



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

**MONDAY, OCTOBER 19, 2020  
3:00 P.M.**

**CALOPTIMA  
505 CITY PARKWAY WEST, SUITE 107-N  
ORANGE, CALIFORNIA 92868**

**AGENDA**

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

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 20, 2020 Meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC)

*The Investment Advisory Committee Meeting Agenda and supporting materials are available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, Monday-Friday, 8:00 a.m. – 5:00 p.m. These materials are also available online at [www.caloptima.org](http://www.caloptima.org).*

**To ensure public safety and compliance with emergency declarations and orders related to the COVID-19 pandemic, individuals are encouraged not to attend the meeting in person. As an alternative, members and the public may:**

**Listen to the live audio at (872) 240-3412 and use Access Code: 264-351-621 and**

**Participate via GoTo Meeting below. Please join using Google Chrome:**

**<https://global.gotomeeting.com/join/264351621> rather than attending in person.**

#### **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 Proposed Changes to CalOptima Policy GA.3400: Annual Investments Consider Recommending Appointment to the CalOptima Board of Directors' Investment Advisory Committee
- B. Adopt CalOptima Board of Directors' Investment Advisory Committee Meeting Schedule for Calendar Year 2021

#### **VII. INFORMATION ITEMS**

- A. Quarterly Investment Report Presentation by Meketa Investment Group
- B. Investment Portfolio Presentation by Payden & Rygel
- C. Investment Portfolio Presentation by Wells Capital Management
- D. Investment Portfolio Presentation by MetLife Investment Management
- E. August 2020 Unaudited Financial Statements

#### **VIII. COMMITTEE MEMBER COMMENTS**

#### **IX. ADJOURNMENT**

## MINUTES

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

July 20, 2020

A virtual meeting of the CalOptima Board of Directors' Investment Advisory Committee (IAC) was held on Monday, July 20, 2020, at CalOptima, 505 City Parkway West, Orange, California. The meeting was held via teleconference in light of the COVID-19 public health emergency and consistent with Governor Newsom's executive orders EO-N-25-20 and EO-N-29-20, which temporarily relax the teleconferencing limitations of the Brown Act.

#### **CALL TO ORDER**

Chair Patrick Moore called the meeting to order at 3:02 p.m. and led the Pledge of Allegiance.

#### **ROLL CALL**

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

Others Present: Hannah Schriener, Jared Pratt, Meketa Investment Group; Asha Joshi, Darren Marco, Payden & Rygel; Erin Klepper, Drew Matus, Scott Pavlak, MetLife Investment Management; Seth Tekata, Tony Mellville, Wells Capital Management; Richard Sanchez, Interim Chief Executive Officer; Ladan Khamseh, Chief Operating Officer; Gary Crockett, Chief Counsel; Jason Kaing, Controller; Eric Rustad, Director, Financial Analysis; Kelly Klipfel, Director, Financial Compliance; Joyce Mellinger, Accounting Manager; Faye Heidari, Accounting Supervisor; Junna Yeo, Project Manager Senior; Pamela Reichardt, Executive Assistant

#### **MINUTES**

#### **Approve Minutes of the April 20, 2020, Meeting of the CalOptima Board of Directors' Investment Advisory Committee**

*Action: On motion of Chair Moore, seconded and carried, the Minutes of the April 20, 2020, Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 5-0-0).*

#### **PUBLIC COMMENT**

There were no requests for public comment.

## **MANAGEMENT REPORTS**

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

No report.

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

CFO Nancy Huang gave a COVID-19 update. Over ninety percent (90%) of CalOptima staff is working remotely to continue providing services to our members and community. Orange County is seeing an increase in COVID cases. Staff has been working closely with our providers and the Orange County Health Care Agency to ensure our members have access to care during this global pandemic.

Ms. Huang also provided an update on the State and CalOptima's Fiscal Year (FY) 2020-21 budget. The final state budget provisions were consistent with staff's original budget assumptions. CalOptima's Board of Directors approved the FY 2020-21 Operating and Capital Budgets at the June 4, 2020, meeting. Ms. Huang reported that the state budget impacts CalOptima in three major areas: an increase in Medi-Cal enrollment, a delay of new program implementation, and reductions to managed care rates.

Ms. Huang reported that there were no major program or benefit changes in the final state budget. Given the current COVID environment, CalOptima's Board approved the FY 2020-21 budget with a \$55 million deficit to support the healthcare delivery system in Orange County. Staff will monitor the overall financial performance closely and report back to the IAC at scheduled quarterly meetings.

Ms. Huang reported that staff will begin working on CalOptima's Annual Investment Policy in early August and will compile the initial edits and facilitate the review process. The policy will be presented at the October 19, 2020, IAC meeting, the November 19, 2020, Finance and Audit Committee Meeting (FAC), and final approval at the December 3, 2020, Board of Directors (BOD) Meeting. Staff will provide more information and edits to the IAC during the review process.

## **REPORTS**

### **Consider Recommending David Young's Reappointment to the CalOptima Board of Directors' Investment Advisory Committee for a two-year term**

*Action: On motion of Member Rodney Johnson, seconded and carried, the Investment Advisory Committee recommended the reappointment of David Young to the Board of Directors' Investment Advisory Committee for a two-year term beginning October 1, 2020.  
(Motion Carried 5-0)*

### **Consider Recommending Colleen Clark and David Hutchison's appointments to the CalOptima Board of Directors' Investment Advisory Committee for a two-year term**



**Action:** *On motion of Member Nancy Huang, seconded and carried, the Investment Advisory Committee recommended the appointments of Colleen Clark and David Hutchison to the Board of Directors' Investment Advisory Committee for a two-year term beginning October 1, 2020. (Motion Carried 5-0)*

## **INFORMATION ITEMS**

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

Hannah Schriener, Vice President, introduced Jared Pratt, who joined the Meketa team earlier this year. Ms. Schriener gave a firm update and noted that the entire Meketa team has been working from home since April.

Ms. Schriener reported on the second quarter 2020 results. The one-year, total fund shows a net return of 2.815%. Quarter to date, the total fund return was 0.923% net of fees. Tier One and Tier Two portfolios all outperformed expectations, with positive results for all managers. Ms. Schriener reported that funds were in compliance for the quarter end as of June 30, 2020.

Jared Pratt, Investment Analyst, reported on the performance and custom peer group results for all managers.

### **Presentation by MetLife Investment Management**

Erin Klepper, Associate Director, provided a firm overview and noted that the MetLife Team has been working from home. Juan Peruyero has joined the MetLife team, reporting to Scott Pavlik. Mr. Peruyero was unable to attend the meeting but will attend IAC meetings going forward. Ms. Klepper introduced Drew Matus, who will provide the economic update to the IAC.

Ms. Klepper reported on performance and gave an operating portfolio strategy update. Ms. Klepper noted that the portfolio was in compliance for the period ending June 30, 2020. Drew Matus, Chief Market Strategist provided a global and U.S. economic update. Mr. Matus focused on China's economic activity and the difficulties economies will face trying to rebound during COVID. Mr. Matus also reported on the U.S. unemployment crisis.

Scott Pavlak, Managing Director, reported on the Federal Reserve Liquidity Programs and the Federal Reserve balance sheet. Mr. Pavlak also gave a CalOptima portfolio performance update.

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

Asha Joshi, Managing Principal, provided a firm update, the CalOptima portfolio performance update, and discussed overall themes within the U.S. economy.

Darren Marco, Senior Vice President, gave an operating portfolio update.

**Presentation by Wells Capital Management**

Seth Takata, Regional Director, Insurance Investments, provided a firm update. Barry Sommers CEO, Wealth & Investment Management, has joined Wells Fargo and came from JP Morgan.

Tony Mellville, Senior Portfolio Manager, provided an operating portfolio update and a summary of market themes.

**Financial Update**

Nancy Huang, CFO, provided highlights of CalOptima's April 2020 financials. As of April 30, 2020, CalOptima's consolidated enrollment was 737,000, which was slightly below budget. Staff anticipates continued growth in Medi-Cal enrollment, primarily in the Temporary Assistance for Needy Families (TANF) Adult and Child aid categories. Financial highlights for April showed a \$6.3 million change in net assets, which includes a \$1.5 million loss from operations. This was offset by \$7.8 million in income from investment activities. Year to date, CalOptima showed a total \$54.6 million change in net assets, which contains \$19.5 million in operating income and \$35.1 million from investment income. CalOptima's year to date Medical Loss Ratio (MLR) was 95.9% and the Administrative Loss Ratio (ALR), including directed payments was 3.5%.

Ms. Huang also reviewed CalOptima's balance sheet as of April 30, 2020. Current assets were \$1.4 billion, and current liabilities were \$1.1 billion. Current ratio was 1.3, consistent with previous reporting period. The Board-designated reserves was \$581 million, and the compliance ratio level was 1.91.

**ADJOURNMENT**

Hearing no further business, Chair Moore adjourned the meeting at 4:52 p.m.

*/s/ Pamela Reichardt* \_\_\_\_\_  
Pamela Reichardt  
Executive Assistant

*Approved: October 19, 2020*

## **CALOPTIMA BOARD ACTION AGENDA REFERRAL**

### **Action To Be Taken October 19, 2020** **Regular Meeting of the CalOptima Board of Directors'** **Investment Advisory Committee**

#### **Report Item**

VI.A. Consider Recommending Proposed Changes to CalOptima Policy GA.3400: Annual Investments

#### **Contact**

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

#### **Recommended Action**

Recommend that the Board of Directors' Finance and Audit Committee (FAC) recommend approval of the proposed changes to CalOptima Policy GA.3400: Annual Investments to the CalOptima Board of Directors.

#### **Background**

At the February 27, 1996, meeting, the CalOptima Board of Directors (Board) approved the Annual Investment Policy (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 5, 2019, meeting, the Board approved changes to CalOptima Policy GA.3400: Annual Investments for Calendar Year 2020. At that time, staff, in conjunction with Meketa Investment Group, Inc., and CalOptima's investment managers, Payden & Rygel, MetLife and Wells Capital Management, recommended revisions to the AIP to:

- Clarify the primary benchmark for each investment portfolio for short term investments, and timeframes and responsible parties to review said benchmarks;
- Implement changes to conform to California Government Code (CGC) Local Agency Investment Guidelines;
- Clarify Investment Manager reporting requirement if diversification limits are exceeded;
- Clarify entities to receive listing or notification of prohibited investments from the Board; and
- Update glossary terms.

At the June 4, 2020, meeting, the Board approved changes to CalOptima Policy GA.3400: Annual Investments clarify counterparty diversification limits. The policy was revised to implement a 5% portfolio maximum limitation per credit counterparty and by instrument type to include all permitted investments except for U.S. Government or Agency securities effective June 1, 2020.

#### **Discussion**

Payden & Rygel, MetLife, and Wells Capital Management, CalOptima's investment managers, and Meketa Investment Group, Inc., CalOptima's investment adviser submitted proposed revisions to

CalOptima Policy GA.3400: Annual Investments for Calendar Year (CY) 2021. Staff has reviewed the proposed revisions and recommends the following changes upon Board approval:

- Changes to conform to language in the California Government Code (CGC) Local Agency Investment Guidelines:
  - Section III.D.2.c.i.: State and California Local Agency Obligations, allow short term investments with rating of F1 or better by Fitch Ratings Service; and
  - Section III.D.2.e.i.a) and b): Commercial Paper (CP), modify the criteria for allowable investments, to specify CP 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 by Moody's, or are comparably rated by a nationally recognized statistical rating organization (NRSRO).
- Section III.E.5.a.: Diversification Guidelines, establish a distinction between separate securitized trusts for the maximum issuer limits at the deal level since each is generally a unique “issuer.”

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

#### **Fiscal Impact**

There is no immediate fiscal impact.

#### **Rationale for Recommendation**

The proposed changes to CalOptima Policy GA.3400: Annual Investments reflect the recommendations of CalOptima’s investment managers, Payden & Rygel, MetLife, 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 2021.

#### **Concurrence**

Meketa Investment Group, Inc.  
Gary Crockett, Chief Counsel

#### **Attachments**

Policy GA.3400: Annual Investment Policy – redline and clean versions

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**Authorized Signature**

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**Date**

*Interim CEO Approval:*

Effective Date: 01/01/2018  
Revised Date: 01/01/2021

Applicable to:

- Medi-Cal
- OneCare
- OneCare Connect
- PACE
- Administrative

1 **I. PURPOSE**

2  
3 This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve  
4 Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently  
5 invested according to the Board of Directors' objectives and the California Government Code to  
6 preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through  
7 Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.  
8

9 **II. POLICY**

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

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

1 flexibility to be easily sold at any time with minimal Risk of loss of either the principal or  
2 interest based upon then prevailing rates.

3  
4 4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average  
5 Rate of Return through Economic Cycles given an acceptable level of Risk, established by the  
6 Board of Directors' and the CalOptima Treasurer's objectives.

7  
8 a. The performance Benchmark for each Investment Portfolio shall be based upon published  
9 Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for  
10 short-term investments of comparable Risk and duration.

11  
12 i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and  
13 quarterly by CalOptima's Treasurer and the Investment Advisory Committee members  
14 and shall be reported to the Board of Directors.

15  
16 B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting  
17 as the agent of CalOptima under the terms of a custody agreement in compliance with California  
18 Government Code, Section 53608.

19  
20 C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other  
21 than themselves) or financial institutions in compliance with California Government Code, Section  
22 53601.5 and this Policy.

23  
24 D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima  
25 (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined  
26 in the Code, which shall be applied in the context of managing an overall portfolio.

27  
28 E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members  
29 involved in the investment process shall refrain from personal and professional business activities  
30 that could conflict with the proper execution of the investment program, or which could impair their  
31 ability to fulfill their roles in the investment process.

32  
33 1. CalOptima's Officers and employees involved in the investment process are not permitted to  
34 have any material financial interests in financial institutions, including state or federal credit  
35 unions, that conduct business with CalOptima, and are not permitted to have any personal  
36 financial, or investment holdings, that could be materially related to the performance of  
37 CalOptima's investments.

38  
39 F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for  
40 review and adoption by the Board, to ensure that all investments made are following this Policy.

41  
42 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to  
43 California Government Code, Section 53646, Subdivision (a).

44  
45 2. This policy may only be changed by the Board of Directors.

### 46 47 **III. PROCEDURE**

48  
49 A. Delegation of Authority

50  
51 1. Authority to manage CalOptima's investment program is derived from an order of the Board of  
52 Directors.

- 1 a. Management responsibility for the investment program shall be delegated to CalOptima's  
2 Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the  
3 approval of this Policy.  
4  
5 i. The Board of Directors may renew the delegation of authority annually.  
6  
7 b. No person may engage in investment transactions except as provided under the terms of this  
8 Policy and the procedures established by CalOptima's Treasurer.  
9

10 B. CalOptima Treasurer Responsibilities

- 11 1. The Treasurer shall be responsible for:  
12  
13 a. All actions undertaken and shall establish a system of controls to regulate the activities of  
14 subordinate officials and Board-approved Investment Managers;  
15  
16 b. The oversight of CalOptima's Investment Portfolio;  
17  
18 c. Directing CalOptima's investment program and for compliance with this Policy pursuant to  
19 the delegation of authority to invest funds or to sell or exchange securities; and  
20  
21 d. Providing a quarterly report to the Board of Directors in accordance with California  
22 Government Code, Section 53646, Subdivision (b).  
23  
24 2. The Treasurer shall also be responsible for ensuring that:  
25  
26 a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are  
27 established and reviewed monthly.  
28  
29 b. All Investment Managers are provided a copy of this Policy, which shall be appended to an  
30 Investment Manager's investment contract.  
31  
32 i. Any investments made by an Investment Manager outside this Policy may subject the  
33 Investment Manager to termination for cause or other appropriate remedies or  
34 sanctions, as determined by the Board of Directors.  
35  
36 c. Investment diversification and portfolio performance is reviewed monthly to ensure that  
37 Risk levels and returns are reasonable and that investments are diversified in accordance  
38 with this Policy.  
39  
40 d. All Investment Managers are selected and evaluated for review by the Chief Executive  
41 Officer and the Board of Directors.  
42  
43

44 C. Investment Advisory Committee

- 45 1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any  
46 particular investment, purchase any particular investment product, or conduct business with any  
47 particular investment companies, or brokers.  
48  
49 a. It shall not be the purpose of the Investment Advisory Committee to advise on particular  
50 investment decisions of CalOptima.  
51  
52 2. The Investment Advisory Committee shall be responsible for the following functions:  
53

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

D. Permitted Investments

- 1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations of this Policy.
  - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of two (2) years. Note that the Code allows for up to five (5) years.
  - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
  - c. Private placement (144a) securities are prohibited.
  - d. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
- 2. Permitted investments shall include:
  - a. U.S. Treasuries
    - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
    - ii. U.S. Government securities include:
      - a) Treasury Bills: U.S. Government securities issued and traded at a discount;
      - b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;
      - c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;



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

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

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

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

- 1  
2 m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed  
3 Notes (SSGNs); and  
4  
5 n) National Credit Union Administration (NCUA) securities.  
6

7 iii. Maximum Term:  
8

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

- 9  
10 iv. Any Federal Agency and U.S. Government Sponsored Enterprise security not  
11 specifically mentioned above is not a permitted investment.  
12

13 c. State and California Local Agency Obligations  
14

- 15 i. Such obligations must be issued by an entity whose general obligation debt is rated P-1  
16 by Moody's, or A-1 by Standard & Poor's, or Rated F1 by Fitch, or equivalent or better  
17 for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally  
18 Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public  
19 agency Bonds issued for private purposes (e.g., industrial development Bonds) are  
20 specifically excluded as permitted investments.  
21

22 ii. Maximum Term:  
23

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

24 d. Banker's Acceptances  
25

- 26  
27 i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade  
28 finance process. These short-term notes are sold at a discount, and are obligations of  
29 the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the  
30 bank is irrevocably obligated to pay the Banker's Acceptance (BA) upon maturity, if the  
31 drawer does not. Eligible banker's acceptances:  
32

- 33 a) Are eligible for purchase by the Federal Reserve System, and are drawn on and  
34 accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for  
35 short-term deposits by Standard & Poor's, or P-1 for short-term deposits by  
36 Moody's, or are comparably rated by a nationally recognized rating agency.  
37

38 ii. Maximum Term:  
39

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days

Fund Type	Term Assigned	Term Allowed by the Code
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) CP of “prime” quality ~~of the highest ranking or of the highest letter and number rating as provided for, 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 by Moody's, or are comparably rated~~ by a nationally recognized statistical rating organization (NRSRO);

b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a Rating Category of “A” or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO; and

c) May not represent more than ten percent (10%) of the outstanding CP of the issuing corporation.

ii. Maximum Term:

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

f. Negotiable Certificates of Deposit

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

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

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary Broker-Dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by Fitch Ratings Service 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

Fund Type	Term Assigned	Term Allowed by the Code
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 in a Rating Category of "A" or its equivalent or better by an NRSRO 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 CP, i.e., Medium Term Notes (MTNs).

ii. Maximum Term:

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

i. Money Market Funds

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

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

j. Joint Powers Authority Pool

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

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

- c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
- iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.
- iv. Maximum Term:

<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	Not Applicable Not Applicable	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 or better- or equivalent.
- iv. Maximum Term:

<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
Operating Funds	2 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years stated final maturity 5 years stated final maturity	5 years 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.

- 1 b) A variable rate security provides for the automatic establishment of a new interest  
 2 rate on pre-determined reset dates.  
 3  
 4 c) For the purposes of this Policy, a variable rate security and floating rate security  
 5 shall be deemed to have a maturity equal to the period remaining to that pre-  
 6 determined interest rate reset date, so long as no investment shall be made in a  
 7 security that at the time of the investment has a term remaining to a stated final  
 8 maturity in excess of five (5) years.  
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 10 ii. Variable and floating rate securities, which are restricted to investments in permitted  
 11 Federal Agencies and U.S. Government Sponsored Enterprises securities, Corporate  
 12 Securities, Mortgage or Asset-backed Securities, Negotiable Certificates of Deposit,  
 13 and Municipal Bonds (State and California Local Agency Obligations) must utilize a  
 14 single, market-determined short-term index rate, such as U. S. Treasury bills, federal  
 15 funds, CP, London Interbank Offered Rate (LIBOR), the Secured Overnight Financing  
 16 Rate (SOFR), or Securities Industry and Financial Markets Association (SIFMA) that is  
 17 pre-determined at the time of issuance of the security.  
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 19 a) Permitted variable and floating rate securities that have an embedded unconditional  
 20 put option must have a stated final maturity of the security no greater than five (5)  
 21 years from the date of purchase.  
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 23 b) Investments in floating rate securities whose reset is calculated using more than one  
 24 (1) of the above indices are not permitted, i.e., dual index notes.  
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 26 c) Ratings for variable and floating rate securities shall be limited to the same  
 27 minimum ratings as applied to the appropriate asset security class outlined  
 28 elsewhere in this Policy.  
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 30 iii. Maximum Term:  
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<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

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 33 m. Supranational Obligations  
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- 35 i. The three (3) Supranational Institutions that issue, or unconditionally guarantee,  
 36 obligations that are eligible investments are:  
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 38 a) International Bank for Reconstruction and Development (IBRD);  
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 40 b) International Finance Corporation (IFC); and  
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 42 c) Inter-American Development Bank (IADB).  
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 44 ii. Supranational obligations shall be rated in a Rating Category of “AA” or its equivalent  
 45 or better by a Nationally Statistical Rating Organization (NRSRO).  
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 47 iii. Maximum Term:  
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Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	2 years	5 years
Board-Designated Reserve Funds		
▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

n. Pooled Investments

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

E. Diversification Guidelines

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

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

4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
  - a. Any one (1) Federal Agency or Government Sponsored Enterprise: None
  - b. Any one (1) repurchase agreement counterparty name:
    - If maturity/term is  $\leq$  7 days: 50%
    - If maturity/term is  $>$  7 days: 25%



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5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
    - a. 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 issuer limits apply at the deal level- with each securitized trust being considered a unique "issuer."
    - b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio's market value will be invested in securities of a single issuer.
  6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
    - a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.
    - b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.
      - i. The amount in relation to the total portfolio concentration;
      - ii. Market and security specific conditions contributing to a breach of this Policy; and
      - iii. The Investment Managers' actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

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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.

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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.

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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 CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and Investment Advisory Committee 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 CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment Advisory Committee of any changes.

**IV. ATTACHMENT(S)**

Not Applicable

**V. REFERENCE(S)**

- A. California Government Code, §6509.7
- B. California Government Code, §53600 et seq.
- C. California Government Code, §53601(h), (k), (q)
- D. California Government Code, §53635 et seq.
- E. California Government Code, §53646, Subdivision (a) and Subdivision (b)
- F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.

**VI. REGULATORY AGENCY APPROVAL(S)**

- A. None to Date

**VII. BOARD ACTION(S)**

<b>Date</b>	<b>Meeting</b>
10/30/2017	Special Meeting of the CalOptima Investment Advisory Committee
11/16/2017	Regular Meeting of the CalOptima Finance and Audit Committee
12/07/2017	Regular Meeting of the CalOptima Board of Directors
11/05/2018	Special Meeting of the CalOptima Investment Advisory Committee
11/15/2018	Regular Meeting of the CalOptima Finance and Audit Committee
12/06/2018	Regular Meeting of the CalOptima Board of Directors
10/21/2019	Regular Meeting of the CalOptima Investment Advisory Committee
11/15/2019	Regular Meeting of the CalOptima Finance and Audit Committee
12/05/2019	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors

1 **VIII. REVISION HISTORY**  
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Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2018	GA.3400	Annual Investments	Administrative
Revised	01/01/2019	GA.3400	Annual Investments	Administrative
Revised	01/01/2020	GA.3400	Annual Investments	Administrative
Revised	06/04/2020	GA.3400	Annual Investments	Administrative
<u>Revised</u>	<u>01/01/2021</u>	<u>GA.3400</u>	<u>Annual Investments</u>	<u>Administrative</u>

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For 20201019 IAC Review Only

**IX. GLOSSARY**

<b>Term</b>	<b>Definition</b>
Banker's Acceptance (BA)	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: <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	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.
Board-Designated Reserve Funds	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: <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.

<b>Term</b>	<b>Definition</b>
CalOptima Treasurer	Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.
Capital	Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
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.
Custom Peer Group Report	Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate performance comparison.
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 Advisor(s)	Registered or non-registered person or group that makes investment recommendations or conducts securities analysis in return for a fee.
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding CalOptima's Investment Policies, Procedures and Practices.

<b>Term</b>	<b>Definition</b>
Investment Manager(s)	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, Bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the Underlying Pool of Securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).
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.
Nationally Recognized Statistical Ratings Organization (NRSRO)	A credit rating agency that the Securities and Exchange Commission in the United States registers and uses for regulatory purposes. Current NRSROs listed at <a href="http://www.sec.gov/ocr/ocr-current-nrsros.html">www.sec.gov/ocr/ocr-current-nrsros.html</a> .
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.

<b>Term</b>	<b>Definition</b>
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.
State and California Local Agency Obligations	Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
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.

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*Interim CEO Approval:*

Effective Date: 01/01/2018  
Revised Date: 01/01/2021

Applicable to:  Medi-Cal  
 OneCare  
 OneCare Connect  
 PACE  
 Administrative

1 **I. PURPOSE**

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3 This policy sets forth the investment guidelines for all Operating Funds and Board-Designated Reserve  
4 Funds of CalOptima invested on or after January 10, 2006 to ensure CalOptima's funds are prudently  
5 invested according to the Board of Directors' objectives and the California Government Code to  
6 preserve Capital, provide necessary Liquidity, and achieve a market-average Rate of Return through  
7 Economic Cycles. Each annual review takes effect upon its adoption by the Board of Directors.  
8

9 **II. POLICY**

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

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13 1. This Policy shall conform to California Government Code, Section 53600 et seq. (hereinafter,  
14 the Code) as well as customary standards of prudent investment management. Should the  
15 provisions of the Code be, or become, more restrictive than those contained herein, such  
16 provisions shall be considered immediately incorporated into this Policy and adhered to.  
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18 2. Safety of Principal: Safety of Principal is the primary objective of CalOptima and, as such,  
19 each investment transaction shall seek to ensure that large Capital losses are avoided from  
20 securities or Broker-Dealer default.  
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22 a. CalOptima shall seek to ensure that Capital losses are minimized from the erosion of market  
23 value and preserve principal by mitigating the two (2) types of Risk: Credit Risk and  
24 Market Risk.  
25  
26 i. Credit Risk shall be mitigated by investing in only permitted investments and by  
27 diversifying the Investment Portfolio, in accordance with this Policy.  
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29 ii. Market Risk shall be mitigated by matching Maturity Dates, to the extent possible, with  
30 CalOptima's expected cash flow needs and other factors.  
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32 b. It is explicitly recognized herein, however, that in a diversified portfolio, occasional losses  
33 are inevitable and must be considered within the context of the overall investment return.  
34  
35 3. Liquidity: Liquidity is the second most important objective of CalOptima. It is important that  
36 each portfolio contain investments for which there is a secondary market and which offer the



1 flexibility to be easily sold at any time with minimal Risk of loss of either the principal or  
2 interest based upon then prevailing rates.

3  
4 4. Total Return: CalOptima's Investment Portfolios shall be designed to attain a market-average  
5 Rate of Return through Economic Cycles given an acceptable level of Risk, established by the  
6 Board of Directors' and the CalOptima Treasurer's objectives.

7  
8 a. The performance Benchmark for each Investment Portfolio shall be based upon published  
9 Market Indices as primary Benchmark, and Custom Peer Group Reports, as necessary, for  
10 short-term investments of comparable Risk and duration.

11  
12 i. These performance Benchmarks shall be reviewed monthly by CalOptima staff, and  
13 quarterly by CalOptima's Treasurer and the Investment Advisory Committee members  
14 and shall be reported to the Board of Directors.

15  
16 B. The investments purchased by an Investment Manager shall be held by the Custodian Bank acting  
17 as the agent of CalOptima under the terms of a custody agreement in compliance with California  
18 Government Code, Section 53608.

19  
20 C. Investment Managers must certify that they will purchase securities from Broker-Dealers (other  
21 than themselves) or financial institutions in compliance with California Government Code, Section  
22 53601.5 and this Policy.

23  
24 D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima  
25 (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined  
26 in the Code, which shall be applied in the context of managing an overall portfolio.

27  
28 E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members  
29 involved in the investment process shall refrain from personal and professional business activities  
30 that could conflict with the proper execution of the investment program, or which could impair their  
31 ability to fulfill their roles in the investment process.

32  
33 1. CalOptima's Officers and employees involved in the investment process are not permitted to  
34 have any material financial interests in financial institutions, including state or federal credit  
35 unions, that conduct business with CalOptima, and are not permitted to have any personal  
36 financial, or investment holdings, that could be materially related to the performance of  
37 CalOptima's investments.

38  
39 F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for  
40 review and adoption by the Board, to ensure that all investments made are following this Policy.

41  
42 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to  
43 California Government Code, Section 53646, Subdivision (a).

44  
45 2. This policy may only be changed by the Board of Directors.

### 46 47 **III. PROCEDURE**

#### 48 49 **A. Delegation of Authority**

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

- 1 a. Management responsibility for the investment program shall be delegated to CalOptima's  
2 Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the  
3 approval of this Policy.  
4  
5 i. The Board of Directors may renew the delegation of authority annually.  
6  
7 b. No person may engage in investment transactions except as provided under the terms of this  
8 Policy and the procedures established by CalOptima's Treasurer.  
9

10 B. CalOptima Treasurer Responsibilities

- 11 1. The Treasurer shall be responsible for:  
12  
13 a. All actions undertaken and shall establish a system of controls to regulate the activities of  
14 subordinate officials and Board-approved Investment Managers;  
15  
16 b. The oversight of CalOptima's Investment Portfolio;  
17  
18 c. Directing CalOptima's investment program and for compliance with this Policy pursuant to  
19 the delegation of authority to invest funds or to sell or exchange securities; and  
20  
21 d. Providing a quarterly report to the Board of Directors in accordance with California  
22 Government Code, Section 53646, Subdivision (b).  
23  
24 2. The Treasurer shall also be responsible for ensuring that:  
25  
26 a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are  
27 established and reviewed monthly.  
28  
29 b. All Investment Managers are provided a copy of this Policy, which shall be appended to an  
30 Investment Manager's investment contract.  
31  
32 i. Any investments made by an Investment Manager outside this Policy may subject the  
33 Investment Manager to termination for cause or other appropriate remedies or  
34 sanctions, as determined by the Board of Directors.  
35  
36 c. Investment diversification and portfolio performance is reviewed monthly to ensure that  
37 Risk levels and returns are reasonable and that investments are diversified in accordance  
38 with this Policy.  
39  
40 d. All Investment Managers are selected and evaluated for review by the Chief Executive  
41 Officer and the Board of Directors.  
42  
43

44 C. Investment Advisory Committee

- 45 1. The Investment Advisory Committee shall not make, or direct, CalOptima staff to make any  
46 particular investment, purchase any particular investment product, or conduct business with any  
47 particular investment companies, or brokers.  
48  
49 a. It shall not be the purpose of the Investment Advisory Committee to advise on particular  
50 investment decisions of CalOptima.  
51  
52 2. The Investment Advisory Committee shall be responsible for the following functions:  
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- a. Annual review of this Policy before its consideration by the Board of Directors and revision recommendations, as necessary, to the Finance and Audit Committee of the Board of Directors.
  - b. Quarterly review of CalOptima's Investment Portfolio for conformance with this Policy's diversification and maturity guidelines, and recommendations to the Finance and Audit Committee of the Board of Directors, as appropriate.
  - c. Provision of comments to CalOptima's staff regarding potential investments and potential investment strategies.
  - d. Performance of such additional duties and responsibilities pertaining to CalOptima's investment program as may be required from time to time by specific action and direction of the Board of Directors.

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D. Permitted Investments

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- 1. CalOptima shall invest only in Instruments as permitted by the Code, subject to the limitations of this Policy.
    - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of two (2) years. Note that the Code allows for up to five (5) years.
    - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
    - c. Private placement (144a) securities are prohibited.
    - d. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
  - 2. Permitted investments shall include:
    - a. U.S. Treasuries
      - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
      - ii. U.S. Government securities include:
        - a) Treasury Bills: U.S. Government securities issued and traded at a discount;
        - b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;
        - c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;

- 1 d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or  
 2 Bonds, that offer protection from Inflation. Coupon payments and underlying  
 3 principal are automatically increased to compensate for Inflation, as measured by  
 4 the Consumer Price Index (CPI); and  
 5  
 6 e) Treasury Floating Rate Notes (FRNs): U.S. Treasury Bonds issued with a variable  
 7 coupon.  
 8  
 9 iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be  
 10 derivatives for the purposes of this Policy and are, therefore, permitted investments  
 11 pursuant to this Policy.  
 12  
 13 iv. Maximum Term:  
 14

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

15  
 16 b. Federal Agencies and U.S. Government Sponsored Enterprises

- 17  
 18 i. These investments represent obligations, participations, or other Instruments of, or  
 19 issued by, a federal agency or a U.S. government sponsored enterprise, including those  
 20 issued by, or fully guaranteed as to principal and interest by, the issuers.  
 21  
 22 ii. These are U.S. Government related organizations, the largest of which are government  
 23 financial intermediaries assisting specific credit markets (e.g., housing, agriculture).  
 24 Often simply referred to as "Agencies," the following are specifically allowed:  
 25  
 26 a) Federal Home Loan Banks (FHLB);  
 27  
 28 b) Federal Home Loan Mortgage Corporation (FHLMC);  
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 30 c) Federal National Mortgage Association (FNMA);  
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 32 d) Federal Farm Credit Banks (FFCB);  
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 34 e) Government National Mortgage Association (GNMA);  
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 36 f) Small Business Administration (SBA);  
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 38 g) Export-Import Bank of the United States;  
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 40 h) U.S. Maritime Administration;  
 41  
 42 i) Washington Metro Area Transit Authority (WMATA);  
 43  
 44 j) U.S. Department of Housing & Urban Development;  
 45  
 46 k) Tennessee Valley Authority;  
 47  
 48 l) Federal Agricultural Mortgage Company (FAMC);

- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

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

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

c. State and California Local Agency Obligations

- i. Such obligations must be issued by an entity whose general obligation debt is rated P-1 by Moody's, or A-1 by Standard & Poor's, or Rated F1 by Fitch, or equivalent or better for short-term obligations, or an "A-" rating or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO) for long-term obligations. Public agency Bonds issued for private purposes (e.g., industrial development Bonds) are specifically excluded as permitted investments.

ii. Maximum Term:

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

d. Banker's Acceptances

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

- a) Are eligible for purchase by the Federal Reserve System, and are drawn on and accepted by a bank rated F1, or better, by Fitch Ratings Service, or are rated A-1 for short-term deposits by Standard & Poor's, or P-1 for short-term deposits by Moody's, or are comparably rated by a nationally recognized rating agency.

ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	180 days	180 days

<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
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) CP of “prime” quality, 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 by Moody's, or are comparably rated by a nationally recognized statistical rating organization (NRSRO);
  - b) The entity that issues the CP shall meet all of the following conditions in either paragraph (1) or (2):
    - (1) The entity meets the following criteria:
      - (A) Is organized and operating in the United States as a general corporation.
      - (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
      - (C) Has debt other than commercial paper, if any, that is rated in a Rating Category of “A” or its equivalent or higher by an NRSRO.
    - (2) The entity meets the following criteria:
      - (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
      - (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
      - (C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO; and
  - c) 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

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

6  
 7 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

9  
 10 g. Repurchase Agreements

11  
 12 i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S.  
 13 Government may be purchased through any registered primary Broker-Dealer subject to  
 14 the Securities Investors Protection Act, or any commercial bank insured by the Federal  
 15 Deposit Insurance Corporation so long as at the time of the investment, such primary  
 16 dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-  
 17 1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-  
 18 term, or better, by Standard & Poor's, and F1 short-term, or A long-term or better by  
 19 Fitch Ratings Service provided:

- 20  
 21 a) A Broker-Dealer master repurchase agreement signed by the Investment Manager  
 22 (acting as "Agent") and approved by CalOptima;  
 23  
 24 b) The securities are held free and clear of any Lien by CalOptima's custodian or an  
 25 independent third party acting as agent ("Agent") for the custodian, and such third  
 26 party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal  
 27 Deposit Insurance Corporation and which has combined Capital, Surplus and  
 28 undivided profits of not less than fifty million dollars (\$50,000,000) and the  
 29 custodian receives written confirmation from such third party that it holds such  
 30 securities, free and clear of any Lien, as agent for CalOptima's custodian;  
 31  
 32 c) A perfected first security interest under the Uniform Commercial Code, or book  
 33 entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1  
 34 et seq., and such securities are created for the benefit of CalOptima's custodian and  
 35 CalOptima; and  
 36  
 37 d) The Agent will notify CalOptima's custodian and CalOptima if the Valuation of the  
 38 Collateral Securities falls outside of policy. Upon direction by the CalOptima  
 39 Treasurer, the Agent will liquidate the Collateral Securities if any deficiency in the  
 40 required one hundred and two percent (102%) collateral percentage is not restored  
 41 within one (1) business day of such Valuation.

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 43 ii. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	30 days	1 year



<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
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 in a Rating Category of "A" or its equivalent or better by an NRSRO 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 CP, i.e., Medium Term Notes (MTNs).

ii. Maximum Term:

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

i. Money Market Funds

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

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

j. Joint Powers Authority Pool

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

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



- c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A Joint Powers Authority Pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
- iii. Such investment may not represent more than ten percent (10%) of the Joint Powers Authority Pool's assets.
- iv. Maximum Term:

<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
Operating Funds	Not Applicable	Not Applicable
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	Not Applicable Not Applicable	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 or better or equivalent.
- iv. Maximum Term:

<b>Fund Type</b>	<b>Term Assigned</b>	<b>Term Allowed by the Code</b>
Operating Funds	2 years	5 years
Board-Designated Reserve Funds <ul style="list-style-type: none"> <li>▪ Tier One (1)</li> <li>▪ Tier Two (2)</li> </ul>	5 years stated final maturity 5 years stated final maturity	5 years 5 years

l. Variable and Floating Rate Securities

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

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

iii. Maximum Term:

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

m. Supranational Obligations

- i. The three (3) Supranational Institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
  - a) International Bank for Reconstruction and Development (IBRD);
  - b) International Finance Corporation (IFC); and
  - c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated in a Rating Category of “AA” or its equivalent or better by a Nationally Statistical Rating Organization (NRSRO).
- iii. Maximum Term:

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

n. Pooled Investments

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

E. Diversification Guidelines

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

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

4. Issuer or Counterparty Diversification Guidelines: The percentages specified below shall be adhered to on the basis of the entire portfolio:
  - a. Any one (1) Federal Agency or Government Sponsored Enterprise: None
  - b. Any one (1) repurchase agreement counterparty name:
    - If maturity/term is  $\leq 7$  days: 50%
    - If maturity/term is  $> 7$  days: 25%

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5. Issuer or Counterparty Diversification Guidelines for all other permitted investments described in Section III.D.2.a-n. of this Policy.
    - a. 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 issuer limits apply at the deal level with each securitized trust being considered a unique “issuer.”
    - b. Except for U.S. Government or Agency securities, no more than five percent (5%) of the Portfolio’s market value will be invested in securities of a single issuer.
  6. Each Investment Manager shall adhere to the diversification limits discussed in this subsection.
    - a. If an Investment Manager exceeds the aforementioned diversification limits, the Investment Manager shall inform CalOptima's Treasurer and Investment Advisory consultant (if any) by close of business on the day of the occurrence.
    - b. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in the context of.
      - i. The amount in relation to the total portfolio concentration;
      - ii. Market and security specific conditions contributing to a breach of this Policy; and
      - iii. The Investment Managers’ actions to enforce the spirit of this Policy and decisions made in the best interest of the portfolio.

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F. Maximum Stated Term

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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.

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G. Rating Downgrades

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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.

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H. Investment Restrictions

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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 CalOptima's Treasurer, Investment Managers, Investment Advisory consultant, and Investment Advisory Committee 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 CalOptima's Treasurer, Investment Managers, Investment Advisory consultant and Investment Advisory Committee of any changes.

**IV. ATTACHMENT(S)**

Not Applicable

**V. REFERENCE(S)**

- A. California Government Code, §6509.7
- B. California Government Code, §53600 et seq.
- C. California Government Code, §53601(h), (k), (q)
- D. California Government Code, §53635 et seq.
- E. California Government Code, §53646, Subdivision (a) and Subdivision (b)
- F. Title 31, Code of Federal Regulations (C.F.R.), §306.1 et seq.

**VI. REGULATORY AGENCY APPROVAL(S)**

- A. None to Date

**VII. BOARD ACTION(S)**

<b>Date</b>	<b>Meeting</b>
10/30/2017	Special Meeting of the CalOptima Investment Advisory Committee
11/16/2017	Regular Meeting of the CalOptima Finance and Audit Committee
12/07/2017	Regular Meeting of the CalOptima Board of Directors
11/05/2018	Special Meeting of the CalOptima Investment Advisory Committee
11/15/2018	Regular Meeting of the CalOptima Finance and Audit Committee
12/06/2018	Regular Meeting of the CalOptima Board of Directors
10/21/2019	Regular Meeting of the CalOptima Investment Advisory Committee
11/15/2019	Regular Meeting of the CalOptima Finance and Audit Committee
12/05/2019	Regular Meeting of the CalOptima Board of Directors
06/04/2020	Regular Meeting of the CalOptima Board of Directors

1 **VIII. REVISION HISTORY**

2

<b>Action</b>	<b>Date</b>	<b>Policy</b>	<b>Policy Title</b>	<b>Program(s)</b>
Effective	01/01/2018	GA.3400	Annual Investments	Administrative
Revised	01/01/2019	GA.3400	Annual Investments	Administrative
Revised	01/01/2020	GA.3400	Annual Investments	Administrative
Revised	06/04/2020	GA.3400	Annual Investments	Administrative
Revised	01/01/2021	GA.3400	Annual Investments	Administrative

3

For 20201019 IAC Review Only

1 IX. GLOSSARY  
2

Term	Definition
Banker's Acceptance (BA)	<p>Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:</p> <ul style="list-style-type: none"> <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>
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	<p>A debt security, under which the issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay them interest (the coupon) and/or to repay the principal at a later date, termed the maturity date.</p>
Broker-Dealer	<p>In financial services, a Broker-Dealer is a natural person, a company or other organization that engages in the business of trading securities for its own account or on behalf of its customers.</p>



<b>Term</b>	<b>Definition</b>
CalOptima Treasurer	Appointed by CalOptima's Board of Directors, the treasurer is a person responsible for overseeing CalOptima's investment funds.
Capital	Capital refers to financial assets or the financial value of assets, in the form of money or other assets owned by an organization.
Cash Flow Draws	Amount of cash needs to support CalOptima business operation.
Chief Officers	For the purposes of this policy, may include, but is not limited to, the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and/or Chief Counsel.
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
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.
Custom Peer Group Report	Developed based on a small peer universe with similar investment guidelines. The Purpose of the report is to provide more accurate performance comparison.
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 Advisor(s)	Registered or non-registered person or group that makes investment recommendations or conducts securities analysis in return for a fee.
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding CalOptima's Investment Policies, Procedures and Practices.



<b>Term</b>	<b>Definition</b>
Investment Manager(s)	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, Bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the Underlying Pool of Securities owned by the joint powers authority.
Lien	A legal right granted by the owner of property, by a law or otherwise acquired by a creditor
Liquidity	Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.
Market Indices	Measurements of the value of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average).
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.
Nationally Recognized Statistical Ratings Organization (NRSRO)	A credit rating agency that the Securities and Exchange Commission in the United States registers and uses for regulatory purposes. Current NRSROs listed at <a href="http://www.sec.gov/ocr/ocr-current-nrsros.html">www.sec.gov/ocr/ocr-current-nrsros.html</a> .
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.

<b>Term</b>	<b>Definition</b>
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment Risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.
State and California Local Agency Obligations	Registered warrants, notes or Bonds of any of the fifty (50) U.S. states, including Bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including Bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
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 19, 2020** **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 2021

#### **Contact**

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

#### **Recommended Action**

Adopt the meeting schedule of the CalOptima Board of Directors' Investment Advisory Committee for Calendar Year 2021.

#### **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. Going forward, to provide sufficient time for material review, the meeting will be held on the last Monday of the month.

#### **Discussion**

The proposed schedule of meetings for Calendar Year 2021 is as follows:

- January 25, 2021
- April 26, 2021
- July 26, 2021
- October 25, 2021

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 2021 - Proposed Meeting Schedule

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

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



**Investment Advisory Committee**  
**Calendar Year 2021 – Meeting Schedule**

All Meetings Held at:

CalOptima- Conference Room 107-N  
505 City Parkway West  
Orange, California

3:00 – 5:00 P.M.



Monday, January 25, 2021

Monday, April 26, 2021

Monday, July 26, 2021

Monday, October 25, 2021

# CalOptima

Meeting Materials

October 19, 2020

Fund Evaluation Report

## Agenda

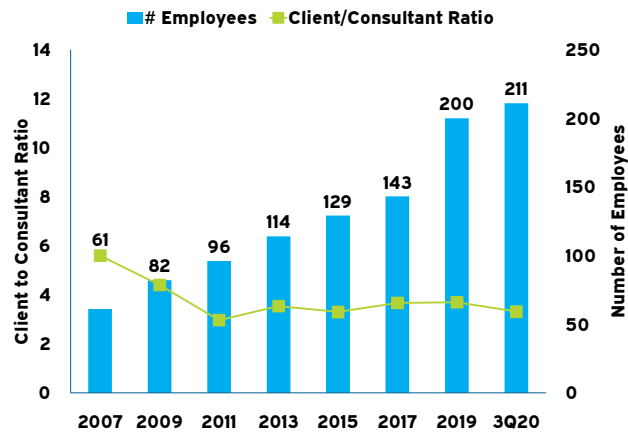
1. Corporate Update
2. 3Q20 Review
3. Quarterly Investment Report Supplement
4. Custom Peer Group
5. Performance Attribution
6. Appendices
  - Characteristics
  - Holdings
  - Economic and Market Update
  - Disclaimer, Glossary, and Notes

# **Meketa Investment Group Corporate Update**

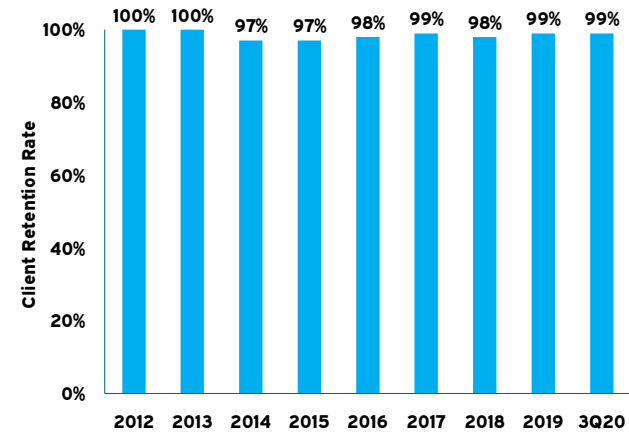


- Staff of 211, including 141 investment professionals and 41 CFA Charterholders
- 215 clients, with over 300 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, New York, Portland (OR), San Diego, and London
- We advise on over \$1.4 trillion in client assets
  - Over \$125 billion in assets committed to alternative investments
    - Private Equity
    - Infrastructure
    - Natural Resources
    - Real Estate
    - Hedge Funds
    - Commodities

**Client to Consultant Ratio<sup>1</sup>**



**Client Retention Rate<sup>2</sup>**



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

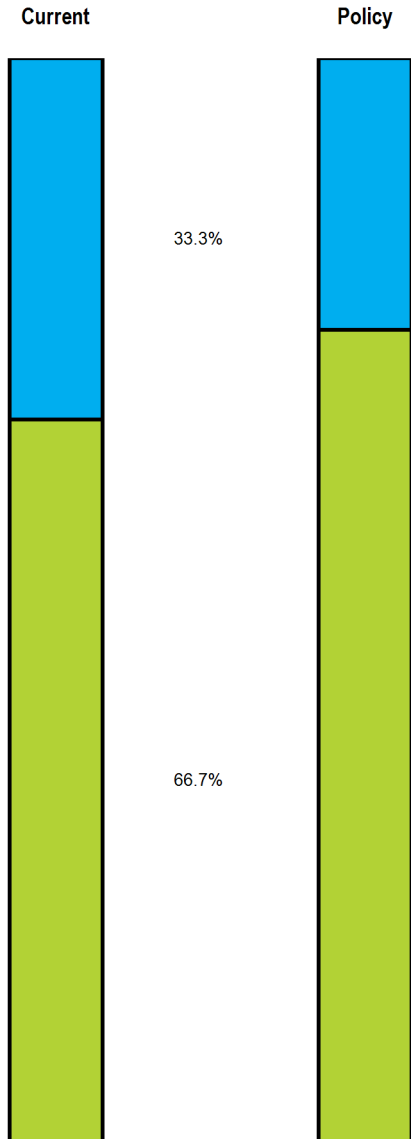
<sup>1</sup> On March 15, 2019, 31 employees joined the firm as part of the merger of Meketa Investment Group and Pension Consulting Alliance.

<sup>2</sup> Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.

### Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> <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>

## **3Q20 Review**



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
Fixed Income	\$587,226,318	33%
Cash	\$1,177,316,536	67%
<b>Total</b>	<b>\$1,764,542,854</b>	<b>100%</b>

Asset Allocation History  
5 Years Ending September 30, 2020



Total Fund | As of September 30, 2020

Asset Class Performance Summary									
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund(Gross)</b>	<b>1,764,542,854</b>	<b>100.000</b>	<b>0.220</b>	<b>2.486</b>	<b>2.399</b>	<b>1.785</b>	<b>--</b>	<b>1.578</b>	<b>Oct-14</b>
<b>Total Fund(Net)</b>			<b>0.199</b>	<b>2.401</b>	<b>2.315</b>	<b>1.705</b>	<b>--</b>	<b>1.494</b>	
<b>Fixed Income(Gross)</b>	<b>587,226,318</b>	<b>33.279</b>	<b>0.401</b>	<b>4.140</b>	<b>3.018</b>	<b>2.236</b>	<b>--</b>	<b>2.084</b>	<b>Oct-14</b>
<b>Fixed Income(Net)</b>			<b>0.379</b>	<b>4.049</b>	<b>2.931</b>	<b>2.151</b>	<b>--</b>	<b>2.021</b>	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>			<i>0.104</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.698</i>	<i>Oct-14</i>
<b>Cash(Gross)</b>	<b>1,177,316,536</b>	<b>66.721</b>	<b>0.124</b>	<b>1.541</b>	<b>1.966</b>	<b>1.497</b>	<b>0.822</b>	<b>1.959</b>	<b>Jul-99</b>
<b>Cash(Net)</b>			<b>0.104</b>	<b>1.459</b>	<b>1.884</b>	<b>1.418</b>	<b>0.720</b>	<b>--</b>	
<i>FTSE T-Bill 3 Months TR</i>			<i>0.032</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.733</i>	<i>Jul-99</i>

Total Fund | As of September 30, 2020

Trailing Period Performance										
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund(Gross)</b>	<b>1,764,542,854</b>	<b>100.000</b>	<b>--</b>	<b>0.220</b>	<b>2.486</b>	<b>2.399</b>	<b>1.785</b>	<b>--</b>	<b>1.578</b>	<b>Oct-14</b>
<b>Fixed Income(Gross)</b>	<b>587,226,318</b>	<b>33.279</b>	<b>33.279</b>	<b>0.401</b>	<b>4.140</b>	<b>3.018</b>	<b>2.236</b>	<b>--</b>	<b>2.084</b>	<b>Oct-14</b>
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.104</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.698</i>	<i>Oct-14</i>
Tier One: Payden Low Duration(Gross)	160,665,965	9.105	27.360	0.344	3.948	3.062	2.249	1.575	3.052	Jul-99
Tier One: Payden Low Duration(Net)				0.323	3.864	2.983	2.172	1.473	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.104</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>2.905</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>				<i>0.274</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>3.227</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.174</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>3.117</i>	<i>Jul-99</i>
Tier One: MetLife STAMP 1-3 Year(Gross)	159,458,405	9.037	27.155	0.389	3.966	2.863	--	--	2.227	May-16
Tier One: MetLife STAMP 1-3 Year(Net)				0.368	3.881	2.785	--	--	2.147	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.104</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.932</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>				<i>0.274</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>2.223</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.174</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>2.104</i>	<i>May-16</i>
Tier One: Wells Capital Reserve Account(Gross)	159,798,287	9.056	27.212	0.345	3.880	2.945	--	--	2.277	May-16
Tier One: Wells Capital Reserve Account(Net)				0.327	3.800	2.867	--	--	2.202	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>				<i>0.104</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.932</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>				<i>0.274</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>2.223</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.174</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>2.104</i>	<i>May-16</i>
Tier Two: MetLife STAMP 1-5 Year(Gross)	107,303,662	6.081	18.273	0.587	5.086	3.296	2.521	--	2.119	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)				0.555	4.955	3.167	2.394	--	1.992	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>				<i>0.126</i>	<i>4.597</i>	<i>3.182</i>	<i>2.193</i>	<i>1.718</i>	<i>1.799</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>				<i>0.423</i>	<i>4.821</i>	<i>3.481</i>	<i>2.607</i>	<i>2.142</i>	<i>2.152</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>				<i>0.239</i>	<i>4.729</i>	<i>3.344</i>	<i>2.416</i>	<i>1.962</i>	<i>1.998</i>	<i>Apr-13</i>

### Total Fund | As of September 30, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Cash(Gross)</b>	<b>1,177,316,536</b>	<b>66.721</b>	<b>66.721</b>	<b>0.124</b>	<b>1.541</b>	<b>1.966</b>	<b>1.497</b>	<b>0.822</b>	<b>1.959</b>	<b>Jul-99</b>
<i>FTSE T-Bill 3 Months TR</i>				<i>0.032</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.733</i>	<i>Jul-99</i>
Operating: Payden Enhanced Cash(Gross)	392,087,371	22.220	33.303	0.114	1.587	1.995	1.542	0.844	1.970	Jul-99
Operating: Payden Enhanced Cash(Net)				0.094	1.503	1.911	1.462	0.742	--	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.032</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.733</i>	<i>Jul-99</i>
Operating: MetLife Enhanced Cash(Gross)	392,464,899	22.242	33.336	0.131	1.466	1.964	--	--	1.628	May-16
Operating: MetLife Enhanced Cash(Net)				0.110	1.381	1.879	--	--	1.543	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.032</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.289</i>	<i>May-16</i>
Operating: Wells Capital Enhanced Cash(Gross)	392,764,266	22.259	33.361	0.127	1.552	1.943	--	--	1.604	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.109	1.475	1.867	--	--	1.530	
<i>FTSE T-Bill 3 Months TR</i>				<i>0.032</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.309</i>	<i>Jun-16</i>



#### Asset Class Performance Summary

	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
<b>Total Fund(Gross)</b>	<b>2.901</b>	<b>3.191</b>	<b>1.221</b>	<b>0.754</b>	<b>0.842</b>	--	--	--
<b>Total Fund(Net)</b>	<b>2.815</b>	<b>3.107</b>	<b>1.147</b>	<b>0.666</b>	<b>0.778</b>	--	--	--
<b>Fixed Income(Gross)</b>	<b>4.416</b>	<b>4.064</b>	<b>0.582</b>	<b>0.427</b>	<b>1.775</b>	--	--	--
<b>Fixed Income(Net)</b>	<b>4.324</b>	<b>3.982</b>	<b>0.495</b>	<b>0.336</b>	<b>1.699</b>	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<b>Cash(Gross)</b>	<b>2.022</b>	<b>2.573</b>	<b>1.492</b>	<b>0.858</b>	<b>0.509</b>	<b>0.166</b>	<b>0.131</b>	<b>0.112</b>
<b>Cash(Net)</b>	<b>1.940</b>	<b>2.489</b>	<b>1.427</b>	<b>0.758</b>	<b>0.446</b>	<b>0.058</b>	<b>0.018</b>	<b>-0.023</b>
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>

#### Trailing Period Performance

	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
<b>Total Fund(Gross)</b>	<b>2.901</b>	<b>3.191</b>	<b>1.221</b>	<b>0.754</b>	<b>0.842</b>	--	--	--
<b>Fixed Income(Gross)</b>	<b>4.416</b>	<b>4.064</b>	<b>0.582</b>	<b>0.427</b>	<b>1.775</b>	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
Tier One: Payden Low Duration(Gross)	4.313	4.239	0.695	0.583	1.461	0.893	1.048	0.534
Tier One: Payden Low Duration(Net)	4.230	4.167	0.615	0.508	1.388	0.783	0.933	0.399
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>	<i>0.861</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>4.175</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>	<i>0.656</i>
Tier One: MetLife STAMP 1-3 Year(Gross)	4.192	3.544	0.842	0.478	--	--	--	--
Tier One: MetLife STAMP 1-3 Year(Net)	4.108	3.478	0.761	0.395	--	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>	<i>0.861</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>4.175</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>	<i>0.656</i>
Tier One: Wells Capital Reserve Account(Gross)	4.236	4.223	0.425	0.403	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	4.153	4.145	0.353	0.330	--	--	--	--
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>4.071</i>	<i>3.974</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>4.185</i>	<i>4.302</i>	<i>0.265</i>	<i>0.336</i>	<i>1.581</i>	<i>0.901</i>	<i>1.246</i>	<i>0.861</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>4.175</i>	<i>4.170</i>	<i>0.198</i>	<i>0.147</i>	<i>1.492</i>	<i>0.906</i>	<i>1.038</i>	<i>0.656</i>
Tier Two: MetLife STAMP 1-5 Year(Gross)	5.177	4.347	0.258	0.140	3.021	1.494	2.095	--
Tier Two: MetLife STAMP 1-5 Year(Net)	5.048	4.217	0.131	0.016	2.894	1.367	1.969	--
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>5.254</i>	<i>4.903</i>	<i>-0.351</i>	<i>-0.532</i>	<i>2.426</i>	<i>1.376</i>	<i>1.157</i>	<i>-0.027</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>	<i>5.332</i>	<i>5.384</i>	<i>-0.156</i>	<i>0.134</i>	<i>2.649</i>	<i>1.344</i>	<i>2.000</i>	<i>0.718</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>5.350</i>	<i>5.143</i>	<i>-0.220</i>	<i>-0.172</i>	<i>2.570</i>	<i>1.376</i>	<i>1.641</i>	<i>0.409</i>

### Total Fund | As of September 30, 2020

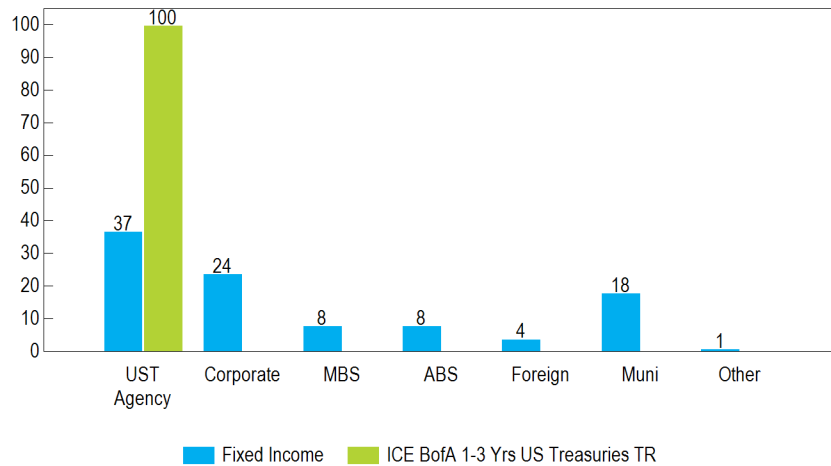
	Fiscal 2020 (%)	Fiscal 2019 (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
<b>Cash(Gross)</b>	<b>2.022</b>	<b>2.573</b>	<b>1.492</b>	<b>0.858</b>	<b>0.509</b>	<b>0.166</b>	<b>0.131</b>	<b>0.112</b>
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>
Operating: Payden Enhanced Cash(Gross)	2.049	2.597	1.580	0.887	0.573	0.166	0.131	0.112
Operating: Payden Enhanced Cash(Net)	1.965	2.508	1.500	0.812	0.505	0.058	0.018	-0.023
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>
Operating: MetLife Enhanced Cash(Gross)	1.967	2.605	1.501	0.898	--	--	--	--
Operating: MetLife Enhanced Cash(Net)	1.881	2.519	1.416	0.814	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>
Operating: Wells Capital Enhanced Cash(Gross)	2.030	2.550	1.443	0.721	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	1.953	2.474	1.370	0.649	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.558</i>	<i>2.294</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>

## Fixed Income | As of September 30, 2020

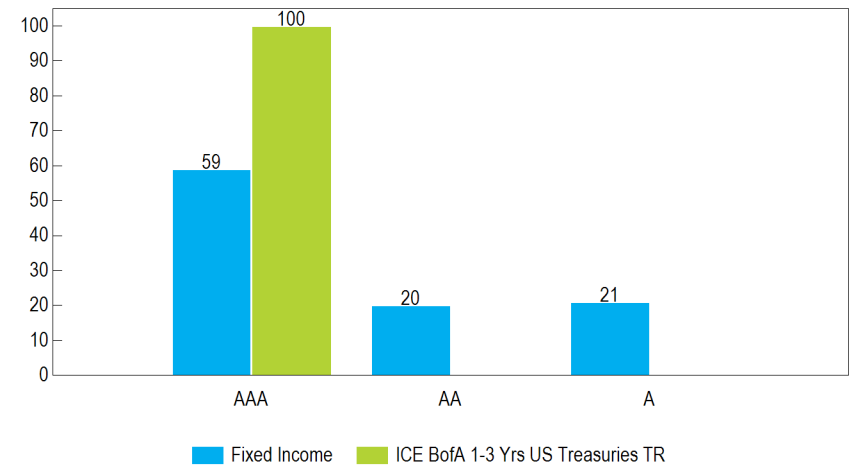
Asset Allocation on September 30, 2020		
	Actual	Actual
Tier One: Payden Low Duration	\$160,665,965	27.4%
Tier One: MetLife STAMP 1-3 Year	\$159,458,405	27.2%
Tier One: Wells Capital Reserve Account	\$159,798,287	27.2%
Tier Two: MetLife STAMP 1-5 Year	\$107,303,662	18.3%
<b>Total</b>	<b>\$587,226,318</b>	<b>100.0%</b>

Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR			
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Fixed Income Characteristics			
Yield to Maturity	0.4	0.1	0.5
Average Duration	1.9	1.9	1.9
Average Quality	AA	AAA	AA

### Sector Allocation



### Credit Quality Allocation



Allocation weights may not add to 100% due to rounding.

## Tier One: Payden Low Duration | As of September 30, 2020

### Account Information

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

### Portfolio Performance Summary

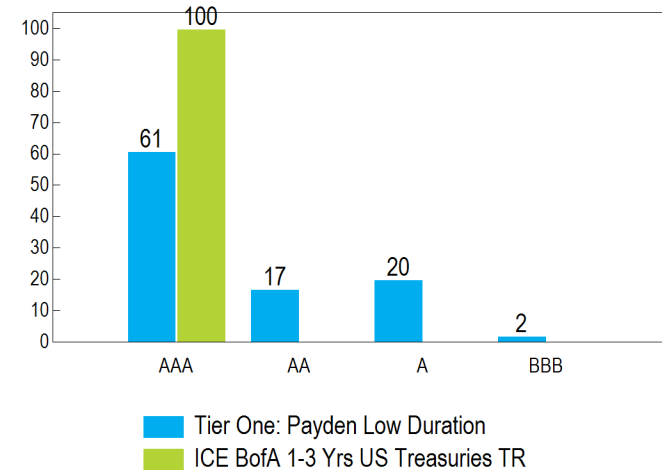
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.344	3.369	3.948	3.062	2.249	1.575	3.052	Jul-99
Tier One: Payden Low Duration(Net)	0.323	3.306	3.864	2.983	2.172	1.473	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.104</i>	<i>3.051</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>2.905</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.274</i>	<i>3.110</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>3.227</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.174</i>	<i>3.103</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>3.117</i>	<i>Jul-99</i>

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

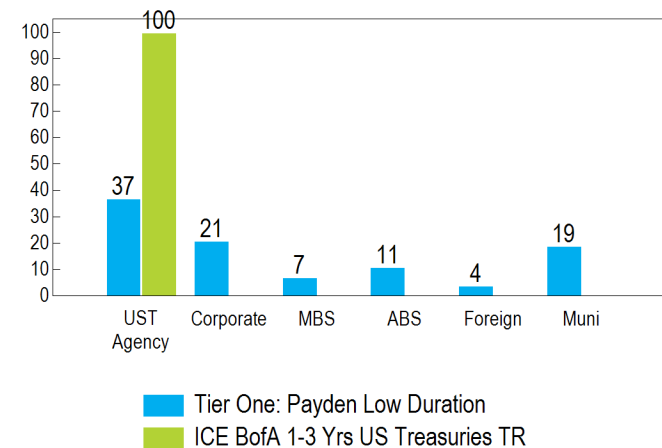
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.41	0.13	0.55
Average Duration	1.89	1.90	1.89
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation



## Tier One: Wells Capital Reserve Account | As of September 30, 2020

### Account Information

Account Name	<b>Tier One: Wells Capital Reserve Account</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofA 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

### Portfolio Performance Summary

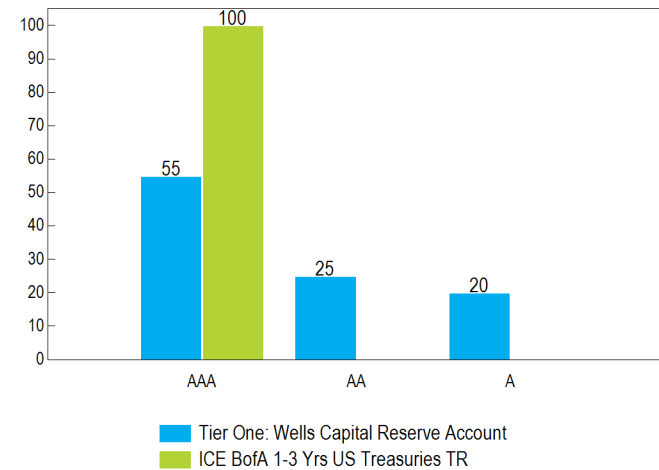
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	0.345	3.289	3.880	2.945	--	--	2.277	May-16
Tier One: Wells Capital Reserve Account(Net)	0.327	3.230	3.800	2.867	--	--	2.202	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.104</i>	<i>3.051</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.932</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.274</i>	<i>3.110</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>2.223</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.174</i>	<i>3.103</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>2.104</i>	<i>May-16</i>

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

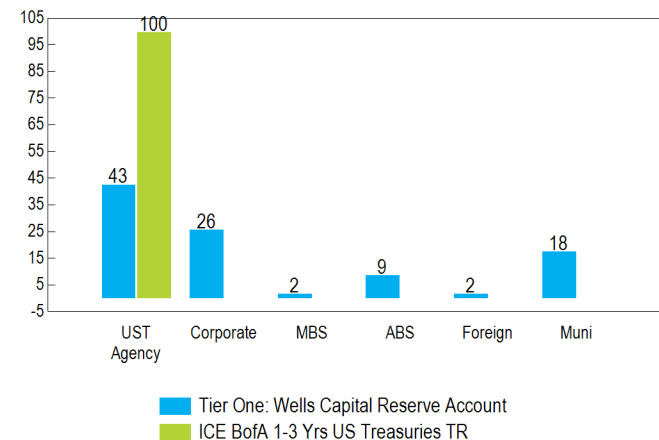
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.31	0.13	0.48
Average Duration	1.70	1.90	1.67
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation



## Tier One: MetLife STAMP 1-3 Year | As of September 30, 2020

### Account Information

Account Name	<b>Tier One: MetLife STAMP 1-3 Year</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofA 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

### Portfolio Performance Summary

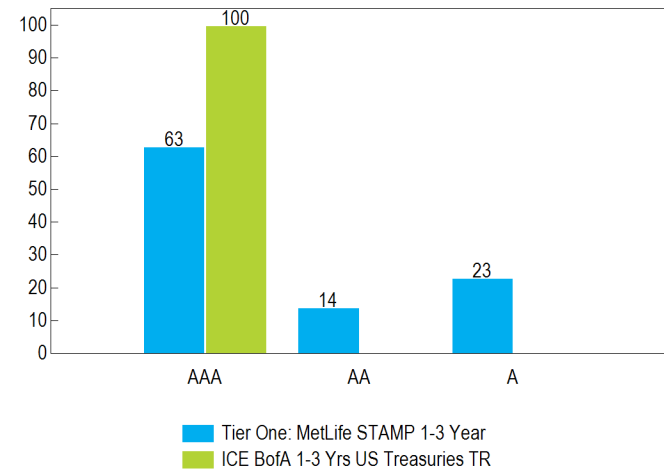
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	0.389	3.345	3.966	2.863	--	--	2.227	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	0.368	3.281	3.881	2.785	--	--	2.147	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.104</i>	<i>3.051</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.932</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.274</i>	<i>3.110</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>2.223</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.174</i>	<i>3.103</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>2.104</i>	<i>May-16</i>

### Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofA 1-3 Yrs US Treasuries TR

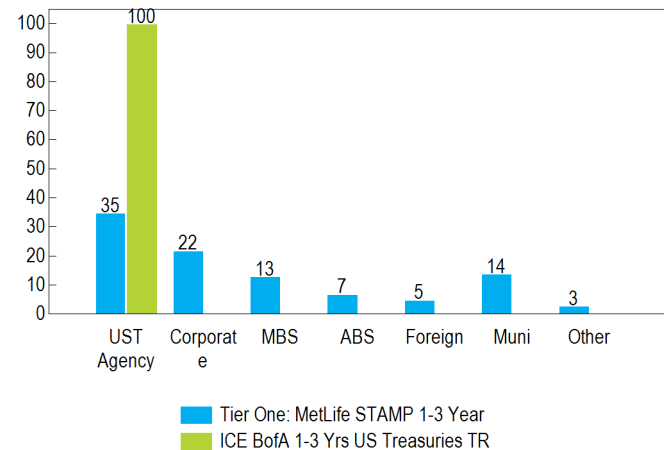
Fixed Income Characteristics	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Yield to Maturity	0.44	0.13	0.52
Average Duration	1.58	1.90	1.59
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation



## Tier Two: MetLife STAMP 1-5 Year | As of September 30, 2020

### Account Information

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

### Portfolio Performance Summary

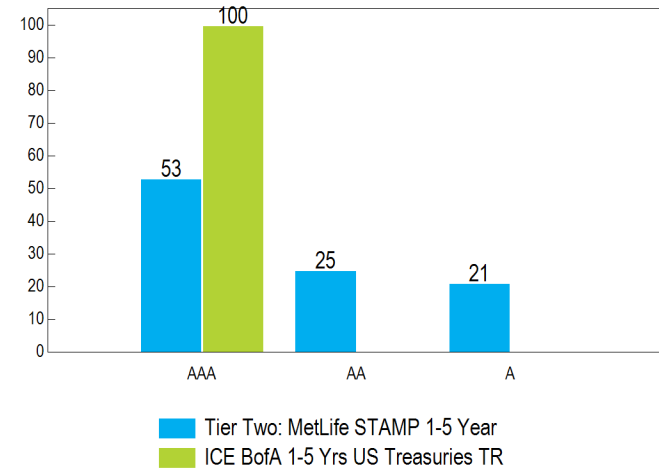
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.587	4.542	5.086	3.296	2.521	--	2.119	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	0.555	4.444	4.955	3.167	2.394	--	1.992	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>0.126</i>	<i>4.231</i>	<i>4.597</i>	<i>3.182</i>	<i>2.193</i>	<i>1.718</i>	<i>1.799</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>	<i>0.423</i>	<i>4.264</i>	<i>4.821</i>	<i>3.481</i>	<i>2.607</i>	<i>2.142</i>	<i>2.152</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.239</i>	<i>4.274</i>	<i>4.729</i>	<i>3.344</i>	<i>2.416</i>	<i>1.962</i>	<i>1.998</i>	<i>Apr-13</i>

### Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofA 1-5 Yrs US Treasuries TR

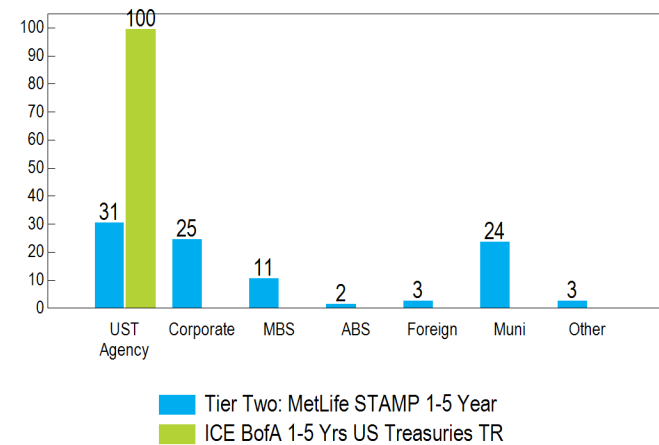
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.53	0.16	0.61
Average Duration	2.48	2.65	2.53
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation

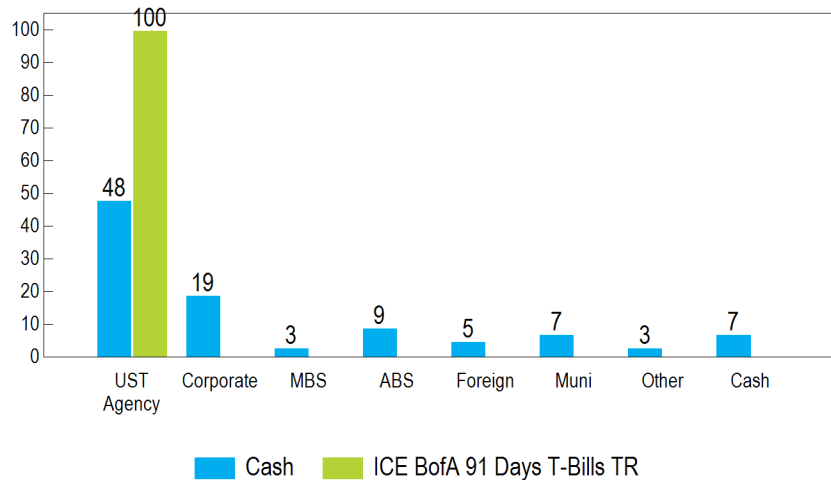




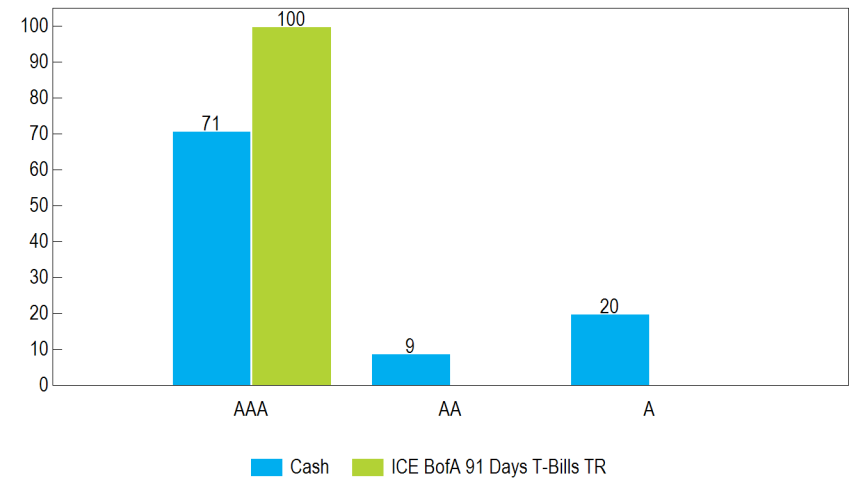
Asset Allocation on September 30, 2020		
	Actual	Actual
Operating: MetLife Enhanced Cash	\$392,464,899	33.3%
Operating: Payden Enhanced Cash	\$392,087,371	33.3%
Operating: Wells Capital Enhanced Cash	\$392,764,266	33.4%
<b>Total</b>	<b>\$1,177,316,536</b>	<b>100.0%</b>

Cash Characteristics vs. ICE BofA 91 Days T-Bills TR			
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Fixed Income Characteristics			
Yield to Maturity	0.2	0.1	0.3
Average Duration	0.3	0.2	0.2
Average Quality	AA	AAA	AA

### Sector Allocation



### Credit Quality Allocation



Allocation weights may not add to 100% due to rounding.

