



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

**THURSDAY, NOVEMBER 15, 2018
2:00 P.M.**

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

BOARD OF DIRECTORS' FINANCE AND AUDIT COMMITTEE

Lee Penrose, Chair
Ron DiLuigi
Scott Schoeffel

CHIEF EXECUTIVE OFFICER
Michael Schrader

CHIEF COUNSEL
Gary Crockett

CLERK OF THE BOARD
Suzanne Turf

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

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

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

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

PUBLIC COMMENTS

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

INVESTMENT ADVISORY COMMITTEE UPDATE

1. [Treasurer's Report](#)

CONSENT CALENDAR

2. [Minutes](#)
 - a. Approve Minutes of the September 18, 2018 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
 - b. Receive and File Minutes of the July 23, 2018 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

REPORTS

3. [Consider Recommending Board of Directors' Approval of Proposed Changes to the Annual Investment Policy for Calendar Year 2019](#)
4. [Consider Recommending Board of Directors' Approval of Appointment to the CalOptima Board of Directors' Investment Advisory Committee](#)

INFORMATION ITEMS

5. [Intergovernmental Transfer \(IGT\) Funding Update](#)
6. [September 2018 Financial Summary](#)
7. [CalOptima Information Systems Security Update](#)
8. [Cost Containment Improvements/Initiatives](#)
9. Quarterly Reports to the Finance and Audit Committee
 - a. [Shared Risk Pool Performance](#)
 - b. [Reinsurance Report](#)
 - c. [Health Network Financial Report](#)
 - d. [Purchasing Report](#)

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

Board of Directors' Finance and Audit Committee November 15, 2018

Quarterly Treasurer's Report July 1, 2018 through September 30, 2018

Overview

To fulfill the requirements of Government Code, Section 53646(b) and the 2018 Annual Investment Policy adopted by CalOptima's Board of Directors on December 7, 2017, the Treasurer submits this quarterly investment report for the period July 1, 2018, through September 30, 2018.

Meketa Investment Group, Inc., completed an independent compliance review of the monthly investment reports prepared by CalOptima's three (3) investment managers: Logan Circle Partners, Payden & Rygel and Wells Capital. The review found that all investments were compliant with Government Code, Section 53600 et seq, and CalOptima's 2018 Annual Investment Policy.

Portfolio Summary

As of September 30, 2018, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows (in millions):

	Payden & Rygel	Logan Circle	Wells Capital	Total
Short-Term Operating	\$356,577,622	\$283,047,921	\$282,795,795	\$922,421,338
Board Designated Reserves				
Tier 1	\$147,932,482	\$147,797,556	\$147,252,243	\$442,982,281
Tier 2	--	\$97,498,949	--	\$97,498,949
Total	\$504,510,104	\$528,344,426	\$430,048,038	\$1,462,902,568

Six Month Cash Sufficiency

Based upon a review of forecasted revenues and expenses, CalOptima has sufficient cash on-hand plus projected revenues to meet its operating requirements for the next six (6) months.

Investments Compared to Reserve Policy

In accordance with CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima shall maintain a minimum reserve level of one point four (1.4) months and a maximum of two (2) months in consolidated capitation revenues. The following provides a comparison of investments to the minimum and maximum level of Board-designated reserve funds as of September 30, 2018, demonstrating funds in excess to satisfy minimum requirements.

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

Reserve Name	Market Value	Benchmark		Variance	
		<i>Low 1.4</i>	<i>High 2.0</i>	<i>Low 1.4</i>	<i>High 2.0</i>
Tier 1 - Payden & Rygel	\$147,932,482				
Tier 1 - Logan Circle	\$147,797,556				
Tier 1 - Wells Capital	\$147,252,243				
	\$442,982,281	\$315,046,704	\$485,643,298	\$127,935,577	(\$42,661,016)

B) CalOptima's Regulatory Compliance Requirements

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		<i>TNE</i>	<i>TNE</i>	<i>TNE</i>	<i>TNE</i>
Tier 2 - Logan Circle	\$97,498,949	\$83,012,013	\$83,012,013	\$14,486,936	\$14,486,936
Consolidated:	\$540,481,230	\$398,058,718	\$568,655,311	\$142,422,513	(\$28,174,081)
<i>Compliance Level</i>	<i>1.90</i>	<i>1.40</i>	<i>2.00</i>	<i>-</i>	<i>-</i>

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$142,422,513 as of September 30, 2018.

Update on Fund Transfers

Pursuant to CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima will monitor liquidity requirements for the next twelve (12) months and will transfer funds from Short-Term Operating to Board-designated reserves, if necessary. At the November 5, 2018, Investment Advisory Committee (IAC) meeting, Staff provided an update to the IAC members and CalOptima's investment managers regarding the forecast for the second quarter of Fiscal Year 2018-19. The update included a Medicaid Expansion Medical Loss Ratio reconciliation payment to the State on November 19, 2018, of \$103 million and an increase of \$20 million per month in both revenue and disbursements for the Whole Child Model program scheduled to begin on January 1, 2019. CalOptima's Board-designated reserve compliance level is currently at 1.90.

Attachment

Quarterly Investment Report – July 1, 2018, through September 30, 2018

FUND EVALUATION REPORT

CalOptima

Quarterly Review
September 30, 2018



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

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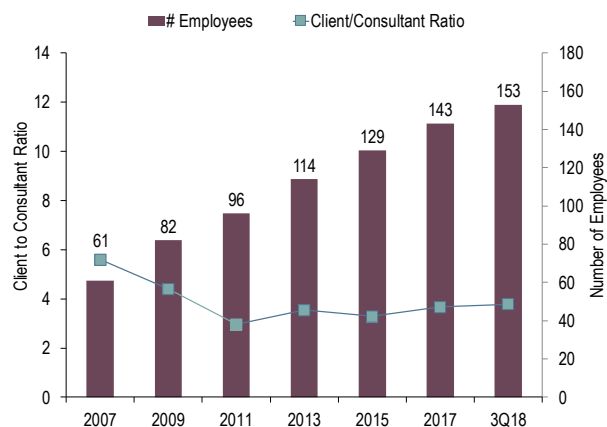
[Back to Agenda](#)

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

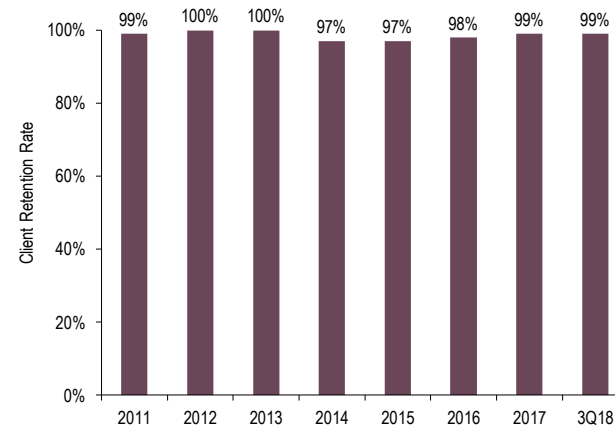
Meketa Investment Group Corporate Update

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

Client to Consultant Ratio



Client Retention Rate¹



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

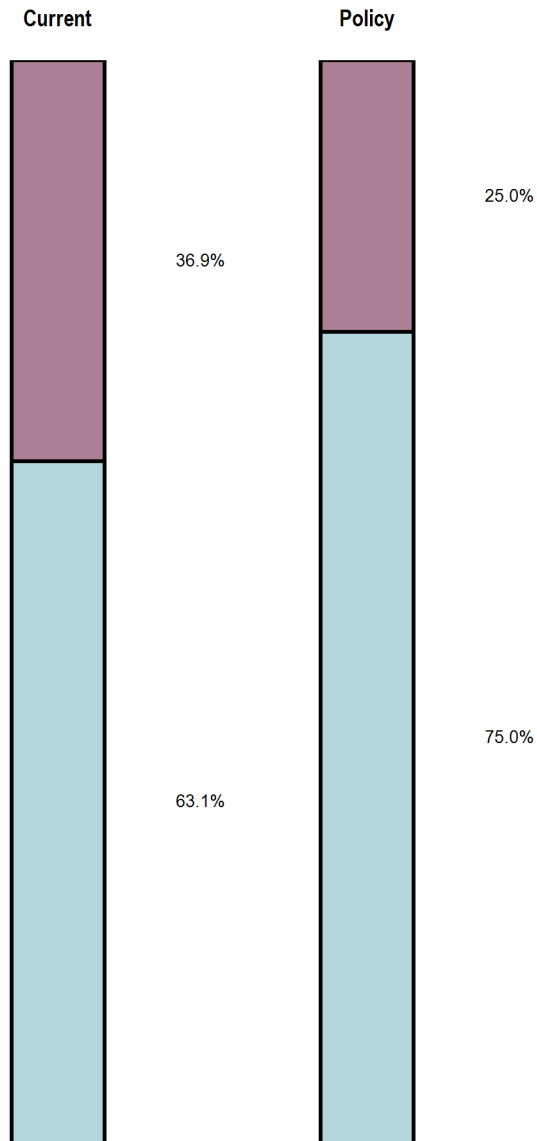
¹ Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year-end.

Asset Classes Followed Intensively by Meketa Investment Group

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

3Q18 Review

As of September 30, 2018



Allocation vs. Targets and Policy

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

Asset Allocation History
5 Years Ending September 30, 2018

As of September 30, 2018

Asset Class Performance Summary

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

As of September 30, 2018

Trailing Period Performance

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

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

As of September 30, 2018

Asset Class Performance Summary

	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)
Total Fund(Gross)	1.221	0.754	0.842	--	--	--	--	--
Total Fund(Net)	1.147	0.666	0.778	--	--	--	--	--
Fixed Income(Gross)	0.582	0.427	1.775	--	--	--	--	--
Fixed Income(Net)	0.495	0.336	1.699	--	--	--	--	--
<i>ICE BofAML 1-3 Yrs US Treasuries TR</i>	<i>0.079</i>	<i>-0.108</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>	<i>0.776</i>	<i>1.331</i>
Cash(Gross)	1.492	0.858	0.509	0.166	0.131	0.112	0.185	0.137
Cash(Net)	1.427	0.758	0.446	0.058	0.018	-0.023	0.044	-0.008
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>

As of September 30, 2018

Trailing Period Performance

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

As of September 30, 2018

	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)
Cash(Gross)	1.492	0.858	0.509	0.166	0.131	0.112	0.185	0.137
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>
Operating: Payden Enhanced Cash(Gross)	1.580	0.887	0.573	0.166	0.131	0.112	0.185	0.137
Operating: Payden Enhanced Cash(Net)	1.500	0.812	0.505	0.058	0.018	-0.023	0.044	-0.008
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>
Operating: Logan Circle Enhanced Cash(Gross)	1.501	0.898	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	1.416	0.814	--	--	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>
Operating: Wells Capital Enhanced Cash(Gross)	1.443	0.721	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	1.370	0.649	--	--	--	--	--	--
<i>FTSE T-Bill 3 Months TR</i>	<i>1.325</i>	<i>0.455</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>

As of September 30, 2018

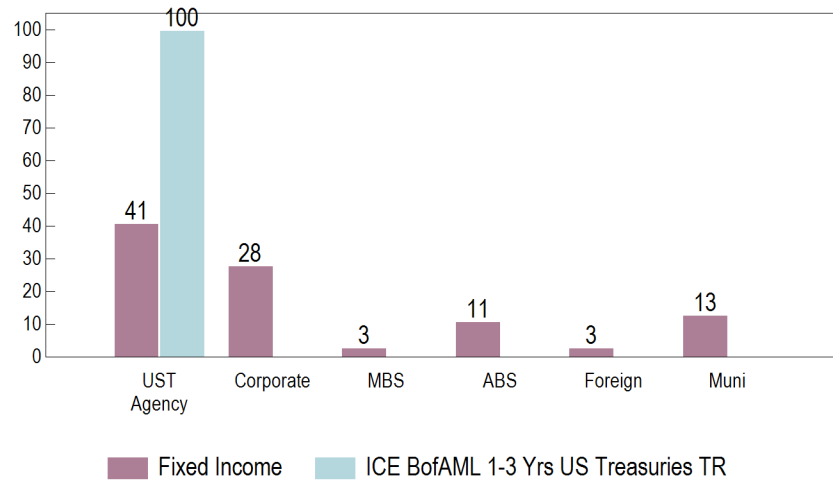
Asset Allocation on September 30, 2018

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

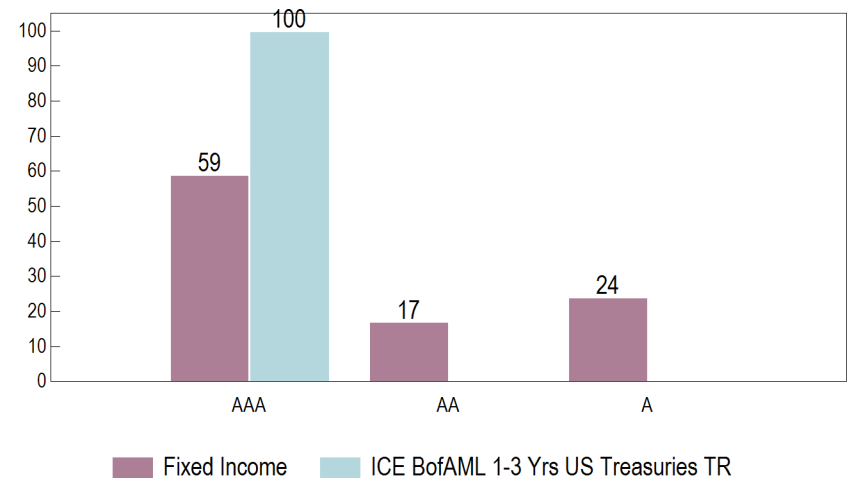
Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

