**  
**Financial Dashboard**  
For the One Month Ended July 31, 2017

**MONTH - TO - DATE**

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	770,739	784,697	↓	(13,958) (1.8%)
OneCare Connect	15,365	15,488	↓	(123) (0.8%)
OneCare	1,367	1,315	↑	52 4.0%
PACE	215	216	↓	(1) (0.5%)
Total	787,686	801,716	↓	(14,030) (1.7%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (1,907)	\$ 1,443	↓	\$ (3,350) (232.2%)
OneCare Connect	(453)	(594)	↑	141 23.7%
OneCare	(45)	(220)	↑	175 79.7%
PACE	337	(72)	↑	410 565.7%
505 Bldg.	3	3	↑	1 24.6%
Investment Income & Other	2,710	253	↑	2,457 973.0%
Total	\$ 645	\$ 812	↓	\$ (167) (20.5%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	97.9%	95.4%	↓	(2.5)
OneCare Connect	96.1%	94.9%	↓	(1.2)
OneCare	97.6%	109.1%	↑	11.5

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,122	\$ 9,895	↑	\$ 2,772 28.0%
OneCare Connect	1,445	1,944	↑	499 25.7%
OneCare	77	104	↑	28 26.5%
PACE	88	145	↑	57 39.2%
Total	\$ 8,732	\$ 12,088	↑	\$ 3,356 27.8%

Total FTE's Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	876	900		25
OneCare Connect	233	237		4
OneCare	3	3		(0)
PACE	49	61		12
Total	1,162	1,202		40

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	880	871		9
OneCare Connect	66	65		0
OneCare	391	438		(47)
PACE	4	4		1
Total	1,341	1,379		(37)

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	770,739	784,697	↓	(13,958) (1.8%)
OneCare Connect	15,365	15,488	↓	(123) (0.8%)
OneCare	1,367	1,315	↑	52 4.0%
PACE	215	216	↓	(1) (0.5%)
Total	787,686	801,716	↓	(14,030) (1.7%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ (1,907)	\$ 1,443	↓	\$ (3,350) (232.2%)
OneCare Connect	(453)	(594)	↑	141 23.7%
OneCare	(45)	(220)	↑	175 79.7%
PACE	337	(72)	↑	410 565.7%
505 Bldg.	3	3	↑	1 24.6%
Investment Income & Other	2,710	253	↑	2,457 973.0%
Total	\$ 645	\$ 812	↓	\$ (167) (20.5%)

MLR	Actual	Budget	% Point Var	
Medi-Cal	97.9%	95.4%	↓	(2.5)
OneCare Connect	96.1%	94.9%	↓	(1.2)
OneCare	97.6%	109.1%	↑	11.5

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,122	\$ 9,895	↑	\$ 2,772 28.0%
OneCare Connect	1,445	1,944	↑	499 25.7%
OneCare	77	104	↑	28 26.5%
PACE	88	145	↑	57 39.2%
Total	\$ 8,732	\$ 12,088	↑	\$ 3,356 27.8%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	876	900		25
OneCare Connect	233	237		4
OneCare	3	3		(0)
PACE	49	61		12
Total	1,162	1,202		40

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	880	871		9
OneCare Connect	66	65		0
OneCare	391	438		(47)
PACE	4	4		1
Total	1,341	1,379		(37)

**CalOptima - Consolidated  
Statement of Revenue and Expenses  
For the One Month Ended July 31, 2017**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
<b>Member Months**</b>	787,686		801,716		(14,030)	
<b>Revenues</b>						
Medi-Cal	\$ 248,460,055	\$ 322.37	\$ 244,788,286	\$ 311.95	\$ 3,671,769	\$ 10.41
OneCare Connect	25,492,870	1,659.15	26,271,966	1,696.28	(779,096)	(37.13)
OneCare	1,348,574	986.52	1,258,717	957.20	89,857	29.32
PACE	1,502,158	6,986.78	1,419,576	6,572.11	82,582	414.67
<b>Total Operating Revenue</b>	<b>276,803,657</b>	<b>351.41</b>	<b>273,738,545</b>	<b>341.44</b>	<b>3,065,112</b>	<b>9.97</b>
<b>Medical Expenses</b>						
Medi-Cal	243,242,414	315.60	233,450,348	297.50	(9,792,066)	(18.09)
OneCare Connect	24,501,572	1,594.64	24,921,999	1,609.12	420,427	14.48
OneCare	1,316,306	962.92	1,373,880	1,044.78	57,574	81.86
PACE	1,076,672	5,007.78	1,347,207	6,237.07	270,535	1,229.29
<b>Total Medical Expenses</b>	<b>270,136,964</b>	<b>342.95</b>	<b>261,093,434</b>	<b>325.67</b>	<b>(9,043,530)</b>	<b>(17.28)</b>
<b>Gross Margin</b>	<b>6,666,693</b>	<b>8.46</b>	<b>12,645,111</b>	<b>15.77</b>	<b>(5,978,418)</b>	<b>(7.31)</b>
<b>Administrative Expenses</b>						
Salaries and Benefits	5,803,270	7.37	6,909,986	8.62	1,106,716	1.25
Professional fees	173,902	0.22	428,438	0.53	254,536	0.31
Purchased services	714,461	0.91	1,851,279	2.31	1,136,818	1.40
Printing and Postage	187,054	0.24	534,871	0.67	347,817	0.43
Depreciation and Amortization	378,092	0.48	463,298	0.58	85,206	0.10
Other	1,134,941	1.44	1,559,816	1.95	424,875	0.50
Indirect cost allocation, Occupancy expense	340,043	0.43	340,417	0.42	374	(0.01)
<b>Total Administrative Expenses</b>	<b>8,731,762</b>	<b>11.09</b>	<b>12,088,105</b>	<b>15.08</b>	<b>3,356,343</b>	<b>3.99</b>
<b>Income (Loss) From Operations</b>	<b>(2,065,069)</b>	<b>(2.62)</b>	<b>557,006</b>	<b>0.69</b>	<b>(2,622,075)</b>	<b>(3.32)</b>
<b>Investment income</b>						
Interest income	1,929,887	2.45	250,000	0.31	1,679,887	2.14
Realized gain/(loss) on investments	(40,179)	(0.05)	-	-	(40,179)	(0.05)
Unrealized gain/(loss) on investments	819,624	1.04	-	-	819,624	1.04
<b>Total Investment Income</b>	<b>2,709,333</b>	<b>3.44</b>	<b>250,000</b>	<b>0.31</b>	<b>2,459,333</b>	<b>3.13</b>
<b>Net Rental Income</b>	<b>3,170</b>	<b>0.00</b>	<b>2,544</b>	<b>0.00</b>	<b>626</b>	<b>0.00</b>
<b>Total Net Operating Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Grant Income</b>	<b>(2,666)</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>(2,666)</b>	<b>(0.00)</b>
<b>QAF/IGT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Income</b>	<b>73</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>0.00</b>
<b>Change In Net Assets</b>	<b>644,841</b>	<b>0.82</b>	<b>809,550</b>	<b>1.01</b>	<b>(164,709)</b>	<b>(0.19)</b>
<b>Medical Loss Ratio</b>	<b>97.6%</b>		<b>95.4%</b>		<b>(2.2%)</b>	
<b>Administrative Loss Ratio</b>	<b>3.2%</b>		<b>4.4%</b>		<b>1.3%</b>	