## Operating: Payden Enhanced Cash | As of September 30, 2020

### Account Information

Account Name	<b>Operating: Payden Enhanced Cash</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>7/01/99</b>
Account Type	<b>Cash Alternatives</b>
Benchmark	<b>FTSE T-Bill 3 Months TR</b>
Universe	<b>eV US Enh Cash Management Net</b>

### Portfolio Performance Summary

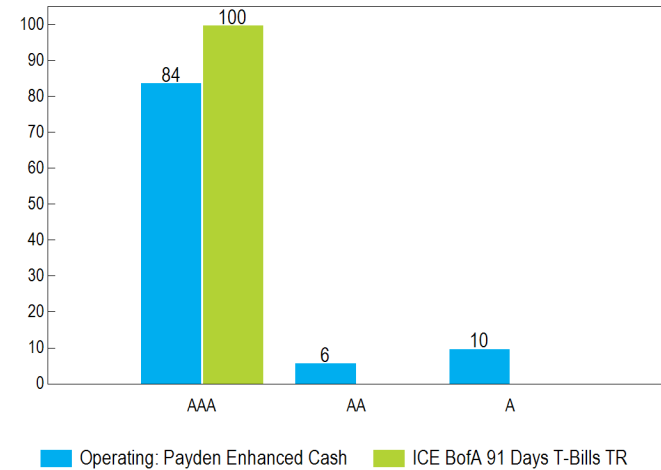
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Payden Enhanced Cash(Gross)	0.114	1.082	1.587	1.995	1.542	0.844	1.970	Jul-99
Operating: Payden Enhanced Cash(Net)	0.094	1.020	1.503	1.911	1.462	0.742	--	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.032</i>	<i>0.556</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.733</i>	<i>Jul-99</i>

### Operating: Payden Enhanced Cash Fixed Income Characteristics

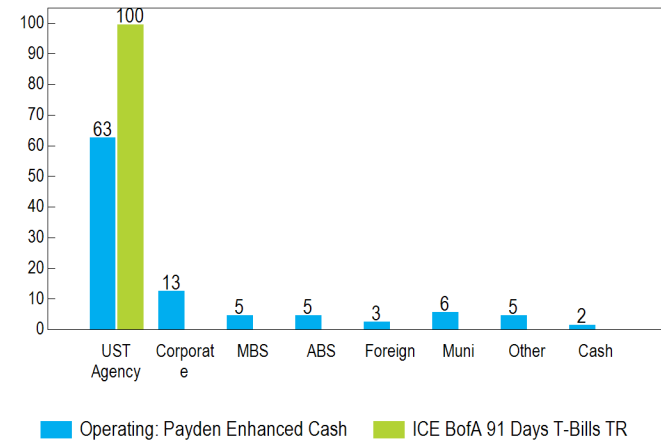
#### vs. ICE BofA 91 Days T-Bills TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.20	0.09	0.26
Average Duration	0.25	0.24	0.12
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



Allocation weights may not add to 100% due to rounding.

## Operating: MetLife Enhanced Cash | As of September 30, 2020

### Account Information

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

### Portfolio Performance Summary

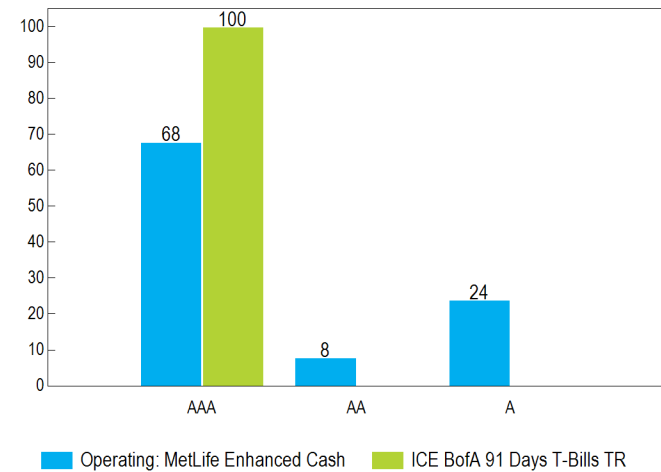
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: MetLife Enhanced Cash(Gross)	0.131	0.958	1.466	1.964	--	--	1.628	May-16
Operating: MetLife Enhanced Cash(Net)	0.110	0.895	1.381	1.879	--	--	1.543	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.032</i>	<i>0.556</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.289</i>	<i>May-16</i>

### Operating: MetLife Enhanced Cash Fixed Income Characteristics

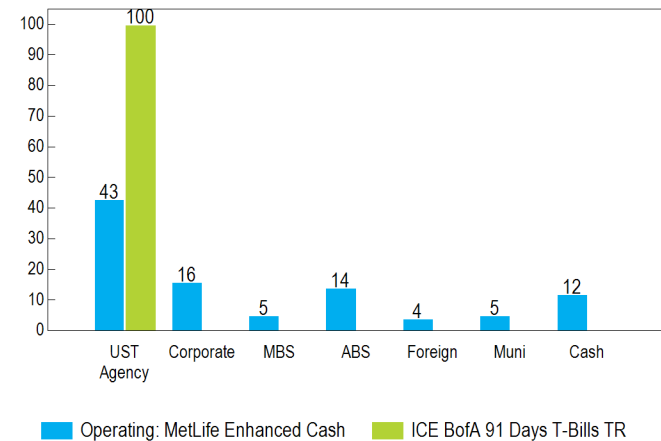
#### vs. ICE BofA 91 Days T-Bills TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.28	0.09	0.38
Average Duration	0.17	0.24	0.14
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



Allocation weights may not add to 100% due to rounding.

## Operating: Wells Capital Enhanced Cash | As of September 30, 2020

### Account Information

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

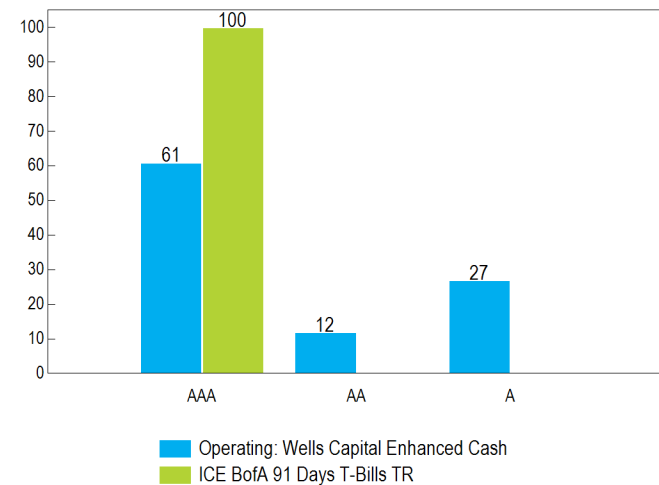
### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Operating: Wells Capital Enhanced Cash(Gross)	0.127	1.012	1.552	1.943	--	--	1.604	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.109	0.957	1.475	1.867	--	--	1.530	
<i>FTSE T-Bill 3 Months TR</i>	<i>0.032</i>	<i>0.556</i>	<i>1.020</i>	<i>1.650</i>	<i>1.156</i>	<i>0.605</i>	<i>1.309</i>	<i>Jun-16</i>

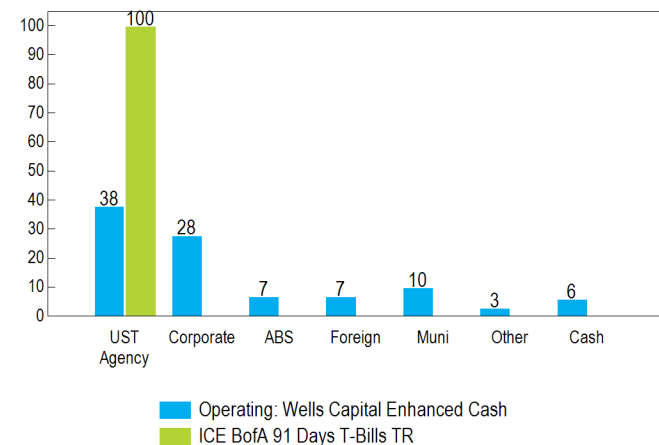
### Operating: Wells Capital Enhanced Cash Fixed Income Characteristics vs. ICE BofA 91 Days T-Bills TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.21	0.09	0.33
Average Duration	0.34	0.24	0.44
Average Quality	AA	AAA	AA

### Credit Quality Allocation



### US Sector Allocation



Allocation weights may not add to 100% due to rounding.

Annual Investment Expense Analysis		
As Of September 30, 2020		
Name	Fee Schedule	Market Value
<b>Fixed Income</b>		<b>\$587,226,318</b>
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$160,665,965
Tier One: MetLife STAMP 1-3 Year	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$159,458,405
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$159,798,287
Tier Two: MetLife STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$107,303,662
<b>Cash</b>		<b>\$1,177,316,536</b>
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$392,087,371
Operating: MetLife Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$392,464,899
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$392,764,266
<b>Total</b>		<b>\$1,764,542,854</b>

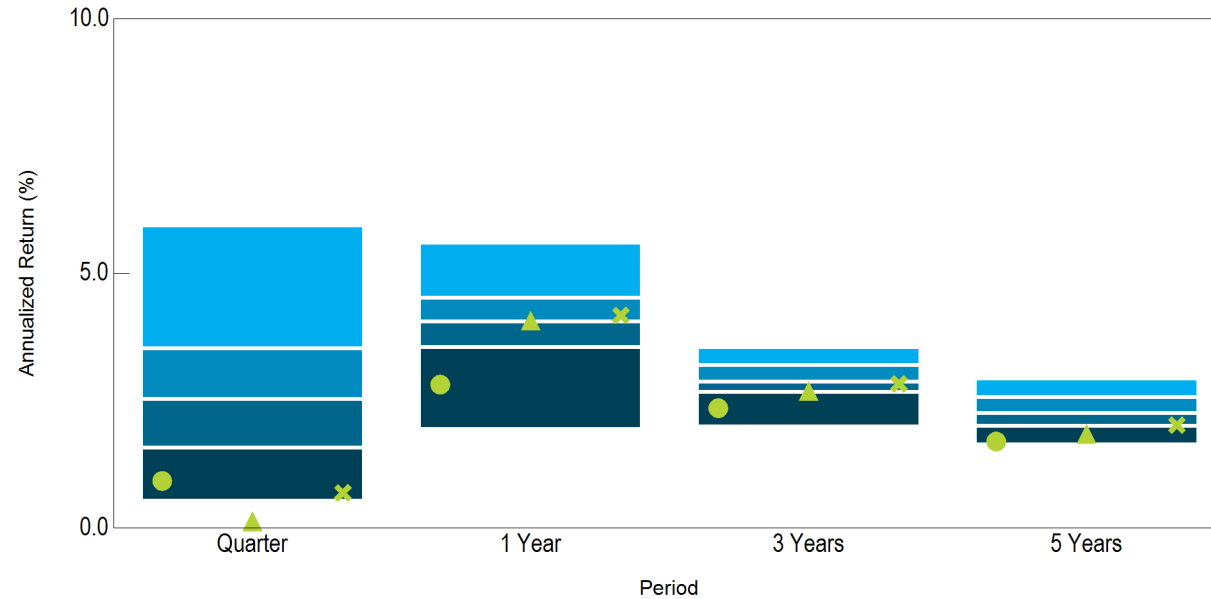
Please note that MetLife, Payden, and Wells Capital charge their investment management fees on an aggregate basis across Operating Cash, Tier One and Tier Two portfolios.

Statistics Summary	
1 Year Ending September 30, 2020	
	Sharpe Ratio
Fixed Income	3.53
ICE BofA 1-3 Yrs US Treasuries TR	1.83
Tier One: Payden Low Duration	3.33
ICE BofA 1-3 Yrs US Treasuries TR	1.83
Tier One: MetLife STAMP 1-3 Year	3.84
ICE BofA 1-3 Yrs US Treasuries TR	1.83
Tier One: Wells Capital Reserve Account	3.20
ICE BofA 1-3 Yrs US Treasuries TR	1.83
Tier Two: MetLife STAMP 1-5 Year	3.58
ICE BofA 1-5 Yrs US Treasuries TR	1.92
Cash	1.38
FTSE T-Bill 3 Months TR	0.90
Operating: Payden Enhanced Cash	1.63
FTSE T-Bill 3 Months TR	0.90
Operating: MetLife Enhanced Cash	0.72
FTSE T-Bill 3 Months TR	0.90
Operating: Wells Capital Enhanced Cash	2.18
FTSE T-Bill 3 Months TR	0.90

Statistics Summary	
3 Years Ending September 30, 2020	
	Sharpe Ratio
Fixed Income	1.44
ICE BofA 1-3 Yrs US Treasuries TR	0.86
Tier One: Payden Low Duration	1.49
ICE BofA 1-3 Yrs US Treasuries TR	0.86
Tier One: MetLife STAMP 1-3 Year	1.58
ICE BofA 1-3 Yrs US Treasuries TR	0.86
Tier One: Wells Capital Reserve Account	1.32
ICE BofA 1-3 Yrs US Treasuries TR	0.86
Tier Two: MetLife STAMP 1-5 Year	1.31
ICE BofA 1-5 Yrs US Treasuries TR	0.91
Cash	0.98
FTSE T-Bill 3 Months TR	0.34
Operating: Payden Enhanced Cash	1.15
FTSE T-Bill 3 Months TR	0.34
Operating: MetLife Enhanced Cash	0.64
FTSE T-Bill 3 Months TR	0.34
Operating: Wells Capital Enhanced Cash	1.13
FTSE T-Bill 3 Months TR	0.34

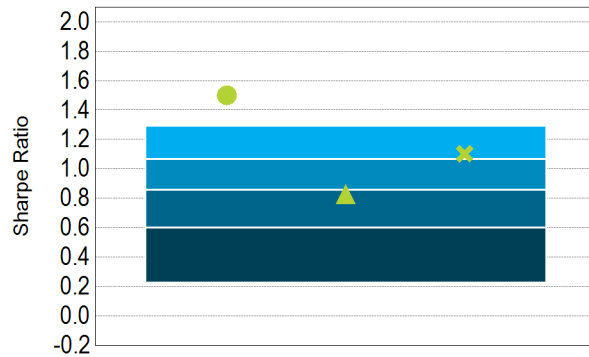
Statistics Summary	
5 Years Ending September 30, 2020	
	Sharpe Ratio
Fixed Income	1.13
ICE BofA 1-3 Yrs US Treasuries TR	0.60
Tier One: Payden Low Duration	1.21
ICE BofA 1-3 Yrs US Treasuries TR	0.60
Tier One: MetLife STAMP 1-3 Year	--
ICE BofA 1-3 Yrs US Treasuries TR	0.60
Tier One: Wells Capital Reserve Account	--
ICE BofA 1-3 Yrs US Treasuries TR	0.60
Tier Two: MetLife STAMP 1-5 Year	1.00
ICE BofA 1-5 Yrs US Treasuries TR	0.64
Cash	0.94
FTSE T-Bill 3 Months TR	0.09
Operating: Payden Enhanced Cash	1.14
FTSE T-Bill 3 Months TR	0.09
Operating: MetLife Enhanced Cash	--
FTSE T-Bill 3 Months TR	0.09
Operating: Wells Capital Enhanced Cash	--
FTSE T-Bill 3 Months TR	0.09

**eV US Short Duration Fixed Inc Net Return Comparison**  
Ending June 30, 2020



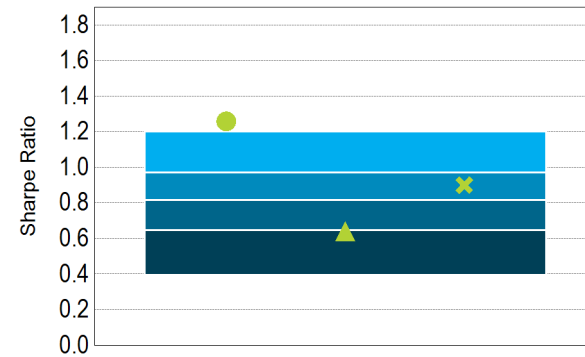
	Return (Rank)			
	Quarter	1 Year	3 Years	5 Years
5th Percentile	5.9	5.6	3.6	2.9
25th Percentile	3.5	4.5	3.2	2.6
Median	2.5	4.1	2.9	2.3
75th Percentile	1.6	3.6	2.7	2.0
95th Percentile	0.5	1.9	2.0	1.6
# of Portfolios	143	143	140	129
● Total Fund	0.9 (89)	2.8 (87)	2.4 (93)	1.7 (93)
▲ ICE BofA 1-3 Yrs US Treasuries TR	0.1 (99)	4.1 (50)	2.7 (74)	1.8 (88)
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	0.7 (93)	4.2 (45)	2.8 (58)	2.0 (75)

**3 Year Sharpe Ratio as of 6/30/2020  
vs. eV US Short Duration Fixed Inc Net**



● Total Fund	
Value	1.5
Rank	2
▲ ICE BofA 1-3 Yrs US Treasuries TR	
Value	0.8
Rank	52
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	
Value	1.1
Rank	22
Universe	
5th %tile	1.3
25th %tile	1.1
Median	0.9
75th %tile	0.6
95th %tile	0.2

**5 Year Sharpe Ratio as of 6/30/2020  
vs. eV US Short Duration Fixed Inc Net**



● Total Fund	
Value	1.3
Rank	4
▲ ICE BofA 1-3 Yrs US Treasuries TR	
Value	0.6
Rank	77
✕ ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR	
Value	0.9
Rank	40
Universe	
5th %tile	1.2
25th %tile	1.0
Median	0.8
75th %tile	0.7
95th %tile	0.4

<sup>1</sup>Statistics are for the 3-year and 5 -year period ending June 30, 2020



## **Quarterly Investment Report Supplement**

Annual Investment Policy (2020)  
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
				ML	P&R	WF	ML	P&R	WF	ML		
US Treasuries	2 years	5 years	5 years	N/A	0.94 years	0.56 years	3.54 years	2.96 years	2.96 years	4.92 years	Yes	
US Agencies	2 years	5 years	5 years	1.96 years	N/A	0.63 years	4.87 years	3.88 years	2.94 years	4.87 years	Yes	
State & Local Obligations <sup>1</sup>	2 years	5 years	5 years	1.09 years	1.09 years	1.62 years	4.17 years	3.84 years	2.92 years	4.84 years	Yes	
Supranationals	2 years	5 years	5 years	1.96 years	0.65 years	0.97 years	2.72 years	3.13 years	2.65 years	2.72 years	Yes	
Negotiable Cert of Deposit	1 year	1 year	1 year	0.35 years	0.32 years <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	Yes	
Commercial Paper	270 days	270 days	270 days	176 days	N/A	54 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	2 years	5 years	5 years	0.63 years	1.55 years	1.63 years	2.96 years	4.42 years	2.86 years	4.62 years	Yes	
Mortgage/ Asset-Backed	2 years	5 years	5 years	1.21 years	0.58 years <sup>3</sup>	1.47 years	4.96 years	3.19 years	4.13 years	4.71 years	Yes	
Variable & Floating Rate	2 years	5 years	5 years	0.21 years	1.00 years	0.63 years	3.07 years	2.96 years	N/A	3.07 years	Yes	
<b>Manager Confirmed Adherence to 5% Issuer Limit</b>				<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	

- 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 US.

<sup>2</sup> FRN CDs included in Variable & Floating Rate Securities section totaling 1.81% of the combined portfolio.

<sup>3</sup> MBS & ABS minimum for security rating AA-, minimum issuer rating A- despite Code change 1/2019.

## Annual Investment Policy (2020)

### Diversification Compliance<sup>1</sup>

Allowable Instruments	Maximum (%)	MetLife (%)	MetLife (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
US Treasuries	100	9.6	63.2	44.0	243.0	10.8	59.9	20.7	366.0
US Agencies	100	6.3	41.5	2.4	13.1	28.7	158.6	12.1	213.2
State & Local Obligations <sup>2</sup>	30	10.5	69.2	11.1	61.3	12.5	68.9	11.3	199.3
Supranationals	30	4.3	28.3	1.9	10.2	5.8	32.3	4.0	70.8
Negotiable Certificate of Deposit	30	6.0	39.5	1.9	10.6	0.0	0.0	2.8	50.1
Commercial Paper	25	1.2	8.0	0.0	0.0	2.4	13.0	1.2	21.0
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	9.3	61.3	8.2	45.2	21.0	116.0	12.6	222.5
Money Market Funds	20	24.1	158.6	1.1	5.8	4.0	22.3	10.6	186.8
Mortgage/Asset-Backed	20	15.0	98.6	9.5	52.5	6.0	33.3	10.4	184.3
Variable & Floating Rate	30	13.8	91.0	20.1	111.1	8.7	48.3	14.2	250.5
<b>Total</b>		<b>100.0</b>	<b>659.2</b>	<b>100.0</b>	<b>552.8</b>	<b>100.0</b>	<b>552.6</b>	<b>100.0</b>	<b>1764.5</b>

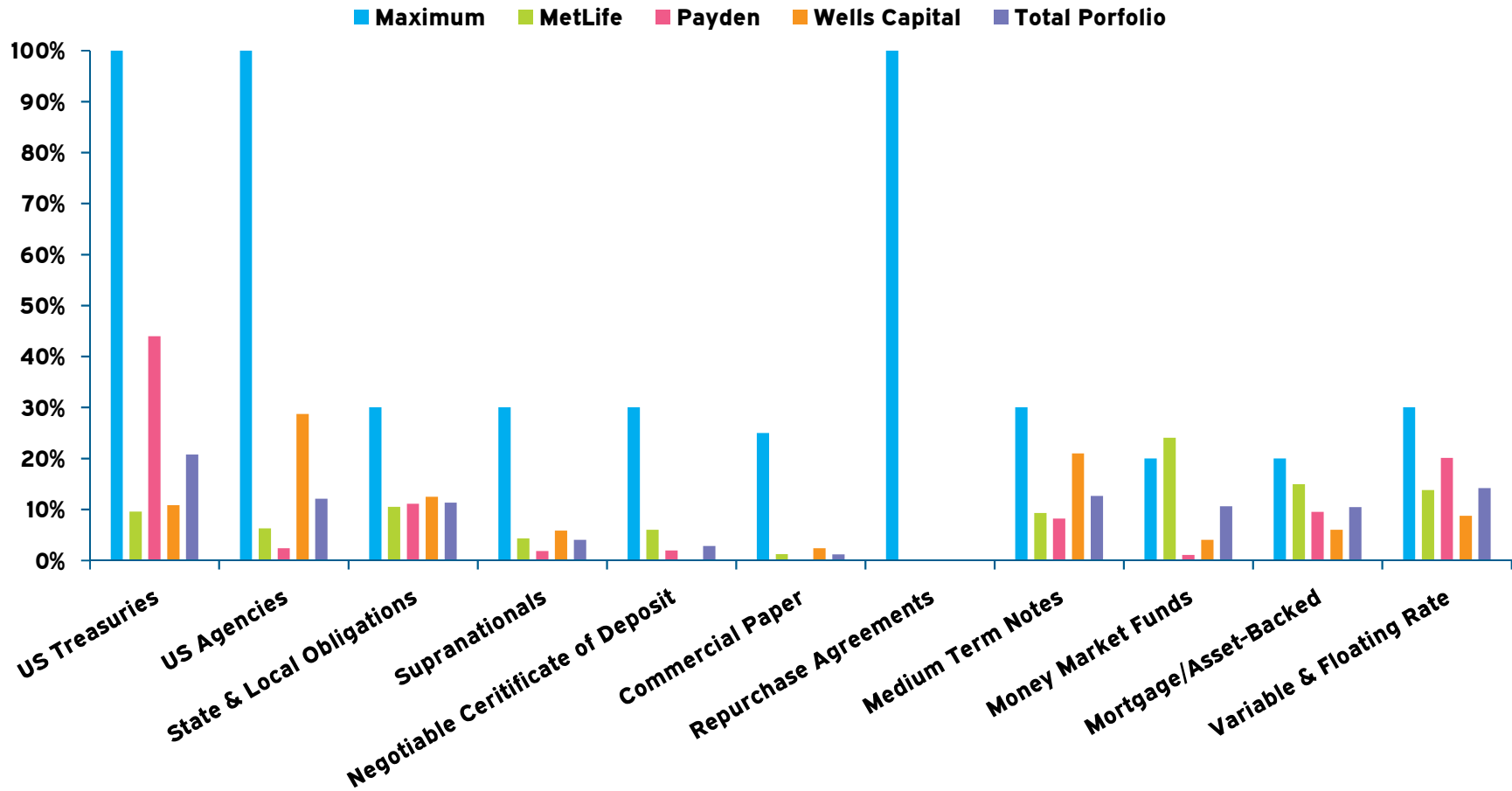
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2020.

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

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

Annual Investment Policy (2020)

Actual vs. Diversity Requirements  
As of September 30, 2020



## 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 US 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 ICE BofA Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the ICE BofA Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
  - The Tier One peer group consists of fourteen 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 2.28 years as of June 30, 2020.
- Please note that the analysis is as of June 30, 2020, as the universe of investment managers that had reported data as of September 30, 2020 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.

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<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: MetLife Tier One

Gross of Fees Returns as of 6/30/2020 <sup>1</sup>	2Q 2020 (%)	1 Year (%)	3 Years (%)	Since Inception <sup>2</sup> (%)
Tier One: MetLife STAMP 1-3 Year	1.25	4.19	2.85	2.27
Peer Group Median Return	1.63	4.20	2.95	2.44
Peer Group Rank (percentile)	67	51	63	71

Standard Deviation as of 6/30/2020 <sup>3</sup>	3 Years (%)
Tier One: MetLife STAMP 1-3 Year	0.77
Median Standard Deviation	1.10
Peer Group Rank (percentile)	6

- The MetLife Tier One portfolio slightly underperformed the peer group over the trailing quarter as well as one-, three-year and since inception time periods.
- Standard deviation has ranked very favorably versus peers over the trailing three-year period.

<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 May 2016.

<sup>3</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.

Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 6/30/2020 <sup>1</sup>	2Q 2020 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	1.43	4.31	3.07	2.24	1.64
Peer Group Median Return	1.63	4.20	2.95	2.30	1.79
Peer Group Rank (percentile)	59	42	36	56	68

Standard Deviation as of 6/30/2020 <sup>2</sup>	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.94	0.86	0.77
Median Standard Deviation	1.10	1.02	0.89
Peer Group Rank (percentile)	16	13	7

- The Payden Tier One portfolio’s trailing returns rank in the second quartile of the peer group over the one- and three-year time periods, and in the third quartile over the trailing quarter as well as five- and ten-year time periods.
- Standard deviation has ranked very favorably versus peers over all trailing periods.

<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.



Custom Peer Group: Wells Capital Tier One

Gross of Fees Returns as of 6/30/2020 <sup>1</sup>	2Q 2020 (%)	1 Year (%)	3 Years (%)	Since Inception <sup>2</sup> (%)
Tier One: Wells Capital Reserve Account	1.33	4.24	2.95	2.33
Peer Group Median Return	1.63	4.20	2.95	2.44
Peer Group Rank (percentile)	61	47	49	61

Standard Deviation as of 6/30/2020 <sup>3</sup>	3 Years (%)
Tier One: Wells Capital Reserve Account	0.99
Median Standard Deviation	1.10
Peer Group Rank (percentile)	19

- The Wells Capital Tier One portfolio slightly underperformed the peer group over the trailing quarter but slightly outperformed over the one-, three-year and since inception time periods.
- Standard deviation has ranked very favorably versus peers over the trailing three-year period.

<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 May 2016.

<sup>3</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.

Custom Peer Group: MetLife Tier Two

Gross of Fees Returns as of 6/30/2020 <sup>1</sup>	2Q 2020 (%)	1 Year (%)	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	1.68	5.18	3.24	2.57
Peer Group Median Return	0.72	4.59	3.20	2.31
Peer Group Rank (percentile)	9	1	44	27

Standard Deviation as of 6/30/2020 <sup>2</sup>	3 Years (%)	5 Years (%)
Tier Two: MetLife STAMP 1-5 Year	1.23	1.27
Median Standard Deviation	1.41	1.35
Peer Group Rank (percentile)	36	41

- MetLife’s Tier Two portfolio outperformed the peer group in the second quarter of 2020 and over the trailing one-, three-, and five-year time periods.
- Standard deviation for the strategy ranks in the second quartile of the peer group over the trailing three- and five-year periods.

<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 MetLife 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, 2020. Attribution data fields will vary slightly across investment managers.

MetLife Tier One Performance Attribution<sup>1</sup>

Gross of Fees as of 9/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	3Q 2020	1 Year	3Q 2020	1 Year
Duration	7	-11	8	-2
Yield Curve	0	-3	0	-3
Sector Selection	22	53	14	33
Treasury	0	0	0	0
Agency	2	4	-1	-1
Corporate	8	33	3	19
Financial	4	14	1	4
Industrial	4	16	2	13
Utilities	0	3	0	2
MBS	0	0	0	0
CMBS	2	3	2	3
ABS	1	3	1	3
Municipal	9	10	9	9
Total Excess Return <sup>2</sup>	29	39	22	28
MetLife Tier One Return	39	397	39	397
Benchmark Return	10	358	17	368

<sup>1</sup> Performance attribution provided by MetLife.

<sup>2</sup> May not add to actual out/underperformance due to rounding.

Payden & Rygel Tier One Performance Attribution<sup>1</sup>

Gross of Fees as of 9/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	3Q 2020	1 Year	3Q 2020	1 Year
Duration	0	0	0	2
Yield Curve	0	0	-1	0
Sector Selection	23	37	18	25
Treasury	0	-1	3	5
Agency	1	2	0	0
Corporate	5	18	1	7
Financial	4	10	1	2
Industrial	1	7	0	4
Utilities	0	1	0	1
ABS/MBS	4	8	3	6
Municipal	13	10	11	7
Residual	0	0	0	0
Total Excess Return <sup>2</sup>	23	37	17	27
Payden & Rygel Tier One Return	34	395	34	395
Benchmark Return	10	358	17	368

<sup>1</sup> Performance attribution provided by Payden.

<sup>2</sup> May not add to actual out/underperformance due to rounding.

Wells Capital Tier One Performance Attribution<sup>1</sup>

Gross of Fees as of 9/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-3 Year US Treasury		ICE BofA Merrill Lynch 1-3 Year AAA-A US Corp & Govt	
	3Q 2020	1 Year	3Q 2020	1 Year
Duration	-1	-1	3	9
Sector Selection	25	31	14	11
Treasury <sup>2</sup>	NA	NA	NA	NA
Agency	1	1	0	-2
Corporate	9	12	3	-7
Financial	5	9	1	-5
Industrial	4	2	2	1
Utilities	0	0	0	-2
MBS	1	2	0	1
CMBS	0	0	0	0
ABS	4	8	0	4
Municipal	11	6	10	10
Error Factor	0	3	2	3
Total Excess Return <sup>3</sup>	24	30	17	20
Wells Capital Tier One Return (%)	35	388	35	388
Benchmark Return (%)	10	358	17	368

<sup>1</sup> Performance attribution provided by Wells Capital.

<sup>2</sup> Treasury sector selection attribution is included in Duration figure.

<sup>3</sup> May not add to actual out/underperformance due to rounding.

MetLife Tier Two Performance Attribution<sup>1</sup>

Gross of Fees as of 9/30/2020

Benchmark Relative Attribution (basis points)	ICE BofA Merrill Lynch 1-5 Year US Treasury		ICE BofA Merrill Lynch 1-5 Year AAA-A US Corp & Govt	
	3Q 2020	1 Year	3Q 2020	1 Year
Duration	4	-16	6	-4
Yield Curve	0	2	0	1
Sector Selection	42	63	29	39
Treasury	0	0	0	0
Agency	2	4	-2	-2
Corporate	14	41	5	23
Financial	7	19	2	9
Industrial	7	19	3	12
Utilities	0	3	0	2
MBS	0	0	0	0
CMBS	1	2	1	2
ABS	1	2	1	2
Municipal	24	14	24	14
Total Excess Return <sup>2</sup>	46	49	35	36
MetLife Tier Two Return	59	509	59	509
Benchmark Return	13	460	24	473

<sup>1</sup> Performance attribution provided by MetLife.

<sup>2</sup> May not add to actual out/underperformance due to rounding.



# Appendices

## Characteristics

## Tier One: Payden Low Duration | As of September 30, 2020

### Account Information

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

### Portfolio Performance Summary

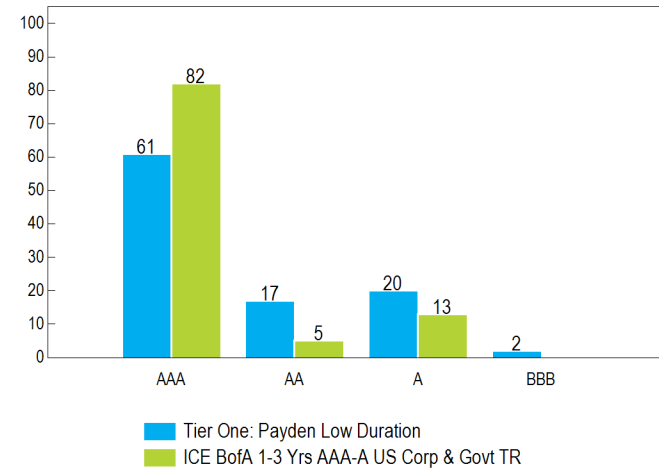
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Payden Low Duration(Gross)	0.344	3.369	3.948	3.062	2.249	1.575	3.052	Jul-99
Tier One: Payden Low Duration(Net)	0.323	3.306	3.864	2.983	2.172	1.473	--	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.104</i>	<i>3.051</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>2.905</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.274</i>	<i>3.110</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>3.227</i>	<i>Jul-99</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.174</i>	<i>3.103</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>3.117</i>	<i>Jul-99</i>

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

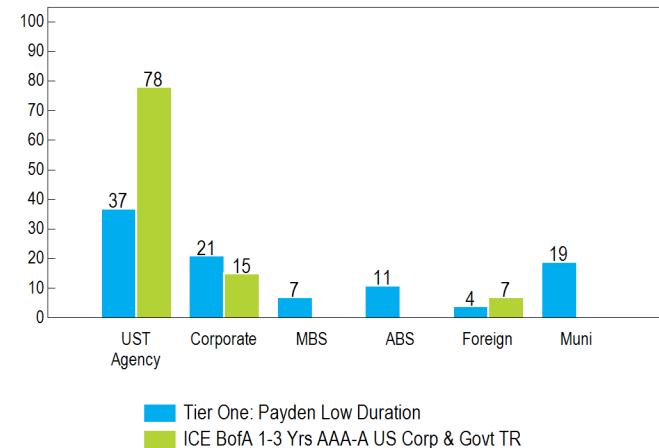
Fixed Income Characteristics	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Yield to Maturity	0.41	0.22	0.55
Average Duration	1.89	1.92	1.89
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation



## Tier One: Wells Capital Reserve Account | As of September 30, 2020

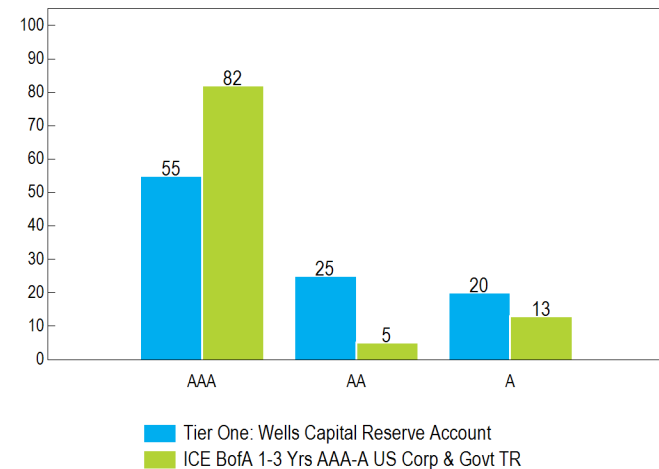
### Account Information

Account Name	<b>Tier One: Wells Capital Reserve Account</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofA 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

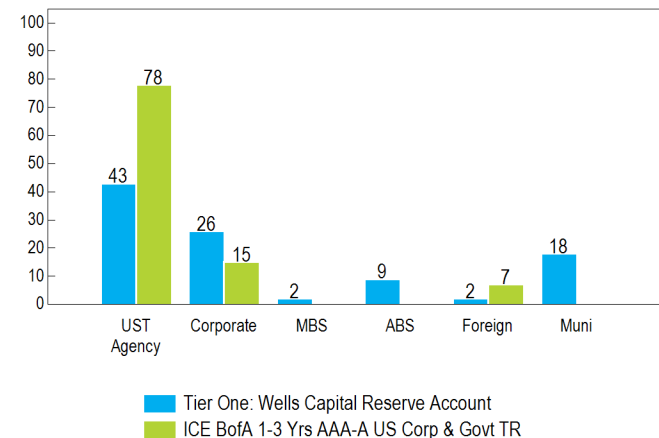
### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: Wells Capital Reserve Account(Gross)	0.345	3.289	3.880	2.945	--	--	2.277	May-16
Tier One: Wells Capital Reserve Account(Net)	0.327	3.230	3.800	2.867	--	--	2.202	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.104</i>	<i>3.051</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.932</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.274</i>	<i>3.110</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>2.223</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.174</i>	<i>3.103</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>2.104</i>	<i>May-16</i>

### Credit Quality Allocation



### US Sector Allocation



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

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.31	0.22	0.48
Average Duration	1.70	1.92	1.67
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

## Tier One: MetLife STAMP 1-3 Year | As of September 30, 2020

### Account Information

Account Name	<b>Tier One: MetLife STAMP 1-3 Year</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/16</b>
Account Type	<b>US Fixed Income Short Term</b>
Benchmark	<b>ICE BofA 1-3 Yrs US Treasuries TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

### Portfolio Performance Summary

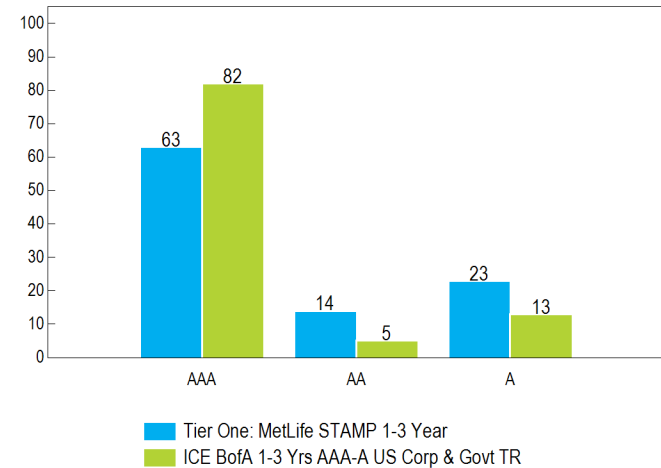
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier One: MetLife STAMP 1-3 Year(Gross)	0.389	3.345	3.966	2.863	--	--	2.227	May-16
Tier One: MetLife STAMP 1-3 Year(Net)	0.368	3.281	3.881	2.785	--	--	2.147	
<i>ICE BofA 1-3 Yrs US Treasuries TR</i>	<i>0.104</i>	<i>3.051</i>	<i>3.576</i>	<i>2.645</i>	<i>1.806</i>	<i>1.278</i>	<i>1.932</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs US Corp &amp; Govt TR</i>	<i>0.274</i>	<i>3.110</i>	<i>3.735</i>	<i>2.877</i>	<i>2.116</i>	<i>1.605</i>	<i>2.223</i>	<i>May-16</i>
<i>ICE BofA 1-3 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.174</i>	<i>3.103</i>	<i>3.675</i>	<i>2.788</i>	<i>1.988</i>	<i>1.485</i>	<i>2.104</i>	<i>May-16</i>

### Tier One: MetLife STAMP 1-3 Year Fixed Income Characteristics vs. ICE BofA 1-3 Yrs AAA-A US Corp & Govt TR

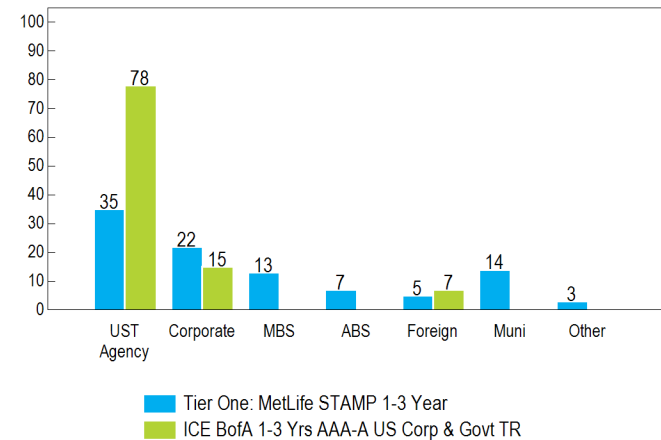
Fixed Income Characteristics	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Yield to Maturity	0.44	0.22	0.52
Average Duration	1.58	1.92	1.59
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation



## Tier Two: MetLife STAMP 1-5 Year | As of September 30, 2020

### Account Information

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

### Portfolio Performance Summary

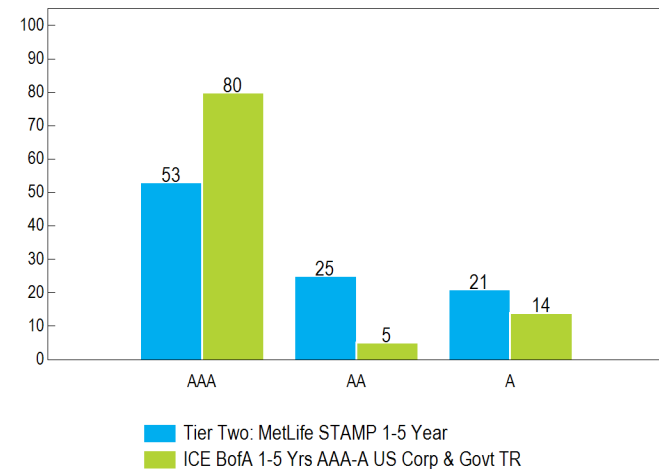
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Tier Two: MetLife STAMP 1-5 Year(Gross)	0.587	4.542	5.086	3.296	2.521	--	2.119	Apr-13
Tier Two: MetLife STAMP 1-5 Year(Net)	0.555	4.444	4.955	3.167	2.394	--	1.992	
<i>ICE BofA 1-5 Yrs US Treasuries TR</i>	<i>0.126</i>	<i>4.231</i>	<i>4.597</i>	<i>3.182</i>	<i>2.193</i>	<i>1.718</i>	<i>1.799</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs US Corp &amp; Govt TR</i>	<i>0.423</i>	<i>4.264</i>	<i>4.821</i>	<i>3.481</i>	<i>2.607</i>	<i>2.142</i>	<i>2.152</i>	<i>Apr-13</i>
<i>ICE BofA 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.239</i>	<i>4.274</i>	<i>4.729</i>	<i>3.344</i>	<i>2.416</i>	<i>1.962</i>	<i>1.998</i>	<i>Apr-13</i>

### Tier Two: MetLife STAMP 1-5 Year Fixed Income Characteristics vs. ICE BofA 1-5 Yrs AAA-A US Corp & Govt TR

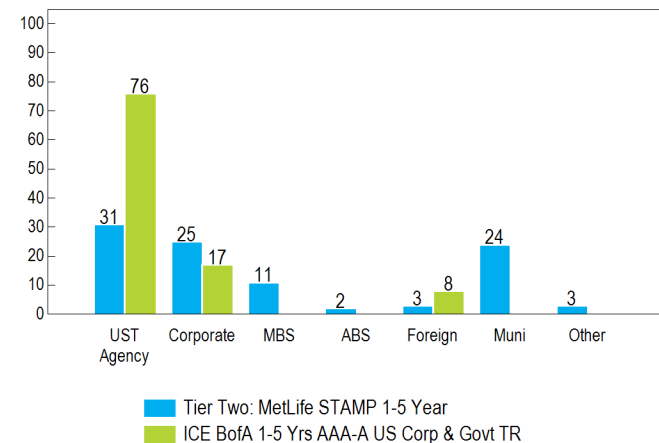
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Fixed Income Characteristics			
Yield to Maturity	0.53	0.28	0.61
Average Duration	2.48	2.70	2.53
Average Quality	AA	AAA	AA

Allocation weights may not add to 100% due to rounding.

### Credit Quality Allocation



### US Sector Allocation



## Holdings

**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

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	(280,247.51)		(280,247.51)	0.00	1.000	(0.17)%
<b>Total for Cash</b>			<b>(280,247.51)</b>		<b>(280,247.51)</b>	<b>0.00</b>		<b>(0.17)%</b>
<b>Treasuries</b>								
19,966,000.000	U.S. TREASURY NOTE	91282CAG6	19,962,939.76		19,966,000.00	3,060.24	100.000	12.43%
	Mat: 8/31/22	Cpn: 0.13%	1,493.61		2,137.25			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA					
	Tr Date: 9/11/20	St Date: 9/14/20						
26,046,000.000	U.S. TREASURY NOTE	91282CAK7	26,022,122.78		26,024,634.21	2,511.42	99.918	16.20%
	Mat: 9/15/23	Cpn: 0.13%	1,013.49		1,439.01			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA					
	Tr Date: 9/15/20	St Date: 9/16/20						
<b>Total for Treasuries</b>			<b>45,985,062.54</b>		<b>45,990,634.21</b>	<b>5,571.66</b>		<b>28.63%</b>
			<b>2,507.10</b>		<b>3,576.26</b>			
<b>Government Related</b>								
910,000.000	INTL FINANCE CORP	45950KCM0	907,324.60		915,884.90	8,560.30	100.647	0.57%
	Mat: 1/25/21	Cpn: 2.25%	0.00		3,753.75			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 1/18/18	St Date: 1/25/18						
1,350,000.000	INTL BANK RECON & DEVELOP	459058GH0	1,346,841.00		1,377,763.14	30,922.14	102.057	0.86%
	Mat: 7/23/21	Cpn: 2.75%	0.00		7,012.50			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 7/18/18	St Date: 7/25/18						
1,560,000.000	IBRD C 1/27/21 1X	45905U5U4	1,560,000.00		1,567,755.40	7,755.40	100.497	0.98%
	Mat: 1/27/23	Cpn: 1.75%	75.83		4,853.33			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 1/24/20	St Date: 1/28/20						
510,000.000	INTER-AMERICAN DEVELOPMENT BANK	4581X0DM7	509,826.60		513,314.94	3,488.34	100.650	0.32%
	Mat: 5/24/23	Cpn: 0.50%	0.00		899.58			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 4/17/20	St Date: 4/24/20						
960,000.000	INTER-AMERICAN DEVELOPMENT BANK	4581X0DP0	958,473.60		958,528.73	55.13	99.847	0.60%
	Mat: 11/15/23	Cpn: 0.25%	0.00		193.33			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 8/25/20	St Date: 9/2/20						





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
840,000.000	IBRD C 12/14/20 1X Mat: 12/12/24 Cpn: 2.00% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/31/20 St Date: 4/1/20	45905U5S9	845,863.20	5,086.67	843,007.83	(2,855.37)	100.358	0.53%
<b>Total for Government Related</b>			<b>6,128,329.00</b>	<b>5,162.50</b>	<b>6,176,254.94</b>	<b>47,925.94</b>		<b>3.86%</b>

**Agencies**

280,000.000	HOUSING URBAN DEVELOPMENT Mat: 8/1/21 Cpn: 2.57% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/20/19 St Date: 3/28/19	911759MU9	280,000.00	0.00	285,604.11	5,604.11	102.002	0.18%
830,000.000	FHLB Mat: 10/12/21 Cpn: 3.00% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 10/11/18 St Date: 10/12/18	3130AF5B9	829,460.50	0.00	854,379.96	24,919.46	102.937	0.54%
250,000.000	FNMA Mat: 9/6/22 Cpn: 1.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/5/19 St Date: 9/6/19	3135G0W33	249,130.00	0.00	255,934.79	6,804.79	102.374	0.16%
910,000.000	FHLMC C 12/29/20 Q Mat: 12/29/22 Cpn: 0.40% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/6/20 St Date: 7/7/20	3134GV4C9	909,818.00	80.89	910,414.39	596.39	100.046	0.57%
1,620,000.000	FHLMC Mat: 4/20/23 Cpn: 0.38% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 4/17/20 St Date: 4/20/20	3137EAEQ8	1,615,950.00	0.00	1,628,481.33	12,531.33	100.524	1.02%
1,690,000.000	FNMA Mat: 5/22/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/20/20 St Date: 5/22/20	3135G04Q3	1,684,913.10	0.00	1,692,332.40	7,419.30	100.138	1.05%
1,540,000.000	FHLMC Mat: 6/26/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/24/20 St Date: 6/26/20	3137EAES4	1,535,503.20	0.00	1,541,237.98	5,734.78	100.080	0.96%
1,460,000.000	FNMA Mat: 7/10/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/8/20 St Date: 7/10/20	3135G05G4	1,456,861.00	0.00	1,461,156.25	4,295.25	100.079	0.91%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,500,000.000	FHLMC Mat: 8/24/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/19/20 St Date: 8/21/20	3137EAEV7	1,498,470.00	0.00	1,501,027.02	2,557.02	100.069	0.93%
1,090,000.000	FHLMC Mat: 9/8/23 Cpn: 0.25% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/2/20 St Date: 9/4/20	3137EAEW5	1,089,640.30	0.00	1,090,815.67	1,175.37	100.075	0.68%
435,000.000	FHLB Mat: 8/15/24 Cpn: 1.50% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/15/19 St Date: 8/16/19	3130AGWK7	433,977.75	0.00	456,241.31	22,263.56	104.883	0.28%
1,430,000.000	FHLMC C 1/21/21 Q Mat: 7/21/25 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/14/20 St Date: 7/21/20	3134GWAR7	1,430,000.00	0.00	1,431,636.95	1,636.95	100.115	0.89%
<b>Total for Agencies</b>			<b>13,013,723.85</b>	<b>80.89</b>	<b>13,109,262.14</b>	<b>95,538.29</b>		<b>8.17%</b>
					<b>23,665.70</b>			

**Taxable Muni**

310,000.000	CA SAN MARCOS REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.00% Moody's: S&P: AA- Fitch: Tr Date: 12/1/17 St Date: 12/14/17	79876CBQ0	307,904.40	0.00	310,012.56	2,108.16	100.004	0.19%
500,000.000	CA SAN DIEGO PUBLIC FACS LEASE REV TXB Mat: 10/15/20 Cpn: 2.82% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LS1	500,000.00	0.00	500,464.10	464.10	100.093	0.32%
310,000.000	CA CENTURY HOUSING CORP TXB Mat: 11/1/20 Cpn: 3.82% Moody's: S&P: AA- Fitch: Tr Date: 2/1/19 St Date: 2/7/19	156549AA5	310,000.00	0.00	310,262.29	262.29	100.085	0.20%
350,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/20 Cpn: 3.15% Moody's: S&P: AA- Fitch: AA- Tr Date: 4/26/17 St Date: 5/1/17	544587C30	360,734.50	0.00	350,825.15	(9,909.35)	100.236	0.22%
735,000.000	CA INLAND VLY REDEV AGY TAB TXB Mat: 3/1/21 Cpn: 3.98% Moody's: S&P: AA Fitch: Tr Date: 6/12/18 St Date: 6/14/18	45750TAJ2	750,993.60	8,363.30	744,028.25	(6,965.35)	101.228	0.46%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
410,000.000	CA ST EDU FACS AUTH REV-CHAPMAN UNV TXB Mat: 4/1/21 Cpn: 2.26% Moody's: A2 S&P: Fitch: Tr Date: 11/9/17 St Date: 11/16/17	130179KQ6	410,000.00	0.00	412,845.53 4,626.85	2,845.53	100.694	0.26%
1,400,000.000	CA STATE GO/ULT TXBL Mat: 4/1/21 Cpn: 2.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 4/18/18 St Date: 4/25/18	13063DGA0	1,400,056.00	0.00	1,417,353.03 19,600.00	17,297.03	101.240	0.89%
230,064.132	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: WR S&P: AA+ Fitch: WD Tr Date: 9/22/17 St Date: 9/26/17	13066YTY5	227,747.38	1,587.35	232,035.03 1,642.08	4,287.65	100.857	0.15%
1,100,000.000	CA SAN FRANCISCO AIRPORT COMMN TXB Mat: 5/1/21 Cpn: 2.93% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/11/19 St Date: 2/7/19	79766DLQ0	1,100,000.00	0.00	1,112,899.35 13,415.42	12,899.35	101.173	0.70%
545,000.000	CA SACRAMENTO TRANSIENT OCC TAX REV TXB Mat: 6/1/21 Cpn: 3.46% Moody's: A1 S&P: Fitch: Tr Date: 10/18/18 St Date: 11/1/18	786073AA4	545,000.00	0.00	550,937.07 6,276.58	5,937.07	101.089	0.35%
450,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/21 Cpn: 2.48% Moody's: S&P: AA Fitch: AA Tr Date: 5/16/18 St Date: 5/18/18	798170AD8	440,883.00	3,317.00	458,270.99 1,860.00	17,387.99	101.838	0.29%
450,000.000	CA HESPERIA REDEV AGY SUCCESSOR TXB Mat: 9/1/21 Cpn: 3.00% Moody's: S&P: AA Fitch: Tr Date: 9/12/18 St Date: 10/2/18	42806KAQ6	446,715.00	0.00	459,024.34 1,125.00	12,309.34	102.005	0.29%
1,025,000.000	CA LA QUINTA REDEV AGY TAB TXB Mat: 9/1/21 Cpn: 4.45% Moody's: S&P: AA Fitch: Tr Date: 4/30/19 St Date: 5/2/19	50420BBD3	1,067,814.25	7,728.78	1,060,171.97 3,801.04	(7,642.28)	103.431	0.66%
520,000.000	CA OAKLAND REDEV AGY PRE-21 TXB Mat: 9/1/21 Cpn: 9.25% Moody's: WR S&P: AA- Fitch: Tr Date: 5/24/18 St Date: 5/29/18	67232PBB8	618,259.20	11,757.78	561,050.93 4,008.33	(57,208.27)	107.894	0.35%
220,000.000	CA BRENTWOOD INFR FIN AUTH REV TXB Mat: 9/2/21 Cpn: 2.81% Moody's: S&P: AA Fitch: Tr Date: 2/7/18 St Date: 2/28/18	10727XVC9	220,000.00	0.00	224,282.22 497.99	4,282.22	101.947	0.14%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
330,000.000	CT STATE GO/ULT TXB Mat: 10/15/21 Cpn: 2.40% Moody's: A1 S&P: A Fitch: A+ Tr Date: 6/13/19 St Date: 6/17/19	20772JKP6	330,594.00 1,364.57	336,540.00 3,653.52	5,946.00	101.982	0.21%
560,000.000	CA SAN DIEGO CITY PUB FACS LEASE TXB Mat: 10/15/21 Cpn: 2.99% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LT9	560,000.00 0.00	575,516.60 7,731.17	15,516.60	102.771	0.36%
540,000.000	HI STATE GO/ULT TXB Mat: 1/1/22 Cpn: 2.77% Moody's: Aa2 S&P: AA+ Fitch: AA+ Tr Date: 2/7/19 St Date: 2/21/19	419792YL4	540,000.00 0.00	556,810.19 3,739.50	16,810.19	103.113	0.35%
640,000.000	CA POMONA REDEV AGY TAX ALLOCATION TXB Mat: 2/1/22 Cpn: 3.55% Moody's: S&P: A+ Fitch: Tr Date: 9/27/18 St Date: 10/11/18	73209MAD9	640,000.00 0.00	663,614.69 3,788.80	23,614.69	103.690	0.42%
655,000.000	CA STATE GO/ULT-TXBL BABS Mat: 3/1/22 Cpn: 6.65% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 7/16/19 St Date: 7/18/19	13063BFS6	715,364.80 16,576.05	693,247.43 3,629.79	(22,117.37)	105.839	0.43%
930,000.000	CA SAN FRANCISCO AIRPORT COMMN TXB Mat: 5/1/22 Cpn: 3.05% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/11/19 St Date: 2/7/19	79766DLR8	930,000.00 0.00	960,305.68 11,803.25	30,305.68	103.259	0.61%
820,000.000	CA UNIV OF CALIFORNIA REV TXB Mat: 5/15/22 Cpn: 3.28% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 12/13/18 St Date: 12/17/18	91412HDJ9	822,878.20 2,392.94	857,584.17 10,170.00	34,705.97	104.583	0.54%
1,500,000.000	CA HEALTH FACS-NO PLACE LIKE HOME-TXB Mat: 6/1/22 Cpn: 1.89% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 11/20/19 St Date: 11/25/19	13032UUZ9	1,500,000.00 0.00	1,531,445.51 9,465.00	31,445.51	102.096	0.96%
340,000.000	CT STATE OF CONNECTICUT GO/ULT TXB Mat: 7/1/22 Cpn: 2.50% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/29/20 St Date: 6/11/20	20772KJU4	345,718.80 0.00	351,651.86 2,597.22	5,933.06	103.427	0.22%
790,000.000	OR STATE GO/ULT TXB Mat: 8/1/22 Cpn: 0.46% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 7/9/20 St Date: 7/16/20	68609TZP6	790,000.00 0.00	793,347.34 748.85	3,347.34	100.424	0.49%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
960,000.000	CA UPPER SANTA CLARA VLY JPA REV TXB Mat: 8/1/22 Cpn: 0.53% Moody's: S&P: AA Fitch: AA- Tr Date: 7/16/20 St Date: 7/23/20	916544ER6	960,000.00	0.00	962,349.24 952.00	2,349.24	100.245	0.60%
350,000.000	CA SAN DIEGO REDEV AGY TAB TXB Mat: 9/1/22 Cpn: 3.25% Moody's: S&P: AA Fitch: Tr Date: 4/20/20 St Date: 4/22/20	79730WAY6	364,962.50	1,611.46	369,128.93 947.92	4,166.43	105.465	0.23%
500,000.000	CA MANTECA REDEV AGY TAB TXB Mat: 10/1/22 Cpn: 1.64% Moody's: S&P: AA Fitch: Tr Date: 2/20/20 St Date: 2/28/20	56453RAW4	500,000.00	0.00	508,915.18 4,851.67	8,915.18	101.783	0.32%
435,000.000	CA PALM DESERT REDEV AGY TAB TXB Mat: 10/1/22 Cpn: 2.75% Moody's: S&P: AA Fitch: Tr Date: 7/23/19 St Date: 7/25/19	696624AV7	442,577.70	3,788.13	447,767.41 5,981.25	5,189.71	102.935	0.28%
810,000.000	CA SACRAMENTO CNTY SANTN DIST REV TXB Mat: 12/1/22 Cpn: 0.63% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 6/18/20 St Date: 7/14/20	786134WD4	810,000.00	0.00	816,603.62 1,089.74	6,603.62	100.815	0.51%
500,000.000	TX SAN ANTONIO GO/LTD TXB Mat: 2/1/23 Cpn: 0.48% Moody's: Aaa S&P: AAA Fitch: AA+ Tr Date: 7/1/20 St Date: 7/16/20	79623PEN1	500,000.00	0.00	501,756.33 497.92	1,756.33	100.351	0.31%
500,000.000	CA RIVERSIDE CNTY PENSN OBLG TXB Mat: 2/15/23 Cpn: 2.36% Moody's: A2 S&P: AA Fitch: Tr Date: 4/23/20 St Date: 5/6/20	76913CAX7	500,000.00	0.00	515,805.21 1,509.69	15,805.21	103.161	0.32%
1,470,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.18% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 9/20/19 St Date: 9/26/19	072024WN8	1,470,000.00	0.00	1,534,190.25 16,052.40	64,190.25	104.367	0.96%
320,000.000	CA BAY AREA TOLL AUTH TOLL BRDG REV TXB Mat: 4/1/23 Cpn: 2.23% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 9/20/19 St Date: 9/26/19	072024WX6	320,000.00	0.00	327,045.39 3,574.40	7,045.39	102.202	0.21%
570,000.000	CT STATE OF CONNECTICUT TXB Mat: 4/15/23 Cpn: 2.92% Moody's: A1 S&P: A Fitch: A+ Tr Date: 3/29/19 St Date: 4/11/19	20772KGM5	570,000.00	0.00	603,289.11 7,677.36	33,289.11	105.840	0.38%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

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 ALAMEDA CNTY JT PWR AUTH LEASE TXB Mat: 6/1/23 Cpn: 3.10% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 2/13/20 St Date: 2/18/20	010831DQ5	386,298.50	2,449.35	394,682.38 3,817.17	8,383.88	106.671	0.25%
1,060,000.000	CA SOUTHERN CA PUBLIC POWER TXB Mat: 7/1/23 Cpn: 0.53% Moody's: S&P: AA- Fitch: AA- Tr Date: 9/11/20 St Date: 9/24/20	842475P58	1,060,000.00	0.00	1,061,144.90 108.62	1,144.90	100.108	0.66%
1,110,000.000	CA LOS ALTOS SCH DIST GO BANS TXB Mat: 8/1/23 Cpn: 2.14% Moody's: MIG1 S&P: SP-1+ Fitch: Tr Date: 9/27/19 St Date: 10/17/19	544290JC4	1,110,000.00	0.00	1,111,444.24 3,964.55	1,444.24	100.130	0.69%
300,000.000	MA STATE WATER RES AUTH-GREEN TXB Mat: 8/1/23 Cpn: 1.77% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 10/10/19 St Date: 11/1/19	576051VW3	300,000.00	0.00	309,636.43 886.00	9,636.43	103.212	0.19%
1,410,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/23 Cpn: 1.96% Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19	796720MF4	1,425,026.40	3,358.44	1,466,613.53 4,615.40	41,587.13	104.015	0.92%
450,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/23 Cpn: 0.73% Moody's: Aa1 S&P: AA Fitch: Tr Date: 6/17/20 St Date: 7/7/20	796720NP1	450,000.00	0.00	452,480.13 546.75	2,480.13	100.551	0.28%
240,000.000	CA SAN DIEGO PUBLIC FACS WTR REV TXB Mat: 8/1/23 Cpn: 1.33% Moody's: Aa2 S&P: Fitch: AA Tr Date: 4/30/20 St Date: 5/11/20	79730CJG0	240,000.00	0.00	245,601.95 530.80	5,601.95	102.334	0.15%
350,000.000	CA GLENDALE USD GO/ULT TXB Mat: 9/1/23 Cpn: 1.18% Moody's: Aa1 S&P: Fitch: Tr Date: 5/13/20 St Date: 6/2/20	378460YC7	350,000.00	0.00	356,052.45 344.75	6,052.45	101.729	0.22%
500,000.000	CA MOUNTAIN VIEW-WHISMAN SD TXB Mat: 9/1/23 Cpn: 1.16% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 5/1/20 St Date: 5/19/20	62451FKG4	500,000.00	0.00	511,250.69 2,134.00	11,250.69	102.250	0.32%
430,000.000	CA STATE UNIVERSITY TXB Mat: 11/1/23 Cpn: 0.48% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 8/27/20 St Date: 9/17/20	13077DMJ8	430,000.00	0.00	429,739.85 79.43	(260.15)	99.940	0.27%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
550,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/23 Cpn: 0.65% Moody's: S&P: AA- Fitch: Tr Date: 8/14/20 St Date: 8/20/20	544587Y36	550,000.00	0.00	551,872.75	1,872.75	100.341	0.34%
790,000.000	CA UNIVERSITY OF CALIFORNIA TXB Mat: 5/15/24 Cpn: 0.83% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 7/10/20 St Date: 7/16/20	91412HFL2	790,000.00	0.00	794,895.31	4,895.31	100.620	0.50%
750,000.000	CA BEVERLY HILLS PFA LEASE REV TXB Mat: 6/1/24 Cpn: 0.73% Moody's: S&P: AA+ Fitch: Tr Date: 9/23/20 St Date: 10/15/20	088006JY8	750,000.00	0.00	750,731.28	731.28	100.098	0.47%
450,000.000	CA FRESNO USD GO/ULT TXB Mat: 8/1/24 Cpn: 0.72% Moody's: Aa3 S&P: Fitch: Tr Date: 9/17/20 St Date: 9/30/20	3582326S0	450,000.00	0.00	450,443.30	443.30	100.099	0.28%

<b>Total for Taxable Muni</b>			<b>31,109,528.23</b>	<b>64,295.15</b>	<b>31,497,966.09</b>	<b>388,437.86</b>		<b>19.73%</b>
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**Credit**

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	507,721.95	3,070.40	100.539	0.32%
410,000.000	MANUFACTURERS & TRADERS TRUST Mat: 1/25/21 Cpn: 2.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/22/18 St Date: 1/25/18	55279HAR1	409,446.50	0.00	412,236.55	2,790.05	100.546	0.26%
725,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 0.56% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	725,000.00	0.00	725,909.88	909.88	100.126	0.45%
85,000.000	BNY MELLON Mat: 5/3/21 Cpn: 2.05% Moody's: A1 S&P: A Fitch: AA- Tr Date: 7/30/19 St Date: 8/1/19	06406FAB9	84,758.60	425.94	85,779.88	1,021.28	100.918	0.05%
300,000.000	PACCAR FINANCIAL FRN Mat: 5/10/21 Cpn: 0.50% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/7/18 St Date: 5/10/18	69371RP34	300,000.00	0.00	300,378.60	378.60	100.126	0.19%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,030,000.000	CITIZENS BANK Mat: 5/13/21 Cpn: 2.55% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 7/25/19 St Date: 7/29/19	17401QAE1	1,032,575.00	5,544.83	1,042,190.05	9,615.05	101.184	0.65%
500,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 0.81% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	500,000.00	0.00	501,273.50	1,273.50	100.255	0.31%
180,000.000	CITIGROUP Mat: 8/2/21 Cpn: 2.35% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/25/19 St Date: 7/29/19	172967KV2	179,911.80	2,079.75	183,056.40	3,144.60	101.698	0.11%
775,000.000	NEXTERA ENERGY CAPITAL Mat: 9/1/21 Cpn: 2.40% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/28/19 St Date: 8/30/19	65339KAS9	779,960.00	1,138.09	789,845.13	9,885.13	101.916	0.49%
490,000.000	JOHN DEERE CAPITAL CORP Mat: 9/10/21 Cpn: 3.13% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUK3	489,848.10	0.00	503,401.50	13,553.40	102.735	0.31%
325,000.000	HONEYWELL INTL Mat: 11/1/21 Cpn: 1.85% Moody's: A2 S&P: A Fitch: A Tr Date: 7/30/19 St Date: 8/1/19	438516BM7	322,686.35	1,503.13	330,315.38	7,629.03	101.636	0.21%
800,000.000	MORGAN STANLEY Mat: 11/17/21 Cpn: 2.63% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 7/19/19 St Date: 7/23/19	61746BED4	803,872.00	3,850.00	820,172.00	16,300.00	102.522	0.52%
126,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 1.45% Moody's: A2 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	127,401.12	363.56	126,370.69	(1,030.43)	100.294	0.08%
740,000.000	NATL RURAL UTILITIES Mat: 1/21/22 Cpn: 1.75% Moody's: A2 S&P: A Fitch: A Tr Date: 1/22/20 St Date: 2/5/20	63743HET5	739,348.80	0.00	753,878.70	14,529.90	101.876	0.47%
300,000.000	US BANK CINCINNATI Mat: 1/21/22 Cpn: 1.80% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/16/20 St Date: 1/21/20	90331HPJ6	299,895.00	0.00	305,515.50	5,620.50	101.839	0.19%





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
680,000.000	BANK OF AMERICA Mat: 1/23/22 Cpn: 2.74% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 1/18/18 St Date: 1/23/18	06051GGY9	680,000.00 0.00	684,855.20 3,516.81	4,855.20	100.714	0.43%
650,000.000	PACIFICORP Mat: 2/1/22 Cpn: 2.95% Moody's: A1 S&P: A+ Fitch: WD Tr Date: 7/26/19 St Date: 7/30/19	695114CP1	660,484.50 9,534.24	668,021.25 3,195.83	7,536.75	102.773	0.42%
121,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.18% Moody's: A2 S&P: BBB+ Fitch: A+ Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	121,000.00 0.00	121,286.10 202.70	286.10	100.236	0.08%
650,000.000	WELLS FARGO Mat: 3/8/22 Cpn: 3.50% Moody's: A2 S&P: BBB+ Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	94974BFC9	668,089.50 9,036.81	678,447.25 1,453.47	10,357.75	104.377	0.42%
660,000.000	AMERIPRISE FINANCIAL Mat: 3/22/22 Cpn: 3.00% Moody's: A3 S&P: A Fitch: Tr Date: 3/12/19 St Date: 3/22/19	03076CAJ5	658,320.30 0.00	684,938.10 495.00	26,617.80	103.779	0.43%
510,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 1.20% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	510,000.00 0.00	515,066.99 1,126.21	5,066.99	100.994	0.32%
500,000.000	NATL RURAL UTILITIES Mat: 4/25/22 Cpn: 2.40% Moody's: A1 S&P: A Fitch: A+ Tr Date: 7/30/19 St Date: 8/1/19	637432NM3	503,355.00 3,200.00	514,857.50 5,200.00	11,502.50	102.972	0.32%
460,000.000	BANK OF AMERICA Mat: 5/17/22 Cpn: 3.50% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 5/14/18 St Date: 5/17/18	06051GHH5	460,000.00 0.00	468,687.10 5,991.07	8,687.10	101.889	0.30%
785,000.000	TRUIST BANK Mat: 5/17/22 Cpn: 2.80% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/14/19 St Date: 5/17/19	86787EBE6	784,599.65 0.00	814,994.85 8,181.44	30,395.20	103.821	0.51%
620,000.000	AMERICAN EXPRESS Mat: 5/20/22 Cpn: 2.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/15/19 St Date: 5/20/19	025816CD9	619,256.00 0.00	641,600.80 6,204.31	22,344.80	103.484	0.40%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
375,000.000	CITIBANK Mat: 5/20/22 Cpn: 2.84% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 7/29/19 St Date: 7/31/19	17325FAY4	377,793.75	2,044.13	380,649.38	2,855.63	101.507	0.24%
580,000.000	JOHN DEERE CAPITAL CORP Mat: 6/13/22 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 9/9/19 St Date: 9/12/19	24422EVA4	579,251.80	0.00	596,230.14	16,978.34	102.798	0.37%
775,000.000	FIFTH THIRD BANK Mat: 6/15/22 Cpn: 2.60% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 12/12/19 St Date: 12/16/19	316773CU2	783,021.25	55.97	801,693.33	18,672.08	103.444	0.50%
920,000.000	PNC BANK Mat: 7/22/22 Cpn: 2.23% Moody's: A2 S&P: A Fitch: A+ Tr Date: 7/18/19 St Date: 7/23/19	69353RFP8	920,000.00	0.00	933,202.00	13,202.00	101.435	0.58%
550,000.000	PACCAR FINANCIAL Mat: 8/10/22 Cpn: 2.30% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/12/19 St Date: 7/16/19	69371RN77	550,335.50	5,481.67	569,758.75	19,423.25	103.593	0.36%
290,000.000	BNY MELLON Mat: 8/23/22 Cpn: 1.95% Moody's: A1 S&P: A Fitch: AA- Tr Date: 8/20/19 St Date: 8/23/19	06406RAK3	289,907.20	0.00	299,079.90	9,172.70	103.131	0.19%
545,000.000	CATERPILLAR FINANCIAL Mat: 9/6/22 Cpn: 1.90% Moody's: A3 S&P: A Fitch: A Tr Date: 9/3/19 St Date: 9/6/19	14913Q3A5	544,242.45	0.00	560,894.93	16,652.48	102.917	0.35%
430,000.000	KEYBANK Mat: 9/14/22 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A- Tr Date: 8/15/19 St Date: 8/19/19	49327M2T0	433,091.70	4,258.19	446,271.20	13,179.50	103.784	0.28%
285,000.000	PACCAR FINANCIAL Mat: 9/26/22 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: Tr Date: 9/23/19 St Date: 9/26/19	69371RQ33	284,652.30	0.00	294,054.45	9,402.15	103.177	0.18%
730,000.000	GOLDMAN SACHS FRN Mat: 10/31/22 Cpn: 1.04% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60	700.83	733,239.74	3,955.14	100.444	0.46%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
475,000.000	CITIGROUP Mat: 11/4/22 Cpn: 2.31% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/28/19 St Date: 11/4/19	17308CC46	475,000.00	0.00	483,865.88 4,484.32	8,865.88	101.867	0.30%
655,000.000	PNC BANK Mat: 12/9/22 Cpn: 2.03% Moody's: A2 S&P: A Fitch: A+ Tr Date: 12/4/19 St Date: 12/9/19	69353RFS2	655,000.00	0.00	667,320.55 4,132.61	12,320.55	101.881	0.42%
800,000.000	WAL-MART STORES Mat: 12/15/22 Cpn: 2.35% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 3/6/20 St Date: 3/10/20	931142DU4	827,264.00	4,438.89	835,252.00 5,535.56	7,988.00	104.407	0.52%
800,000.000	PRECISION CASTPARTS Mat: 1/15/23 Cpn: 2.50% Moody's: A2 S&P: AA- Fitch: Tr Date: 7/30/19 St Date: 8/1/19	740189AG0	806,160.00	888.89	835,012.00 4,222.22	28,852.00	104.377	0.52%
865,000.000	BNY MELLON Mat: 1/27/23 Cpn: 1.85% Moody's: A1 S&P: A Fitch: AA- Tr Date: 1/21/20 St Date: 1/28/20	06406RAM9	864,394.50	0.00	893,519.05 2,844.89	29,124.55	103.297	0.56%
570,000.000	FIFTH THIRD BANK Mat: 1/30/23 Cpn: 1.80% Moody's: A3 S&P: A- Fitch: A- Tr Date: 1/28/20 St Date: 1/31/20	31677QBS7	569,521.20	0.00	586,239.30 1,738.50	16,718.10	102.849	0.37%
430,000.000	ADOBE Mat: 2/1/23 Cpn: 1.70% Moody's: A2 S&P: A Fitch: Tr Date: 1/22/20 St Date: 2/3/20	00724PAA7	429,410.90	0.00	443,572.95 1,218.33	14,162.05	103.157	0.28%
610,000.000	HUNTINGTON NATL BANK Mat: 2/3/23 Cpn: 1.80% Moody's: A3 S&P: A- Fitch: A- Tr Date: 1/28/20 St Date: 2/4/20	44644MAA9	609,487.60	0.00	626,765.85 1,769.00	17,278.25	102.749	0.39%
435,000.000	PNC BANK Mat: 2/24/23 Cpn: 1.74% Moody's: A2 S&P: A Fitch: A+ Tr Date: 2/20/20 St Date: 2/25/20	69353RFT0	435,000.00	0.00	443,088.83 779.27	8,088.83	101.860	0.28%
790,000.000	TRUIST BANK Mat: 3/9/23 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 3/4/20 St Date: 3/9/20	89788JAB5	789,447.00	0.00	804,279.25 603.47	14,832.25	101.808	0.50%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
985,000.000	DUKE ENERGY CAROLINAS Mat: 3/15/23 Cpn: 2.50% Moody's: Aa2 S&P: A Fitch: WD Tr Date: 7/29/19 St Date: 7/31/19	26442CAQ7	995,766.05 9,302.78	1,032,373.58 1,094.44	36,607.53	104.810	0.64%
775,000.000	TRUIST FIN CORP Mat: 3/16/23 Cpn: 2.20% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/9/19 St Date: 9/16/19	05531FBJ1	774,426.50 0.00	805,628.00 710.42	31,201.50	103.952	0.50%
375,000.000	JPMORGAN CHASE Mat: 4/1/23 Cpn: 3.21% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 3/15/19 St Date: 3/22/19	46647PBB1	375,000.00 0.00	389,718.75 6,013.13	14,718.75	103.925	0.25%
200,000.000	JOHN DEERE CAPITAL CORP Mat: 4/6/23 Cpn: 1.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/4/20 St Date: 3/9/20	24422EVE6	199,952.00 0.00	204,019.00 1,346.67	4,067.00	102.010	0.13%
800,000.000	EXXON MOBIL Mat: 4/15/23 Cpn: 1.57% Moody's: Aa1 S&P: AA Fitch: Tr Date: 4/13/20 St Date: 4/15/20	30231GBL5	800,000.00 0.00	823,496.00 5,795.24	23,496.00	102.937	0.52%
490,000.000	PEPSICO Mat: 5/1/23 Cpn: 0.75% Moody's: A1 S&P: A+ Fitch: WD Tr Date: 4/29/20 St Date: 5/1/20	713448EY0	489,029.80 0.00	495,527.20 1,531.25	6,497.40	101.128	0.31%
560,000.000	APPLE Mat: 5/11/23 Cpn: 0.75% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/20 St Date: 5/11/20	037833DV9	558,476.80 0.00	566,076.00 1,633.33	7,599.20	101.085	0.35%
175,000.000	CHEVRON Mat: 5/11/23 Cpn: 1.14% Moody's: Aa2 S&P: AA Fitch: Tr Date: 5/7/20 St Date: 5/11/20	166764BV1	175,000.00 0.00	178,443.13 776.51	3,443.13	101.968	0.11%
150,000.000	INTERCONTINENTALEXCHANGE Mat: 6/15/23 Cpn: 0.70% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 8/17/20 St Date: 8/20/20	45866FAM6	149,854.50 0.00	150,522.00 119.58	667.50	100.348	0.09%
600,000.000	CATERPILLAR Mat: 7/7/23 Cpn: 0.65% Moody's: A3 S&P: A Fitch: A Tr Date: 7/6/20 St Date: 7/8/20	14913R2D8	599,664.00 0.00	603,057.00 899.17	3,393.00	100.510	0.38%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio	
780,000.000	COMERICA Mat: 7/31/23 Cpn: 3.70% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 2/19/20 St Date: 2/21/20	200340AS6	826,807.80	1,683.50	845,949.78	4,890.17	19,141.98	108.455	0.53%
670,000.000	GILEAD SCIENCES Mat: 9/29/23 Cpn: 0.75% Moody's: A3 S&P: A Fitch: Tr Date: 9/23/20 St Date: 9/30/20	375558BW2	670,135.50	0.00	671,594.60	13.96	1,459.10	100.238	0.42%
250,000.000	FIRST REPUBLIC BANK Mat: 2/12/24 Cpn: 1.91% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 2/5/20 St Date: 2/12/20	33616CHQ6	250,000.00	0.00	256,963.75	650.61	6,963.75	102.786	0.16%
450,000.000	JPMORGAN CHASE Mat: 9/16/24 Cpn: 0.65% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 9/9/20 St Date: 9/16/20	46647PBS4	450,000.00	0.00	450,123.75	122.44	123.75	100.028	0.28%
50,000.000	NIKE Mat: 3/27/25 Cpn: 2.40% Moody's: A1 S&P: AA- Fitch: Tr Date: 3/25/20 St Date: 3/27/20	654106AH6	49,932.00	0.00	53,791.75	13.33	3,859.75	107.584	0.03%
170,000.000	ORACLE Mat: 4/1/25 Cpn: 2.50% Moody's: A3 S&P: A Fitch: A- Tr Date: 3/30/20 St Date: 4/1/20	68389XBT1	169,937.10	0.00	182,297.80	2,125.00	12,360.70	107.234	0.11%
<b>Total for Credit</b>			<b>32,450,707.57</b>	<b>65,531.21</b>	<b>33,124,372.37</b>	<b>148,008.37</b>	<b>673,664.80</b>		<b>20.71%</b>