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

Sector Allocation



Credit Quality Allocation



Tier One: Payden Low Duration

As of September 30, 2018

Account Information

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

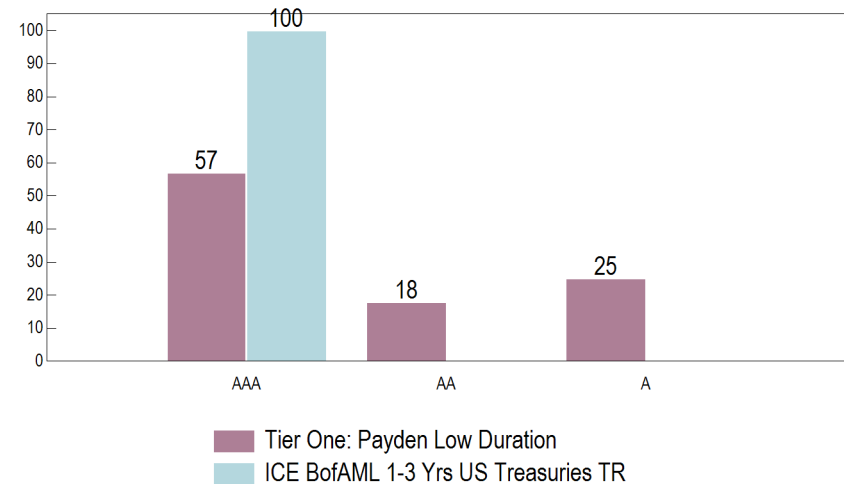
Portfolio Performance Summary

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

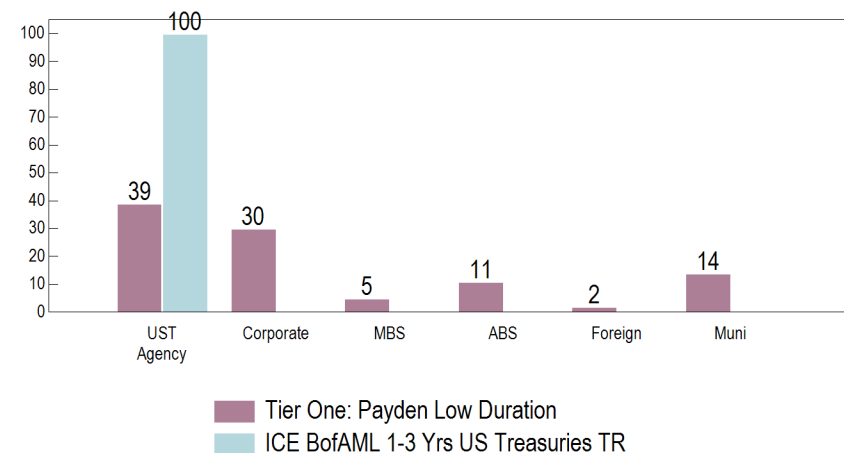
Tier One: Payden Low Duration Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

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

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of September 30, 2018

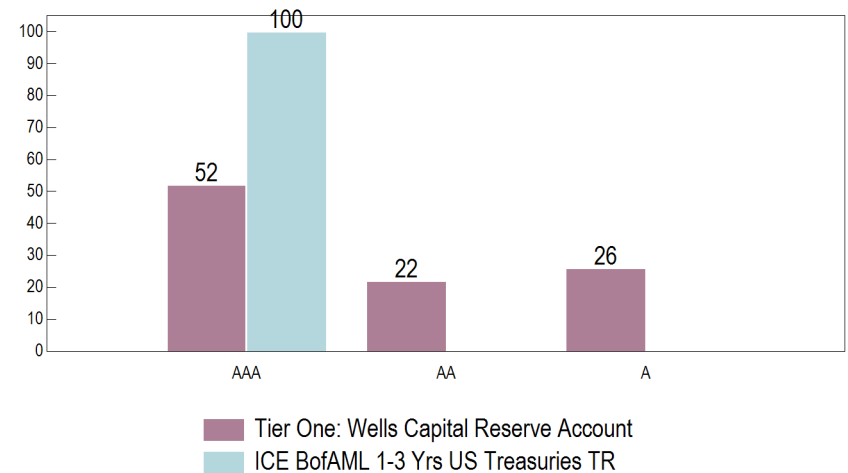
Account Information

Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	US Fixed Income Short Term
Benchmark	ICE BofAML 1-3 Yrs US Treasuries TR
Universe	eV US Short Duration Fixed Inc Net

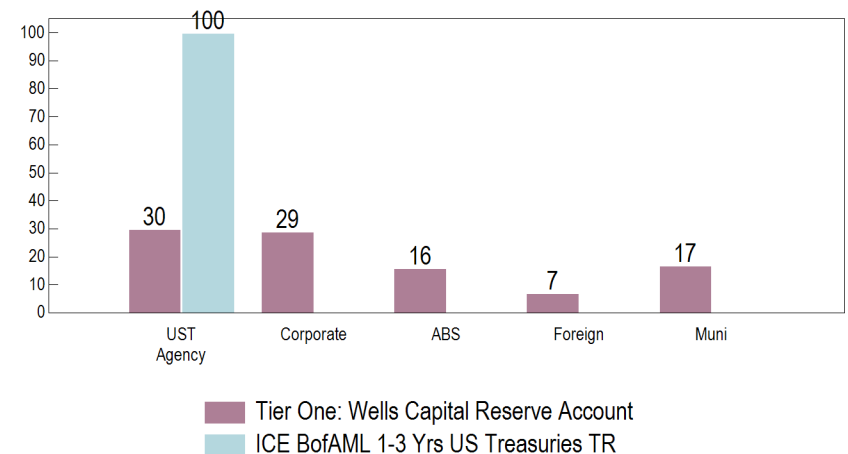
Portfolio Performance Summary

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

Credit Quality Allocation



US Sector Allocation

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

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



Tier One: Logan Circle STAMP 1-3 Year

As of September 30, 2018

Account Information

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

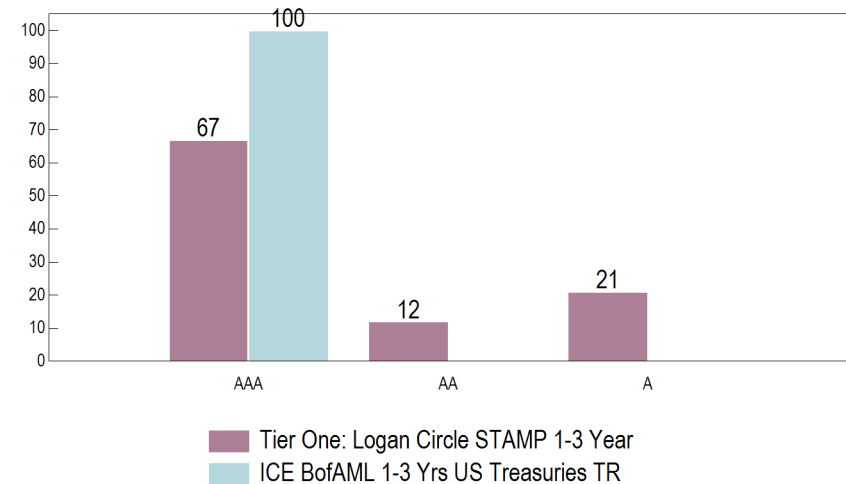
Portfolio Performance Summary

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

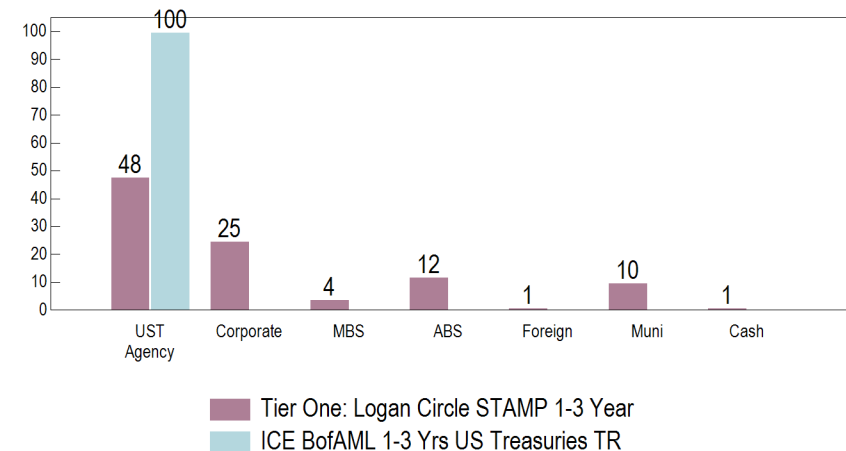
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs US Treasuries TR

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

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of September 30, 2018

Account Information

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

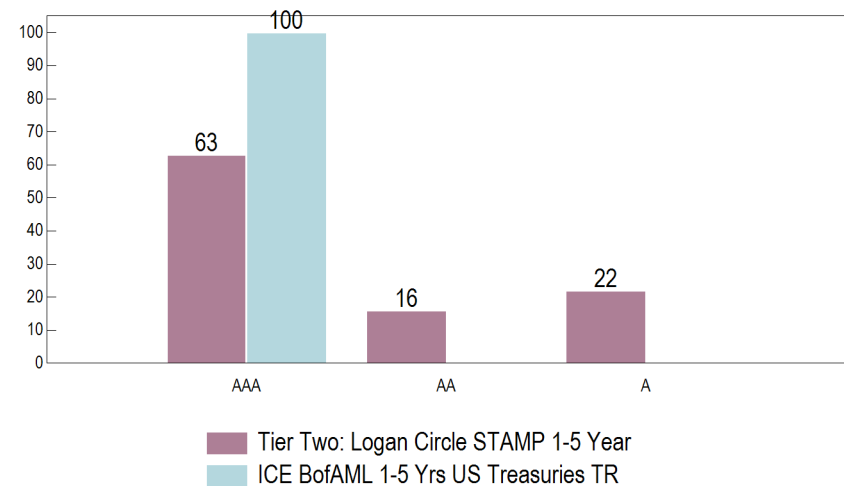
Portfolio Performance Summary

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

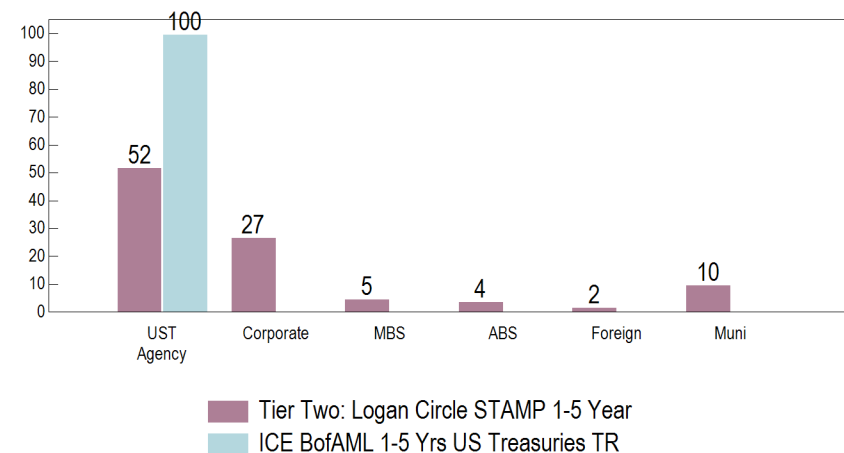
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. ICE BofAML 1-5 Yrs US Treasuries TR

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

Credit Quality Allocation



US Sector Allocation



As of September 30, 2018

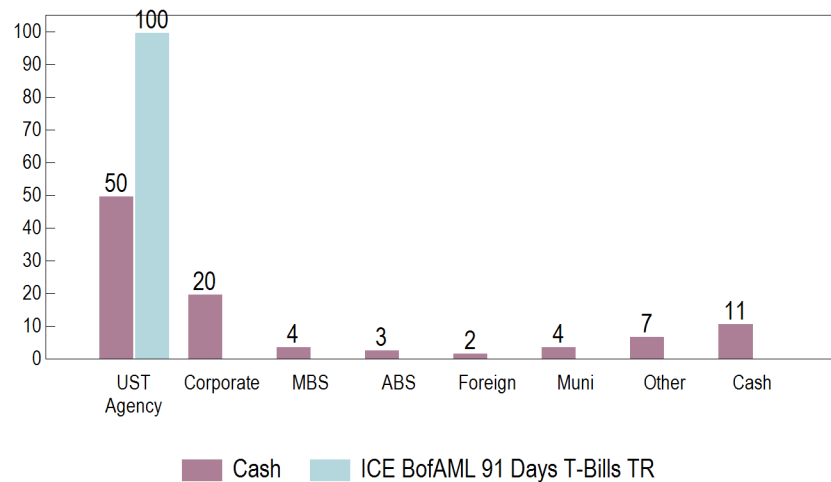
Asset Allocation on September 30, 2018

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

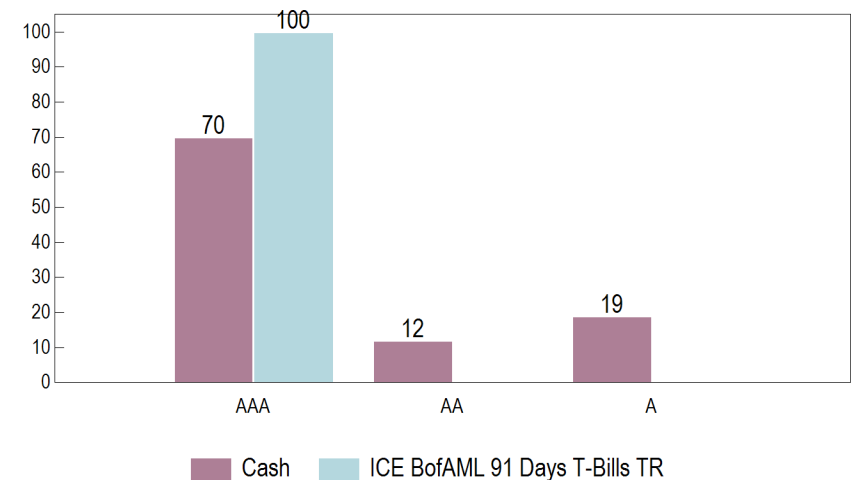
Cash Characteristics
vs. ICE BofAML 91 Days T-Bills TR

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

Sector Allocation



Credit Quality Allocation



Operating: Payden Enhanced Cash

As of September 30, 2018

Account Information

Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	Cash Alternatives
Benchmark	FTSE T-Bill 3 Months TR
Universe	eV US Enh Cash Management Net

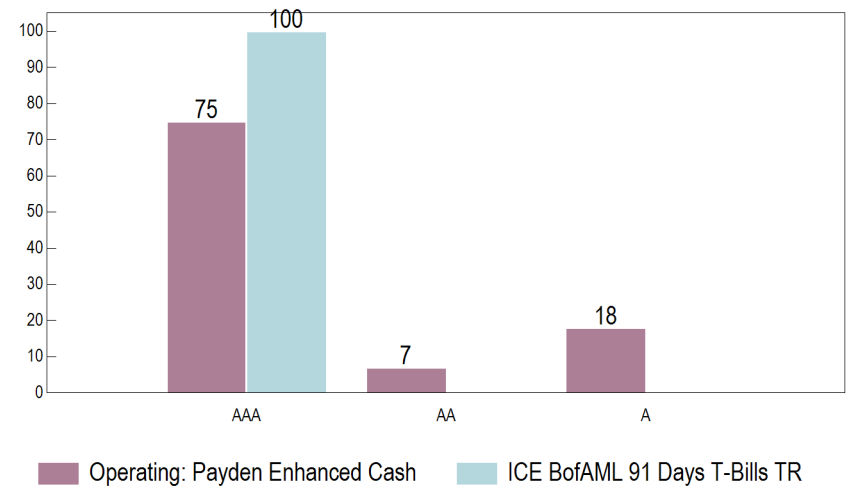
Portfolio Performance Summary

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

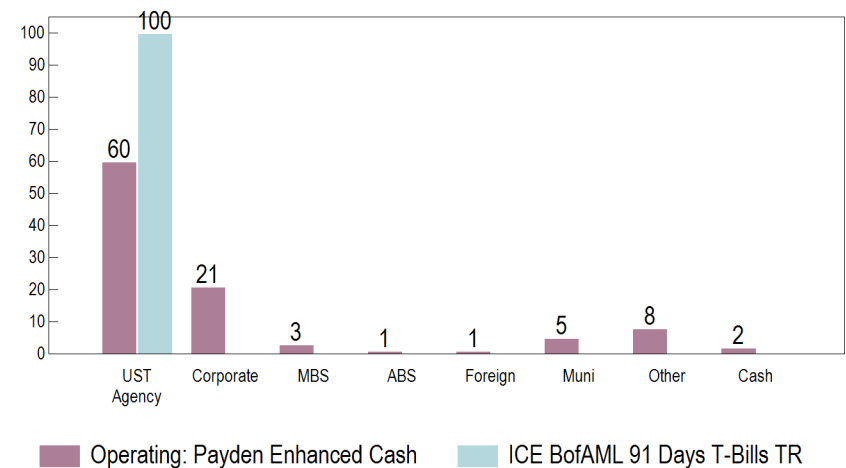
Operating: Payden Enhanced Cash Fixed Income Characteristics
vs. ICE BofAML 91 Days T-Bills TR