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

\*\* Includes MSSP

**CalOptima - Consolidated - Month to Date**  
**Statement of Revenues and Expenses by LOB**  
**For the One Month Ended July 31, 2017**

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>Member Months</b>	532,249	238,490	770,739	15,365	1,367	215	787,686
<b>REVENUES</b>							
Capitation Revenue	\$ 147,148,251	\$ 101,311,804	\$ 248,460,055	\$ 25,492,870	\$ 1,348,574	\$ 1,502,158	\$ 276,803,657
Other Income	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<u>147,148,251</u>	<u>101,311,804</u>	<u>248,460,055</u>	<u>25,492,870</u>	<u>1,348,574</u>	<u>1,502,158</u>	<u>276,803,657</u>
<b>MEDICAL EXPENSES</b>							
Provider Capitation	38,252,454	49,812,008	88,064,462	9,846,523	400,462	-	98,311,447
Facilities	24,090,011	20,888,338	44,978,348	2,480,464	394,962	202,365	48,056,139
Ancillary	-	-	-	584,735	31,515	-	616,250
Skilled Nursing	-	-	-	-	27,268	-	27,268
Professional Claims	7,184,543	8,072,631	15,257,174	-	-	243,696	15,500,870
Prescription Drugs	17,693,301	18,439,029	36,132,330	5,033,741	425,143	93,462	41,684,675
Long-term Care Facility Payments	53,169,264	2,490,933	55,660,197	5,231,479	-	(11,203)	60,880,473
Medical Management	2,810,261	-	2,810,261	1,064,319	28,294	424,452	4,327,325
Reinsurance & Other	73,685	265,957	339,642	260,312	8,663	123,900	732,517
<b>Total Medical Expenses</b>	<u>143,273,518</u>	<u>99,968,896</u>	<u>243,242,414</u>	<u>24,501,572</u>	<u>1,316,306</u>	<u>1,076,672</u>	<u>270,136,964</u>
<b>Medical Loss Ratio</b>	<b>97.4%</b>	<b>98.7%</b>	<b>97.9%</b>	<b>96.1%</b>	<b>97.6%</b>	<b>71.7%</b>	<b>97.6%</b>
<b>GROSS MARGIN</b>	<b>3,874,733</b>	<b>1,342,908</b>	<b>5,217,641</b>	<b>991,298</b>	<b>32,268</b>	<b>425,485</b>	<b>6,666,693</b>
<b>ADMINISTRATIVE EXPENSES</b>							
Salaries, Wages & Benefits			4,975,290	728,583	27,705	71,692	5,803,270
Professional fees			172,345	-	0	1,557	173,902
Purchased services			608,528	89,340	10,735	5,858	714,461
Printing and Postage			167,600	12,798	6,442	215	187,054
Depreciation and Amortization			375,995	-	-	2,096	378,092
Other expenses			1,101,679	29,387	0	3,874	1,134,941
Indirect cost allocation, Occupancy expense			(279,013)	584,428	31,910	2,718	340,043
<b>Total Administrative Expenses</b>			<u>7,122,425</u>	<u>1,444,536</u>	<u>76,791</u>	<u>88,009</u>	<u>8,731,762</u>
<b>Admin Loss Ratio</b>			<b>2.9%</b>	<b>5.7%</b>	<b>5.7%</b>	<b>5.9%</b>	<b>3.2%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>			(1,904,784)	(453,238)	(44,523)	337,476	(2,065,069)
<b>INVESTMENT INCOME</b>			-	-	-	-	2,709,333
<b>NET RENTAL INCOME</b>			-	-	-	-	3,170
<b>NET GRANT INCOME</b>			(2,666)	-	-	-	(2,666)
<b>OTHER INCOME</b>			73	-	-	-	73
<b>CHANGE IN NET ASSETS</b>			<u>\$ (1,907,377)</u>	<u>\$ (453,238)</u>	<u>\$ (44,523)</u>	<u>\$ 337,476</u>	<u>\$ 644,841</u>
<b>BUDGETED CHANGE IN ASSETS</b>			1,443,045	(594,005)	(219,575)	(72,459)	809,550
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>			<u>(3,350,421)</u>	<u>140,767</u>	<u>175,051</u>	<u>409,935</u>	<u>(164,709)</u>