**Mortgage-Backed**

143,435.920	FNA 2011-M5 A2 CMBS Mat: 7/25/21 Cpn: 2.94% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/28/18	3136A07H4	142,629.09	316.28	145,804.33	351.42	3,175.24	101.651	0.09%
276,275.148	FNA 2018-M5 A2 CMBS Mat: 9/25/21 Cpn: 3.56% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/10/18 St Date: 4/30/18	3136B1XP4	281,770.54	792.30	278,845.34	819.62	(2,925.20)	100.930	0.17%
1,200,000.000	FHMS K020 A2 CMBS Mat: 5/25/22 Cpn: 2.37% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/25/19 St Date: 7/30/19	3137ATRW4	1,220,943.75	1,467.31	1,232,736.00	2,373.00	11,792.25	102.728	0.77%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
493,113.885	FNA 2013-M1 A2 CMBS Mat: 8/25/22 Cpn: 2.36% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/28/19 St Date: 10/31/19	3136ABPW7	496,427.00 971.70	504,702.55 971.69	8,275.56	102.350	0.31%
1,540,000.000	FHMS KSMC A2 CMBS Mat: 1/25/23 Cpn: 2.62% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/24/20 St Date: 2/27/20	3137B04Y7	1,580,425.00 2,908.46	1,619,790.48 3,355.92	39,365.48	105.181	1.01%
613,286.779	FHMS KS01 A2 CMBS Mat: 1/25/23 Cpn: 2.52% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/22/19 St Date: 11/27/19	3137B1U75	620,617.48 1,117.06	633,237.00 1,288.92	12,619.52	103.253	0.39%
1,370,000.000	FHMS K029 A2 CMBS Mat: 2/25/23 Cpn: 3.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/14/19 St Date: 8/19/19	3137B36J2	1,431,430.08 2,245.61	1,454,675.59 3,790.33	23,245.51	106.181	0.91%
413,168.578	FHMS K724 A1 CMBS Mat: 3/25/23 Cpn: 2.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/9/18 St Date: 7/12/18	3137BTTZ4	410,392.60 350.46	422,107.48 955.80	11,714.88	102.164	0.26%
1,380,000.000	FHMS K031 A2 Mat: 4/25/23 Cpn: 3.30% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/5/20 St Date: 3/10/20	3137B3NX2	1,470,239.06 1,138.50	1,475,207.58 3,795.00	4,968.52	106.899	0.92%
53,820.103	FHMS J22F A1 CMBS Mat: 5/25/23 Cpn: 3.45% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/7/18 St Date: 11/19/18	3137FJYA1	53,818.65 92.95	54,180.91 154.91	362.26	100.670	0.03%
1,410,000.000	FHMS K033 A2 Mat: 7/25/23 Cpn: 3.06% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/27/20 St Date: 3/3/20	3137B4WB8	1,479,839.06 239.70	1,501,833.30 3,595.50	21,994.24	106.513	0.94%
820,000.000	FHMS K034 A2 Mat: 7/25/23 Cpn: 3.53% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/6/20 St Date: 3/11/20	3137B5JM6	881,500.00 804.28	884,365.08 2,412.85	2,865.08	107.849	0.55%
654,939.551	FHMS KI05 A Mat: 7/25/24 Cpn: 0.49% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/16/20 St Date: 1/28/20	3137FQXG3	654,939.55 0.00	657,540.32 53.28	2,600.77	100.397	0.41%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
627,063.270	FHMS KJ30 A1 CMBS Mat: 1/25/25 Cpn: 0.53% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/23/20 St Date: 7/30/20	3137FUZN7	627,051.36 265.71	628,526.84 274.86	1,475.48	100.233	0.39%
762,998.345	FHMS KJ28 A1 Mat: 2/25/25 Cpn: 1.77% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/19/20 St Date: 2/27/20	3137FREB3	762,995.29 973.17	788,826.60 1,122.88	25,831.31	103.385	0.49%
<b>Total for Mortgage-Backed</b>			<b>12,115,018.51</b> <b>13,683.47</b>	<b>12,282,379.40</b> <b>25,315.99</b>	<b>167,360.89</b>		<b>7.66%</b>

**Asset-Backed**

132,444.918	BMW 2018-1 A3 LEASE Mat: 7/20/21 Cpn: 3.26% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/10/18 St Date: 10/17/18	05586CAC8	132,426.51 0.00	133,072.44 131.93	645.93	100.474	0.08%
86,196.077	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	86,186.74 0.00	86,342.09 55.72	155.35	100.169	0.05%
12,009.027	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	12,008.15 0.00	12,015.86 9.71	7.71	100.057	0.01%
270,000.000	BMW 2018-1 A4 LEASE Mat: 3/21/22 Cpn: 3.36% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/10/18 St Date: 10/17/18	05586CAD6	269,997.60 0.00	272,767.50 277.20	2,769.90	101.025	0.17%
628,376.994	HONDA 2018-3 A3 CAR Mat: 8/22/22 Cpn: 2.95% Moody's: Aaa S&P: Fitch: AAA Tr Date: 8/21/18 St Date: 8/28/18	43815HAC1	628,290.78 0.00	636,722.47 514.92	8,431.69	101.328	0.40%
340,000.000	VOLKSWAGEN 2019-A A3 LEASE Mat: 11/21/22 Cpn: 1.99% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/1/19 St Date: 10/4/19	92867XAD8	339,994.63 0.00	346,743.56 206.74	6,748.93	101.983	0.22%
400,000.000	MERCEDES 2020-A A3 CAR LEASE Mat: 12/15/22 Cpn: 1.84% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/21/20 St Date: 1/29/20	58770FAC6	399,947.28 0.00	406,610.00 327.11	6,662.72	101.653	0.25%



**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
755,000.000	JOHN DEERE 2019-A A3 EQP Mat: 7/17/23 Cpn: 2.91% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/5/19 St Date: 3/13/19	47789JAD8	754,907.21 0.00	772,179.27 976.47	17,272.06	102.275	0.48%
970,000.000	TOYOTA 2019-A A3 CAR Mat: 7/17/23 Cpn: 2.91% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/5/19 St Date: 2/13/19	89239AAD5	969,823.27 0.00	991,778.44 1,254.53	21,955.17	102.245	0.62%
720,000.000	HONDA 2019-3 A3 CAR Mat: 8/15/23 Cpn: 1.78% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/20/19 St Date: 8/27/19	43815NAC8	719,994.02 0.00	734,015.52 569.60	14,021.50	101.947	0.46%
730,000.000	TOYOTA 2019-C A3 CAR Mat: 9/15/23 Cpn: 1.91% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/6/19 St Date: 8/14/19	89238UAD2	729,994.01 0.00	744,005.78 619.69	14,011.77	101.919	0.46%
1,640,000.000	MERCEDES 2020-B A3 LEASE Mat: 11/15/23 Cpn: 0.40% Moody's: S&P: (P)AAA Fitch: AAA Tr Date: 9/15/20 St Date: 9/23/20	58769EAC2	1,639,916.85 0.00	1,639,916.85 145.78	0.00	99.995	1.02%
550,000.000	FIFTH THIRD 2019-1 A3 CAR Mat: 12/15/23 Cpn: 2.64% Moody's: Aaa S&P: AAA Fitch: Tr Date: 4/30/19 St Date: 5/8/19	31680YAD9	549,879.11 0.00	562,651.65 645.33	12,772.54	102.300	0.35%
950,000.000	BMW 2019-A A3 CAR Mat: 1/25/24 Cpn: 1.92% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/10/19 St Date: 9/18/19	05588CAC6	949,872.32 0.00	967,462.90 304.00	17,590.58	101.838	0.60%
1,710,000.000	HARLEY 2019-A A3 CYCLE Mat: 2/15/24 Cpn: 2.34% Moody's: Aaa S&P: Fitch: AAA Tr Date: 6/19/19 St Date: 6/26/19	41284WAC4	1,709,867.65 0.00	1,742,356.62 1,778.40	32,488.97	101.892	1.09%
790,000.000	MERCEDES 2019-1 A3 CAR Mat: 3/15/24 Cpn: 1.94% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/18/19 St Date: 9/25/19	58769TAD7	789,891.22 0.00	807,647.02 681.16	17,755.80	102.234	0.50%
340,000.000	SDART 2020-2 A3 CAR Mat: 4/15/24 Cpn: 0.67% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/14/20 St Date: 7/22/20	80285RAD0	339,960.87 0.00	341,118.94 101.24	1,158.07	100.329	0.21%





**CALOPTIMA - RESERVE ACCOUNT TIER ONE**

Portfolio 2481

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
850,000.000	VERIZON 2019-C A1A PHONE Mat: 4/22/24 Cpn: 1.94% Moody's: S&P: AAA Fitch: AAA Tr Date: 10/1/19 St Date: 10/8/19	92348AAA3	849,934.47 0.00	870,564.90 503.86	20,630.43	102.419	0.54%
250,000.000	DRIVE 2020-2 A3 CAR Mat: 5/15/24 Cpn: 0.83% Moody's: Aaa S&P: AAA Fitch: Tr Date: 6/10/20 St Date: 6/17/20	26208VAD8	249,990.45 0.00	251,218.50 92.22	1,228.05	100.487	0.16%
960,000.000	SDART 2020-3 A3 CAR Mat: 7/15/24 Cpn: 0.52% Moody's: Aaa S&P: Fitch: AAA Tr Date: 9/15/20 St Date: 9/23/20	80285WAD9	959,908.22 0.00	962,308.80 110.93	2,400.58	100.241	0.60%
1,230,000.000	JOHN DEERE 2020-A A3 EQP Mat: 8/15/24 Cpn: 1.10% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/4/20 St Date: 3/11/20	47789KAC7	1,229,924.85 0.00	1,247,207.70 601.33	17,282.85	101.399	0.78%
830,000.000	TOYOTA 2020-C A3 CAR Mat: 10/15/24 Cpn: 0.44% Moody's: Aaa S&P: AAA Fitch: Tr Date: 7/21/20 St Date: 7/27/20	89237VAB5	829,936.09 0.00	832,247.64 162.31	2,311.55	100.271	0.52%
1,200,000.000	HONDA 2020-3 A3 CAR Mat: 10/18/24 Cpn: 0.37% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/22/20 St Date: 9/29/20	43813KAC6	1,199,823.72 0.00	1,200,824.40 24.67	1,000.68	100.069	0.75%
350,000.000	BMW 2020-A A3 CAR Mat: 10/25/24 Cpn: 0.48% Moody's: S&P: AAA Fitch: AAA Tr Date: 7/8/20 St Date: 7/15/20	09661RAD3	349,973.58 0.00	351,059.45 28.00	1,085.87	100.303	0.22%
830,000.000	CAPITAL ONE 2020-1 A3 CAR Mat: 11/15/24 Cpn: 1.60% Moody's: S&P: AAA Fitch: AAA Tr Date: 2/11/20 St Date: 2/19/20	14043MAC5	829,823.54 0.00	848,896.61 590.22	19,073.07	102.277	0.53%
570,000.000	MERCEDES 2020-1 A3 CAR Mat: 2/18/25 Cpn: 0.55% Moody's: S&P: AAA Fitch: AAA Tr Date: 6/16/20 St Date: 6/23/20	58769VAC4	569,955.48 0.00	572,700.66 139.33	2,745.18	100.474	0.36%
<b>Total for Asset-Backed</b>			<b>18,092,228.62</b> <b>0.00</b>	<b>18,334,435.58</b> <b>10,852.41</b>	<b>242,206.96</b>		<b>11.42%</b>
<b>Grand Total</b>			<b>158,614,350.82</b> <b>151,260.32</b>	<b>160,235,057.22</b> <b>430,907.47</b>	<b>1,620,706.40</b>		<b>100.00%</b>





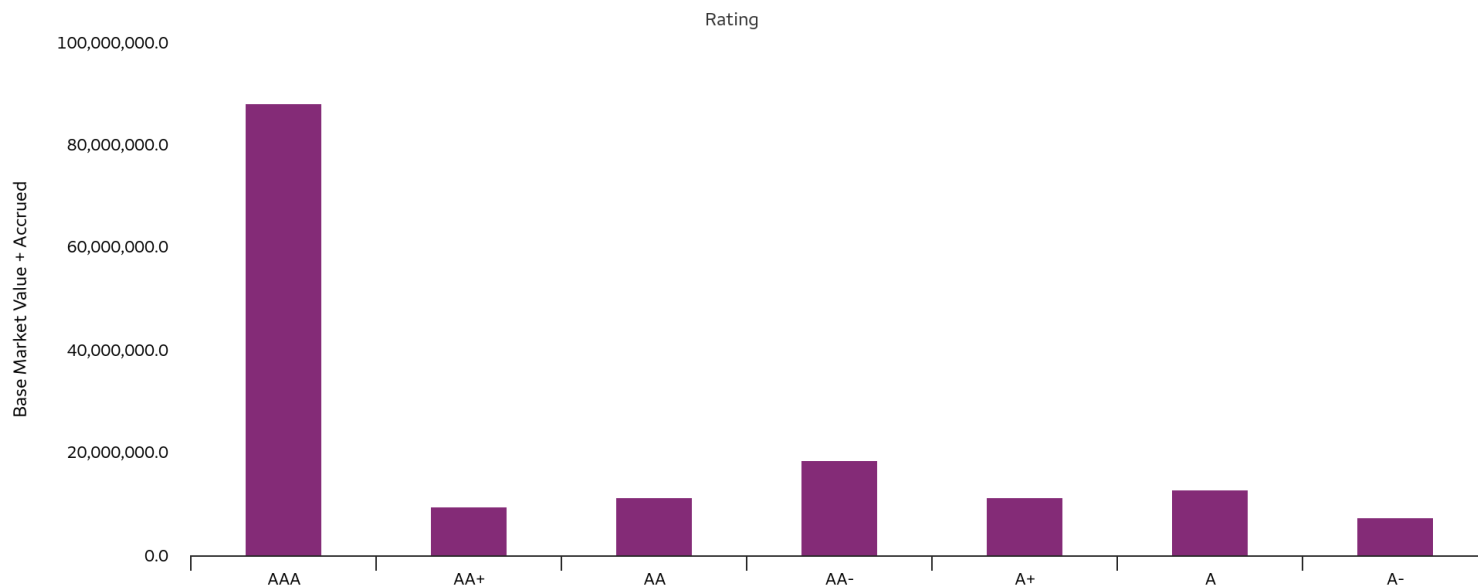


Source Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-3	3137B1UG5	FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	RMBS	840,000.0000	840,386.93	1,845.90	875,090.83	34,703.90	0.00	0.55	Agency	AA+	AAA
CALOPTIMA S1-3	3137B1UG5	FHLMC MULTICLASS MTG K027 A2	2.637% 01/25/2023 DD 05/01/13	RMBS	1,000,000.0000	1,000,121.62	2,197.50	1,041,774.80	41,653.18	0.00	0.66	Agency	AA+	AAA
CALOPTIMA S1-3	3137B2ZH6	FHLMC MULTICLASS MTG 4221 HJ	1.500% 07/15/2023 DD 06/01/13	RMBS	177,252.7380	176,269.67	221.57	178,738.95	2,469.28	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-3	3137B6RG8	FHLMC MULTICLASS MTG 4285 BA	2.000% 12/15/2023 DD 12/01/13	RMBS	254,931.6420	259,625.39	424.89	259,557.96	0.00	-67.43	0.16	Agency	AA+	Agency
CALOPTIMA S1-3	3137B7M29	FHLMC MULTICLASS MTG K036 A2	VAR RT 10/25/2023 DD 02/01/14	RMBS	680,000.0000	739,550.65	1,998.63	737,571.45	0.00	-1,979.20	0.46	Aaa	AA+	AAA
CALOPTIMA S1-3	3137BFE80	FHLMC MULTICLASS MTG K041 A1	2.720% 08/25/2024 DD 12/01/14	RMBS	2,899,302.2960	3,021,526.61	6,571.75	3,018,760.80	0.00	-2,765.81	1.90	Agency	AA+	AAA
CALOPTIMA S1-3	3137EADB2	FEDERAL HOME LN MTG CORP	2.375% 01/13/2022 DD 01/13/12	RMBS	2,250,000.0000	2,265,999.92	11,578.12	2,314,947.99	48,948.07	0.00	1.46	Agency	AA+	Agency
CALOPTIMA S1-3	3137EADB2	FEDERAL HOME LN MTG CORP	2.375% 01/13/2022 DD 01/13/12	RMBS	2,250,000.0000	2,273,652.30	11,578.13	2,314,947.98	41,295.68	0.00	1.46	Agency	AA+	Agency
CALOPTIMA S1-3	3137EAEV7	FEDERAL HOME LN MTG CORP	0.250% 08/24/2023 DD 08/21/20	RMBS	3,200,000.0000	3,196,856.54	888.89	3,202,169.95	5,313.41	0.00	2.02	Agency	AA+	Agency
CALOPTIMA S1-3	31393A2V8	FNMA GTD REMIC P/T 03-38 MP	5.500% 05/25/2023 DD 04/01/03	RMBS	100,146.9740	102,811.68	459.01	104,493.21	1,681.53	0.00	0.07	Agency	AA+	Agency
CALOPTIMA S1-3	31393DLQ2	FNMA GTD REMIC P/T 03-64 HQ	5.000% 07/25/2023 DD 06/01/03	RMBS	160,216.8550	163,810.13	667.57	166,859.01	3,048.88	0.00	0.11	Agency	AA+	Agency
CALOPTIMA S1-3	31394PWU3	FHLMC MULTICLASS MTG 2756 KA	5.000% 02/15/2024 DD 02/01/04	RMBS	174,895.6700	181,787.76	728.73	181,679.33	0.00	-108.43	0.11	Agency	AA+	Agency
CALOPTIMA S1-3	31397UPF0	FNMA GTD REMIC P/T 11-M1 A3	3.763% 06/25/2021 DD 05/01/11	RMBS	85,876.7200	86,286.26	269.30	86,809.71	523.45	0.00	0.05	Agency	AA+	Agency
CALOPTIMA S1-3	62888JAB6	NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	265,325.7970	265,349.69	110.51	265,331.00	0.00	-18.69	0.17	Aaa	AA+	Agency
CALOPTIMA S1-3	92261WAB6	VENDEE MORTGAGE TRUST 201 1 DV	3.750% 06/15/2022 DD 04/01/11	RMBS	92,608.9050	93,552.87	289.40	94,862.62	1,309.75	0.00	0.06	Agency	AA+	Agency
CALOPTIMA S1-3	9128285H9	U S TREASURY NOTE	VAR RT 10/31/2020 DD 10/31/18	US Government	2,000,000.0000	2,000,081.62	515.65	2,000,046.90	0.00	-34.72	1.26	Govt	AA+	Govt
CALOPTIMA S1-3	9128284H0	US TREAS-CPI INFLAT	0.625%004/15/2023 DD 04/15/18	US Government	1,355,822.0000	1,362,362.63	3,912.81	1,418,634.68	56,272.05	0.00	0.89	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	883,276.2700	892,827.26	2,039.26	937,848.48	45,021.22	0.00	0.59	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	1,525,386.8820	1,543,355.11	3,521.73	1,619,631.16	76,276.05	0.00	1.02	Govt	AA+	Govt
CALOPTIMA S1-3	9128286N5	US TREAS-CPI INFLAT	0.500% 04/15/2024 DD 04/15/19	US Government	760,125.4480	771,413.96	1,754.93	807,088.92	35,674.96	0.00	0.51	Govt	AA+	Govt
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	1,520,000.0000	1,531,621.42	12,200.27	1,569,281.26	37,659.84	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	4,560,000.0000	4,593,534.16	36,600.81	4,707,843.77	114,309.61	0.00	2.97	Govt	AA+	Govt
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	760,000.0000	766,452.50	6,100.14	784,640.63	18,188.13	0.00	0.49	Govt	AA+	Govt
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	2,810,000.0000	2,842,293.13	22,554.45	2,901,105.48	58,812.35	0.00	1.83	Govt	AA+	Govt
CALOPTIMA S1-3	9128286U9	U S TREASURY NOTE	2.125% 05/15/2022 DD 05/15/19	US Government	300,000.0000	303,310.66	2,407.95	309,726.57	6,415.91	0.00	0.20	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,530,000.0000	1,532,403.59	2,292.89	1,565,022.65	32,619.06	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	5,000.0000	5,008.58	7.49	5,114.45	105.87	0.00	0.00	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	2,295,000.0000	2,301,692.21	3,439.33	2,347,533.97	45,841.76	0.00	1.48	Govt	AA+	Govt
CALOPTIMA S1-3	912828J43	U S TREASURY NOTE	1.750% 02/28/2022 DD 02/28/15	US Government	1,525,000.0000	1,527,146.46	2,285.39	1,559,908.20	32,761.74	0.00	0.98	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	750,000.0000	753,159.20	36.05	774,257.81	21,098.61	0.00	0.49	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	3,740,000.0000	3,753,448.41	179.81	3,860,965.63	107,517.22	0.00	2.43	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	3,100,000.0000	3,112,821.22	149.04	3,200,265.63	87,444.41	0.00	2.02	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	4,675,000.0000	4,699,656.64	224.76	4,826,207.03	126,550.39	0.00	3.04	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	500,000.0000	501,577.71	24.04	516,171.88	14,594.17	0.00	0.33	Govt	AA+	Govt
CALOPTIMA S1-3	912828L57	U S TREASURY NOTE	1.750% 09/30/2022 DD 09/30/15	US Government	765,000.0000	766,611.75	36.78	789,742.96	23,131.21	0.00	0.50	Govt	AA+	Govt
CALOPTIMA S1-3	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,235,000.0000	1,228,031.68	7,841.07	1,266,309.18	38,277.50	0.00	0.80	Govt	AA+	Govt
CALOPTIMA S1-3	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	2,350,000.0000	2,347,701.05	14,920.25	2,409,576.16	61,875.11	0.00	1.52	Govt	AA+	Govt

# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima - Tier One  
Account: XXXX2501  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



## AAA

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
05522RCZ9 BACCT 2018-2 A	1,000,000.00	USD 09/15/2023	ABS	AAA	Aaa	AAA	NA	1,016,253.93	0.64%
05588CAC6 BMWOT 2019-A A3	730,000.00	USD 01/25/2024	ABS	AAA	NA	AAA	AAA	743,435.58	0.47%
14041NFU0 COMET 2019-2 A	1,000,000.00	USD 09/15/2022	ABS	AAA	NA	AAA	AAA	1,028,081.94	0.64%
14042WAC4 COPAR 2019-1 A3	1,500,000.00	USD 11/15/2023	ABS	AAA	Aaa	AAA	AAA	1,535,736.68	0.96%
14043MAC5 COPAR 2020-1 A3	1,000,000.00	USD 11/15/2024	ABS	AAA	NA	AAA	AAA	1,022,854.71	0.64%
3130AF5B9 FEDERAL HOME LOAN BANKS	1,000,000.00	USD 10/12/2021	AGCY BOND	AAA	Aaa	AA+	AAA	1,043,559.12	0.65%
313380GJ0 FEDERAL HOME LOAN BANKS	2,950,000.00	USD 09/09/2022	AGCY BOND	AAA	Aaa	AA+	AAA	3,060,321.54	1.92%
3133EJ5P0 FEDERAL FARM CREDIT BANKS FUNDING CORP	3,000,000.00	USD 01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	3,110,409.79	1.95%
3133EKVD5 FEDERAL FARM CREDIT BANKS FUNDING CORP	4,400,000.00	USD 01/18/2022	AGCY BOND	AAA	Aaa	AA+	AAA	4,514,878.87	2.83%

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.



# Credit Rating

US Dollar

As of 30 September 2020

WC-CalOptima - Tier One

Account: XXXX2501

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



**Asset  
Management**

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
3135G05G4 FEDERAL NATIONAL MORTGAGE ASSOCIATION	1,000,000.00	USD 07/10/2023	AGCY BOND	AAA	Aaa	AA+	AAA	1,000,356.55	0.63%
3137AN2K0 FHR 4019 EV	858,821.99	USD 06/15/2023	FHLMC CMO	AAA	Aaa	AA+	AAA	894,217.97	0.56%
3137APP61 FHMS K-018 A2	1,188,165.89	USD 01/25/2022	FHLMC	AAA	Aaa	AA+	AAA	1,219,967.11	0.76%
3137BFDQ1 FHMS K-717 A2	1,133,188.56	USD 09/25/2021	FHLMC	AAA	Aaa	AA+	AAA	1,156,116.03	0.72%
3137EAEV7 FEDERAL HOME LOAN MORTGAGE CORP	1,000,000.00	USD 08/24/2023	AGCY BOND	AAA	Aaa	AA+	AAA	1,000,955.89	0.63%
3137EAEW5 FEDERAL HOME LOAN MORTGAGE CORP	1,150,000.00	USD 09/08/2023	AGCY BOND	AAA	Aaa	AA+	AAA	1,150,636.33	0.72%
316175108 FIDELITY IMM:GOVT I	2,163,695.13	USD 09/30/2020	MMFUND	AAA	Aaa	AAAm	AAA	2,163,695.13	1.35%
43814WAC9 HAROT 2019-1 A3	1,330,000.00	USD 03/20/2023	ABS	AAA	NA	AAA	AAA	1,360,596.71	0.85%
4581XODM7 INTER-AMERICAN DEVELOPMENT BANK	2,000,000.00	USD 05/24/2023	SUPRANATIONAL	AAA	Aaa	AAA	NA	2,016,307.78	1.26%
459058GH0 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	1,500,000.00	USD 07/23/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	1,538,691.67	0.96%
47789JAD8 JDOT 2019 A3	2,100,000.00	USD 07/17/2023	ABS	AAA	Aaa	NA	AAA	2,150,006.32	1.35%
58769EAC2 MBALT 2020-B A3	740,000.00	USD 11/15/2023	ABS	AAA	NA	AAA	AAA	740,065.78	0.46%
58770FAC6 MBALT 2020-A A3	1,295,000.00	USD 12/15/2022	ABS	AAA	Aaa	AAA	NA	1,317,145.64	0.82%
797272QL8 SAN DIEGO CALIF CMNTY COLLEGE DIST	1,500,000.00	USD 08/01/2021	MUNI	AAA	Aaa	AAA	NA	1,523,482.50	0.95%
9128285L0 UNITED STATES TREASURY	775,000.00	USD 11/15/2021	US GOV	AAA	Aaa	AA+	AAA	807,210.84	0.51%
9128285V8 UNITED STATES TREASURY	3,000,000.00	USD 01/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,107,303.74	1.94%
9128285V8 UNITED STATES TREASURY	4,000,000.00	USD 01/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,143,071.65	2.59%
9128286C9 UNITED STATES TREASURY	2,950,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	3,055,294.16	1.91%
9128286C9 UNITED STATES TREASURY	2,160,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,237,096.74	1.40%
9128286C9 UNITED STATES TREASURY	2,500,000.00	USD 02/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,589,232.34	1.62%
9128286M7 UNITED STATES TREASURY	475,000.00	USD 04/15/2022	US GOV	AAA	Aaa	AA+	AAA	495,446.54	0.31%

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# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima - Tier One  
Account: XXXX2501  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
9128286U9 UNITED STATES TREASURY	1,670,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,737,548.99	1.09%
9128286U9 UNITED STATES TREASURY	2,700,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,809,210.94	1.76%
9128286U9 UNITED STATES TREASURY	900,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	936,403.65	0.59%
9128286U9 UNITED STATES TREASURY	1,400,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,456,627.89	0.91%
9128286U9 UNITED STATES TREASURY	4,800,000.00	USD 05/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,994,152.77	3.13%
912828P38 UNITED STATES TREASURY	1,300,000.00	USD 01/31/2023	US GOV	AAA	Aaa	AA+	AAA	1,352,532.18	0.85%
912828P38 UNITED STATES TREASURY	5,100,000.00	USD 01/31/2023	US GOV	AAA	Aaa	AA+	AAA	5,306,087.78	3.32%
912828TY6 UNITED STATES TREASURY	2,000,000.00	USD 11/15/2022	US GOV	AAA	Aaa	AA+	AAA	2,075,399.82	1.30%
912828TY6 UNITED STATES TREASURY	1,500,000.00	USD 11/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,556,549.86	0.97%
912828YA2 UNITED STATES TREASURY	1,900,000.00	USD 08/15/2022	US GOV	AAA	Aaa	AA+	AAA	1,952,623.85	1.22%
912828YW4 UNITED STATES TREASURY	4,500,000.00	USD 12/15/2022	US GOV	AAA	Aaa	AA+	AAA	4,669,587.37	2.92%
912828ZH6 UNITED STATES TREASURY	250,000.00	USD 04/15/2023	US GOV	AAA	Aaa	AA+	AAA	250,962.34	0.16%
91282CAG6 UNITED STATES TREASURY	2,725,000.00	USD 08/31/2022	US GOV	AAA	Aaa	AA+	AAA	2,725,185.42	1.71%
91282CAK7 UNITED STATES TREASURY	1,400,000.00	USD 09/15/2023	US GOV	AAA	Aaa	AA+	AAA	1,398,874.75	0.88%
91282CAK7 UNITED STATES TREASURY	4,000,000.00	USD 09/15/2023	US GOV	AAA	Aaa	AA+	AAA	3,996,784.99	2.50%
CCYUSD Cash	-499,999.20	USD 09/30/2020	CASH	AAA	Aaa	AAA	AAA	-499,999.20	-0.31%
CCYUSD Receivable	2,968,638.56	USD 09/30/2020	CASH	AAA	Aaa	AAA	AAA	2,968,638.56	1.86%
CCYUSD Payable	-4,275,667.50	USD 09/30/2020	CASH	AAA	Aaa	AAA	AAA	-4,275,667.50	-2.68%
--- ---	<b>85,736,843.43</b>	<b>USD 09/06/2022</b>	<b>---</b>	<b>AAA</b>	<b>Aaa</b>	<b>AA+</b>	<b>AAA</b>	<b>88,153,934.01</b>	<b>55.17%</b>

AA+

# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima - Tier One  
Account: XXXX2501  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
037833DL1 APPLE INC	250,000.00	USD 09/11/2022	CORP	AA+	Aa1	AA+	NA	257,007.09	0.16%
037833DL1 APPLE INC	500,000.00	USD 09/11/2022	CORP	AA+	Aa1	AA+	NA	514,014.18	0.32%
037833DV9 APPLE INC	1,200,000.00	USD 05/11/2023	CORP	AA+	Aa1	AA+	NA	1,215,740.96	0.76%
212204JB8 CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,365,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	NA	1,382,881.50	0.87%
212204JC6 CONTRA COSTA CALIF CMNTY COLLEGE DIST	1,000,000.00	USD 08/01/2022	MUNI	AA+	Aa1	AA+	NA	1,023,003.33	0.64%
601670MF6 MILPITAS CALIF UNI SCH DIST	600,000.00	USD 08/01/2023	MUNI	AA+	Aa1	NA	NA	602,188.00	0.38%
677765GS2 OHLONE CALIF CMNTY COLLEGE DIST	1,000,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	NA	1,013,183.33	0.63%
80168ACP0 SANTA CLARA VY CALIF WTR DIST WTR SYS REV	570,000.00	USD 06/01/2022	MUNI	AA+	Aa1	NA	AA+	585,025.20	0.37%
92348XAC9 VZOT 2018-A B	2,925,000.00	USD 04/20/2023	ABS	AA+	Aa1	AA+	AA	3,036,599.21	1.90%
---	9,410,000.00	USD 09/20/2022	---	AA+	Aa1	AA+	AA	9,629,642.81	6.03%

## AA

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
084670BR8 BERKSHIRE HATHAWAY INC	2,000,000.00	USD 03/15/2023	CORP	AA	Aa2	AA	A+	2,109,228.90	1.32%
13079XBR6 CALIFORNIA STATEWIDE CMNTYS DEV AUTH TRANSN REV CT	500,000.00	USD 06/01/2023	MUNI	AA	NA	AA	NA	500,055.00	0.31%
166756AJ5 CHEVRON USA INC	2,500,000.00	USD 08/11/2023	CORP	AA	Aa2	AA	NA	2,503,892.41	1.57%
30231GBB7 EXXON MOBIL CORP	530,000.00	USD 08/16/2022	CORP	AA	Aa1	AA	NA	546,959.33	0.34%
30231GBL5 EXXON MOBIL CORP	1,500,000.00	USD 04/15/2023	CORP	AA	Aa1	AA	NA	1,553,721.08	0.97%
702274CN9 PASADENA CALIF PUB FING AUTH LEASE REV	1,100,000.00	USD 12/01/2022	MUNI	AA	NA	AA+	AA	1,178,503.33	0.74%
79730CJF2 SAN DIEGO CALIF PUB FACS FING AUTH WTR REV	1,000,000.00	USD 08/01/2022	MUNI	AA	Aa2	NA	AA	1,017,031.67	0.64%
931142EJ8 WALMART INC	2,000,000.00	USD 06/23/2021	CORP	AA	Aa2	AA	AA	2,060,397.61	1.29%

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# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima - Tier One  
Account: XXXX2501  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
---	11,130,000.00	USD 11/21/2022	---	AA	Aa2	AA	AA-	11,469,789.33	7.18%

AA-

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
032556GN6 ANAHEIM CALIF HSG & PUB IMPT AUTH REV	630,000.00	USD 10/01/2022	MUNI	AA-	NA	AA-	AA-	648,522.16	0.41%
072024WW8 BAY AREA TOLL AUTH CALIF TOLL BRDG REV	2,000,000.00	USD 04/01/2022	MUNI	AA-	A1	AA-	AA-	2,065,680.00	1.29%
3582326R2 FRESNO CALIF UNI SCH DIST	500,000.00	USD 08/01/2023	MUNI	AA-	Aa3	NA	NA	499,861.42	0.31%
376087FX5 GILROY CALIF UNI SCH DIST	500,000.00	USD 08/01/2022	MUNI	AA-	Aa3	AA-	NA	511,318.33	0.32%
544647BE9 LOS ANGELES CALIF UNI SCH DIST	1,575,000.00	USD 07/01/2023	MUNI	AA-	Aa3	NA	AA+	1,802,634.75	1.13%
61741GAB6 MORGAN HILL CALIF REDEV AGY SUCCESSOR AGY TAX ALLO	1,400,000.00	USD 09/01/2023	MUNI	AA-	NA	AA-	NA	1,399,818.00	0.88%
738850SV9 POWAY CALIF UNI SCH DIST	1,140,000.00	USD 08/01/2022	MUNI	AA-	NA	AA-	NA	1,170,510.20	0.73%
769059ZY5 RIVERSIDE CALIF UNI SCH DIST	1,000,000.00	USD 02/01/2022	MUNI	AA-	Aa2	AA-	NA	1,019,136.67	0.64%
79727LBO1 SAN DIEGO CALIF CONVENTION CTR EXPANSION FING AUTH	2,445,000.00	USD 04/15/2023	MUNI	AA-	NA	AA-	AA-	2,486,103.23	1.56%
842475P58 SOUTHERN CALIF PUB PWR AUTH PWR PROJ REV	2,250,000.00	USD 07/01/2023	MUNI	AA-	NA	AA-	AA-	2,254,370.56	1.41%
90331HPA5 US BANK NA	1,350,000.00	USD 02/04/2021	CORP	AA-	A1	AA-	AA-	1,365,880.79	0.85%
90331HPA5 US BANK NA	400,000.00	USD 02/04/2021	CORP	AA-	A1	AA-	AA-	404,705.42	0.25%
913366HW3 UNIV CALIF REGTS MED CTR POOLED REV	1,000,000.00	USD 05/15/2022	MUNI	AA-	Aa3	AA-	AA-	1,027,568.67	0.64%
916544ES4 UPPER SANTA CLARA VY JT PWR AUTH CALIF REV	1,900,000.00	USD 08/01/2023	MUNI	AA-	NA	AA	AA-	1,904,435.44	1.19%
---	18,090,000.00	USD 11/16/2022	---	AA-	Aa3	AA-	AA-	18,560,545.64	11.61%

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# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima - Tier One  
Account: XXXX2501  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index

WELLS  
FARGO

Asset  
Management

A+

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
023135BP0 AMAZON.COM INC	1,000,000.00	USD 06/03/2023	CORP	A+	A2	AA-	A+	1,005,763.65	0.63%
06406RAM9 BANK OF NEW YORK MELLON CORP	2,250,000.00	USD 01/27/2023	CORP	A+	A1	A	AA-	2,328,810.23	1.46%
69371RP42 PACCAR FINANCIAL CORP	2,000,000.00	USD 08/09/2021	CORP	A+	A1	A+	NA	2,059,104.62	1.29%
79766DLQ0 SAN FRANCISCO CALIF CITY & CNTY ARPTS COMMN INTL A	1,000,000.00	USD 05/01/2021	MUNI	A+	A1	A	A+	1,023,485.83	0.64%
857477AV5 STATE STREET CORP	2,000,000.00	USD 05/19/2021	CORP	A+	A1	A	AA-	2,036,187.06	1.27%
89236TCZ6 TOYOTA MOTOR CREDIT CORP	2,000,000.00	USD 04/08/2021	CORP	A+	A1	A+	A+	2,035,008.31	1.27%
9523472D3 WEST CONTRA COSTA CALIF UNI SCH DIST	1,000,000.00	USD 08/01/2023	MUNI	A+	A1	AA-	NA	1,019,505.00	0.64%
---	11,250,000.00	USD 02/10/2022	---	A+	A1	A+	AA-	11,507,864.71	7.20%

A

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
06051GEE5 BANK OF AMERICA CORP	1,700,000.00	USD 01/05/2021	CORP	A	A2	A-	A+	1,748,668.06	1.09%
14913Q3C1 CATERPILLAR FINANCIAL SERVICES CORP	2,250,000.00	USD 11/18/2022	CORP	A	A3	A	A	2,340,139.15	1.46%
369550BE7 GENERAL DYNAMICS CORP	1,000,000.00	USD 05/11/2021	CORP	A	A2	A	WR	1,028,372.81	0.64%
369550BE7 GENERAL DYNAMICS CORP	500,000.00	USD 05/11/2021	CORP	A	A2	A	WR	514,186.40	0.32%
438516CC8 HONEYWELL INTERNATIONAL INC	1,400,000.00	USD 08/19/2022	CORP	A	A2	A	A	1,403,092.63	0.88%
46625HJE1 JPMORGAN CHASE & CO	2,250,000.00	USD 09/23/2022	CORP	A	A2	A-	AA-	2,379,829.57	1.49%
69353REY0 PNC BANK NA	945,000.00	USD 12/09/2021	CORP	A	A2	A	A+	976,415.28	0.61%
69353REY0 PNC BANK NA	925,000.00	USD 12/09/2021	CORP	A	A2	A	A+	955,750.41	0.60%
76913CAX7 RIVERSIDE CNTY CALIF PENSION OBLIG	500,000.00	USD 02/15/2023	MUNI	A	A2	AA	NA	519,949.69	0.33%
808513AW5 CHARLES SCHWAB CORP	950,000.00	USD 05/21/2021	CORP	A	A2	A	A	976,373.72	0.61%

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# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima - Tier One  
Account: XXXX2501  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 1-3 Year US Treasury Index



**Asset  
Management**

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
---	12,420,000.00	USD 02/21/2022	---	A	A2	A	A+	12,842,777.73	8.04%

A-

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
05531FBG7 TRUIST FINANCIAL CORP	2,000,000.00	USD 06/20/2022	CORP	A-	A3	A-	A	2,101,442.11	1.32%
31677QBS7 FIFTH THIRD BANK NA (OHIO)	2,000,000.00	USD 01/30/2023	CORP	A-	A3	A-	A-	2,061,491.54	1.29%
44644AAD9 HUNTINGTON NATIONAL BANK	1,000,000.00	USD 05/14/2021	CORP	A-	A3	A-	A-	1,028,142.97	0.64%
44644AAHO HUNTINGTON NATIONAL BANK	1,000,000.00	USD 04/01/2022	CORP	A-	A3	A-	A-	1,054,056.77	0.66%
46124HAA4 INTUIT INC	1,380,000.00	USD 07/15/2023	CORP	A-	A3	A-	NA	1,388,598.93	0.87%
---	7,380,000.00	USD 08/25/2022	CORP	A-	A3	A-	A-	7,633,732.32	4.78%

Summary

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
---	155,416,843.43	USD 08/20/2022	---	AA	Aa2	AA	AA+	159,798,286.56	100.00%

\* Grouped by: Rating. \* Groups Sorted by: Rating. \* Weighted by: Base Market Value + Accrued.





Reporting Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	820,000.0000	815,385.33	5,206.22	840,788.28	25,402.95	0.00	0.79	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,030,000.0000	1,024,851.92	6,539.51	1,056,112.11	31,260.19	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	515,000.0000	512,426.43	3,269.76	528,056.05	15,629.62	0.00	0.50	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	770,000.0000	766,150.62	4,888.76	789,520.70	23,370.08	0.00	0.74	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,800,000.0000	1,791,464.64	11,428.28	1,845,632.81	54,168.17	0.00	1.74	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	925,000.0000	920,510.06	5,872.87	948,450.19	27,940.13	0.00	0.89	Govt	AA+	Govt
CALOPTIMA S1-5	912828YK0	U S TREASURY NOTE	1.375% 10/15/2022 DD 10/15/19	US Government	1,030,000.0000	1,023,824.41	6,539.51	1,056,112.11	32,287.70	0.00	0.99	Govt	AA+	Govt
CALOPTIMA S1-5	912828ZL7	U S TREASURY NOTE	0.375% 04/30/2025 DD 04/30/20	US Government	2,125,000.0000	2,114,735.27	3,334.75	2,137,534.19	22,798.92	0.00	2.01	Govt	AA+	Govt
CALOPTIMA S1-5	91282CAJ0	U S TREASURY NOTE	0.250% 08/31/2025 DD 08/31/20	US Government	1,075,000.0000	1,073,712.54	230.15	1,074,160.16	447.62	0.00	1.01	Govt	AA+	Govt



**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Cash</b>							
	CASH OR STIF	USD	6,105,361.73	6,105,361.73	0.00	1.000	1.56%
<b>Total for Cash</b>			<b>6,105,361.73</b>	<b>6,105,361.73</b>	<b>0.00</b>		<b>1.56%</b>
<b>Money Markets</b>							
2,000,000.000	BAYERISCHE LANDESBANK YCD Mat: 10/1/20 Cpn: 0.38% Moody's: P-1 S&P: Fitch: F1 Tr Date: 7/9/20 St Date: 7/14/20	0727MCAC1	2,000,481.96 886.67	2,000,014.42 2,554.44	(467.54)	100.001	0.51%
30,000,000.000	U.S. TREASURY BILL Mat: 10/1/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/1/20 St Date: 7/1/20	9127962J7	29,996,186.94 0.00	29,996,239.88 3,813.06	52.94	100.000	7.65%
1,460,000.000	BNP PARIBAS YCD FRN Mat: 10/9/20 Cpn: 0.47% Moody's: S&P: Fitch: Tr Date: 7/7/20 St Date: 7/8/20	05586FGP6	1,460,611.26 5,547.56	1,460,127.09 1,595.61	(484.17)	100.009	0.37%
1,550,000.000	SKANDINAV ENSKILDA BK YCD FRN Mat: 10/16/20 Cpn: 0.44% Moody's: S&P: Fitch: Tr Date: 2/19/20 St Date: 2/20/20	83050PEX3	1,551,963.85 3,032.92	1,550,217.29 1,461.64	(1,746.56)	100.014	0.40%
25,000,000.000	U.S. TREASURY BILL Mat: 10/22/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/21/20 St Date: 7/21/20	9127962S7	24,992,798.96 0.00	24,993,336.74 5,575.00	537.78	99.995	6.38%
50,000,000.000	U.S. TREASURY BILL Mat: 11/10/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/15/20 St Date: 9/16/20	9127964R7	49,992,743.06 0.00	49,994,035.70 1,979.17	1,292.64	99.992	12.75%
2,000,000.000	BANK OF NOVA SCOTIA YCD FRN Mat: 11/13/20 Cpn: 0.38% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 11/14/19 St Date: 11/15/19	06417MEQ4	2,000,000.00 0.00	2,000,637.50 1,043.97	637.50	100.032	0.51%
25,000,000.000	U.S. TREASURY BILL Mat: 11/19/20 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/21/20 St Date: 7/21/20	9127963A5	24,990,378.82 0.00	24,991,392.71 5,725.00	1,013.89	99.988	6.38%



**Portfolio Positions**

as of September 30, 2020

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	WESTPAC BANK FRN YCD Mat: 12/11/20 Cpn: 0.40% Moody's: P-1 S&P: A-1+ Fitch: F1 Tr Date: 12/11/19 St Date: 12/12/19	96130AES3	2,000,000.00	0.00	2,000,944.54 444.72	944.54	100.047	0.51%
5,000,000.000	U.S. TREASURY BILL Mat: 1/7/21 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/30/20 St Date: 9/30/20	9127963T4	4,998,755.63	0.00	4,998,730.88 12.57	(24.76)	99.975	1.27%
25,000,000.000	U.S. TREASURY BILL Mat: 1/21/21 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/21/20 St Date: 7/23/20	9127963V9	24,983,885.42	0.00	24,986,263.13 6,197.92	2,377.71	99.970	6.37%
2,000,000.000	BAYERISCHE LANDESBANK FRN YCD Mat: 1/22/21 Cpn: 0.46% Moody's: S&P: Fitch: Tr Date: 1/28/20 St Date: 1/29/20	0727MAX30	2,000,414.76	444.53	1,996,720.08 1,805.57	(3,694.68)	99.836	0.51%
1,500,000.000	CREDIT SUISSE NY YCD Mat: 1/22/21 Cpn: 1.80% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 1/23/20 St Date: 1/24/20	22549LZD0	1,500,000.00	0.00	1,507,728.24 18,825.00	7,728.24	100.515	0.39%
1,000,000.000	MIZUHO BANK YCD Mat: 1/22/21 Cpn: 1.73% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 1/24/20 St Date: 1/24/20	60710AJP8	1,000,000.00	0.00	1,004,930.87 12,061.94	4,930.87	100.493	0.26%
2,000,000.000	NATIXIS NY YCD Mat: 1/22/21 Cpn: 1.77% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 1/24/20 St Date: 1/24/20	63873QDQ4	2,000,000.00	0.00	2,010,114.64 24,681.67	10,114.64	100.506	0.52%
1,970,000.000	BANCO SANTANDER YCD Mat: 1/25/21 Cpn: 1.83% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 1/24/20 St Date: 1/27/20	05966DXF4	1,970,000.00	0.00	1,980,608.61 24,835.13	10,608.61	100.539	0.51%
2,000,000.000	CREDIT AGRICOLE YCD Mat: 1/25/21 Cpn: 1.76% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 1/24/20 St Date: 1/27/20	22535CKZ3	2,000,000.00	0.00	2,010,315.94 24,248.89	10,315.94	100.516	0.52%
1,000,000.000	MIZUHO BANK LTD FRN YCD Mat: 3/11/21 Cpn: 0.31% Moody's: S&P: Fitch: Tr Date: 9/2/20 St Date: 9/3/20	60710ARE4	1,000,118.00	206.60	1,000,277.51 172.92	159.51	100.028	0.26%





**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
25,000,000.000	U.S. TREASURY BILL Mat: 4/22/21 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/21/20 St Date: 7/21/20	9127962Q1	24,974,696.18	0.00	24,979,172.85 6,625.00	4,476.67	99.943	6.37%
12,000,000.000	U.S. TREASURY BILL Mat: 9/9/21 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/30/20 St Date: 9/30/20	9127964L0	11,986,756.00	0.00	11,986,985.33 38.50	229.33	99.892	3.06%
<b>Total for Money Markets</b>			<b>217,399,790.84</b>		<b>217,448,793.94</b>	<b>49,003.10</b>		<b>55.50%</b>
			<b>10,118.28</b>		<b>143,697.72</b>			

**Government Related**

5,000,000.000	INTER-AMERICAN DEVELOPMENT BANK FRN Mat: 10/9/20 Cpn: 0.16% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 7/21/20 St Date: 7/23/20	45818WBT2	5,000,090.00	354.86	5,000,027.40 475.54	(62.60)	100.001	1.28%
1,000,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 3/15/21 Cpn: 1.88% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 9/23/20 St Date: 9/25/20	4581X0CS5	1,007,900.00	520.83	1,007,492.50 833.33	(407.50)	100.749	0.26%
3,000,000.000	INTL BANK RECON & DEVELOP Mat: 5/24/21 Cpn: 1.38% Moody's: Aaa S&P: AAA Fitch: AAAu Tr Date: 7/22/20 St Date: 7/28/20	459058FH1	3,028,980.00	7,338.67	3,022,742.31 14,552.08	(6,237.69)	100.758	0.77%
1,000,000.000	INTER-AMERICAN DEVELOPMENT BANK FRN Mat: 9/16/22 Cpn: 0.35% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/16/20 St Date: 9/18/20	45818WCP9	1,001,210.00	19.44	1,000,696.94 146.83	(513.06)	100.070	0.26%
<b>Total for Government Related</b>			<b>10,038,180.00</b>	<b>8,233.80</b>	<b>10,030,959.15</b>	<b>(7,220.85)</b>		<b>2.56%</b>

**Agencies**

10,000,000.000	FHLB 1ML+7 FRN Mat: 2/1/21 Cpn: 0.23% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/30/20 St Date: 6/30/20	3130AHH97	10,004,185.30	1,957.50	10,004,551.80 1,875.00	366.50	100.046	2.55%
5,000,000.000	FHLB FRN Mat: 5/24/21 Cpn: 0.14% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/21/20 St Date: 7/24/20	3130AJVE6	5,000,000.00	0.00	5,001,221.75 137.08	1,221.75	100.024	1.28%



**Portfolio Positions**

as of September 30, 2020

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	FFCB FRN Mat: 9/17/21 Cpn: 0.17% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/21/20 St Date: 7/22/20	3133EJZP7	3,000,736.98	83.70	3,000,728.79	198.92	(8.19)	100.024	0.77%
10,000,000.000	FFCB FRN Mat: 10/20/21 Cpn: 0.17% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/28/20 St Date: 7/29/20	3133ELW42	10,000,240.90	491.88	10,006,228.70	507.99	5,987.80	100.062	2.55%
3,000,000.000	FFCB 1ML+13 FRN Mat: 11/5/21 Cpn: 0.29% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/4/20 St Date: 5/8/20	3133EK5T9	3,006,024.00	108.35	3,004,874.97	625.37	(1,149.03)	100.163	0.77%
10,000,000.000	FHLMC FRN SOFR+15 Mat: 3/4/22 Cpn: 0.22% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/30/20 St Date: 6/30/20	3134GVFL7	9,998,295.30	1,658.33	10,011,321.20	1,772.22	13,025.90	100.113	2.55%
<b>Total for Agencies</b>			<b>41,009,482.48</b>	<b>4,299.76</b>	<b>41,028,927.21</b>	<b>5,116.57</b>	<b>19,444.73</b>		<b>10.47%</b>
<b>Tax-Exempt</b>									
1,320,000.000	CA LOS ANGELES CITY TRANS Mat: 6/24/21 Cpn: 4.00% Moody's: MIG1 S&P: SP-1+ Fitch: Tr Date: 7/8/20 St Date: 7/13/20	544351PK9	1,366,120.80	0.00	1,356,742.21	11,440.00	(9,378.59)	102.784	0.35%
2,000,000.000	CA LOS ANGELES COUNTY TRANS Mat: 6/30/21 Cpn: 4.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 7/1/20 St Date: 7/10/20	544657HX0	2,072,120.00	0.00	2,056,719.98	18,000.00	(15,400.02)	102.836	0.53%
<b>Total for Tax-Exempt</b>			<b>3,438,240.80</b>	<b>0.00</b>	<b>3,413,462.19</b>	<b>29,440.00</b>	<b>(24,778.61)</b>		<b>0.88%</b>
<b>Taxable Muni</b>									
2,000,000.000	CA LOS ANGELES MTA CP TXB Mat: 10/1/20 Cpn: 0.18% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 8/11/20 St Date: 8/11/20	54531HBM8	2,000,000.00	0.00	2,000,000.00	501.64	0.00	100.000	0.51%
765,000.000	CA PALM DESERT REDEV AGY TAB TXB Mat: 10/1/20 Cpn: 2.25% Moody's: S&P: AA Fitch: Tr Date: 12/13/19 St Date: 12/17/19	696624AT2	767,669.85	3,633.75	765,015.70	8,606.25	(2,654.15)	100.002	0.20%



**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,500,000.000	CA SAN BERNARDINO CNTY COPS TXBL Mat: 10/1/20 Cpn: 2.00% Moody's: Aa2 S&P: AA Fitch: Tr Date: 11/13/19 St Date: 11/15/19	796815ZE1	1,502,445.00	3,666.67	1,500,060.77 15,000.00	(2,384.24)	100.004	0.39%
1,950,000.000	CA SAN FRANCISCO USD GO/ULT TXB Mat: 10/1/20 Cpn: 0.18% Moody's: Aa2 S&P: AA Fitch: Tr Date: 8/21/20 St Date: 8/27/20	79771TNS2	1,950,000.00	0.00	1,949,981.55 331.50	(18.45)	99.999	0.50%
575,000.000	CA SAN FRAN PUB UTIL WATER-GREEN TXB Mat: 11/1/20 Cpn: 1.81% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 12/13/19 St Date: 1/9/20	79765R4K2	575,000.00	0.00	575,717.35 7,591.09	717.35	100.125	0.15%
360,000.000	BAYLOR SCOTT & WHITE TAXABLE Mat: 11/15/20 Cpn: 2.12% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 8/21/19 St Date: 8/23/19	072863AA1	360,079.20	2,080.54	360,190.44 2,887.28	111.24	100.053	0.09%
2,000,000.000	CA STATE GO/ULT CP TXB Mat: 12/8/20 Cpn: 0.19% Moody's: P-1 S&P: A-1+ Fitch: F1 Tr Date: 9/14/20 St Date: 9/14/20	13068PED4	2,000,000.00	0.00	2,000,000.00 176.50	0.00	100.000	0.51%
1,400,000.000	CA STATE GO/ULT CP TXB Mat: 12/23/20 Cpn: 0.50% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/29/20 St Date: 9/29/20	13068BGG6	1,400,000.00	0.00	1,400,000.00 38.25	0.00	100.000	0.36%
2,000,000.000	CA SAN DIEGO USD GO/ULT TXB Mat: 1/1/21 Cpn: 0.23% Moody's: Aa2 S&P: Fitch: F1+ Tr Date: 8/14/20 St Date: 8/27/20	797356BD3	2,000,000.00	0.00	2,000,262.00 434.44	262.00	100.013	0.51%
510,000.000	CA RIVERSIDE CNTY PENSN OBLG TXB Mat: 2/15/21 Cpn: 2.17% Moody's: A2 S&P: AA Fitch: Tr Date: 4/23/20 St Date: 5/6/20	76913CAV1	510,000.00	0.00	512,481.48 1,410.86	2,481.48	100.487	0.13%
2,508,441.179	CA DEPT WTR RESOURCES-PWR SUPPLY TXB Mat: 5/1/21 Cpn: 1.71% Moody's: WR S&P: AA+ Fitch: WD Tr Date: 6/18/19 St Date: 6/20/19	13066YTY5	2,503,755.87	10,303.10	2,529,930.34 17,904.00	26,174.48	100.857	0.65%
1,000,000.000	CA UNIVERSITY OF CALIFORNIA TXB Mat: 5/15/21 Cpn: 1.79% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 2/27/20 St Date: 3/2/20	91412GD51	1,004,870.00	5,320.28	1,008,685.00 6,762.22	3,815.00	100.869	0.26%



**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,720,000.000	CA UNIVERSITY OF CALIFORNIA TXB Mat: 5/15/21 Cpn: 0.33% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 7/10/20 St Date: 7/16/20	91412HFH1	1,720,000.00	0.00	1,720,437.50 1,182.50	437.50	100.025	0.44%
1,200,000.000	CA BEVERLY HILLS PFA LEASE REV TXB Mat: 6/1/21 Cpn: 0.26% Moody's: S&P: AA+ Fitch: Tr Date: 9/23/20 St Date: 10/15/20	088006JV4	1,200,000.00	0.00	1,199,861.94 0.00	(138.06)	99.989	0.31%
1,900,000.000	CA HEALTH FACS-NO PLACE LIKE HOME-TXB Mat: 6/1/21 Cpn: 1.90% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 11/20/19 St Date: 11/25/19	13032UUY2	1,900,000.00	0.00	1,917,259.05 12,008.00	17,259.05	100.908	0.49%
610,000.000	CA SAN BERNARDINO CCD TXB Mat: 8/1/21 Cpn: 1.82% Moody's: Aa1 S&P: AA Fitch: Tr Date: 11/21/19 St Date: 12/12/19	796720MD9	610,000.00	0.00	617,531.74 1,854.40	7,531.74	101.235	0.16%
1,400,000.000	CA UPPER SANTA CLARA VLY JPA REV TXB Mat: 8/1/21 Cpn: 0.42% Moody's: S&P: AA Fitch: AA- Tr Date: 7/16/20 St Date: 7/23/20	916544EQ8	1,400,000.00	0.00	1,401,297.97 1,097.44	1,297.97	100.093	0.36%
1,000,000.000	CA ANAHEIM HSG & PUB IMPT AUTH TXB Mat: 10/1/21 Cpn: 1.65% Moody's: S&P: AA- Fitch: AA- Tr Date: 2/7/20 St Date: 3/4/20	032556GM8	1,000,000.00	0.00	1,010,990.52 9,470.25	10,990.52	101.099	0.26%
520,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB Mat: 11/1/21 Cpn: 0.42% Moody's: S&P: AA- Fitch: Tr Date: 8/14/20 St Date: 8/20/20	544587X94	520,000.00	0.00	520,731.93 245.77	731.93	100.141	0.13%
1,020,000.000	MI STATE GO/ULT TXB Mat: 11/1/21 Cpn: 1.78% Moody's: Aa1 S&P: AA Fitch: AA Tr Date: 9/28/20 St Date: 9/30/20	594612CX9	1,037,013.60	7,510.35	1,036,671.96 7,560.75	(341.64)	101.635	0.27%
<b>Total for Taxable Muni</b>			<b>25,960,833.52</b>	<b>32,514.69</b>	<b>26,027,107.23</b>	<b>66,273.71</b>		<b>6.66%</b>

**Credit**

750,000.000	PACCAR FINANCIAL Mat: 11/13/20 Cpn: 2.05% Moody's: A1 S&P: A+ Fitch: Tr Date: 3/10/20 St Date: 3/12/20	69371RN85	753,862.50	5,082.29	751,458.75 5,893.75	(2,403.75)	100.195	0.19%
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**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,000,000.000	MORGAN STANLEY Mat: 1/25/21 Cpn: 5.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 10/24/19 St Date: 10/28/19	61747WAF6	1,045,110.00 14,854.17	1,017,000.00 10,541.67	(28,110.00)	101.700	0.26%
645,000.000	TRUIST FIN CORP FRN Mat: 2/1/21 Cpn: 0.47% Moody's: A3 S&P: A- Fitch: A Tr Date: 10/23/17 St Date: 10/26/17	05531FBA0	645,000.00 0.00	645,255.79 497.89	255.79	100.040	0.16%
1,235,000.000	US BANK CINCINNATI FRN Mat: 4/26/21 Cpn: 0.56% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 4/24/18 St Date: 4/26/18	90331HNQ2	1,235,000.00 0.00	1,236,549.93 1,278.12	1,549.93	100.126	0.32%
1,000,000.000	AMERICAN EXPRESS Mat: 5/5/21 Cpn: 2.25% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/20 St Date: 3/3/20	0258M0EB1	1,009,080.00 7,375.00	1,010,110.00 9,125.00	1,030.00	101.011	0.26%
810,000.000	APPLE Mat: 5/6/21 Cpn: 2.85% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 3/6/20 St Date: 3/10/20	037833AR1	826,775.10 7,951.50	822,668.40 9,298.13	(4,106.70)	101.564	0.21%
1,000,000.000	TRUIST FIN CORP Mat: 5/10/21 Cpn: 2.05% Moody's: A3 S&P: A- Fitch: A Tr Date: 10/24/19 St Date: 10/28/19	05531FAV5	1,001,440.00 9,566.67	1,009,285.00 8,029.17	7,845.00	100.929	0.26%
1,000,000.000	CITIZENS BANK Mat: 5/13/21 Cpn: 2.55% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 11/1/19 St Date: 11/5/19	17401QAE1	1,007,940.00 12,183.33	1,011,835.00 9,775.00	3,895.00	101.184	0.26%
1,250,000.000	HUNTINGTON NATL BANK Mat: 5/14/21 Cpn: 3.25% Moody's: A3 S&P: A- Fitch: A- Tr Date: 10/24/19 St Date: 10/28/19	44644AAD9	1,273,607.50 19,138.89	1,268,487.50 15,460.07	(5,120.00)	101.479	0.33%
850,000.000	AMERICAN EXPRESS FRN Mat: 5/17/21 Cpn: 0.81% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/14/18 St Date: 5/17/18	025816BV0	850,000.00 0.00	852,164.95 855.45	2,164.95	100.255	0.22%
635,000.000	CITIGROUP Mat: 7/23/21 Cpn: 3.40% Moody's: Aa3 S&P: A+ Fitch: A+ Tr Date: 10/24/19 St Date: 10/28/19	17325FAQ1	650,119.35 5,697.36	649,951.08 4,078.11	(168.28)	102.355	0.17%



**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
500,000.000	FIFTH THIRD BANK Mat: 7/26/21 Cpn: 3.35% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/31/20 St Date: 8/4/20	31677QBN8	513,725.00 372.22	511,300.00 3,024.31	(2,425.00)	102.260	0.13%
1,000,000.000	APPLE Mat: 8/4/21 Cpn: 1.55% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/28/20 St Date: 3/3/20	037833CC2	1,004,176.20 1,248.61	1,010,095.00 2,454.17	5,918.80	101.010	0.26%
1,000,000.000	MICROSOFT Mat: 8/8/21 Cpn: 1.55% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 2/28/20 St Date: 3/3/20	594918BP8	1,004,540.00 1,076.39	1,010,455.00 2,281.94	5,915.00	101.046	0.26%
1,350,000.000	CATERPILLAR FINANCIAL FRN Mat: 9/7/21 Cpn: 0.53% Moody's: A3 S&P: A Fitch: A Tr Date: 9/4/18 St Date: 9/7/18	14913Q2P3	1,350,000.00 0.00	1,352,189.09 455.40	2,189.09	100.162	0.34%
1,250,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 9/10/21 Cpn: 0.51% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUJ6	1,250,000.00 0.00	1,253,094.45 371.51	3,094.45	100.248	0.32%
450,000.000	GILEAD SCIENCES FRN Mat: 9/17/21 Cpn: 0.37% Moody's: A3 S&P: Fitch: Tr Date: 9/23/20 St Date: 9/30/20	375558BU6	450,000.00 0.00	450,167.09 4.63	167.09	100.037	0.11%
1,185,000.000	WELLS FARGO FRN Mat: 10/22/21 Cpn: 0.77% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 10/16/18 St Date: 10/23/18	94988J5U7	1,185,000.00 0.00	1,188,594.82 1,794.30	3,594.82	100.303	0.30%
1,000,000.000	TRUIST BANK Mat: 10/26/21 Cpn: 3.53% Moody's: A2 S&P: A Fitch: A+ Tr Date: 11/1/19 St Date: 11/5/19	86787EBA4	1,014,060.00 881.25	1,002,350.00 15,177.08	(11,710.00)	100.235	0.26%
1,215,000.000	TD AMERITRADE FRN Mat: 11/1/21 Cpn: 0.68% Moody's: A2 S&P: A Fitch: Tr Date: 10/30/18 St Date: 11/1/18	87236YAG3	1,215,000.00 0.00	1,219,356.99 1,402.01	4,356.99	100.359	0.31%
960,000.000	CATERPILLAR FINANCIAL FRN Mat: 11/12/21 Cpn: 0.46% Moody's: A3 S&P: A Fitch: A Tr Date: 1/9/20 St Date: 1/13/20	14913Q3D9	960,000.00 0.00	961,442.62 609.17	1,442.62	100.150	0.25%



**Portfolio Positions**

as of September 30, 2020

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	CITIGROUP Mat: 1/14/22 Cpn: 4.50% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/27/20 St Date: 7/29/20	172967FT3	1,058,710.00	1,875.00	1,051,580.00	(7,130.00)	105.158	0.27%
377,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 1.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	377,000.00	0.00	378,109.13	1,109.13	100.294	0.10%
1,904,000.000	NATL RURAL UTILITIES Mat: 1/21/22 Cpn: 1.75% Moody's: A2 S&P: A Fitch: A Tr Date: 1/22/20 St Date: 2/5/20	63743HET5	1,902,324.48	0.00	1,939,709.52	37,385.04	101.876	0.50%
1,030,000.000	US BANK CINCINNATI Mat: 1/21/22 Cpn: 1.80% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/16/20 St Date: 1/21/20	90331HPJ6	1,029,639.50	0.00	1,048,936.55	19,297.05	101.839	0.27%
1,000,000.000	BANK OF AMERICA Mat: 1/24/22 Cpn: 5.70% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 7/17/20 St Date: 7/21/20	06051GEM7	1,079,080.00	28,025.00	1,069,240.00	(9,840.00)	106.924	0.28%
1,000,000.000	GOLDMAN SACHS Mat: 1/24/22 Cpn: 5.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/16/20 St Date: 7/20/20	38141GGS7	1,077,120.00	28,111.11	1,068,405.00	(8,715.00)	106.841	0.28%
552,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.18% Moody's: A2 S&P: BBB+ Fitch: A+ Tr Date: 10/3/17 St Date: 10/5/17	949746SP7	557,944.56	1,027.10	553,305.20	(4,639.36)	100.237	0.14%
520,000.000	DUKE ENERGY FRN Mat: 2/18/22 Cpn: 0.43% Moody's: A2 S&P: A- Fitch: Tr Date: 8/17/20 St Date: 8/20/20	26442UAJ3	520,000.00	0.00	521,595.82	1,595.82	100.307	0.13%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 1.19% 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	1,340,266.34	10,266.34	100.772	0.34%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 1.20% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00	0.00	1,338,164.23	13,164.23	100.994	0.34%



**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,300,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 0.66% Moody's: A2 S&P: A- Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	1,306,617.00	367.07	1,305,990.35 1,096.55	(626.65)	100.461	0.33%
1,000,000.000	AMERICAN EXPRESS Mat: 5/20/22 Cpn: 2.75% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/27/20 St Date: 7/29/20	025816CD9	1,039,226.90	5,270.83	1,034,840.00 10,006.94	(4,386.90)	103.484	0.27%
1,000,000.000	WELLS FARGO FRN Mat: 5/27/22 Cpn: 0.87% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 5/20/19 St Date: 5/28/19	94988J5W3	1,000,000.00	0.00	1,002,968.34 846.81	2,968.34	100.297	0.26%
1,000,000.000	PNC BANK Mat: 7/22/22 Cpn: 2.23% Moody's: A2 S&P: A Fitch: A+ Tr Date: 7/31/20 St Date: 8/4/20	69353RFP8	1,018,190.00	744.00	1,014,350.00 4,278.00	(3,840.00)	101.435	0.26%
730,000.000	CHEVRON FRN Mat: 8/12/22 Cpn: 0.37% Moody's: Aa2 S&P: AA Fitch: Tr Date: 8/10/20 St Date: 8/12/20	166756AG1	730,000.00	0.00	730,150.77 371.98	150.77	100.021	0.19%
2,190,000.000	HONEYWELL Mat: 8/19/22 Cpn: 0.48% Moody's: A2 S&P: A Fitch: A Tr Date: 8/17/20 St Date: 8/19/20	438516CC8	2,190,000.00	0.00	2,193,887.25 1,234.07	3,887.25	100.178	0.56%
225,000.000	HONEYWELL FRN Mat: 8/19/22 Cpn: 0.50% Moody's: A2 S&P: A Fitch: A Tr Date: 8/17/20 St Date: 8/19/20	438516CD6	225,000.00	0.00	225,159.91 133.77	159.91	100.071	0.06%
1,015,000.000	PNC BANK FRN Mat: 12/9/22 Cpn: 0.67% Moody's: A2 S&P: A Fitch: A+ Tr Date: 12/4/19 St Date: 12/9/19	69353RFR4	1,015,000.00	0.00	1,018,548.80 416.67	3,548.80	100.350	0.26%
1,015,000.000	MORGAN STANLEY FRN Mat: 1/20/23 Cpn: 0.77% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/16/20 St Date: 1/22/20	6174468K8	1,015,000.00	0.00	1,031,240.20 1,533.04	16,240.20	101.600	0.26%
570,000.000	GOLDMAN SACHS FRN Mat: 2/23/23 Cpn: 1.01% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 8/13/20 St Date: 8/17/20	38141GWU4	571,898.10	1,458.07	572,183.67 605.35	285.57	100.383	0.15%





**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
745,000.000	PNC BANK FRN Mat: 2/24/23 Cpn: 0.58% Moody's: A2 S&P: A Fitch: A+ Tr Date: 2/20/20 St Date: 2/25/20	69353RFU7	745,000.00	0.00	746,064.84 456.99	1,064.84	100.143	0.19%
610,000.000	CHEVRON FRN Mat: 5/11/23 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: Tr Date: 5/7/20 St Date: 5/11/20	166764BU3	610,000.00	0.00	622,323.07 995.95	12,323.07	102.020	0.16%
950,000.000	INTERCONTINENTALEXCHANGE FRN Mat: 6/15/23 Cpn: 0.90% Moody's: A3 S&P: BBB+ Fitch: Tr Date: 8/17/20 St Date: 8/20/20	45866FAR5	950,000.00	0.00	955,942.97 1,000.83	5,942.97	100.626	0.24%
1,000,000.000	FLORIDA POWER & LIGHT FRN Mat: 7/28/23 Cpn: 0.64% Moody's: A1 S&P: A Fitch: Tr Date: 7/28/20 St Date: 7/31/20	341081GA9	1,000,000.00	0.00	1,000,798.91 1,103.31	798.91	100.080	0.26%
745,000.000	CHEVRON FRN Mat: 8/11/23 Cpn: 0.46% Moody's: Aa2 S&P: AA Fitch: Tr Date: 8/10/20 St Date: 8/12/20	166756AK2	745,000.00	0.00	746,646.37 472.74	1,646.37	100.221	0.19%
595,000.000	SOUTHERN CAL GAS FRN Mat: 9/14/23 Cpn: 0.57% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/14/20 St Date: 9/21/20	842434CV2	595,000.00	0.00	594,875.35 94.16	(124.65)	99.979	0.15%
300,000.000	PPL ELECTRIC UTILITIES FRN Mat: 9/28/23 Cpn: 0.00% Moody's: A1 S&P: A Fitch: Tr Date: 9/28/20 St Date: 10/1/20	69351UAX1	300,000.00	0.00	299,729.28 0.00	(270.72)	99.910	0.08%
190,000.000	GILEAD SCIENCES FRN Mat: 9/29/23 Cpn: 0.00% Moody's: A3 S&P: Fitch: Tr Date: 9/23/20 St Date: 9/30/20	375558BV4	190,000.00	0.00	190,240.13 0.00	240.13	100.126	0.05%
1,000,000.000	JPMORGAN CHASE FRN Mat: 10/24/23 Cpn: 1.49% Moody's: A2 S&P: A- Fitch: AA- Tr Date: 7/2/20 St Date: 7/7/20	46625HRW2	1,014,470.00	4,625.51	1,015,868.00 2,862.54	1,398.00	101.587	0.26%
2,000,000.000	BANK OF AMERICA FRN Mat: 3/5/24 Cpn: 1.04% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 7/22/20 St Date: 7/24/20	06051GHE2	2,004,364.00	3,039.72	2,009,132.00 1,326.33	4,768.00	100.457	0.51%



Portfolio Positions

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
<b>Total for Credit</b>			<b>48,766,020.19</b>	<b>48,854,063.44</b>	<b>88,043.25</b>		<b>12.51%</b>
			<b>159,971.09</b>	<b>179,008.63</b>			
<b>Mortgage-Backed</b>							
444,181.038	NGN 2010-R1 1A 1MOFRN NCUA GNTD	62888VAA6	444,875.07	444,137.51	(737.56)	99.990	0.11%
	Mat: 10/7/20 Cpn: 0.60%		176.97	201.46			
	Moody's: Aaa S&P: AA+ Fitch: AAA						
	Tr Date: 6/10/19 St Date: 6/12/19						
5,329,405.507	NGN 2010-R2 2A 1MOFRN NCUA GNTD	62888UAB6	5,333,291.59	5,329,650.66	(3,640.93)	100.005	1.36%
	Mat: 11/5/20 Cpn: 0.62%		1,794.57	2,497.16			
	Moody's: Aaa S&P: AA+ Fitch: AAA						
	Tr Date: 9/25/19 St Date: 9/27/19						
5,386,436.748	NGN 2010-R3 2A 1MOFRN NCUA GNTD	62888WAB2	5,404,789.63	5,386,598.34	(18,191.29)	100.003	1.37%
	Mat: 12/8/20 Cpn: 0.71%		3,899.97	2,887.47			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/17/16 St Date: 10/20/16						
2,823,544.740	FHMS K015 A2 CMBS	3137AH6C7	2,887,074.50	2,872,369.48	(14,705.03)	101.729	0.73%
	Mat: 7/25/21 Cpn: 3.23%		1,266.67	7,600.04			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/30/20 St Date: 7/6/20						
52,667.817	FHMS KI01 A CMBS 1MOFRN	3137FEC81	52,692.51	52,678.61	(13.89)	100.021	0.01%
	Mat: 9/25/22 Cpn: 0.32%		94.17	2.78			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/19/18 St Date: 3/22/18						
53,944.795	FHMS KI02 A 1MOFRN CMBS	3137FGZN8	53,944.80	53,935.89	(8.90)	99.984	0.01%
	Mat: 2/25/23 Cpn: 0.36%		0.00	3.21			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 8/1/18 St Date: 8/14/18						
864,843.353	FHMS KI04 A 1MOFRN CMBS	3137FNAV2	864,843.35	866,871.41	2,028.06	100.235	0.22%
	Mat: 7/25/24 Cpn: 0.51%		0.00	73.24			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 8/8/19 St Date: 8/21/19						
1,684,130.273	FHMS KI05 A	3137FQXG3	1,684,130.27	1,690,817.95	6,687.68	100.397	0.43%
	Mat: 7/25/24 Cpn: 0.49%		0.00	137.01			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/16/20 St Date: 1/28/20						
2,010,000.000	FHMS KI06 A 1MOFRN CMBS	3137FVNA6	2,010,000.00	2,013,437.10	3,437.10	100.171	0.51%
	Mat: 3/25/25 Cpn: 0.37%		0.00	125.58			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 8/11/20 St Date: 8/25/20						



**Portfolio Positions**

as of September 30, 2020

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 Mortgage-Backed</b>			<b>18,735,641.72</b>	<b>7,232.35</b>	<b>18,710,496.96</b>	<b>(25,144.76)</b>		<b>4.78%</b>
<b>Asset-Backed</b>								
248,495.384	JOHN DEERE 2020-A A1 EQP	47789KAA1	248,495.38	0.00	248,641.75	146.36	100.059	0.06%
	Mat: 3/15/21	Cpn: 1.10%			121.49			
	Moody's: P-1	S&P:	Fitch: F1+					
	Tr Date: 3/4/20	St Date: 3/11/20						
175,387.803	TOYOTA 2020-B A1 CAR	89239RAA4	175,387.80	0.00	175,455.68	67.88	100.039	0.04%
	Mat: 5/17/21	Cpn: 1.14%			88.97			
	Moody's: P-1	S&P: A-1+	Fitch:					
	Tr Date: 4/20/20	St Date: 4/29/20						
841,129.041	SDART 2020-2 A1 CAR	80285RAA6	841,129.04	0.00	841,132.41	3.36	100.000	0.21%
	Mat: 7/15/21	Cpn: 0.24%			90.11			
	Moody's: P-1	S&P:	Fitch: F1+					
	Tr Date: 7/14/20	St Date: 7/22/20						
2,647,635.470	TOYOTA 2020-C A1 CAR	89237VAE9	2,647,635.47	0.00	2,647,675.18	39.71	100.002	0.68%
	Mat: 8/16/21	Cpn: 0.20%			237.22			
	Moody's: P-1	S&P: A-1+	Fitch:					
	Tr Date: 7/21/20	St Date: 7/27/20						
2,140,000.000	MERCEDES 2020-B A1 LEASE	58769EAA6	2,140,000.00	0.00	2,140,000.00	0.00	100.000	0.55%
	Mat: 10/15/21	Cpn: 0.18%			87.58			
	Moody's:	S&P: (P)A-1+	Fitch: F1+					
	Tr Date: 9/15/20	St Date: 9/23/20						
3,700,000.000	SDART 2020-3 A1 CAR	80285WAA5	3,700,000.00	0.00	3,699,859.40	(140.60)	99.996	0.94%
	Mat: 10/15/21	Cpn: 0.28%			231.55			
	Moody's: P-1	S&P:	Fitch: F1+					
	Tr Date: 9/15/20	St Date: 9/23/20						
2,950,000.000	HONDA 2020-3 A1 CAR	43813KAA0	2,950,000.00	0.00	2,950,050.15	50.15	100.002	0.75%
	Mat: 10/18/21	Cpn: 0.19%			30.94			
	Moody's:	S&P: A-1+	Fitch: F1+					
	Tr Date: 9/22/20	St Date: 9/29/20						
1,885,150.258	MERCEDES 2019-A A3 LEASE	58772TAC4	1,904,075.40	3,571.31	1,898,847.76	(5,227.64)	100.727	0.48%
	Mat: 11/15/21	Cpn: 3.10%			2,597.32			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 7/2/20	St Date: 7/7/20						
699,586.303	TOYOTA 2019-B A2A CAR	89239JAB0	704,040.70	1,107.29	702,788.31	(1,252.39)	100.458	0.18%
	Mat: 2/15/22	Cpn: 2.59%			805.30			
	Moody's: Aaa	S&P: AAA	Fitch:					
	Tr Date: 5/5/20	St Date: 5/7/20						