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

Credit Quality Allocation



US Sector Allocation



Operating: Logan Circle Enhanced Cash

As of September 30, 2018

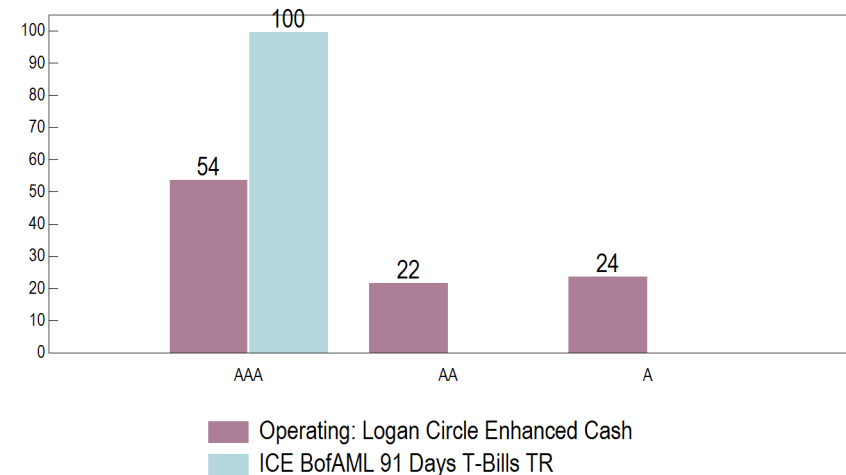
Account Information

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

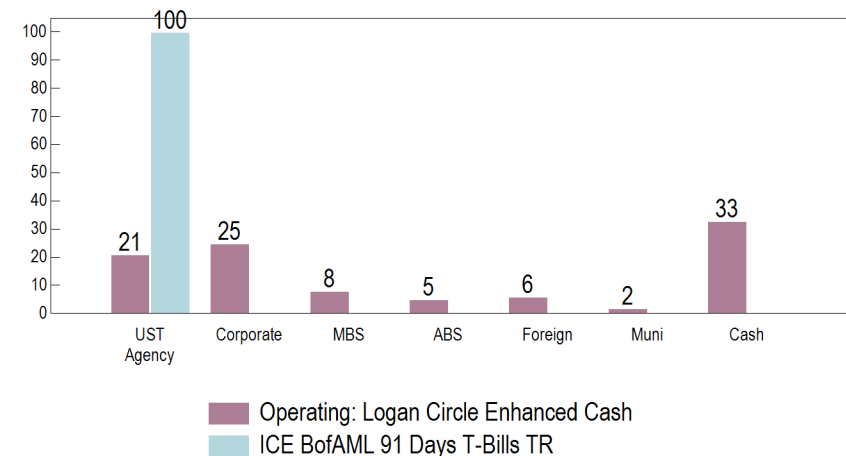
Portfolio Performance Summary

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

Credit Quality Allocation



US Sector Allocation

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

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

Operating: Wells Capital Enhanced Cash

As of September 30, 2018

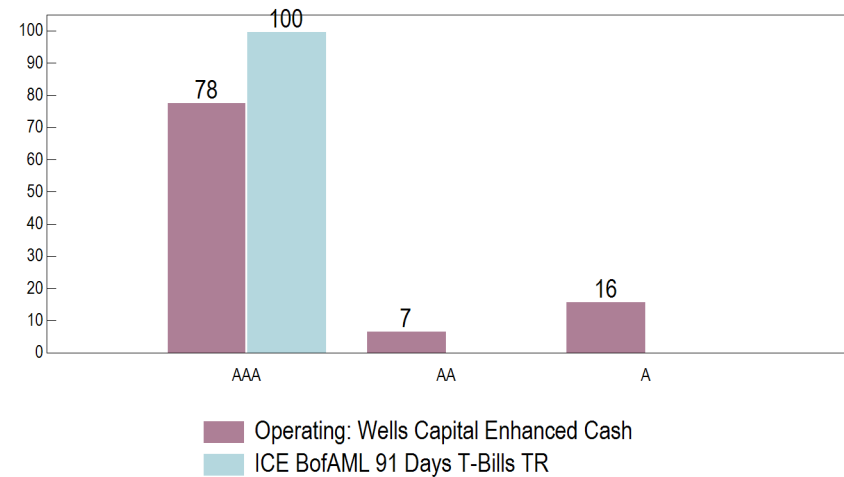
Account Information

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

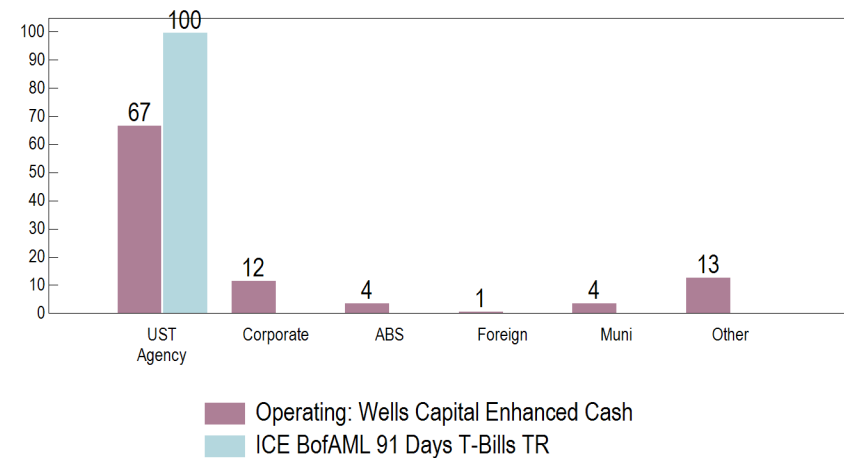
Portfolio Performance Summary

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

Credit Quality Allocation



US Sector Allocation



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

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



Annual Investment Expense Analysis
As Of September 30, 2018

Name	Fee Schedule	Market Value
Fixed Income		\$540,481,230
Tier One: Payden Low Duration	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$147,932,482
Tier One: Logan Circle STAMP 1-3 Year	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$147,797,556
Tier One: Wells Capital Reserve Account	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$147,252,243
Tier Two: Logan Circle STAMP 1-5 Year	0.15% of First 50.0 Mil, 0.10% of Next 250.0 Mil, 0.07% Thereafter	\$97,498,949
Cash		\$922,421,338
Operating: Payden Enhanced Cash	0.10% of First 100.0 Mil, 0.08% of Next 250.0 Mil, 0.07% Thereafter	\$356,577,622
Operating: Logan Circle Enhanced Cash	0.10% of First 50.0 Mil, 0.09% of Next 250.0 Mil, 0.07% Thereafter	\$283,047,921
Operating: Wells Capital Enhanced Cash	0.09% of First 100.0 Mil, 0.07% of Next 200.0 Mil, 0.06% Thereafter	\$282,795,795
Total		\$1,462,902,568

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



Quarterly Investment Report Supplement

Annual Investment Policy (2018) Maturity and Quality Requirements

Allowable Instruments	Maximum Permitted Maturity			Actual Maximum Maturity							Compliance
	Operating Funds	Tier One	Tier Two	Operating Funds			Tier One		Tier Two		
				LC	P&R	WF	LC	P&R	WF	LC	
U.S. Treasuries	450 days	5 years	5 years	140 days	179 days	11 days	4.30 years	2.96 years	2.96 years	4.39 years	Yes
U.S. Agencies	450 days	5 years	5 years	1 day	22 days	274 days	2.90 years	3.75 years	1.95 years	2.90 years	Yes
State & Local Obligations ¹	450 days	5 years	5 years	290 days	336 days	336 days	2.84 years	3.34 years	2.67 years	4.68 years	Yes
Supranationals	450 days	5 years	5 years	301 days	N/A	208 days	3.96 years	2.81 years	2.81 years	3.96 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	53 days	40 days	N/A	N/A	N/A	N/A	N/A	Yes
Commercial Paper	270 days	270 days	270 days	66 days	22 days	176 days	N/A	N/A	N/A	N/A	Yes
Repurchase Agreements	30 days	30 days	30 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Medium Term Notes	450 days	5 years	5 years	224 days	346 days	230 days	3.51 years	2.95 years	2.86 years	4.68 years	Yes
Mortgage/ Asset-Backed	450 days	5 years	5 years	362 days	144 days	N/A	4.32 years	2.70 years	4.46 years	4.32 years	Yes
Variable & Floating Rate	450 days	5 years	5 years	81 days	88 days ²	94 days	4.05 years	2.63 years	N/A	3.01 years	Yes

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

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

² Effective Maturity.



Annual Investment Policy (2018) Diversification Compliance¹

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	31.5	166.2	43.7	220.3	29.3	126.0	35.0	512.5
U.S. Agencies	100	2.4	12.8	9.7	48.8	25.0	107.3	11.5	168.9
State & Local Obligations ²	25	5.5	28.9	8.7	44.0	8.2	35.2	7.4	108.2
Supranationals	15	4.0	21.3	0.4	2.2	2.8	12.1	2.4	35.6
Negotiable Certificate of Deposit	30	8.0	42.1	1.0	5.1	0.0	0.0	3.2	47.2
Commercial Paper	25	9.6	50.9	1.5	7.5	8.2	35.3	6.4	93.8
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	16.0	84.7	8.5	42.8	13.6	58.5	12.7	186.1
Money Market Funds	20	0.7	3.7	-1.0	-5.1	0.3	1.2	0.0	-0.1
Mortgage/Asset-Backed	20	6.2	33.0	4.4	22.1	5.5	23.5	5.4	78.6
Variable & Floating Rate	30	16.0	84.8	23.1	116.7	7.2	30.8	15.9	232.3
Total		100.0	528.3	100.0	504.5	100.0	430.0	100.0	1462.9

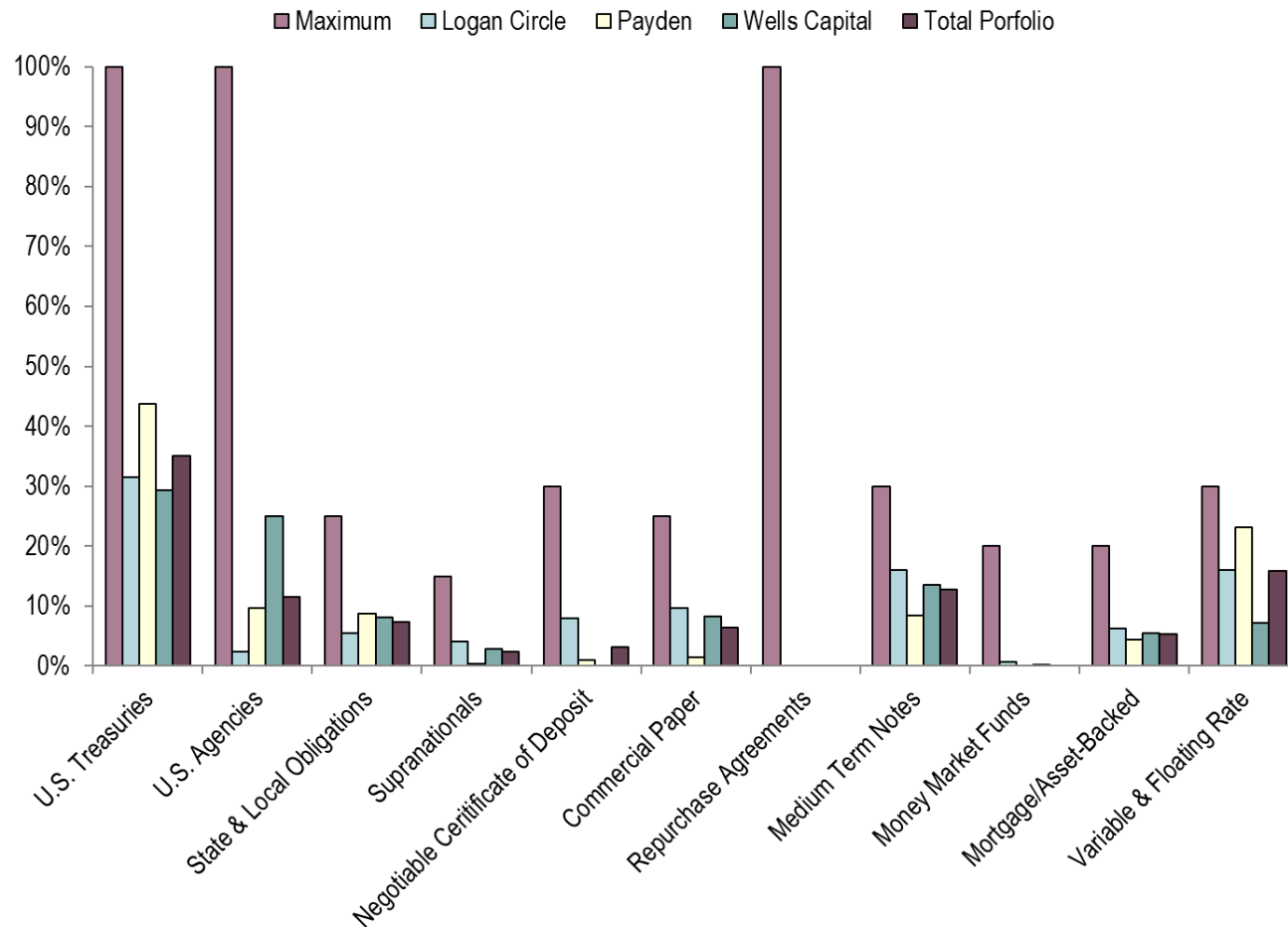
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2018.