## July 31, 2017 Unaudited Financial Statements

### SUMMARY

#### MONTHLY RESULTS:

- Change in Net Assets is \$0.6 million, \$0.2 million unfavorable to budget
- Operating deficit is \$2.1 million with a surplus in non-operating of \$2.7 million

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

MONTH-TO-DATE			
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	
(1.9)	1.4	(3.4)	Medi-Cal
(0.5)	(0.6)	0.1	OCC
0.0	(0.2)	0.2	OneCare
<u>0.3</u>	<u>(0.1)</u>	<u>0.4</u>	PACE
<b>(2.1)</b>	<b>0.6</b>	<b>(2.6)</b>	<b>Operating</b>
<u>2.7</u>	<u>0.3</u>	<u>2.5</u>	Inv./Rental Inc, MCO tax
<b>2.7</b>	<b>0.3</b>	<b>2.5</b>	<b>Non-Operating</b>
<b>0.6</b>	<b>0.8</b>	<b>(0.2)</b>	<b>TOTAL</b>

**CalOptima**  
**Enrollment Summary**  
**For the One Month Ended July 31, 2017**

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
60,963	61,853	(890)	(1.4%)	Aged	60,963	61,853	(890)	(1.4%)
627	618	9	1.5%	BCCTP	627	618	9	1.5%
46,984	48,744	(1,760)	(3.6%)	Disabled	46,984	48,744	(1,760)	(3.6%)
324,532	330,072	(5,540)	(1.7%)	TANF Child	324,532	330,072	(5,540)	(1.7%)
95,766	104,110	(8,344)	(8.0%)	TANF Adult	95,766	104,110	(8,344)	(8.0%)
3,377	3,268	109	3.3%	LTC	3,377	3,268	109	3.3%
238,490	236,032	2,458	1.0%	MCE	238,490	236,032	2,458	1.0%
<b>770,739</b>	<b>784,697</b>	<b>(13,958)</b>	<b>(1.8%)</b>	<b>Medi-Cal</b>	<b>770,739</b>	<b>784,697</b>	<b>(13,958)</b>	<b>(1.8%)</b>
<b>15,365</b>	<b>15,488</b>	<b>(123)</b>	<b>(0.8%)</b>	<b>OneCare Connect</b>	<b>15,365</b>	<b>15,488</b>	<b>(123)</b>	<b>(0.8%)</b>
<b>215</b>	<b>216</b>	<b>(1)</b>	<b>(0.5%)</b>	<b>PACE</b>	<b>215</b>	<b>216</b>	<b>(1)</b>	<b>(0.5%)</b>
<b>1,367</b>	<b>1,315</b>	<b>52</b>	<b>4.0%</b>	<b>OneCare</b>	<b>1,367</b>	<b>1,315</b>	<b>52</b>	<b>4.0%</b>
<b>787,686</b>	<b>801,716</b>	<b>(14,030)</b>	<b>(1.7%)</b>	<b>CalOptima Total</b>	<b>787,686</b>	<b>801,716</b>	<b>(14,030)</b>	<b>(1.7%)</b>

				Enrollment (By Network)				
170,752	173,966	(3,214)	(1.8%)	HMO	170,752	173,966	(3,214)	(1.8%)
222,601	227,238	(4,637)	(2.0%)	PHC	222,601	227,238	(4,637)	(2.0%)
203,214	210,648	(7,434)	(3.5%)	Shared Risk Group	203,214	210,648	(7,434)	(3.5%)
174,172	172,847	1,325	0.8%	Fee for Service	174,172	172,847	1,325	0.8%
<b>770,739</b>	<b>784,697</b>	<b>(13,960)</b>	<b>(1.8%)</b>	<b>Medi-Cal</b>	<b>770,739</b>	<b>784,697</b>	<b>(13,958)</b>	<b>(1.8%)</b>
<b>15,365</b>	<b>15,488</b>	<b>(123)</b>	<b>(0.8%)</b>	<b>OneCare Connect</b>	<b>15,365</b>	<b>15,488</b>	<b>(123)</b>	<b>(0.8%)</b>
<b>215</b>	<b>216</b>	<b>(1)</b>	<b>(0.5%)</b>	<b>PACE</b>	<b>215</b>	<b>216</b>	<b>(1)</b>	<b>(0.5%)</b>
<b>1,367</b>	<b>1,315</b>	<b>52</b>	<b>4.0%</b>	<b>OneCare</b>	<b>1,367</b>	<b>1,315</b>	<b>52</b>	<b>4.0%</b>
<b>787,686</b>	<b>801,716</b>	<b>(14,030)</b>	<b>(1.7%)</b>	<b>CalOptima Total</b>	<b>787,686</b>	<b>801,716</b>	<b>(14,030)</b>	<b>(1.7%)</b>