**CALOPTIMA - OPERATING FUND**

Portfolio 2480

**Portfolio Positions**

as of September 30, 2020

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased	Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,560,000.000	BMW 2018-1 A4 LEASE Mat: 3/21/22 Cpn: 3.36% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/14/20 St Date: 9/16/20	05586CAD6	1,578,403.13	3,785.60	1,575,990.00 1,601.60	(2,413.13)	101.025	0.40%
926,446.323	VOLKSWAGEN 2019-A A2A LEASE Mat: 3/21/22 Cpn: 2.00% Moody's: S&P: AAA Fitch: AAA Tr Date: 7/1/20 St Date: 7/6/20	92867XAB2	933,467.05	823.51	933,587.37 566.16	120.32	100.771	0.24%
403,644.993	TOYOTA 2019-C A2B CAR 1MOFRN Mat: 4/15/22 Cpn: 0.35% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/6/19 St Date: 8/14/19	89238UAC4	403,644.99	0.00	403,856.50 63.22	211.51	100.052	0.10%
1,747,835.339	MERCEDES 2019-1 A2A CAR Mat: 6/15/22 Cpn: 2.04% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/17/20 St Date: 8/18/20	58769TAB1	1,760,602.73	297.13	1,760,346.34 1,584.70	(256.38)	100.716	0.45%
<b>Total for Asset-Backed</b>			<b>19,986,881.69</b>	<b>9,584.85</b>	<b>19,978,230.85</b>	<b>(8,650.84)</b>		<b>5.10%</b>
<b>Grand Total</b>			<b>391,440,432.97</b>	<b>231,954.81</b>	<b>391,597,402.70</b>	<b>156,969.73</b>		<b>100.00%</b>





Source Account Name	Security ID	Security Description 1	Security Description 2	Sector	Shares/Par	Base Cost	Accrued Interest	Base Market Value	Base Unrealized Gain	Base Unrealized Loss	Percent of Asset	Moody's Rating	S&P Rating	Fitch Rating
CALOPTIMA EC	283062DJ3	EL DORADO CA IRR DIST REVENUE	0.639% 03/01/2021 DD 06/23/20	Municipals	1,380,000.0000	1,380,000.00	734.85	1,380,000.00	0.00	0.00	0.35	Aa3	AA-	NR
CALOPTIMA EC	4212906J1	HAYWARD CA UNIF SCH DIST	0.300% 12/01/2020 DD 09/10/20	Municipals	4,000,000.0000	4,000,000.00	700.00	4,000,000.00	0.00	0.00	1.02	A1	A+	NR
CALOPTIMA EC	544587X94	LOS ANGELES CA MUNI IMPT CORPL	0.415% 11/01/2021 DD 08/20/20	Municipals	2,000,000.0000	2,000,000.00	945.28	2,000,440.00	440.00	0.00	0.51	NR	AA-	NR
CALOPTIMA EC	709224K3	PENNSYLVANIA ST TURNPIKE COMMI	1.812% 12/01/2020 DD 02/26/20	Municipals	1,500,000.0000	1,500,000.00	9,060.00	1,500,000.00	0.00	0.00	0.38	A3	NR	A-
CALOPTIMA EC	797356BD3	SAN DIEGO CA UNIF SCH DIST	0.230% 01/01/2021 DD 08/27/20	Municipals	2,000,000.0000	2,000,000.00	434.44	2,000,000.00	0.00	0.00	0.51	Aa2	NR	NR
CALOPTIMA EC	882724QV2	TEXAS ST	1.514% 10/01/2020 DD 04/23/20	Municipals	3,470,000.0000	3,470,000.00	23,057.38	3,470,000.00	0.00	0.00	0.89	Aaa	AAA	NR
CALOPTIMA EC	923078CQ0	VENTURA CNTY CA PUBLIC FING AU	0.598% 11/01/2020 DD 06/11/20	Municipals	1,250,000.0000	1,250,000.00	2,284.03	1,250,000.00	0.00	0.00	0.32	Aa1	AA+	NR
CALOPTIMA EC	3133EL7F5	FEDERAL FARM CR BK CONS BD	0.180% 09/15/2022 DD 09/15/20	RMBS	7,500,000.0000	7,495,587.08	600.00	7,497,073.42	1,486.34	0.00	1.92	Agency	AA+	Agency
CALOPTIMA EC	3133EL7F5	FEDERAL FARM CR BK CONS BD	0.180% 09/15/2022 DD 09/15/20	RMBS	1,500,000.0000	1,498,970.30	120.00	1,499,414.69	444.39	0.00	0.38	Agency	AA+	Agency
CALOPTIMA EC	3134GVA40	FEDERAL HOME LN MTG CORP	0.350% 05/27/2022 DD 05/28/20	RMBS	2,000,000.0000	2,000,426.26	2,391.67	2,000,510.64	84.38	0.00	0.51	Agency	AA+	Agency
CALOPTIMA EC	3134GVG36	FEDERAL HOME LN MTG CORP	0.375% 06/08/2022 DD 06/08/20	RMBS	3,550,000.0000	3,550,694.38	4,178.65	3,551,232.42	538.04	0.00	0.91	Agency	AA+	Agency
CALOPTIMA EC	3134GWEH5	FEDERAL HOME LN MTG CORP	0.280% 07/27/2022 DD 07/27/20	RMBS	3,000,000.0000	2,999,452.65	1,493.33	2,999,538.75	86.10	0.00	0.77	Agency	AA+	Agency
CALOPTIMA EC	3137ABFH9	FHLMC MULTICLASS MTG KAIV A2	3.989% 06/25/2021 DD 06/01/11	RMBS	750,000.0000	758,313.12	2,493.13	761,151.15	2,838.03	0.00	0.19	Agency	AA+	Agency
CALOPTIMA EC	3137ADTJ6	FHLMC MULTICLASS MTG K014 A2	3.871% 04/25/2021 DD 08/01/11	RMBS	946,030.0000	952,484.38	3,051.74	952,546.16	61.78	0.00	0.24	Agency	AA+	Agency
CALOPTIMA EC	3137AFT77	FHLMC MULTICLASS MTG 3938 BE	2.000% 10/15/2021 DD 10/01/11	RMBS	1,581,809.9200	1,582,310.89	2,636.35	1,587,976.13	5,665.24	0.00	0.41	Agency	AA+	Agency
CALOPTIMA EC	3137B6ZM6	FHLMC MULTICLASS MTG K714 A2	VAR RT 10/25/2020 DD 01/01/14	RMBS	2,608.6440	3,109.17	6.60	2,608.26	0.00	-500.91	0.00	Aaa	AA+	Agency
CALOPTIMA EC	3137FQXG3	FHLMC MULTICLASS MTG KI05 A	VAR RT 07/25/2024 DD 01/28/20	RMBS	4,678,139.6000	4,678,139.60	384.10	4,687,581.02	9,441.42	0.00	1.20	Agency	AA+	Agency
CALOPTIMA EC	31397UPG8	FNMA GTD REMIC P/T 11-M1 FA	VAR RT 06/25/2021 DD 05/25/11	RMBS	415,021.3840	414,986.43	43.24	414,527.38	0.00	-459.05	0.11	Agency	AA+	Agency
CALOPTIMA EC	62888UAB6	NCUA GUARANTEED NOTES TR R2 2A	VAR RT 11/05/2020 DD 11/17/10	RMBS	3,121,479.2210	3,121,762.87	1,300.10	3,121,540.40	0.00	-222.47	0.80	Aaa	AA+	Agency
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	1,092,384.3430	1,092,389.11	440.41	1,092,270.30	0.00	-118.81	0.28	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	315,443.8510	315,441.82	127.18	315,410.92	0.00	-30.90	0.08	Aaa	AA+	AAA
CALOPTIMA EC	62888VAA6	NCUA GUARANTEED NOTES TR R1 1A	VAR RT 10/07/2020 DD 10/27/10	RMBS	321,466.6410	321,469.36	129.60	321,433.08	0.00	-36.28	0.08	Aaa	AA+	AAA

# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima  
Account: XXXX2500  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



## AAA

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
02587AAL8 AMXCA 2017-2 A	5,580,000.00	USD 02/15/2022	ABS	AAA	Aaa	NA	AAA	5,604,831.69	1.43%
05586VAC6 BMWLT 2019-1 A3	4,934,292.73	USD 11/22/2021	ABS	AAA	Aaa	AAA	NA	4,972,785.04	1.27%
17305EFY6 CCCIT 2016-A3 A3	4,380,000.00	USD 12/07/2021	ABS	AAA	Aaa	AAA	NA	4,405,422.85	1.12%
3137BAHA3 FHMS K-715 A2	1,536,596.42	USD 01/25/2021	FHLMC	AAA	Aaa	AA+	AAA	1,545,989.48	0.39%
316175108 FIDELITY IMM:GOVT I	23,083,672.97	USD 09/30/2020	MMFUND	AAA	Aaa	AAA	AAA	23,083,672.97	5.88%
34153P7G7 FLORIDA ST BRD ED PUB ED	5,000,000.00	USD 06/01/2021	MUNI	AAA	Aaa	AAA	AAA	5,243,833.33	1.34%
43814UAC3 HAROT 2018-1 A3	2,621,060.60	USD 02/15/2022	ABS	AAA	Aaa	AAA	NA	2,646,333.74	0.67%
43814WAB1 HAROT 2019-1 A2	255,729.25	USD 09/20/2021	ABS	AAA	NA	AAA	AAA	256,615.47	0.07%
43814WAB1 HAROT 2019-1 A2	160,836.01	USD 09/20/2021	ABS	AAA	NA	AAA	AAA	161,393.38	0.04%

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# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima  
Account: XXXX2500  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
4581X0CS5 INTER-AMERICAN DEVELOPMENT BANK	5,000,000.00	USD 03/15/2021	SUPRANATIONAL	AAA	Aaa	AAA	AAA	5,040,311.62	1.28%
459058FH1 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5,000,000.00	USD 05/24/2021	SUPRANATIONAL	AAA	Aaa	AAA	AAA	5,059,903.47	1.29%
459058FH1 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	2,500,000.00	USD 05/24/2021	SUPRANATIONAL	AAA	Aaa	AAA	AAA	2,529,951.74	0.64%
459058FP3 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	1,000,000.00	USD 09/20/2021	SUPRANATIONAL	AAA	Aaa	AAA	AAA	1,011,127.02	0.26%
459058GH0 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	5,000,000.00	USD 07/23/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	5,128,972.22	1.31%
45950KCJ7 INTERNATIONAL FINANCE CORP	4,831,000.00	USD 07/20/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	4,877,084.74	1.24%
45950KCM0 INTERNATIONAL FINANCE CORP	5,000,000.00	USD 01/25/2021	SUPRANATIONAL	AAA	Aaa	AAA	NA	5,052,556.60	1.29%
58769QAB7 MBALT 2019-B A2	573,063.26	USD 12/15/2021	ABS	AAA	NA	AAA	AAA	575,753.47	0.15%
58772TAC4 MBALT 2019-A A3	1,721,841.57	USD 11/15/2021	ABS	AAA	Aaa	AAA	NA	1,736,609.94	0.44%
817409YB5 SEQUOIA CALIF UN HIGH SCH DIST	1,360,000.00	USD 07/01/2021	MUNI	AAA	Aaa	NA	NA	1,429,802.00	0.36%
89237RAD0 TAOT 2017-C A3	463,183.90	USD 11/15/2021	ABS	AAA	Aaa	AAA	NA	464,409.44	0.12%
92349GAB7 VZOT 2019-B A1B	3,110,000.00	USD 12/20/2023	ABS	AAA	Aaa	AAA	NA	3,122,189.65	0.79%
92867XAB2 VWALT 2019-A A2A	3,648,654.43	USD 03/21/2022	ABS	AAA	NA	AAA	AAA	3,674,445.71	0.94%
CCYUSD Cash	1.69	USD 09/30/2020	CASH	AAA	Aaa	AAA	AAA	1.69	0.00%
CCYUSD Receivable	57.61	USD 09/30/2020	CASH	AAA	Aaa	AAA	AAA	57.61	0.00%
CCYUSD Payable	-1,100,000.00	USD 09/30/2020	CASH	AAA	Aaa	AAA	AAA	-1,100,000.00	-0.28%
---	<b>85,659,990.45</b>	<b>USD 06/28/2021</b>	<b>---</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>	<b>AAA</b>	<b>86,524,054.90</b>	<b>22.03%</b>

AA+



# Credit Rating

US Dollar  
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WC-CalOptima  
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Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
088006JV4 BEVERLY HILLS CALIF PUB FING AUTH LEASE REV	600,000.00	USD 06/01/2021	MUNI	AA+	NA	AA+	NA	599,964.00	0.15%
13067WQY1 CALIFORNIA ST DEPT WTR RES CENT VY PROJ REV	1,925,000.00	USD 12/01/2021	MUNI	AA+	Aa1	AAA	NA	1,927,092.10	0.49%
677521BD7 OHIO STATE	2,600,000.00	USD 08/01/2021	MUNI	AA+	Aa1	AA+	AA+	2,726,966.67	0.69%
---	5,125,000.00	USD 09/08/2021	MUNI	AA+	Aa1	AA+	AA+	5,254,022.77	1.34%

## AA

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
084664BQ3 BERKSHIRE HATHAWAY FINANCE CORP	3,000,000.00	USD 01/15/2021	CORP	AA	Aa2	AA	A+	3,061,622.14	0.78%
13063DWC8 CALIFORNIA ST	3,500,000.00	USD 05/01/2021	MUNI	AA	Aa2	AA-	AA	3,564,901.67	0.91%
13079XBP0 CALIFORNIA STATEWIDE CMNTYS DEV AUTH TRANSN REV CT	500,000.00	USD 06/01/2021	MUNI	AA	NA	AA	NA	499,975.00	0.13%
166756AG1 CHEVRON USA INC	2,000,000.00	USD 08/12/2022	CORP	AA	Aa2	AA	NA	2,000,639.11	0.51%
166764BU3 CHEVRON CORP	2,000,000.00	USD 05/11/2023	CORP	AA	Aa2	AA	NA	2,040,300.78	0.52%
542424WH5 LONG BEACH CALIF HBR REV	2,500,000.00	USD 07/15/2021	MUNI	AA	Aa2	NA	AA	2,596,486.11	0.66%
79771TNS2 SAN FRANCISCO CALIF CITY & CNTY UNI SCH DIST	3,500,000.00	USD 10/01/2020	MUNI	AA	Aa2	NA	NA	3,500,595.00	0.89%
91412HFJ7 UNIVERSITY CALIF REVS	1,500,000.00	USD 05/15/2022	MUNI	AA	Aa2	AA	AA	1,503,806.88	0.38%
931142EJ8 WALMART INC	5,000,000.00	USD 06/23/2021	CORP	AA	Aa2	AA	AA	5,150,994.02	1.31%
---	23,500,000.00	USD 08/11/2021	---	AA	Aa2	AA	AA	23,919,320.70	6.09%

## AA-

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
032556GLO ANAHEIM CALIF HSG & PUB IMPT AUTH REV	1,000,000.00	USD 10/01/2020	MUNI	AA-	NA	AA-	AA-	1,009,182.75	0.26%

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US Dollar  
As of 30 September 2020

WC-CalOptima  
Account: XXXX2500  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
072024WV0 BAY AREA TOLL AUTH CALIF TOLL BRDG REV	4,000,000.00	USD 04/01/2021	MUNI	AA-	A1	AA-	AA-	4,071,180.00	1.04%
09247XAH4 BLACKROCK INC	2,000,000.00	USD 05/24/2021	CORP	AA-	Aa3	AA-	NA	2,081,558.05	0.53%
09247XAH4 BLACKROCK INC	1,050,000.00	USD 05/24/2021	CORP	AA-	Aa3	AA-	NA	1,092,817.98	0.28%
544587X94 LOS ANGELES CALIF MUN IMPT CORP LEASE REV	1,250,000.00	USD 11/01/2021	MUNI	AA-	NA	AA-	NA	1,250,865.80	0.32%
79727LBN8 SAN DIEGO CALIF CONVENTION CTR EXPANSION FING AUTH	500,000.00	USD 04/15/2021	MUNI	AA-	NA	AA-	AA-	502,236.25	0.13%
79727LBP3 SAN DIEGO CALIF CONVENTION CTR EXPANSION FING AUTH	1,000,000.00	USD 04/15/2022	MUNI	AA-	NA	AA-	AA-	1,010,318.33	0.26%
79765R4L0 SAN FRANCISCO CALIF CITY & CNTY PUB UTILS COMMN WT	1,000,000.00	USD 11/01/2021	MUNI	AA-	Aa2	AA-	NA	1,029,395.78	0.26%
84247PLG4 SOUTHERN CALIF PUB PWR AUTH REV	1,000,000.00	USD 07/01/2021	MUNI	AA-	Aa2	NA	AA-	1,049,010.00	0.27%
90331HNP4 US BANK NA	1,000,000.00	USD 04/26/2021	CORP	AA-	A1	AA-	AA-	1,027,605.30	0.26%
90331HPK3 US BANK NA	1,500,000.00	USD 01/21/2022	CORP	AA-	A1	AA-	AA-	1,503,380.35	0.38%
916544EQ8 UPPER SANTA CLARA VY JT PWRS AUTH CALIF REV	2,180,000.00	USD 08/01/2021	MUNI	AA-	NA	AA	AA-	2,182,624.48	0.56%
---	<b>17,480,000.00</b>	<b>USD 07/05/2021</b>	<b>---</b>	<b>AA-</b>	<b>Aa3</b>	<b>AA-</b>	<b>AA-</b>	<b>17,810,175.07</b>	<b>4.53%</b>

A+

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
17325FAQ1 CITIBANK NA	1,500,000.00	USD 07/23/2021	CORP	A+	Aa3	A+	A+	1,544,234.43	0.39%
22546QAR8 CREDIT SUISSE AG (NEW YORK BRANCH)	2,000,000.00	USD 10/29/2021	CORP	A+	A1	A+	A	2,081,633.33	0.53%
665859AL8 NORTHERN TRUST CORP	5,000,000.00	USD 11/04/2020	CORP	A+	A2	A+	A+	5,084,649.50	1.29%
69371RN85 PACCAR FINANCIAL CORP	750,000.00	USD 11/13/2020	CORP	A+	A1	A+	NA	757,446.37	0.19%
69371RN93 PACCAR FINANCIAL CORP	3,740,000.00	USD 03/01/2021	CORP	A+	A1	A+	NA	3,788,060.28	0.96%

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695114CM8 PACIFICORP	3,694,000.00	USD 06/15/2021	CORP	A+	A1	A+	WR	3,795,286.38	0.97%
798736AT1 SAN LUIS UNIT/WESTLANDS WTR DIST FING AUTH CALIF R	1,500,000.00	USD 09/01/2021	MUNI	A+	NA	AA	A+	1,504,885.00	0.38%
857477AG8 STATE STREET CORP	950,000.00	USD 03/07/2021	CORP	A+	A1	A	AA-	970,126.35	0.25%
857477AG8 STATE STREET CORP	1,000,000.00	USD 03/07/2021	CORP	A+	A1	A	AA-	1,021,185.64	0.26%
857477AV5 STATE STREET CORP	825,000.00	USD 05/19/2021	CORP	A+	A1	A	AA-	839,927.16	0.21%
89236TFQ3 TOYOTA MOTOR CREDIT CORP	1,500,000.00	USD 01/08/2021	CORP	A+	A1	A+	A+	1,521,791.80	0.39%
89236TGS8 TOYOTA MOTOR CREDIT CORP	2,250,000.00	USD 08/13/2021	CORP	A+	A1	A+	A+	2,252,670.73	0.57%
91159HHA1 U.S. BANCORP	2,000,000.00	USD 05/24/2021	CORP	A+	A1	A+	A+	2,072,262.75	0.53%
--- ---	<b>26,709,000.00</b>	<b>USD 04/17/2021</b>	<b>---</b>	<b>A+</b>	<b>A1</b>	<b>A+</b>	<b>A+</b>	<b>27,234,159.73</b>	<b>6.93%</b>

A

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
06051GEE5 BANK OF AMERICA CORP	819,000.00	USD 01/05/2021	CORP	A	A2	A-	A+	842,446.56	0.21%
06051GHH5 BANK OF AMERICA CORP	4,000,000.00	USD 05/17/2022	CORP	A	A2	A-	A+	4,127,088.74	1.05%
14913Q2P3 CATERPILLAR FINANCIAL SERVICES CORP	1,000,000.00	USD 09/07/2021	CORP	A	A3	A	A	1,002,246.69	0.26%
15189XAP3 CENTERPOINT ENERGY HOUSTON ELECTRIC LLC	5,465,000.00	USD 06/01/2021	CORP	A	A2	A	A	5,547,197.68	1.41%
15189XAP3 CENTERPOINT ENERGY HOUSTON ELECTRIC LLC	350,000.00	USD 06/01/2021	CORP	A	A2	A	A	355,264.26	0.09%
24422ESL4 JOHN DEERE CAPITAL CORP	2,000,000.00	USD 03/04/2021	CORP	A	A2	A	A	2,024,677.68	0.52%
24422EUL1 JOHN DEERE CAPITAL CORP	2,000,000.00	USD 10/09/2020	CORP	A	A2	A	A	2,002,147.27	0.51%
24422EUV9 JOHN DEERE CAPITAL CORP	715,000.00	USD 06/07/2021	CORP	A	A2	A	A	729,676.77	0.19%
24422EUV9 JOHN DEERE CAPITAL CORP	1,000,000.00	USD 06/07/2021	CORP	A	A2	A	A	1,020,526.95	0.26%

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341081GA9 FLORIDA POWER & LIGHT CO	3,450,000.00	USD 07/28/2023	CORP	A	A1	A	NA	3,456,321.46	0.88%
369550BF4 GENERAL DYNAMICS CORP	2,250,000.00	USD 05/11/2021	CORP	A	A2	A	WR	2,257,134.53	0.57%
438516CD6 HONEYWELL INTERNATIONAL INC	1,500,000.00	USD 08/19/2022	CORP	A	A2	A	A	1,502,087.98	0.38%
459200KD2 INTERNATIONAL BUSINESS MACHINES CORP	4,260,000.00	USD 05/13/2021	CORP	A	A2	A	WR	4,274,332.71	1.09%
46625HJC5 JPMORGAN CHASE & CO	3,500,000.00	USD 08/15/2021	CORP	A	A2	A-	AA-	3,645,088.63	0.93%
69353REY0 PNC BANK NA	3,470,000.00	USD 12/09/2021	CORP	A	A2	A	A+	3,585,355.58	0.91%
69353REY0 PNC BANK NA	1,250,000.00	USD 12/09/2021	CORP	A	A2	A	A+	1,291,554.60	0.33%
76913CAV1 RIVERSIDE CNTY CALIF PENSION OBLIG	3,500,000.00	USD 02/15/2021	MUNI	A	A2	AA	NA	3,529,947.36	0.90%
86787EBE6 TRUIST BANK	4,300,000.00	USD 05/17/2022	CORP	A	A2	A	A+	4,511,367.54	1.15%
91324PBV3 UNITEDHEALTH GROUP INC	3,000,000.00	USD 03/15/2022	CORP	A	A3	A+	A	3,094,790.81	0.79%
91324PDG4 UNITEDHEALTH GROUP INC	1,500,000.00	USD 06/15/2021	CORP	A	A3	A+	A	1,502,707.99	0.38%
--- ---	<b>49,329,000.00</b>	<b>USD 10/25/2021</b>	<b>---</b>	<b>A</b>	<b>A2</b>	<b>A</b>	<b>A+</b>	<b>50,301,961.80</b>	<b>12.81%</b>

A-

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
172967KB6 CITIGROUP INC	4,000,000.00	USD 10/26/2020	CORP	A-	A3	BBB+	A	4,052,028.37	1.03%
31677QBG3 FIFTH THIRD BANK NA (OHIO)	1,850,000.00	USD 06/14/2021	CORP	A-	A3	A-	A-	1,884,808.06	0.48%
31677QBG3 FIFTH THIRD BANK NA (OHIO)	4,000,000.00	USD 06/14/2021	CORP	A-	A3	A-	A-	4,075,260.68	1.04%
38143U8G9 GOLDMAN SACHS GROUP INC	3,000,000.00	USD 02/25/2021	CORP	A-	A3	BBB+	A	3,027,061.53	0.77%
44644AAD9 HUNTINGTON NATIONAL BANK	1,500,000.00	USD 05/14/2021	CORP	A-	A3	A-	A-	1,542,214.45	0.39%
61746BEB8 MORGAN STANLEY	1,400,000.00	USD 04/21/2021	CORP	A-	A3	BBB+	A	1,414,442.95	0.36%
911312BH8 UNITED PARCEL SERVICE INC	2,800,000.00	USD 04/01/2021	CORP	A-	A2	A-	NA	2,804,233.10	0.71%

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US Dollar  
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---	18,550,000.00	USD 03/21/2021	CORP	A-	A3	A-	A	18,800,049.14	4.79%

A-1+

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
30229ALP2 Exxon Mobil Corporation	4,000,000.00	USD 11/23/2020	CP	A-1+	P-1	A-1+	NA	3,999,352.00	1.02%
313312J27 FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	USD 10/02/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,999,983.30	2.55%
313312K66 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 10/14/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	4,999,891.65	1.27%
313312K66 FEDERAL FARM CREDIT BANKS FUNDING CORP	20,000,000.00	USD 10/14/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	19,999,566.60	5.09%
313312L73 FEDERAL FARM CREDIT BANKS FUNDING CORP	20,000,000.00	USD 10/23/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	19,999,266.60	5.09%
313312M56 FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	USD 10/29/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,999,533.30	2.55%
313312N30 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00	USD 11/04/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	1,999,867.78	0.51%
313312P79 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 11/16/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	4,999,552.80	1.27%
313312T42 FEDERAL FARM CREDIT BANKS FUNDING CORP	10,000,000.00	USD 12/15/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,998,125.00	2.55%
313313AN8 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 01/13/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,998,700.00	1.27%
313313CN6 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00	USD 03/02/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,997,888.90	1.27%
313313DN5 FEDERAL FARM CREDIT BANKS FUNDING CORP	14,000,000.00	USD 03/26/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	13,993,155.54	3.56%
313313DU9 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00	USD 04/01/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	1,998,988.88	0.51%
313313DY1 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00	USD 04/05/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	1,998,966.66	0.51%
313313FS2 FEDERAL FARM CREDIT BANKS FUNDING CORP	750,000.00	USD 05/17/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	749,477.50	0.19%
313385AN6 FEDERAL HOME LOAN BANKS	10,000,000.00	USD 01/13/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	9,997,400.00	2.55%
313385EA0 FEDERAL HOME LOAN BANKS	3,000,000.00	USD 04/07/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	2,998,433.34	0.76%
313385EQ5 FEDERAL HOME LOAN BANKS	5,000,000.00	USD 04/21/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,997,194.45	1.27%

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

# Credit Rating

US Dollar  
As of 30 September 2020

WC-CalOptima  
Account: XXXX2500  
Investment Strategy: Short Duration Fixed Income  
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
313385ER3 FEDERAL HOME LOAN BANKS	5,000,000.00	USD 04/22/2021	AGCY DISC	A-1+	P-1	A-1+	F1+	4,997,180.55	1.27%
313396L35 FEDERAL HOME LOAN MORTGAGE CORP	10,000,000.00	USD 10/19/2020	AGCY DISC	A-1+	P-1	A-1+	F1+	9,999,700.00	2.55%
9127962Q1 UNITED STATES TREASURY	2,500,000.00	USD 04/22/2021	T-BILL	A-1+	P-1	A-1+	F1+	2,498,450.00	0.64%
9127964H9 UNITED STATES TREASURY	3,700,000.00	USD 10/13/2020	T-BILL	A-1+	P-1	A-1+	F1+	3,699,907.50	0.94%
---	153,950,000.00	USD 12/14/2020	---	A-1+	P-1	A-1+	AAA	153,920,582.35	39.19%

## A-1

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
38346LK21 Gotham Funding Corporation	9,000,000.00	USD 10/02/2020	CP	A-1	P-1	A-1	F1	8,999,939.97	2.29%
<b>38346LK21</b> <b>Gotham Funding Corporation</b>	<b>9,000,000.00</b>	<b>USD</b> <b>10/02/2020</b>	<b>CP</b>	<b>A-1</b>	<b>P-1</b>	<b>A-1</b>	<b>F1</b>	<b>8,999,939.97</b>	<b>2.29%</b>

## Summary

Identifier, Description	Ending Base Current Units	Currency, Ending Final Maturity	Security Type	Rating	Moody's	S&P	Fitch	Base Market Value + Accrued	% of Base Market Value + Accrued
---	389,302,990.45	USD 04/15/2021	---	AA	Aa1	AA	AA+	392,764,266.42	100.00%

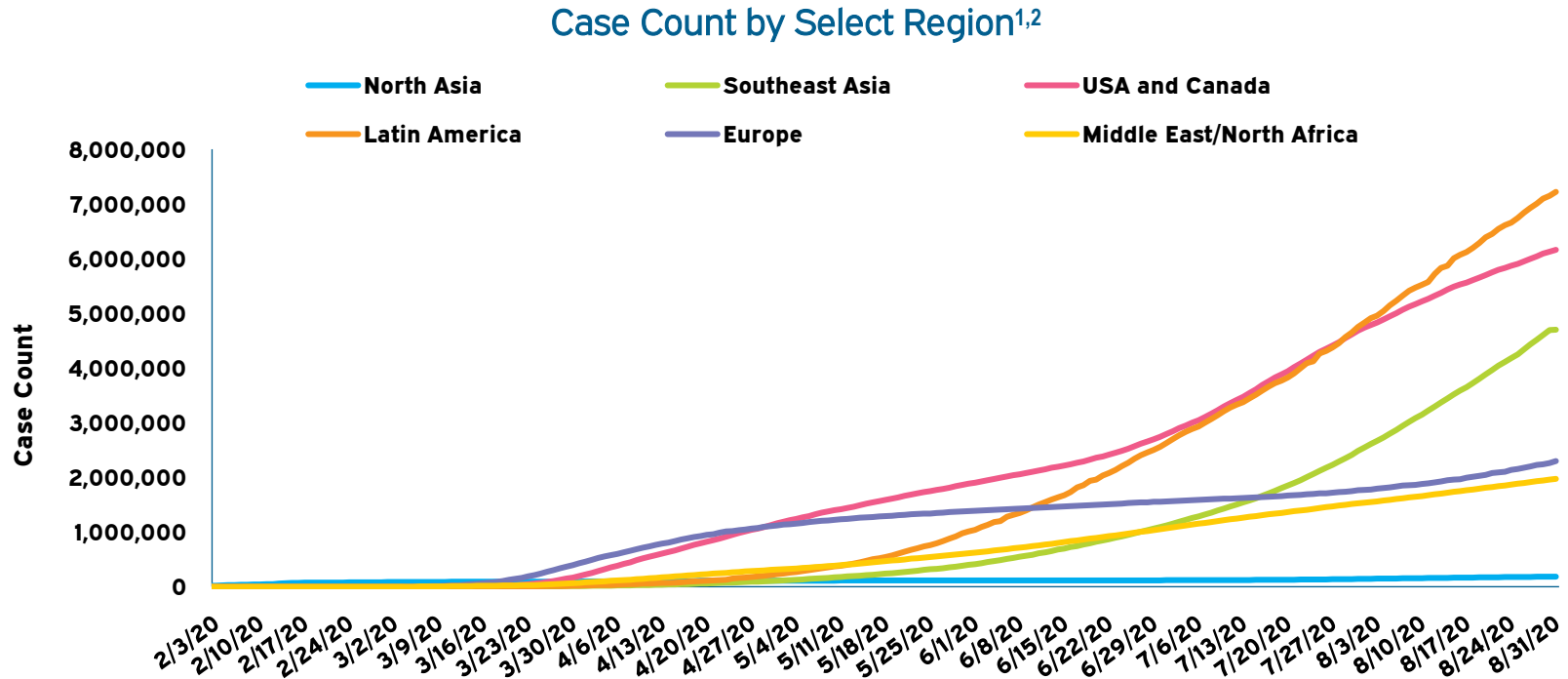
\* Grouped by: Rating. \* Groups Sorted by: Rating. \* Weighted by: Base Market Value + Accrued.



## Economic and Market Update

Data as of August 31, 2020





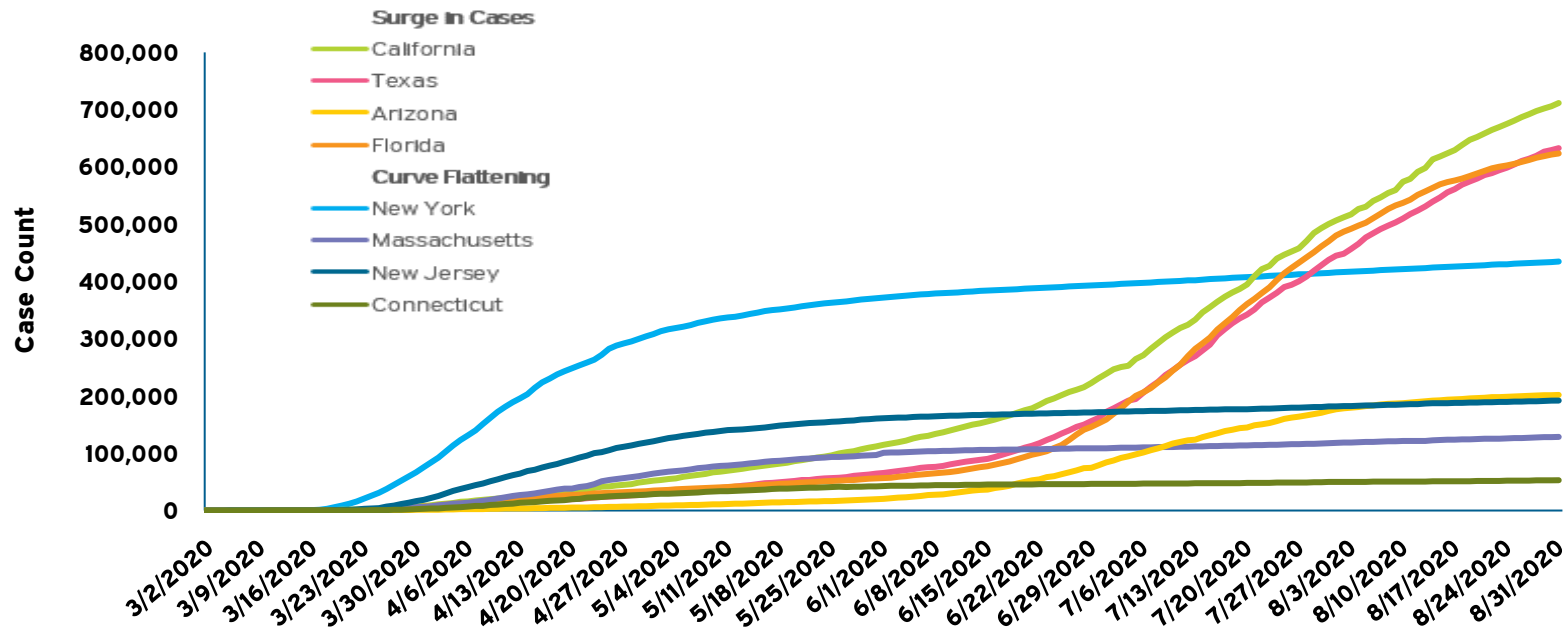
- Cases of COVID-19 continue to grow globally with now over 28 million reported cases across 188 countries.
- The US remains the country with the highest cases, while cases in Latin America are surging, driven by Brazil. India has also emerged as a hotspot with the second most cases globally.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

<sup>2</sup> North Asia: China, Hong Kong, Japan, South Korea, and Taiwan. Southeast Asia: Singapore, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand, Bangladesh, Sri Lanka, and Vietnam. Europe: Austria, Belarus, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, United Kingdom, Switzerland, and Ukraine. Latin America: Chile, Brazil, Mexico, Argentina, Colombia, Peru, Venezuela, Ecuador, Panama, Paraguay, Costa Rica, Bolivia, Uruguay, El Salvador, Honduras, Cuba, Dominican Republic, Haiti, and Nicaragua. Middle East/North Africa: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Turkey, Tunisia, United Arab Emirates, and Yemen.



### COVID-19 Cases by State<sup>1</sup>



- There has been some improvement in cases in states that experienced spikes as they reopened, but they are not out of the woods yet.
- Some states that were hardest hit in the early stages made progress on containing the virus, but have also seen small upticks in cases.
- As we move into the colder months, flu season and the reopening of schools in some areas could create additional stresses on the healthcare system.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

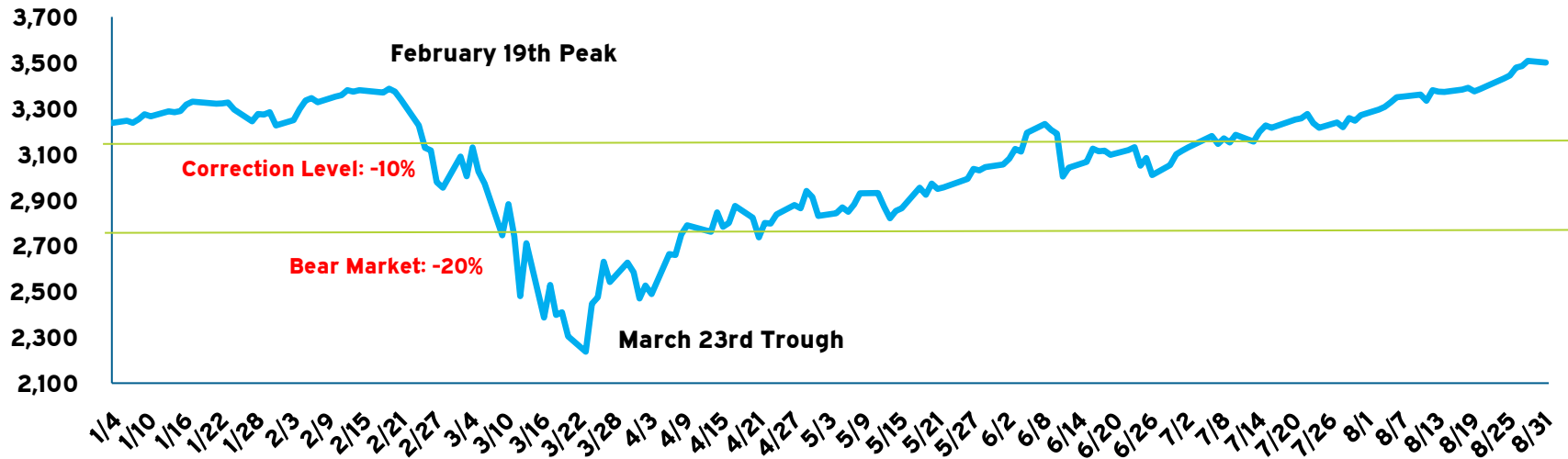
Market Returns<sup>1</sup>

Indices	August	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7.2%	9.7%	21.9%	14.5%	14.5%	15.2%
MSCI EAFE	5.1%	-4.6%	6.4%	2.3%	4.7%	5.9%
MSCI Emerging Markets	2.2%	0.4%	14.5%	2.8%	8.7%	3.8%
MSCI China	5.7%	19.7%	36.8%	9.2%	13.7%	7.8%
Bloomberg Barclays Aggregate	-0.8%	6.9%	6.5%	5.1%	4.3%	3.7%
Bloomberg Barclays TIPS	1.1%	9.6%	9.0%	5.7%	4.6%	3.7%
Bloomberg Barclays High Yield	1.0%	1.7%	4.7%	4.9%	6.5%	6.9%
10-year US Treasury	-1.3%	12.5%	8.6%	6.5%	4.4%	4.3%
30-year US Treasury	-6.1%	23.8%	13.6%	12.3%	8.1%	8.1%

- Global risk assets have recovered meaningfully from their lows, largely driven by record fiscal and monetary policy stimulus; the S&P 500 appreciated by over 56% from the mid-March lows.
- Risk assets have reacted positively to the combination of a gradual re-opening of the global economy, some economic data beating expectations, and the potential for a vaccine being developed sooner than initially expected.
- Despite the recovery in risk assets, yields on safe-haven assets like US Treasuries remain at record lows due to expectations for extremely accommodative monetary policy for the foreseeable future and expectations for relatively weak economic growth.

<sup>1</sup> Source: InvestorForce and Bloomberg. Data is as of August 31, 2020.

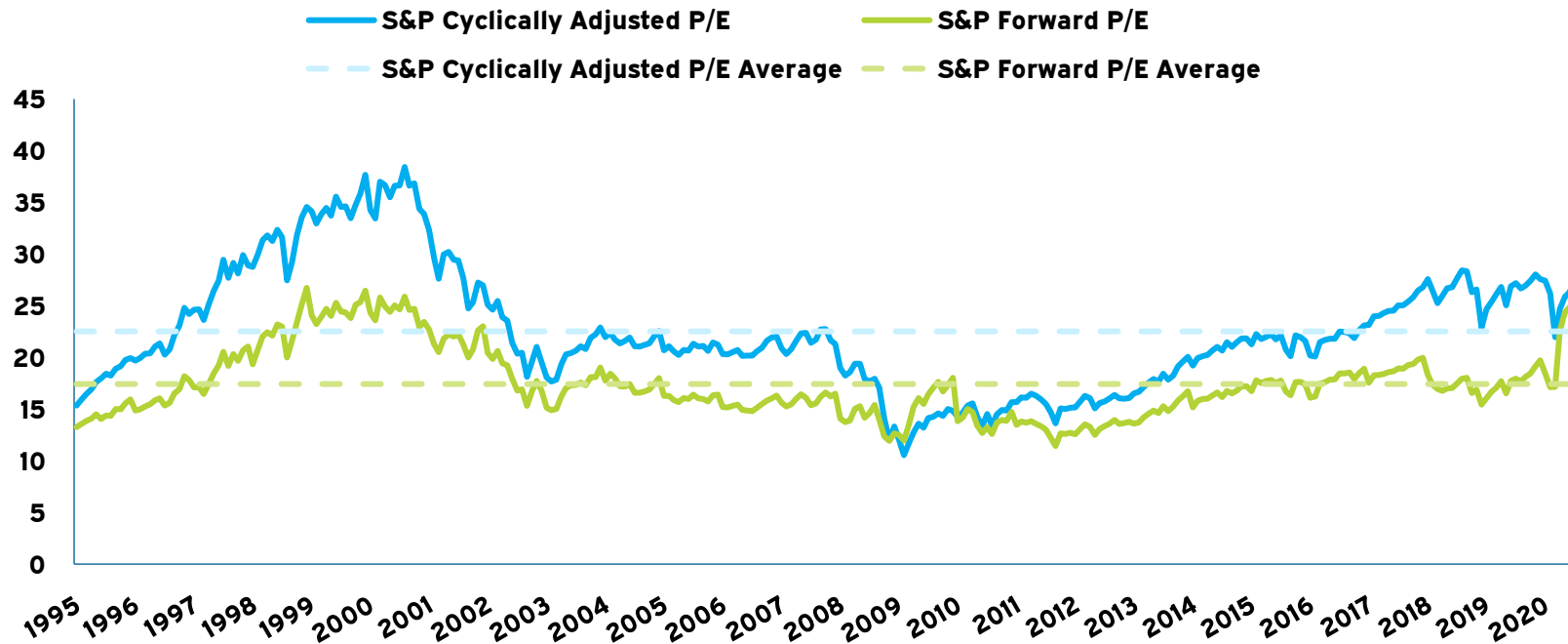
### S&P 500 Fully Recovers<sup>1</sup>



- Given the anticipated economic carnage surrounding the pandemic, US stocks declined from a February peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 plunged 34% in just 24 trading days.
- The index rebounded quickly from its lows and finished above its pre-COVID levels at the end of August, with year-to-date gains of close to 10%. The largest drivers of the unprecedented recovery include the significant monetary and fiscal stimulus in the US, as well as improvements in parts of the economy as it slowly reopens.
- It is unclear whether the pace of the recovery is sustainable in light of the recent surge in cases, as well as risks such as the looming US election, ongoing trade tensions between the US and China, and continued uncertainty regarding the next round of US fiscal stimulus.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

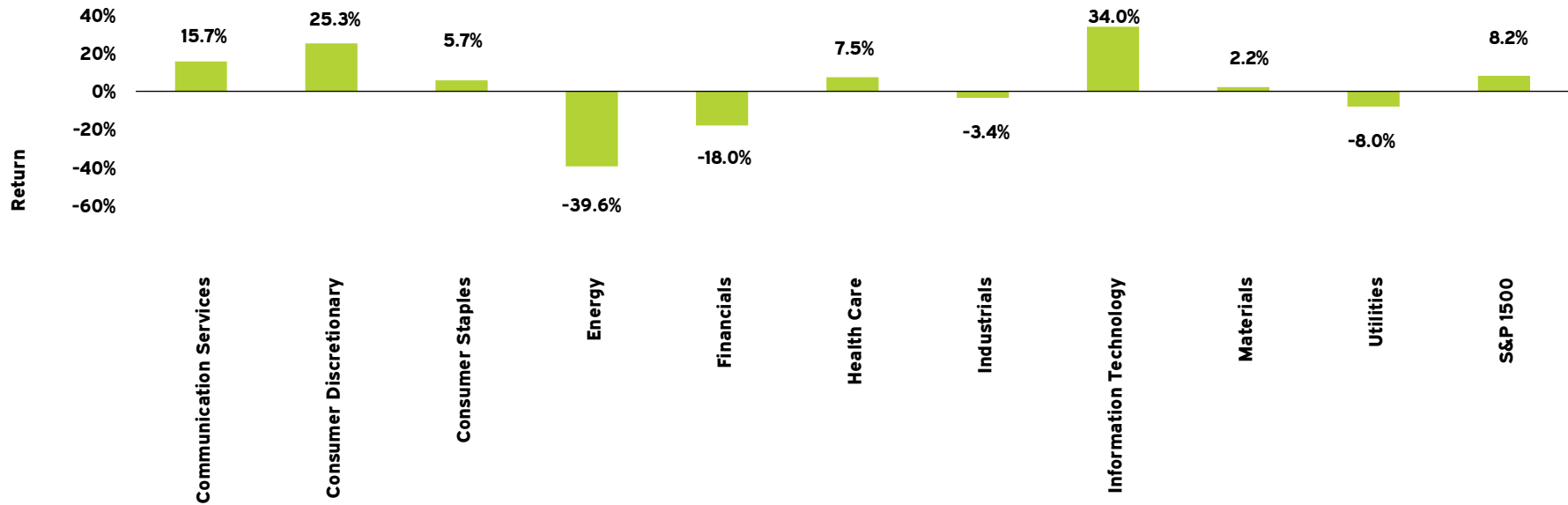
### S&P Equity Valuations<sup>1</sup>



- As US equity markets continue to rise, valuations based on both forward- and backward-looking earnings have become even more stretched.
- Many are looking to improvements in earnings to support market levels as the US economy continues to reopen, with historically low interest rates also providing support.
- The key risk remains that a spike in COVID-19 cases could slow, or reverse, reopening plans.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

### 2020 YTD Sector Returns<sup>1</sup>

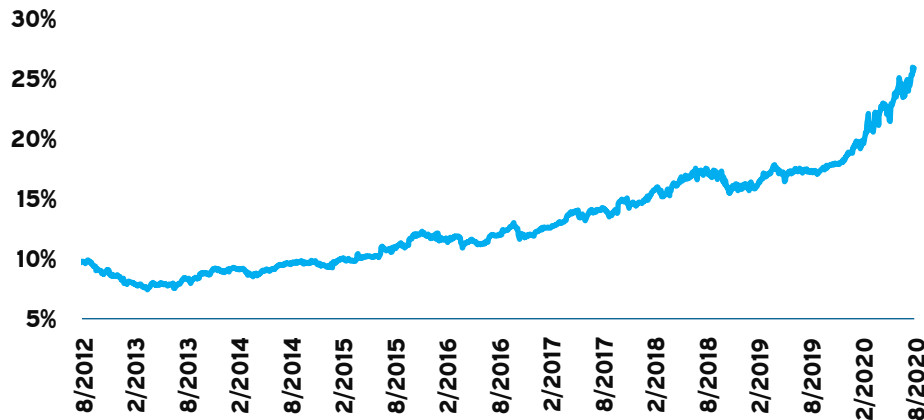


- Information technology remains the best performing sector, with a narrow group of companies including Amazon and Netflix driving market gains. The outperformance has been due to consumers moving to online purchases and entertainment.
- The consumer discretionary sector has also experienced gains as the economy reopens, people return to work, and as stimulus checks were spent.
- The energy sector has seen some improvements given supply cuts and economies starting to reopen, but it remains the sector with the greatest 2020 decline, triggered by the plunge in oil prices. Financials have also struggled in the low interest rate and slow growth environment.

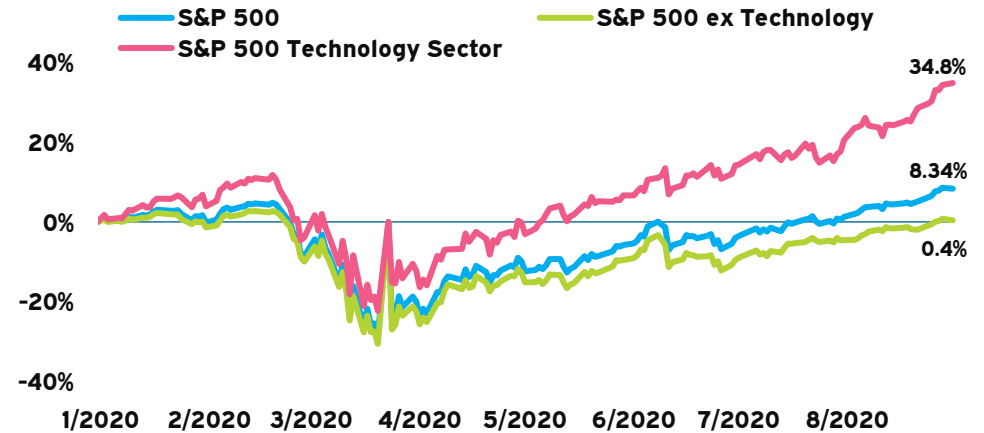
<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

### Technology has led the way in the Rebound

FAANG+M Share of S&P 500<sup>1</sup>



Returns Year to Date through August 31<sup>2</sup>

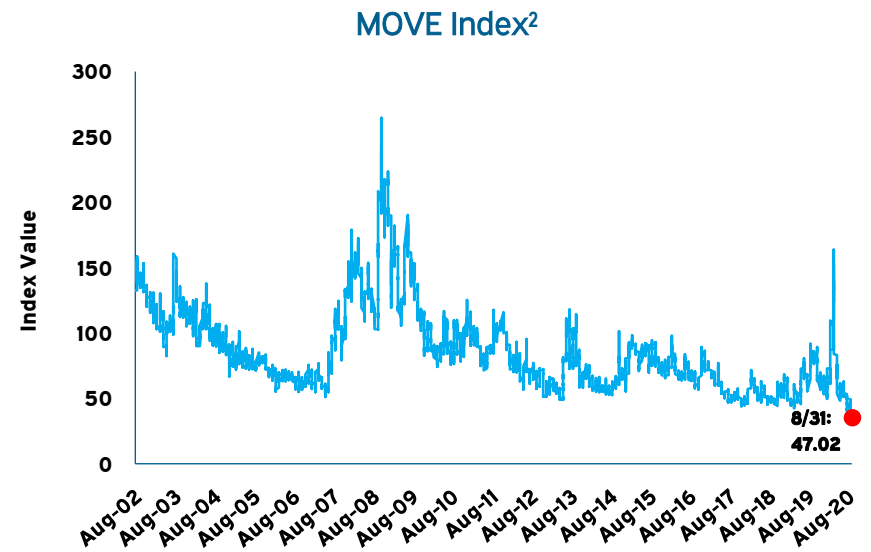
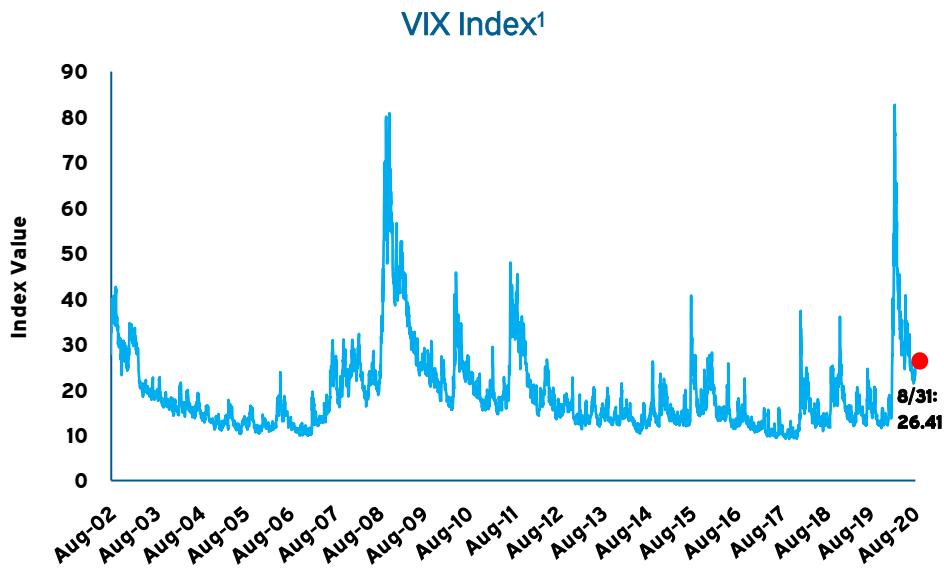


- The recent market recovery has largely been driven by a few select technology companies that benefited from the stay-at-home environment related to the virus.
- Year-to-date, the S&P 500 technology sector returned 34.8% compared to 0.4% for the S&P 500 ex. technology index, with Amazon (+87%), Netflix (+64%), and Apple (+76%) posting strong results.
- The strong relative results of these companies has led to them comprising a growing portion (25.9%) of the S&P 500, which makes their future performance particularly impactful.

<sup>1</sup> FAANG+M = Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. The percentage represents the aggregate market capitalization of the 6 companies compared to the total market capitalization of the S&P 500 as of August 31, 2020.

<sup>2</sup> Each data point represents the price change relative to the 12/31/2019 starting value.

### Volatility has Declined



- Expectations of short-term equity volatility, as measured by the VIX index, continued to decline from record levels, though it remains elevated relative to the past decade.
- At the recent height, the VIX reached 82.7, surpassing the pinnacle of volatility during the GFC, showing the magnitude of the crisis, and of investor fear.
- Expectations of volatility within fixed income, as represented by the MOVE index, spiked and then returned to historic lows, helped by the broad level of monetary support and forward guidance by the Fed.

<sup>1</sup> Source: Chicago Board of Exchange. Data is as of August 31, 2020.

<sup>2</sup> Source: Bloomberg. Data is as of August 31, 2020.

### Global Financial Crisis Comparison

	2007-2009 Global Financial Crisis	COVID-19 Crisis
<b>Primary Causes</b>	<p>Excess Risk Taking Due to:</p> <ul style="list-style-type: none"> <li>Deregulation, un-constrained securitization, shadow banking system, fraud</li> </ul>	<p>Pandemic/Natural Disaster:</p> <ul style="list-style-type: none"> <li>Large scale global restrictions on businesses and individuals leading to immediate and significant deterioration in economic fundamentals</li> </ul>

	2007-2009 Global Financial Crisis	COVID-19 Crisis
<b>Fiscal Measures</b>	<ul style="list-style-type: none"> <li>American Recovery Reinvestment Act of 2009: \$787 billion</li> <li>Economic Stimulus Act of 2008: \$152 billion</li> </ul>	<ul style="list-style-type: none"> <li>PPP Act: \$659 billion</li> <li>CARES Act of 2020: \$2.3 trillion</li> <li>Families First Coronavirus Response Act: \$150 billion</li> <li>Coronavirus Preparedness &amp; Response Supplemental Appropriations Act 2020: \$8.3 billion</li> <li>National Emergency: \$50 billion</li> </ul>

	2007-2009 Global Financial Crisis	COVID-19 Crisis
<b>Monetary Measures</b>		
Lowering Fed Funds Rate	X	X
Quantitative Easing	X	X
Primary Dealer Repos	X	X
Central Bank Swap Lines	X	X
Commercial Paper Funding Facility	X	X
Primary Dealers Credit Facility	X	X
Money Market Lending Facility	X	X
Term Auction Facility	X	
TALF	X	X
TSLF	X	
FIMA Repo Facility		X
Primary & Secondary Corp. Debt		X
PPP Term Facility		X
Municipal Liquidity Facility		X
Main Street Loan Facility		X

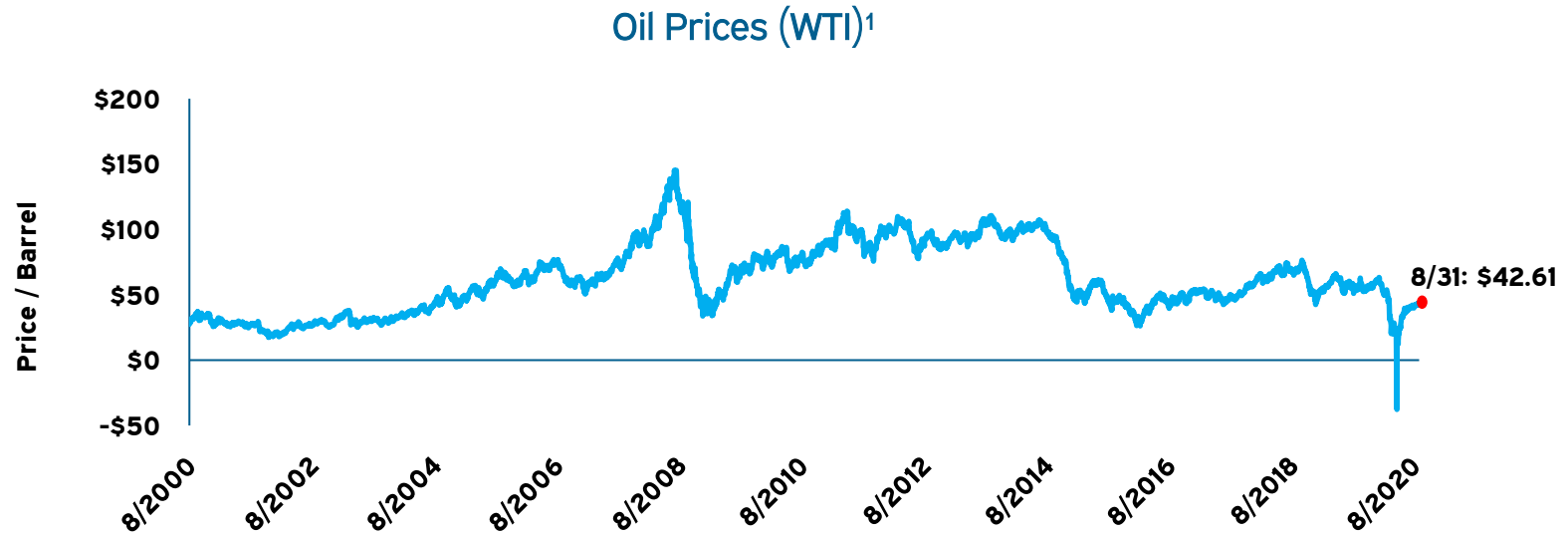


### Global Financial Crisis Comparison (continued)

- The US **fiscal** response to the COVID-19 Crisis has been materially larger than the response to the 2007-2009 Global Financial Crisis (GFC), and stimulus is acutely focused on areas of the economy showing the greatest need, including small and mid-sized companies. For example, the Paycheck Protection Program (PPP) helps small businesses keep employees working by offering forgivable loans to cover salaries.
- Gridlock continues related to the fifth fiscal package with key issues being discussed/debated including payroll tax cuts, another round of stimulus checks, additional unemployment benefits, and state and local aid. The end to enhanced unemployment benefits in July from the prior stimulus has been particularly impactful to those without jobs.
- On the **monetary** side, markets targeted during both crises represent those most in need, but for the COVID-19 Crisis the policy response was dramatically faster, measured in weeks, not years, as in the GFC.
- Of the monetary stimulus measures, the corporate debt (Primary & Secondary Corporate Debt) programs and Main Street Loan Facility are new and garnered much attention from market participants.
- Through the end of August, Fed programs have experienced various degrees of usage. However, at this point, none has come close to reaching program limits. Still, programs have been extended through December 2020, and the psychological value of knowing the programs are available, if necessary, likely supports market sentiment.

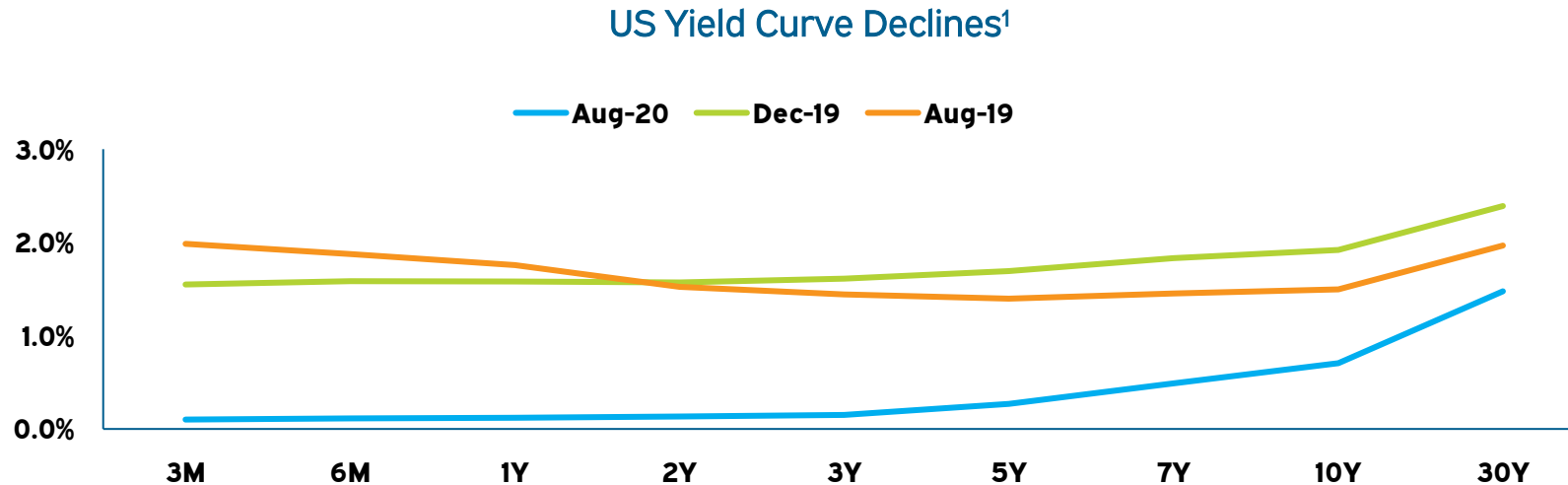
## Policy Responses

	Fiscal	Monetary
United States	\$50 billion to states for virus related support, interest waived on student loans, flexibility on tax payments and filings, expanded COVID-19 testing, paid sick leave for hourly workers, \$2 trillion package for individuals, businesses, and state/local governments. Additional \$484 billion package to replenish small business loans, provide funding to hospitals, and increase testing.	Cut policy rates to zero, forward guidance suggesting aggressively accommodative policy for the foreseeable future, unlimited QE4, offering trillions in repo market funding, restarted and extended CPFF, PDCF, MMMF programs to support lending and financing markets, expanded US dollar swap lines with foreign central banks, announced IG corporate debt buying program with subsequent amendment for certain HY securities, Main Street Lending program, Muni liquidity facility, repo facility with foreign central banks, and easing of some financial regulations for lenders.
Euro Area	European Union: Shared 750 billion euro stimulus package. Germany: 220 billion euro stimulus France: 57 billion euro stimulus. Italy: 75 billion euro stimulus. Spain: 200 billion euro and 700 million euro loan and aid package, respectively.	Targeted longer-term refinancing operations aimed at small and medium sized businesses, under more favorable pricing, and announced the 750 billion euro Pandemic Emergency Purchase Program, and then expanded the purchases to include lower-quality corporate debt.
Japan	Hundreds of trillions in yen stimulus for citizens and businesses, including low interest loans, deferrals on taxes, and direct cash handouts.	Initially increased QE purchases (ETFs, corporate bonds, and CP) and then expanded to unlimited purchases and doubling of corporate debt and commercial paper, expanded collateral and liquidity requirements, and 0% interest loans to businesses hurt by virus.
China	Tax cuts, low-interest business loans, extra payments to gov't benefit recipients.	Expanded repo facility, policy rate cuts, lowered reserve requirements, loan-purchase scheme.
Canada	\$7.1 billion in loans to businesses to help with virus damage, C\$381 billion stimulus.	Cut policy rates, expanded bond-buying and repos, lowered bank reserve requirements.
UK (BOE)	190 billion pound stimulus, Tax cut for retailers, small business cash grants, benefits for those infected with virus, expanded access to gov't benefits for self and un-employed.	Lowered policy rates and capital requirements for UK banks, restarts QE program and subsequently increased the purchase amounts.
Australia	\$11.4 billion, subsidies for impacted industries like tourism, one-time payment to gov't benefit recipients.	Policy rate cut, started QE.



- Global oil markets rallied from April lows, including from the technically-induced negative levels that saw the May futures contract trade at nearly -\$40 per barrel.
- In August, OPEC+ began to relax its 9.7 million barrels/day production cuts (~10% of global output) resulting in an increase of supply by close to 1 million barrels/day. Going forward, they are looking to further reduce cuts to 7.7 million barrels/day.
- Counterbalancing the OPEC+ production cut agreement, US oil producers (particularly shale output) are reportedly turning wells back on as the price of oil rises.
- As OPEC+ starts rolling back production cuts, and the virus spread increases with the potential to weigh on demand, oil prices could experience downward pressure going forward.

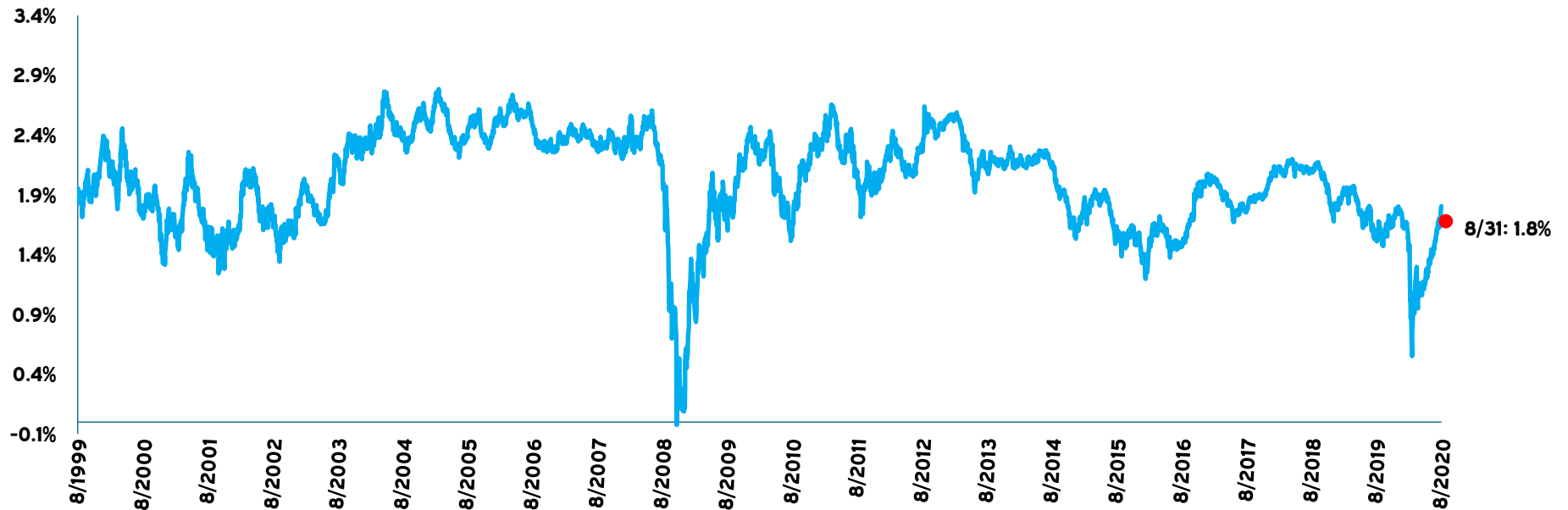
<sup>1</sup> Source: Bloomberg. Represents WTI first available futures contract. Data is as of August 31, 2020.



- The US Treasury yield curve has declined materially since 2019.
- Cuts in monetary policy rates, and policy makers' open commitments to keep rates low for the foreseeable future, drove yields down in shorter maturities, while flight-to-quality flows, low inflation, and economic growth uncertainty have driven the changes in longer maturities.
- The Federal Reserve's unlimited quantitative easing purchase program has produced further downward pressure on interest rates, particularly in the short- and medium-term sectors due to the purchases being focused on those segments.
- Longer dated bonds have recently experienced some pressure as economic data has slowly improved, but more importantly as the Federal Reserve announced its plan to target an average inflation rate.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

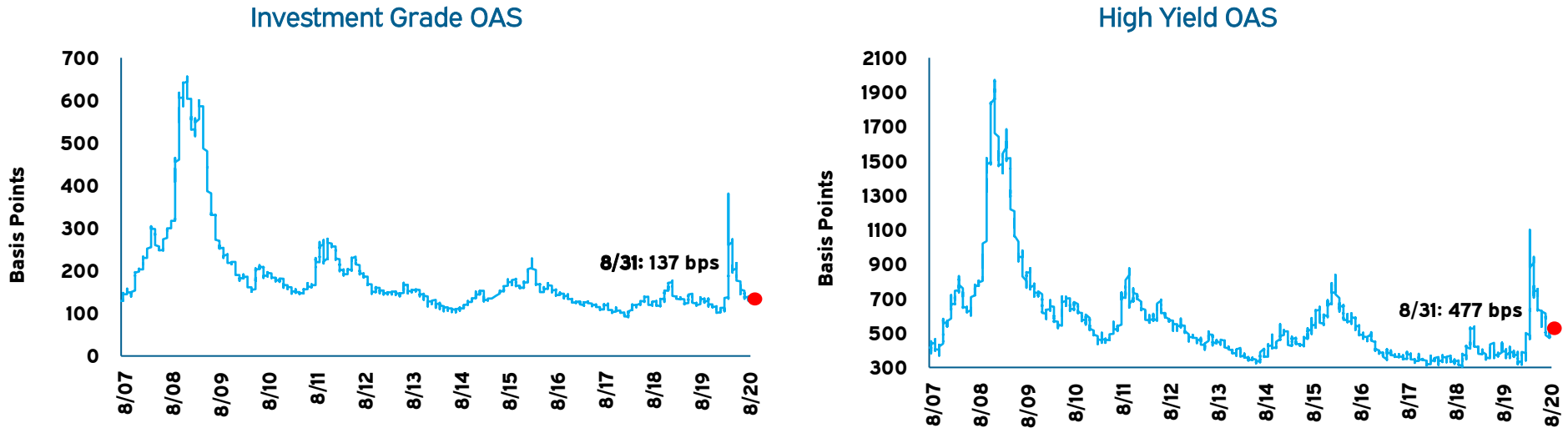
### 10-Year Breakeven Inflation<sup>1</sup>



- Inflation breakeven rates initially declined sharply, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of rate volatility.
- Liquidity eventually improved and breakeven rates increased as deflationary concerns moderated, but given the uncertainty regarding economic growth and the inflationary effects of the unprecedented US fiscal response, inflation expectations continue to remain below historical averages.

<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020.

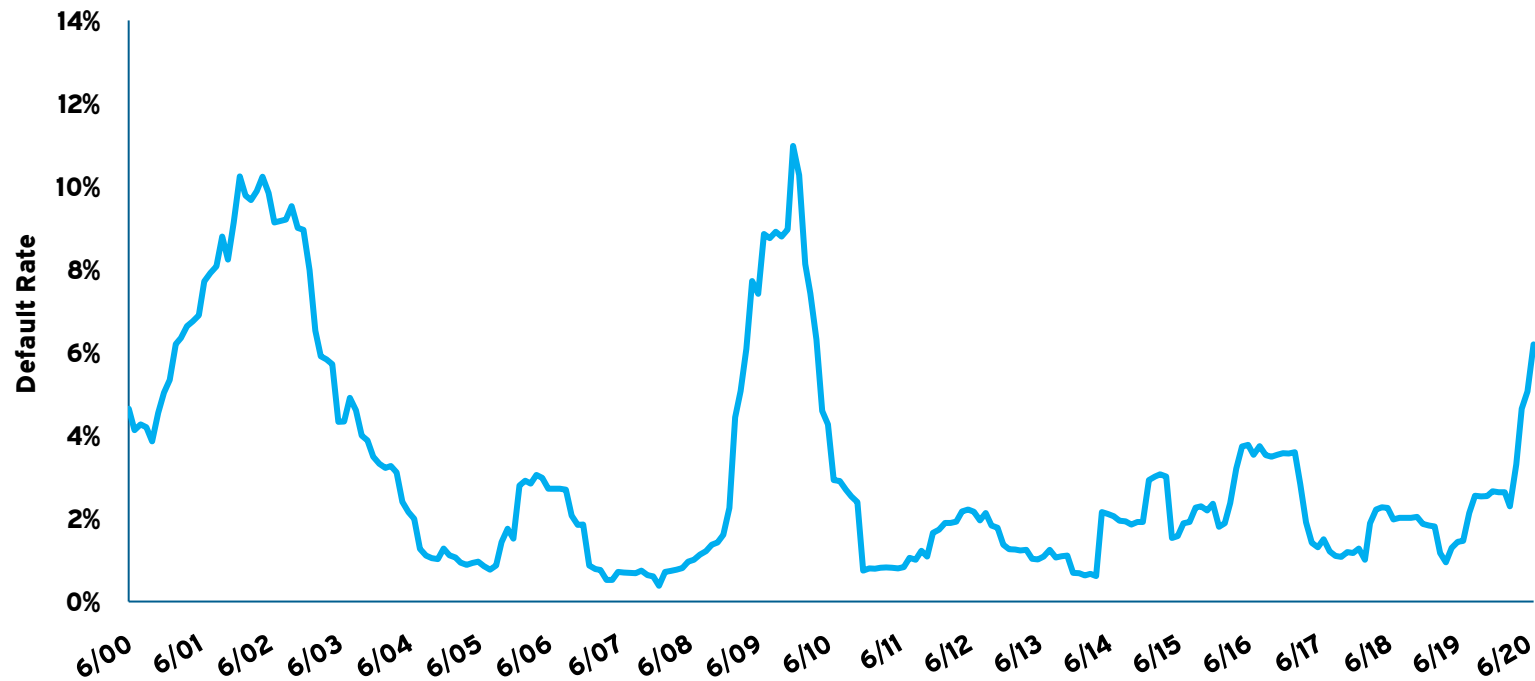
### Credit Spreads (High Yield & Investment Grade)<sup>1</sup>



- Credit spreads (the spread above a comparable Treasury bond) for investment grade and high yield corporate debt expanded sharply as investors sought safety.
- Investment grade bonds held up better than high yield bonds. The Federal Reserve’s corporate debt purchase program for investment grade and certain high yield securities recently downgraded from investment grade, was well received by investors, leading to a decline in spreads to around long-term averages.
- Overall, corporate debt issuance has more than doubled since 2008, which magnifies the impact of deterioration in the corporate debt market. This is particularly true in the energy sector, which represents over 10% of the high yield bond market.

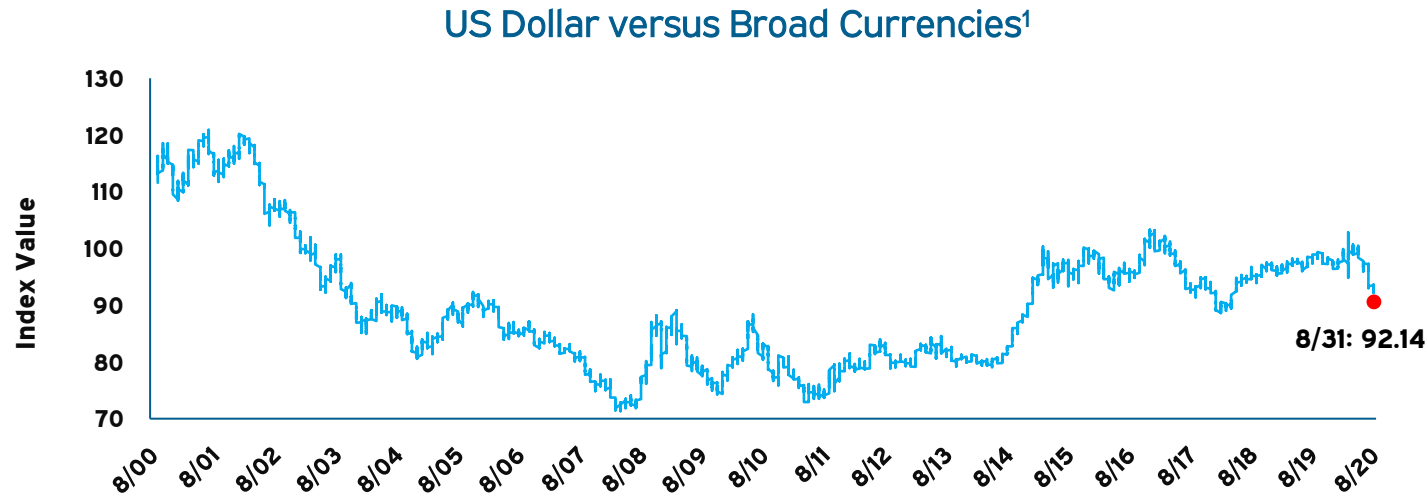
<sup>1</sup> Source: Federal Reserve Bank of St. Louis Economic Research. Data is as of August 31, 2020.