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

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

Annual Investment Policy (2018) Actual vs. Diversity Requirements

As of September 30, 2018



Custom Peer Group

Custom Peer Group

- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance U.S. Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison¹.
 - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
 - Two unique buckets were established based on each portfolio's historical average effective duration relative to the ICE BofA Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the ICE BofA Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
 - The Tier One peer group consists of fifteen strategies with a median effective duration of 1.65 years, while the Tier Two peer group consists of ten strategies with a median effective duration of 2.58 years as of June 30, 2018.
- Please note that the analysis is as of June 30, 2018, as the universe of investment managers that had reported data as of September 30, 2018 was very small at the date that these materials were submitted.
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.

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

Custom Peer Group: Logan Circle Tier One

Gross of Fees Returns as of 6/30/2018 ¹	2Q 2018 (%)	1 Year (%)	Since Inception ² (%)
Tier One: Logan Circle STAMP 1-3 Year	0.43	0.84	0.78
Peer Group Median Return	0.39	0.57	0.81
Peer Group Rank (percentile)	12	33	65

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

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

² Formal inception date is June 2016.

Custom Peer Group: Payden Tier One

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

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

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

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

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

Custom Peer Group: Wells Capital Tier One

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

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

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

² Formal inception date is June 2016.

Custom Peer Group: Logan Circle Tier Two

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

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

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

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

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

Performance Attribution

Performance Attribution

- The following pages present attribution data for the Logan Circle Tier One and Tier Two portfolios, the Payden & Rygel Tier One portfolio, and the Wells Capital Tier One portfolio.
- Attribution represents outperformance or underperformance, based on active investment decisions across fixed income sub-sectors, relative to a manager's benchmark index. Attribution data demonstrates where managers are able to most effectively add incremental value versus the benchmark.
- Attribution data is provided by the investment managers and is presented gross of investment management fees as of September 30, 2018. Attribution data fields will vary slightly across investment managers.

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

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

¹ Performance attribution provided by Logan Circle.



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

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

¹ Performance attribution provided by Payden & Rygel.



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

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

¹ Performance attribution provided by Wells Capital.

² Treasury sector selection attribution is included in Duration figure.



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

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

¹ Performance attribution provided by Logan Circle.



Appendix

Characteristics

Tier One: Payden Low Duration

As of September 30, 2018

Account Information

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

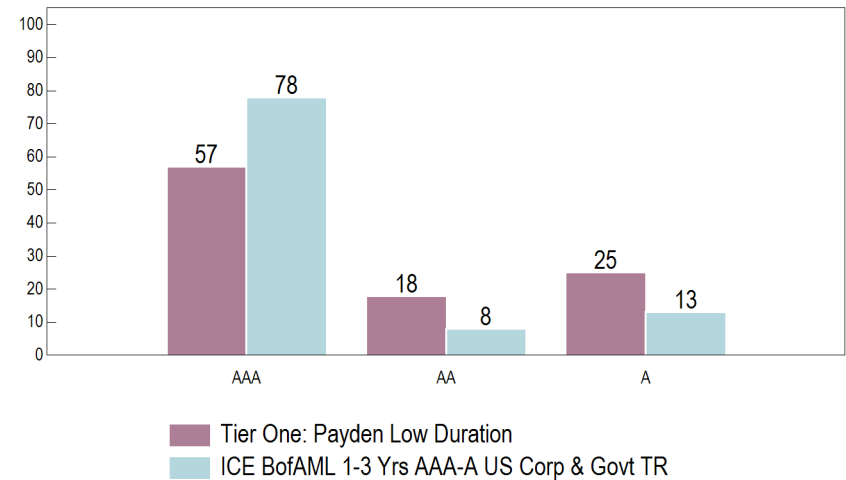
Portfolio Performance Summary

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

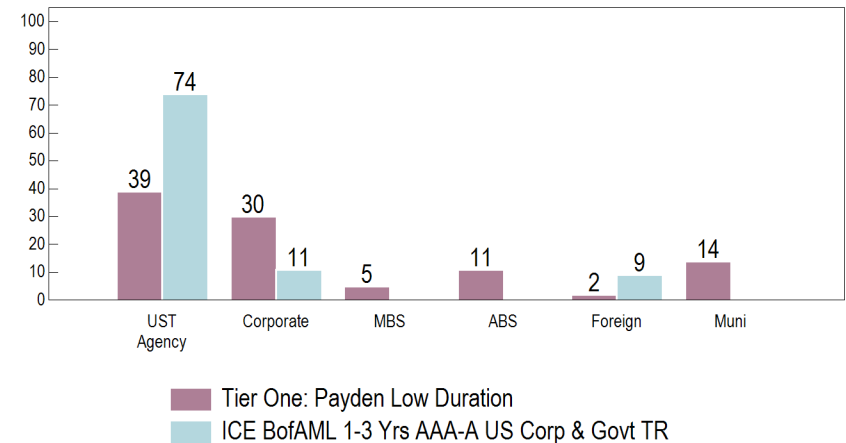
Tier One: Payden Low Duration Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

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

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of September 30, 2018

Account Information

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

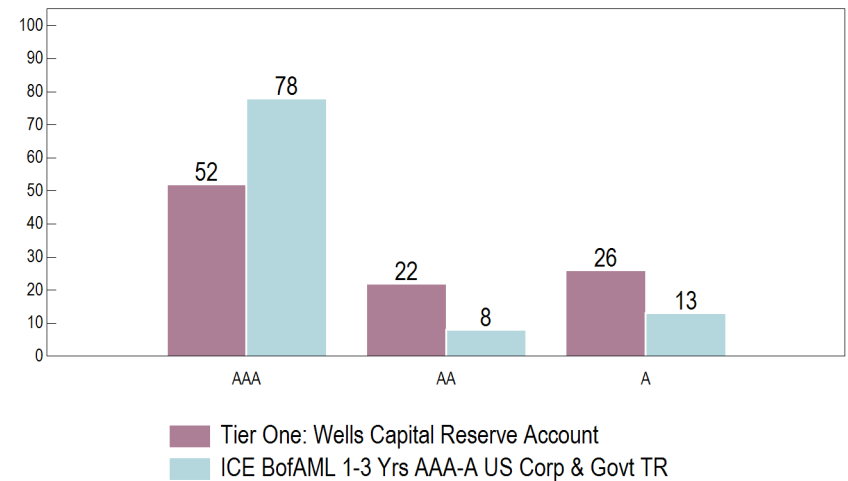
Portfolio Performance Summary

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

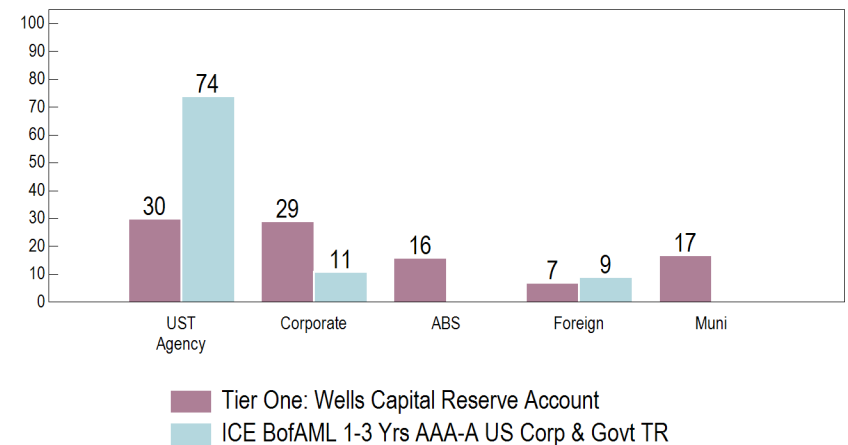
Tier One: Wells Capital Reserve Account Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

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

Credit Quality Allocation



US Sector Allocation



Tier One: Logan Circle STAMP 1-3 Year

As of September 30, 2018

Account Information

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

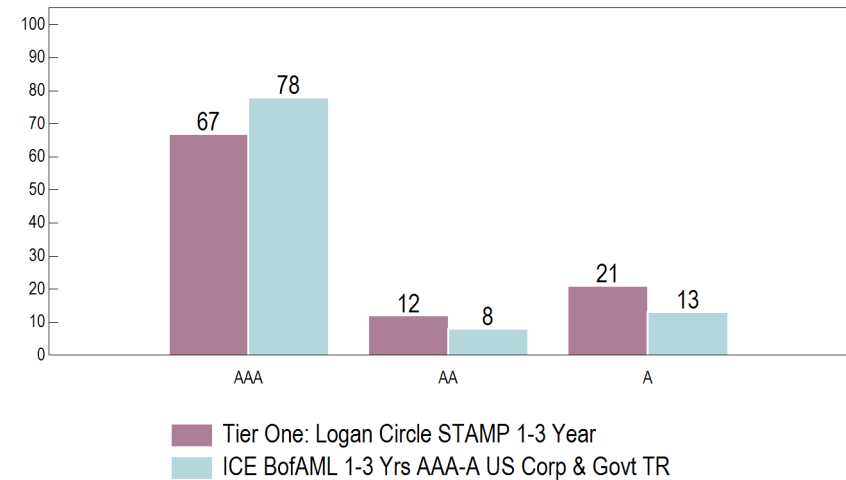
Portfolio Performance Summary

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

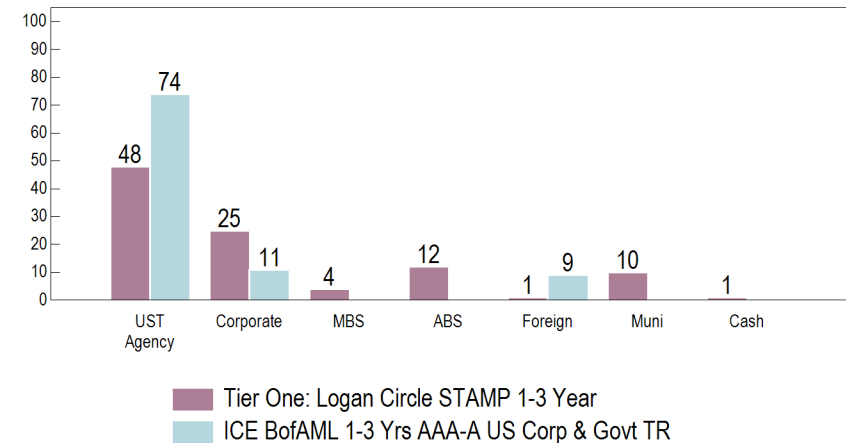
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. ICE BofAML 1-3 Yrs AAA-A US Corp & Govt TR

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

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of September 30, 2018

Account Information

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

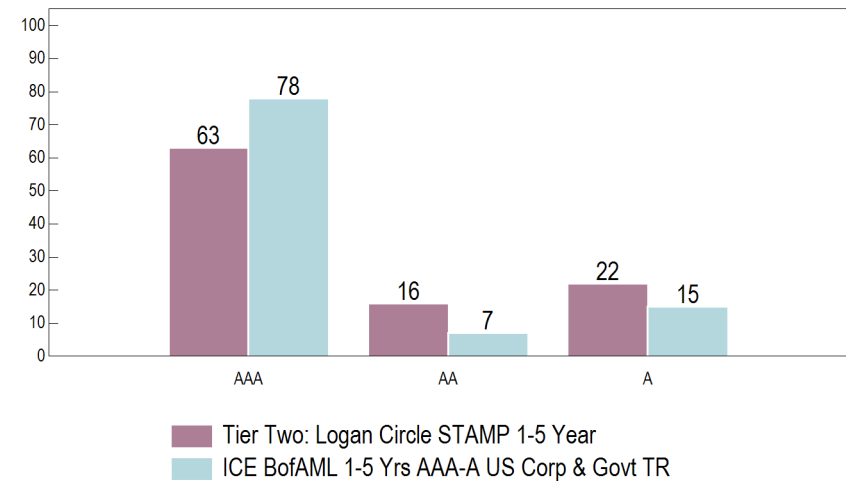
Portfolio Performance Summary

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

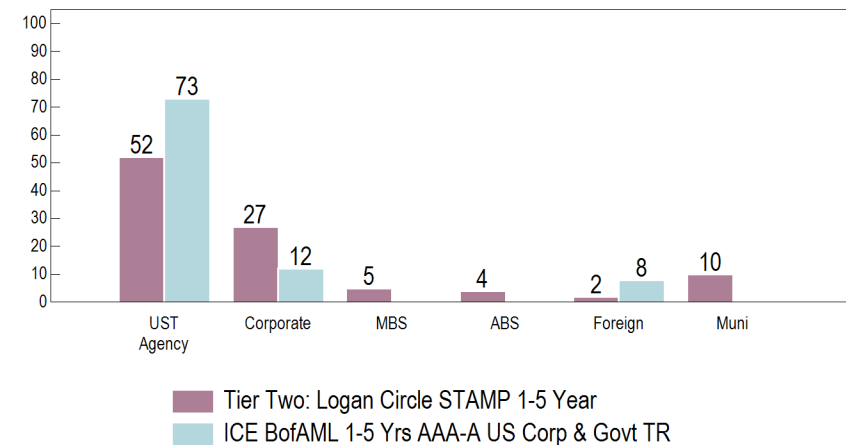
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR

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

Credit Quality Allocation



US Sector Allocation



Holdings

CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
750,000.000	FFCB AMER 12/18 Mat: 9/13/21 Cpn: 2.96% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 9/25/18 St Date: 9/26/18	3133EJZD4	746,887.50 801.67	747,539.25 1,110.00	651.75	99.672	0.51%
1,430,000.000	FHLMC Mat: 6/29/22 Cpn: 2.10% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 6/29/18 St Date: 7/2/18	3134GBTL6	1,386,299.20 250.25	1,379,635.40 7,674.33	(6,663.80)	96.478	0.94%
660,000.000	FFCB 1ML+7.0 FRN Mat: 8/1/22 Cpn: 2.17% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 7/26/17 St Date: 8/1/17	3133EHTJ2	660,000.00 0.00	661,201.20 1,195.56	1,201.20	100.182	0.45%
730,000.000	FFCB 1ML+8.0 FRN Mat: 9/6/22 Cpn: 2.20% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 8/29/17 St Date: 9/6/17	3133EHXH1	730,000.00 0.00	731,000.10 1,115.43	1,000.10	100.137	0.49%
Total for Agencies			8,219,788.10 1,051.92	8,191,220.75 34,427.51	(28,567.35)		5.56%
Taxable Muni							
1,500,000.000	MS STATE ULT/OG TAXABLE Mat: 10/1/18 Cpn: 1.47% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 2/4/15 St Date: 2/18/15	605581FY8	1,500,000.00 0.00	1,499,883.00 11,040.00	(117.00)	99.992	1.02%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: AA- Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,399,783.00 13,673.33	(217.00)	99.985	0.96%
750,000.000	CA PASADENA UNIF SCH DIST GO/ULT TXB Mat: 11/1/18 Cpn: 1.86% Moody's: Aa3 S&P: A+ Fitch: Tr Date: 7/23/15 St Date: 7/28/15	702282ND2	755,820.00 3,373.06	749,601.75 5,815.63	(6,218.25)	99.947	0.51%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	449,520.75 3,054.00	(479.25)	99.894	0.31%
750,000.000	CA STATE GO/ULT TXB Mat: 4/1/19 Cpn: 1.59% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 4/21/17 St Date: 4/27/17	13063DAB4	750,000.00 0.00	746,520.75 5,973.75	(3,479.25)	99.536	0.51%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
270,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL Mat: 5/15/19 Cpn: 1.75% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 11/16/16 St Date: 12/6/16	544445AY5	270,000.00 0.00	268,494.75 1,785.00	(1,505.25)	99.443	0.18%
750,000.000	CA ALAMEDA CNTY JT POWER REV TXB Mat: 6/1/19 Cpn: 2.49% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 3/23/18 St Date: 4/24/18	010831DL6	750,000.00 0.00	748,751.25 6,212.50	(1,248.75)	99.834	0.51%
1,050,000.000	CA EARTHQUAKE AUTH TAXABLE Mat: 7/1/19 Cpn: 2.81% Moody's: A3 S&P: Fitch: A Tr Date: 2/6/15 St Date: 2/11/15	13017HAE6	1,062,568.50 3,272.50	1,050,399.00 7,363.13	(12,169.50)	100.038	0.72%
750,000.000	CA SAN FRANCISCO BART-SALES TAX TXB Mat: 7/1/19 Cpn: 2.01% Moody's: S&P: AA+ Fitch: AA+ Tr Date: 12/15/17 St Date: 12/28/17	797669XS2	750,000.00 0.00	746,805.00 3,770.63	(3,195.00)	99.574	0.51%
335,000.000	CA SAN FRANCISCO REDEV AGY TXB Mat: 8/1/19 Cpn: 2.19% Moody's: S&P: A Fitch: Tr Date: 3/10/17 St Date: 3/29/17	79770GFZ4	335,000.00 0.00	333,037.24 1,224.43	(1,962.77)	99.414	0.23%
910,000.000	CA SAN JOSE REDEV AGY TAB TXB Mat: 8/1/19 Cpn: 2.10% Moody's: S&P: AA Fitch: AA Tr Date: 12/8/17 St Date: 12/21/17	798170AB2	910,000.00 0.00	905,848.58 3,181.97	(4,151.42)	99.544	0.61%
500,000.000	NY ST GO/ULT-TXBL Mat: 9/1/19 Cpn: 3.60% Moody's: Aa1 S&P: AA+ Fitch: AA+ Tr Date: 6/1/17 St Date: 6/6/17	649791EJ5	521,530.00 4,750.00	504,112.50 1,500.00	(17,417.50)	100.823	0.34%
370,000.000	CA CALIFORNIA ST UNIV SYS REV TAXABLE Mat: 11/1/19 Cpn: 1.98% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 7/5/17 St Date: 7/7/17	13077CT38	371,431.90 1,344.46	366,936.03 3,055.58	(4,495.87)	99.172	0.25%
590,000.000	CA CULVER CITY RDA-TXBL Mat: 11/1/19 Cpn: 1.63% Moody's: S&P: AA- Fitch: Tr Date: 11/15/17 St Date: 12/4/17	230340AL5	587,185.70 0.00	582,117.01 3,994.79	(5,068.69)	98.664	0.40%
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/19 Cpn: 2.85% Moody's: S&P: AA- Fitch: A+ Tr Date: 2/25/16 St Date: 3/1/16	544587C22	381,536.60 2,983.56	369,844.23 4,387.58	(11,692.37)	99.958	0.25%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

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



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Currency: USD

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



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
560,000.000	CA SAN DIEGO CITY PUB FACS LEASE TXB Mat: 10/15/21 Cpn: 2.99% Moody's: S&P: AA- Fitch: AA- Tr Date: 6/4/18 St Date: 6/21/18	797299LT9	560,000.00 0.00	555,321.20 4,657.33	(4,678.80)	99.165	0.38%
640,000.000	CA POMONA REDEV AGY TAX ALLOCATION TXB Mat: 2/1/22 Cpn: 3.55% Moody's: S&P: A+ Fitch: Tr Date: 9/27/18 St Date: 10/11/18	73209MAD9	640,000.00 0.00	640,899.20 0.00	899.20	100.141	0.43%
Total for Taxable Muni			22,718,451.18 49,809.54	22,466,023.09 148,270.39	(252,428.09)		15.29%

Credit

570,000.000	CITIZENS BANK Mat: 12/3/18 Cpn: 2.30% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/16/17 St Date: 5/19/17	17401QAC5	572,490.90 6,045.17	569,768.58 4,297.17	(2,722.32)	99.959	0.39%
820,000.000	WISCONSIN ELECTRIC POWER Mat: 12/4/18 Cpn: 1.65% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 12/1/15 St Date: 12/4/15	976843BK7	819,237.40 0.00	818,924.16 4,397.25	(313.24)	99.869	0.56%
470,000.000	MORGAN STANLEY Mat: 2/1/19 Cpn: 2.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/22/16 St Date: 1/27/16	61746BDX1	469,685.10 0.00	469,712.83 1,919.17	27.73	99.939	0.32%
200,000.000	CHEVRON Mat: 2/28/19 Cpn: 1.69% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 2/28/17 St Date: 3/3/17	166764BS8	200,000.00 0.00	199,380.00 309.10	(620.00)	99.690	0.13%
650,000.000	AT&T Mat: 3/11/19 Cpn: 2.30% Moody's: Baa2 S&P: BBB Fitch: A- Tr Date: 5/3/16 St Date: 5/12/16	00206RCC4	661,810.50 2,533.19	649,005.50 830.56	(12,805.00)	99.847	0.44%
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	787,400.11 596.89	(1,999.49)	99.671	0.53%
350,000.000	OGLETHORPE POWER Mat: 3/15/19 Cpn: 6.10% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 3/29/17 St Date: 4/3/17	677050AE6	377,244.00 1,067.50	354,893.70 948.89	(22,350.30)	101.398	0.24%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
420,000.000	JPMORGAN CHASE Mat: 4/23/19 Cpn: 6.30% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 7/15/16 St Date: 7/20/16	46625HHL7	455,463.24 10,218.25	428,396.22 11,613.00	(27,067.02)	101.999	0.30%
195,000.000	AMERICAN EXPRESS Mat: 5/3/19 Cpn: 1.88% Moody's: A2 S&P: A- Fitch: A Tr Date: 4/27/17 St Date: 5/3/17	0258M0EK1	194,920.05 0.00	194,098.91 1,503.13	(821.15)	99.538	0.13%
515,000.000	AMGEN Mat: 5/10/19 Cpn: 1.90% Moody's: Baa1 S&P: A Fitch: BBBu Tr Date: 5/8/17 St Date: 5/11/17	031162CK4	514,737.35 0.00	512,392.56 3,832.46	(2,344.80)	99.494	0.35%
640,000.000	BRANCH BANKING & TRUST Mat: 5/10/19 Cpn: 1.45% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAL9	637,027.10 126.88	635,849.60 3,634.67	(1,177.50)	99.352	0.43%
340,000.000	BNY MELLON Mat: 5/15/19 Cpn: 2.20% Moody's: A1 S&P: A Fitch: AA- Tr Date: 9/28/17 St Date: 10/2/17	06406HCU1	342,019.60 2,846.56	339,168.70 2,825.78	(2,850.90)	99.756	0.23%
140,000.000	CITIGROUP Mat: 6/7/19 Cpn: 2.05% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 6/2/16 St Date: 6/9/16	172967KS9	139,927.20 0.00	139,369.16 908.83	(558.04)	99.549	0.09%
220,000.000	GOLDMAN SACHS Mat: 7/23/19 Cpn: 1.95% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/19/17 St Date: 7/24/17	38141GWP5	219,973.60 0.00	218,439.10 810.33	(1,534.50)	99.291	0.15%
480,000.000	IBM Mat: 9/6/19 Cpn: 1.63% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/5/17 St Date: 9/8/17	44932HAA1	479,635.20 0.00	475,514.88 541.67	(4,120.32)	99.066	0.32%
510,000.000	CITIBANK Mat: 9/18/19 Cpn: 1.85% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	17325FAF5	509,989.80 0.00	505,749.66 340.71	(4,240.14)	99.167	0.34%
225,000.000	GILEAD SCIENCES Mat: 9/20/19 Cpn: 1.85% Moody's: A3 S&P: A Fitch: Tr Date: 9/14/17 St Date: 9/21/17	375558BR3	224,921.25 0.00	223,190.10 127.19	(1,731.15)	99.196	0.15%



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Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
285,000.000	FIFTH THIRD BANK Mat: 9/27/19 Cpn: 1.63% Moody's: A3 S&P: A- Fitch: A- Tr Date: 9/22/16 St Date: 9/27/16	31677QBH1	284,526.90 0.00	281,596.25 51.46	(2,930.66)	98.806	0.19%
245,000.000	WAL-MART STORES Mat: 10/9/19 Cpn: 1.75% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 10/11/17 St Date: 10/20/17	931142DY6	244,995.10 0.00	242,805.54 2,048.47	(2,189.57)	99.104	0.17%
400,000.000	PNC BANK Mat: 10/18/19 Cpn: 2.40% Moody's: A2 S&P: A Fitch: A+ Tr Date: 9/12/17 St Date: 9/14/17	69353RDZ8	404,552.00 3,893.33	398,397.20 4,346.67	(6,154.80)	99.599	0.27%
430,000.000	PROCTER & GAMBLE Mat: 10/25/19 Cpn: 1.75% Moody's: Aa3 S&P: AA- Fitch: Tr Date: 10/23/17 St Date: 10/25/17	742718EZ8	429,849.50 0.00	425,665.60 3,260.83	(4,183.90)	98.992	0.29%
475,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/24/16 St Date: 10/31/16	438516BJ4	474,624.75 0.00	468,276.38 2,789.31	(6,348.38)	98.585	0.32%
165,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.80% Moody's: A2 S&P: A Fitch: A Tr Date: 10/23/17 St Date: 10/30/17	438516BQ8	164,871.30 0.00	163,407.42 1,245.75	(1,463.88)	99.035	0.11%
355,000.000	CHEVRON Mat: 11/15/19 Cpn: 2.19% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 5/8/17 St Date: 5/11/17	166764AN0	357,879.05 3,806.07	352,572.87 2,941.06	(5,306.19)	99.316	0.24%
437,500.000	DUKE ENERGY FLORIDA Mat: 12/15/19 Cpn: 2.10% Moody's: A3 S&P: A- Fitch: Tr Date: 5/24/18 St Date: 5/29/18	26444HAD3	434,962.50 1,888.54	434,822.06 408.33	(140.44)	99.388	0.29%
170,000.000	CATERPILLAR FINANCIAL Mat: 1/10/20 Cpn: 2.10% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Y2	169,813.00 0.00	168,198.34 803.25	(1,614.66)	98.940	0.11%
510,000.000	CITIGROUP Mat: 1/10/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LF6	509,796.00 0.00	505,671.63 2,811.38	(4,124.37)	99.151	0.34%



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Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
510,000.000	BRANCH BANKING & TRUST Mat: 1/15/20 Cpn: 2.10% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAN5	509,959.20 0.00	503,823.39 2,261.00	(6,135.81)	98.789	0.34%
760,000.000	WELLS FARGO Mat: 1/15/20 Cpn: 2.40% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 1/16/18 St Date: 1/23/18	94988J5L7	759,361.60 0.00	754,481.64 3,850.67	(4,879.96)	99.274	0.51%
735,000.000	US BANK CINCINNATI Mat: 1/23/20 Cpn: 2.35% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/18/18 St Date: 1/23/18	90331HJN8	734,669.25 0.00	728,733.39 3,262.58	(5,935.86)	99.147	0.49%
545,000.000	US BANK CINCINNATI Mat: 1/24/20 Cpn: 2.00% Moody's: A1 S&P: AA- Fitch: AA- Tr Date: 1/19/17 St Date: 1/24/17	90331HNB5	543,850.05 0.00	538,117.20 2,028.61	(5,732.86)	98.737	0.37%
520,000.000	IBM Mat: 1/27/20 Cpn: 1.90% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 1/24/17 St Date: 1/27/17	459200JN2	519,500.80 0.00	513,859.84 1,756.44	(5,640.96)	98.819	0.35%
530,000.000	CAPITAL ONE Mat: 1/31/20 Cpn: 2.35% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/26/17 St Date: 1/31/17	14042RFH9	529,682.00 0.00	524,203.13 2,110.43	(5,478.88)	98.906	0.36%
495,000.000	SUNTRUST BANK Mat: 1/31/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAR8	494,811.90 0.00	489,328.29 1,887.19	(5,483.61)	98.854	0.33%
505,000.000	MICROSOFT Mat: 2/6/20 Cpn: 1.85% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 1/30/17 St Date: 2/6/17	594918BV5	504,661.65 0.00	499,021.81 1,427.33	(5,639.84)	98.816	0.34%
535,000.000	ESTEE LAUDER CO Mat: 2/7/20 Cpn: 1.80% Moody's: A2 S&P: A+ Fitch: Tr Date: 2/6/17 St Date: 2/9/17	29736RAL4	534,925.10 0.00	526,634.21 1,444.50	(8,290.90)	98.436	0.36%
225,000.000	PACCAR FINANCIAL Mat: 2/27/20 Cpn: 1.95% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/22/17 St Date: 2/27/17	69371RN69	224,595.00 0.00	221,717.70 414.38	(2,877.30)	98.541	0.15%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
690,000.000	KIMBERLY-CLARK Mat: 3/1/20 Cpn: 1.85% Moody's: A2 S&P: A Fitch: WD Tr Date: 5/5/17 St Date: 5/10/17	494368BP7	689,710.20 2,446.63	678,918.60 1,063.75	(10,791.60)	98.394	0.46%
250,000.000	CITIZENS BANK Mat: 3/2/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAG6	249,762.50 0.00	246,278.50 453.13	(3,484.00)	98.511	0.17%
375,000.000	AMERICAN EXPRESS Mat: 3/3/20 Cpn: 2.20% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EE5	374,610.00 0.00	370,779.00 641.67	(3,831.00)	98.874	0.25%
250,000.000	HUNTINGTON NATL BANK Mat: 3/10/20 Cpn: 2.38% Moody's: A3 S&P: A- Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RU9	249,985.00 0.00	247,147.25 346.35	(2,837.75)	98.859	0.17%
730,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.84% Moody's: A3 S&P: A- Fitch: A- Tr Date: 11/14/17 St Date: 11/16/17	446438RV7	734,234.00 2,445.43	732,204.60 1,208.11	(2,029.40)	100.302	0.50%
400,000.000	JOHN DEERE CAPITAL Mat: 3/13/20 Cpn: 2.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/10/17 St Date: 3/15/17	24422ETQ2	399,688.00 0.00	395,432.40 440.00	(4,255.60)	98.858	0.27%
605,000.000	CONSOLIDATED EDISON Mat: 3/15/20 Cpn: 2.00% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	209115AD6	604,800.35 0.00	594,915.86 537.78	(9,884.49)	98.333	0.40%
665,000.000	APPLE Mat: 5/11/20 Cpn: 1.80% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/17 St Date: 5/11/17	037833CS7	664,321.70 0.00	653,912.46 4,655.00	(10,409.25)	98.333	0.45%
725,000.000	INTEL Mat: 5/11/20 Cpn: 1.85% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/8/17 St Date: 5/11/17	458140AZ3	724,724.50 0.00	713,277.48 5,215.97	(11,447.03)	98.383	0.49%
720,000.000	PNC BANK Mat: 5/19/20 Cpn: 2.00% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/16/17 St Date: 5/19/17	69353RFC7	719,186.40 0.00	707,573.52 5,280.00	(11,612.88)	98.274	0.48%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of September 30, 2018