CalOptima  
Enrollment Trend by Network Type  
Fiscal Year 2017

Network Type	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	MMs
<b>HMO</b>													
Aged	4,058	-	-	-	-	-	-	-	-	-	-	-	4,058
BCCTP	1	-	-	-	-	-	-	-	-	-	-	-	1
Disabled	6,749	-	-	-	-	-	-	-	-	-	-	-	6,749
TANF Child	61,492	-	-	-	-	-	-	-	-	-	-	-	61,492
TANF Adult	30,429	-	-	-	-	-	-	-	-	-	-	-	30,429
LTC	3	-	-	-	-	-	-	-	-	-	-	-	3
MCE	68,020	-	-	-	-	-	-	-	-	-	-	-	68,020
	170,752	-	-	-	-	-	-	-	-	-	-	-	170,752
<b>PHC</b>													
Aged	1,480	-	-	-	-	-	-	-	-	-	-	-	1,480
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	7,318	-	-	-	-	-	-	-	-	-	-	-	7,318
TANF Child	162,801	-	-	-	-	-	-	-	-	-	-	-	162,801
TANF Adult	12,604	-	-	-	-	-	-	-	-	-	-	-	12,604
LTC	-	-	-	-	-	-	-	-	-	-	-	-	-
MCE	38,398	-	-	-	-	-	-	-	-	-	-	-	38,398
	222,601	-	-	-	-	-	-	-	-	-	-	-	222,601
<b>Shared Risk Group</b>													
Aged	3,809	-	-	-	-	-	-	-	-	-	-	-	3,809
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	8,108	-	-	-	-	-	-	-	-	-	-	-	8,108
TANF Child	72,723	-	-	-	-	-	-	-	-	-	-	-	72,723
TANF Adult	32,775	-	-	-	-	-	-	-	-	-	-	-	32,775
LTC	-	-	-	-	-	-	-	-	-	-	-	-	-
MCE	85,799	-	-	-	-	-	-	-	-	-	-	-	85,799
	203,214	-	-	-	-	-	-	-	-	-	-	-	203,214
<b>Fee for Service (Dual)</b>													
Aged	48,036	-	-	-	-	-	-	-	-	-	-	-	48,036
BCCTP	25	-	-	-	-	-	-	-	-	-	-	-	25
Disabled	20,343	-	-	-	-	-	-	-	-	-	-	-	20,343
TANF Child	3	-	-	-	-	-	-	-	-	-	-	-	3
TANF Adult	1,205	-	-	-	-	-	-	-	-	-	-	-	1,205
LTC	3,002	-	-	-	-	-	-	-	-	-	-	-	3,002
MCE	2,816	-	-	-	-	-	-	-	-	-	-	-	2,816
	75,430	-	-	-	-	-	-	-	-	-	-	-	75,430
<b>Fee for Service (Non-Dual)</b>													
Aged	3,580	-	-	-	-	-	-	-	-	-	-	-	3,580
BCCTP	601	-	-	-	-	-	-	-	-	-	-	-	601
Disabled	4,466	-	-	-	-	-	-	-	-	-	-	-	4,466
TANF Child	27,513	-	-	-	-	-	-	-	-	-	-	-	27,513
TANF Adult	18,753	-	-	-	-	-	-	-	-	-	-	-	18,753
LTC	372	-	-	-	-	-	-	-	-	-	-	-	372
MCE	43,457	-	-	-	-	-	-	-	-	-	-	-	43,457
	98,742	-	-	-	-	-	-	-	-	-	-	-	98,742
<b>MEDI-CAL TOTAL</b>													
Aged	60,963	-	-	-	-	-	-	-	-	-	-	-	60,963
BCCTP	627	-	-	-	-	-	-	-	-	-	-	-	627
Disabled	46,984	-	-	-	-	-	-	-	-	-	-	-	46,984
TANF Child	324,532	-	-	-	-	-	-	-	-	-	-	-	324,532
TANF Adult	95,766	-	-	-	-	-	-	-	-	-	-	-	95,766
LTC	3,377	-	-	-	-	-	-	-	-	-	-	-	3,377
MCE	238,490	-	-	-	-	-	-	-	-	-	-	-	238,490
	770,739	-	-	-	-	-	-	-	-	-	-	-	770,739
<b>PACE</b>	215	-	-	-	-	-	-	-	-	-	-	-	215
<b>OneCare</b>	1,367	-	-	-	-	-	-	-	-	-	-	-	1,367
<b>OneCare Connect</b>	15,365	-	-	-	-	-	-	-	-	-	-	-	15,365
<b>TOTAL</b>	787,686	-	-	-	-	-	-	-	-	-	-	-	787,686

## **ENROLLMENT:**

**Overall MTD** enrollment was 787,686

- Unfavorable to budget by 14,030 or 1.7%
- Decreased 1,380 or 0.2% from prior month
- Decreased 11,397 or 1.4% from prior year (July 2016)

**Medi-Cal** enrollment was 770,739

- Unfavorable to budget by 13,958
  - TANF unfavorable by 13,884
  - Expansion favorable by 2,458
  - SPD unfavorable by 2,641
  - LTC favorable by 109
- Decreased 1,489 from prior month