US High Yield Credit Defaults<sup>1</sup>



- Even though spreads have declined, helped by the Federal Reserve’s support, defaults, particularly in the high yield sector, have increased dramatically in 2020.
- The energy sector has seen the greatest impact given the decline in oil prices, with defaults reaching double-digit levels and expectations for them to increase.

<sup>1</sup> Source: J.P. Morgan; S&P LCD. July and August data is not yet available. Data is as of June 30, 2020.



- When financial markets began aggressively reacting to COVID-19 developments, the US dollar came under selling pressure as investors sought safe-haven exposure in currencies like the Japanese yen given its current account surplus and its status as the largest creditor globally.
- As the crisis grew into a pandemic, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills. This global demand for US dollars led to appreciation versus most major currencies.
- To help ease global demand for US dollars, the Federal Reserve, working with a number of global central banks, re-established the US dollar swap program, providing some relief to other currencies. Usage of the program continues to decline as dollar funding demands have eased.
- Recently we have seen some weakness in the dollar as interest rates declined and the US struggled with containing the virus. This has created pressures on already stressed export-focused countries.
- Going forward, the dollar's safe haven quality and the relatively higher rates in the US could provide support.

<sup>1</sup> Source: Bloomberg. Represents the DXY Index. Data is as of August 31, 2020.



## Economic Impact

### Supply Chain Disruptions:

- Factories closing, increased cost of stagnant inventory, and disrupted supply agreements.
- Reduced travel, tourism, and separation policies including closed borders: Significant impact on service-based economies.

### Labor Force Impacts:

- Huge layoffs across service and manufacturing economies.
- Increased strains as workforce productivity declines from increased societal responsibilities (e.g., home schooling of children) and lower functionality working from home.
- Illnesses from the disease will also depress the labor force.

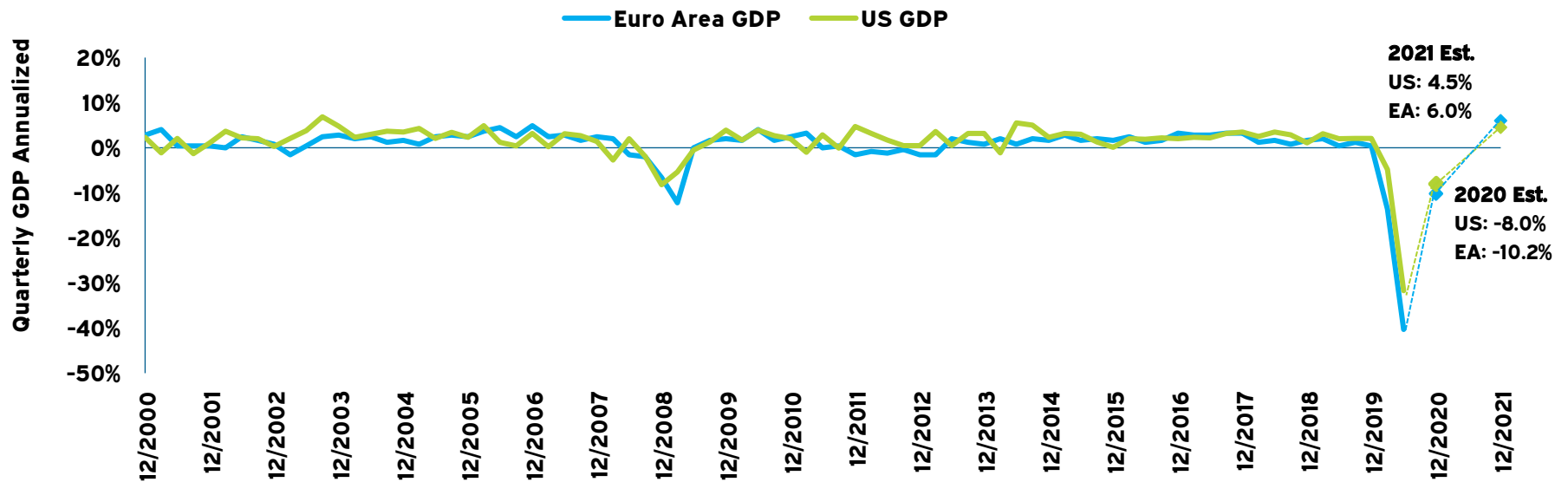
### Declines in Business and Consumer Sentiment:

- Sentiment drives investment and consumption, which leads to increased recessionary pressures as sentiment slips.

### Wealth Effect:

- As financial markets decline and wealth deteriorates, consumer spending will be impacted.

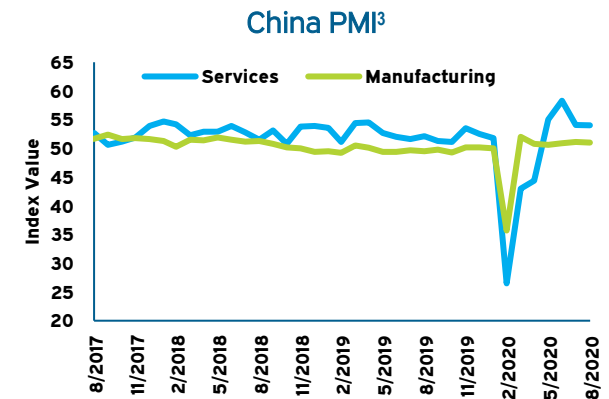
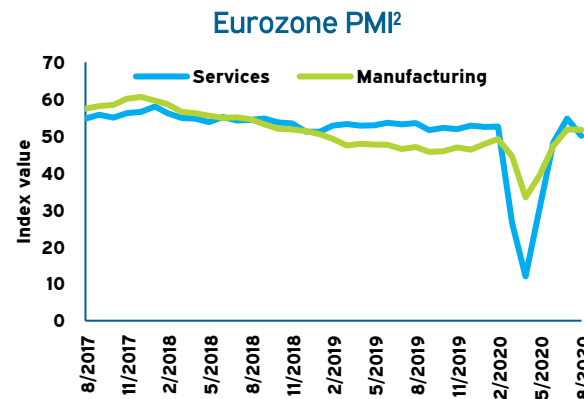
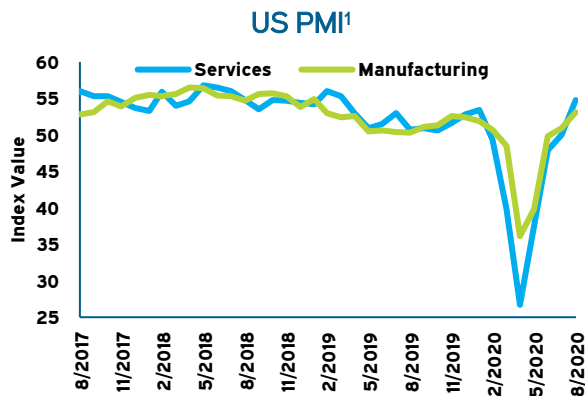
### GDP Data Shows Impact of the Pandemic<sup>1</sup>



- The global economy faces major recessionary pressures this year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen.
- In the US, second quarter GDP posted a record (annualized) decline of -31.7%, officially putting the US in a recession. Similarly, growth in the Euro Area declined by a record amount with the major economies in Germany, France, Italy, and Spain experiencing historic declines.
- Bloomberg Economics estimates that third quarter US GDP growth could be as high as 21.2% (QoQ annualized).

<sup>1</sup> Source: Bloomberg. Q2 2020 data represents the second estimate of GDP for the Euro Area and United States. Euro Area figures annualized by Meketa. Projections via June 2020 IMF World Economic Outlook and represent annual numbers.

### Global PMIs

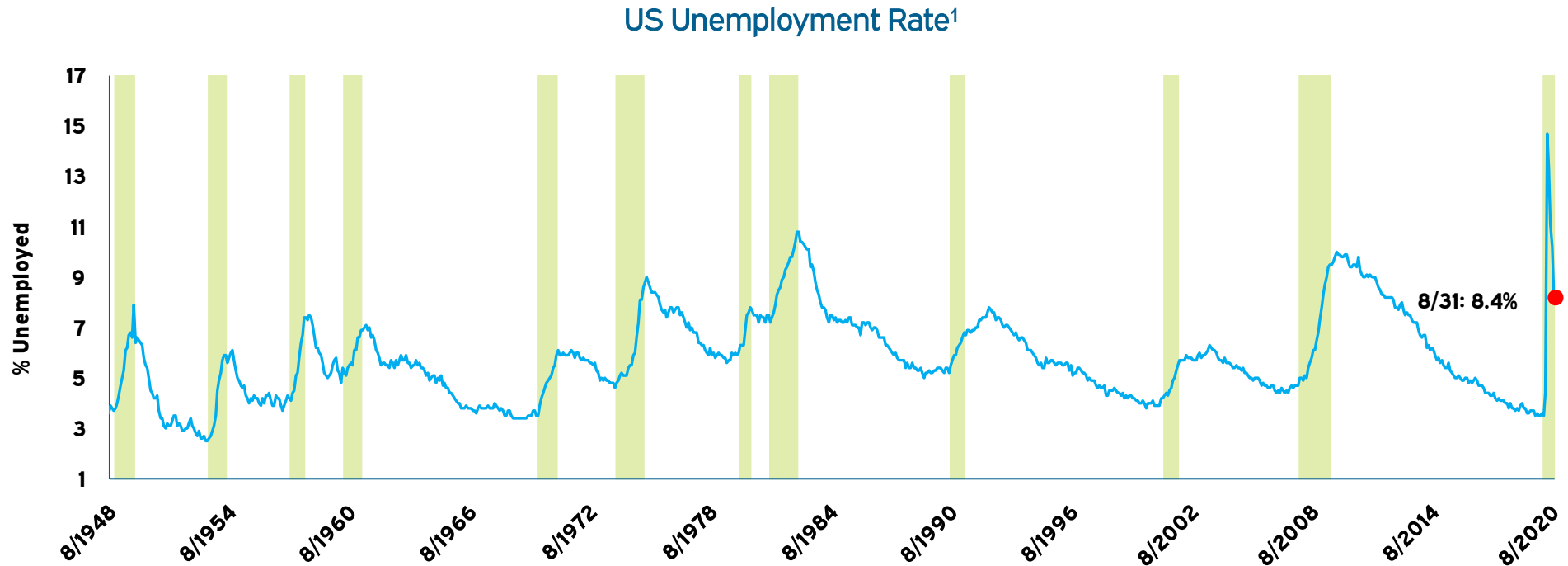


- Purchasing Managers Indices, (PMI) based on surveys of private sector companies, initially collapsed across the world to record lows, as output, new orders, production, and employment were materially impacted by closed economies.
- Readings below 50 represent contractions across underlying components and act as a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- The services sector was particularly hard hit by the stay-at-home restrictions in many places.
- As the Chinese economy reopened over the last few months, their PMI's, particularly in the service sector, recovered materially. In the US and Europe, the indices have also improved from their lows to above contraction levels.

<sup>1</sup> Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of August 2020.

<sup>2</sup> Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of August 2020.

<sup>3</sup> Source: Bloomberg. Caixin Services and Manufacturing PMI. Data is as of August 2020.

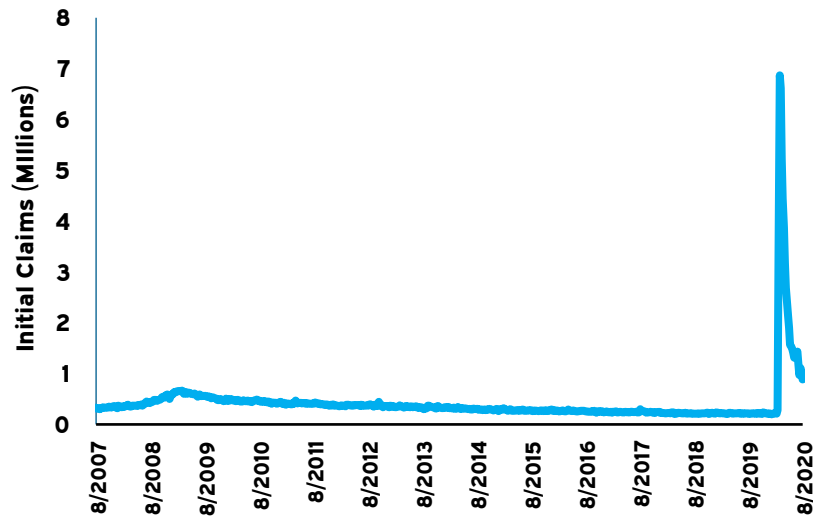


- In August, the unemployment rate continued its decline from the recent April 14.7% peak, falling to 8.4% as businesses and consumers emerged from the lockdown.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported due to issues related to some workers being misclassified. According to the Bureau of Labor Statistics, absent the misclassification issue, the August unemployment rate would be higher by 0.7%.
- The re-opening of some school districts, and upcoming holiday season, could lead to an increase in the unemployment rate going forward.

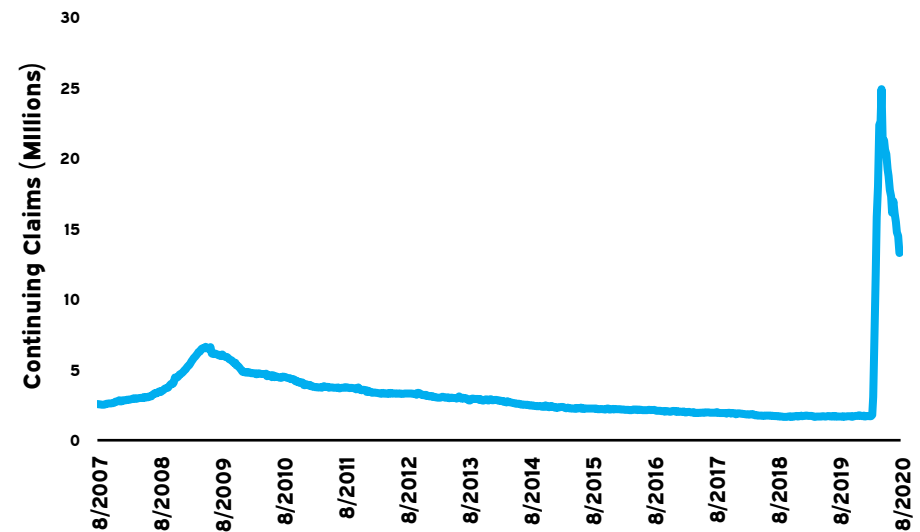
<sup>1</sup> Source: Bloomberg. Data is as of August 31, 2020. Bars represent recessions.

### US Jobless Claims

#### US Initial Jobless Claims<sup>1</sup>



#### Continuing Claims<sup>2</sup>

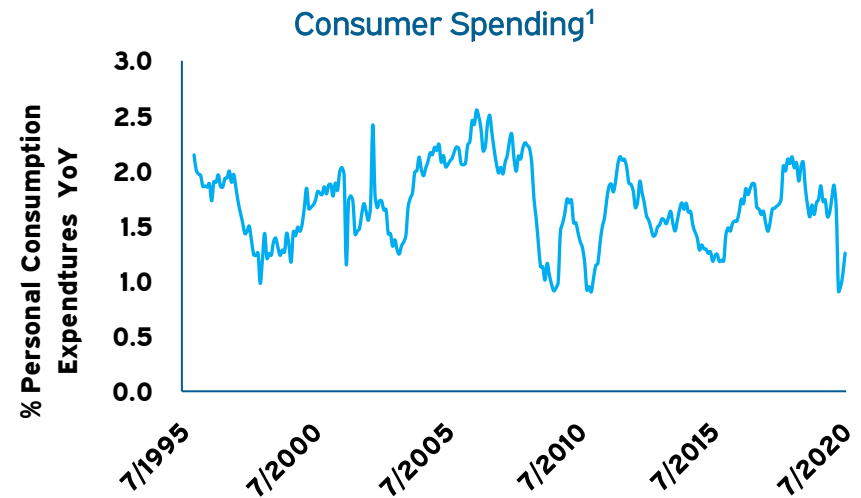
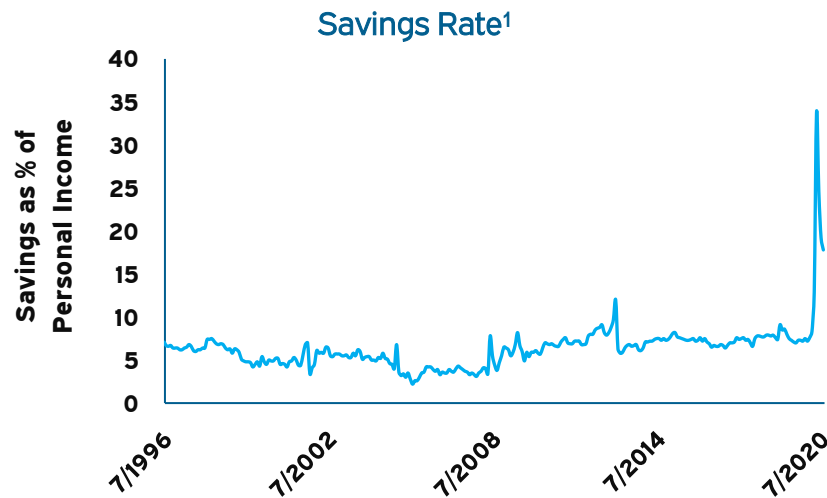


- Over the last 24 weeks, roughly 59.3 million people filed for initial unemployment. This level far exceeds the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the continued decline in initial jobless claims to levels below 1.0 million per week, levels remain many multiples above the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) has also declined from record levels, but remains elevated at 13.4 million.

<sup>1</sup> Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of August 28, 2020.

<sup>2</sup> Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of August 28, 2020.

### Savings and Spending

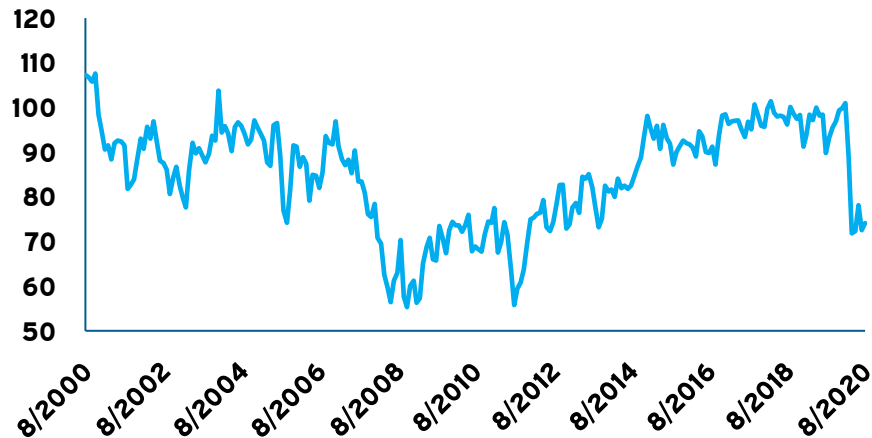


- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown.
- Despite the income support, the savings rate has increased due to the decline in consumer spending, driven by the initial lock-down of the economy, and by uncertainties related to the future of the job market and stimulus programs.
- More recently, the savings rate declined from its peak as spending increased with the economy slowly reopening.

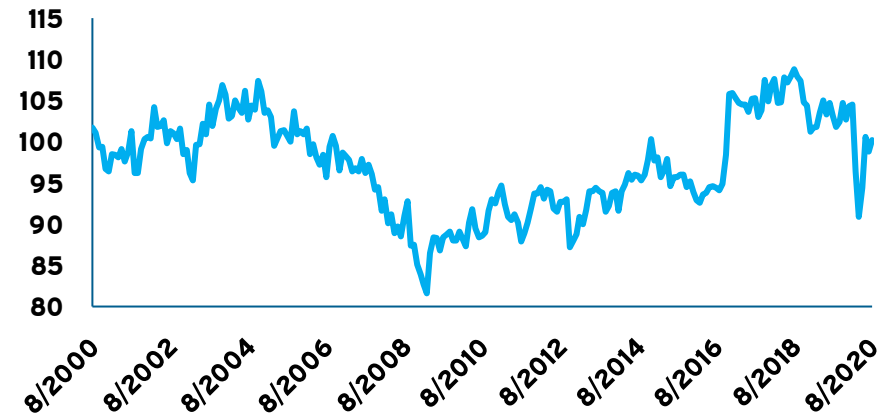
<sup>1</sup> Source: Bloomberg. Latest data is as of July 31, 2020.

### Sentiment Indicators

University of Michigan Consumer Sentiment<sup>1</sup>



Small Business Confidence<sup>2</sup>



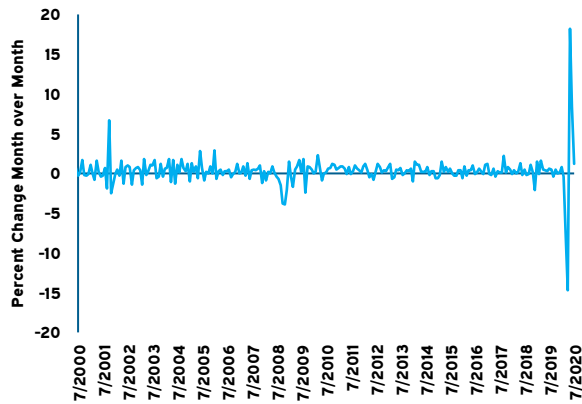
- A strong indicator of future economic activity are the attitudes of businesses and consumers today.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses generate around half of US GDP, making sentiment in that segment important too.
- Sentiment indicators have shown some improvements as the economy re-opens, but they remain below prior levels.

<sup>1</sup> Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of August 31, 2020.

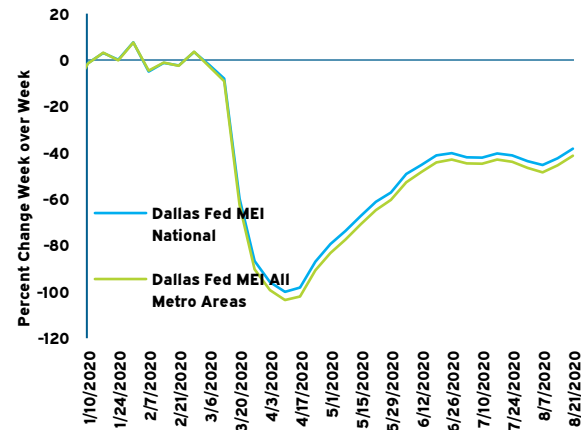
<sup>2</sup> Source: Bloomberg. NFIB Small Business Optimism Index. Data is as of August 31, 2020.

### Some US Data has Improved

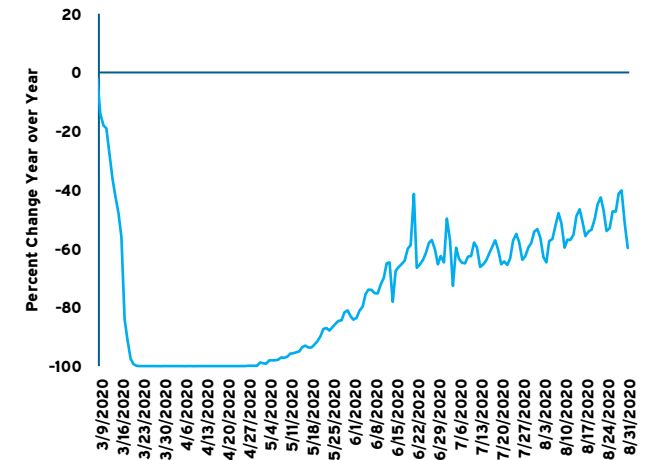
Retail Sales<sup>1</sup>



Dallas Fed Mobility and Engagement Index<sup>2</sup>



OpenTable Seated Diners YoY % Change<sup>3</sup>



- There have been improvements in high frequency data, but overall levels remain well below prior readings and have slowed in some cases given the recent spike in cases.
- Generally, people have become more active as restrictions eased and stores reopened. Retail sales recovered from a record decline with three consecutive months of growth as the economy reopened, but the pace of growth has been declining.
- Restaurants saw initial improvements before declining and leveling-off, as in-store dining has been cited as a key contributor to increases in infections.

<sup>1</sup> Source: Bloomberg. Data is as of July 31, 2020 and represents the US Retail Sales SA MoM%

<sup>2</sup> Source: Bloomberg. Data is as of August 21, 2020 and represents the deviation from normal mobility behaviors induced by COVID-19 (formerly the "Social Distancing Index"). The index represents a weighted average of various lengths of time that a mobile device, like a cell phone, leaves its "home" or place of residence, and/or how long a device stays at home. A decline in this index represents a mobile device at home for a longer period of time than average.

<sup>3</sup> Source: Bloomberg. This data shows year-over-year seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins. Only states or cities with 50+ restaurants in the sample are included. All such restaurants on the OpenTable network in either period are included. Data is as of August 31, 2020. Index start date 2/19/20.



### Looking Forward...

- There will be significant economic impact and a global recession.
  - How deep it will be and how long it will last depend on factors (below) that are unknowable at this time.
- The length of the virus and country responses will be key considerations.
  - As of now, it is not clear the end is in sight, particularly given the recent increases in cases in certain areas; however, individual countries are attempting to lay the groundwork to support a recoveries in their economies.
- Central banks and governments are pledging support, but will it be enough?
  - Market reactions to announced policies have been positive, but additional support will likely be required until the virus gets better contained.
- Expect heightened market volatility should economies start to shut back down given the recent spike in cases.
  - This has been a consistent theme recently; volatility is likely to remain at risk of spiking again for the foreseeable future.
- It is important to retain a long-term focus.
  - History supports the argument that maintaining a long-term focus will ultimately prove beneficial for diversified portfolios.

### Prior Drawdowns and Recoveries from 1926-2020<sup>1</sup>

Period	Peak-to-Trough Decline of the S&P 500	Approximate Time to Recovery
Sept 1929 to June 1932	-85%	266 months
February 1937 to April 1942	-57%	48 months
May 1946 to February 1948	-25%	27 months
August 1956 to October 1957	-22%	11 months
December 1961 to June 1962	-28%	14 months
February 1966 to October 1966	-22%	7 months
November 1968 to May 1970	-36%	21 months
January 1973 to October 1974	-48%	69 months
September 1976 to March 1978	-19%	17 months
November 1980 to August 1982	-27%	3 months
August 1987 to December 1987	-32%	19 months
July 1990 to October 1990	-20%	4 months
July 1998 to August 1998	-19%	3 months
March 2000 to October 2002	-49%	56 months
October 2007 to March 2009	-57%	49 months
February 2020 to August 2020	-34%	6 months
<b>Average</b>	<b>-36%</b>	<b>39 months</b>
<b>Average ex. Great Depression</b>	<b>-33%</b>	<b>24 months</b>

- As markets have fully recovered to above pre-COVID levels, questions remain about the sustainability of the rally.
- The six month recovery period represents one of the shortest on record, similar to the historic decline.

<sup>1</sup> Source: Goldman Sachs.

### Implications for Clients

- Portfolios have generally experienced significant improvements from the March lows.
- Even though equity markets have recovered from their lows, it is important to remain vigilant and be prepared to rebalance if volatility increases again.
  - Before rebalancing, consider changes in liquidity needs given the potential for cash inflows to decline in some cases.
  - Also, consider the cost of rebalancing if investment liquidity declines.
- Diversification works. The latest decline was an example of a flight to quality leading to gains in very high quality bonds.

#### Performance YTD (through August 31, 2020)

S&P 500	ACWI (ex. US)	Aggregate Bond Index	Balanced Portfolio <sup>1</sup>
9.7%	-3.1%	6.9%	5.3%

- Meketa will continue to monitor the situation and communicate frequently.
  - The situation is fluid and the economic impact is uncertain at this stage.
- Please feel free to reach out with any questions.

<sup>1</sup> Source: InvestorForce. Balanced Portfolio represents 60% MSCI ACWI and 40% Bloomberg Barclays Global Aggregate.

## Disclaimer, Glossary, and Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

**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.

**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.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**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%.

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

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

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

The Russell Indices®, 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.





Payden & Rygel

LOS ANGELES | BOSTON | LONDON | MILAN

# CalOptima

Investment Committee  
Meeting

October 19, 2020



# Payden: Who We Are

## OUR FIRM

### ESTABLISHED IN 1983

Los Angeles-based, offices in Boston, London, Milan

### OVER \$132.9 BILLION AUM

A fully-resourced – yet flexible – firm

### ONE GOVERNANCE CENTER

Clients have direct access to business owners

### 100% EMPLOYEE OWNED

## OUR CULTURE

### GLOBAL PERSPECTIVE ON INVESTING

Regardless of benchmark

### COLLABORATIVE APPROACH

Sharing best ideas, constructive debate

### EXCEPTIONAL RETENTION

of talented people and clients

### ALIGNMENT OF INTERESTS

Fully focused on our clients

## OUR GLOBAL REACH

★ PAYDEN & RYGEL OFFICES







# Payden & Rygel Recognized in the PRI “Leaders’ Group” 2020



## One of 36 global ‘Leaders’ focused on Climate Reporting

Payden & Rygel, one of the largest privately-owned global investment firms, is delighted to announce it has been recognized as a member of the PRI’s (Principles for Responsible Investment) 2020 Leaders’ Group for excellent disclosure and advanced efforts in Climate Reporting.

As part of their efforts to raise global standards for responsible investment, the PRI identified the Leaders’ Group as those signatories at the cutting edge of this year’s theme, Climate Reporting. Of the 2,000+ eligible asset owner and investment manager signatories, 36 were selected.

In particular, 2020 PRI Leaders are those organizations demonstrating strategic alignment with the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) and strong Environmental, Social, and Governance (ESG) performance.

As a PRI signatory since 2013, Payden & Rygel has made a full commitment to integrate ESG across client investment portfolios. In an increasingly global world, studying and addressing the risks and opportunities presented by climate change has never been more important.

*“ Payden is proud to be recognized as one of the 2020 PRI Leaders. We are committed to acting in the best long-term interests of our global client base and are proud to prudently align our investment process with broader societal objectives.”*

**Joan Payden, President and CEO of Payden & Rygel**

*“ I am delighted to congratulate Payden & Rygel for qualifying for the 2020 Leaders’ Group, and to formally recognize their excellent disclosure and advanced efforts in this year’s Leaders’ Group theme: climate reporting”*

**Fiona Reynolds, CEO of PRI**





## CalOptima Portfolio Summary as of September 30, 2020

	Operating Fund	Tier One Fund
<b>Market Value</b>	\$392,087,371	\$160,665,965
<b>Yield to Maturity (%)</b>	0.20%	0.41%
<b>Effective Duration</b>	0.25	1.89
<b>Average Portfolio Credit Quality</b>	AA+	AA+
<b>Inception Date</b>	July 1, 1999	July 1, 1999



## I Economic Outlook



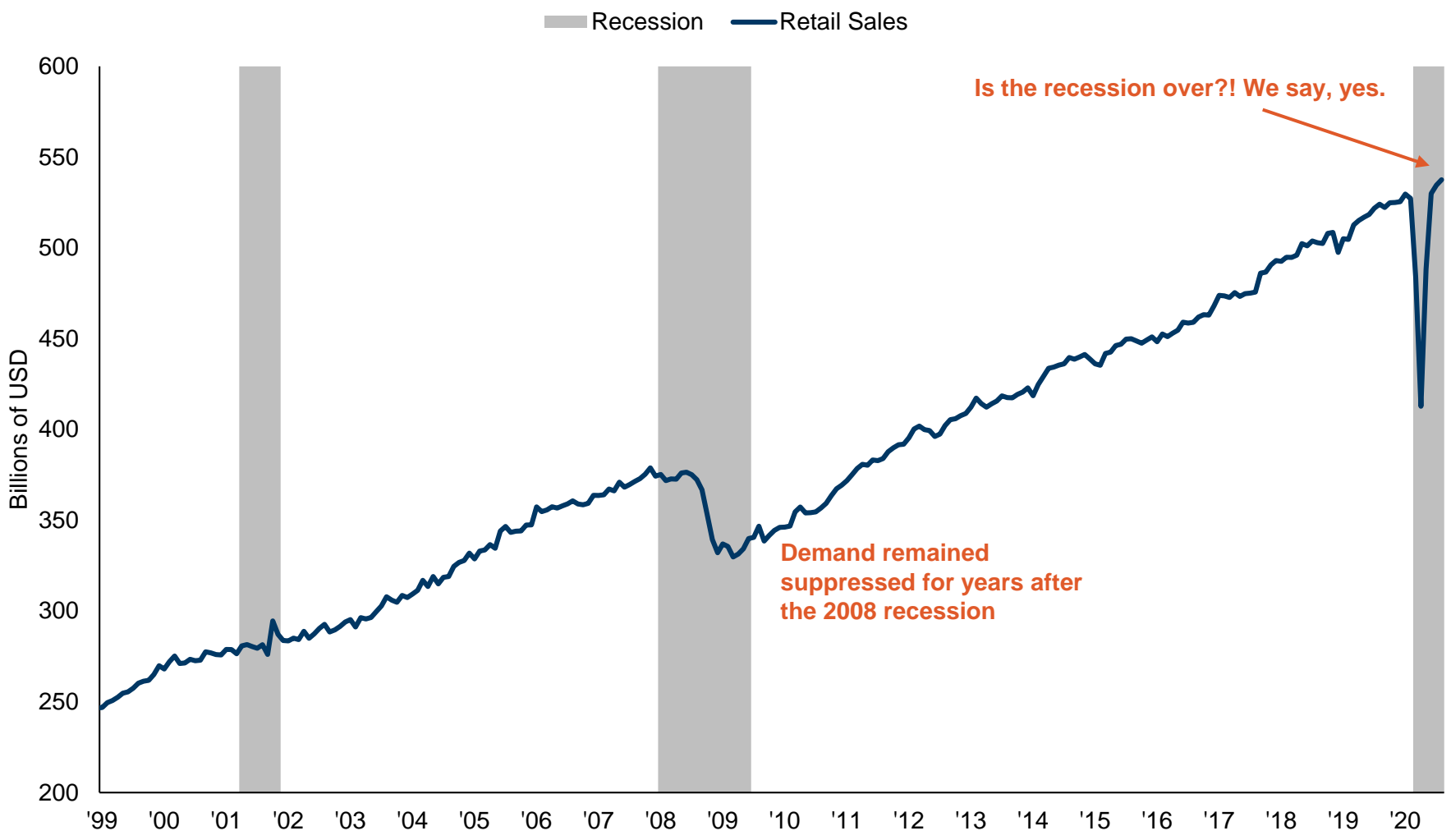
## Executive Summary: In Any Restructuring There Are Winners And Losers

- **The recession is over.** High frequency indicators suggest the economy “bottomed out” in Q2 and recovered strongly in Q3.
- **The economy is undergoing a restructuring.** Public safety restrictions are changing consumer behavior. For investors, that means it’s important to pick the winners and losers in terms of industries and sectors.
- **The expiration of the enhanced unemployment benefits** was expected to hinder the recovery, but consumer spending continues to recover thanks to a savings buffer. Also, as hiring returned, income from wages & salaries rebounded.
- **The U.S. unemployment rate** peaked in April and has declined since then, reaching 7.9% in September – beating the most optimistic expectations. Can the pace of the recovery continue? Continuing claims for unemployment insurance provide early insight.
- **Global central banks** are committed to remaining accommodative. The Federal Reserve issued forward guidance in September indicating they will not raise rates for years to come.
  - **The Federal Reserve is focused on inflation**, but they will need to try more than mere words to move inflation out of its well-worn low and stable trend.
- **The U.S. Debt-to-GDP ratio** will soon exceed record highs due to new debt issuance to fund COVID relief efforts, but do not fret, debt service costs are manageable.



# A Recession Is A Collapse In Aggregate Demand. Case In Point: Retail Sales. But Retail Sales Are Already Back To New Highs, Meaning The Recession Is Over.

## Retail Sales Since 1999

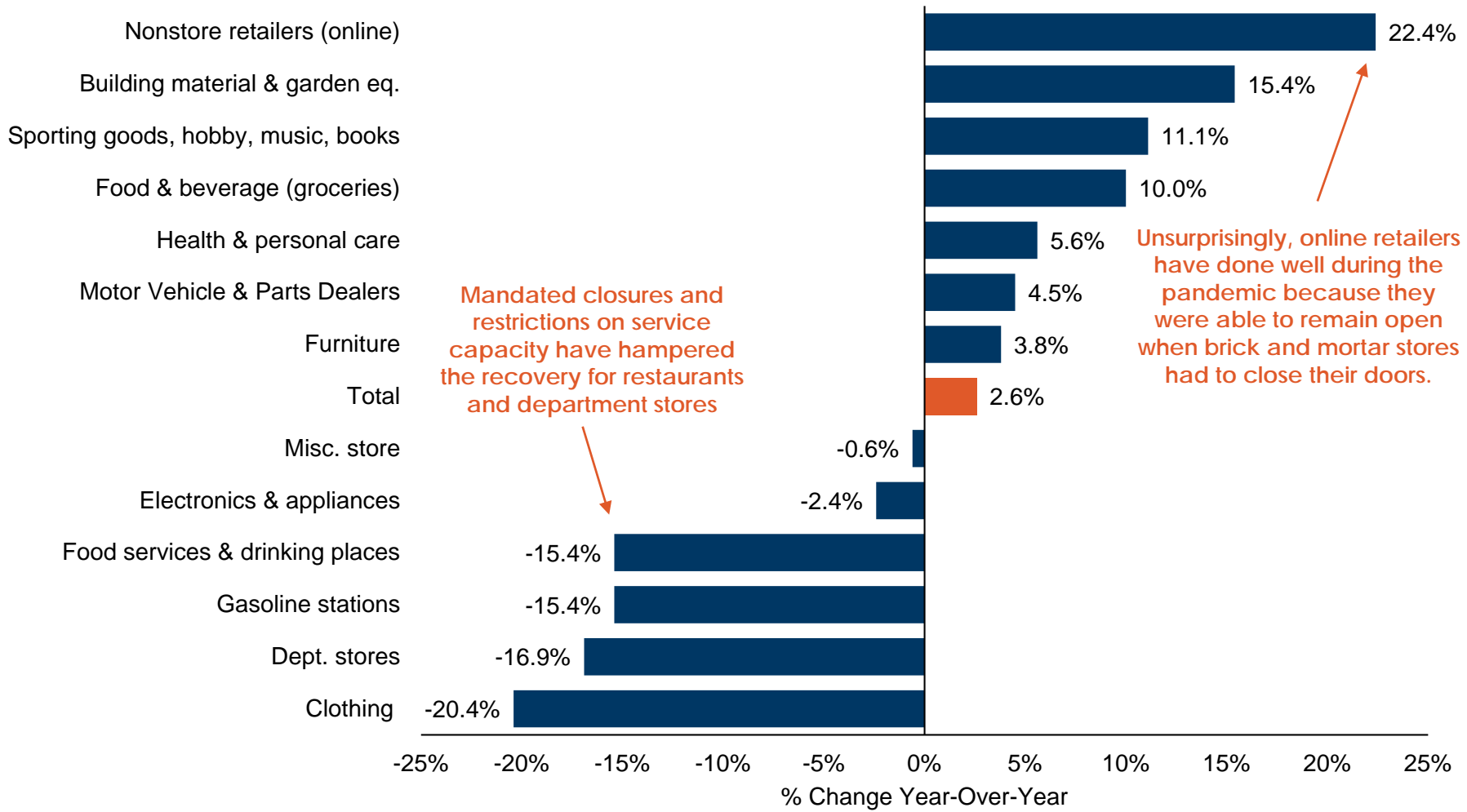


Source: U.S. Census Bureau



# The Economy Is Undergoing A Restructuring. Retail Sales Data Show The Winners and Losers.

## Retail Sales by Category



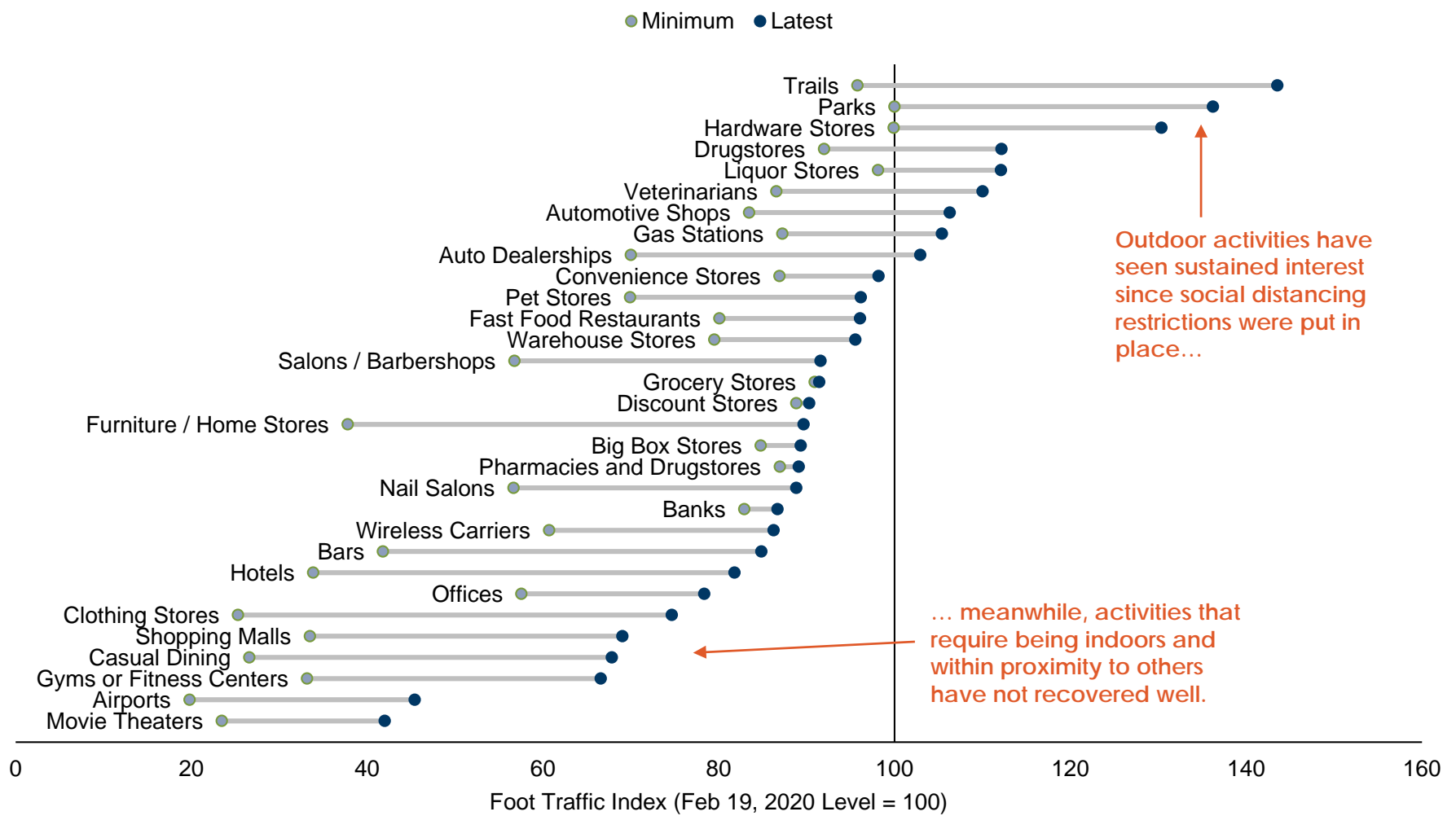
Source: U.S. Census Bureau





# Social Distancing Restrictions Have Changed Consumer Behavior

## Foursquare Foot Traffic Data – Worst Levels Versus Today’s Levels

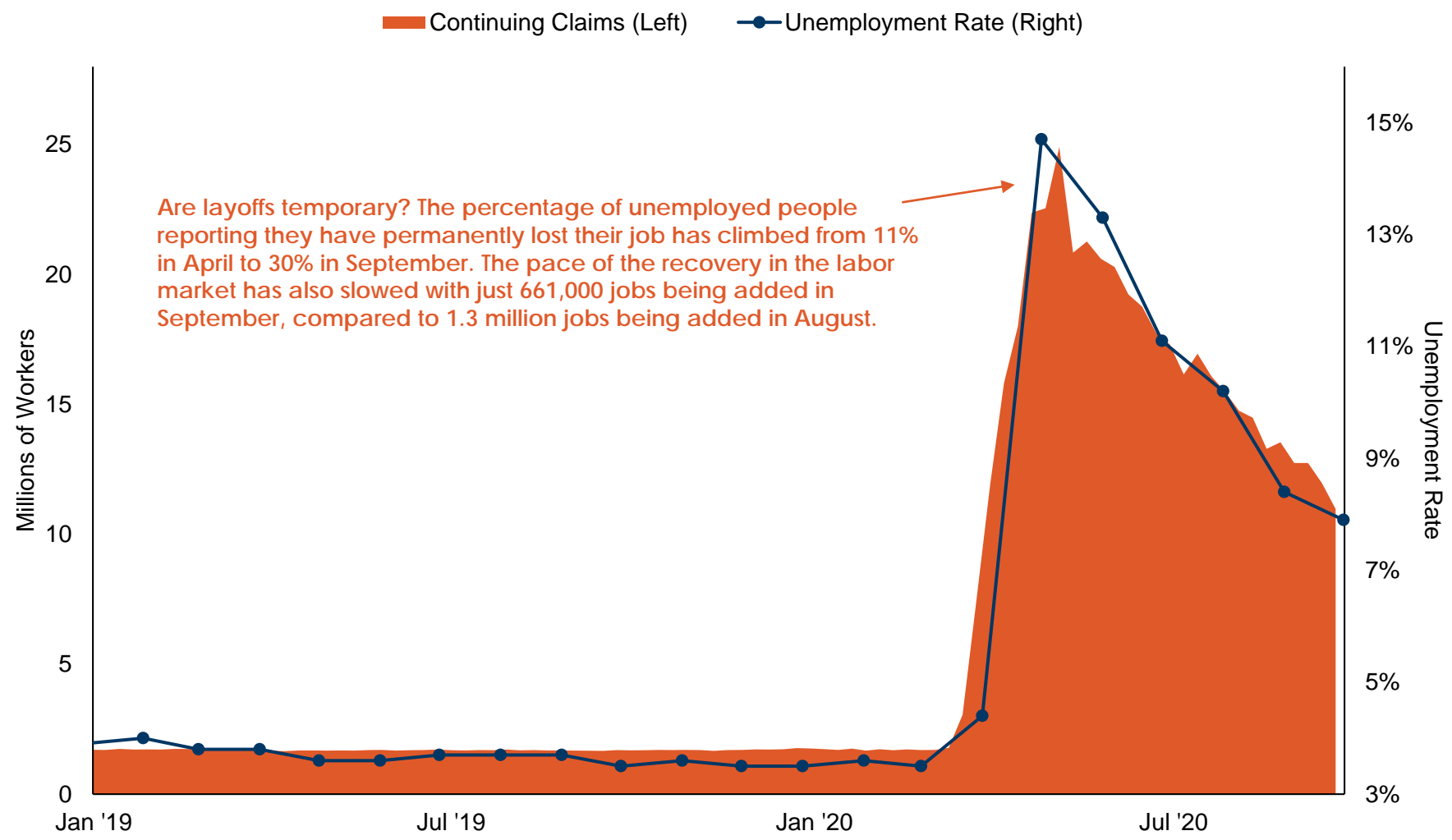


Source: Foursquare, Payden Calculations



# Can The Pace Of The Recovery Continue? Watch Continuing Claims For Clues

## Continuing Claims For Unemployment Versus the Unemployment Rate

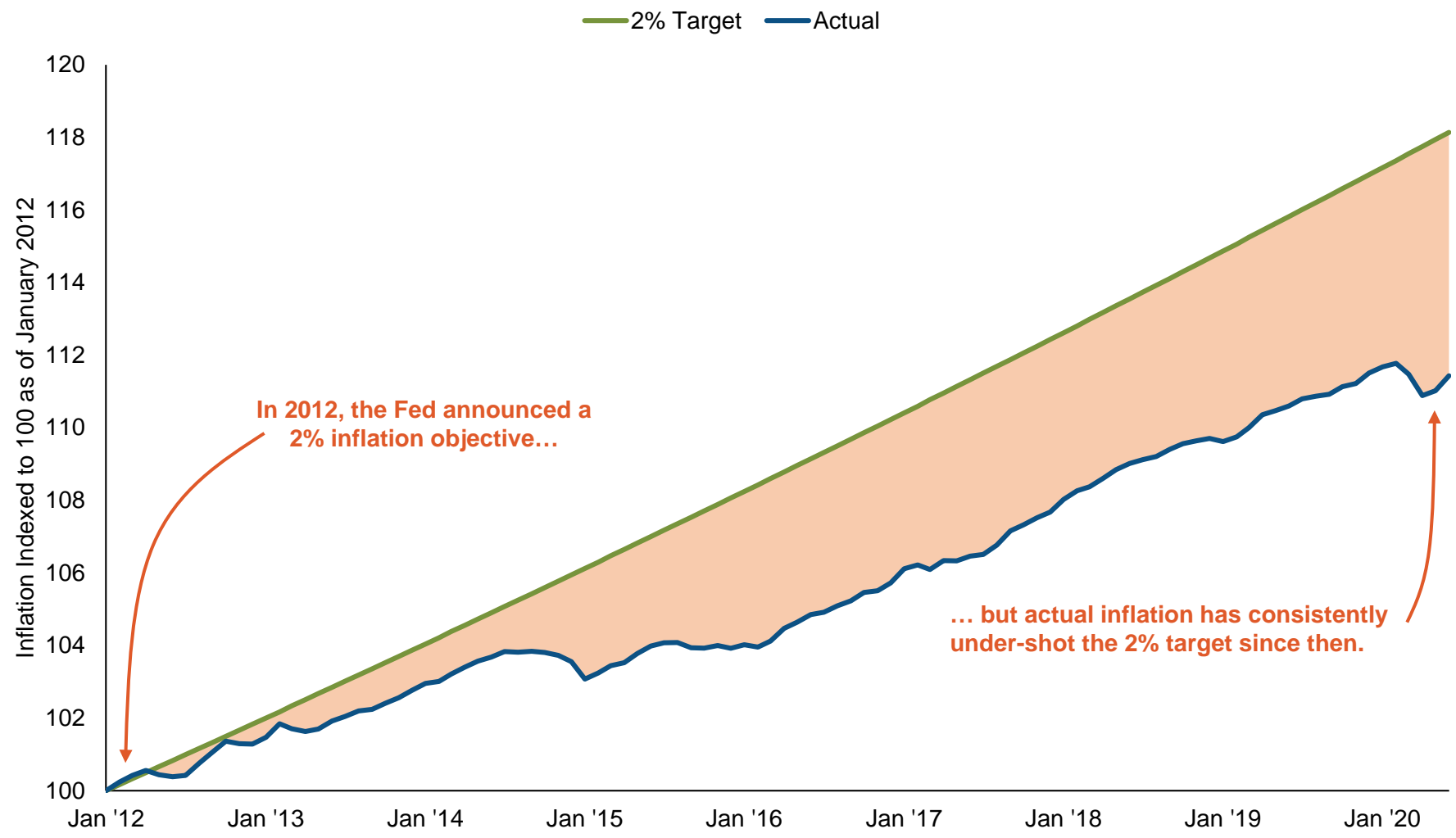


Source: Department of Labor, NBER, Bureau of Labor Statistics, Payden Calculations



# The Federal Reserve Has Under-Shot Its Own Inflation Target For Nearly A Decade

Actual Inflation\* Versus The Fed's 2% Inflation Target Since 2012



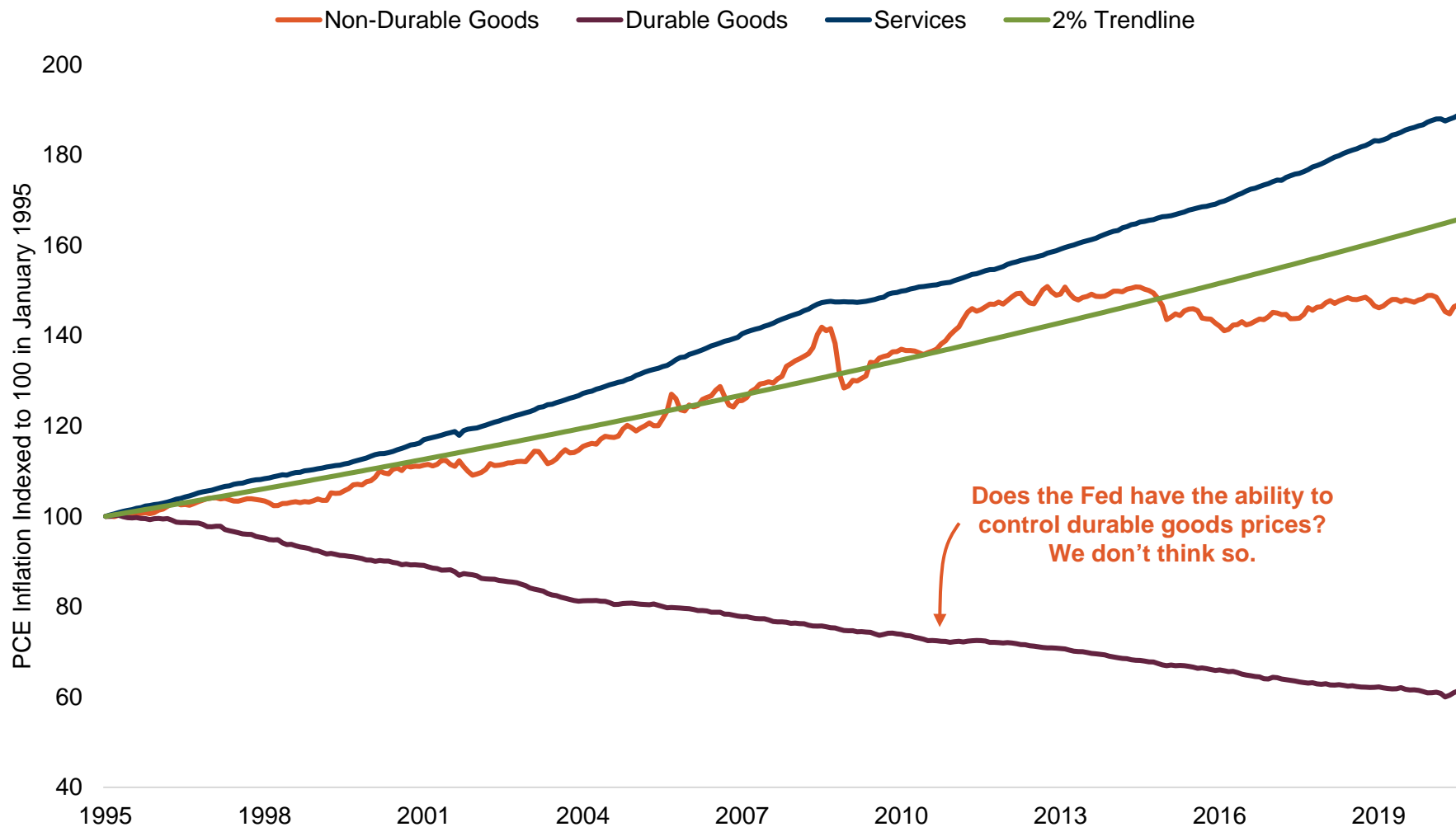
Source: U.S. Bureau of Economic Analysis, Payden Calculations

\*Change in the price index for personal consumption expenditures (PCE)



# The Fed Has Under-Shot 2% Inflation Because They Can't Control The Price Of Durable Goods

## PCE Price Index Components: Durable Goods, Non-Durable Goods, and Services

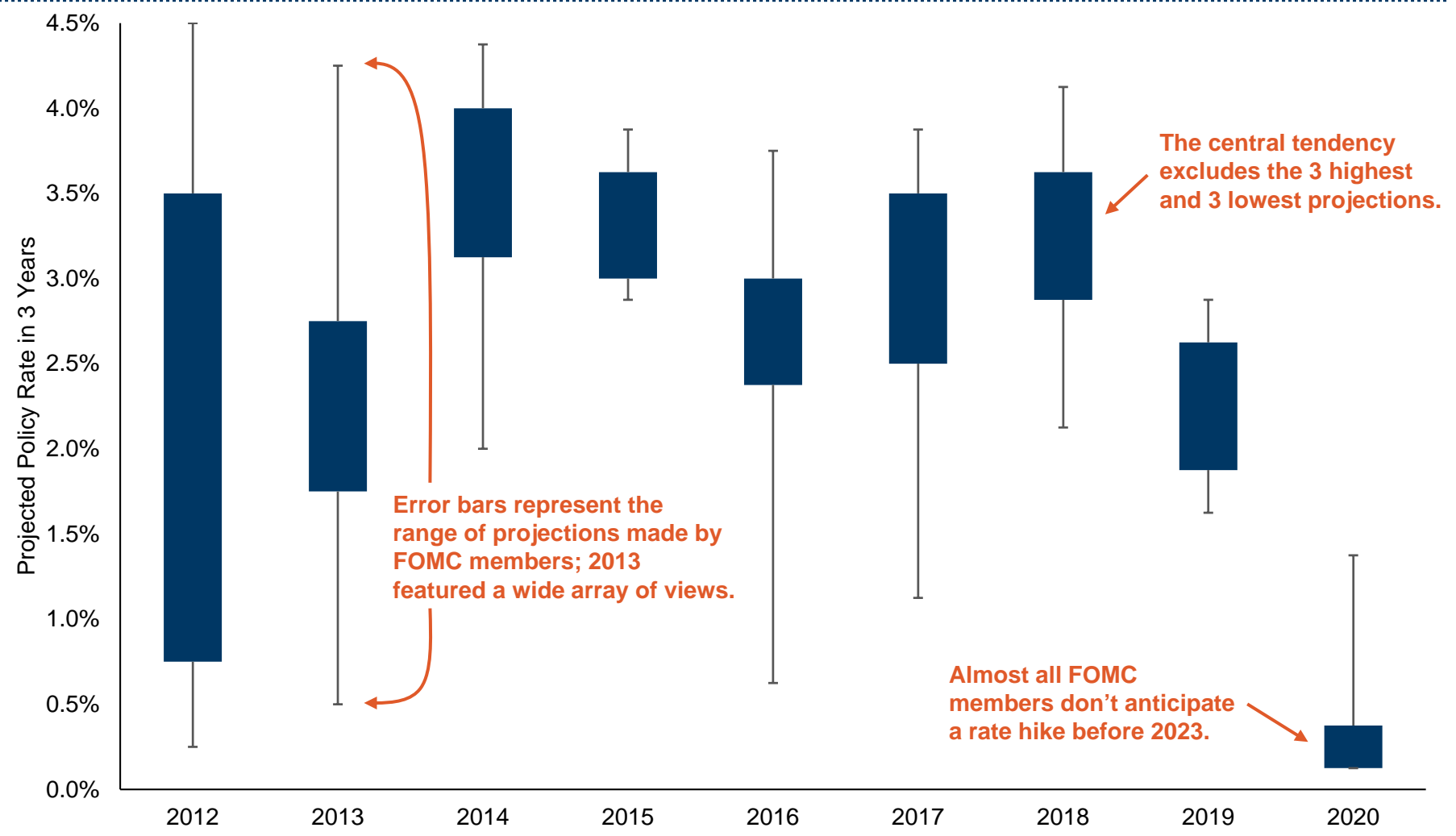


Source: Bureau of Economic Analysis



# Federal Open Market Committee Members Commit To Remaining Accommodative Through 2023. Consensus Or Groupthink?

Range and Central Tendency of Federal Funds Rate Projections 3 Years Forward\*



Source: The Federal Reserve, Summary of Economic Projections (SEP)

\*Data taken from the SEP materials from September FOMC meetings every year since 2012.



## 2020 U.S. Macroeconomic Outlook: Ever-Evolving Guesswork

The U.S. economy shrank by more than 10% in the first half of 2020. A sharp rebound began in Q2 and we saw rapid growth in Q3. For the full year though, economic output will end up 3-4% below end of 2019 levels. The rapid recovery should bring the unemployment rate down to 7%. Inflation is not yet a concern.

Indicators	Latest Reading	Payden 2020 Forecast	Bloomberg Consensus*	Median FOMC Projection
<b>Economic Growth</b> Q4/Q4 Real GDP % Change	<b>-9.1%</b> (as of Q2)	<b>-4.0%</b>	<b>-3.9%</b>	<b>-3.7%</b>
Even with a recovery in H2 2020, GDP will contract for the year				
<b>Labor Markets</b> Unemployment Rate Level at Year End	<b>7.9%</b> (as of September)	<b>6.8%</b>	<b>8.0%</b>	<b>7.6%</b>
Assuming the current pace of job growth for the next three months				
<b>U.S. Inflation</b> % Change Year-Over-Year by Year-End, Core PCE	<b>1.6%</b> (as of August)	<b>1.7%</b>	<b>1.2%</b>	<b>1.5%</b>
Don't bet on deflation—or dramatic acceleration in inflation				
<b>Policy Rate (Fed Funds Rate)</b>	<b>0.0-0.25%</b> (as of September)	<b>0.0-0.25%</b>	<b>0.0-0.25%</b>	<b>0.0-0.25%</b>
The Fed is "not even thinking about thinking about raising rates."				

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Payden Calculations

\*Bloomberg surveys estimate quarterly averages



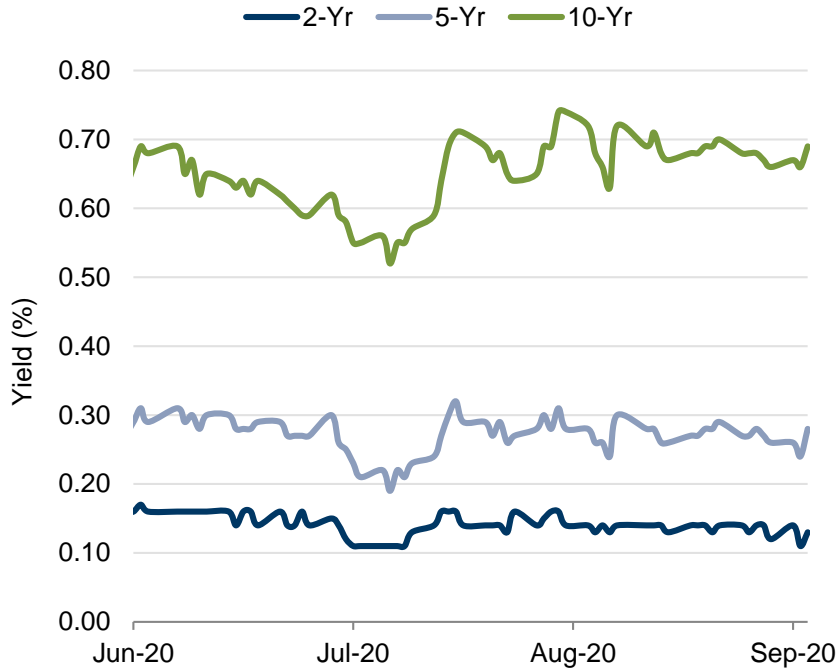
II

## Market Review, Portfolio Characteristics & Performance



# Rates Remain Contained, For Now

U.S. Treasury yields traded in a tight range for the quarter as the FOMC signaled rates would remain near zero into 2023



Source: U.S. Department of the Treasury

Quarter-over-quarter changes for Treasury yields were minimal as the market continues to assess an accommodative Fed and improving economic data

Tenor	09/30/20	06/30/20	12/31/19	Q3 '20 Change (bps)	YTD Change (bps)
<b>3-month</b>	0.10	0.16	1.54	-6	-144
<b>2-year</b>	0.13	0.16	1.57	-3	-144
<b>3-year</b>	0.16	0.18	1.61	-2	-145
<b>5-year</b>	0.28	0.29	1.69	-1	-141
<b>7-year</b>	0.47	0.49	1.83	-2	-136
<b>10-year</b>	0.69	0.66	1.92	+3	-123
<b>30-year</b>	1.46	1.41	2.39	+5	-93

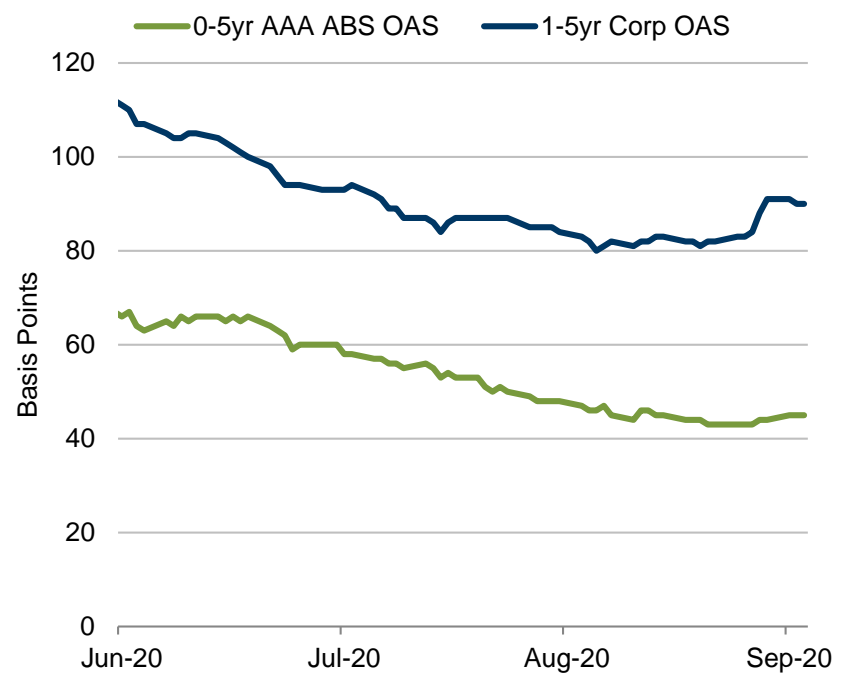
Source: Bloomberg. Figures in percent unless indicated otherwise.





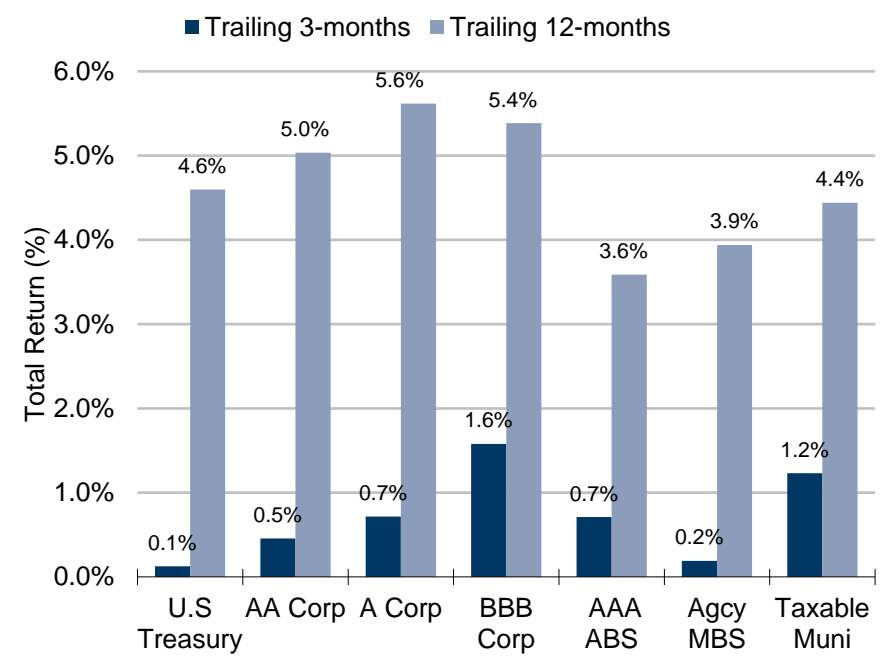
# Corporate Credit Spreads and a Look at Sector Performance

Asset-backed securities and investment grade corporate spreads moved lower for the quarter



Source: ICE BofA 1-5y Indices (RVBC/CVA0) through September 30, 2020

Short-term returns for the quarter favored credit given the decline in spreads above Treasuries

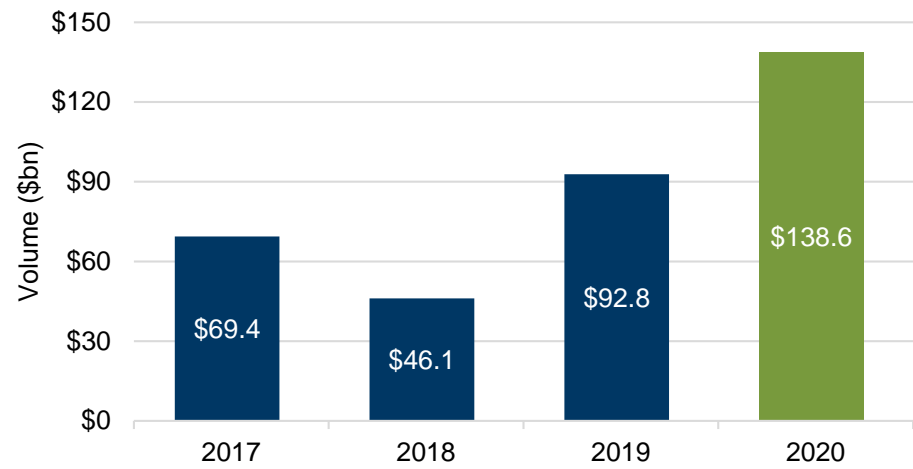


Source: ICE BofA 1-5y Indices through September 30, 2020



# Liability Management (LM) Update - Investment Grade YTD 2020

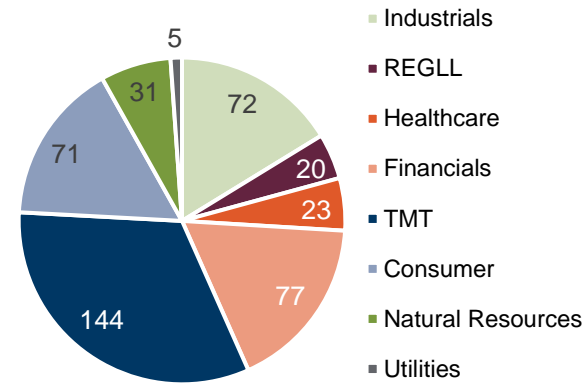
## Cumulative LM volumes YTD



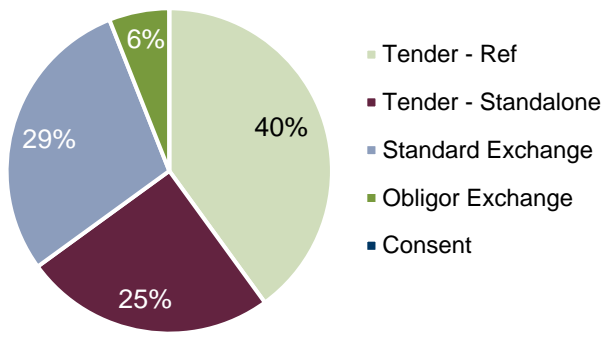
## Market Overview

- The USD liability management market has been active through the first half of 2020
- Significant Obligor Exchange volumes in the first half of 2019 contribute to the overall higher volumes in the first half of 2019 vs 2020
- In 2020, Tender offers have been a large driving factor, accounting for over \$100bn in volume so far this year (36% increase Y-o-Y)
- Roughly 62% of these tenders have included a concurrent refinancing
- Notably, 59% of targeted securities have maturities of 5yrs or less (versus 38% in 2019)

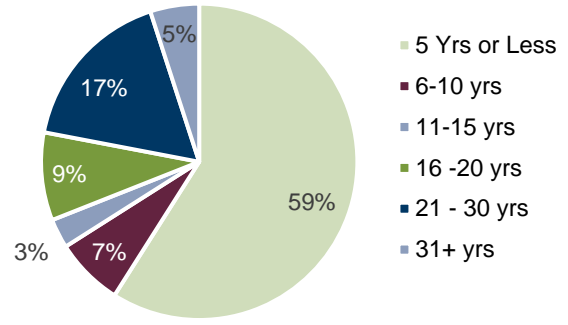
## YTD Industry Breakdown (# of Cusips)



## YTD Purpose Breakdown



## YTD Maturity Breakdown



**Note:** Data as of August 18, 2020; Volume based on acceptance amount for tender/exchange offers, principal amount outstanding in consent solicitations; based on transaction launch date. Purpose and Maturity Breakdown based on percentage of # of CUSIPs. Sources: Bloomberg, Company releases, Deutsche Bank



# Given the Current Environment, Sector and Security Selection Is Key

- **We are constructive on healthcare, pharmaceuticals, consumer products, technology and communications** given their defensive characteristics and ability to generate strong free cash flow in a pandemic environment.
- **We still see value in top tier senior global banks**, with a tilt towards the large U.S. banks, since banks were well capitalized heading into this crisis.
- **We also see value in autos**, given compelling valuations and implicit government support.
- **We remain cautious on energy, basic materials, airlines and REITs** given their sensitivity to a global slowdown. We expect the demand for oil to remain weak, though we are constructive on natural gas credits.
- **Specialty finance companies and subordinated banks** are also likely to underperform in a risk-off environment and there is less technical support for these credits.