Currency: USD

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



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370,000.000	PNC BANK Mat: 11/5/20 Cpn: 2.45% Moody's: A2 S&P: A Fitch: A+ Tr Date: 10/18/17 St Date: 10/23/17	69353REU8	373,478.00 4,230.33	364,064.83 3,676.36	(9,413.17)	98.396	0.25%
240,000.000	ANTHEM Mat: 11/21/20 Cpn: 2.50% Moody's: Baa2 S&P: A Fitch: BBB Tr Date: 11/14/17 St Date: 11/21/17	036752AE3	239,572.80 0.00	236,436.24 2,166.67	(3,136.56)	98.515	0.16%
755,000.000	PINNACLE WEST CAPITAL Mat: 11/30/20 Cpn: 2.25% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 11/28/17 St Date: 11/30/17	723484AG6	754,524.35 0.00	736,248.07 5,709.69	(18,276.29)	97.516	0.50%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWG5	504,651.55 0.00	497,011.41 3,428.39	(7,640.15)	98.418	0.34%
435,000.000	JOHN DEERE CAPITAL CORP Mat: 1/8/21 Cpn: 2.35% Moody's: A2 S&P: A Fitch: A Tr Date: 1/3/18 St Date: 1/8/18	24422ETZ2	434,773.80 0.00	428,022.17 2,356.85	(6,751.64)	98.396	0.29%
500,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.77% Moody's: A3 S&P: A- Fitch: Tr Date: 5/3/18 St Date: 5/7/18	05348EBD0	500,156.20 1,466.78	499,850.00 2,961.49	(306.20)	99.970	0.34%
710,000.000	MANUFACTURERS & TRADERS TRUST Mat: 1/25/21 Cpn: 2.63% Moody's: A3 S&P: A Fitch: A Tr Date: 1/22/18 St Date: 1/25/18	55279HAR1	709,041.50 0.00	698,595.27 3,416.88	(10,446.23)	98.394	0.47%
740,000.000	SUNTRUST BANK Mat: 1/29/21 Cpn: 2.59% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/26/18 St Date: 2/2/18	86787EAU1	740,000.00 0.00	732,841.24 3,300.81	(7,158.76)	99.033	0.50%
770,000.000	BB&T CORPORATION Mat: 2/1/21 Cpn: 2.15% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/23/17 St Date: 10/26/17	05531FAZ6	769,645.80 0.00	750,491.28 2,759.17	(19,154.52)	97.466	0.51%
390,000.000	JPMORGAN CHASE Mat: 2/1/21 Cpn: 2.60% Moody's: Aa3 S&P: A+ Fitch: AA Tr Date: 1/29/18 St Date: 2/1/18	48125LRK0	390,000.00 0.00	386,856.21 1,692.60	(3,143.79)	99.194	0.26%



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



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



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730,000.000	GOLDMAN SACHS FRN Mat: 10/31/22 Cpn: 3.12% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 11/14/17 St Date: 11/16/17	38148YAB4	729,284.60 700.83	733,841.99 3,925.53	4,557.39	100.526	0.50%
Total for Credit			43,648,749.86 46,578.02	43,220,271.13 225,689.61	(428,478.73)		29.37%
Mortgage-Backed							
154,516.055	FNA 14-M1 ASQ2 CMBS Mat: 11/25/18 Cpn: 2.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/17/14 St Date: 1/30/14	3136AHUV0	157,061.64 282.09	154,229.58 299.12	(2,832.06)	99.815	0.10%
211,036.750	FHMS KP03 A2 CMBS Mat: 7/25/19 Cpn: 1.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/7/17 St Date: 6/12/17	3137BNN26	211,564.34 114.78	209,504.41 313.04	(2,059.93)	99.274	0.14%
56,520.450	FNMA #890170 10YR Mat: 9/1/19 Cpn: 4.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/3/14 St Date: 10/20/14	31410K6F6	59,947.00 134.24	57,269.12 211.95	(2,677.88)	101.325	0.04%
365,661.688	FNA 2015-M13 ASQ2 CMBS Mat: 9/25/19 Cpn: 1.65% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/15 St Date: 10/30/15	3136AQDQ0	369,323.39 484.85	364,299.23 501.57	(5,024.16)	99.627	0.25%
1,130,000.000	FHMS K005 A2 CMBS Mat: 11/25/19 Cpn: 4.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/12/18 St Date: 6/15/18	31398WD35	1,151,805.47 1,897.08	1,141,563.29 4,065.18	(10,242.18)	101.023	0.77%
1,670,000.000	FHMS KP04 AG1 1MOFRN CMBS Mat: 7/25/20 Cpn: 2.33% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/15/17 St Date: 11/28/17	3137FBUV6	1,670,000.00 0.00	1,671,626.58 649.56	1,626.58	100.097	1.13%
947,473.870	FHMS K504 A2 CMBS Mat: 9/25/20 Cpn: 2.57% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/29/18 St Date: 6/1/18	3137BMLC8	946,881.70 0.00	942,619.96 2,026.02	(4,261.74)	99.488	0.64%
405,240.491	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.68% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/17 St Date: 7/12/17	62888WAB2	407,488.31 100.37	407,295.87 724.16	(192.44)	100.507	0.28%



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303,579.020	FNA 2011-M5 A2 Mat: 7/25/21 Cpn: 2.94% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/26/18 St Date: 9/28/18	3136A07H4	301,871.39 669.39	301,523.79 743.77	(347.60)	99.323	0.20%
604,224.730	FNA 2018-M5 A2 CMBS Mat: 9/25/21 Cpn: 3.56% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/10/18 St Date: 4/30/18	3136B1XP4	616,243.36 1,732.78	610,272.41 1,792.53	(5,970.95)	101.001	0.41%
686,875.630	FHMS KI02 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 2.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/14/18	3137FGZN8	686,875.63 0.00	687,161.37 264.88	285.74	100.042	0.46%
591,184.940	FHMS K724 A1 CMBS Mat: 3/25/23 Cpn: 2.78% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/9/18 St Date: 7/12/18	3137BTTZ4	587,212.92 501.46	584,194.18 1,367.61	(3,018.74)	98.818	0.40%
Total for Mortgage-Backed			7,166,275.15 5,917.04	7,131,559.80 12,959.38	(34,715.35)		4.83%
Asset-Backed							
1,060,000.000	MERCEDES 2017-A A3 LEASE Mat: 4/15/20 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 4/19/17 St Date: 4/26/17	58769DAD2	1,059,975.83 0.00	1,055,745.16 843.29	(4,230.67)	99.599	0.71%
1,150,000.000	BMW 2017-1 A3 LEASE Mat: 5/20/20 Cpn: 1.98% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/15/17 St Date: 3/22/17	055657AC4	1,149,867.87 0.00	1,145,523.05 695.75	(4,344.82)	99.611	0.77%
650,000.000	NISSAN 2017-B A3 LEASE Mat: 9/15/20 Cpn: 2.05% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/3/17 St Date: 10/10/17	65479BAD2	649,886.45 0.00	644,696.65 592.22	(5,189.80)	99.184	0.44%
300,000.000	BMW 2017-2 A3 LEASE Mat: 10/20/20 Cpn: 2.07% Moody's: Aaa S&P: Fitch: AAA Tr Date: 10/17/17 St Date: 10/25/17	05584PAD9	299,999.76 0.00	297,696.30 189.75	(2,303.46)	99.232	0.20%
729,978.055	BMW 2016-A A3 CAR Mat: 11/25/20 Cpn: 1.16% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/12/16 St Date: 7/20/16	05582QAD9	729,974.77 0.00	725,025.88 141.13	(4,948.88)	99.322	0.49%



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1,069,000.000	TOYOTA 2017-A A3 CAR Mat: 2/16/21 Cpn: 1.73% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/7/17 St Date: 3/15/17	89238MAD0	1,068,874.18 0.00	1,061,570.45 821.94	(7,303.73)	99.305	0.72%
870,000.000	JOHN DEERE 2017-A A3 EQP Mat: 4/15/21 Cpn: 1.78% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/22/17 St Date: 3/2/17	47787XAC1	869,876.11 0.00	863,367.99 688.27	(6,508.12)	99.238	0.58%
420,000.000	USAA 2017-1 A3 CAR Mat: 5/17/21 Cpn: 1.70% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/13/17 St Date: 9/20/17	90290AAC1	419,955.73 0.00	416,375.40 317.33	(3,580.33)	99.137	0.28%
1,080,000.000	SDART 2017-1 B CAR Mat: 6/15/21 Cpn: 2.10% Moody's: Aaa S&P: AA Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAH8	1,079,917.16 0.00	1,077,087.24 1,008.00	(2,829.92)	99.730	0.73%
1,500,000.000	TOYOTA 2017-B A3 CAR Mat: 7/15/21 Cpn: 1.76% Moody's: Aaa S&P: AAA Fitch: Tr Date: 5/9/17 St Date: 5/17/17	89190BAD0	1,499,884.95 0.00	1,485,202.50 1,173.33	(14,682.45)	99.014	1.00%
1,238,297.577	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/21/17 St Date: 3/28/17	43814TAC6	1,238,223.90 0.00	1,227,601.16 591.63	(10,622.74)	99.136	0.83%
830,000.000	HONDA 2017-3 A3 CAR Mat: 9/20/21 Cpn: 1.79% Moody's: S&P: AAA Fitch: AAA Tr Date: 9/25/17 St Date: 9/29/17	43814PAC4	829,910.11 0.00	818,360.91 536.50	(11,549.20)	98.598	0.55%
420,000.000	JOHN DEERE 2017-B A3 EQP Mat: 10/15/21 Cpn: 1.82% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/11/17 St Date: 7/18/17	47788BAD6	419,969.26 0.00	414,343.02 339.73	(5,626.24)	98.653	0.28%
700,000.000	AMEX 2017-4 A CDT Mat: 12/15/21 Cpn: 1.64% Moody's: S&P: AAA Fitch: AAA Tr Date: 5/22/17 St Date: 5/30/17	02582JHG8	699,887.86 0.00	695,601.90 510.22	(4,285.96)	99.372	0.47%
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/15/22 Cpn: 2.46% Moody's: NR S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	1,340,000.00 0.00	1,345,668.20 1,281.12	5,668.20	100.423	0.91%



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



CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2018

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
CASH												
NA9123459	US DOLLARS	2.261	10/1/2018		Agency	981,495	981,495.420	0.000	-	2.261	.66%	981,495.42
USD120030	USD INTEREST RECEIVABLE	-				697,708	0.000	-	-	-	.47%	697,707.86
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(542,278)	(542,277.750)	-	-	-	(.37%)	(542,277.75)
93884FK43	WASHINGTON GAS/LT D	0.000	10/4/2018	10/4/2018	F2	1,350,000	1,349,733.360	.017	.016	2.371	.91%	1,349,733.36
CASH TOTALS							1,788,951.030					2,486,658.89
MUNICIPALS												
15324VAL2	CENTRAL CONTRA COSTA SANITARY DISTRICT	2.620	9/1/2019	9/3/2019	AAA	630,000	630,000.000	.925	.913	2.709	.43%	630,000.00
MUNICIPALS TOTALS							630,000.000					630,000.00
CASH & CASH EQUIVALENTS TOTALS							2,418,951.030					3,116,658.89
FIXED INCOME												
AGENCIES												
3134G9V38	FEDERAL HOME LOAN MORTGAGE CORP	1.500	7/27/2021	7/27/2021	Agency	2,250,000	2,208,318.270	1.831	1.938	2.962	1.49%	2,202,516.00
3134GSTK1	FEDERAL HOME LOAN MORTGAGE CORP	3.000	8/23/2021	8/23/2021	Agency	2,600,000	2,601,262.600	.153	1.141	2.987	1.76%	2,600,015.60
AGENCIES TOTALS							4,809,580.870					4,802,531.60
ASSET BACKED												
02582JHG8	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.640	12/15/2021	5/15/2019	AAA	1,583,000	1,574,622.630	.631	.616	2.670	1.06%	1,572,957.29
02587AAJ3	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.930	9/15/2022	2/18/2020	Aaa	650,000	641,030.750	1.381	1.354	2.986	.43%	640,988.79
05522RCQ9	BA CREDIT CARD TRUST	2.538	6/15/2021	1/15/2019	AAA	1,075,000	1,076,981.420	.297	.046	2.347	.73%	1,076,075.00
055657AC4	BMW VEHICLE LEASE TRUST	1.980	5/20/2020	9/20/2019	Aaa	2,170,000	2,168,529.610	.625	.611	2.637	1.46%	2,161,371.86
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	597,910	597,883.720	.268	.265	2.484	.40%	596,251.22
161571GN8	CHASE ISSUANCE TRUST	2.528	4/15/2021	4/15/2019	AAA	1,415,000	1,418,863.610	.547	.046	2.347	.96%	1,417,405.22
161571HB3	CHASE ISSUANCE TRUST	2.568	5/15/2021	5/15/2019	AAA	1,230,000	1,234,053.990	.631	.047	2.330	.83%	1,232,830.72
17305EFM2	CITIBANK CREDIT CARD ISSUANCE TRUST	2.880	1/23/2023	1/21/2021	Aaa	855,000	853,435.260	2.314	2.211	3.114	.58%	850,551.09
26209BAE9	DRIVE AUTO RECEIVABLES TRUST	-				765,000	764,915.030	-	-	-	.52%	765,224.76
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	11/15/2018		419,805	419,805.170	.088	.087	2.265	.28%	419,703.83
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	10/15/2018	Aaa	24,190	24,190.070	.047	.046	2.661	.02%	24,176.09
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	5/15/2020	Aaa	450,000	449,977.760	.760	.740	2.834	.30%	446,506.88
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	7/15/2019	AAA	1,750,000	1,748,777.310	.509	.499	2.616	1.18%	1,742,824.83
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	11/15/2018	AAA	122,380	122,379.900	.086	.085	2.479	.08%	122,261.87
65477XAE4	NISSAN AUTO LEASE TRUST 2016-B	1.610	1/18/2022	12/15/2018	Aaa	600,000	595,740.710	.214	.211	3.050	.40%	598,185.18
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	4/15/2019	Aaa	889,908	889,888.200	.323	.317	2.436	.60%	887,669.47
65479AAD4	NISSAN AUTO LEASE TRUST 2017-A	1.910	4/15/2020	10/15/2019	Aaa	1,425,000	1,420,435.390	.815	.796	2.653	.96%	1,416,638.67
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.478	10/17/2022	10/15/2020	Aaa	1,540,000	1,540,000.000	2.047	.048	2.545	1.04%	1,542,609.22
65474VAK7	NISSAN MASTER OWNER TRUST RECEIVABLES	2.798	6/15/2021	6/17/2019	Aaa	300,000	301,591.950	.714	.047	2.484	.20%	301,015.47
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,985.770	.714	.705	3.231	.27%	395,377.04
89231UAD9	TOYOTA AUTO RECEIVABLES 2016-B OWNER TRUST	1.300	4/15/2020	7/15/2019	Aaa	83,415	83,273.170	.354	.347	2.558	.06%	83,050.76
ASSET BACKED TOTALS							18,326,361.420					18,293,675.26