**OneCare Connect** enrollment was 15,365

- Unfavorable to budget by 123
- Decreased 140 from prior month

**OneCare** enrollment was 1,367

- Favorable to budget by 52
- Increased 246 from prior month

**PACE** enrollment was 215

- Unfavorable to budget by 1
- Increased 3 from prior month

**CalOptima - Medi-Cal Total  
Statement of Revenues and Expenses  
For the One Month Ended July 31, 2017**

Month			
Actual	Budget	\$ Variance	% Variance
770,739	784,697	(13,958)	(1.8%)
248,460,055	244,788,286	3,671,769	1.5%
248,460,055	244,788,286	3,671,769	1.5%
88,064,462	87,120,002	(944,460)	(1.1%)
44,978,348	43,882,873	(1,095,476)	(2.5%)
15,257,174	13,866,229	(1,390,945)	(10.0%)
36,132,330	35,568,155	(564,175)	(1.6%)
55,660,197	49,570,383	(6,089,814)	(12.3%)
2,810,261	3,127,688	317,428	10.1%
339,642	315,017	(24,625)	(7.8%)
243,242,414	233,450,348	(9,792,066)	(4.2%)
5,217,641	11,337,938	(6,120,297)	(54.0%)
4,975,290	5,873,696	898,406	15.3%
172,345	371,772	199,426	53.6%
608,528	1,578,285	969,757	61.4%
167,600	398,736	231,136	58.0%
375,995	461,246	85,251	18.5%
1,101,679	1,489,944	388,265	26.1%
(279,013)	(278,785)	228	0.1%
7,122,425	9,894,894	2,772,468	28.0%
10,135,218	10,900,346	765,128	7.0%
10,135,218	0	(10,135,218)	0.0%
0	10,900,346	10,900,346	100.0%
0	0	0	0.0%
69,250	291,249	(221,999)	(76.2%)
58,863	258,276	199,414	77.2%
13,053	32,973	19,920	60.4%
(2,666)	0	(2,666)	0.0%
73	0	73	0.0%
(1,907,377)	1,443,045	(3,350,421)	(232.2%)
97.9%	95.4%	-2.5%	-2.7%
2.9%	4.0%	1.2%	29.1%

Year - To - Date			
Actual	Budget	\$ Variance	% Variance
770,739	784,697	(13,958)	(1.8%)
248,460,055	244,788,286	3,671,769	1.5%
248,460,055	244,788,286	3,671,769	1.5%
88,064,462	87,120,002	(944,460)	(1.1%)
44,978,348	43,882,873	(1,095,476)	(2.5%)
15,257,174	13,866,229	(1,390,945)	(10.0%)
36,132,330	35,568,155	(564,175)	(1.6%)
55,660,197	49,570,383	(6,089,814)	(12.3%)
2,810,261	3,127,688	317,428	10.1%
339,642	315,017	(24,625)	(7.8%)
243,242,414	233,450,348	(9,792,066)	(4.2%)
5,217,641	11,337,938	(6,120,297)	(54.0%)
4,975,290	5,873,696	898,406	15.3%
172,345	371,772	199,426	53.6%
608,528	1,578,285	969,757	61.4%
167,600	398,736	231,136	58.0%
375,995	461,246	85,251	18.5%
1,101,679	1,489,944	388,265	26.1%
(279,013)	(278,785)	228	0.1%
7,122,425	9,894,894	2,772,468	28.0%
10,135,218	10,900,346	765,128	7.0%
10,135,218	0	(10,135,218)	0.0%
0	10,900,346	10,900,346	100.0%
0	0	0	0.0%
69,250	291,249	(221,999)	(76.2%)
58,863	258,276	199,414	77.2%
13,053	32,973	19,920	60.4%
(2,666)	0	(2,666)	0.0%
73	0	73	0.0%
(1,907,377)	1,443,045	(3,350,421)	(232.2%)
97.9%	95.4%	-2.5%	-2.7%
2.9%	4.0%	1.2%	29.1%



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

**REVENUES** of \$248.5 million are favorable to budget by \$3.7 million, driven by:

- Unfavorable volume related variance of: \$4.4 million
- Favorable price related variance of \$8.0 million due to:
  - \$4.5 million for Coordinated Care Initiative (CCI) revenue and In-Home Supportive Services (IHSS)
  - \$1.9 million of fiscal year 2017 LTC related revenue recognized for members with Non-LTC aid codes
  - \$1.5 million of fiscal year 2017 BHT Revenue

**MEDICAL EXPENSES:** Overall \$243.2 million, unfavorable to budget by \$9.8 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget \$6.1 million due to:
  - LTC unfavorable variance of \$3.5 million adjustment of IHSS expense corresponding with the favorable CCI revenue variance above
  - Nursing facility unfavorable variance of \$2.0 million
- **Provider Capitation** is unfavorable \$0.9 million due to BHT Capitation
- **Facilities** expenses are unfavorable to budget \$1.1 million due to Hospital Shared Risk Pool

**ADMINISTRATIVE EXPENSES** are \$7.1 million, favorable to budget \$2.8 million, driven by:

- Purchased Services: \$1.0 million favorable to budget
- Salary & Benefits: \$0.9 million favorable to budget due to open positions
- Other Non-Salary: \$0.9 million unfavorable to budget

**CHANGE IN NET ASSETS** is (\$1.9) million for the month, unfavorable to budget by \$3.4 million

**CalOptima - OneCare Connect  
Statement of Revenues and Expenses  
For the One Month Ended July 31, 2017**

Month			
Actual	Budget	\$ Variance	% Variance
15,365	15,488	(123)	(0.8%)
7,368,561	7,522,125	(153,564)	(2.0%)
18,124,309	18,749,841	(625,532)	(3.3%)
25,492,870	26,271,966	(779,096)	(3.0%)
9,846,523	7,723,110	(2,123,413)	(27.5%)
2,480,464	5,094,250	2,613,786	51.3%
584,735	626,246	41,511	6.6%
5,231,479	4,254,619	(976,860)	(23.0%)
5,033,741	5,827,270	793,529	13.6%
1,064,319	1,279,330	215,011	16.8%
260,312	117,174	(143,138)	(122.2%)
24,501,572	24,921,999	420,427	1.7%
991,298	1,349,967	(358,669)	(26.6%)
728,583	926,395	197,811	21.4%
0	38,333	38,333	100.0%
89,340	239,868	150,528	62.8%
12,798	103,801	91,003	87.7%
29,387	51,148	21,761	42.5%
584,428	584,428	(0)	(0.0%)
1,444,536	1,943,972	499,436	25.7%
0	0	0	0.0%
(453,238)	(594,005)	140,767	23.7%
96.1%	94.9%	-1.2%	-1.3%
5.7%	7.4%	1.7%	23.4%