Constructive Sectors*
Automotive
Banking - Senior
Communications
Consumer Products
Food and Beverage
Health Insurance
Healthcare
Life Insurance
Pharmaceuticals
Retailers
Technology
Utilities

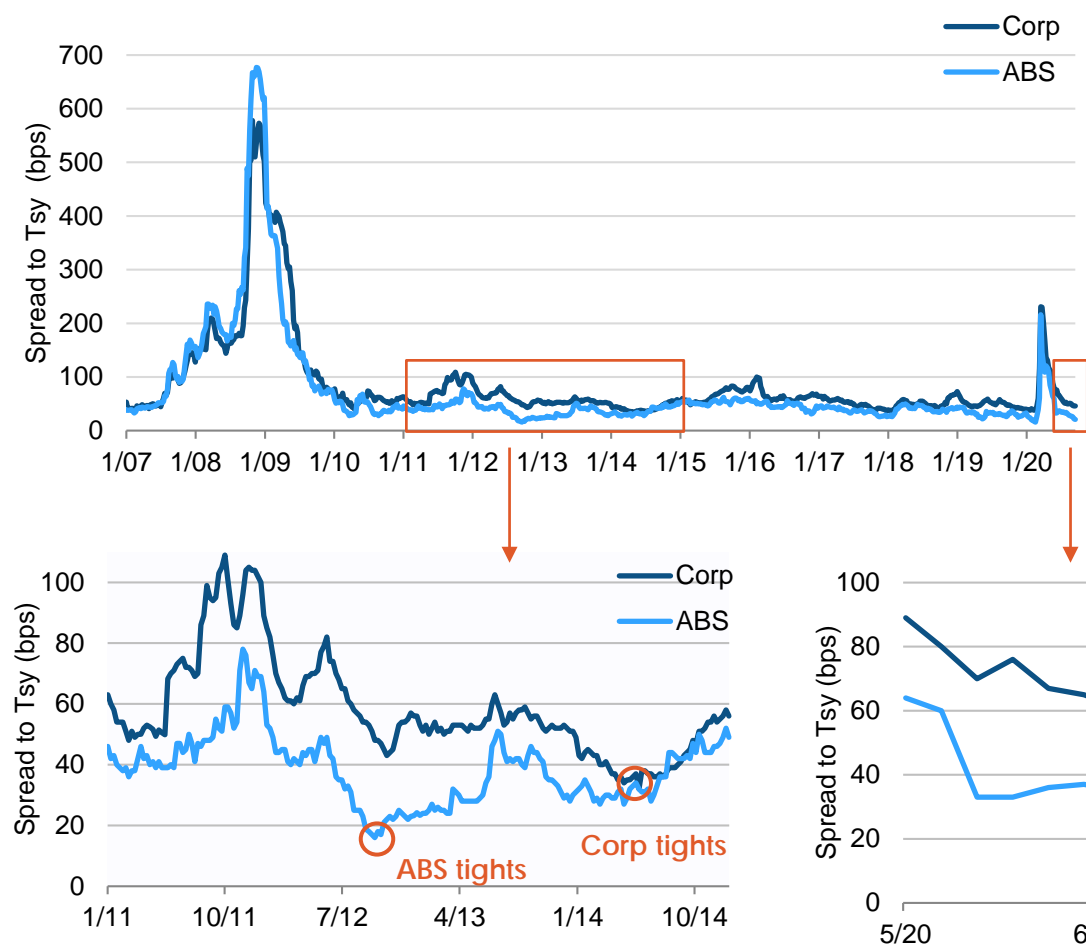
Cautious Sectors*
Basic Industry
Banking - Subordinated
Capital Goods
Energy
Finance Companies
Lodging
P&C Insurance
REITS
Tobacco
Transportation

\*Sectors are Listed in Alphabetical Order  
 Source: Payden & Rygel, October 8, 2020



# In a Very Low Interest Rate Environment, How Tight Can AAA ABS Spreads Go?

Yield spreads for AAA prime auto ABS and A-rated industrial corporates: looking at time periods when 2-year U.S. Treasury yields traded below 0.25%



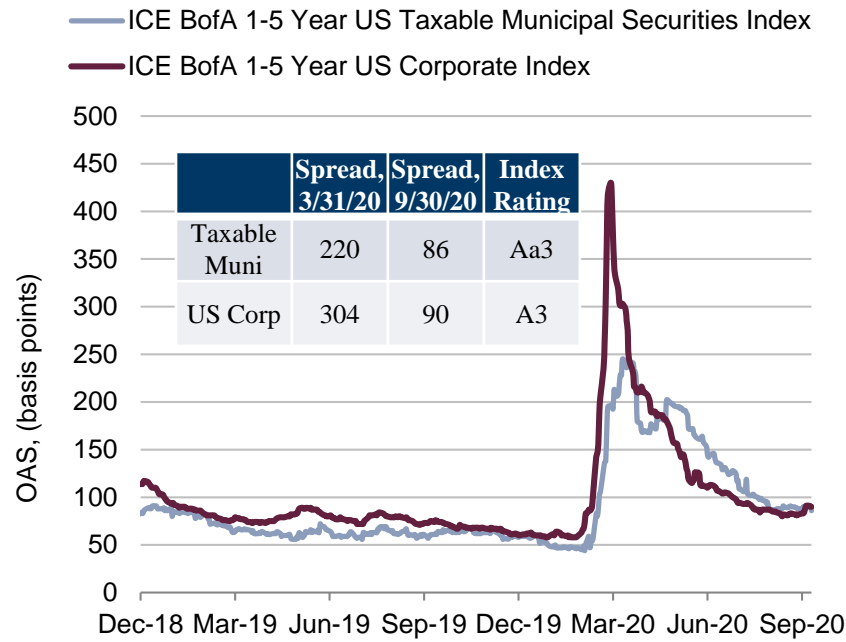
- ABS spreads, as measured here by AAA prime auto (2yr. duration securities) have compressed significantly in Q3 2020 and are currently at a yield premium of +20bps
- Corporate yield spread for A-rated issuers is currently at +46bps
- Within Q3 2020, we modestly increased our AAA ABS exposure primarily via prime auto ABS in both the portfolios

Source: Source: JPM Data Query, Payden Calculations. Corp= Single-A rated Industrial Corporate 1-3yr indices (2yr duration), ABS = AAA Prime Auto (2yr duration)



# Tier One Portfolio: Sourcing Yield in the Taxable Municipal Space

Taxable municipal bonds have a more stable profile than investment grade corporates, as we have shown, and are currently offering a comparable spread to corporates at a higher rating quality



- Credit spreads have materially retraced much of the widening witnessed back in March at the onset of the pandemic
- Short-term investment grade corporates have rallied significantly as spreads have moved lower, supported by the Fed’s commitment to support the market
- Other markets, like taxable municipal bonds, offer compelling value
- We have increased our overall allocation in this sector by about 5% since March, predominantly in 1-3 Yr. maturities
- While we have acknowledged the headwinds many state and local municipalities continue to face, we remain favorable on select credits within the sector, especially those tied to essential services like water and sewage and other lease related bonds

Source: ICE BofA Index data



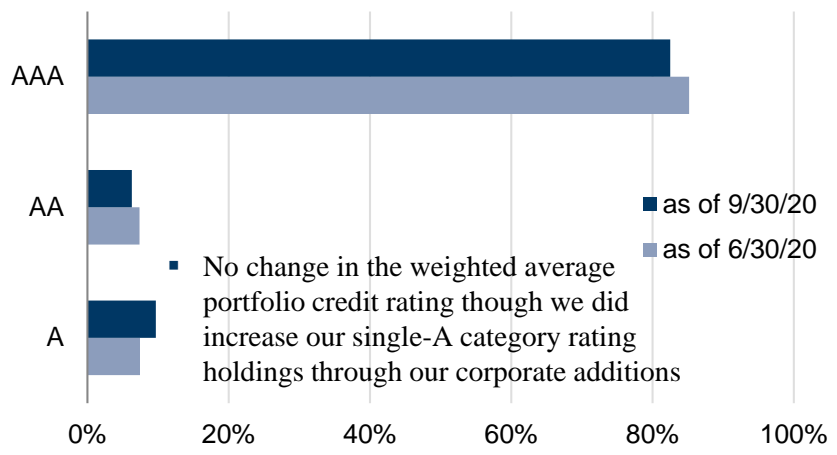
# Operating Fund Portfolio as of September 30, 2020

## Portfolio Characteristics

	09/30/20	06/30/20	Benchmark
Market Value	\$392,087,371	\$ 369,667,076	-
Yield to Maturity	0.20%	0.26%	0.10%
Effective Duration	0.25	0.12	0.23
Average Rating	AA+	AA+	AAA

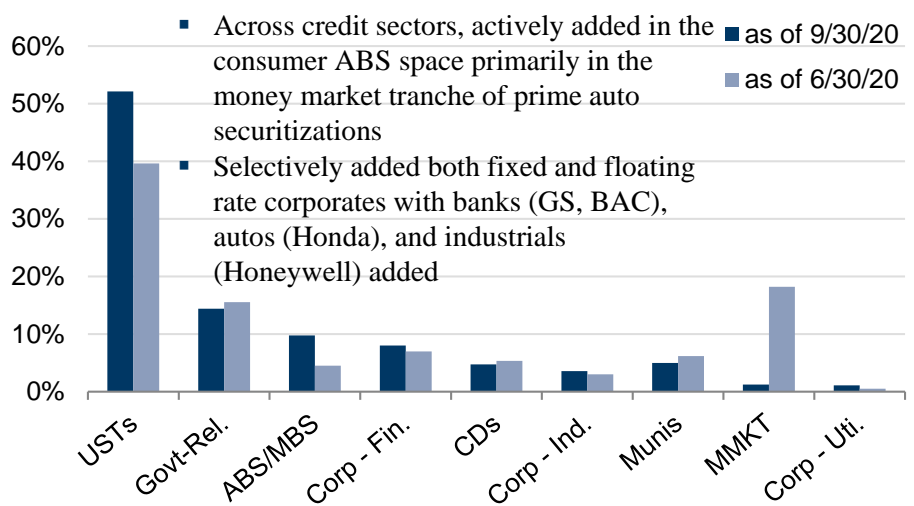
Benchmark is FTSE 3-month Treasury Bill Index

## Credit Quality Breakdown - Percentage of Portfolio

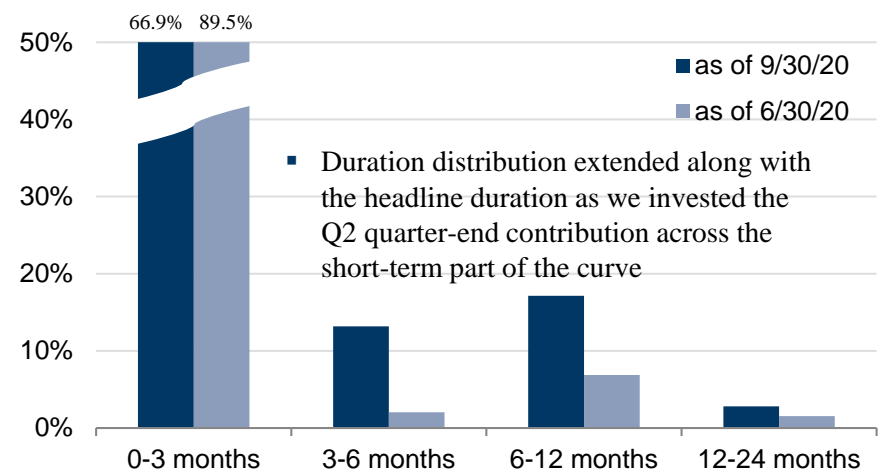


Source: Payden & Rygel Calculations

## Portfolio Sector Allocation - Percentage of Portfolio



## Duration Distribution - Percentage of Portfolio





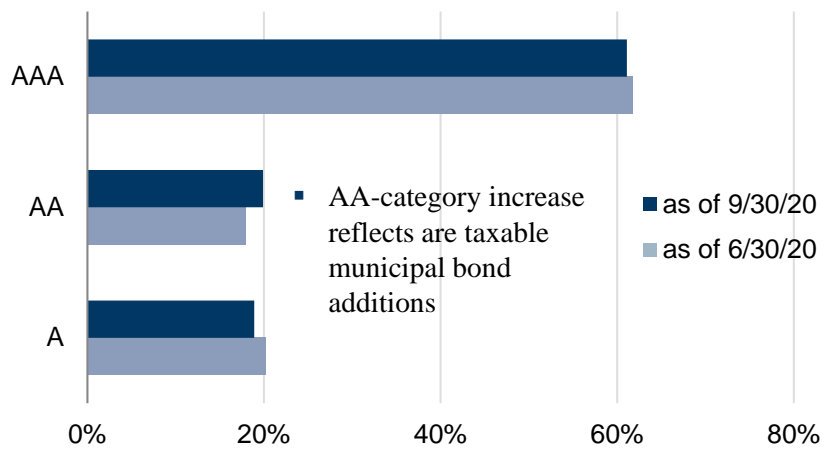
# Tier One Fund Portfolio as of September 30, 2020

## Portfolio Characteristics

	09/30/20	06/30/20	Benchmark
Market Value	\$160,665,965	\$160,116,170	-
Yield to Maturity	0.41%	0.55%	0.14%
Effective Duration	1.89	1.89	1.90
Average Rating	AA+	AA+	AAA

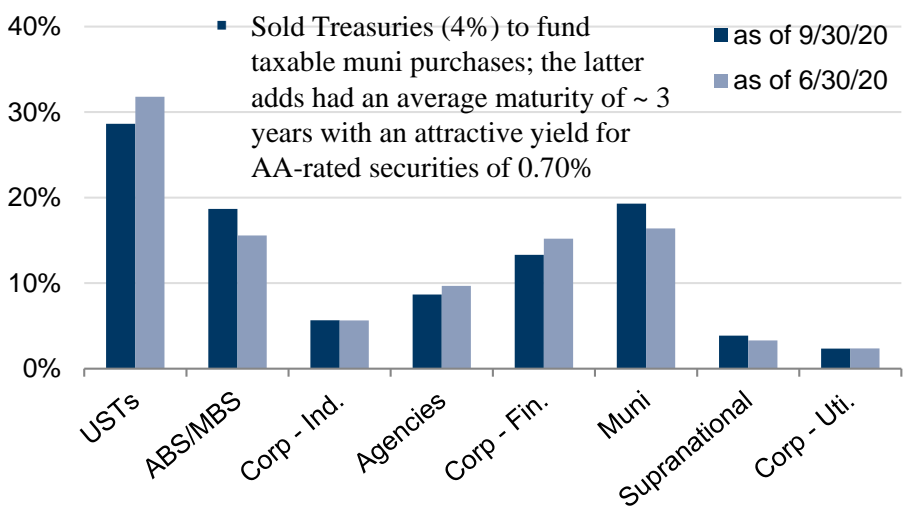
Benchmark is ICE BofA 1-3 Yr. U.S. Treasury Index

## Credit Quality Breakdown - Percentage of Portfolio

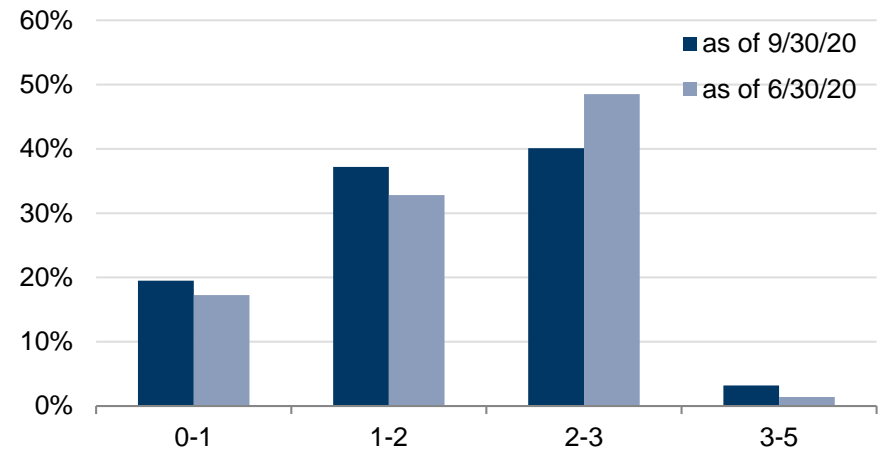


Source: Payden.

## Portfolio Sector Allocation - Percentage of Portfolio



## Duration Distribution - Percentage of Portfolio





## Performance Summary

### Operating Fund Performance

#### PORTFOLIO RETURNS (As of 09/30/20)

	Trailing 3 Months	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Trailing 10 Years
Operating Fund (gross)	0.11%	1.59%	1.99%	1.54%	0.84%
Operating Fund (net)	0.09%	1.50%	1.91%	1.46%	0.74%
FTSE U.S. 3-Month Treasury Bill Index	0.03%	1.03%	1.65%	1.16%	0.61%

### Tier One Fund Performance

#### PORTFOLIO RETURNS (As of 09/30/20)

	Trailing 3 Months	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Trailing 10 Years
Tier One Fund (gross)	0.34%	3.95%	3.06%	2.25%	1.57%
Tier One Fund (net)	0.32%	3.86%	2.98%	2.17%	1.47%
ICE BofA 1-3 Year Treasury Index	0.10%	3.58%	2.64%	1.80%	1.28%
ICE BofA 1-3 Yr. AAA-A G/C Index	0.17%	3.68%	2.77%	1.98%	1.48%





## Tier One Fund Performance: Attribution

ICE BofA 1-3 Yr. Treasury Index	Q3 2020	Trailing 12 months
<b>Interest Rates</b>	<b>0</b>	<b>0</b>
Duration	0	0
Curve	0	0
<b>Sector &amp; Selection</b>	<b>23</b>	<b>37</b>
Treasuries	0	-1
Agencies	1	2
Corporate	5	18
<i>Financial</i>	<i>4</i>	<i>10</i>
<i>Industrial</i>	<i>1</i>	<i>7</i>
<i>Utilities</i>	<i>0</i>	<i>1</i>
ABS/MBS	4	8
Municipals	13	10
<b>Residual</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>24</b>	<b>37</b>

ICE BofA 1-3 Yr. AAA-A Government / Credit	Q3 2020	Trailing 12 months
<b>Interest Rates</b>	<b>-1</b>	<b>2</b>
Duration	0	2
Curve	-1	0
<b>Sector &amp; Selection</b>	<b>18</b>	<b>25</b>
Treasuries	3	5
Agencies	0	0
Corporate	1	7
<i>Financial</i>	<i>1</i>	<i>2</i>
<i>Industrial</i>	<i>0</i>	<i>4</i>
<i>Utilities</i>	<i>0</i>	<i>1</i>
ABS/MBS	3	6
Municipals	11	7
<b>Residual</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>17</b>	<b>27</b>

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



# CalOptima – Compliance Report as of September 30, 2020

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	Operating Funds	Reserve Tier 1		
U.S. Treasuries	100	<b>44.0%</b>	2 Years	5 Years	<b>0.94</b>	<b>Years</b>	<b>2.96</b>	<b>Years</b>	TSY	<b>TSY</b>
Federal Agencies	100	<b>2.4%</b>	2 Years	5 Years			<b>3.88</b>	<b>Years</b>	AGY	<b>AGY</b>
State of CA & Other Municipal Obligations	30	<b>11.1%</b>	2 Years	5 Years	<b>1.09</b>	<b>Years</b>	<b>3.84</b>	<b>Years</b>	A3/A-	<b>A2/A</b>
Supranationals	30	<b>1.9%</b>	2 Years	5 Years	<b>0.65</b>	<b>Years</b>	<b>3.13</b>	<b>Years</b>	Aa2/AA	<b>Aaa/AAA</b>
Bankers Acceptances	30	<b>0.0%</b>	180 Days	180 Days					A-1/P-1	<b>n/a</b>
Commercial Paper	25	<b>0.0%</b>	270 Days	270 Days					A-1/P-1	<b>n/a</b>
Negotiable Certificates of Deposit <sup>1</sup>	30	<b>1.9%</b>	1 Year	1 Year	<b>117.00</b>	<b>Days</b>			A-1/P-1	<b>P-1/A-1</b>
Repurchase Agreements	100	<b>0.0%</b>	30 Days	30 Days					TSY	<b>n/a</b>
Medium Term Notes & Depository Notes	30	<b>8.2%</b>	2 Years	5 Years	<b>1.55</b>	<b>Years</b>	<b>4.42</b>	<b>Years</b>	A3/A-	<b>A3/A-</b>
Money Market & other Mutual Funds (combined)	20	<b>1.1%</b>	N/A	N/A	<b>1.00</b>	<b>Days</b>	<b>0.00</b>	<b>Years</b>	Aaa/AAA	<b>AAA</b>
Mortgage & Asset-Backed Securities (combined) <sup>2</sup>	20	<b>9.5%</b>	2 Years	5 Years	<b>0.58</b>	<b>Years</b>	<b>3.19</b>	<b>Years</b>	Aa3/AA-	<b>AAA</b>
Variable & Floating Rate Securities	30	<b>20.1%</b>	2 Years	5 Years	<b>1.00</b>	<b>Years</b>	<b>2.96</b>	<b>Years</b>	A3/A-	<b>A3/A-</b>

100.00%

## Diversification Guidelines

<b>Maximum per Corporate Issuer</b>	5%	0.93%
<b>Repurchase Agreements (Maturity &gt; 7 days)</b>	25%	0.00%
<b>Repurchase Agreements (Maturity &lt;= 7 days)</b>	50%	0.00%

<sup>1</sup> FRN CDs included in Variable & Floating Rate Securities section totaling 2.11% of combined portfolio.

<sup>2</sup> MBS & ABS minimum for security rating AA-, minimum issuer rating A- despite Code change 1/2019



OVER 35 YEARS OF INSPIRING  
CONFIDENCE WITH AN  
UNWAVERING COMMITMENT  
TO OUR CLIENTS' NEEDS.

## OUR STRATEGIES

---

### Multi-Sector

Short Maturity Bonds  
U.S. Core Bond  
Absolute Return Fixed Income  
Strategic Income  
Global Fixed Income  
Liability Driven Investing

### Sector-Specific

Emerging Markets Debt  
Government/Sovereign  
High Yield Bonds & Loans  
Inflation-Linked/TIPS  
Investment Grade Corporate Bonds  
Municipal Bonds (U.S.)  
Securitized Bonds

### Income-Focused Equities

Equity Income

---

Available in:

Separate Accounts – Mutual Funds (U.S. and UCITS)  
Collective Trusts (“CITs”) – Customized Solutions

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

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# Payden & Rygel

#### LOS ANGELES

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

#### BOSTON

265 Franklin Street  
Boston, MA 02110  
617 807-1990

#### LONDON

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

#### MILAN

Corso Matteotti, 1  
20121  
Milan, Italy  
+39 02 76067111

THIRD QUARTER 2020 PORTFOLIO REVIEW

# CalOptima Wells Capital Management

**Tony Melville, CFA - Senior Portfolio Manager**

**Seth S. Takata – Client Advisor, Insurance Investment Solutions**

October 2020

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This information is proprietary in nature, constituting information for use in one-on-one presentations only.  
Wells Fargo Asset Management expects and requires that this information not be disclosed or disseminate to anyone other than the direct recipients.

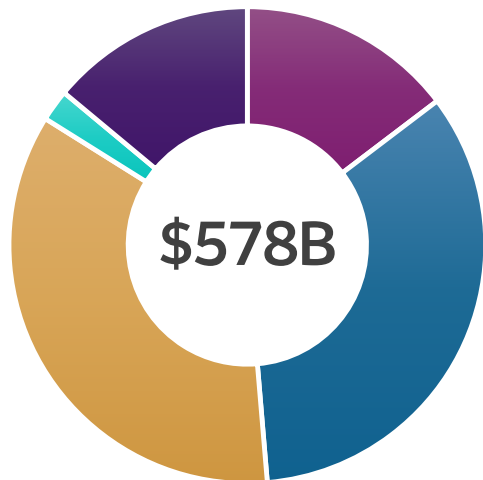
# Table of contents

1. Wells Fargo Asset Management
2. Short Duration Fixed Income overview
3. Market overview
4. CalOptima
5. CalOptima Tier 1

# Wells Fargo Asset Management

# Wells Fargo Asset Management (WFAM) and affiliate

Our specialized teams provide a broad range of differentiated investment solutions to help our diverse range of clients meet their investment objectives.



Assets under management <sup>1</sup>	\$B
<b>Equity</b> (including alternatives)	<b>\$ 84.9</b>
<b>Fixed income</b>	<b>\$ 196.8</b>
<b>Money market</b>	<b>\$ 204.0</b>
<b>Asset allocation</b>	<b>\$ 12.4</b>
<b>Stable value</b>	<b>\$ 80.8</b>

## Who we serve

- **Consultants**
- **Corporations**
- **Endowments & foundations**
- **Financial advisors**
- **Financial institutions**
- **Government/official institutions**
- **Insurance companies**
- **Pensions and retirement plans**

**24**

locations worldwide

**1,456**

dedicated team members

**485**

global investment talent<sup>2</sup>

**20**

average years in industry<sup>3</sup>

Source: Wells Fargo Asset Management. All figures as of June 30, 2020.

<sup>1</sup> Please note that the assets under management figures provided have been adjusted to eliminate any duplication of reporting among assets directed by multiple investment teams, and include \$95.3B from Galliard Capital Management (\$80.8B Stable Value; \$14.5B Fixed Income), an affiliated investment advisor that is not part of the WFAM trade name/GIPS firm.

<sup>2</sup> Global investment talent includes directors and associate level professionals.

<sup>3</sup> Represents average years of investment industry experience of global investment talent.

# Wells Fargo Wealth & Investment Management



As of October 1, 2020.  
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# WFAM Global Fixed Income Platform

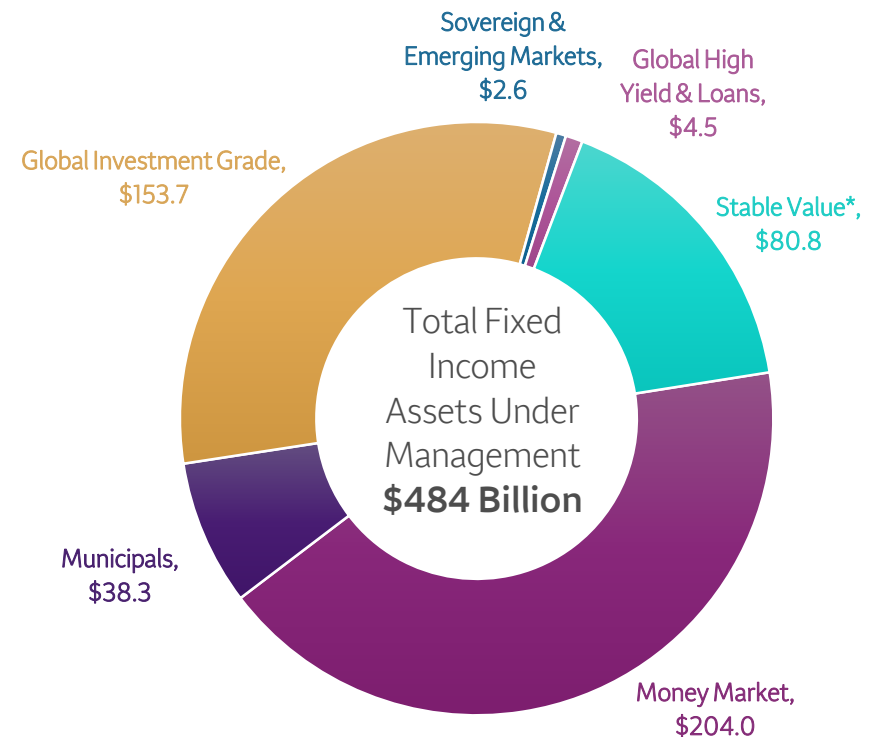
## Our Fixed Income Philosophy

- Fixed income markets are inefficient by virtue of their complexity, structure, and investor base, meaning that opportunity to generate alpha is prevalent
- We believe in active management and seek to take advantage of inefficiencies in order to achieve the desired outcomes of our clients
- Our broad active fixed income capabilities provide expertise in all sectors of the fixed income markets

## Key Strengths

- Strong credit culture with integrated ESG, climate research and sustainable investing
- Global credit research platform is the foundation for focus on bottom up security selection, relative value assessment and risk management
- We focus on generating consistent, repeatable risk adjusted returns while achieving the desired outcome of our clients

## Fixed Income Assets Under Management (Billions)



Source: Wells Fargo Asset Management as of June 30, 2020

\* Figure represents the Stable Value assets under management of Galliard Capital Management, an affiliate advisor that is not part of the WFAM GIPS firm (\$80.8B Stable Value; the remaining \$14.5B of Galliard's assets under management are represented within Global Aggregate/Investment Grade).

# WFAM Global Fixed Income

**Nico Marais**  
Chief Executive Officer  
Wells Fargo Asset Management

**Jon Baranko**  
CIO, Fundamental Equity and  
Fixed Income Investments

**Global Fixed Income Teams**  
Global Credit Research  
Credit Europe  
Global Fixed Income  
Multi Sector Fixed Income – IG  
Multi Sector Fixed Income – Plus and High Yield  
Municipal Fixed Income  
Short Duration Fixed Income

**George Bory, CFA**  
Head of Fixed Income  
Strategy and Product  
Specialists

**Janet Rilling, CFA**  
Head of Multi Sector  
Fixed Income – Plus  
and High Yield

**Maulik Bhansali, CFA**  
**Jared Vasquez**  
Co-Heads  
Montgomery Fixed Income

**Jamie Newton, CFA**  
Head of Global Fixed  
Income Research

**Scott Smith, CFA**  
Head of Multi-Sector  
Fixed Income - IG

**Brian Van Elslander**  
**Vincent Lu**  
Co-Heads  
Private Credit Strategies

**Henrietta Pacquement, CFA**  
**Satish Pulle**  
**Jens Vanbrabant, CFA**  
Credit Europe Team

**Jeff Weaver, CFA**  
Head of Municipal FI,  
Short Duration FI, and  
Money Market

**Peter Wilson**  
Head of Global Fixed  
Income Team

# Short Duration Fixed Income overview

# Short Duration Fixed Income assets under management

## Customized solutions

- Our team manages to numerous short duration benchmarks, and is also capable of creating customized portfolios to accommodate specific liquidity needs, gain/loss sensitivity, financial statement implications, and tax concerns

### Taxable AUM<sup>1</sup>

As of June 30, 2020

Benchmark duration	Target duration	Amount (\$MM)
U.S. Taxable Cash	0 to 0.25	1,921
U.S. Taxable 3-Month	0.25	10,772
U.S. Taxable 6-Month	0.50	10,537
U.S. Ultra Short Plus	0.50	1,147
U.S. Taxable 1 Year	1.00	4,295
U.S. Taxable 1-3 Year	1.90	9,367
U.S. Short-Term Plus	1.90	443
U.S. Taxable 1-5 Year	2.70	3,693
<b>Total:</b>		<b>\$42,175<sup>2*</sup></b>

### Tax-advantaged AUM<sup>1</sup>

As of June 30, 2020

Benchmark duration	Target duration	Amount (\$MM)
U.S. Cash Tax-Advantaged	0.25	741
U.S. Enhanced Cash Tax-Advantaged	0.50	473
Municipal Ultra Short	0.75	467
Municipal Ultra Short Plus	0.75	2,811
U.S. Limited Duration Tax-Advantaged	1.40	701
Municipal Short-Term	2.10	789
Municipal Short-Term Plus	2.00	3,437
<b>Total:</b>		<b>\$9,419<sup>3*</sup></b>

### Money Market Fund solutions

Prime, Government and Municipal Money Fund strategies totaling \$204B<sup>4</sup>

### Short-term Mutual Fund solutions

Adjustable Rate Government Fund

Short-Term Bond Fund

Short-Term Municipal Bond Fund

Short-Duration Government Bond Fund

Ultra-Short Term Income Fund

Ultra-Short Municipal Income Fund

Conservative Income Fund

Source: Wells Fargo Asset Management.

<sup>1</sup> Short Duration AUM managed by Short Duration, Municipal, and Multi Sector-Plus Fixed Income teams.

<sup>2</sup> WFAM has \$42,175 million in Taxable Assets Under Management with \$40,336 million in Separate Accounts and \$1,839 million in Funds.

<sup>3</sup> WFAM has \$9,419 million in Tax-Advantaged Assets Under Management with \$2,825 million in Separate Accounts and \$6,594 million in Funds.

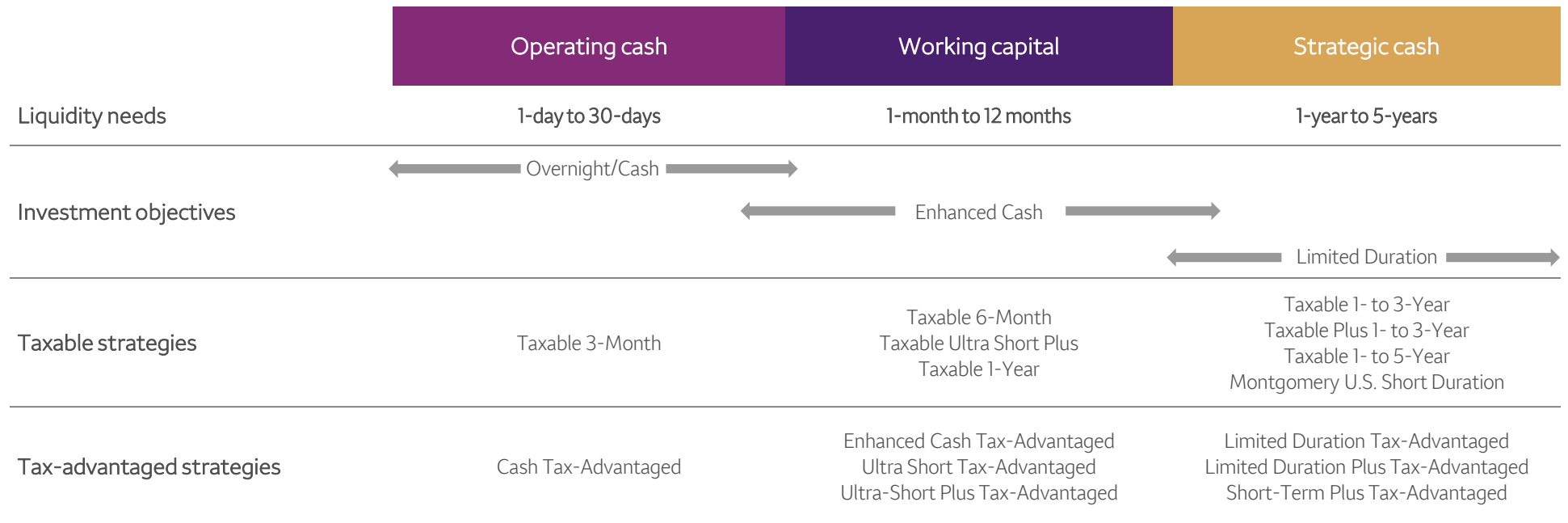
<sup>4</sup> Includes Security Lending and Offshore Government Money Market Funds.

\*Includes exposure to money market fund sweep vehicles.

# Customized separate account strategies

## Strategies matched to liquidity needs

- Separate account vehicles accommodate the highest degree of flexibility and customization to meet specific liquidity needs, gain/loss sensitivity, financial statement implications, and tax concerns



# Short Duration Fixed Income investment team

Short  
Duration



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



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



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



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



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



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



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



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



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



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



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



**Julianne Levinson**  
Portfolio Analyst  
Entered industry: 2016  
Joined firm: 2018

Money  
Market



**Laurie R. White**  
Senior Fund Manager  
Prime & Government Funds  
Entered industry: 1986  
Joined firm: 1991



**Michael C. Bird, CFA**  
Senior Fund Manager  
Government Funds  
Entered industry: 1993  
Joined firm: 2005



**James C. Randazzo**  
Senior Fund Manager  
Municipal Funds  
Entered industry: 1993  
Joined firm: 2000



**Vladislav Stavitskiy**  
Senior Fund Manager  
Money Market Strategy & Analysis  
Entered industry: 2000  
Joined firm: 2000



**Madeleine Gish, CFA**  
Senior Fund Manager  
Prime Funds  
Entered industry: 1989  
Joined firm: 1989



**Daniel Tronstad**  
Senior Fund Manager  
Prime Funds  
Entered industry: 1995  
Joined firm: 2010



**John Kelly**  
Senior Fund Manager  
Government Funds  
Entered industry: 1998  
Joined firm: 2009



**Beatrice Woo**  
Fund Manager & Analyst  
Prime Funds  
Entered industry: 1992  
Joined firm: 2014

Fixed Income Portfolio  
Specialists



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



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

## Firm-wide Credit Research

### Money Market Research

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

### Global Credit Research

**Jamie Newton, CFA**  
Head of Global Credit  
Research: Team of 22 Analysts

### Municipal Credit Research

**Thomas Stoeckmann**  
Head of Municipal  
Credit Research: Team of 14 Analysts

## Additional firm-wide fixed income resources

Money Market	Municipals	Structured Products	Investment Grade	High Yield	Macro / Economic	Systematic & Applied
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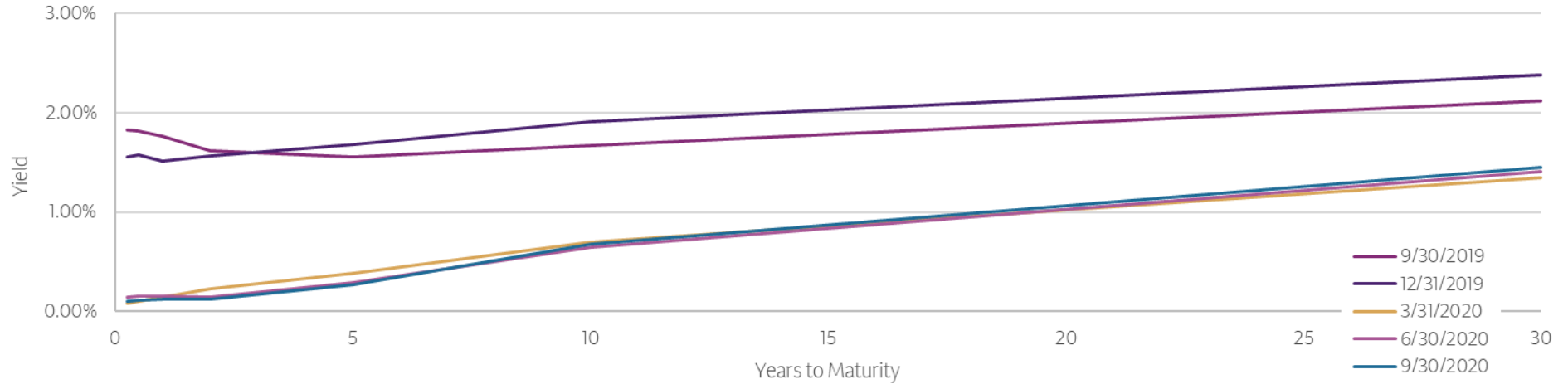
# Market overview

Short Duration strategy

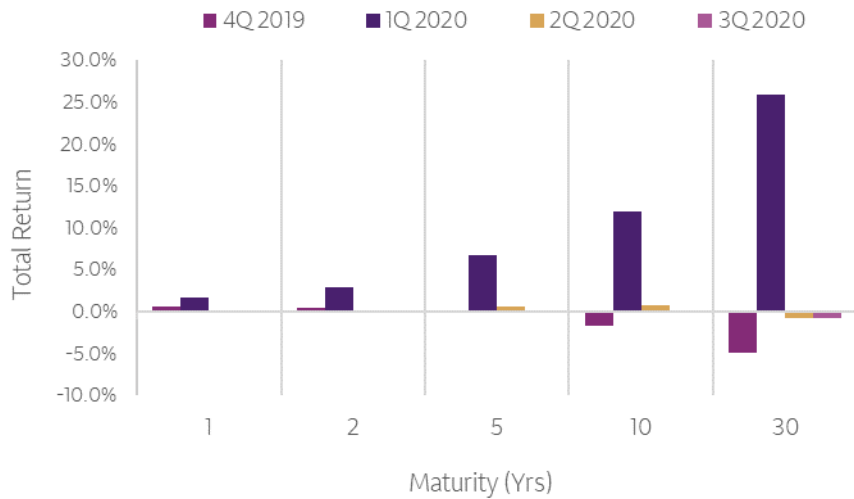
# Short duration review

30 September 2020

## Treasury yield curve



## Total return by maturity



## Total return by sector



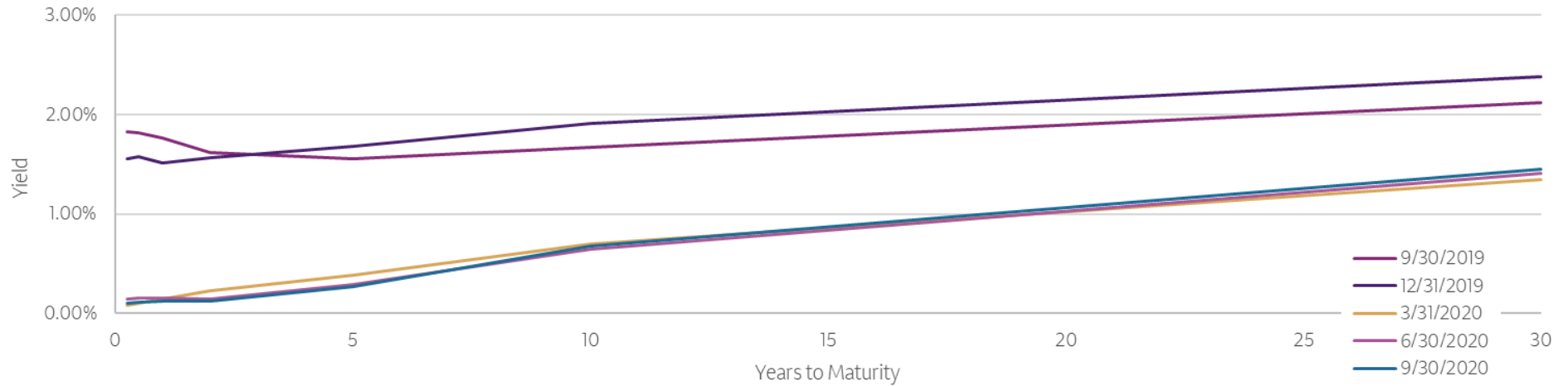
Source: Bloomberg Barclays, ICE BofA



# Short duration review

30 September 2020

## Treasury yield curve



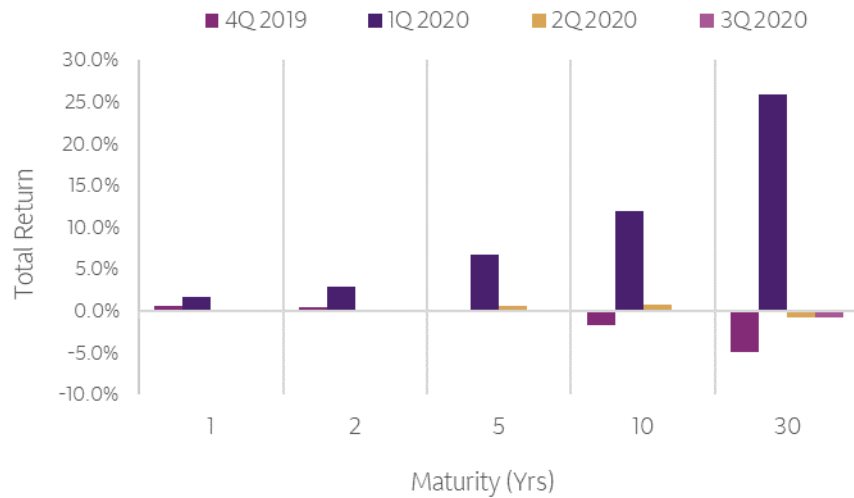
US Treasury Yield Curve	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020
3 Month	1.83%	1.55%	0.08%	0.14%	0.10%
6 Month	1.82%	1.57%	0.10%	0.16%	0.11%
1 Year	1.76%	1.51%	0.15%	0.16%	0.12%
2 Year	1.62%	1.56%	0.23%	0.15%	0.12%
5 Year	1.55%	1.68%	0.38%	0.29%	0.27%
10 Year	1.67%	1.91%	0.70%	0.65%	0.68%
30 Year	2.12%	2.38%	1.35%	1.41%	1.45%

Source: Bloomberg Barclays

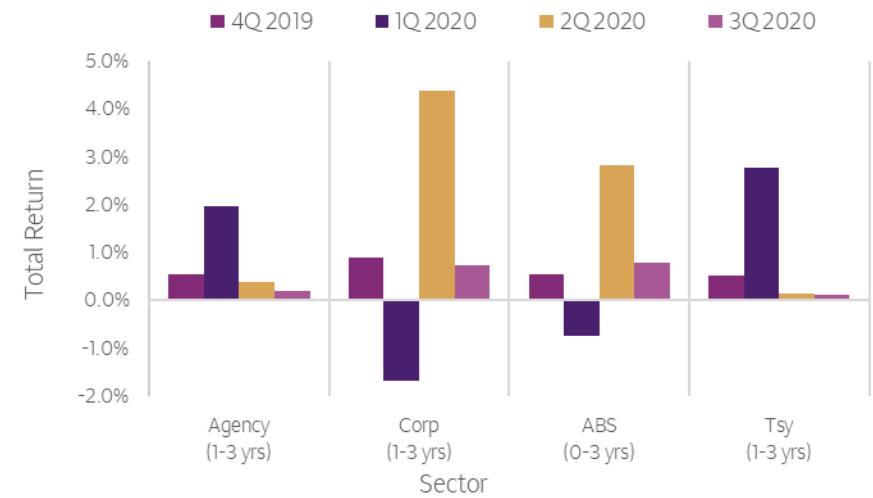
# Short duration review

30 September 2020

## Total return by maturity



## Total return by sector



US Treasury Total Return by Maturity	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
1	0.56%	0.59%	1.72%	-0.03%	0.08%
2	0.57%	0.45%	2.81%	0.10%	0.05%
5	1.36%	-0.24%	6.66%	0.55%	0.18%
10	3.18%	-1.77%	11.93%	0.67%	0.04%
30	9.20%	-4.93%	25.86%	-0.81%	-0.78%

Total Return by ICE BofA Sector	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
Agency (1-3 yrs)	0.62%	0.55%	1.95%	0.37%	0.20%
Corporate (1-3 yrs)	1.00%	0.88%	-1.68%	4.39%	0.74%
Asset Backed (0-3 yrs)	0.73%	0.53%	-0.76%	2.83%	0.78%
Treasury (1-3 yrs)	0.58%	0.51%	2.78%	0.14%	0.11%

Source: Bloomberg Barclays, ICE BofA

# Economic summary

September 30, 2020

## Growth

Deep drop in output through April; inflection point in May  
Initial dramatic bounce-back followed by slower full recovery

## Employment

Strong job growth off the bottom; now slowing  
Full labor market recovery will take several quarters

## Inflation

Inflation measures have rebounded from April low  
Longer term inflationary pressure could rise

## Monetary

ZIRP, QE and credit support programs for the duration of crisis  
FOMC to tolerate above target inflation

## Fiscal

Additional relief legislation still under discussion  
Approaching election presents rising uncertainty

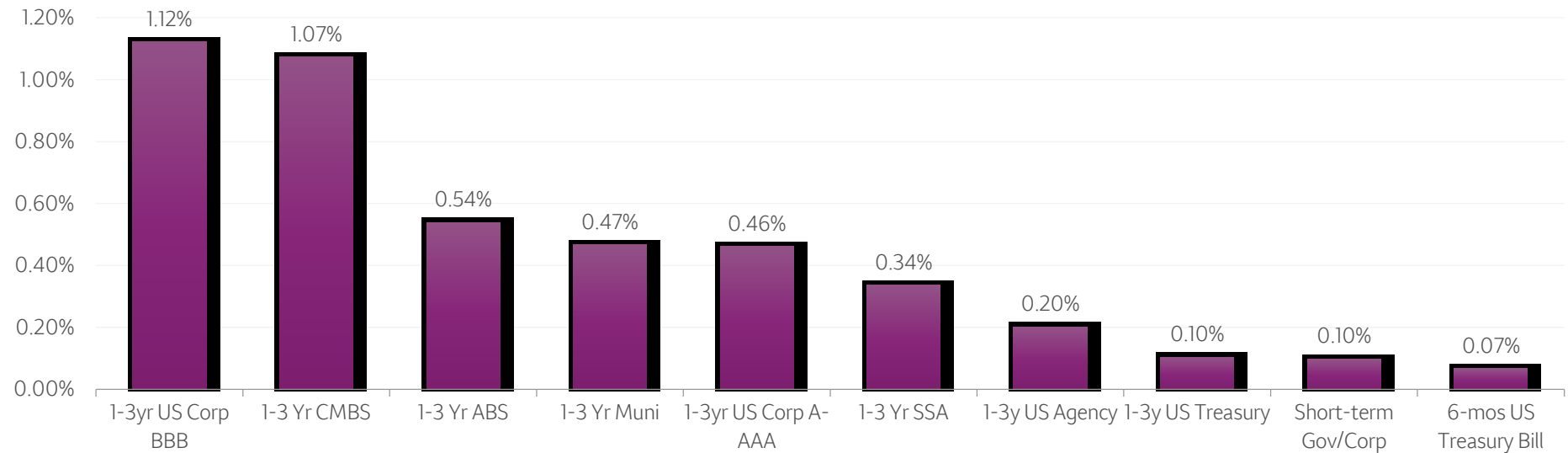
## International

Strained relationships between China and the rest of the world  
Pandemic still depressing global economy

# Summary of returns

## 3-month rolling returns

As of September 30, 2020



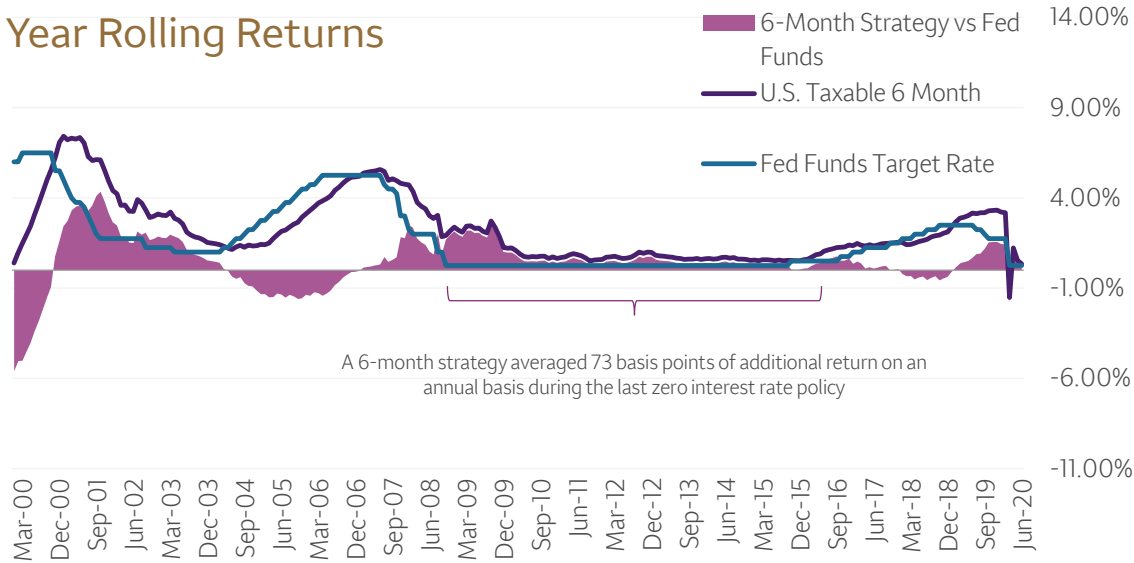
	1-3yr US Corp BBB	1-3 Yr CMBS	1-3 Yr ABS	1-3yr US Corp A-AAA	1-3 Yr SSA	1-3 Yr Muni	1-3y US Agency	Short-term Gov/Corp	1-3y US Treasury	6-mos US Treasury Bill
Month to Date	0.04%	0.19%	0.11%	-0.05%	0.05%	0.08%	0.03%	0.02%	0.03%	0.02%
<b>3 Months</b>	<b>1.12%</b>	<b>1.07%</b>	<b>0.54%</b>	<b>0.46%</b>	<b>0.34%</b>	<b>0.47%</b>	<b>0.20%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>0.07%</b>
YTD	3.25%	3.89%	3.58%	3.51%	3.27%	1.96%	2.54%	1.26%	3.05%	1.00%
1 Year	4.30%	4.33%	4.08%	4.32%	3.83%	2.61%	3.10%	1.81%	3.58%	1.54%

Source: Bloomberg, ICE BofA.  
Indices as of 9/30/20.

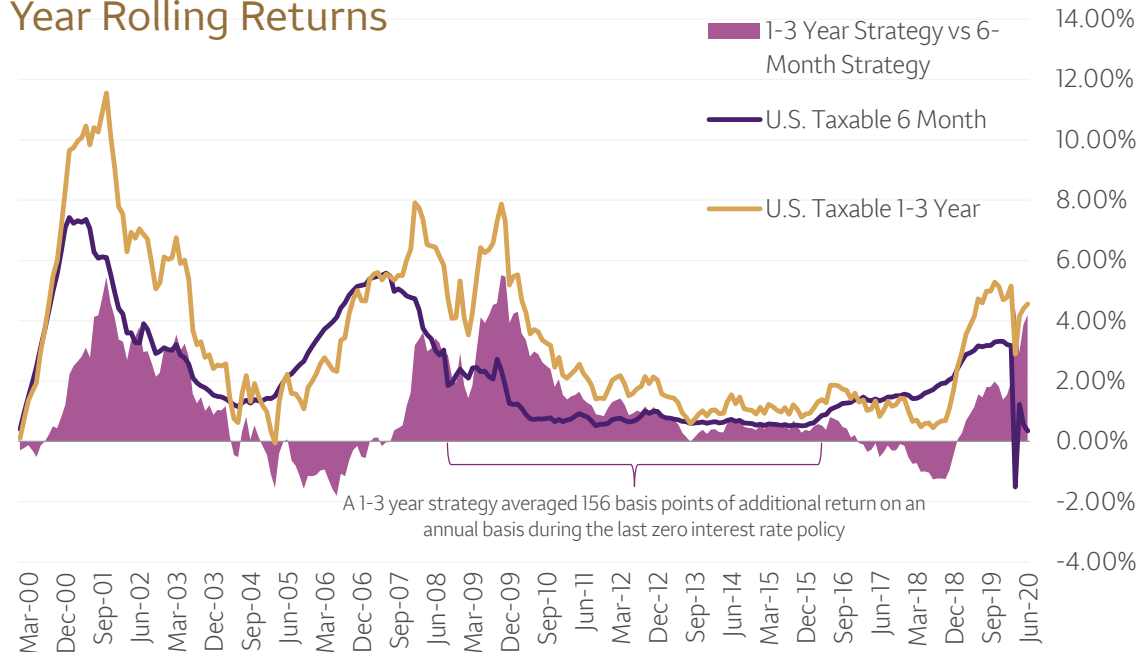
Past performance is not a reliable indicator of future results.

# Slide of the Month: finding value in Short Duration

## 1 Year Rolling Returns



## 1 Year Rolling Returns



## Opportunities for short term investors

- Investors seeking additional returns have two primary levers: extending duration and moving down in credit quality
- Interest rate risk is mitigated by the Fed's commitment to be lower for longer
- Bottom up security selection allows us to mitigate credit risk by leveraging the expertise of our Global Credit Research team
- Incrementally extending beyond money market funds into a 6 month strategy offers value while ensuring capital preservation and liquidity
- Short term investors with no immediate liquidity needs can find value in our 1-3 year strategy offering compelling returns in stable low rate environment

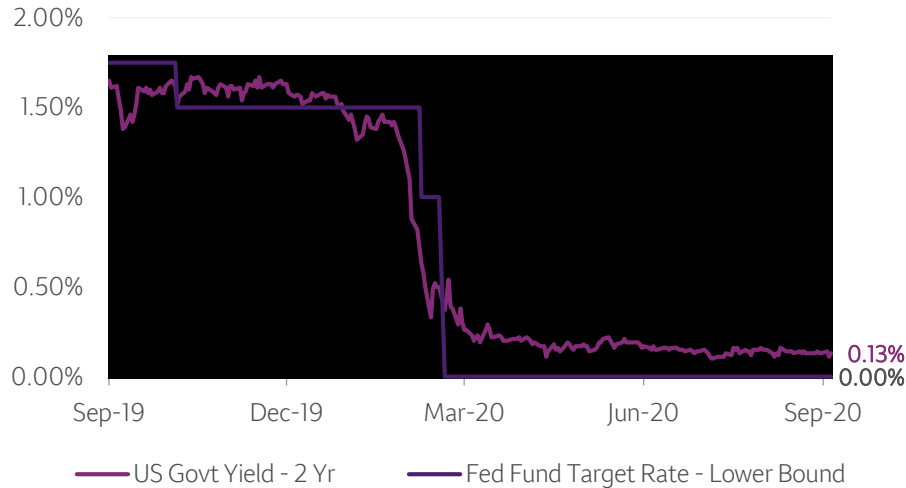
# Market summary & outlook

Sector	Underweight	Neutral	Overweight	Comments:
Duration and yield curve				Portfolios across all strategies are positioned neutral relative to benchmark durations.
Government related				U.S. Agency and SSAs appear fairly valued and spreads are expected to remain range-bound over the coming months. The risk is for spreads to widen over the near-term as uncertainty rises in the U.S. political landscape, alongside a resurgence of Covid-19 infections globally.
Corporate				Bid-side liquidity is strong with dealers unable to maintain inventory and valuations on tenors inside of 3-years back to pre-COVID levels. There remains an opportunity to invest in companies directly impacted by the pandemic. In full discretion mandates, the team has begun to sell securities where pricing is through pre-pandemic levels.
Money market instruments				Relative value considerations continue to be the primary focus in the front end. CP continues to trade near historic tights. The team is starting to invest into 2021 where attractive to avoid reinvestment risk with typical year-end supply/demand imbalances.
Agency MBS				Agency mortgages have been stable but lagged corporate and ABS since the first quarter. The sector looks relatively attractive at current valuations.
ABS				ABS is a high-quality, low-risk, diversifying asset class that does exhibit some value versus other high quality asset classes. For portfolios with no liquidity needs, the team recommends maintaining current positions.
Municipals				The SIFMA (floating rate) index at 0.11% has encouraged investors to buy longer tenors and lower-rated securities to capture additional yield. Increased issuance of taxable municipals offers an attractive alternative to corporates. Tax-exempt municipals are an attractive alternative to Treasuries and agencies.

Source: Wells Fargo Asset Management (9/30/20).

# Treasury and duration

## U.S. 2 year note and fed funds rate



## U.S. 2s / 5s curve



## Review & commentary

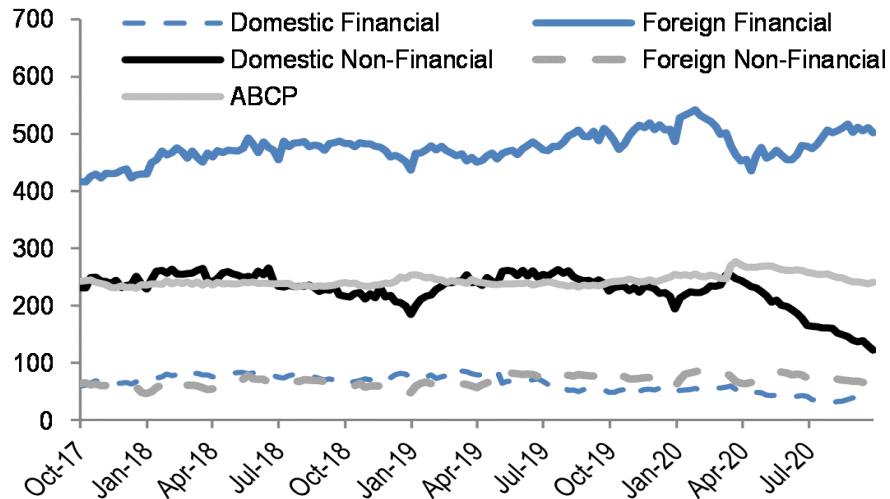
- The summary of economic projections, released at the conclusion of the September 15-16 FOMC meeting show that the average member believes the Federal Funds rate will be at the effective lower bound through the end of 2023. The market had been expecting more specific forward guidance and perhaps a shift in the composition of QE towards longer dated Treasuries, both of which are still forthcoming.
- The 2-year note is currently at 0.13%. We expect the yield to remain in the current range of 11 to 23 bps.
- The 2-year/5-year curve is currently at +15 and beginning to break out of the approximately +11 to +16 range which it has been in since early June.
- Talk of yield curve targeting has quieted recently.

## Strategy

- Portfolios across all strategies are positioned neutral to slightly short relative to their benchmark durations.
- The Federal Funds rate is anchored at the effective lower bound and we believe short Treasury rates will remain near these levels for the foreseeable future.
- An increase in inflation expectations will lead to a steeper 2-year/5-year curve, but we believe that is an intermediate- to long-term risk.

# Money market instruments

## Commercial Paper Tier-1 Outstandings (\$bn)



## AUM and returns of ultrashort and short-term bond fund styles

Fund Type		AuM (\$bn)	Total Returns (%)			
			1m	3m	6m	1y
Ultrashort	Government	7	0.06	0.18	0.55	1.66
	Conservative credit	54	0.05	0.29	0.44	1.50
	Credit	97	0.10	0.78	0.77	2.02
	Multi-sector	74	0.19	1.23	0.71	2.13
Short-term	Government	87	0.04	0.25	1.63	3.40
	Conservative credit	25	0.13	0.91	1.64	3.49
	Credit	301	0.19	1.72	2.13	4.35
	Multi-sector	190	0.39	2.17	1.41	3.48
MMFs	Government	3596	0.00	0.01	0.08	0.75
	Prime	741	0.00	0.02	0.18	0.97

Source: JPMorgan, Citigroup, Bloomberg, Wells Fargo Asset Management (9/30/20).

## Review & commentary

- USCP market conditions were relatively calm even as market participants positioned for quarter-end. Liquidity at the end of the month was stable when compared to prior periods.
- Nonfinancial O/S has now decreased by \$153 bn since March 11, accounting for approximately 82% of the decline in total USCP O/S. Nonfinancial O/S is at the lowest level since April 2013.
- Tier-1 nonfinancial flows have predominantly been 3-months and in, although select issuers found liquidity out to 6-months. Tier-2 flows largely remained 2-months and shorter with a few issuers getting demand into early 2021.
- ABCP issuers continued to see strong liquidity, primarily in the 3- to 6-month tenors. Multiple conduits were able to borrow out to 9-months.

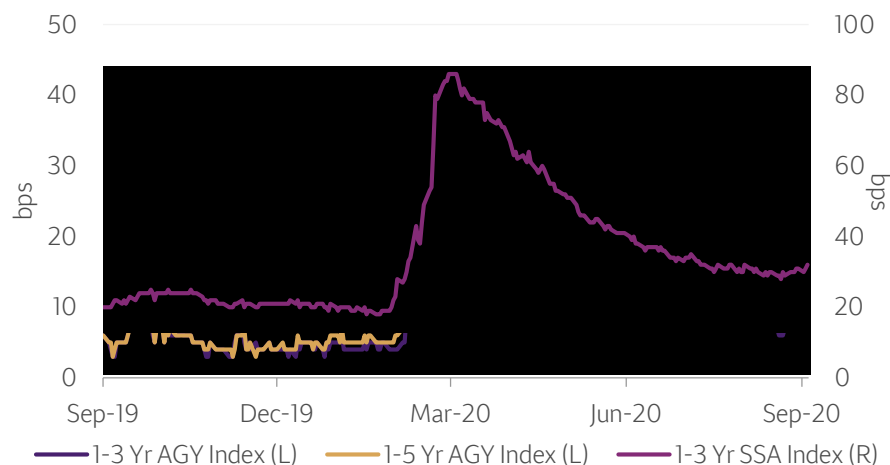
## Strategy

- Relative value considerations continue to play an important role in money markets. The team is investing in fixed rate CP/CDs in 1-6 month tenors where attractive and given breakevens. Portfolios are starting to invest into 2021 to avoid reinvestment risk with typical year-end supply/demand imbalances.
- Fundamental, bottom-up credit analysis is key to determining both value and liquidity in current market conditions. Factors such as industry and idiosyncratic risks remain of utmost importance.
- The spread between A-2/P-2 and A-1/P-1 CP has narrowed. There remain offerings in select 1-3 month Tier-2 credits that represent value but sourcing and liquidity can be difficult.



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

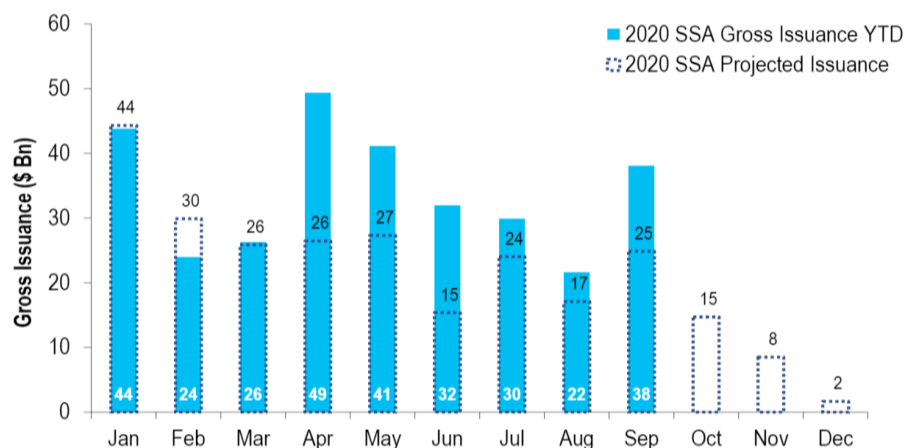
## U.S. Agency & SSA spreads to Treasuries



## Review & commentary

- U.S. Agency yield spreads appear fairly valued. Intermediate Treasury yields are likely to remain near current levels, and there is no expectation for substantial narrowing pressure to Agency spreads between now and year-end.
- SSA issuance in September was much higher than estimates. Issuance is expected to be light in the next few weeks with Asian holidays and Columbus Day approaching. SSA issuance will return, but likely well below the record pace of April-September.
- SSA gross issuance now stands at \$307 bn and net issuance is now at \$84 bn year-to-date.

## SSA combined gross issuance seasonality

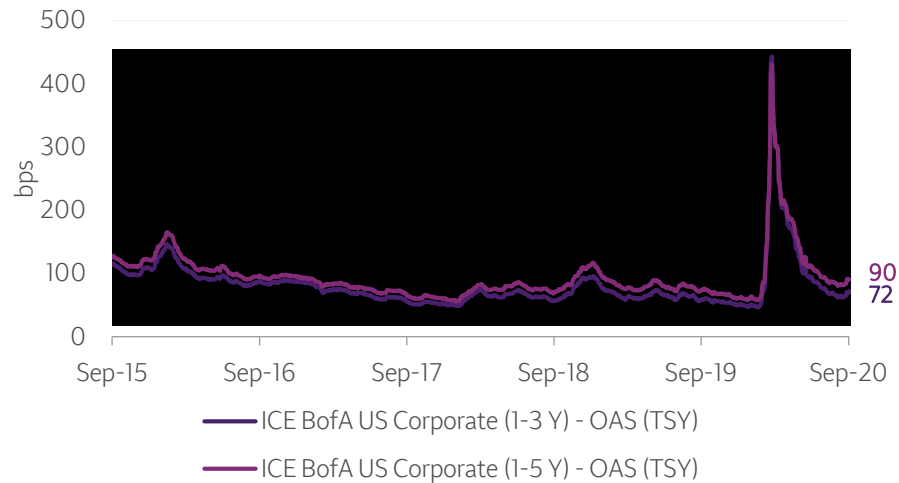


## Strategy

- U.S. Agency and SSA spreads appear fairly valued and are expected to remain range-bound over the coming months.
- The risk is skewed towards spreads widening over the near-term as uncertainty rises in the U.S. political landscape alongside the resurgence of Covid-19 infections globally.
- Safe haven attributes of quality, demand, liquidity and limited supply, continue to drive the performance of the SSA sector.
- SSAs shorter than 3 years do not benefit from roll-down in yield spreads to Treasuries.

# Corporates

## U.S. corporate spreads – OAS (TSY)



## ICE BofA 1-5 Yr BBB - AAA-A Yield Spread Pick-up



## Review & commentary

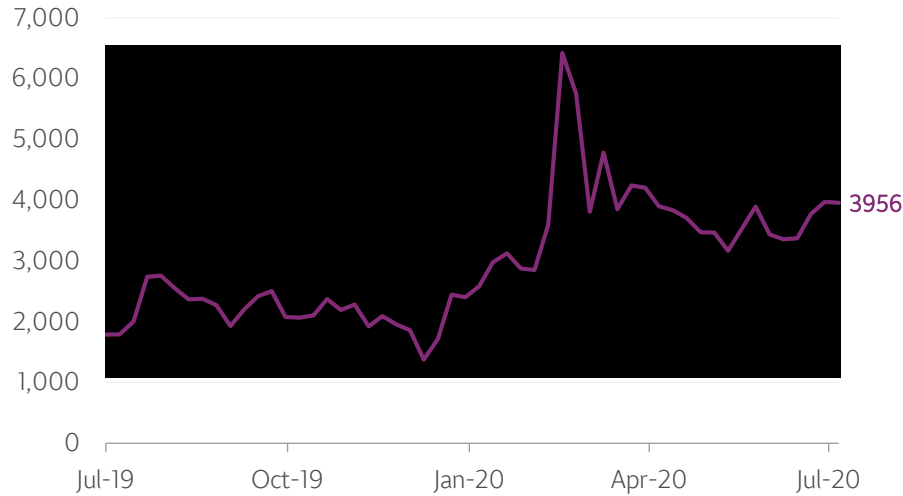
- The ICE BofA 1-3 Year U.S. Corporate Index yield spreads widened 8 bps in September to end the month at +72; the ICE BofA 1-5 Year U.S. Corporate Index yield spread widened by 11 bps to end the month at +90.
- Bid-side liquidity is strong with dealers unable to maintain inventory and valuations on tenors inside of 3-years more expensive than pre-COVID levels.
- The team is mindful of securities trading at levels more expensive than the call spread as M&A has begun to increase and more companies are choosing to extend the maturity profile of their debt.
- Credit downgrades will increase if there is a second wave of Covid-19 infections affecting consumer behavior.

## Strategy

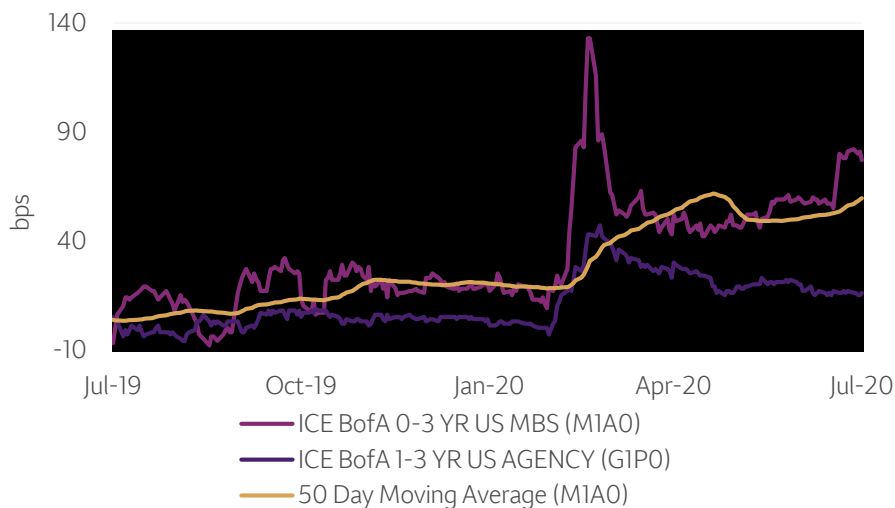
- There remains an opportunity to invest in companies directly impacted by the pandemic, both in tenors 3-years and longer and in lower-rated holdings.
- In full discretion mandates, the team has begun to sell securities from highly-rated issuers where pricing levels are through pre-pandemic tights.
- The team views spread volatility related to the election as an opportunity to increase credit exposure.

# Mortgage-backed securities

## Mortgage Bankers Association Refinance Index



## U.S. MBS OAS vs. U.S. Agency OAS



## Review & commentary

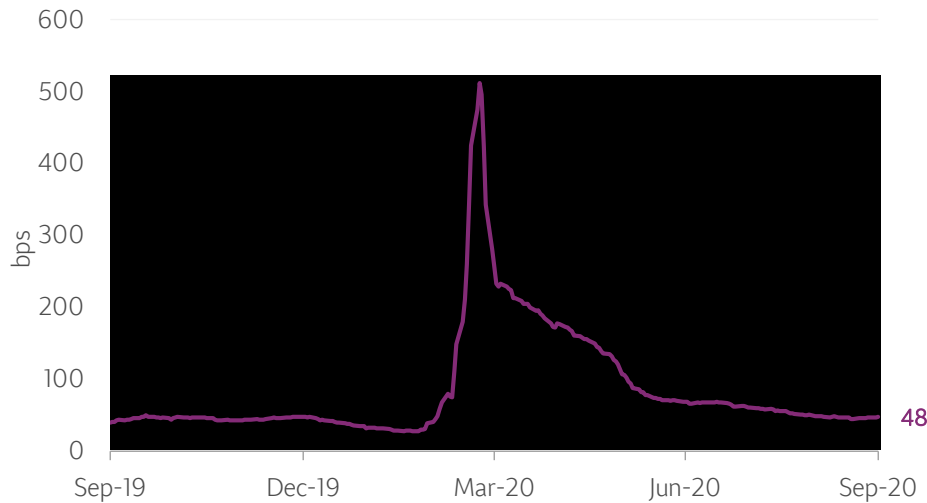
- Mortgage performance has been stable but underperformed the rebound in corporate bonds and ABS over the past few months.
- Mortgage rates have hit historical lows and this has led to elevated prepayment risk.
- Since March, the Federal Reserve has purchased \$1.1 trillion of agency MBS. Recently, the Fed has tapered its purchases but is currently buying \$110 billion gross or \$40 billion net per month.
- Seasoned 15-year agency mortgages with a 3% coupon and a Ginnie Mae reverse mortgage pool were purchased into portfolios.

## Strategy

- Seasoned 15-year mortgage pass-throughs and CMOs offer protection against average life volatility.
- Agency mortgages are regaining their attractiveness from a relative value standpoint in the short duration space.
- Suggested MBS allocation is 20%.

# Asset-backed securities

## ICE BofA AAA US ABS Index - OAS (TSY)



## 2019-2020 U.S. ABS issuance by sector (\$MM)

Sector	2020 YTD <sup>1</sup>	2019 YTD <sup>1</sup>	FY 2019
Auto	84,289	101,549	120,884
Credit card	2,456	22,357	24,466
Equipment	12,806	14,249	19,617
Student loans	12,086	11,176	14,473
Esoteric	50,535	46,996	64,661
<b>Total</b>	<b>162,173</b>	<b>196,328</b>	<b>244,101</b>

<sup>1</sup>: YTD issuance is as of October 2.

Source: FactSet, ICE BofA, Bloomberg, Thomson Reuters, SIFMA, Wells Fargo Asset Management (9/30/20).

## Review & commentary

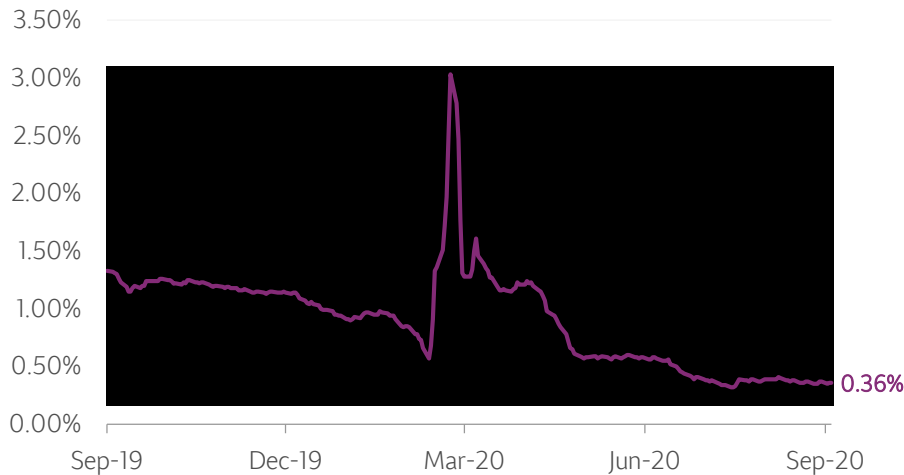
- Yield spreads (OAS) on the ICE BofA AAA U.S. ABS Index are a few bps wider from the recent tightness of +45 in mid-September; currently +48.
- The new issue market continues to lag last year's supply pace despite a recent uptick, currently \$162 bn YTD vs. \$196 bn in 2019. Autos and credit cards are the laggards, down \$18 bn and \$20 bn, respectively.
- Credit card fundamentals were stable in August, the first full monthly period without enhanced unemployment benefits. It appears that households have used stimulus to pay down debt and increase savings.
- Prime and subprime auto fundamentals show strong, stable performance in August. Extension rates remained flat indicating borrowers have no required or requested additional extensions.
- Manheim US Used Vehicle Value Index continues to impress with a September reading of 162.3, a tick below the August record of 163.4.

## Strategy

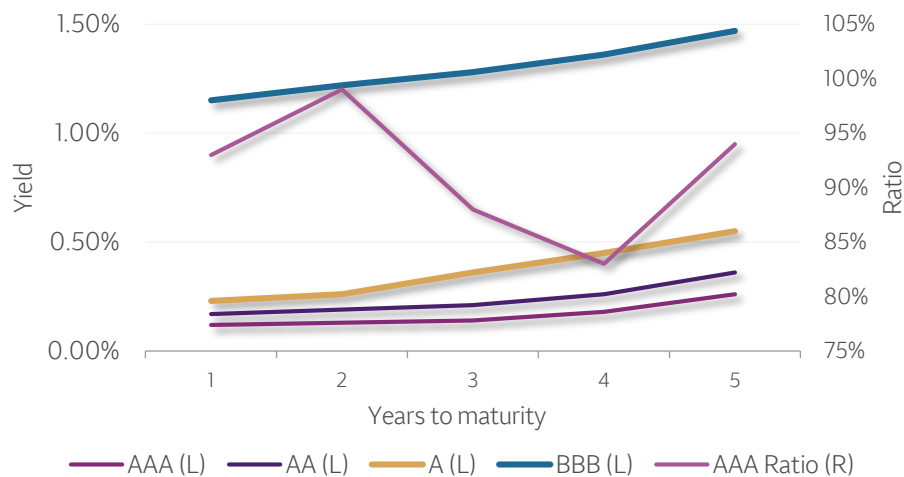
- Portfolios are maintaining current positions if there are no liquidity needs.
- Fundamentals are evolving, but the consumer remains resilient.
- Issuers are likely to add credit enhancement to avoid downgrades. Ultimately, structures should provide protection from principal loss at the senior level.

# Municipals

## ICE BofA Municipals (1-3 Y) -YTW



## Municipal/Treasury Ratios



## Review & commentary

- The tax-exempt yield curve moved steeper with front-end yields falling by 2-3 bps and intermediate/long yields rising by 5-6 bps. Credit concerns are growing over state and local governments.
- Supply is getting heavy and will likely remain so for the foreseeable future. September sales were ~\$50 bn and October will likely be larger as issuers seek funding before the election. New issue sales totaled \$135 bn in Q3, the highest Q3 since 2011.
- Recent one notch downgrades to New York State and NYC point to the economic impact of the pandemic. Ratings agencies are being more aggressive.
- The SIFMA (floating-rate) index rebounded off its YTD low of 0.08% set in early September. At 0.11% SIFMA is attractive to 1-year AAA-rated municipals currently yielding 0.12%.

## Strategy

- High grade credits are quite rich given the current level of yields. Lower-rated issuers and/or longer maturities offer better value for high tax bracket individuals. Weaker seasonals heading into the fall may offer a more attractive entry point.
- The new issue market continues to be the primary source of supply. Despite near-record low yields, tax-exempt investments remain an attractive option for highly-taxed investors.
- Taxable municipals are attractive versus corporate bonds. AAA-rated tax-exempt municipals are attractive versus Treasuries and agencies and single-A tax-exempt municipals are attractive versus single-A industrial corporates. All are difficult to find in meaningful allocations, especially for larger accounts.

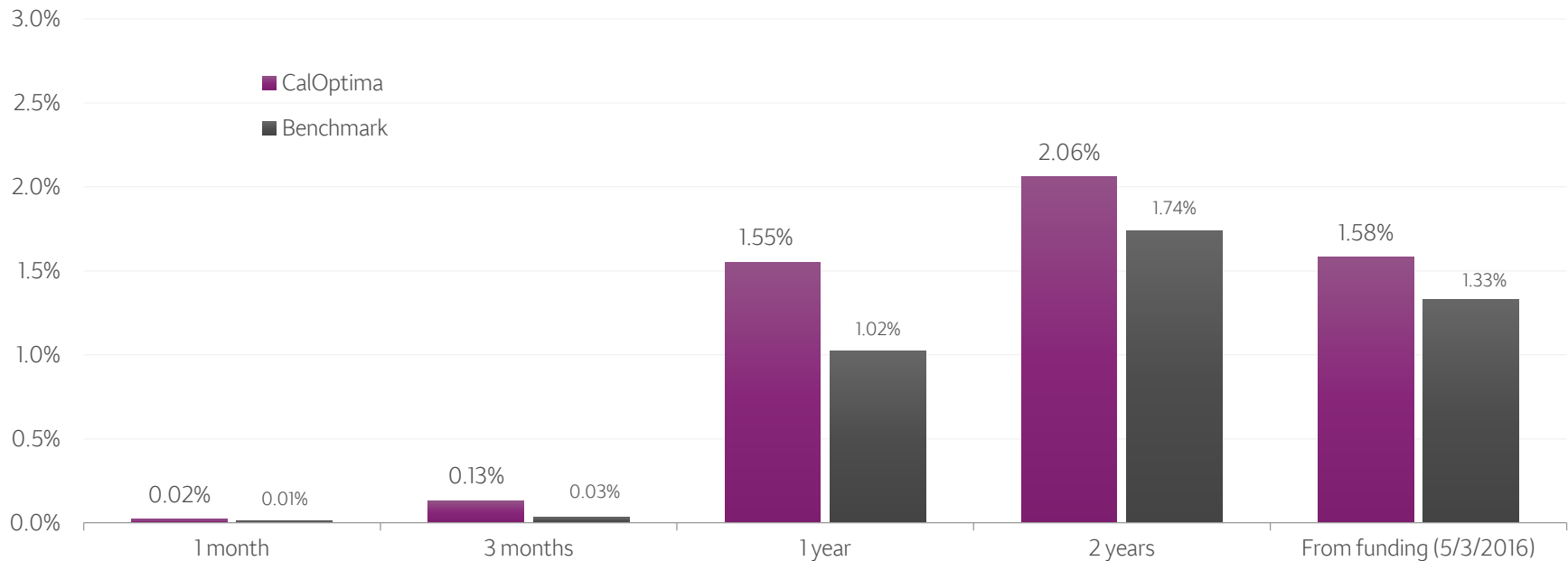
# CalOptima

Portfolio performance and positioning

# Portfolio performance

As of September 30, 2020

	1 month	3 months	1 year	2 years	From funding (5/3/2016)
CalOptima Portfolio (gross)	0.02%	0.13%	1.55%	2.06%	1.58%
FTSE 3 Month T-Bill	0.01%	0.03%	1.02%	1.69%	1.33%



Source: Clearwater. Returns are presented gross of management fees. Returns for periods greater than one year are annualized. Past performance does not guarantee future results.