Member Months

Revenues

Medi-Cal Capitation revenue  
Medicare Capitation revenue

Total Operating Revenue

Medical Expenses

Provider capitation  
Facilities  
Ancillary  
Long Term Care  
Prescription drugs  
Medical management  
Other medical expenses

Total Medical Expenses

Gross Margin

Administrative Expenses

Salaries, wages & employee benefits  
Professional fees  
Purchased services  
Printing and postage  
Other operating expenses  
Indirect cost allocation, Occupancy Expense

Total Administrative Expenses

Operating Tax

Total Net Operating Tax

Change in Net Assets

Medical Loss Ratio  
Admin Loss Ratio

Year - To - Date			
Actual	Budget	\$ Variance	% Variance
15,365	15,488	(123)	(0.8%)
7,368,561	7,522,125	(153,564)	(2.0%)
18,124,309	18,749,841	(625,532)	(3.3%)
25,492,870	26,271,966	(779,096)	(3.0%)
9,846,523	7,723,110	(2,123,413)	(27.5%)
2,480,464	5,094,250	2,613,786	51.3%
584,735	626,246	41,511	6.6%
5,231,479	4,254,619	(976,860)	(23.0%)
5,033,741	5,827,270	793,529	13.6%
1,064,319	1,279,330	215,011	16.8%
260,312	117,174	(143,138)	(122.2%)
24,501,572	24,921,999	420,427	1.7%
991,298	1,349,967	(358,669)	(26.6%)
728,583	926,395	197,811	21.4%
0	38,333	38,333	100.0%
89,340	239,868	150,528	62.8%
12,798	103,801	91,003	87.7%
29,387	51,148	21,761	42.5%
584,428	584,428	(0)	(0.0%)
1,444,536	1,943,972	499,436	25.7%
0	0	0	0.0%
(453,238)	(594,005)	140,767	23.7%
96.1%	94.9%	-1.2%	-1.3%
5.7%	7.4%	1.7%	23.4%

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

**REVENUES** of \$25.5 million are unfavorable to budget by \$0.8 million driven by:

- Unfavorable volume related variance of \$0.2 million due to lower enrollment
- Unfavorable price related variance of \$0.6 million due to Part D

**MEDICAL EXPENSES** are favorable to budget \$0.4 million due to:

- Favorable volume related variance of \$0.2 million due to lower enrollment
- Favorable price related variance of \$0.2 million from Rx rebates

**ADMINISTRATIVE EXPENSES** are favorable to budget by \$0.5 million

**CHANGE IN NET ASSETS** is (\$0.5) million, \$0.1 million favorable to budget

**CalOptima - OneCare**  
**Statement of Revenues and Expenses**  
**For the One Month Ended July 31, 2017**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,367	1,315	52	4.0%	Member Months	1,367	1,315	52	4.0%
1,348,574	1,258,717	89,857	7.1%	Revenues	1,348,574	1,258,717	89,857	7.1%
1,348,574	1,258,717	89,857	7.1%	Capitation revenue	1,348,574	1,258,717	89,857	7.1%
				Total Operating Revenue	1,348,574	1,258,717	89,857	7.1%
400,462	333,072	(67,390)	(20.2%)	Medical Expenses	400,462	333,072	(67,390)	(20.2%)
394,962	443,130	48,168	10.9%	Provider capitation	394,962	443,130	48,168	10.9%
31,515	47,625	16,110	33.8%	Inpatient	31,515	47,625	16,110	33.8%
27,268	41,048	13,780	33.6%	Ancillary	27,268	41,048	13,780	33.6%
425,143	475,900	50,757	10.7%	Skilled nursing facilities	425,143	475,900	50,757	10.7%
28,294	25,320	(2,974)	(11.7%)	Prescription drugs	28,294	25,320	(2,974)	(11.7%)
8,663	7,785	(878)	(11.3%)	Medical management	8,663	7,785	(878)	(11.3%)
				Other medical expenses				
1,316,306	1,373,880	57,574	4.2%	Total Medical Expenses	1,316,306	1,373,880	57,574	4.2%
32,268	(115,163)	147,431	128.0%	Gross Margin	32,268	(115,163)	147,431	128.0%
27,705	20,170	(7,535)	(37.4%)	Administrative Expenses	27,705	20,170	(7,535)	(37.4%)
0	13,333	13,333	100.0%	Salaries, wages & employee benefits	0	13,333	13,333	100.0%
10,735	11,990	1,255	10.5%	Professional fees	10,735	11,990	1,255	10.5%
6,442	26,788	20,346	76.0%	Purchased services	6,442	26,788	20,346	76.0%
0	221	221	100.0%	Printing and postage	0	221	221	100.0%
31,910	31,910	(0)	(0.0%)	Other operating expenses	31,910	31,910	(0)	(0.0%)
				Indirect cost allocation, Occupancy Expense				
76,791	104,412	27,620	26.5%	Total Administrative Expenses	76,791	104,412	27,620	26.5%
(44,523)	(219,575)	175,051	79.7%	Change in Net Assets	(44,523)	(219,575)	175,051	79.7%
97.6%	109.1%	11.5%	10.6%	Medical Loss Ratio	97.6%	109.1%	11.5%	10.6%
5.7%	8.3%	2.6%	31.4%	Admin Loss Ratio	5.7%	8.3%	2.6%	31.4%

**CalOptima - PACE**  
**Statement of Revenues and Expenses**  
**For the One Month Ended July 31, 2017**

Month			
Actual	Budget	\$ Variance	% Variance
215	216	(1)	(0.5%)
1,056,968	1,092,996	(36,029)	(3.3%)
445,190	326,579	118,611	36.3%
1,502,158	1,419,576	82,582	5.8%
333,542	409,447	75,905	18.5%
202,365	311,869	109,505	35.1%
243,696	257,680	13,984	5.4%
93,462	108,451	14,989	13.8%
(11,203)	11,902	23,104	194.1%
90,910	89,233	(1,677)	(1.9%)
0	0	0	0.0%
123,900	158,625	34,725	21.9%
1,076,672	1,347,207	270,535	20.1%
425,485	72,369	353,117	487.9%
71,692	89,725	18,034	20.1%
1,557	5,000	3,443	68.9%
5,858	21,136	15,278	72.3%
215	5,547	5,332	96.1%
2,096	2,052	(44)	(2.2%)
3,874	18,503	14,629	79.1%
2,718	2,864	146	5.1%
88,009	144,827	56,818	39.2%
0	0	0	0.0%
337,476	(72,459)	409,935	565.7%
71.7%	94.9%	23.2%	24.5%
5.9%	10.2%	4.3%	42.6%

Year - To - Date			
Actual	Budget	\$ Variance	% Variance
215	216	(1)	(0.5%)
1,056,968	1,092,996	(36,029)	(3.3%)
445,190	326,579	118,611	36.3%
1,502,158	1,419,576	82,582	5.8%
333,542	409,447	75,905	18.5%
202,365	311,869	109,505	35.1%
243,696	257,680	13,984	5.4%
93,462	108,451	14,989	13.8%
(11,203)	11,902	23,104	194.1%
90,910	89,233	(1,677)	(1.9%)
0	0	0	0.0%
123,900	158,625	34,725	21.9%
1,076,672	1,347,207	270,535	20.1%
425,485	72,369	353,117	487.9%
71,692	89,725	18,034	20.1%
1,557	5,000	3,443	68.9%
5,858	21,136	15,278	72.3%
215	5,547	5,332	96.1%
2,096	2,052	(44)	(2.2%)
3,874	18,503	14,629	79.1%
2,718	2,864	146	5.1%
88,009	144,827	56,818	39.2%
0	0	0	0.0%
337,476	(72,459)	409,935	565.7%
71.7%	94.9%	23.2%	24.5%
5.9%	10.2%	4.3%	42.6%

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**CalOptima - Building 505 City Parkway  
Statement of Revenues and Expenses  
For the One Month Ended July 31, 2017**

Actual	Month Budget		
		\$ Variance	% Variance
24,056	21,387	2,669	12.5%
24,056	21,387	2,669	12.5%
29,508	23,186	(6,322)	(27.3%)
159,482	161,474	1,991	1.2%
14,913	9,117	(5,797)	(63.6%)
107,149	158,122	50,972	32.2%
69,306	0	(69,306)	0.0%
(359,472)	(333,055)	26,417	7.9%
20,887	18,843	(2,044)	(10.8%)
3,170	2,544	626	24.6%
=====	=====	=====	=====

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
24,056	21,387	2,669	12.5%
24,056	21,387	2,669	12.5%
29,508	23,186	(6,322)	(27.3%)
159,482	161,474	1,991	1.2%
14,913	9,117	(5,797)	(63.6%)
107,149	158,122	50,972	32.2%
69,306	0	(69,306)	0.0%
(359,472)	(333,055)	26,417	7.9%
20,887	18,843	(2,044)	(10.8%)
3,170	2,544	626	24.6%
=====	=====	=====	=====

**OTHER STATEMENTS – JULY MONTH:**

**ONECARE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is (\$44.5) thousand, \$175.1 thousand favorable to budget

**PACE INCOME STATEMENT**

**CHANGE IN NET ASSETS** for the month is \$0.3 million, \$0.4 million favorable to budget

**505 CITY PARKWAY BUILDING INCOME STATEMENT**

**CHANGE IN NET ASSETS** for the month is \$3.2 thousand; \$0.1 thousand favorable to budget

**CalOptima**  
**BALANCE SHEET**  
**July 31, 2017**

**ASSETS**

Current Assets

Operating Cash	\$520,629,891
Investments	1,042,089,960
Capitation receivable	555,427,127
Receivables - Other	20,691,018
Prepaid Expenses	5,183,841

**Total Current Assets**

**2,144,021,837**

Capital Assets Furniture and equipment

33,437,912

Leasehold improvements

5,884,660

505 City Parkway West

49,422,364

88,744,936

Less: accumulated depreciation

(35,029,816)

Capital assets, net

**53,715,120**

Other Assets Restricted deposit & Other

300,000

Board-designated assets

Cash and cash equivalents

29,002,485

Long term investments

507,352,179

Total Board-designated Assets

536,354,664

Total Other Assets

**536,654,664**

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

5,270,171

**TOTAL ASSETS & OUTFLOWS**

**2,745,968,760**

**LIABILITIES & FUND BALANCES**

Current Liabilities

Accounts payable	\$19,191,148
Medical claims liability	1,256,027,205
Accrued payroll liabilities	9,641,084
Deferred revenue	110,962,533
Deferred lease obligations	190,764
Capitation and withholds	589,500,324

**Total Current Liabilities**

**1,985,513,058**

Other employment benefits liability

28,767,486

Net Pension Liabilities

16,144,973

Long Term Liabilities

100,000

**TOTAL LIABILITIES**

**2,030,525,517**

Deferred inflows of Resources - Excess Earnings

-

Deferred inflows of Resources - Changes in Assumptions

1,340,010

Tangible net equity (TNE)