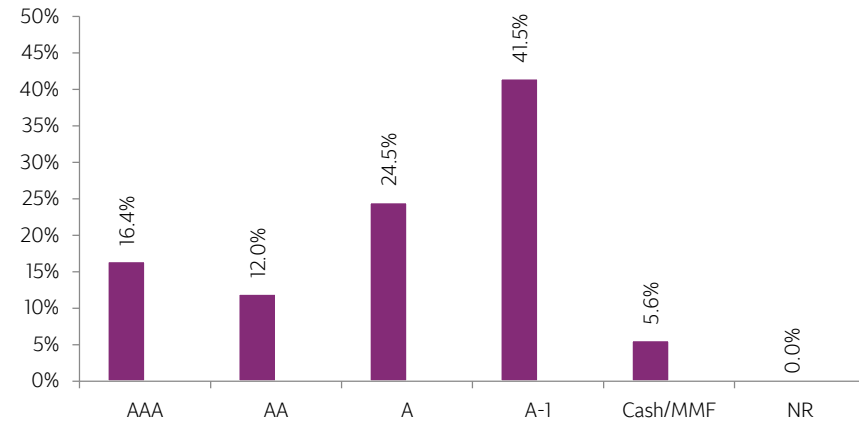
# Portfolio summary

As of September 30, 2020

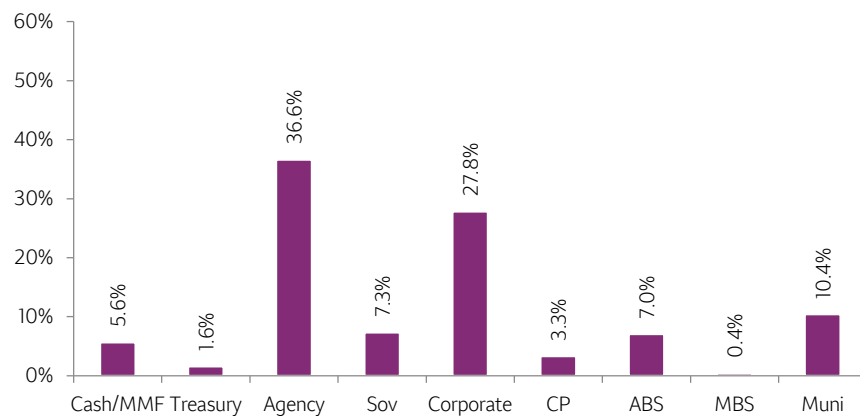
## Characteristics

	CalOptima
Market Value (\$)	\$392,764,266
Avg. Effective Maturity (years)	0.44
Duration (years)	0.34
Purchase Yield (%)	0.47
Market Yield (%)	0.21
Average Quality	AA

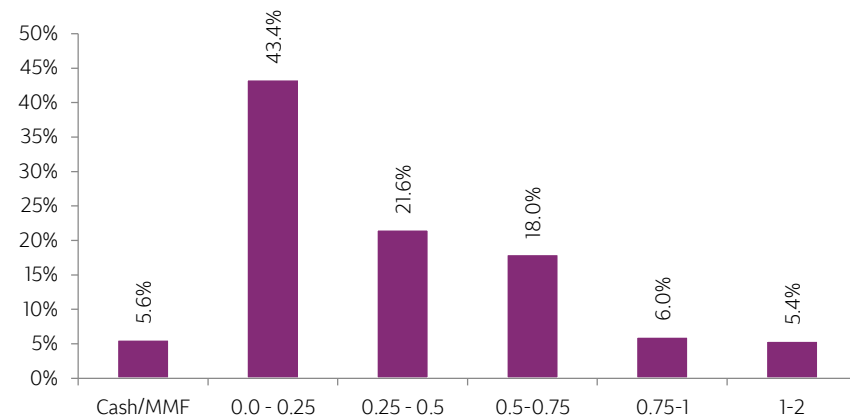
## Credit quality



## Security type



## Duration



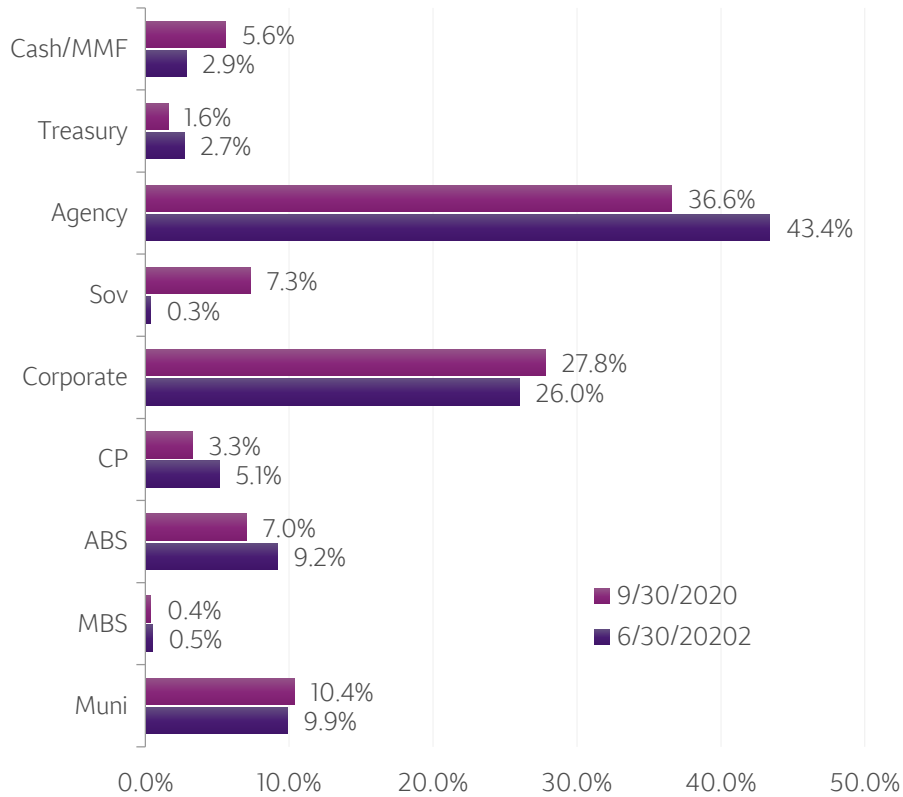
Source: Clearwater



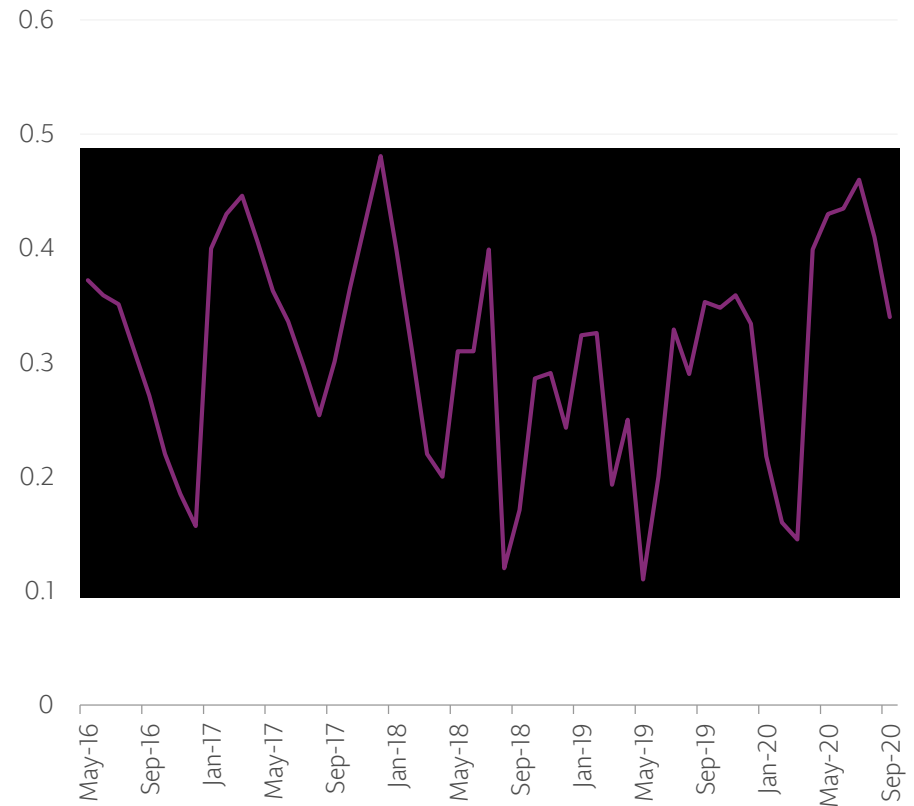
# Portfolio changes

As of September 30, 2020

## Allocation



## Duration since inception



	9/30/2020	6/30/2020	Change
<b>Market Value</b>	<b>\$392,764,266</b>	<b>\$369,295,619</b>	<b>\$23,468,647</b>

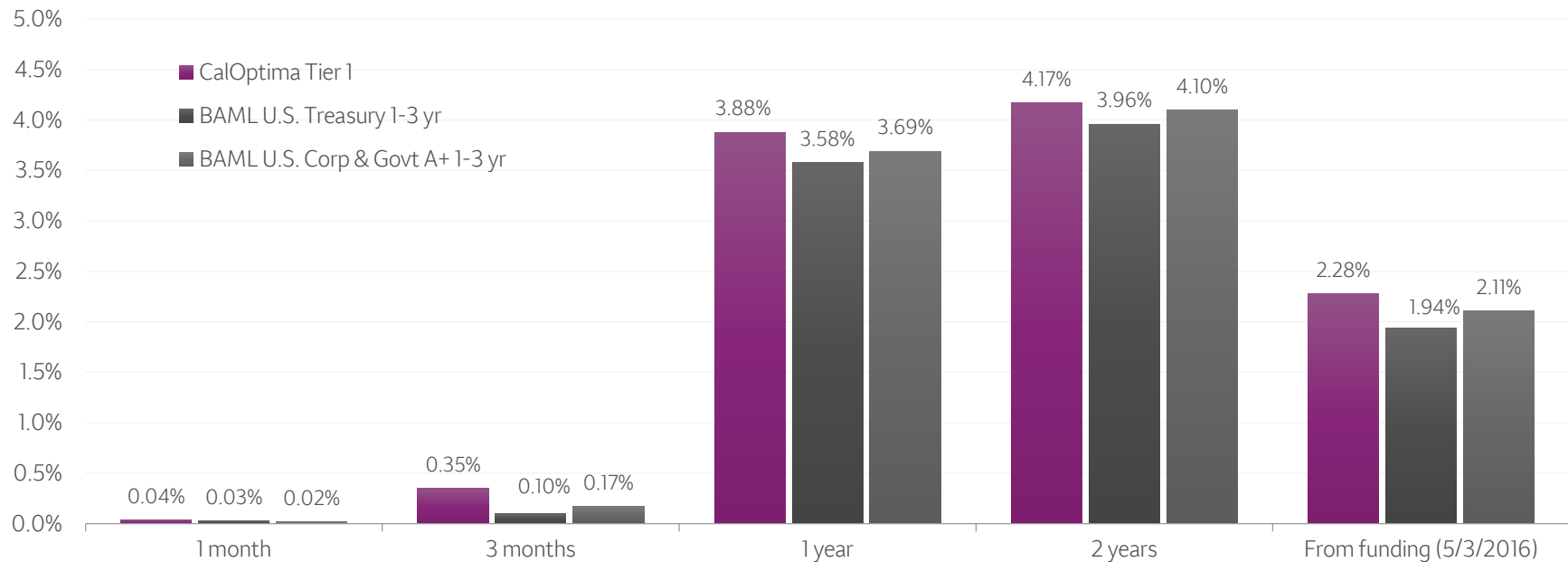
# CalOptima Tier 1

Portfolio performance and positioning

# Portfolio performance

As of September 30, 2020

	1 month	3 months	1 year	2 years	From funding (5/3/2016)
<b>CalOptima Tier 1 Portfolio (gross)</b>	<b>0.04%</b>	<b>0.35%</b>	<b>3.88%</b>	<b>4.17%</b>	<b>2.28%</b>
ICE BofAML U.S. Treasury 1-3 Years Index	0.03%	0.10%	3.58%	3.96%	1.94%
ICE BofAML U.S. Corp & Govt A+ 1-3 Years Index	0.02%	0.17%	3.69%	4.10%	2.11%



Source: Clearwater. Returns are presented gross of management fees. Returns for periods greater than one year are annualized. Past performance does not guarantee future results.

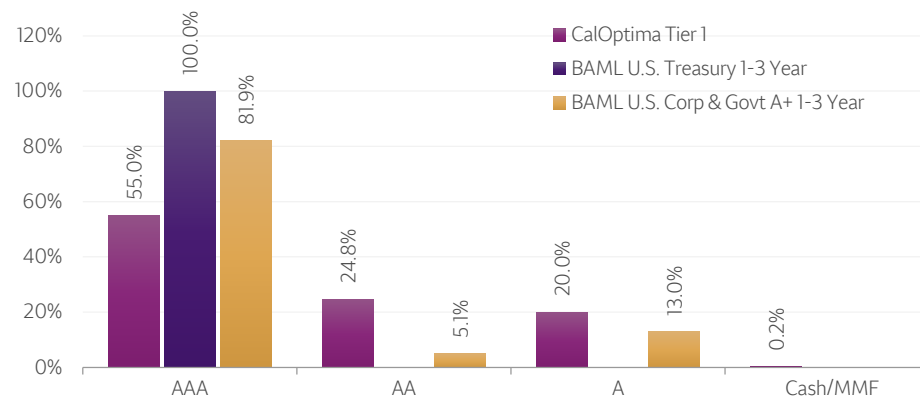
# Portfolio summary

As of September 30, 2020

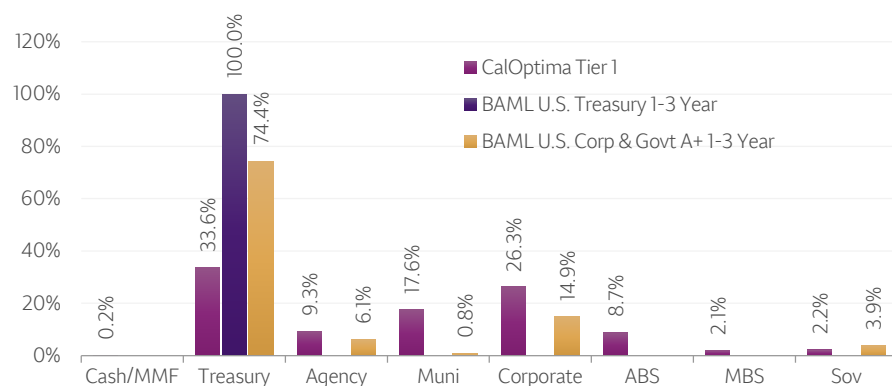
## Characteristics

	CalOptima Tier 1	BAML U.S. Treasury 1-3 Year	BAML U.S. Corp / Gov't A+ 1-3 Year
Market Value (\$)	159,798,287		
Avg. Effective Maturity (years)	1.72	1.94	1.95
Duration (years)	1.70	1.90	1.90
Purchase Yield (%)	1.79	----	----
Market Yield (%)	0.31	0.14	0.22
Average Quality	AA	AAA	AAA

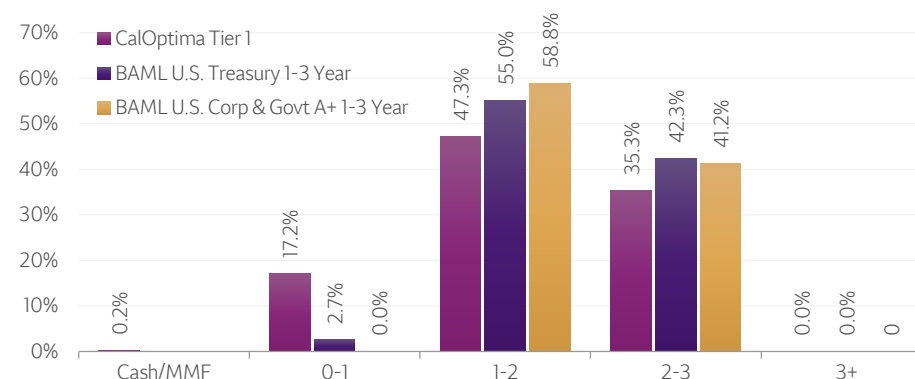
## Credit quality



## Security type



## Duration

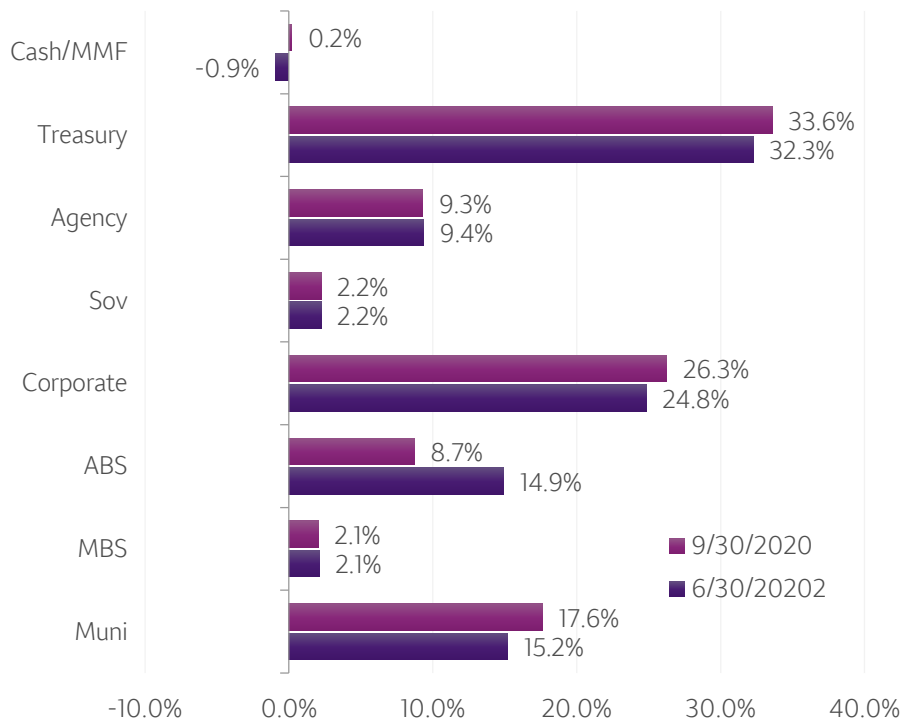


Source: Clearwater and Radar

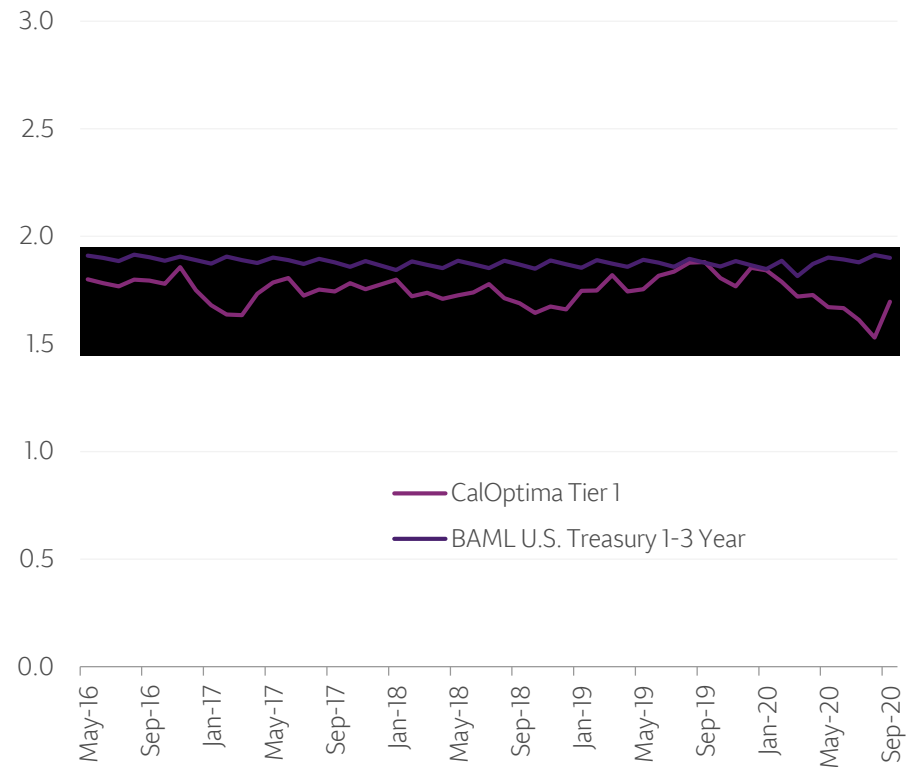
# Portfolio changes

As of September 30, 2020

## Allocation



## Duration since inception



	9/30/2020	6/30/2020	Change
<b>Market Value</b>	<b>\$159,798,287</b>	<b>\$159,246,689</b>	<b>\$551,597</b>

# Performance attribution

As of September 30, 2020

Portfolio vs. BAML U.S. Treasury 1-3 Year Index

9/30/2020	Manager Performance Attribution
Strategy:	Short Duration
Benchmark:	BAML 1-3 yr Treasury Index

(in basis points)	3Q 2020	YTD	1 Year	Since Inception*
<b>Duration</b>	-0.7	-2.9	-1.1	18.3
<b>Curve</b>				
<b>Sector Selection</b>				
Agency	0.5	-0.3	0.9	9.5
Corporate				
Financial	4.6	6.8	9.1	50.6
Industrial	4.3	1.0	1.9	27.3
Utilities	0.0	-0.2	-0.2	4.0
NonCorporate	0.1	0.8	0.8	1.1
MBS	0.6	1.9	1.7	1.6
CMBS				
ABS	4.4	8.4	8.3	18.4
Municipal	10.9	5.9	6.1	12.9
Error Factor	-0.3	2.6	2.9	17.1
<b>Total Contribution</b>	24.2	24.0	30.4	160.7
<b>CalOptima Tier 1 Return</b>	34.6	329.1	388.1	1052.5
<b>Benchmark Return</b>	10.4	305.1	357.7	891.8

\*Since inception date of 6/1/2016, returns shown are unannualized, gross of management fees

# Performance attribution

As of September 30, 2020

Portfolio vs. BAML U.S. Corporate & Government A+ 1-3 Year Index

9/30/2020	Manager Performance Attribution
Strategy:	Short Duration
Benchmark:	BAML 1-3 yr AAA - A US Corp & Govt Index

(in basis points)	3Q 2020	YTD	1 Year	Since Inception*
<b>Duration</b>	2.6	6.6	8.9	28.6
<b>Curve</b>				5.0
<b>Sector Selection</b>				
Agency	0.0	-2.0	-1.9	0.0
Corporate				
Financial	0.6	-6.4	-4.8	16.6
Industrial	2.2	0.2	0.6	9.2
Utilities	-0.3	-1.6	-1.6	-1.6
NonCorporate	-0.4	-0.7	-0.7	-0.8
MBS	0.4	1.4	1.1	0.4
CMBS				
ABS	0.0	5.0	4.1	4.0
Municipal	9.9	10.6	10.4	9.6
Error Factor	2.1	4.8	3.5	9.9
<b>Total Contribution</b>	17.2	17.9	19.6	81.0
<b>CalOptima Tier 1 Return</b>	34.6	329.1	388.1	1052.5
<b>Benchmark Return</b>	17.4	311.2	368.5	971.5

\*Since inception date of 6/1/2016, returns shown are unannualized, gross of management fees

# Disclaimer

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# Short-Term Actively Managed Program (“STAMP”)

**CALOPTIMA**

OCTOBER 19, 2020

Scott Pavlak, CFA – Portfolio Management

Erin Klepper – Client Service



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# Table of Contents

**01** MetLife Investment Management Overview

**02** Market Review

**03** Portfolio Review

# 1. MetLife Investment Management Overview

# Overview

**MetLife Investment Management (MIM)**<sup>1</sup> manages Public Fixed Income, Private Capital and Real Estate assets for institutional investors worldwide by applying our deep asset class expertise to build tailored portfolio solutions. We also leverage the broader resources and 150-year history of MetLife to skillfully navigate markets.

## MIM Highlights

Total Assets Under Management of \$629.1 billion<sup>2</sup> as of June 30, 2020

Separate accounts, proprietary commingled funds and client-specific portfolio solutions

Experienced and tenured investment teams

Deep fundamental research

Leverages the broader resources of the MetLife enterprise

## Global Presence<sup>1,3</sup>



1. As of June 30, 2020, subsidiaries of MetLife, Inc. that provide investment management services to MetLife's general account, separate accounts and/or unaffiliated/third party investors include Metropolitan Life Insurance Company, MetLife Investment Management, LLC, MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Asset Management Corp. (Japan), and MIM I LLC.

2. As of June 30, 2020. At estimated fair value. See Appendix – End Notes for additional information.

3. Illustration shown depicts locations of select MIM regional offices, chosen in MIM's discretion; not a complete representation of MIM's regional offices.

# Short Duration Fixed Income Team

Portfolio Management		
Name	Responsibility	Industry Experience (yrs)
<b>Scott Pavlak, CFA</b>	Head of Short Duration Fixed Income	32
<b>Juan Peruyero</b>	Portfolio Manager	20

Portfolio Management Support		
Name	Sector	Industry Experience (yrs)
<b>David Wheeler, CFA</b>	Credit	34
<b>Steve Kelly, CFA</b>	Credit	32
<b>Kimberley Slough</b>	Municipals	27
<b>John Palphreyman, CFA</b>	Structured Products	21
<b>Phil Tran</b>	Treasuries, Agencies, Money Markets	17

Trading			
Name	Role	# of Traders	Average Industry Experience (yrs)
<b>Dana Cottrell</b>	Head of Investment Grade Trading	5	14
<b>Thomas McClintic</b>	Head of High Yield Trading	3	18
<b>Jason Valentino</b>	Head of Structured Products Trading	8	15

Research			
Name	Role	# of Analysts	Average Industry Experience (yrs)
<b>Brian Funk, CFA</b>	Head of Credit Research		23
<b>Ian Bowman</b>	Sector Leader – Consumer & Healthcare	5	19
<b>Park Benjamin, CFA</b>	Sector Leader – Energy, Basics, Materials	5	13
<b>Scott O'Donnell</b>	Sector Leader – Financials	4	13
<b>Richard Davis, CFA</b>	Sector Leader – Industrials	4	17
<b>Zach Bauer, CFA</b>	Sector Leader – Telecom, Media, Technology	6	13
<b>Susan Young</b>	Sector Leader – Utilities & Midstream	3	14
<b>Brent Garrels</b>	Sector Leader – Special Situations	2	14
<b>Joseph Gankiewicz, CFA</b>	Sector Leader – Municipals	5	22
	Credit Strategy	2	15
Name	Role	# of Analysts	Average Industry Experience (yrs)
<b>Francisco Paez, CFA</b>	Head of Structured Products Research		24
<b>Loritta Cheng</b>	Sector Leader – ABS	2	17
<b>Meena Pursnani</b>	Sector Leader – CMBS	3	20
<b>Angela Best</b>	Sector Leader – CLO	2	14

## 2. Market Review

# Current Themes

## Stimulus Measures

Return to pre-coronavirus levels of activity still challenged as dependence on government support remains but the political will and ability to continue to supply unchecked fiscal stimulus is unsustainable in our view. Even with additional stimulus on the horizon, we continue to expect growth headwinds as many small businesses are slow to reopen and employees across large enterprises continue adapting to the work from home environment. Expect additional support for state and local governments, which employ as much as 13%<sup>1</sup> of the overall U.S. workforce, in any future stimulus plans. The U.S. federal deficit continues to expand coupled with a sharp increase in the national debt, both represent long-term challenges.

## Consumer

Post-coronavirus consumer behavior remains altered and has created some distortions as shopping and spending patterns have shifted. Social distancing persists, negatively impacting some of the most hard-hit sectors like lodging, restaurants, retail, travel and leisure. Stimulus to date has propped up consumption and aided households in managing to stay current on their financial obligations (e.g. rent, credit cards, auto loans) but concerns arise as the economic recovery is slow to pick up and the effects of any additional stimulus wane in 2021. An elevated savings rate could persist given a heightened degree of economic uncertainty and ongoing labor market disruptions. Historically, the savings rate tends to be skewed disproportionately by high-income earners who have a lower propensity to spend an incremental saved dollar.

## Business

Growing level of government involvement to provide financing and support businesses (i.e. picking winners and losers) while limiting “creative destruction” is a worrisome trend. Small and midsize businesses continue to grapple with staffing challenges as well as issues with reopening while many large businesses have been less impacted by the Covid crisis which could lead to more redistributionist policies going forward. While elevated uncertainty has caused earnings guidance to be pulled across many sectors, material declines in top-line revenues, higher costs, lower margins, weaker credit metrics (i.e. higher leverage, lower interest coverage) and less cash flow generation will likely continue to impact business models going forward and lead to additional rating downgrades.

## Inflation

The post-coronavirus economy and shifting consumer trends such as increased housing demand have driven prices higher for certain products like lumber and home-related durable goods. Other near-term improvements in sub-sectors such as motor vehicles, transportation, furnishings and education services should continue to nudge inflation readings higher in the short run. Market-based measures of longer-term inflation expectations (5-10 years) are at five-year highs while 10-year inflation breakeven rates have moved back to their pre-Covid levels. Lingering labor market slack, however, and low future growth is expected to temper inflation longer term.

## Central Banks – Monetary and Fiscal Policy

The Federal Reserve and other major central banks will likely remain accommodative for the foreseeable future and pass the baton to fiscal authorities to provide the necessary stimulus going forward. The Fed’s policy shift to a Flexible Average Inflation Target (FAIT) is a novel attempt to provide forward guidance but leaves many unanswered questions. We expect QE and the various support programs to be extended into 2021 as these programs have significantly reduced refinancing risk but have also created some unintended consequences including excessive risk taking and masked the natural function of certain markets.

## Employment

The ability of the labor market to continue recovering is highly dependent on maintaining progress on re-openings of both schools and businesses as working parents deal with issues of childcare and education of school-age children. The recent drop in the unemployment rate was largely driven by a decline in the labor market’s participation rate and was notably concentrated among women. This trend bears watching as it has negative longer-term implications for economic growth. The service sector of the U.S. economy, representing approximately 70% of the labor force, is heavily skewed towards small business which will likely be slower to recover relative to the Goods/Manufacturing and Government sectors. Work from home becomes more acceptable and a potentially permanent employment trend, at least until employees become comfortable with the safety and efficacy of any Covid-19 vaccine.

## Residential / Commercial Real Estate

Urban dwellers continue to migrate to the suburbs keeping inventories for single-family properties tight. In also factoring in low mortgage rates, we believe home price growth will be in the low to mid-single digit range. Mortgage prepayments could remain elevated as originators expand capacity to meet refinancing demand. Expiration of forbearance programs and lack of continuous government stimulus may push delinquencies and foreclosures higher. Supported by strength in industrial and multi-family properties, commercial real estate delinquencies appear to have stabilized, but headwinds remain for retail, lodging and office properties. We project that commercial property price indices are biased to move modestly lower.

## Election

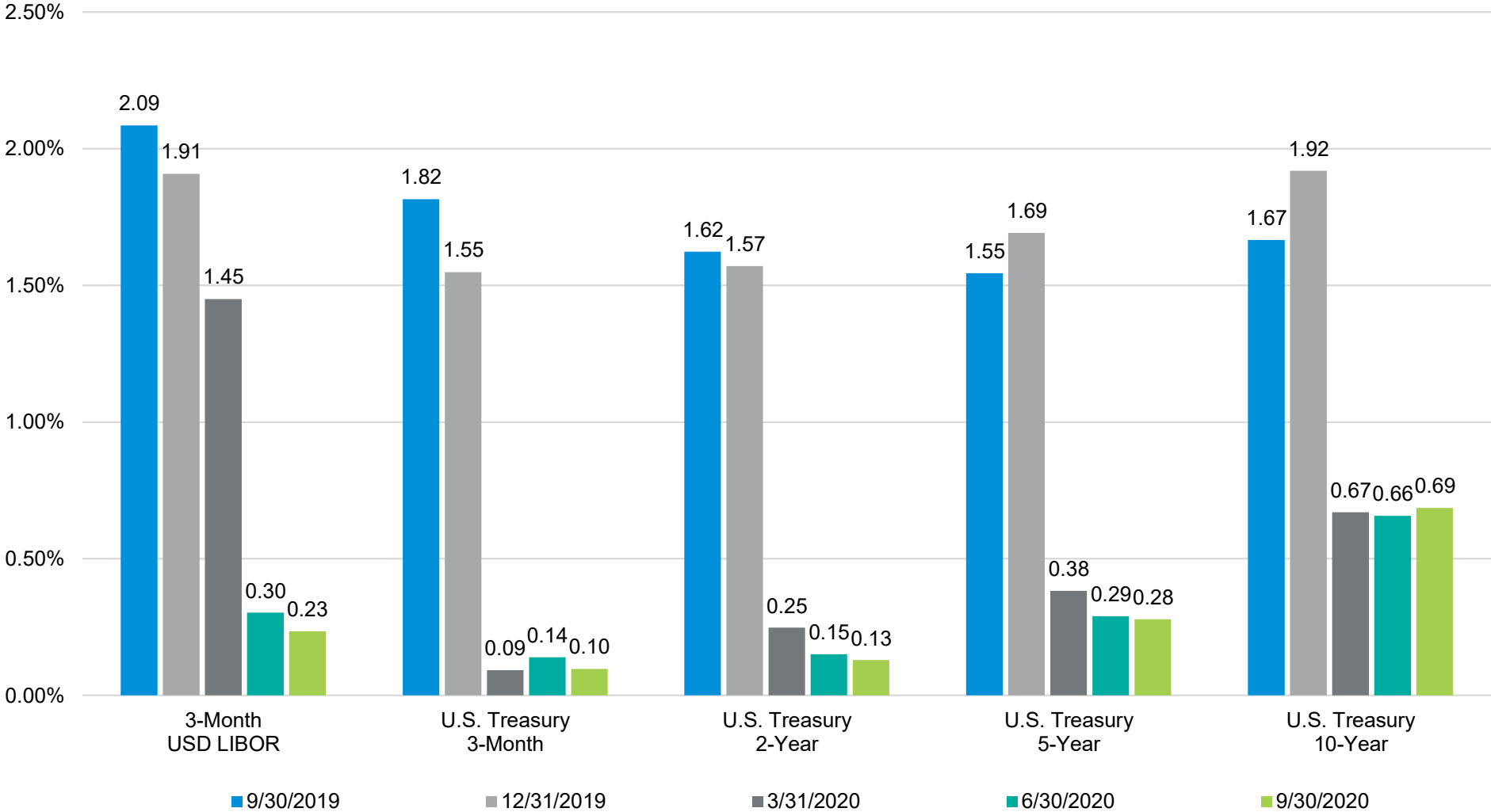
Political gridlock poses risk to the economy and a contested election would no doubt increase market volatility near term. Party control is consequential, and a Democratic sweep would bring a number of changes including expansion of the ACA, possible implementation of a public option, changes in energy policy, growth in infrastructure spending, broader push for raising the minimum wage and an increase in both personal and corporate taxes. If corporate tax rates are increased, companies will see a decline in cash flow and profits which would be made worse by higher labor costs across affected businesses. Many of the prior administration’s regulatory reforms would likely be rolled back or reversed.

The views present are MetLife Investment Management’s only, are subject to change, and may not reflect the manager’s current views.

<sup>1</sup> Source: Bureau of Labor Statistics

# Yields

As of September 30, 2020



Source: Bloomberg



# Federal Reserve Balance Sheet<sup>1</sup>

As of October 1, 2020

	3/18/2020	6/11/2020	10/1/2020	Δ from 6/11 to 10/1
Securities Holdings	\$4,010	\$5,988	\$6,431	\$443
Repo Outstanding	\$442	\$167	\$1	(\$166)
Discount Window	\$28	\$8	\$3	(\$5)
PDCF	\$0	\$6	\$0	(\$6)
MMLF	\$0	\$27	\$7	(\$20)
Dollar Swaps	\$0	\$445	\$24	(\$421)
CPFF	\$0	\$13	\$9	(\$4)
PPPLF	\$0	\$57	\$68	\$11
Corporate Credit Facility	\$0	\$37	\$45	\$8
Municipal Liquidity Facility	\$0	\$16	\$17	\$1
Main Street Lending Program	\$0	\$31	\$40	\$9
Other <sup>2</sup>	\$237	\$334	\$370	\$36
<b>Total Reserve Bank Credit</b>	<b>\$4,717</b>	<b>\$7,129</b>	<b>\$7,015</b>	<b>(\$114)</b>

Source: Federal Reserve

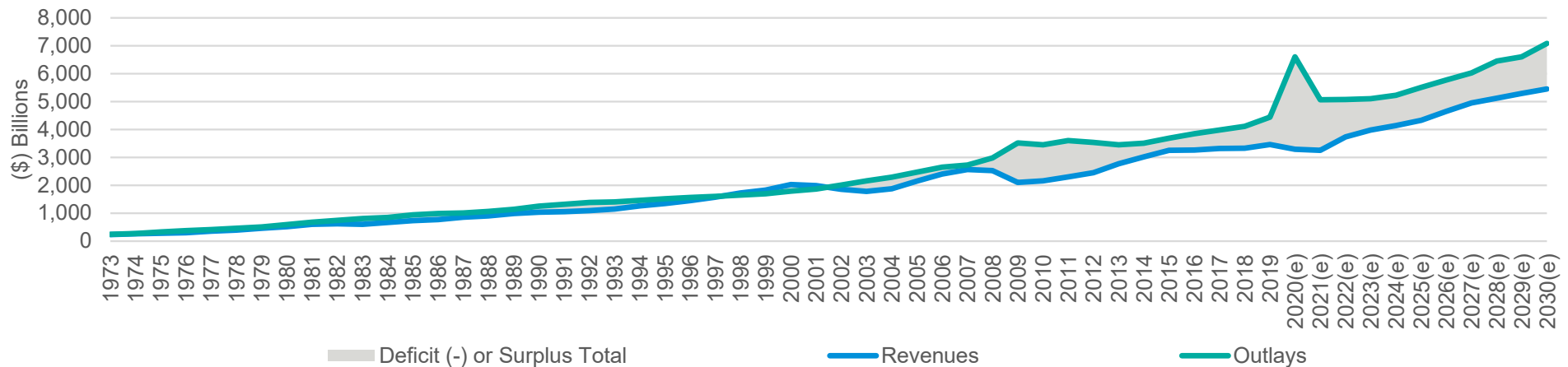
<sup>1</sup> Numbers in billions

<sup>2</sup> Includes items such as unamortized premiums on securities held outright, foreign currency denominated assets, gold stock and Treasury currency outstanding

# Congressional Budget Office

As of August 31, 2020

## U.S. Deficit



(\$ Billions)	1973	1983	1993	2003	2008	2009	2011	2013	2015	2017	2018	2019	2020 <sup>1</sup>	2030 <sup>1</sup>
Revenues	231	601	1,154	1,782	2,524	2,105	2,304	2,775	3,250	3,316	3,330	3,463	3,296	5,457
Outlays	246	808	1,409	2,160	2,983	3,518	3,603	3,455	3,688	3,982	4,109	4,447	6,606	7,084
Social Security	48	169	302	470	612	678	725	808	882	939	982	1,038	1,091	1,835
Medicare	9	56	143	274	456	500	560	585	634	702	705	775	862	1,611
Medicaid	5	19	76	161	201	251	275	265	350	375	389	409	466	707
Income Security	14	64	117	196	261	350	404	340	301	293	285	303	1,132	353
Retirement & Disability	12	45	68	100	129	138	144	153	161	163	163	170	173	227
Defense	77	210	292	405	612	657	699	626	583	590	623	676	715	888
Other	63	156	212	401	458	758	566	458	553	657	637	700	1,829	798
Net Interest	17	90	199	153	253	187	230	221	223	263	325	375	338	664
Deficit (-) or Surplus Total	-15	-208	-255	-378	-459	-1,413	-1,300	-680	-438	-665	-779	-984	-3,311	-1,627

<sup>1</sup> Indicates estimates

Source: Congressional Budget Office

# Short Duration Cross Sector Relative Value

As of October 1, 2020

Category		WAL (Years)	Min (bps)	Date Range: 01/02/2020 to 10/01/2020*		Max (bps)	BOP (bps)	EOP (bps)	Spread Change (bps)
Credit (1-5 Year)	Overall	2.5	58			430	61	90	29
	1-5 Year A Corp	2.5	46			309	48	60	12
	1-5 Year BBB Corp	2.5	78			463	82	128	46
	Financial	2.5	59			376	63	97	34
	Industrial	2.5	57			362	59	85	26
	Utility	2.5	66			313	70	85	15
Municipals (1-5 Year)	Taxable	2.5	44			239	60	87	27
Agency RMBS	CMO PAC	3.0	50			106	63	52	-11
	CMO Sequentials	3.0	52			110	65	53	-12
ABS	Auto Floorplan AAA	3.0	45			400	59	60	1
	Auto Lease AAA	3.0	30			237	48	43	-5
	Auto Prime AAAL	3.0	24			220	40	30	-10
	Auto SubPrime AAAL	3.0	40			237	50	45	-5
	Credit Card AAAL	3.0	21			220	28	29	1
	Equipment AAA	3.0	33			230	55	43	-12
CMBS	CMBS Agency AAA	3.0	20			150	35	37	2
	Conduit AAA	3.0	37			210	43	50	7

Source: ICE Data Services, MetLife Investment Management  
Past performance is not indicative of future results.

# ICE BofA Corporate 1-5 Year Index

As of September 30, 2020

OAS (bps)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Corporate (1-5)	174	70	61	65	62	196	639	166	136	227	110	89	99	121	96	61	114	61	90
Financial (1-5)	165	51	50	57	56	212	663	204	158	308	126	93	96	104	100	60	116	63	98
Industrial (1-5)	176	86	73	75	69	181	624	135	116	164	96	85	103	134	92	61	112	59	85
Utility (1-5)	236	79	63	73	71	175	576	155	131	169	110	99	89	120	101	64	126	70	85

## CalOptima Corporate Allocation

	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20
ICE BofA 1-5 Yr Corporate OAS (bps)	89	78	68	78	99	89	101	126	121	121	112	95	96	84	75	66	61	84	86	70	114	79	81	73	61	304	111	90
CalOptima Tier Two	30%	23%	24%	20%	25%	29%	29%	23%	24%	26%	21%	23%	28%	26%	29%	30%	26%	28%	29%	27%	29%	25%	29%	22%	19%	22%	29%	25%
CalOptima Tier One	-	-	-	-	-	-	-	-	-	-	22%	24%	26%	26%	29%	29%	27%	28%	29%	25%	30%	23%	29%	24%	19%	21%	26%	22%
CalOptima Operating Fund	-	-	-	-	-	-	-	-	-	-	25%	25%	17%	26%	7%	12%	23%	17%	12%	25%	27%	11%	29%	25%	12%	22%	20%	16%

Source: ICE Data Services

Past performance is not indicative of future results.

# 3. Portfolio Review

# Performance

As of September 30, 2020

	3Q 2020	YTD	1-Year
<b>Operating Fund (Gross of fees)</b>	<b>0.13%</b>	<b>0.96%</b>	<b>1.47%</b>
<b>Operating Fund (Net of fees)</b>	<b>0.11%</b>	<b>0.89%</b>	<b>1.38%</b>
FTSE 3-Month Treasury Bill <sup>2</sup>	0.03%	0.56%	1.02%
	3Q 2020	YTD	1-Year
<b>Tier One (Gross of fees)</b>	<b>0.39%</b>	<b>3.34%</b>	<b>3.96%</b>
<b>Tier One (Net of fees)</b>	<b>0.37%</b>	<b>3.28%</b>	<b>3.88%</b>
ICE BofA 1-3 Years U.S. Treasury <sup>2</sup>	0.10%	3.05%	3.58%
ICE BofA 1-3 Years AAA-A Corp/Gov <sup>2</sup>	0.17%	3.11%	3.68%
	3Q 2020	YTD	1-Year
<b>Tier Two (Gross of fees)</b>	<b>0.59%</b>	<b>4.54%</b>	<b>5.08%</b>
<b>Tier Two (Net of fees)</b>	<b>0.55%</b>	<b>4.44%</b>	<b>4.95%</b>
ICE BofA 1-5 Years U.S. Treasury <sup>2</sup>	0.13%	4.23%	4.60%
ICE BofA 1-5 Years AAA-A Corp/Gov <sup>2</sup>	0.24%	4.27%	4.73%

Past performance is not indicative of future results.

1. Performance for periods greater than one year are annualized.

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

# Performance Attribution

(in basis points) – as of September 30, 2020

Operating Fund	Duration	Yield Curve	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
<b>3Q 2020</b>	2	0	1	5	0	1	1	0	10
Tier One	Duration	Yield Curve	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
<b>3Q 2020 1-3 TSY</b>	7	0	2	8	0	2	1	9	29
<b>3Q 2020 1-3 Gov/Cred AAA-A</b>	8	0	-1	3	0	2	1	9	22
Tier Two	Duration	Yield Curve	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
<b>3Q 2020 1-5 TSY</b>	4	0	2	14	0	1	1	24	46
<b>3Q 2020 1-5 Gov/Cred AAA-A</b>	6	0	-2	5	0	1	1	24	35

Past performance is not indicative of future results.

1. Performance for periods greater than one year are annualized. Treasury sector selection attribution is included in Duration figure.

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

# Performance Attribution

(in basis points) – as of September 30, 2020

Operating Fund	Duration	Yield Curve	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
<b>YTD 2020</b>	32	0	0	6	0	1	1	0	40
Tier One	Duration	Yield Curve	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
<b>YTD 2020 1-3 TSY</b>	-8	0	1	25	0	1	2	8	29
<b>YTD 2020 1-3 Gov/Cred AAA-A</b>	-6	0	-1	19	0	1	2	8	23
Tier Two	Duration	Yield Curve	Agency	Corporate	RMBS	CMBS	ABS	Municipal	Excess Return
<b>YTD 2020 1-5 TSY</b>	-12	2	1	29	0	0	2	9	31
<b>YTD 2020 1-5 Gov/Cred AAA-A</b>	-7	2	-2	23	0	0	2	9	27

Past performance is not indicative of future results.

1. Performance for periods greater than one year are annualized. Treasury sector selection attribution is included in Duration figure.

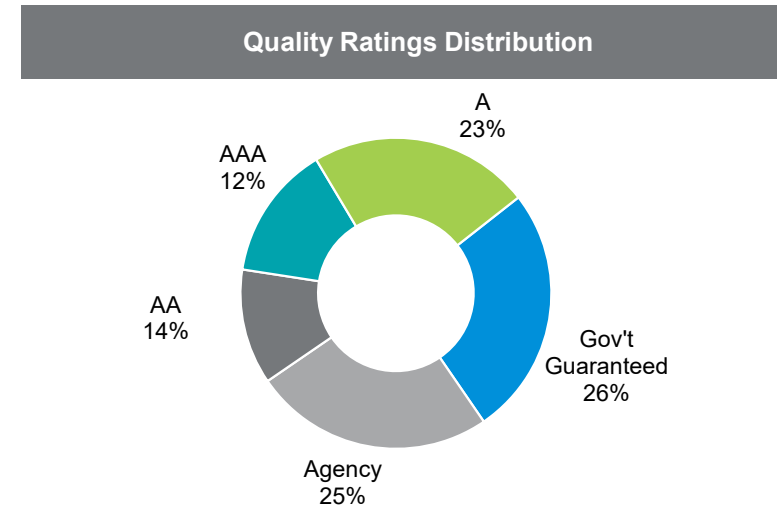
2. The performance benchmark for the CalOptima Tier Two portfolio is the ICE BofA U.S. Treasury 1-5 Year Index, which is a broad-based index consisting of U.S. Treasury securities with an outstanding par greater than or equal to \$1 billion and a maturity range from one to five years, inclusive, reflecting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



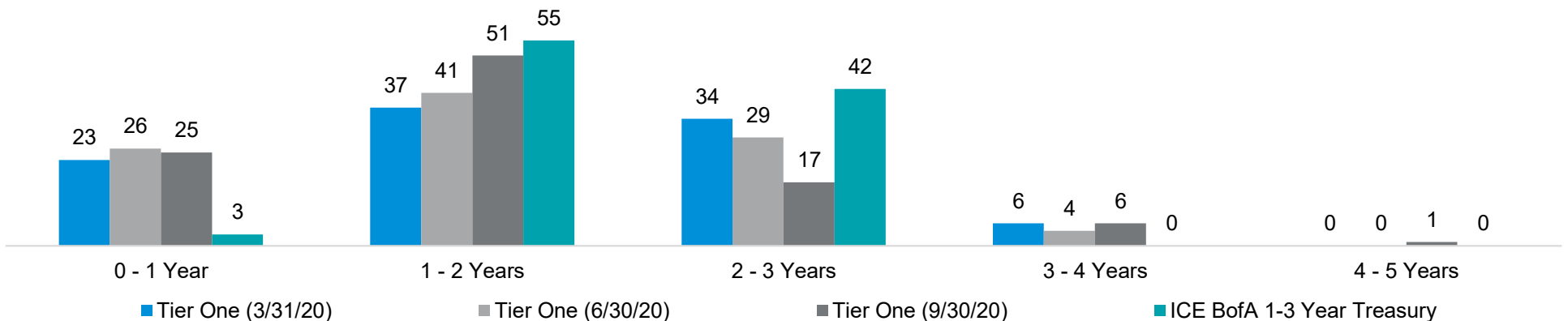
# Tier One Portfolio

As of September 30, 2020

	Tier One (3/31/20)	Tier One (6/30/20)	Tier One (9/30/20)	ICE BofA U.S. Treasury 1-3 Year <sup>1</sup> (9/30/20)
Yield to Maturity	1.13%	0.52%	0.42%	0.14%
Duration	1.71 Years	1.60 Years	1.58 Years	1.90 Years
Average Quality (Moody's)	Aa1	Aa2	Aa2	TSY
Fixed / Floating	95% / 5%	93% / 7%	91% / 9%	100% / 0%
Market Value	\$156,881,532	\$158,842,359	\$159,458,405	NA



Duration Distribution (% Market Value)



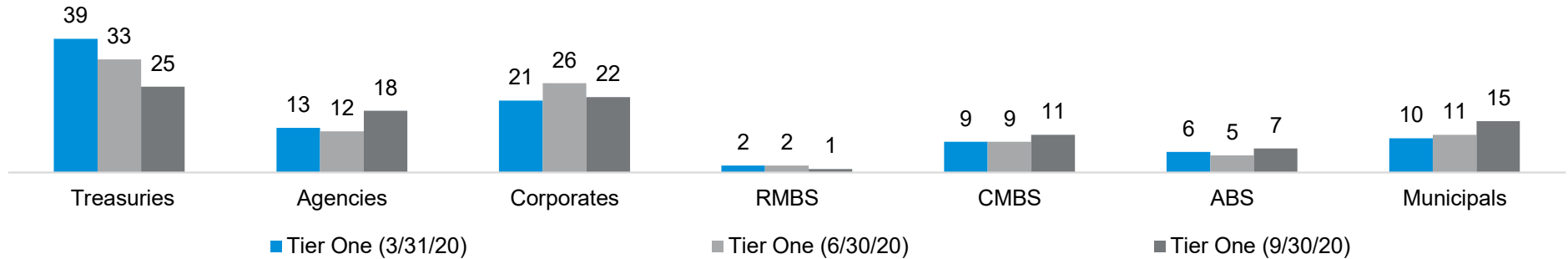
Past performance is not indicative of future results. Portfolio characteristics are preliminary and subject to change.

1. The performance benchmark for the CalOptima Tier One portfolio is the ICE BofA 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, 2020

Sector Distribution (% Market Value)



## Treasuries/Agencies

- Bought floating-rate Treasuries
- Bought 2, 3 and 5 year Agency callables
- Sold 2 year nominal Treasuries
- Sold 3 year TIPS
- Sold Treasury Bills

## Corporates

- Bought 2022 Honeywell fixed-rate
- Bought 2023 Caterpillar fixed-rate
- Sold 2021, 2023 fixed-rate (Capital One, Chevron, Exxon Mobil)

## Structured Products

- Bought 2.2 year Freddie Mac CMBS
- Bought new issue 2.9 year Ford Auto ABS
- Bought new issue 2.4 year GM Auto ABS

## Municipals

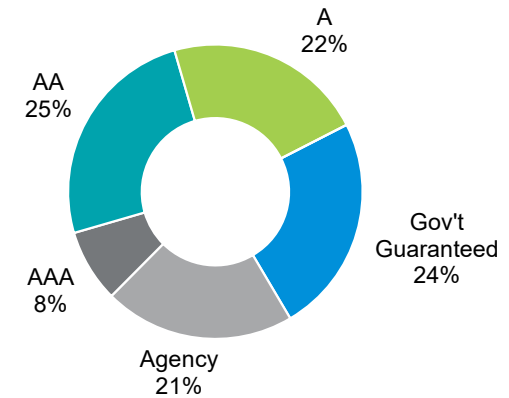
- Bought 2022-2024 (California Department of Water Resources, Los Angeles CA Municipal Improvement Corp, State of Mississippi, State of Ohio, Rancho Santiago CA Community College District, San Diego County CA Water Authority, Upper Santa Clara Valley CA Joint Powers Authority)

# Tier Two Portfolio

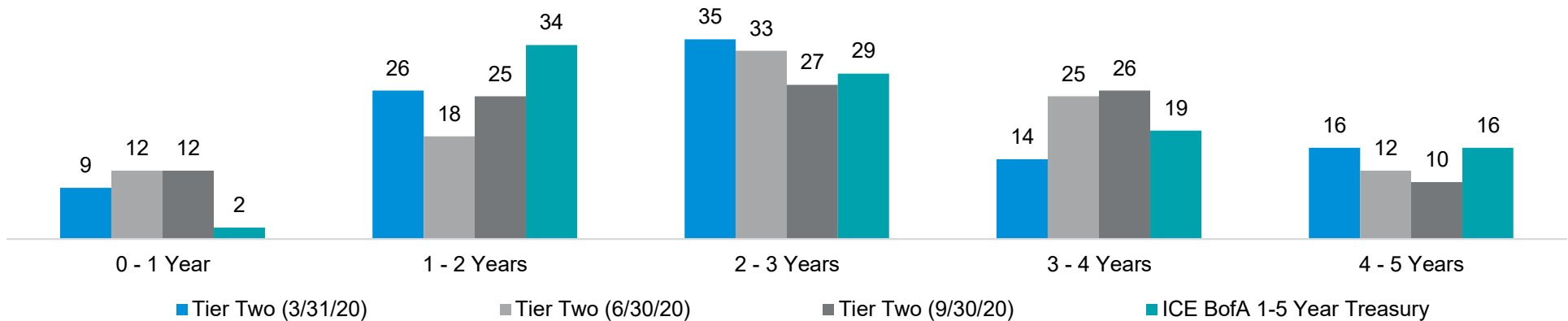
As of September 30, 2020

	Tier Two (3/31/20)	Tier Two (6/30/20)	Tier Two (9/30/20)	ICE BofA U.S. Treasury 1-5 Year <sup>1</sup> (9/30/20)
Yield to Maturity	1.09%	0.61%	0.50%	0.17%
Duration	2.49 Years	2.54 Years	2.48 Years	2.65 Years
Average Quality (Moody's)	Aa1	Aa2	Aa2	TSY
Fixed / Floating	99% / 1%	98% / 2%	97% / 3%	100% / 0%
Market Value	\$104,914,407	\$106,678,675	\$107,303,662	NA

## Quality Ratings Distribution



## Duration Distribution (% Market Value)



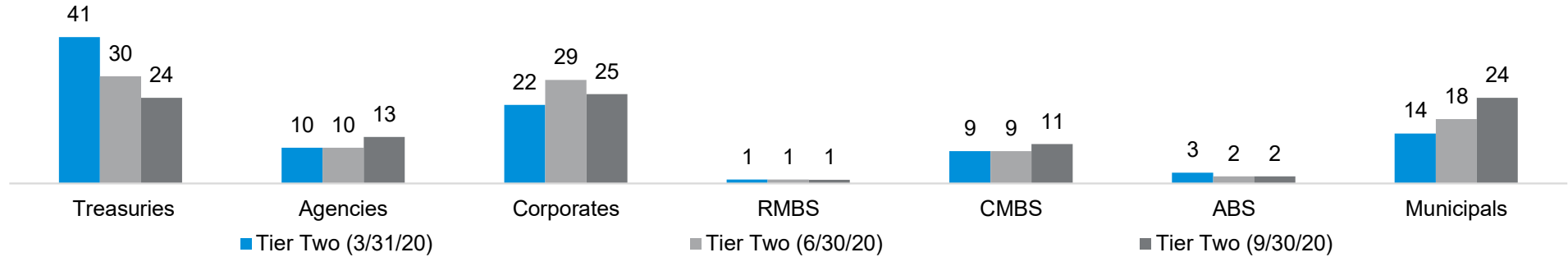
Past performance is not indicative of future results. Portfolio characteristics are preliminary and subject to change.

1. The performance benchmark for the CalOptima Tier Two portfolio is the ICE BofA 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, 2020

Sector Distribution (% Market Value)



## Treasuries/Agencies

- Bought floating-rate and 5 year nominal Treasuries
- Bought 3 and 5 year Agency callables
- Sold 2 year nominal Treasuries
- Sold 3 year TIPS
- Sold Treasury Bills

## Corporates

- Bought 2023 Caterpillar fixed-rate
- Sold 2020-2024 fixed-rate (Capital One Financial, Exxon Mobil, PACCAR Financial, Prudential Financial, Simon Property)
- Sold 2021 Caterpillar floating-rate

## Structured Products

- Bought 2.2 year Freddie Mac CMBS
- Bought 2.9 year Freddie Mac CMBS
- Bought new issue 2.2 year World Omni Auto ABS

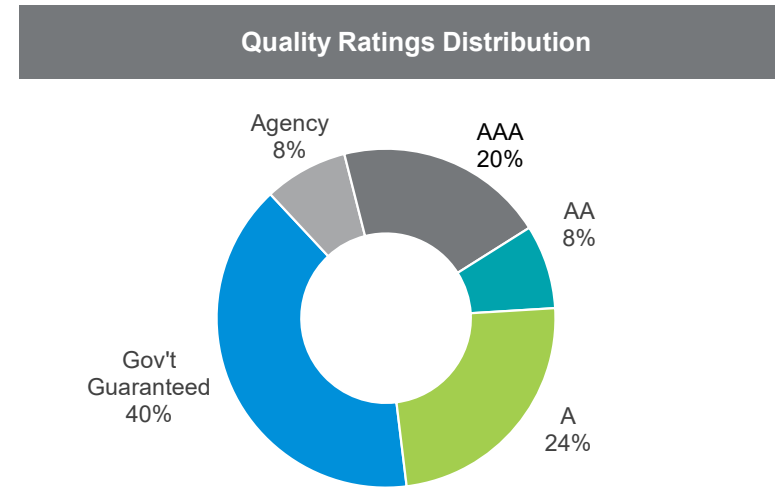
## Municipals

- Bought 2023-2025 (California Department of Water Resources, State of Hawaii, Los Angeles CA Municipal Improvement Corp, State of Mississippi, Rancho Santiago CA Community College District, San Diego County CA Water Authority, Upper Santa Clara Valley CA Joint Powers Authority)

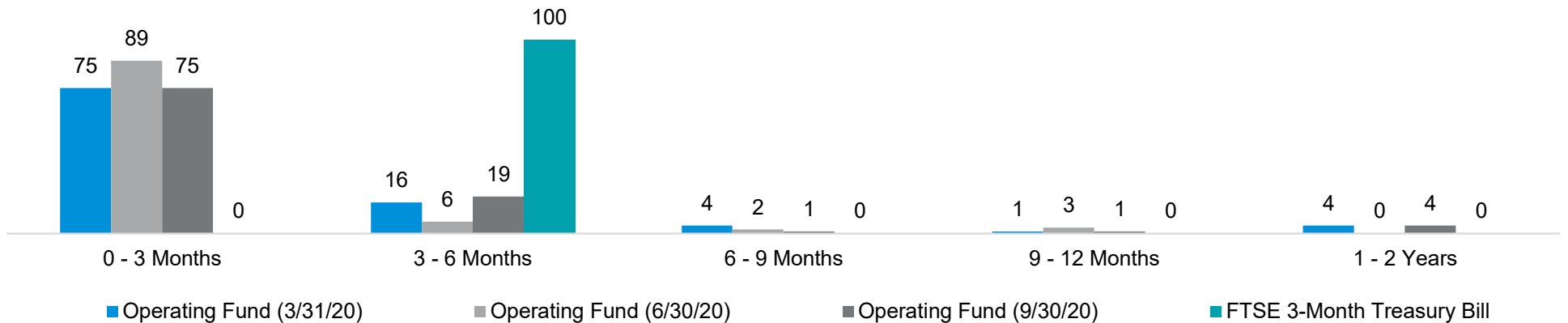
# Operating Fund Portfolio

As of September 30, 2020

	Operating Fund (3/31/20)	Operating Fund (6/30/20)	Operating Fund (9/30/20)	FTSE 3-Month Treasury Bill <sup>1</sup> (9/30/20)
Yield to Maturity	1.48%	0.39%	0.25%	0.09%
Duration	0.19 Years	0.14 Years	0.17 Years	0.25 Years
Average Quality (Moody's)	Aa2	Aa2	Aa2	TSY
Fixed / Floating	71% / 29%	79% / 21%	81% / 19%	100% / 0%
Market Value	\$305,200,090	\$370,018,822	\$392,464,899	NA



Duration Distribution (% Market Value)



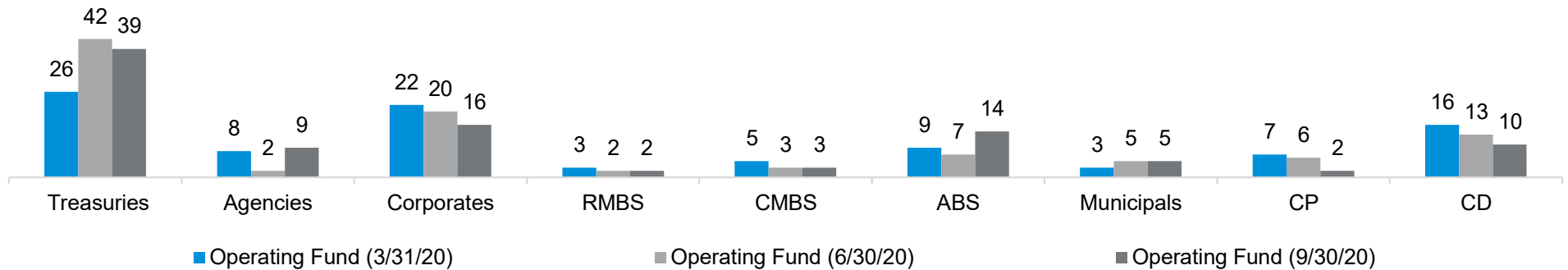
Past performance is not indicative of future results. Portfolio characteristics are preliminary and subject to change.

1. The performance benchmark shown for the CalOptima Operating Fund is the FTSE 3-Month Treasury Bill, which tracks the return of one three-month Treasury bill until maturity.

# Operating Fund Portfolio

As of September 30, 2020

Sector Distribution (% Market Value)



## Treasuries/Agencies

- Bought Treasury Bills
- Bought short fixed-rate IFC and IBRD bullets
- Bought 2 year Agency callables (FHLMC, FFCB)
- Bought CP and CDs
- Sold short nominal Treasuries, floating-rate IADB, IBRD discount notes

## Corporates

- Bought 2021 fixed-rate (Goldman Sachs)
- Bought 2021, 2023 floating-rate (Bank of America, Southern California Gas)

## Structured Products

- Bought new issue 0.2 year Mercedes Auto ABS
- Bought new issue 0.1 year Santander Auto ABS
- Bought new issue 0.3 year Honda Auto ABS

## Municipals

- Bought 2020-2021 (Hayward CA Unified School District, Los Angeles CA Municipal Improvement Corp, Miracosta CA Community College District, San Diego CA Unified School District, San Francisco CA Bay Area Rapid Transit District)

# Tier One Portfolio Compliance

As of September 30, 2020

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)	25	5 Years	3.54 Years	TSY	TSY
U.S. Agencies	100 (Code)	13	5 Years	4.87 Years	AGY	AGY
Sovereign / Supranationals	30 (Code)	5	5 Years	2.72 Years	AGY	AGY
Corporate	30 (Code)	22	5 Years	2.96 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	19	5 Years	4.96 Years	AA-	AA+
Municipals	30 (Code 100)	15	5 Years	4.17 Years	A-	A
Commercial Paper	25 (Code)	NA	270 Days	NA	A1/P1	NA
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	NA	1 Year	NA	A1/P1	NA
Variable & Floating Rate Securities*	30 (Code)	9	5 Years	3.07 Years	A-	A-

\*May include securities from other sectors such as US Governments, Agencies, Corporates and Structured. For split-rated securities, the higher of credit ratings reported is used.

# Tier Two Portfolio Compliance

As of September 30, 2020

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)	24	5 Years	4.92 Years	TSY	TSY
U.S. Agencies	100 (Code)	10	5 Years	4.87 Years	AGY	AGY
Sovereign / Supranationals	30 (Code)	3	5 Years	2.72 Years	AGY	AGY
Corporate	30 (Code)	25	5 Years	4.62 Years	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	14	5 Years	4.71 Years	AA-	AA
Municipals	30 (Code 100)	24	5 Years	4.84 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)	NA	1 Year	NA	A1/P1	NA
Variable & Floating Rate Securities*	30 (Code)	3	5 Years	3.07 Years	A-	A

\*May include securities from other sectors such as US Governments, Agencies, Corporates and Structured. For split-rated securities, the higher of credit ratings reported is used.



# Operating Fund Portfolio Compliance

As of September 30, 2020

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)	39	2 Years	27 Days	TSY	TSY
U.S. Agencies	100 (Code)	5	2 Years	715 Days	AGY	AGY
Sovereign / Supranationals	30 (Code)	4	2 Years	716 Days	AGY	AGY
Corporate	30 (Code)	16	2 Years	229 Days	A-	A-
Mortgages & Asset-Backed (combined)	20 (Code)	19	2 Years	441 Days	AA-	AAA
Municipals	30 (Code 100)	5	2 Years	397 Days	A-	A-
Commercial Paper	25 (Code)	2	270 Days	176 Days	A1/P1	P1
Bankers Acceptances	30 (Code 40)	NA	180 Days	NA	A1/P1	NA
Certificates of Deposit	30 (Code)	10	1 Year	127 Days	A1/P1	P1
Repurchase Agreements	100 (Code)	NA	30 Days	NA	TSY/AGY	NA
Variable & Floating Rate Securities*	30 (Code)	19	2 Years	77 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 2 years. Maximum maturity for variable and floating rate securities is based off of next security reset date. For split-rated securities, the higher of credit ratings reported is used.

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1. As of June 30, 2020, subsidiaries of MetLife, Inc. that provide investment management services to MetLife's general account, separate accounts and/or unaffiliated/third party investors include Metropolitan Life Insurance Company, MetLife Investment Management, LLC, MetLife Investment Management Limited, MetLife Investments Limited, MetLife Investments Asia Limited, MetLife Latin America Asesorias e Inversiones Limitada, MetLife Asset Management Corp. (Japan), and MIM I LLC.

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# Disclaimers (Cont'd)

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# End Notes

## Explanatory Note

The following information is relevant to an understanding of our assets under management ("AUM"). Our definitions may differ from those used by other companies.

**Total Assets Under Management** ("Total AUM") is comprised of GA AUM plus Institutional Client AUM (each, as defined below).

**General Account AUM** ("GA AUM") is used by MetLife to describe assets in its general account ("GA") investment portfolio which are actively managed and stated at estimated fair value. GA AUM is comprised of GA total investments and cash and cash equivalents, excluding policy loans, other invested assets, contractholder-directed equity securities and fair value option securities, as substantially all of these assets are not actively managed in MetLife's GA investment portfolio. Mortgage loans (including commercial, agricultural and residential) and real estate and real estate joint ventures included in GA AUM (at net asset value, net of deduction for encumbering debt) have been adjusted from carrying value to estimated fair value. Classification of GA AUM by sector is based on the nature and characteristics of the underlying investments which can vary from how they are classified under GAAP. Accordingly, the underlying investments within certain real estate and real estate joint ventures that are primarily commercial mortgage loans (at net asset value, net of deduction for encumbering debt) have been reclassified to exclude them from real estate equity and include them as commercial mortgage loans.

**Institutional Client AUM** is comprised of SA AUM plus TP AUM (each, as defined below). MIM manages Institutional Client AUM in accordance with client guidelines contained in each investment contract ("Mandates").

**Separate Account AUM** ("SA AUM") is comprised of separate account investment portfolios of MetLife insurance companies, which are managed by MetLife and included in MetLife, Inc.'s consolidated financial statements at estimated fair value.

**Third Party AUM** ("TP AUM") is comprised of non-proprietary assets managed by MetLife on behalf of unaffiliated/third party clients, which are stated at estimated fair value. Such non-proprietary assets are owned by unaffiliated/third-party clients and, accordingly, are not included in MetLife, Inc.'s consolidated financial statements.

Additional information about MetLife's general account investment portfolio is available in MetLife, Inc.'s quarterly financial materials for the quarter ended December 31, 2019, which may be accessed through MetLife's Investor Relations web page at <https://investor.metlife.com>.