89,980,450

Funds in excess of TNE

624,122,783

**Net Assets**

**714,103,233**

**TOTAL LIABILITIES, INFLOWS & FUND BALANCES**

**2,745,968,760**



## **BALANCE SHEET:**

**ASSETS** increased \$5.9 million from June

- **Net Capitation Receivables** increased \$33.0 million based upon payment receipt timing and receivables
- **Short-term Investments** decreased \$40.3 million due to payment receipt timing and cash funding requirements
- **Cash and Cash Equivalents** increased by \$24.2 million based upon payment receipt timing and receivables

**LIABILITIES** increased \$5.2 million from June

- **Medical Claims Liability** by line of business increased \$9.6 million due to increase medical liability relating to Coordinated Care Initiative (CCI)
- **Capitation Payable** increased \$8.7 driven by timing of Capitation payments
- **Accrued Expenses** decreased \$20.7 million based on the timing of sales tax payments and an earlier fiscal year-end processing cut-off

**NET ASSETS** are \$714.1 million

**CalOptima**  
**Statement of Cash Flows**  
**July 31, 2017**

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	644,841	644,841
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	537,574	537,574
Changes in assets and liabilities:		
Prepaid expenses and other	470,806	470,806
Catastrophic reserves		
Capitation receivable	(32,569,410)	(32,569,410)
Medical claims liability	9,601,185	9,601,185
Deferred revenue	6,989,408	6,989,408
Payable to providers	8,660,614	8,660,614
Accounts payable	(20,932,143)	(20,932,143)
Other accrued liabilities	889,337	889,337
Net cash provided by/(used in) operating activities	<u>(25,707,788)</u>	<u>(25,707,788)</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	40,335,792	40,335,792
Purchase of property and equipment	48,332	48,332
Change in Board designated reserves	(1,216,290)	(1,216,290)
Net cash provided by/(used in) investing activities	<u>39,167,834</u>	<u>39,167,834</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 13,460,046	 13,460,046
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$507,169,844</u>	 <u>507,169,844</u>
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	 <b><u>\$ 520,629,891</u></b>	 <b><u>\$ 520,629,891</u></b>

**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of July 31, 2017**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	146,551,672				
	Tier 1 - Logan Circle	146,259,887				
	Tier 1 - Wells Capital	146,315,362				
Board-designated Reserve		439,126,921	310,823,204	482,596,199	128,303,717	(43,469,278)
TNE Requirement	Tier 2 - Logan Circle	97,227,743	89,980,450	89,980,450	7,247,293	7,247,293
<b>Consolidated:</b>		536,354,664	400,803,654	572,576,648	135,551,010	(36,221,985)
<i>Current reserve level</i>		<i>1.87</i>	<i>1.40</i>	<i>2.00</i>		

**CalOptima Foundation**  
**Statement of Revenues and Expenses**  
**For the One Month Ended July 31, 2017**  
**Consolidated**

Actual	Month			% Variance
	Budget	\$ Variance		
-----	-----	-----	-----	-----
0	0	0		0.0%
-----	-----	-----	-----	-----
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%
-----	-----	-----	-----	-----
2,083	241,092	239,009		99.1%
0	0	0		0.0%
-----	-----	-----	-----	-----
(2,083)	(241,092)	(239,009)		(99.1%)
=====	=====	=====	=====	=====

**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			% Variance
	Budget	\$ Variance		
-----	-----	-----	-----	-----
0	0	0		0.0%
-----	-----	-----	-----	-----
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%
0	0	0		0.0%
2,083	231,923	229,840		99.1%
-----	-----	-----	-----	-----
2,083	241,092	239,009		99.1%
0	0	0		0.0%
-----	-----	-----	-----	-----
(2,083)	(241,092)	(239,009)		(99.1%)
=====	=====	=====	=====	=====

**CalOptima Foundation  
Balance Sheet  
July 31, 2017**

<b><u>ASSETS</u></b>		<b><u>LIABILITIES &amp; NET ASSETS</u></b>	
Operating cash	2,868,139	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
<b>Total Current Assets</b>	<b><u>2,868,139</u></b>	Grants-Foundation	0
		<b>Total Current Liabilities</b>	<b><u>0</u></b>
		<b>Total Liabilities</b>	<b><u>2,083</u></b>
		<b>Net Assets</b>	<b><u>2,866,056</u></b>
<b>TOTAL ASSETS</b>	<b><u>2,868,139</u></b>	<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>2,868,139</u></b>

## **CALOPTIMA FOUNDATION – JULY MONTH**

### **INCOME STATEMENT:**

#### **Income Statement:**

##### **Operating Revenue**

No activity.

##### **Operating Expenses**

CalOptima Foundation operating expenses were \$2K for audit fees YTD.

- \* Expense categories includes: professional fees, staff services, travel and miscellaneous supplies.
- \* Major Actual to Budget variance was in "Other" category - \$239K favorable variance YTD.
  - FY18 budget was allocated monthly based on the remaining \$2.8M fund balance.
  - Actual recognized expenses were much lower than budgeted anticipated CalOptima support activities.

#### **Balance Sheet:**

##### **Assets**

\* Cash - \$2.86M remains from the FY14 \$3.0M transferred by CalOptima for grants and programs in support of providers and community.

##### **Liabilities**

Payable to CalOptima - \$2K for audit fees - Foundation.

**Budget Allocation Changes****Reporting Changes for July 2017**

Transfer Month	Line of Business	From:	To:	Amount	Expense Description	Fiscal Year
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	2018
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	2018

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.