# **MetLife Investment Management**



A Public Agency

**CalOptima**  
Better. Together.

# Financial Summary

August 31, 2020

Nancy Huang, Chief Financial Officer

# FY 2020-21: Consolidated Enrollment

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August 2020 MTD

Overall enrollment was 784,741 members

- Actual higher than budget 5,805 or 0.7%
  - Medi-Cal favorable to budget 5,250 or 0.7% due to prior year retroactive enrollment
    - Medi-Cal Expansion (MCE) favorable variance of 6,864
    - Long-Term Care (LTC) favorable variance of 2,667
    - Seniors and Persons With Disabilities (SPD) favorable variance of 2,305
    - Breast and Cervical Cancer Treatment Program (BCCTP) favorable variance of 21
    - Temporary Assistance for Needy Families (TANF) unfavorable variance of 3,940
    - Whole-Child Model (WCM) unfavorable variance of 2,667

# FY 2020-21: Consolidated Enrollment (cont.)

---

## August 2020 MTD

- OneCare Connect favorable to budget 434 or 3.1%
  - OneCare favorable to budget 145 or 10.5%
  - PACE unfavorable to budget 24 or 5.9%
- 
- 16,996 increase or 2.2% from July, 4,015 due to prior year retroactive enrollment
    - Medi-Cal increase of 16,923
    - OneCare Connect increase of 76
    - OneCare decrease of 2
    - PACE decrease of 1



# FY 2020-21: Consolidated Enrollment (cont.)

---

August 2020 YTD

Overall enrollment was 1,552,486 member months

- Actual higher than budget 3,038 or 0.2%
  - Medi-Cal favorable variance to budget 2,024 or 0.1%
    - MCE favorable variance of 9,994
    - SPD favorable variance of 3,918
    - LTC favorable variance of 2,592
    - BCCTP favorable variance of 38
    - TANF unfavorable variance of 8,993
    - WCM unfavorable variance of 5,525
  - OneCare Connect favorable to budget 765 or 2.7%
  - OneCare favorable to budget 292 or 10.6%
  - PACE unfavorable to budget 43 or 5.3%

# FY 2020-21: Consolidated Revenues

---

## August 2020 MTD

- Actual lower than budget \$21.8 million or 6.8%
  - Medi-Cal unfavorable to budget \$24.1 million or 8.4%
    - Favorable volume related variance of \$2.0 million
    - Unfavorable price related variance of \$26.1 million
      - \$37.8 million of revenue due to Governor’s budget changes for the eighteen (18)-months bridge period, including:
        - Gross Medical Expenditures (GME) risk corridor reserve
        - 1.5% reduction to fiscal year (FY) 2021 capitation rates for certain aid code categories
      - \$5.6 million of WCM revenue
      - \$2.9 million of Behavioral Health Treatment (BHT) revenue
      - Offset by \$22.7 million of Coordinated Care Initiative (CCI) revenue due to new calendar year (CY) 2020 rate true-up in August

# FY 2020-21: Consolidated Revenues (cont.)

---

## August 2020 MTD

- OneCare Connect favorable to budget \$2.3 million or 8.9%
  - Favorable volume related variance of \$0.8 million
  - Favorable price related variance of \$1.5 million due to CCI CY 2020 rate true-up revenue
- OneCare favorable to budget \$0.1 million or 7.2%
  - Favorable volume related variance of \$0.2 million
  - Unfavorable price related variance of \$0.1 million
- PACE unfavorable to budget \$0.1 million or 3.6%
  - Unfavorable volume related variance of \$0.2 million
  - Favorable price related variance of \$0.1 million

# FY 2020-21: Consolidate Revenues (cont.)

---

## August 2020 YTD

- Actual lower than budget \$30.0 million or 4.7%
  - Medi-Cal unfavorable to budget \$31.2 million or 5.4%
    - Favorable volume variance of \$0.8 million
    - Unfavorable price variance of \$31.9 million
      - \$40.6 million of revenue due to Governor's budget changes, including:
        - GME risk corridor reserve
        - 1.5% reduction to FY 2021 capitation rates for certain aid code categories
      - \$11.3 million of WCM revenue
      - \$3.2 million of BHT revenue
      - Offset by \$22.7 million of CCI revenue due to CY 2020 rate increase

# FY 2020-21: Consolidate Revenues (cont.)

---

## August 2020 YTD

- OneCare Connect favorable to budget \$0.9 million or 1.8%
  - Favorable volume variance of \$1.4 million
  - Unfavorable price variance of \$0.5 million
- OneCare favorable to budget \$0.5 million or 14.2%
  - Favorable volume variance of \$0.4 million
  - Favorable price variance of \$0.1 million
- PACE unfavorable to budget \$0.2 million or 3.1%
  - Unfavorable volume variance of \$0.3 million
  - Favorable price variance of \$0.1 million

# FY 2020–21: Consolidated Medical Expenses

---

## August 2020 MTD

- Actual lower than budget \$21.0 million or 6.8%
  - Medi-Cal favorable variance of \$19.9 million or 7.1%
    - Unfavorable volume related variance of \$1.9 million
    - Favorable price related variance of \$21.8 million primarily due to decrease in utilization during COVID-19 pandemic
      - Facilities Claims expense favorable variance of \$13.1 million
      - Provider Capitation expense favorable variance of \$8.8 million
      - Professional Claims expense favorable variance of \$5.0 million
      - Medical Management expense favorable variance of \$1.2 million
      - Offset by Managed Long Term Services and Supports (MLTSS) expense unfavorable variance of \$4.8 million due to the 10% reimbursement rate increase and Prescription Drugs expense unfavorable variance of \$1.5 million

# FY 2020-21: Consolidated Medical Expenses (cont.)

---

## August 2020 MTD

- OneCare Connect favorable variance of \$1.0 million or 3.9%
  - Unfavorable volume related variance of \$0.8 million
  - Favorable price related variance of \$1.8 million
- OneCare unfavorable variance of \$0.3 million or 16.8 %
  - Unfavorable volume related variance of \$0.2 million
  - Unfavorable price related variance of \$0.1 million
- PACE favorable variance of \$0.4 million or 12.0%
  - Favorable volume related variance of \$0.2 million
  - Favorable price related variance of \$0.2 million

# FY 2020-21: Consolidated Medical Expenses (cont.)

---

## August 2020 YTD

- Actual lower than budget \$27.5 million or 4.4%
  - Medi-Cal favorable variance of \$28.0 million or 5.0%
    - Unfavorable volume variance of \$0.8 million
    - Favorable price variance of \$28.8 million primarily due to decrease in utilization during COVID-19 pandemic
      - Facilities Claims expense favorable variance of \$16.2 million
      - Provider Capitation expense favorable variance of \$12.7 million
      - Professional Claims expense favorable variance of \$6.0 million
      - Medical Management expense favorable variance of \$1.7 million
      - Offset by Prescription Drugs expense unfavorable variance of \$4.4 million
      - MLTSS expense unfavorable variance of \$3.6 million due to the 10% reimbursement rate increase



# FY 2020-21: Consolidated Medical Expenses (cont.)

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## August 2020 YTD

- OneCare Connect unfavorable variance of \$1.1 million or 2.1%
  - Unfavorable volume variance of \$1.4 million
  - Favorable price variance of \$0.3 million
- OneCare unfavorable variance of \$0.4 million or 13.1%
  - Unfavorable volume variance of \$0.3 million
  - Unfavorable price variance of \$0.1 million
- PACE favorable variance of \$0.9 million or 15.3%
  - Favorable volume variance of \$0.3 million
  - Favorable price variance of \$0.6 million

### Medical Loss Ratio (MLR)

August 2020 MTD:	Actual : 97.4%	Budget: 97.3%
August 2020 YTD:	Actual: 97.5%	Budget: 97.2%

# FY 2020-21: Consolidated Administrative Expenses

---

## August 2020 MTD

- Actual lower than budget \$2.5 million or 19.4%
  - Salaries, wages and benefits: favorable variance of \$0.9 million
  - Other categories: favorable variance of \$1.6 million

## August 2020 YTD

- Actual lower than budget \$3.8 million or 14.6%
  - Salaries, wages and benefits: favorable variance of \$1.0 million
  - Other categories: favorable variance of \$2.8 million

### Administrative Loss Ratio (ALR)

August 2020 MTD: Actual: 3.4%

Budget: 4.0%

August 2020 YTD: Actual: 3.6%

Budget: 4.1%

# FY 2020-21: Change in Net Assets

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## August 2020 MTD

- Change in net assets is (\$2.0) million, favorable to budget \$0.7 million
  - Lower than budgeted revenue of \$21.8 million
  - Lower than budgeted medical expenses of \$21.0 million
  - Lower than budgeted administrative expenses of \$2.5 million
  - Lower than budgeted investment and other income of \$0.9 million

# FY 2020–21: Change in Net Assets (cont.)

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## August 2020 YTD

- Change in net assets is (\$5.2) million, favorable to budget \$0.5 million
  - Lower than budgeted revenue of \$30.0 million
  - Lower than budgeted medical expenses of \$27.5 million
  - Lower than budgeted administrative expenses of \$3.8 million
  - Lower than budgeted investment and other income of \$0.8 million

# Enrollment Summary: August 2020

Month-to-Date				Enrollment (by Aid Category)	Year-to-Date			
<u>Actual</u>	<u>Budget</u>	<u>S</u> <u>Variance</u>	<u>%</u> <u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>S</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
113,120	110,815	2,305	2.1%	SPD	225,510	221,592	3,918	1.8%
510	489	21	4.3%	BCCTP	1,020	982	38	3.9%
291,791	301,672	(9,881)	(3.3%)	TANF Child	580,029	599,025	(18,996)	(3.2%)
96,712	90,771	5,941	6.5%	TANF Adult	190,284	180,281	10,003	5.5%
6,174	3,507	2,667	76.0%	LTC	9,604	7,012	2,592	37.0%
250,724	243,860	6,864	2.8%	MCE	494,883	484,889	9,994	2.1%
9,265	11,932	(2,667)	(22.4%)	WCM	18,339	23,864	(5,525)	(23.2%)
<b>768,296</b>	<b>763,046</b>	<b>5,250</b>	<b>0.7%</b>	<b>Medi-Cal Total</b>	<b>1,519,669</b>	<b>1,517,645</b>	<b>2,024</b>	<b>0.1%</b>
<b>14,541</b>	<b>14,107</b>	<b>434</b>	<b>3.1%</b>	<b>OneCare Connect</b>	<b>29,006</b>	<b>28,241</b>	<b>765</b>	<b>2.7%</b>
<b>1,523</b>	<b>1,378</b>	<b>145</b>	<b>10.5%</b>	<b>OneCare</b>	<b>3,048</b>	<b>2,756</b>	<b>292</b>	<b>10.6%</b>
<b>381</b>	<b>405</b>	<b>(24)</b>	<b>(5.9%)</b>	<b>PACE</b>	<b>763</b>	<b>806</b>	<b>(43)</b>	<b>(5.3%)</b>
<b>784,741</b>	<b>778,936</b>	<b>5,805</b>	<b>0.7%</b>	<b>CalOptima Total</b>	<b>1,552,486</b>	<b>1,549,448</b>	<b>3,038</b>	<b>0.2%</b>

# Financial Highlights: August 2020

Month-to-Date				Year-to-Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
784,741	778,936	5,805	0.7%	Member Months	1,552,486	1,549,448	3,038	0.2%
297,355,487	319,187,852	(21,832,365)	(6.8%)	Revenues	606,061,698	636,045,498	(29,983,800)	(4.7%)
289,485,870	310,483,595	20,997,725	6.8%	Medical Expenses	590,959,455	618,443,697	27,484,242	4.4%
10,238,802	12,698,676	2,459,874	19.4%	Administrative Expenses	22,006,785	25,782,879	3,776,094	14.6%
<b>(2,369,185)</b>	<b>(3,994,419)</b>	<b>1,625,234</b>	<b>40.7%</b>	<b>Operating Margin</b>	<b>(6,904,543)</b>	<b>(8,181,078)</b>	<b>1,276,535</b>	<b>15.6%</b>
361,648	1,250,000	(888,352)	(71.1%)	Non Operating Income (Loss)	1,748,235	2,500,000	(751,765)	(30.1%)
<b>(2,007,538)</b>	<b>(2,744,419)</b>	<b>736,881</b>	<b>26.9%</b>	<b>Change in Net Assets</b>	<b>(5,156,308)</b>	<b>(5,681,078)</b>	<b>524,770</b>	<b>9.2%</b>
97.4%	97.3%	(0.1%)		Medical Loss Ratio	97.5%	97.2%	(0.3%)	
3.4%	4.0%	0.5%		Administrative Loss Ratio	3.6%	4.1%	0.4%	
<u>(0.8%)</u>	<u>(1.3%)</u>	0.5%		Operating Margin Ratio	<u>(1.1%)</u>	<u>(1.3%)</u>	0.1%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

# Consolidated Performance Actual vs. Budget: August 2020 (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(5.1)	(3.2)	(1.9)	Medi-Cal	(6.1)	(6.5)	0.3
2.4	(1.1)	3.5	OCC	(2.0)	(2.1)	0.2
(0.1)	0.0	(0.1)	OneCare	0.2	0.1	0.1
<u>0.4</u>	<u>0.2</u>	<u>0.2</u>	<u>PACE</u>	<u>1.1</u>	<u>0.3</u>	<u>0.7</u>
<b>(2.4)</b>	<b>(4.0)</b>	<b>1.6</b>	<b>Operating</b>	<b>(6.9)</b>	<b>(8.2)</b>	<b>1.3</b>
<u>0.4</u>	<u>1.3</u>	<u>(0.9)</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>1.7</u>	<u>2.5</u>	<u>(0.8)</u>
<b>0.4</b>	<b>1.3</b>	<b>(0.9)</b>	<b>Non-Operating</b>	<b>1.7</b>	<b>2.5</b>	<b>(0.8)</b>
<b>(2.0)</b>	<b>(2.7)</b>	<b>0.7</b>	<b>TOTAL</b>	<b>(5.2)</b>	<b>(5.7)</b>	<b>0.5</b>

# Consolidated Revenue & Expenses: August 2020 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	508,307	250,724	9,265	768,296	14,541	1,523	381	784,741
<b>REVENUES</b>								
Capitation Revenue	154,637,413	\$ 91,400,719	\$ 18,080,495	\$ 264,118,627	\$ 28,250,638	\$ 1,811,539	\$ 3,174,683	\$ 297,355,487
<b>Total Operating Revenue</b>	<u>154,637,413</u>	<u>91,400,719</u>	<u>18,080,495</u>	<u>264,118,627</u>	<u>28,250,638</u>	<u>1,811,539</u>	<u>3,174,683</u>	<u>297,355,487</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	33,755,576	43,015,882	10,874,615	87,646,073	10,877,619	479,386		99,003,079
Facilities	22,641,481	20,414,401	2,182,940	45,238,822	3,963,859	487,678	866,545	50,556,904
Professional Claims	18,523,166	8,564,308	1,015,499	28,102,973	820,577	58,419	590,431	29,572,399
Prescription Drugs	20,143,633	24,459,693	3,921,905	48,525,231	6,099,932	681,919	261,489	55,568,571
MLTSS	39,619,953	3,189,045	2,939,547	45,748,545	1,307,600	15,139	2,934	47,074,218
Medical Management	2,124,382	1,243,395	274,468	3,642,245	990,339	38,035	759,740	5,430,360
Quality Incentives	786,971	464,672	31,179	1,282,822	215,505		4,763	1,503,089
Reinsurance & Other	352,996	184,682	10,655	548,333	119,829		109,088	777,250
<b>Total Medical Expenses</b>	<u>137,948,158</u>	<u>101,536,078</u>	<u>21,250,808</u>	<u>260,735,044</u>	<u>24,395,259</u>	<u>1,760,577</u>	<u>2,594,990</u>	<u>289,485,870</u>
<b>Medical Loss Ratio</b>	89.2%	111.1%	117.5%	98.7%	86.4%	97.2%	81.7%	97.4%
<b>GROSS MARGIN</b>	<b>16,689,255</b>	<b>(10,135,360)</b>	<b>(3,170,313)</b>	<b>3,383,583</b>	<b>3,855,379</b>	<b>50,962</b>	<b>579,694</b>	<b>7,869,617</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,147,488	710,932	74,231	139,910	7,072,561
Professional fees				190,132	5,334	16,000	123	211,589
Purchased services				566,305	73,474	8,561	438	648,777
Printing & Postage				214,189	67,715	5,274	310	287,488
Depreciation & Amortization				291,674			2,018	293,692
Other expenses				1,306,426	36,028	205	4,116	1,346,775
Indirect cost allocation & Occupancy				(214,879)	553,492	35,185	4,122	377,920
<b>Total Administrative Expenses</b>				<u>8,501,334</u>	<u>1,446,975</u>	<u>139,456</u>	<u>151,037</u>	<u>10,238,802</u>
<b>Admin Loss Ratio</b>				3.2%	5.1%	7.7%	4.8%	3.4%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(5,117,752)	2,408,404	(88,494)	428,656	(2,369,185)
<b>INVESTMENT INCOME</b>								865,517
<b>TOTAL MCO TAX</b>				(505,556)				(505,556)
<b>TOTAL GRANT INCOME</b>				1,575				1,575
<b>OTHER INCOME</b>				112				112
<b>CHANGE IN NET ASSETS</b>				<u>\$ (5,621,621)</u>	<u>\$ 2,408,404</u>	<u>\$ (88,494)</u>	<u>\$ 428,656</u>	<u>\$ (2,007,538)</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				(3,177,210)	(1,054,587)	45,116	192,262	(2,744,419)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (2,444,411)</u>	<u>\$ 3,462,991</u>	<u>\$ (133,610)</u>	<u>\$ 236,394</u>	<u>\$ 736,881</u>



# Consolidated Revenue & Expenses: August 2020 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Whole Child Model	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
<b>MEMBER MONTHS</b>	1,006,447	494,883	18,339	1,519,669	29,006	3,048	763	1,552,486
<b>REVENUES</b>								
Capitation Revenue	302,323,119	\$ 204,597,932	\$ 36,030,961	\$ 542,952,012	\$ 52,896,867	\$ 3,863,114	\$ 6,349,704	\$ 606,061,698
<b>Total Operating Revenue</b>	<u>302,323,119</u>	<u>204,597,932</u>	<u>36,030,961</u>	<u>542,952,012</u>	<u>52,896,867</u>	<u>3,863,114</u>	<u>6,349,704</u>	<u>606,061,698</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	71,415,436	84,710,230	21,954,010	178,079,676	22,149,663	1,036,304		201,265,644
Facilities	48,043,050	44,867,777	6,271,680	99,182,507	8,934,562	916,161	1,512,517	110,545,746
Professional Claims	38,735,660	18,320,249	2,366,803	59,422,711	1,888,469	154,170	1,111,897	62,577,247
Prescription Drugs	41,603,533	49,531,187	6,247,363	97,382,083	12,955,347	1,162,724	533,063	112,033,218
MLTSS	74,501,838	6,008,092	4,385,483	84,895,413	3,154,204	66,834	89	88,116,540
Medical Management	4,732,515	2,706,732	583,802	8,023,049	2,155,884	73,456	1,596,460	11,848,849
Quality Incentives	1,564,435	919,346	62,721	2,546,501	427,920		9,538	2,983,959
Reinsurance & Other	706,961	368,039	21,666	1,096,667	256,040		235,546	1,588,253
<b>Total Medical Expenses</b>	<u>281,303,428</u>	<u>207,431,652</u>	<u>41,893,528</u>	<u>530,628,607</u>	<u>51,922,089</u>	<u>3,409,649</u>	<u>4,999,109</u>	<u>590,959,455</u>
<b>Medical Loss Ratio</b>	93.0%	101.4%	116.3%	97.7%	98.2%	88.3%	78.7%	97.5%
<b>GROSS MARGIN</b>	<b>21,019,691</b>	<b>(2,833,719)</b>	<b>(5,862,567)</b>	<b>12,323,405</b>	<b>974,778</b>	<b>453,465</b>	<b>1,350,595</b>	<b>15,102,243</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				13,374,453	1,464,705	176,515	274,383	15,290,055
Professional fees				480,918	10,667	32,000	163	523,748
Purchased services				1,288,170	166,905	9,387	3,041	1,467,504
Printing & Postage				462,845	131,330	11,427	4,572	610,174
Depreciation & Amortization				586,519			4,107	590,627
Other expenses				2,698,760	78,572	205	5,521	2,783,059
Indirect cost allocation & Occupancy				(443,954)	1,106,984	70,370	8,220	741,620
<b>Total Administrative Expenses</b>				<u>18,447,712</u>	<u>2,959,162</u>	<u>299,904</u>	<u>300,007</u>	<u>22,006,785</u>
<b>Admin Loss Ratio</b>				3.4%	5.6%	7.8%	4.7%	3.6%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(6,124,307)	(1,984,384)	153,561	1,050,587	(6,904,543)
<b>INVESTMENT INCOME</b>								3,016,178
<b>TOTAL MCO TAX</b>				(1,274,993)				(1,274,993)
<b>TOTAL GRANT INCOME</b>				6,862				6,862
<b>OTHER INCOME</b>				187				187
<b>CHANGE IN NET ASSETS</b>				<u>\$ (7,392,250)</u>	<u>\$ (1,984,384)</u>	<u>\$ 153,561</u>	<u>\$ 1,050,587</u>	<u>\$ (5,156,308)</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				(6,466,805)	(2,143,450)	89,324	339,853	(5,681,078)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (925,445)</u>	<u>\$ 159,066</u>	<u>\$ 64,237</u>	<u>\$ 710,734</u>	<u>\$ 524,770</u>

# Balance Sheet: As of August 2020

## ASSETS

Current Assets	
Operating Cash	\$361,974,043
Investments	785,112,848
Capitation receivable	347,726,085
Receivables - Other	46,737,741
Prepaid expenses	6,927,548
<b>Total Current Assets</b>	<b>1,548,478,265</b>
Capital Assets	
Furniture & Equipment	39,890,502
Building/Leasehold Improvements	10,077,966
505 City Parkway West	51,620,226
	101,588,694
Less: accumulated depreciation	(54,324,913)
Capital assets, net	47,263,780
Other Assets	
Restricted Deposit & Other	300,000
Homeless Health Reserve	57,198,913
Board-designated assets:	
Cash and Cash Equivalents	3,104,429
Long-term Investments	583,910,510
Total Board-designated Assets	587,014,939
<b>Total Other Assets</b>	<b>644,513,852</b>
<b>TOTAL ASSETS</b>	<b>2,240,255,898</b>
Deferred Outflows	
Contributions	1,047,297
Difference in Experience	4,280,308
Changes in Assumptions	5,060,465
OPEB 75 Changes in Assumptions	703,000
Pension Contributions	570,000
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>2,251,916,968</b>

## LIABILITIES & NET POSITION

Current Liabilities	
Accounts Payable	\$98,432,577
Medical Claims liability	893,811,200
Accrued Payroll Liabilities	15,949,699
Deferred Revenue	22,338,791
Deferred Lease Obligations	160,858
Capitation and Withholds	142,027,078
<b>Total Current Liabilities</b>	<b>1,172,720,202</b>
Other (than pensions) post employment benefits liability	
	25,899,469
Net Pension Liabilities	26,645,035
Bldg 505 Development Rights	-
<b>TOTAL LIABILITIES</b>	<b>1,225,264,706</b>
Deferred Inflows	
Excess Earnings	506,547
OPEB 75 Difference in Experience	804,000
Change in Assumptions	3,728,725
OPEB Changes in Assumptions	1,638,000
Net Position	
TNE	101,486,880
Funds in Excess of TNE	918,488,109
<b>TOTAL NET POSITION</b>	<b>1,019,974,989</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>2,251,916,968</b>

# Board Designated Reserve and TNE Analysis: As of August 2020

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	160,581,494				
	Tier 1 - MetLife	159,423,340				
	Tier 1 - Wells Capital	159,730,611				
<b>Board-designated Reserve</b>						
		479,735,445	320,787,669	501,762,475	158,947,777	(22,027,030)
TNE Requirement	Tier 2 - MetLife	107,279,494	101,486,880	101,486,880	5,792,614	5,792,614
<b>Consolidated:</b>		<b>587,014,939</b>	<b>422,274,549</b>	<b>603,249,356</b>	<b>164,740,390</b>	<b>(16,234,417)</b>
<i>Current reserve level</i>		<i>1.95</i>	<i>1.40</i>	<i>2.00</i>		

# Our Mission

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



**CalOptima**  
Better. Together.

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**UNAUDITED FINANCIAL STATEMENTS**

**August 31, 2020**

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**CalOptima - Consolidated  
Financial Highlights  
For the Two Months Ended August 31, 2020**

Month-to-Date				Year-to-Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
784,741	778,936	5,805	0.7%	Member Months	1,552,486	1,549,448	3,038	0.2%
297,355,487	319,187,852	(21,832,365)	(6.8%)	Revenues	606,061,698	636,045,498	(29,983,800)	(4.7%)
289,485,870	310,483,595	20,997,725	6.8%	Medical Expenses	590,959,455	618,443,697	27,484,242	4.4%
10,238,802	12,698,676	2,459,874	19.4%	Administrative Expenses	22,006,785	25,782,879	3,776,094	14.6%
<b>(2,369,185)</b>	<b>(3,994,419)</b>	<b>1,625,234</b>	<b>40.7%</b>	<b>Operating Margin</b>	<b>(6,904,543)</b>	<b>(8,181,078)</b>	<b>1,276,535</b>	<b>15.6%</b>
361,648	1,250,000	(888,352)	(71.1%)	Non Operating Income (Loss)	1,748,235	2,500,000	(751,765)	(30.1%)
<b>(2,007,538)</b>	<b>(2,744,419)</b>	<b>736,881</b>	<b>26.9%</b>	<b>Change in Net Assets</b>	<b>(5,156,308)</b>	<b>(5,681,078)</b>	<b>524,770</b>	<b>9.2%</b>
97.4%	97.3%	(0.1%)		Medical Loss Ratio	97.5%	97.2%	(0.3%)	
3.4%	4.0%	0.5%		Administrative Loss Ratio	3.6%	4.1%	0.4%	
<u>(0.8%)</u>	<u>(1.3%)</u>	0.5%		Operating Margin Ratio	<u>(1.1%)</u>	<u>(1.3%)</u>	0.1%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

**CalOptima**  
**Financial Dashboard**  
**For the Two Months Ended August 31, 2020**

**MONTH - TO - DATE**

Enrollment	Actual	Budget		Fav / (Unfav)	
Medi-Cal	768,296	763,046	↑	5,250	0.7%
OneCare Connect	14,541	14,107	↑	434	3.1%
OneCare	1,523	1,378	↑	145	10.5%
PACE	381	405	↓	(24)	(5.9%)
<b>Total</b>	<b>784,741</b>	<b>778,936</b>	<b>↑</b>	<b>5,805</b>	<b>0.7%</b>

Change in Net Assets (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ (5,622)	\$ (3,177)	↓	\$ (2,444)	(77.0%)
OneCare Connect	2,408	(1,055)	↑	3,463	328.2%
OneCare	(88)	45	↓	(134)	(295.6%)
PACE	429	192	↑	236	123.4%
505 Bldg.	-	-	↑	-	0.0%
Investment Income & Other	866	1,250	↓	(384)	(30.7%)
<b>Total</b>	<b>\$ (2,007)</b>	<b>\$ (2,745)</b>	<b>↑</b>	<b>\$ 738</b>	<b>26.9%</b>

MLR	Actual	Budget		% Point Var
Medi-Cal	98.7%	97.4%	↓	(1.4)
OneCare Connect	86.4%	97.8%	↑	11.5
OneCare	97.2%	89.2%	↓	(8.0)

Administrative Cost (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 8,501	\$ 10,796	↑	\$ 2,295	21.3%
OneCare Connect	1,447	1,613	↑	166	10.3%
OneCare	139	137	↓	(2)	(1.8%)
PACE	151	152	↑	1	0.9%
<b>Total</b>	<b>\$ 10,239</b>	<b>\$ 12,699</b>	<b>↑</b>	<b>\$ 2,460</b>	<b>19.4%</b>

Total FTE's Month	Actual	Budget		Fav / (Unfav)
Medi-Cal	1,108	1,161		53
OneCare Connect	193	210		16
OneCare	10	9		(1)
PACE	90	116		26
<b>Total</b>	<b>1,402</b>	<b>1,496</b>		<b>94</b>

MM per FTE	Actual	Budget		Fav / (Unfav)
Medi-Cal	693	657		36
OneCare Connect	75	67		8
OneCare	146	148		(2)
PACE	4	3		1
<b>Total</b>	<b>919</b>	<b>876</b>		<b>43</b>

**YEAR - TO - DATE**

Year To Date Enrollment	Actual	Budget		Fav / (Unfav)	
Medi-Cal	1,519,669	1,517,645	↑	2,024	0.1%
OneCare Connect	29,006	28,241	↑	765	2.7%
OneCare	3,048	2,756	↑	292	10.6%
PACE	763	806	↓	(43)	(5.3%)
<b>Total</b>	<b>1,552,486</b>	<b>1,549,448</b>	<b>↑</b>	<b>3,038</b>	<b>0.2%</b>

Change in Net Assets (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ (7,392)	\$ (6,467)	↓	\$ (925)	(14.3%)
OneCare Connect	(1,984)	(2,143)	↑	159	7.4%
OneCare	154	89	↑	64	73.0%
PACE	1,051	340	↑	711	209.1%
505 Bldg.	-	-	↑	-	0.0%
Investment Income & Other	3,016	2,500	↑	516	20.6%
<b>Total</b>	<b>\$ (5,155)</b>	<b>\$ (5,681)</b>	<b>↑</b>	<b>\$ 526</b>	<b>9.3%</b>

MLR	Actual	Budget		% Point Var
Medi-Cal	97.7%	97.3%	↓	(0.4)
OneCare Connect	98.2%	97.8%	↓	(0.3)
OneCare	88.3%	89.2%	↑	0.9

Administrative Cost (000)	Actual	Budget		Fav / (Unfav)	
Medi-Cal	\$ 18,448	\$ 21,933	↑	\$ 3,486	15.9%
OneCare Connect	2,959	3,263	↑	303	9.3%
OneCare	300	277	↓	(23)	(8.4%)
PACE	300	311	↑	11	3.4%
<b>Total</b>	<b>\$ 22,007</b>	<b>\$ 25,783</b>	<b>↑</b>	<b>\$ 3,776</b>	<b>14.6%</b>

Total FTE's YTD	Actual	Budget		Fav / (Unfav)
Medi-Cal	2,204	2,322		117
OneCare Connect	388	420		32
OneCare	20	19		(2)
PACE	179	233		54
<b>Total</b>	<b>2,791</b>	<b>2,992</b>		<b>201</b>

MM per FTE	Actual	Budget		Fav / (Unfav)
Medi-Cal	689	654		36
OneCare Connect	75	67		7
OneCare	151	148		3
PACE	4	3		1
<b>Total</b>	<b>920</b>	<b>873</b>		<b>47</b>



**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the One Month Ended August 31, 2020**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	784,741		778,936		5,805	
<b>REVENUE</b>						
Medi-Cal	\$ 264,118,627	\$ 343.77	\$ 288,260,705	\$ 377.78	\$ (24,142,078)	\$ (34.01)
OneCare Connect	28,250,638	1,942.83	25,945,036	1,839.16	2,305,602	103.67
OneCare	1,811,539	1,189.45	1,689,357	1,225.95	122,182	(36.50)
PACE	3,174,683	8,332.50	3,292,754	8,130.26	(118,071)	202.24
Total Operating Revenue	<u>297,355,487</u>	<u>378.92</u>	<u>319,187,852</u>	<u>409.77</u>	<u>(21,832,365)</u>	<u>(30.85)</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	260,735,044	339.37	280,641,455	367.79	19,906,411	28.42
OneCare Connect	24,395,259	1,677.69	25,386,789	1,799.59	991,530	121.90
OneCare	1,760,577	1,155.99	1,507,281	1,093.82	(253,296)	(62.17)
PACE	2,594,990	6,811.00	2,948,070	7,279.19	353,080	468.19
Total Medical Expenses	<u>289,485,870</u>	<u>368.89</u>	<u>310,483,595</u>	<u>398.60</u>	<u>20,997,725</u>	<u>29.71</u>
<b>GROSS MARGIN</b>	7,869,617	10.03	8,704,257	11.17	(834,640)	(1.14)
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	7,072,561	9.01	7,943,228	10.20	870,667	1.19
Professional fees	211,589	0.27	369,338	0.47	157,749	0.20
Purchased services	648,777	0.83	1,277,198	1.64	628,421	0.81
Printing & Postage	287,488	0.37	569,733	0.73	282,245	0.36
Depreciation & Amortization	293,692	0.37	460,570	0.59	166,878	0.22
Other expenses	1,346,775	1.72	1,693,025	2.17	346,250	0.45
Indirect cost allocation & Occupancy expense	377,920	0.48	385,584	0.50	7,664	0.02
Total Administrative Expenses	<u>10,238,802</u>	<u>13.05</u>	<u>12,698,676</u>	<u>16.30</u>	<u>2,459,874</u>	<u>3.25</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	(2,369,185)	(3.02)	(3,994,419)	(5.13)	1,625,234	2.11
<b>INVESTMENT INCOME</b>						
Interest income	1,217,543	1.55	1,250,000	1.60	(32,457)	(0.05)
Realized gain/(loss) on investments	414,933	0.53	-	-	414,933	0.53
Unrealized gain/(loss) on investments	(766,959)	(0.98)	-	-	(766,959)	(0.98)
Total Investment Income	<u>865,517</u>	<u>1.10</u>	<u>1,250,000</u>	<u>1.60</u>	<u>(384,483)</u>	<u>(0.50)</u>
<b>TOTAL MCO TAX</b>	(505,556)	(0.64)	-	-	(505,556)	(0.64)
<b>TOTAL GRANT INCOME</b>	1,575	-	-	-	1,575	-
<b>OTHER INCOME</b>	112	-	-	-	112	-
<b>CHANGE IN NET ASSETS</b>	<u>(2,007,538)</u>	<u>(2.56)</u>	<u>(2,744,419)</u>	<u>(3.52)</u>	<u>736,881</u>	<u>0.96</u>
<b>MEDICAL LOSS RATIO</b>	<b>97.4%</b>		<b>97.3%</b>		<b>-0.1%</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>3.4%</b>		<b>4.0%</b>		<b>0.5%</b>	

**CalOptima - Consolidated**  
**Statement of Revenues and Expenses**  
**For the Two Months Ended August 31, 2020**

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
<b>MEMBER MONTHS</b>	1,552,486		1,549,448		3,038	
<b>REVENUE</b>						
Medi-Cal	\$ 542,952,012	\$ 357.28	\$ 574,132,985	\$ 378.31	\$ (31,180,973)	\$ (21.03)
OneCare Connect	52,896,867	1,823.65	51,977,029	1,840.48	919,838	(16.83)
OneCare	3,863,114	1,267.43	3,381,473	1,226.95	481,641	40.48
PACE	6,349,704	8,322.02	6,554,011	8,131.53	(204,307)	190.49
Total Operating Revenue	<u>606,061,698</u>	<u>390.38</u>	<u>636,045,498</u>	<u>410.50</u>	<u>(29,983,800)</u>	<u>(20.12)</u>
<b>MEDICAL EXPENSES</b>						
Medi-Cal	530,628,607	349.17	558,666,578	368.11	28,037,971	18.94
OneCare Connect	51,922,089	1,790.05	50,857,910	1,800.85	(1,064,179)	10.80
OneCare	3,409,649	1,118.65	3,015,604	1,094.20	(394,045)	(24.45)
PACE	4,999,109	6,551.91	5,903,605	7,324.57	904,496	772.66
Total Medical Expenses	<u>590,959,455</u>	<u>380.65</u>	<u>618,443,697</u>	<u>399.14</u>	<u>27,484,242</u>	<u>18.49</u>
<b>GROSS MARGIN</b>	15,102,243	9.73	17,601,801	11.36	(2,499,558)	(1.63)
<b>ADMINISTRATIVE EXPENSES</b>						
Salaries and benefits	15,290,055	9.85	16,267,725	10.50	977,670	0.65
Professional fees	523,748	0.34	738,684	0.48	214,936	0.14
Purchased services	1,467,504	0.95	2,554,403	1.65	1,086,899	0.70
Printing & Postage	610,174	0.39	1,139,468	0.74	529,294	0.35
Depreciation & Amortization	590,627	0.38	921,140	0.59	330,513	0.21
Other expenses	2,783,059	1.79	3,389,686	2.19	606,628	0.40
Indirect cost allocation & Occupancy expense	741,620	0.48	771,773	0.50	30,153	0.02
Total Administrative Expenses	<u>22,006,785</u>	<u>14.18</u>	<u>25,782,879</u>	<u>16.64</u>	<u>3,776,094</u>	<u>2.46</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	(6,904,543)	(4.45)	(8,181,078)	(5.28)	1,276,535	0.83
<b>INVESTMENT INCOME</b>						
Interest income	2,547,059	1.64	2,500,000	1.61	47,059	0.03
Realized gain/(loss) on investments	1,661,801	1.07	-	-	1,661,801	1.07
Unrealized gain/(loss) on investments	<u>(1,192,682)</u>	<u>(0.77)</u>	<u>-</u>	<u>-</u>	<u>(1,192,682)</u>	<u>(0.77)</u>
Total Investment Income	<u>3,016,178</u>	<u>1.94</u>	<u>2,500,000</u>	<u>1.61</u>	<u>516,178</u>	<u>0.33</u>
<b>TOTAL MCO TAX</b>	(1,274,993)	(0.82)	-	-	(1,274,993)	(0.82)
<b>TOTAL GRANT INCOME</b>	6,862	-	-	-	6,862	-
<b>OTHER INCOME</b>	187	-	-	-	187	-
<b>CHANGE IN NET ASSETS</b>	<u><u>(5,156,308)</u></u>	<u><u>(3.32)</u></u>	<u><u>(5,681,078)</u></u>	<u><u>(3.67)</u></u>	<u><u>524,770</u></u>	<u><u>0.35</u></u>
<b>MEDICAL LOSS RATIO</b>	<b>97.5%</b>		<b>97.2%</b>		<b>-0.3%</b>	
<b>ADMINISTRATIVE LOSS RATIO</b>	<b>3.6%</b>		<b>4.1%</b>		<b>0.4%</b>	

**CalOptima - Consolidated - Month to Date  
Statement of Revenues and Expenses by LOB  
For the One Month Ended August 31, 2020**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
<b>MEMBER MONTHS</b>	508,307	250,724	9,265	768,296	14,541	1,523	381	784,741
<b>REVENUES</b>								
Capitation Revenue	154,637,413	\$ 91,400,719	\$ 18,080,495	\$ 264,118,627	\$ 28,250,638	\$ 1,811,539	\$ 3,174,683	\$ 297,355,487
<b>Total Operating Revenue</b>	<u>154,637,413</u>	<u>91,400,719</u>	<u>18,080,495</u>	<u>264,118,627</u>	<u>28,250,638</u>	<u>1,811,539</u>	<u>3,174,683</u>	<u>297,355,487</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	33,755,576	43,015,882	10,874,615	87,646,073	10,877,619	479,386		99,003,079
Facilities	22,641,481	20,414,401	2,182,940	45,238,822	3,963,859	487,678	866,545	50,556,904
Professional Claims	18,523,166	8,564,308	1,015,499	28,102,973	820,577	58,419	590,431	29,572,399
Prescription Drugs	20,143,633	24,459,693	3,921,905	48,525,231	6,099,932	681,919	261,489	55,568,571
MLTSS	39,619,953	3,189,045	2,939,547	45,748,545	1,307,600	15,139	2,934	47,074,218
Medical Management	2,124,382	1,243,395	274,468	3,642,245	990,339	38,035	759,740	5,430,360
Quality Incentives	786,971	464,672	31,179	1,282,822	215,505		4,763	1,503,089
Reinsurance & Other	352,996	184,682	10,655	548,333	119,829		109,088	777,250
<b>Total Medical Expenses</b>	<u>137,948,158</u>	<u>101,536,078</u>	<u>21,250,808</u>	<u>260,735,044</u>	<u>24,395,259</u>	<u>1,760,577</u>	<u>2,594,990</u>	<u>289,485,870</u>
<b>Medical Loss Ratio</b>	89.2%	111.1%	117.5%	98.7%	86.4%	97.2%	81.7%	97.4%
<b>GROSS MARGIN</b>	<b>16,689,255</b>	<b>(10,135,360)</b>	<b>(3,170,313)</b>	<b>3,383,583</b>	<b>3,855,379</b>	<b>50,962</b>	<b>579,694</b>	<b>7,869,617</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				6,147,488	710,932	74,231	139,910	7,072,561
Professional fees				190,132	5,334	16,000	123	211,589
Purchased services				566,305	73,474	8,561	438	648,777
Printing & Postage				214,189	67,715	5,274	310	287,488
Depreciation & Amortization				291,674			2,018	293,692
Other expenses				1,306,426	36,028	205	4,116	1,346,775
Indirect cost allocation & Occupancy				(214,879)	553,492	35,185	4,122	377,920
<b>Total Administrative Expenses</b>				<u>8,501,334</u>	<u>1,446,975</u>	<u>139,456</u>	<u>151,037</u>	<u>10,238,802</u>
<b>Admin Loss Ratio</b>				3.2%	5.1%	7.7%	4.8%	3.4%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(5,117,752)	2,408,404	(88,494)	428,656	(2,369,185)
<b>INVESTMENT INCOME</b>								865,517
<b>TOTAL MCO TAX</b>				(505,556)				(505,556)
<b>TOTAL GRANT INCOME</b>				1,575				1,575
<b>OTHER INCOME</b>				112				112
<b>CHANGE IN NET ASSETS</b>				<u>\$ (5,621,621)</u>	<u>\$ 2,408,404</u>	<u>\$ (88,494)</u>	<u>\$ 428,656</u>	<u>\$ (2,007,538)</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				(3,177,210)	(1,054,587)	45,116	192,262	(2,744,419)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (2,444,411)</u>	<u>\$ 3,462,991</u>	<u>\$ (133,610)</u>	<u>\$ 236,394</u>	<u>\$ 736,881</u>

**CalOptima - Consolidated - Year to Date  
Statement of Revenues and Expenses by LOB  
For the Two Months Ended August 31, 2020**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Whole Child Model</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
<b>MEMBER MONTHS</b>	1,006,447	494,883	18,339	1,519,669	29,006	3,048	763	1,552,486
<b>REVENUES</b>								
Capitation Revenue	302,323,119	\$ 204,597,932	\$ 36,030,961	\$ 542,952,012	\$ 52,896,867	\$ 3,863,114	\$ 6,349,704	\$ 606,061,698
<b>Total Operating Revenue</b>	<u>302,323,119</u>	<u>204,597,932</u>	<u>36,030,961</u>	<u>542,952,012</u>	<u>52,896,867</u>	<u>3,863,114</u>	<u>6,349,704</u>	<u>606,061,698</u>
<b>MEDICAL EXPENSES</b>								
Provider Capitation	71,415,436	84,710,230	21,954,010	178,079,676	22,149,663	1,036,304		201,265,644
Facilities	48,043,050	44,867,777	6,271,680	99,182,507	8,934,562	916,161	1,512,517	110,545,746
Professional Claims	38,735,660	18,320,249	2,366,803	59,422,711	1,888,469	154,170	1,111,897	62,577,247
Prescription Drugs	41,603,533	49,531,187	6,247,363	97,382,083	12,955,347	1,162,724	533,063	112,033,218
MLTSS	74,501,838	6,008,092	4,385,483	84,895,413	3,154,204	66,834	89	88,116,540
Medical Management	4,732,515	2,706,732	583,802	8,023,049	2,155,884	73,456	1,596,460	11,848,849
Quality Incentives	1,564,435	919,346	62,721	2,546,501	427,920		9,538	2,983,959
Reinsurance & Other	706,961	368,039	21,666	1,096,667	256,040		235,546	1,588,253
<b>Total Medical Expenses</b>	<u>281,303,428</u>	<u>207,431,652</u>	<u>41,893,528</u>	<u>530,628,607</u>	<u>51,922,089</u>	<u>3,409,649</u>	<u>4,999,109</u>	<u>590,959,455</u>
<b>Medical Loss Ratio</b>	93.0%	101.4%	116.3%	97.7%	98.2%	88.3%	78.7%	97.5%
<b>GROSS MARGIN</b>	<b>21,019,691</b>	<b>(2,833,719)</b>	<b>(5,862,567)</b>	<b>12,323,405</b>	<b>974,778</b>	<b>453,465</b>	<b>1,350,595</b>	<b>15,102,243</b>
<b>ADMINISTRATIVE EXPENSES</b>								
Salaries & Benefits				13,374,453	1,464,705	176,515	274,383	15,290,055
Professional fees				480,918	10,667	32,000	163	523,748
Purchased services				1,288,170	166,905	9,387	3,041	1,467,504
Printing & Postage				462,845	131,330	11,427	4,572	610,174
Depreciation & Amortization				586,519			4,107	590,627
Other expenses				2,698,760	78,572	205	5,521	2,783,059
Indirect cost allocation & Occupancy				(443,954)	1,106,984	70,370	8,220	741,620
<b>Total Administrative Expenses</b>				<u>18,447,712</u>	<u>2,959,162</u>	<u>299,904</u>	<u>300,007</u>	<u>22,006,785</u>
<b>Admin Loss Ratio</b>				3.4%	5.6%	7.8%	4.7%	3.6%
<b>INCOME (LOSS) FROM OPERATIONS</b>				(6,124,307)	(1,984,384)	153,561	1,050,587	(6,904,543)
<b>INVESTMENT INCOME</b>								3,016,178
<b>TOTAL MCO TAX</b>				(1,274,993)				(1,274,993)
<b>TOTAL GRANT INCOME</b>				6,862				6,862
<b>OTHER INCOME</b>				187				187
<b>CHANGE IN NET ASSETS</b>				<u>\$ (7,392,250)</u>	<u>\$ (1,984,384)</u>	<u>\$ 153,561</u>	<u>\$ 1,050,587</u>	<u>\$ (5,156,308)</u>
<b>BUDGETED CHANGE IN NET ASSETS</b>				(6,466,805)	(2,143,450)	89,324	339,853	(5,681,078)
<b>VARIANCE TO BUDGET - FAV (UNFAV)</b>				<u>\$ (925,445)</u>	<u>\$ 159,066</u>	<u>\$ 64,237</u>	<u>\$ 710,734</u>	<u>\$ 524,770</u>



## August 31, 2020 Unaudited Financial Statements

### SUMMARY MONTHLY RESULTS:

- Change in Net Assets is (\$2.0) million, \$0.7 million favorable to budget
- Operating deficit is \$2.4 million, with a surplus in non-operating income of \$0.4 million

### YEAR TO DATE RESULTS:

- Change in Net Assets is (\$5.2) million, \$0.5 million favorable to budget
- Operating deficit is (\$6.9) million, with a surplus in non-operating income of \$1.7 million

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

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
(5.1)	(3.2)	(1.9)	Medi-Cal	(6.1)	(6.5)	0.3
2.4	(1.1)	3.5	OCC	(2.0)	(2.1)	0.2
(0.1)	0.0	(0.1)	OneCare	0.2	0.1	0.1
<u>0.4</u>	<u>0.2</u>	<u>0.2</u>	<u>PACE</u>	<u>1.1</u>	<u>0.3</u>	<u>0.7</u>
<b>(2.4)</b>	<b>(4.0)</b>	<b>1.6</b>	<b>Operating</b>	<b>(6.9)</b>	<b>(8.2)</b>	<b>1.3</b>
<u>0.4</u>	<u>1.3</u>	<u>(0.9)</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>1.7</u>	<u>2.5</u>	<u>(0.8)</u>
<b>0.4</b>	<b>1.3</b>	<b>(0.9)</b>	<b>Non-Operating</b>	<b>1.7</b>	<b>2.5</b>	<b>(0.8)</b>
<b>(2.0)</b>	<b>(2.7)</b>	<b>0.7</b>	<b>TOTAL</b>	<b>(5.2)</b>	<b>(5.7)</b>	<b>0.5</b>

**CalOptima - Consolidated  
Enrollment Summary  
For the Two Months Ended August 31, 2020**

<b>Month-to-Date</b>				<b>Enrollment (by Aid Category)</b>	<b>Year-to-Date</b>			
<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>		<b>Actual</b>	<b>Budget</b>	<b>\$ Variance</b>	<b>% Variance</b>
113,120	110,815	2,305	2.1%	SPD	225,510	221,592	3,918	1.8%
510	489	21	4.3%	BCCTP	1,020	982	38	3.9%
291,791	301,672	(9,881)	(3.3%)	TANF Child	580,029	599,025	(18,996)	(3.2%)
96,712	90,771	5,941	6.5%	TANF Adult	190,284	180,281	10,003	5.5%
6,174	3,507	2,667	76.0%	LTC	9,604	7,012	2,592	37.0%
250,724	243,860	6,864	2.8%	MCE	494,883	484,889	9,994	2.1%
9,265	11,932	(2,667)	(22.4%)	WCM	18,339	23,864	(5,525)	(23.2%)
<b>768,296</b>	<b>763,046</b>	<b>5,250</b>	<b>0.7%</b>	<b>Medi-Cal Total</b>	<b>1,519,669</b>	<b>1,517,645</b>	<b>2,024</b>	<b>0.1%</b>
<b>14,541</b>	<b>14,107</b>	<b>434</b>	<b>3.1%</b>	<b>OneCare Connect</b>	<b>29,006</b>	<b>28,241</b>	<b>765</b>	<b>2.7%</b>
<b>1,523</b>	<b>1,378</b>	<b>145</b>	<b>10.5%</b>	<b>OneCare</b>	<b>3,048</b>	<b>2,756</b>	<b>292</b>	<b>10.6%</b>
<b>381</b>	<b>405</b>	<b>(24)</b>	<b>(5.9%)</b>	<b>PACE</b>	<b>763</b>	<b>806</b>	<b>(43)</b>	<b>(5.3%)</b>
<b>784,741</b>	<b>778,936</b>	<b>5,805</b>	<b>0.7%</b>	<b>CalOptima Total</b>	<b>1,552,486</b>	<b>1,549,448</b>	<b>3,038</b>	<b>0.2%</b>

				<b>Enrollment (by Network)</b>				
173,442	170,357	3,085	1.8%	HMO	343,817	338,928	4,889	1.4%
216,895	219,928	(3,033)	(1.4%)	PHC	430,978	437,238	(6,260)	(1.4%)
184,919	185,863	(944)	(0.5%)	Shared Risk Group	366,058	368,865	(2,807)	(0.8%)
193,040	186,898	6,142	3.3%	Fee for Service	378,816	372,614	6,202	1.7%
<b>768,296</b>	<b>763,046</b>	<b>5,250</b>	<b>0.7%</b>	<b>Medi-Cal Total</b>	<b>1,519,669</b>	<b>1,517,645</b>	<b>2,024</b>	<b>0.1%</b>
<b>14,541</b>	<b>14,107</b>	<b>434</b>	<b>3.1%</b>	<b>OneCare Connect</b>	<b>29,006</b>	<b>28,241</b>	<b>765</b>	<b>2.7%</b>
<b>1,523</b>	<b>1,378</b>	<b>145</b>	<b>10.5%</b>	<b>OneCare</b>	<b>3,048</b>	<b>2,756</b>	<b>292</b>	<b>10.6%</b>
<b>381</b>	<b>405</b>	<b>(24)</b>	<b>(5.9%)</b>	<b>PACE</b>	<b>763</b>	<b>806</b>	<b>(43)</b>	<b>(5.3%)</b>
<b>784,741</b>	<b>778,936</b>	<b>5,805</b>	<b>0.7%</b>	<b>CalOptima Total</b>	<b>1,552,486</b>	<b>1,549,448</b>	<b>3,038</b>	<b>0.2%</b>

CalOptima  
Enrollment Trend by Network  
Fiscal Year 2021

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	YTD Actual	YTD Budget	Variance
<b>HMOs</b>															
SPD	10,536	10,583											21,119	20,713	406
BCCTP	1	1											2	2	0
TANF Child	54,644	55,088											109,732	113,140	(3,408)
TANF Adult	29,033	29,687											58,720	56,927	1,793
LTC	(1)	402											401	4	397
MCE	74,441	75,955											150,396	144,052	6,344
WCM	1,721	1,726											3,447	4,090	(643)
<b>Total</b>	<b>170,375</b>	<b>173,442</b>											<b>343,817</b>	<b>338,928</b>	<b>4,889</b>
<b>PHCs</b>															
SPD	7,145	7,205											14,350	14,045	305
BCCTP													-		0
TANF Child	149,810	151,008											300,818	309,733	(8,915)
TANF Adult	11,688	12,097											23,785	22,139	1,646
LTC		158											158	2	156
MCE	39,815	40,711											80,526	76,953	3,573
WCM	5,625	5,716											11,341	14,366	(3,025)
<b>Total</b>	<b>214,083</b>	<b>216,895</b>											<b>430,978</b>	<b>437,238</b>	<b>(6,260)</b>
<b>Shared Risk Groups</b>															
SPD	10,264	10,312											20,576	20,380	196
BCCTP													-		0
TANF Child	58,289	58,687											116,976	124,223	(7,247)
TANF Adult	28,914	29,648											58,562	57,010	1,552
LTC	1	365											366	4	362
MCE	82,747	84,907											167,654	163,862	3,792
WCM	924	1,000											1,924	3,386	(1,462)
<b>Total</b>	<b>181,139</b>	<b>184,919</b>											<b>366,058</b>	<b>368,865</b>	<b>(2,807)</b>
<b>Fee for Service (Dual)</b>															
SPD	74,615	75,198											149,813	146,798	3,015
BCCTP	12	17											29	34	(5)
TANF Child	1	1											2	4	(2)
TANF Adult	909	1,266											2,175	1,911	264
LTC	3,079	4,461											7,540	6,316	1,224
MCE	1,658	1,859											3,517	2,669	848
WCM	13	17											30	26	4
<b>Total</b>	<b>80,287</b>	<b>82,819</b>											<b>163,106</b>	<b>157,758</b>	<b>5,348</b>
<b>Fee for Service (Non-Dual - Total)</b>															
SPD	9,830	9,822											19,652	19,656	(4)
BCCTP	497	492											989	946	43
TANF Child	25,494	27,007											52,501	51,925	576
TANF Adult	23,028	24,014											47,042	42,294	4,748
LTC	351	788											1,139	686	453
MCE	45,498	47,292											92,790	97,353	(4,563)
WCM	791	806											1,597	1,996	(399)
<b>Total</b>	<b>105,489</b>	<b>110,221</b>											<b>215,710</b>	<b>214,856</b>	<b>854</b>
SPD	112,390	113,120											225,510	221,592	3,918
BCCTP	510	510											1,020	982	38
TANF Child	288,238	291,791											580,029	599,025	(18,996)
TANF Adult	93,572	96,712											190,284	180,281	10,003
LTC	3,430	6,174											9,604	7,012	2,592
MCE	244,159	250,724											494,883	484,889	9,994
WCM	9,074	9,265											18,339	23,864	(5,525)
<b>Total Medi-Cal MM</b>	<b>751,373</b>	<b>768,296</b>											<b>1,519,669</b>	<b>1,517,645</b>	<b>2,024</b>
<b>OneCare Connect</b>	<b>14,465</b>	<b>14,541</b>											<b>29,006</b>	<b>28,241</b>	<b>765</b>
<b>OneCare</b>	<b>1,525</b>	<b>1,523</b>											<b>3,048</b>	<b>2,756</b>	<b>292</b>
<b>PACE</b>	<b>382</b>	<b>381</b>											<b>763</b>	<b>806</b>	<b>(43)</b>
<b>Grand Total</b>	<b>767,745</b>	<b>784,741</b>											<b>1,552,486</b>	<b>1,549,448</b>	<b>3,038</b>

## **ENROLLMENT:**

**Overall**, August enrollment was 784,741

- Favorable to budget 5,805 or 0.7%
- Increased 16,996 or 2.2% from prior month (PM) (July 2020)
- Increased 22,709 or 3.0% from prior year (PY) (August 2019)

**Medi-Cal** enrollment was 768,296

- Favorable to budget 5,250 or 0.7% due to prior year retroactive enrollment
  - Medi-Cal Expansion (MCE) favorable 6,864
  - Long-Term Care (LTC) favorable 2,667
  - Seniors and Persons with Disabilities (SPD) favorable 2,305
  - Breast and Cervical Cancer Treatment Program (BCCTP) favorable 21
  - Temporary Assistance for Needy Families (TANF) unfavorable 3,940
  - Whole Child Model (WCM) unfavorable 2,667
- Increased 16,923 from PM, 4,015 due to prior year retroactive enrollment

**OneCare Connect** enrollment was 14,541

- Favorable to budget 434 or 3.1%
- Increased 76 from PM

**OneCare** enrollment was 1,523

- Favorable to budget 145 or 10.5%
- Decreased 2 from PM

**PACE** enrollment was 381

- Unfavorable to budget 24 or 5.9%
- Decreased 1 from PM



**CalOptima  
Medi-Cal Total  
Statement of Revenues and Expenses  
For the Two Months Ending August 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
768,296	763,046	5,250	0.7%	<b>Member Months</b>	1,519,669	1,517,645	2,024	0.1%
				<b>Revenues</b>				
264,118,627	288,260,705	(24,142,078)	(8.4%)	Capitation Revenue	542,952,012	574,132,985	(31,180,973)	(5.4%)
-	-	-	0.0%	Other Income	-	-	-	0.0%
<b>264,118,627</b>	<b>288,260,705</b>	<b>(24,142,078)</b>	<b>(8.4%)</b>	<b>Total Operating Revenue</b>	<b>542,952,012</b>	<b>574,132,985</b>	<b>(31,180,973)</b>	<b>(5.4%)</b>
				<b>Medical Expenses</b>				
88,928,895	97,085,701	8,156,806	8.4%	Provider Capitation	180,626,178	193,072,175	12,445,997	6.4%
45,238,822	57,937,417	12,698,595	21.9%	Facilities Claims	99,182,507	115,238,133	16,055,626	13.9%
28,102,973	32,837,598	4,734,625	14.4%	Professional Claims	59,422,711	65,361,869	5,939,158	9.1%
48,525,231	46,724,423	(1,800,808)	(3.9%)	Prescription Drugs	97,382,083	92,872,759	(4,509,324)	(4.9%)
45,748,545	40,650,161	(5,098,384)	(12.5%)	MLTSS	84,895,413	81,191,707	(3,703,706)	(4.6%)
3,642,245	4,802,149	1,159,904	24.2%	Medical Management	8,023,049	9,721,923	1,698,874	17.5%
548,333	604,006	55,673	9.2%	Reinsurance & Other	1,096,667	1,208,012	111,345	9.2%
<b>260,735,044</b>	<b>280,641,455</b>	<b>19,906,411</b>	<b>7.1%</b>	<b>Total Medical Expenses</b>	<b>530,628,607</b>	<b>558,666,578</b>	<b>28,037,971</b>	<b>5.0%</b>
<b>3,383,583</b>	<b>7,619,250</b>	<b>(4,235,667)</b>	<b>(55.6%)</b>	<b>Gross Margin</b>	<b>12,323,405</b>	<b>15,466,407</b>	<b>(3,143,002)</b>	<b>(20.3%)</b>
				<b>Administrative Expenses</b>				
6,147,488	6,969,595	822,107	11.8%	Salaries, Wages & Employee Benefits	13,374,453	14,276,267	901,814	6.3%
190,132	313,089	122,957	39.3%	Professional Fees	480,918	626,186	145,268	23.2%
566,305	1,146,260	579,955	50.6%	Purchased Services	1,288,170	2,292,527	1,004,357	43.8%
214,189	443,433	229,244	51.7%	Printing and Postage	462,845	886,866	424,021	47.8%
291,674	458,500	166,826	36.4%	Depreciation & Amortization	586,519	917,000	330,481	36.0%
1,306,426	1,673,096	366,670	21.9%	Other Operating Expenses	2,698,760	3,348,762	650,002	19.4%
(214,879)	(207,513)	7,366	3.5%	Indirect Cost Allocation, Occupancy Expense	(443,954)	(414,396)	29,558	7.1%
<b>8,501,334</b>	<b>10,796,460</b>	<b>2,295,126</b>	<b>21.3%</b>	<b>Total Administrative Expenses</b>	<b>18,447,712</b>	<b>21,933,212</b>	<b>3,485,500</b>	<b>15.9%</b>
				<b>Operating Tax</b>				
11,963,194	14,778,816	(2,815,622)	(19.1%)	Tax Revenue	23,662,508	29,396,541	(5,734,034)	(19.5%)
12,468,750	14,778,816	2,310,066	15.6%	Premium Tax Expense	24,937,500	29,396,541	4,459,041	15.2%
(505,556)	-	(505,556)	0.0%	<b>Total Net Operating Tax</b>	(1,274,993)	-	(1,274,993)	0.0%
				<b>Grant Income</b>				
15,831	-	15,831	0.0%	Grant Revenue	51,081	-	51,081	0.0%
8,925	-	(8,925)	0.0%	Grant expense - Service Partner	38,888	-	(38,888)	0.0%
5,331	-	(5,331)	0.0%	Grant expense - Administrative	5,331	-	(5,331)	0.0%
1,575	-	1,575	0.0%	<b>Total Grant Income</b>	6,863	-	6,863	0.0%
<b>112</b>	<b>-</b>	<b>112</b>	<b>0.0%</b>	<b>Other income</b>	<b>187</b>	<b>-</b>	<b>187</b>	<b>0.0%</b>
<b>(5,621,621)</b>	<b>(3,177,210)</b>	<b>(2,444,411)</b>	<b>(76.9%)</b>	<b>Change in Net Assets</b>	<b>(7,392,250)</b>	<b>(6,466,805)</b>	<b>(925,445)</b>	<b>(14.3%)</b>
<b>98.7%</b>	<b>97.4%</b>	<b>(1.4%)</b>	<b>(1.4%)</b>	<b>Medical Loss Ratio</b>	<b>97.7%</b>	<b>97.3%</b>	<b>(0.4%)</b>	<b>(0.4%)</b>
<b>3.2%</b>	<b>3.7%</b>	<b>0.5%</b>	<b>14.1%</b>	<b>Admin Loss Ratio</b>	<b>3.4%</b>	<b>3.8%</b>	<b>0.4%</b>	<b>11.1%</b>

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

**REVENUES** of \$264.1 million are unfavorable to budget \$24.1 million driven by:

- Favorable volume related variance of \$2.0 million
- Unfavorable price related variance of \$26.1 million
  - \$37.8 million of revenue due to Governor’s budget changes for the eighteen (18)-months bridge period, including:
    - Gross Medical Expenditures (GME) risk corridor reserve
    - 1.5% reduction to fiscal year (FY) 2021 capitation rates for certain aid code categories
  - \$5.6 million of WCM revenue
  - \$2.9 million of Behavioral Health Treatment (BHT) revenue
  - Offset by \$22.7 million of Coordinated Care Initiative (CCI) revenue due to new calendar year (CY) 2020 rate true-up in August

**MEDICAL EXPENSES** of \$260.7 million are favorable to budget \$19.9 million driven by:

- Unfavorable volume related variance of \$1.9 million
- Favorable price related variance of \$21.8 million primarily due to decrease in utilization during COVID-19 pandemic
  - Facilities Claims expense favorable variance of \$13.1 million
  - Provider Capitation expense favorable variance of \$8.8 million
  - Professional Claims expense favorable variance of \$5.0 million
  - Medical Management expense favorable variance of \$1.2 million
  - Offset by Managed Long Term Services and Supports (MLTSS) expense unfavorable variance of \$4.8 million due to the 10% reimbursement rate increase and Prescription Drugs expense unfavorable variance of \$1.5 million

**ADMINISTRATIVE EXPENSES** of \$8.5 million are favorable to budget \$2.3 million driven by:

- Salaries & Benefit expense favorable to budget \$0.8 million
- Other Non-Salary expense favorable to budget \$1.5 million

**CHANGE IN NET ASSETS** is (\$5.6) million for the month, unfavorable to budget \$2.4 million

**CalOptima  
OneCare Connect Total  
Statement of Revenue and Expenses  
For the Two Months Ending August 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,541	14,107	434	3.1%	<b>Member Months</b>	29,006	28,241	765	2.7%
				Revenues				
4,731,785	2,723,591	2,008,194	73.7%	Medi-Cal Capitation Revenue	6,829,092	5,452,400	1,376,692	25.2%
17,498,193	17,989,536	(491,343)	(2.7%)	Medicare Capitation Revenue Part C	35,469,546	36,050,035	(580,489)	(1.6%)
6,020,660	5,231,909	788,751	15.1%	Medicare Capitation Revenue Part D	10,598,229	10,474,594	123,635	1.2%
-	-	-	0.0%	Other Income	-	-	-	0.0%
<b>28,250,638</b>	<b>25,945,036</b>	<b>2,305,602</b>	<b>8.9%</b>	<b>Total Operating Revenue</b>	<b>52,896,867</b>	<b>51,977,029</b>	<b>919,838</b>	<b>1.8%</b>
				Medical Expenses				
11,093,124	11,482,832	389,708	3.4%	Provider Capitation	22,577,583	23,022,705	445,122	1.9%
3,963,859	4,040,815	76,956	1.9%	Facilities Claims	8,934,562	8,070,049	(864,513)	(10.7%)
820,577	944,642	124,065	13.1%	Ancillary	1,888,469	1,885,077	(3,392)	(0.2%)
1,307,600	1,569,085	261,485	16.7%	MLTSS	3,154,204	3,144,098	(10,106)	(0.3%)
6,099,932	5,937,607	(162,325)	(2.7%)	Prescription Drugs	12,955,347	11,859,033	(1,096,314)	(9.2%)
990,339	1,194,773	204,434	17.1%	Medical Management	2,155,884	2,444,520	288,636	11.8%
119,829	217,035	97,206	44.8%	Other Medical Expenses	256,040	432,428	176,388	40.8%
<b>24,395,259</b>	<b>25,386,789</b>	<b>991,530</b>	<b>3.9%</b>	<b>Total Medical Expenses</b>	<b>51,922,089</b>	<b>50,857,910</b>	<b>(1,064,179)</b>	<b>(2.1%)</b>
<b>3,855,379</b>	<b>558,247</b>	<b>3,297,132</b>	<b>590.6%</b>	<b>Gross Margin</b>	<b>974,778</b>	<b>1,119,119</b>	<b>(144,341)</b>	<b>(12.9%)</b>
				Administrative Expenses				
710,932	793,476	82,544	10.4%	Salaries, Wages & Employee Benefits	1,464,705	1,622,845	158,140	9.7%
5,334	40,083	34,749	86.7%	Professional Fees	10,667	80,166	69,499	86.7%
73,474	103,412	29,938	29.0%	Purchased Services	166,905	206,824	39,919	19.3%
67,715	106,516	38,801	36.4%	Printing and Postage	131,330	213,034	81,704	38.4%
36,028	15,855	(20,173)	(127.2%)	Other Operating Expenses	78,572	32,716	(45,856)	(140.2%)
553,492	553,492	-	0.0%	Indirect Cost Allocation	1,106,984	1,106,984	-	0.0%
<b>1,446,975</b>	<b>1,612,834</b>	<b>165,859</b>	<b>10.3%</b>	<b>Total Administrative Expenses</b>	<b>2,959,162</b>	<b>3,262,569</b>	<b>303,407</b>	<b>9.3%</b>
<b>2,408,404</b>	<b>(1,054,587)</b>	<b>3,462,991</b>	<b>328.4%</b>	<b>Change in Net Assets</b>	<b>(1,984,384)</b>	<b>(2,143,450)</b>	<b>159,066</b>	<b>7.4%</b>
<b>86.4%</b>	<b>97.8%</b>	<b>11.5%</b>	<b>11.7%</b>	<b>Medical Loss Ratio</b>	<b>98.2%</b>	<b>97.8%</b>	<b>(0.3%)</b>	<b>(0.3%)</b>
<b>5.1%</b>	<b>6.2%</b>	<b>1.1%</b>	<b>17.6%</b>	<b>Admin Loss Ratio</b>	<b>5.6%</b>	<b>6.3%</b>	<b>0.7%</b>	<b>10.9%</b>

## **ONECARE CONNECT INCOME STATEMENT – AUGUST MONTH:**

**REVENUES** of \$28.3 million are favorable to budget \$2.3 million driven by:

- Favorable volume related variance of \$0.8 million
- Favorable price related variance of \$1.5 million due to CY 2020 rate true-up revenue

**MEDICAL EXPENSES** of \$24.4 million are favorable to budget \$1.0 million driven by:

- Unfavorable volume related variance of \$0.8 million
- Favorable price related variance of \$1.8 million
  - Provider Capitation expense favorable variance of \$0.7 million
  - MLTSS expense favorable variance of \$0.3 million
  - Medical Management expense favorable variance of \$0.2 million
  - Facilities Claims expense favorable variance of \$0.2 million

**ADMINISTRATIVE EXPENSES** of \$1.4 million are favorable to budget \$0.2 million

**CHANGE IN NET ASSETS** is \$2.4 million, favorable to budget \$3.5 million

**CalOptima  
OneCare  
Statement of Revenues and Expenses  
For the Two Months Ending August 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,523	1,378	145	10.5%	<b>Member Months</b>	3,048	2,756	292	10.6%
				<b>Revenues</b>				
1,227,035	1,152,171	74,864	6.5%	Medicare Part C revenue	2,637,056	2,307,051	330,005	14.3%
584,503	537,186	47,317	8.8%	Medicare Part D revenue	1,226,058	1,074,422	151,636	14.1%
<b>1,811,539</b>	<b>1,689,357</b>	<b>122,182</b>	<b>7.2%</b>	<b>Total Operating Revenue</b>	<b>3,863,114</b>	<b>3,381,473</b>	<b>481,641</b>	<b>14.2%</b>
				<b>Medical Expenses</b>				
479,386	446,134	(33,252)	(7.5%)	Provider Capitation	1,036,304	893,314	(142,990)	(16.0%)
487,678	457,868	(29,810)	(6.5%)	Inpatient	916,161	916,359	198	0.0%
58,419	43,175	(15,244)	(35.3%)	Ancillary	154,170	86,247	(67,923)	(78.8%)
15,139	25,895	10,756	41.5%	Skilled Nursing Facilities	66,834	51,790	(15,044)	(29.0%)
681,919	490,537	(191,382)	(39.0%)	Prescription Drugs	1,162,724	979,139	(183,585)	(18.7%)
38,035	43,672	5,637	12.9%	Medical Management	73,456	88,755	15,299	17.2%
<b>1,760,577</b>	<b>1,507,281</b>	<b>(253,296)</b>	<b>(16.8%)</b>	<b>Total Medical Expenses</b>	<b>3,409,649</b>	<b>3,015,604</b>	<b>(394,045)</b>	<b>(13.1%)</b>
<b>50,962</b>	<b>182,076</b>	<b>(131,114)</b>	<b>(72.0%)</b>	<b>Gross Margin</b>	<b>453,465</b>	<b>365,869</b>	<b>87,596</b>	<b>23.9%</b>
				<b>Administrative Expenses</b>				
74,231	67,404	(6,827)	(10.1%)	Salaries, wages & employee benefits	176,515	137,433	(39,082)	(28.4%)
16,000	16,000	-	0.0%	Professional fees	32,000	32,000	-	0.0%
8,561	9,750	1,189	12.2%	Purchased services	9,387	19,500	10,113	51.9%
5,274	8,084	2,810	34.8%	Printing and postage	11,427	16,168	4,741	29.3%
205	537	332	61.8%	Other operating expenses	205	1,074	869	80.9%
35,185	35,185	-	0.0%	Indirect cost allocation, occupancy expense	70,370	70,370	-	0.0%
<b>139,456</b>	<b>136,960</b>	<b>(2,496)</b>	<b>(1.8%)</b>	<b>Total Administrative Expenses</b>	<b>299,904</b>	<b>276,545</b>	<b>(23,359)</b>	<b>(8.4%)</b>
<b>(88,494)</b>	<b>45,116</b>	<b>(133,610)</b>	<b>(296.1%)</b>	<b>Change in Net Assets</b>	<b>153,561</b>	<b>89,324</b>	<b>64,237</b>	<b>71.9%</b>
<b>97.2%</b>	<b>89.2%</b>	<b>(8.0%)</b>	<b>(8.9%)</b>	<b>Medical Loss Ratio</b>	<b>88.3%</b>	<b>89.2%</b>	<b>0.9%</b>	<b>1.0%</b>
<b>7.7%</b>	<b>8.1%</b>	<b>0.4%</b>	<b>5.0%</b>	<b>Admin Loss Ratio</b>	<b>7.8%</b>	<b>8.2%</b>	<b>0.4%</b>	<b>5.1%</b>

**CalOptima  
PACE  
Statement of Revenues and Expenses  
For the Two Months Ending August 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
<b>381</b>	<b>405</b>	<b>(24)</b>	<b>(5.9%)</b>	<b>Member Months</b>	<b>763</b>	<b>806</b>	<b>(43)</b>	<b>-5.3%</b>
				<b>Revenues</b>				
2,402,406	2,549,557	(147,151)	(5.8%)	Medi-Cal Capitation Revenue	4,802,600	5,074,168	(271,568)	(5.4%)
634,148	599,035	35,113	5.9%	Medicare Part C Revenue	1,286,233	1,192,998	93,235	7.8%
138,130	144,162	(6,032)	(4.2%)	Medicare Part D Revenue	260,870	286,845	(25,975)	(9.1%)
<b>3,174,683</b>	<b>3,292,754</b>	<b>(118,071)</b>	<b>(3.6%)</b>	<b>Total Operating Revenue</b>	<b>6,349,704</b>	<b>6,554,011</b>	<b>(204,307)</b>	<b>(3.1%)</b>
				<b>Medical Expenses</b>				
759,740	937,279	177,539	18.9%	Medical Management	1,596,460	1,911,446	314,986	16.5%
866,545	772,080	(94,465)	(12.2%)	Facilities Claims	1,512,517	1,531,029	18,512	1.2%
590,431	645,817	55,386	8.6%	Professional Claims	1,111,897	1,284,283	172,386	13.4%
109,088	246,536	137,448	55.8%	Patient Transportation	235,546	489,479	253,933	51.9%
261,489	268,352	6,863	2.6%	Prescription Drugs	533,063	533,358	295	0.1%
2,934	59,788	56,854	95.1%	MLTSS	89	117,753	117,664	99.9%
4,763	18,218	13,456	73.9%	Other Expenses	9,538	36,257	26,720	73.7%
<b>2,594,990</b>	<b>2,948,070</b>	<b>353,080</b>	<b>12.0%</b>	<b>Total Medical Expenses</b>	<b>4,999,109</b>	<b>5,903,605</b>	<b>904,496</b>	<b>15.3%</b>
<b>579,694</b>	<b>344,684</b>	<b>235,010</b>	<b>68.2%</b>	<b>Gross Margin</b>	<b>1,350,595</b>	<b>650,406</b>	<b>700,189</b>	<b>107.7%</b>
				<b>Administrative Expenses</b>				
139,910	112,753	(27,157)	(24.1%)	Salaries, wages & employee benefits	274,383	231,180	(43,203)	(18.7%)
123	166	43	25.7%	Professional fees	163	332	169	50.8%
438	17,776	17,338	97.5%	Purchased services	3,041	35,552	32,511	91.4%
310	11,700	11,390	97.3%	Printing and postage	4,572	23,400	18,828	80.5%
2,018	2,070	52	2.5%	Depreciation & amortization	4,107	4,140	33	0.8%
4,116	3,537	(579)	(16.4%)	Other operating expenses	5,521	7,134	1,613	22.6%
4,122	4,420	298	6.7%	Indirect Cost Allocation, Occupancy Expense	8,220	8,815	595	6.8%
<b>151,037</b>	<b>152,422</b>	<b>1,385</b>	<b>0.9%</b>	<b>Total Administrative Expenses</b>	<b>300,007</b>	<b>310,553</b>	<b>10,546</b>	<b>3.4%</b>
				<b>Operating Tax</b>				
5,654	-	5,654	0.0%	Tax Revenue	11,323	-	11,323	0.0%
5,654	-	(5,654)	0.0%	Premium Tax Expense	11,323	-	(11,323)	0.0%
<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>Total Net Operating Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>428,656</b>	<b>192,262</b>	<b>236,394</b>	<b>123.0%</b>	<b>Change in Net Assets</b>	<b>1,050,587</b>	<b>339,853</b>	<b>710,734</b>	<b>209.1%</b>
<b>81.7%</b>	<b>89.5%</b>	<b>7.8%</b>	<b>8.7%</b>	<b>Medical Loss Ratio</b>	<b>78.7%</b>	<b>90.1%</b>	<b>11.3%</b>	<b>12.6%</b>
<b>4.8%</b>	<b>4.6%</b>	<b>(0.1%)</b>	<b>(2.8%)</b>	<b>Admin Loss Ratio</b>	<b>4.7%</b>	<b>4.7%</b>	<b>0.0%</b>	<b>0.3%</b>

**CalOptima**  
**Building 505 - City Parkway**  
**Statement of Revenues and Expenses**  
**For the Two Months Ending August 31, 2020**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
				<b>Revenues</b>				
-	-	-	0.0%	Rental Income	-	-	-	0.0%
-	-	-	<b>0.0%</b>	<b>Total Operating Revenue</b>	-	-	-	<b>0.0%</b>
				<b>Administrative Expenses</b>				
44,181	55,000	10,819	19.7%	Purchase services	88,773	110,000	21,227	19.3%
170,912	177,250	6,338	3.6%	Depreciation & amortization	341,824	354,500	12,676	3.6%
18,423	18,500	77	0.4%	Insurance expense	36,845	37,000	155	0.4%
100,241	114,917	14,676	12.8%	Repair and maintenance	197,954	229,834	31,880	13.9%
71,749	41,250	(30,499)	(73.9%)	Other Operating Expense	128,411	82,500	(45,911)	(55.6%)
(405,505)	(406,917)	(1,412)	(0.3%)	Indirect allocation, Occupancy	(793,807)	(813,834)	(20,027)	(2.5%)
-	-	-	<b>0.0%</b>	<b>Total Administrative Expenses</b>	-	-	-	<b>0.0%</b>
-	-	-	<b>0.0%</b>	<b>Change in Net Assets</b>	-	-	-	<b>0.0%</b>

**OTHER INCOME STATEMENTS – AUGUST MONTH:**

**ONECARE INCOME STATEMENT**

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

**PACE INCOME STATEMENT**

**CHANGE IN NET ASSETS** is \$0.4 million, favorable to budget \$0.2 million



**CalOptima  
Balance Sheet  
August 31, 2020**

**ASSETS**

Current Assets

Operating Cash	\$361,974,043
Investments	785,112,848
Capitation receivable	347,726,085
Receivables - Other	46,737,741
Prepaid expenses	6,927,548

**Total Current Assets** 1,548,478,265

Capital Assets

Furniture & Equipment	39,890,502
Building/Leasehold Improvements	10,077,966
505 City Parkway West	51,620,226
	<u>101,588,694</u>
Less: accumulated depreciation	(54,324,913)
Capital assets, net	<u>47,263,780</u>

Other Assets

Restricted Deposit & Other	300,000
Homeless Health Reserve	57,198,913
Board-designated assets:	
Cash and Cash Equivalents	3,104,429
Long-term Investments	583,910,510
Total Board-designated Assets	<u>587,014,939</u>

**Total Other Assets** 644,513,852

**TOTAL ASSETS** 2,240,255,898

Deferred Outflows

Contributions	1,047,297
Difference in Experience	4,280,308
Changes in Assumptions	5,060,465
OPEB 75 Changes in Assumptions	703,000
Pension Contributions	570,000

**TOTAL ASSETS & DEFERRED  
OUTFLOWS** 2,251,916,968

**LIABILITIES & NET POSITION**

Current Liabilities

Accounts Payable	\$98,432,577
Medical Claims liability	893,811,200
Accrued Payroll Liabilities	15,949,699
Deferred Revenue	22,338,791
Deferred Lease Obligations	160,858
Capitation and Withholds	142,027,078

**Total Current Liabilities** 1,172,720,202

Other (than pensions) post  
employment benefits liability

25,899,469

Net Pension Liabilities

26,645,035

Bldg 505 Development Rights

-

**TOTAL LIABILITIES** 1,225,264,706

Deferred Inflows

Excess Earnings	506,547
OPEB 75 Difference in Experience	804,000
Change in Assumptions	3,728,725
OPEB Changes in Assumptions	1,638,000

Net Position

TNE	101,486,880
Funds in Excess of TNE	918,488,109

**TOTAL NET POSITION** 1,019,974,989

**TOTAL LIABILITIES, DEFERRED INFLOWS  
& NET POSITION** 2,251,916,968

2,251,916,968

**CalOptima**  
**Board Designated Reserve and TNE Analysis**  
**as of August 31, 2020**

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	160,581,494				
	Tier 1 - MetLife	159,423,340				
	Tier 1 - Wells Capital	159,730,611				
<b>Board-designated Reserve</b>						
		479,735,445	320,787,669	501,762,475	158,947,777	(22,027,030)
TNE Requirement	Tier 2 - MetLife	107,279,494	101,486,880	101,486,880	5,792,614	5,792,614
<b>Consolidated:</b>		<b>587,014,939</b>	<b>422,274,549</b>	<b>603,249,356</b>	<b>164,740,390</b>	<b>(16,234,417)</b>
<i>Current reserve level</i>		<i>1.95</i>	<i>1.40</i>	<i>2.00</i>		

**CalOptima**  
**Statement of Cash Flows**  
**August 31, 2020**

	<b>Month Ended</b>	<b>Year-To-Date</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	(2,007,538)	(5,156,308)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	464,604	932,450
Changes in assets and liabilities:		
Prepaid expenses and other	238,816	(228,340)
Catastrophic reserves		
Capitation receivable	(24,437,970)	51,906,199
Medical claims liability	36,873,148	(23,340,820)
Deferred revenue	(24,909,872)	(1,084,905)
Payable to health networks	513,746	(953,950)
Accounts payable	12,388,195	23,776,131
Accrued payroll	(85,404)	1,925,452
Other accrued liabilities	-	-
Net cash provided by/(used in) operating activities	(962,274)	47,775,910
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Investments	(94,651,809)	(195,646,746)
Change in Property and Equipment	(250,466)	(1,541,660)
Change in Board designated reserves	(536,145)	(2,131,046)
Net cash provided by/(used in) investing activities	(95,438,420)	(199,319,451)
 <b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(96,400,694)	(151,543,541)
 <b>CASH AND CASH EQUIVALENTS, beginning of period</b>	\$458,374,737	513,517,584
 <b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>361,974,043</b>	<b>361,974,043</b>

## **BALANCE SHEET – AUGUST MONTH:**

**ASSETS** of \$2.3 billion increased \$22.8 million from July or 1.0%

- Operating Cash decreased \$96.4 million due to the timing of cash receipts and disbursements
- Investments increased \$94.7 million due to the timing of cash receipts and month-end requirements for operating cash.
- Capitation Receivables increased \$22.1 million due to CCI rate increase for CY 2020.
- Receivables – Other increased \$2.3 million due to Centers for Medicare & Medicaid Services (CMS) estimated prescription drug receivables

**LIABILITIES** of \$1.2 billion increased \$24.8 million from July or 2.1%

- Claims Liabilities increased \$36.9 million due to timing of claim payment and change in Incurred But Not Reported (IBNR)
- Deferred Revenue decreased \$24.9 million due to timing of capitation payments from CMS
- Accounts Payable increased \$12.4 million due to the payment timing of Managed Care Organization (MCO) tax

**NET ASSETS** of \$1.0 billion, decreased \$2.0 million from July or 0.2%

**Homeless Health Initiative and Allocated Funds  
as of August 31, 2020**

	Amount
Program Commitment	\$100,000,000
Funds Allocation, approved initiatives:	
Be Well OC	\$11,400,000
Recuperative Care	8,250,000
Medical Respite	250,000
Housing Supportive Services	2,500,000
Clinical Field Team Start-Up & Federal Qualified Health Center (FQHC)	1,600,000
Homeless Response Team (CalOptima)	6,000,000
Homeless Coordination at Hospitals	10,000,000
CalOptima Day & QI Program	1,231,087
FQHC Mobile Unit Claims	300,000
FQHC Mobile Unit Staff	270,000
Home Clinic Access Program (HCAP) Expansion - Telehealth and Clinical Field Team (CFT) On Call Days	1,000,000
Funds Allocation Total	42,801,087
Program Commitment Balance, available for new initiatives:	\$57,198,913

On June 27, 2019 at a Special Board meeting, the Board approved four funding categories.  
This report only lists Board approved projects.

**Budget Allocation Changes  
Reporting Changes for August 2020**

<b>Transfer Month</b>	<b>Line of Business</b>	<b>From</b>	<b>To</b>	<b>Amount</b>	<b>Expense Description</b>	<b>Fiscal Year</b>
July	Medi-Cal	Maintenance HW/SW – Corporate Application SW - LexisNexis	Maintenance HW/SW – HR Corporate Application SW - SilkRoad	\$12,000	To repurpose funds from LexisNexis renewal to fund shortages in SilkRoad renewal and additional licenses	2021

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.