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 9/30/2018

Portfolio Profile

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

CalOptima (OCHA) STAMP 1-3

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Portfolio Profile

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

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Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
US TREASURIES (Continued)												
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	11,475,000	11,403,350.610	2.340	2.258	2.858	7.64%	11,285,841.74
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	12,020,000	12,073,803.830	1.923	1.865	2.824	8.03%	11,863,646.12
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	10,900,000	10,906,249.640	1.255	1.231	2.708	7.23%	10,688,386.75
US TREASURIES TOTALS							66,066,331.470					65,127,951.07
FIXED INCOME TOTALS							<u>146,185,669.310</u>					<u>144,680,896.84</u>
PORTFOLIO TOTALS							<u>148,604,620.340</u>					<u>147,797,555.73</u>

WELLS CAPITAL - TIER ONE
SEPTEMBER 30, 2018

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

WELLS CAPITAL - TIER ONE
SEPTEMBER 30, 2018

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

CalOptima (The Orange County Health Authority)

Account #: LCEF0023802

As of 9/30/2018

Portfolio Profile

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

CalOptima (The Orange County Health Authority)

Account #: LCEF0023802

As of 9/30/2018

Portfolio Profile

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

Portfolio Profile

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

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
US TREASURIES (Continued)												
912828UN8	UNITED STATES TREASURY NOTE/BOND	2.000	2/15/2023	2/15/2023	Govt	955,000	922,053.690	4.380	4.141	2.943	.94%	918,217.58
US TREASURIES TOTALS							49,566,186.560					48,618,429.08
FIXED INCOME TOTALS							98,413,297.590					96,744,305.61
PORTFOLIO TOTALS							98,678,784.290					97,498,948.92

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

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

Credit

1,100,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 3.19% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/15/15 St Date: 4/20/15	61746BDN3	1,104,125.00 2,838.99	1,102,714.80 6,728.87	(1,410.20)	100.247	0.31%
1,125,000.000	KEY BANK Mat: 3/8/19 Cpn: 2.35% Moody's: A3 S&P: A- Fitch: A- Tr Date: 2/6/18 St Date: 2/8/18	49327M2N3	1,125,922.50 11,015.63	1,123,877.25 1,689.06	(2,045.25)	99.900	0.32%
3,700,000.000	FIFTH THIRD BANK Mat: 3/15/19 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A- Tr Date: 7/17/18 St Date: 7/19/18	31677QBF5	3,692,822.00 29,312.22	3,694,923.60 3,782.22	2,101.60	99.863	1.04%
3,750,000.000	PNC BANK Mat: 7/2/19 Cpn: 2.25% Moody's: A2 S&P: A Fitch: A+ Tr Date: 7/18/18 St Date: 7/20/18	69353RDD7	3,734,962.50 4,218.75	3,736,222.50 20,859.38	1,260.00	99.633	1.05%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,500,000.000	BNY MELLON Mat: 9/11/19 Cpn: 2.30% Moody's: A1 S&P: A Fitch: AA- Tr Date: 7/16/18 St Date: 7/18/18	06406HCW7	2,487,750.00 20,284.72	2,488,885.00 3,194.44	1,135.00	99.555	0.70%
895,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 1/7/20 Cpn: 2.56% Moody's: A2 S&P: A Fitch: A Tr Date: 6/4/18 St Date: 6/7/18	24422EUF4	895,000.00 0.00	896,252.11 7,370.10	1,252.11	100.140	0.25%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 2.84% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Z9	1,390,000.00 0.00	1,397,433.72 9,106.03	7,433.72	100.535	0.39%
2,580,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 3.12% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LE9	2,589,062.50 5,984.84	2,598,413.46 18,567.37	9,350.96	100.714	0.73%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 2.79% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAP0	1,385,000.00 0.00	1,389,080.21 8,262.59	4,080.21	100.295	0.39%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 3.12% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 2/14/17 St Date: 2/17/17	61746BEH5	1,900,000.00 0.00	1,904,586.60 7,902.10	4,586.60	100.241	0.54%
2,645,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 2.86% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	2,648,329.80 6,516.81	2,655,334.02 5,675.01	7,004.22	100.391	0.75%
3,845,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 2.84% Moody's: A3 S&P: A- Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RV7	3,862,490.00 10,283.82	3,856,611.90 6,363.29	(5,878.10)	100.302	1.08%
470,000.000	WELLS FARGO FRN Mat: 3/25/20 Cpn: 2.64% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 9/18/18 St Date: 9/25/18	94988J5S2	470,000.00 0.00	470,169.20 197.92	169.20	100.036	0.13%
1,230,000.000	GENERAL DYNAMICS FRN Mat: 5/11/20 Cpn: 2.63% Moody's: A2 S&P: A+ Fitch: WD Tr Date: 5/8/18 St Date: 5/11/18	369550BB3	1,230,000.00 0.00	1,233,744.12 4,399.71	3,744.12	100.304	0.35%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,900,000.000	CAPITAL ONE FINL FRN Mat: 5/12/20 Cpn: 3.10% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 8/16/17 St Date: 8/21/17	14040HBQ7	1,909,842.00 764.42	1,913,220.20 8,011.77	3,378.20	100.696	0.54%
2,380,000.000	VERIZON COMMUNICATIONS FRN Mat: 5/22/20 Cpn: 2.86% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/11/17 St Date: 5/22/17	92343VDZ4	2,380,000.00 0.00	2,394,222.88 7,562.13	14,222.88	100.598	0.67%
405,000.000	CITIZENS BANK FRN Mat: 5/26/20 Cpn: 2.88% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 5/22/17 St Date: 5/26/17	17401QAK7	405,000.00 0.00	406,381.05 1,102.13	1,381.05	100.341	0.11%
1,595,000.000	BB&T CORPORATION FRN Mat: 6/15/20 Cpn: 2.90% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 8/16/17 St Date: 8/21/17	05531FAW3	1,605,335.60 5,389.44	1,604,965.56 13,923.33	(370.04)	100.625	0.45%
1,850,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 6/22/20 Cpn: 2.66% Moody's: A2 S&P: A Fitch: A Tr Date: 3/27/18 St Date: 3/29/18	24422ETR0	1,852,442.00 913.03	1,855,139.30 955.56	2,697.30	100.278	0.52%
1,250,000.000	JPMORGAN CHASE FRN Mat: 9/1/20 Cpn: 2.55% Moody's: Aa3 S&P: A+ Fitch: AA Tr Date: 8/23/18 St Date: 8/30/18	48125LRQ7	1,250,000.00 0.00	1,251,217.50 2,835.33	1,217.50	100.097	0.35%
1,250,000.000	GOLDMAN SACHS FRN Mat: 9/15/20 Cpn: 3.53% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/16/18 St Date: 3/20/18	38141GVQ4	1,270,962.50 577.17	1,270,852.50 1,717.98	(110.00)	101.668	0.36%
1,325,000.000	GOLDMAN SACHS FRN Mat: 12/27/20 Cpn: 3.11% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWF7	1,325,000.00 0.00	1,331,703.18 458.01	6,703.18	100.506	0.37%
1,585,000.000	AVALONBAY COMMUNITIES FRN Mat: 1/15/21 Cpn: 2.77% Moody's: A3 S&P: A- Fitch: Tr Date: 11/8/17 St Date: 11/15/17	05348EBD0	1,585,000.00 0.00	1,584,524.50 9,387.94	(475.50)	99.970	0.45%
1,820,000.000	WELLS FARGO FRN Mat: 1/15/21 Cpn: 2.65% Moody's: Aa2 S&P: A+ Fitch: AA- Tr Date: 1/16/18 St Date: 1/23/18	94988J5M5	1,820,000.00 0.00	1,825,263.44 10,312.71	5,263.44	100.289	0.51%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

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



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,250,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 9/10/21 Cpn: 2.59% Moody's: A2 S&P: A Fitch: A Tr Date: 9/5/18 St Date: 9/10/18	24422EUJ6	1,250,000.00 0.00	1,250,723.75 1,886.40	723.75	100.058	0.35%
1,785,000.000	BANK OF AMERICA FRN Mat: 10/1/21 Cpn: 2.99% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 9/13/17 St Date: 9/18/17	06051GGU7	1,785,000.00 0.00	1,796,266.92 13,479.31	11,266.92	100.631	0.51%
377,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 3.53% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	377,000.00 0.00	381,982.06 2,696.68	4,982.06	101.322	0.11%
753,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 3.27% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 10/3/17 St Date: 10/5/17	949746SP7	760,805.82 1,714.72	761,620.34 3,349.43	814.52	101.145	0.21%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 3.28% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	1,330,000.00 0.00	1,337,638.19 2,542.45	7,638.19	100.574	0.38%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 3.30% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00 0.00	1,342,765.60 8,247.43	17,765.60	101.341	0.38%
2,000,000.000	UNITED PARCEL SERVICE FRN Mat: 5/16/22 Cpn: 2.70% Moody's: A1 S&P: A+ Fitch: Tr Date: 8/17/17 St Date: 8/22/17	911312BB1	2,010,180.00 564.72	2,015,358.00 6,887.71	5,178.00	100.768	0.57%
1,240,000.000	JPMORGAN CHASE FRN Mat: 6/18/22 Cpn: 2.95% Moody's: A3 S&P: A- Fitch: AA- Tr Date: 6/11/18 St Date: 6/18/18	46647PAT3	1,240,000.00 0.00	1,243,207.88 1,319.66	3,207.88	100.259	0.35%
Total for Credit			68,878,822.22 101,909.34	69,040,824.72 264,114.79	162,002.50		19.44%

Mortgage-Backed

1,840,000.000	FHMS KP04 AG2 1MOFRN CMBS Mat: 10/25/19 Cpn: 2.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/15/17 St Date: 11/28/17	3137FBWU4	1,840,000.00 0.00	1,840,684.48 709.55	684.48	100.037	0.52%
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CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of September 30, 2018

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,030,000.000	FMPRE 2017-KT01 A 1MOFRN CMBS Mat: 2/25/20 Cpn: 2.53% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/16/17	30258EAA3	3,030,000.00 0.00	3,035,293.41 1,278.76	5,293.41	100.175	0.85%
2,303,821.526	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 2.54% Moody's: Aaa S&P: AA+ Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	2,313,943.25 352.16	2,307,249.61 3,087.11	(6,693.64)	100.149	0.65%
4,903,409.944	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 2.68% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	4,921,031.57 2,073.20	4,928,280.04 8,762.39	7,248.47	100.507	1.38%
782,650.093	FHMS KI01 A CMBS 1MOFRN Mat: 9/25/22 Cpn: 2.27% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/19/18 St Date: 3/22/18	3137FEC81	783,016.96 1,399.40	783,006.98 296.59	(9.98)	100.046	0.22%
1,167,688.571	FHMS KI02 A 1MOFRN CMBS Mat: 2/25/23 Cpn: 2.31% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/18 St Date: 8/14/18	3137FGZN8	1,167,688.57 0.00	1,168,174.33 450.30	485.76	100.042	0.33%
Total for Mortgage-Backed			14,055,680.35 3,824.76	14,062,688.85 14,584.70	7,008.50		3.95%
Asset-Backed							
1,014,172.670	SDART 2018-3 A1 CAR Mat: 6/17/19 Cpn: 2.45% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 6/20/18 St Date: 6/27/18	80285GAA0	1,014,172.67 0.00	1,014,185.85 966.28	13.18	100.001	0.28%
1,029,683.023	JOHN DEERE 2018-B A1 EQP Mat: 8/15/19 Cpn: 2.54% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 7/18/18 St Date: 7/25/18	47788EAA6	1,029,683.02 0.00	1,029,767.46 1,015.09	84.43	100.008	0.29%
514,109.440	MERCEDES 2018-1 A1 CAR Mat: 8/15/19 Cpn: 2.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 7/17/18 St Date: 7/25/18	58772RAA2	514,109.44 0.00	514,123.84 469.84	14.40	100.003	0.14%
Total for Asset-Backed			2,557,965.13 0.00	2,558,077.15 2,451.21	112.01		0.72%
Grand Total			355,548,052.69 202,322.10	355,691,207.56 886,414.54	143,154.87		100.00%



CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2018

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
ASSET BACKED												
26209BAA7	DRIVE AUTO RECEIVABLES TRUST	2.451	9/16/2019	1/15/2019	Aaa	1,500,000	1,500,000.000	.159	.159	2.659	.53%	1,500,000.00
80285GAA0	SANTANDER DRIVE AUTO RECEIVABLES TRUST 2018-3	2.450	6/17/2019	11/15/2018		176,891	176,879.020	.085	.084	2.490	.06%	176,891.83
80285MAA7	SANTANDER DRIVE AUTO RECEIVABLES TRUST 2018-4	2.413	8/15/2019	2/15/2019	Aaa	2,006,232	2,006,231.820	.176	.176	2.617	.71%	2,005,765.97
ASSET BACKED TOTALS							3,683,110.840					3,682,657.80
CASH												
06370REY1	BANK OF MONTREAL IN	2.270	11/2/2018	11/2/2018	P-1	8,000,000	8,000,815.840	.097	.095	2.259	2.83%	8,000,815.84
23341VJY8	DNB BANK ASA 3(A)2	2.200	10/29/2018	10/29/2018	A-1	7,000,000	7,000,236.580	.086	.084	2.211	2.47%	7,000,236.58
46640QM32	J P MORGAN SEC DIS D	0.000	12/3/2018	12/3/2018	P-1	7,000,000	6,971,824.950	.181	.179	2.456	2.46%	6,971,824.95
46640QKG5	J P MORGAN SECS DI D	0.000	10/16/2018	10/16/2018	P-1	6,000,000	5,994,487.520	.050	.049	2.489	2.12%	5,994,487.52
50000EK29	KOCH INDUSTRIES DI D	0.000	10/2/2018	10/2/2018	P-1	8,000,000	7,999,546.650	.011	.011	2.088	2.83%	7,999,546.65
55379WKQ8	MUFG BANK LTD NY BR	2.110	10/15/2018	10/15/2018	F1	9,000,000	8,999,912.670	.047	.046	2.212	3.18%	8,999,912.67
63743DK42	NATIONAL RURAL DIS D	0.000	10/4/2018	10/4/2018	F1	9,000,000	8,998,462.460	.017	.016	2.113	3.18%	8,998,462.46
63743DKR1	NATIONAL RURAL DIS D	0.000	10/25/2018	10/25/2018	F1	4,450,000	4,443,384.320	.075	.073	1.985	1.57%	4,443,384.32
63873NMR9	NATIXIS NY INSTL C/	1.810	11/20/2018	11/20/2018	F1	9,000,000	8,993,833.380	.147	.144	2.260	3.18%	8,993,833.38
69372BKC3	PACCAR FINL CORP D D	0.000	10/12/2018	10/12/2018	A-1	9,000,000	8,994,334.960	.039	.038	2.154	3.18%	8,994,334.96
71112KK42	PEOPLES GAS LGT DI D	0.000	10/4/2018	10/4/2018	F2	6,000,000	5,998,875.000	.017	.016	2.317	2.12%	5,998,875.00
87019VNC7	SWEDBANK (SPARBANK)	2.230	10/10/2018	10/10/2018	A-1+	9,000,000	9,000,319.050	.033	.032	2.160	3.18%	9,000,319.05
NA9123459	US DOLLARS	2.261	10/1/2018		Agency	42,017,452	42,017,451.920	0.000	-	2.261	14.84%	42,017,451.92
USD120030	USD INTEREST RECEIVABLE	-				1,056,585	0.000	-	-	-	.37%	1,056,585.03
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(40,881,955)	(40,881,955.360)	-	-	-	(14.44%)	(40,881,955.36)
CASH TOTALS							92,531,529.940					93,588,114.97
MUNICIPALS												
50520PAA8	CITY OF LA VERNE CA	2.702	6/1/2019	6/3/2019	AA+	620,000	620,000.000	.675	.667	2.849	.22%	620,000.00
MUNICIPALS TOTALS							620,000.000					620,000.00
CASH & CASH EQUIVALENTS TOTALS							96,834,640.780					97,890,772.77
FIXED INCOME												
AGENCIES												
3136G4TH6	FEDERAL NATIONAL MORTGAGE ASSOCIATION	2.320	1/30/2020	1/30/2020	Agency	6,000,000	6,004,754.550	1.339	.016	2.567	2.11%	5,985,396.78
AGENCIES TOTALS							6,004,754.550					5,985,396.78
ASSET BACKED												
47788CAA0	JOHN DEERE OWNER TRUST	1.950	3/15/2019	11/15/2018		577,232	577,232.100	.088	.087	2.265	.20%	577,092.76
65474VAN1	NISSAN MASTER OWNER TRUST RECEIVABLES	2.588	4/15/2022	4/15/2020	Aaa	5,000,000	5,021,443.610	1.547	.049	2.484	1.77%	5,019,294.00
65474VAP6	NISSAN MASTER OWNER TRUST RECEIVABLES	2.478	10/17/2022	10/15/2020	Aaa	5,125,000	5,125,000.000	2.047	.048	2.545	1.81%	5,133,683.29
ASSET BACKED TOTALS							10,723,675.710					10,730,070.05
CMBS												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	2.502	4/25/2020	12/25/2019	Agency	3,008,266	3,008,820.690	.815	.074	2.472	1.06%	3,006,429.03
3136ANA98	FANNIE MAE-ACES	2.409	3/25/2019	3/25/2019	Agency	913,171	913,077.270	.226	.073	2.460	.32%	911,834.75
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	1,328,343	1,322,959.160	.942	.920	2.762	.47%	1,319,335.91

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2018

Portfolio Profile

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

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 9/30/2018

Portfolio Profile

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

WELLS CAPITAL - OPERATING FUND
SEPTEMBER 30, 2018

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

WELLS CAPITAL - OPERATING FUND
SEPTEMBER 30, 2018

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

Disclaimer, Glossary, and Notes

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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.

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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. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CALOPTIMA
505 CITY PARKWAY WEST
ORANGE, CALIFORNIA

September 18, 2018

CALL TO ORDER

Chair Lee Penrose called the meeting to order at 2:05 p.m. Director Schoeffel led the Pledge of Allegiance.

Members Present: Lee Penrose, Chair; Scott Schoeffel

Members Absent: Ron DiLuigi

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

PUBLIC COMMENT

There were no requests for public comment.

INVESTMENT ADVISORY COMMITTEE UPDATE

1. Treasurer's Report

Greg Hamblin, Chief Financial Officer, presented an overview of the Treasurer's Report for the period April 1, 2018 through June 30, 2018. Based on a review by the Board of Directors' Investment Advisory Committee, all investments were compliant with Government Code section 53600 *et seq.*, and with CalOptima's Annual Investment Policy.

CONSENT CALENDAR

2. Approve the Minutes of the May 17, 2018 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the April 23, 2018 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

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

REPORTS

3. Consider Recommending that the Board of Directors Accept and Receive and File Fiscal Year 2018 CalOptima Audited Financial Statements

Mr. Hamblin presented the action to recommend that the Board of Directors accept and receive and file the Fiscal Year 2018 CalOptima consolidated audited financial statements as submitted by independent auditors Moss-Adams, LLP.

DeVon Wiens of Moss-Adams, LLP, CalOptima's independent financial auditor, presented the draft audit of the consolidated financial statement for the fiscal year ending June 30, 2018. A detailed review of the areas of audit emphasis were presented to the Committee for discussion, including capitation revenue and receivables, cash and investments, medical claims liability, and required communications. It was reported that Moss-Adams will issue an unmodified opinion on the financial statements indicating that the FY 2018 financial statements fairly state the financial condition of CalOptima in all material respects.

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

Action: On motion of Director Schoeffel, seconded and carried, the Committee approved the draft Fiscal Year (FY) 2018 CalOptima consolidated audited financial statements as submitted by independent auditors Moss-Adams, LLP, and recommended that the Board of Directors accept and receive and file the final version of the FY 2018 consolidated audited financial statements. (Motion carried 2-0-0; Director DiLuigi absent)

4. Consider Recommending Modification of Claims Payment Policies Associated with the Implementation of the Whole-Child Model

Action: On motion of Director Schoeffel, seconded and carried, the Committee recommended that the Board of Directors authorize a transition period of six months for payment of certain claims for children enrolled in California Children's Services (CCS) prior to January 1, 2019 that would be denied under CalOptima Direct, CalOptima Community Network, or a Health Network to allow for adequate transition of Service Authorizations Requests (SARs) from the California Children's Services Program to CalOptima under the Whole-Child Model. (Motion carried 2-0-0; Director DiLuigi absent)

INFORMATION ITEMS

5. Fiscal Year (FY) 2017-18 Directed Payments to Hospitals

Mr. Hamblin presented a review of the four general areas that the state has identified for FY 2017-18 directed payments to hospitals: Proposition 56, Physician Supplemental Payments; Public Hospital Enhanced Payment Program (EPP); Public Hospital Quality Incentive Pool (QIP); and Private Hospital Directed Payment (PHDP). Staff will keep the Committee informed of the progress of the directed payments to hospitals at future Finance and Audit Committee meetings.

6. CalOptima Personal Care Coordinator Evaluation

Emily Fonda, M.D., Medical Director, presented an overview of the CalOptima Personal Care Coordinator (PCC) evaluation. The PCC role was created in 2014 to increase compliance with the Centers for Medicare & Medicaid Services (CMS) care management requirements and improve care coordination and efficiency and includes improving the care experience for members and providers, as well as increasing CalOptima oversight of health networks. All OneCare, OneCare Connect, and seniors and persons with disabilities (SPD) members are assigned a PCC who serve as the member's primary point of contact for care management. The PCC also works with contracted primary care providers, schedule and participate in Interdisciplinary Care Team (ICT) meetings as needed and facilitate the distribution of the Individual Care Plan to members of the ICT. Dr. Fonda provided a detailed review of the evaluation conducted on the impact of the PCC position, and noted that continued refinement of the PCC duties will support ongoing improvement on quality measures.

After considerable discussion of the matter, Committee members suggested that staff analyze the cost savings to determine the effectiveness of the PCC program, including the development of baseline metrics and return on investment, and engaging the health networks and the Member and Provider Advisory Committee.

7. Health Homes Program Update

Candice Gomez, Executive Director, Program Implementation, presented an update on the Health Homes Program (HHP), which was authorized under the Affordable Care Act that allowed a state plan option to create Medicaid health homes for intensive care coordination for people with chronic conditions. The California Department of Health Care Services (DHCS) selected CalOptima for implementation of the HHP in two stages: July 1, 2019 for members with chronic conditions; and January 1, 2020 for members with Serious Mental Illness or Serious Emotional Disturbance. Ms. Gomez provided an overview of the HHP eligibility criteria and program exclusions as specified by DHCS, as well as the program demographics, service requirements, health network distribution, and staffing.

Mr. Hamblin reviewed the HHP financial model including DHCS rate assumptions for this opt-in population. It was noted that California's AB 361 authorizing the implementation of the HHP requires budget neutrality and evaluation by the DHCS within two years of the initial program implementation. Committee members commented on the need to conduct an analysis of the success of this opt-in population, including measuring the return on investment.

8. July 2018 Financial Summary

Mr. Hamblin provided an overview of the balance sheet, Board-Designated Reserves and tangible net equity (TNE) requirement as of July 31, 2018.

The following Information Items were accepted as presented:

9. CalOptima Information Systems Security Update
10. Cost Containment Improvements/Initiatives
11. Quarterly Reports to the Finance and Audit Committee
 - a. Shared Risk Pool Performance
 - b. Reinsurance Report
 - c. Health Network Financial Report
 - d. Purchasing Report

COMMITTEE MEMBER COMMENTS

Committee members thanked staff for their work on the FY 2018 audit.

ADJOURNMENT

Hearing no further business, Chair Penrose adjourned the meeting at 3:59 p.m.

/s/ Suzanne Turf
Suzanne Turf
Clerk of the Board

MINUTES

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

July 23, 2018

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

CALL TO ORDER

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

ROLL CALL

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

Members Absent: Rodney Johnson, David Young

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

MINUTES

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

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

PUBLIC COMMENT

There were no requests for public comment.

MANAGEMENT REPORTS

Chief Executive Officer (CEO) Report

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

Chief Financial Officer (CFO) Report

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

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

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

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

INFORMATION ITEMS

Presentation by Meketa Investment Group

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

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

Presentation by Payden & Rygel

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

Presentation by Wells Capital Management

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

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

Presentation by Logan Circle Partners

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

Financial Update

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

ADJOURNMENT

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

/s/ Pamela Reichardt
Pamela Reichardt
Executive Assistant

Approved: November 5, 2018

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 15, 2018 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

3. Consider Recommending Board of Directors' Approval of Proposed Changes to the Annual Investment Policy for Calendar Year 2019

Contact

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

Recommended Action

Recommend that the Board of Directors approve proposed changes to the Annual Investment Policy (AIP) for Calendar Year (CY) 2019.

Background

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

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

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

Discussion

Payden & Rygel, Logan Circle Partners, and Wells Capital Management, CalOptima's investment managers, and Meketa Investment Group, Inc., CalOptima's investment adviser submitted proposed revisions to the AIP for CY 2019. Staff has reviewed the proposed revisions and recommends the following changes upon Board approval:

- Section III.D.1.a: Increase the maximum term of Operating Fund from four hundred fifty (450) days to two (2) years, unless otherwise specified in the policy. The increase to the term falls within the 5-year term allowed by California Government Code section 53600 et seq. This would provide investment managers a wider opportunity set in their Operating Fund portfolio.
 - Section III.D.2.a.iv: US Treasuries, term assigned changed from 450 days to 2 years.

- Section III.D.2.b.iii: Federal Agencies and U.S. Government Sponsored Enterprises, term assigned changed from 450 days to 2 years.
- Section III.D.2.c.ii: State and California Local Agency Obligations, term assigned changed from 450 days to 2 years.
- Section III.D.2.h.ii: Corporate Securities, term assigned changed from 450 days to 2 years.
- Section III.D.2.k.iv: Mortgage or Asset-backed Securities, term assigned changed from 450 days to 2 years.
- Section III.D.2.l.iii: Variables and Floating Rate Securities, term assigned changed from 450 days to 2 years.
- Section III.D.2.m.iii: Supranational Obligations, term assigned changed from 450 days to 2 years.
- Section III.D.2.h.i: Corporate Securities, modify language from “rated ‘A’ or better” to “A” rating category. This is to clarify the existing policy language to include “A-” securities in the allowed portfolio.
- Sections III.D.2.l.ii: Variable and Floating Rate Securities, add the Secured Overnight Financing Rate (SOFR) to the allowed index list. This change does not materially alter the policy or allow for a new type of investment. Following the same guidance, SOFR will be used as an index rate for variance and floating rate securities.
- Glossary Term: State and California Local Agency Obligations, revised existing language to allow the purchase of registered warrants, notes or bonds issued by a state or by a department, board, agency, or authority of any of the fifty U.S. states, and California local agencies, which is consistent with California Code, section 53601. This change updates the existing glossary term to be consistent with California Code.

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

Fiscal Impact

There is no immediate fiscal impact.

Rationale for Recommendation

The proposed changes to the AIP for CY 2019 reflect the recommendations of CalOptima’s investment managers, Payden & Rygel, Logan Circle Partners, and Wells Capital Management and concurrence by CalOptima’s investment adviser, Meketa Investment Group, Inc. These recommended changes continue to support CalOptima’s goals to maintain safety of principal, and achieve a market rate of return while maintaining necessary liquidity during periods of uncertainty. Per the review conducted by Meketa Investment Group, Inc., there were no changes in the California Government Code affecting local agencies noted for the CY 2019.

CalOptima Board Action Agenda Referral
Consider Recommending Board of Directors' Approval of Proposed
Changes to the Annual Investment Policy for Calendar Year 2019
Page 3

Concurrence

Meketa Investment Group, Inc.
Gary Crockett, Chief Counsel
Board of Directors' Investment Advisory Committee

Attachment

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

/s/ Michael Schrader
Authorized Signature

11/8/2018
Date



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

CEO Approval: Michael Schrader _____

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

Board Approved Policy

I. PURPOSE

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

II. POLICY

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

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

4. Total Return: CalOptima's investment portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.
 - a. The performance benchmark for each investment portfolio shall be based upon published market indices for short-term investments of comparable risk and duration.
 - i. These performance benchmarks shall be reviewed monthly by CalOptima's Treasurer and the Investment Managers and shall be approved by the Board of Directors.
- B. The investments purchased by an Investment Manager shall be held by the custodian bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.
- C. Investment Managers must certify that they will purchase securities from broker-dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.
- D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.
- E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
 1. CalOptima's Officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with CalOptima, and are not permitted to have any personal financial, or investment holdings, that could be materially related to the performance of CalOptima's investments.
- F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for review and adoption by the Board, to ensure that all investments made are following this Policy.
 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).
 2. This policy may only be changed by the Board of Directors.

III. PROCEDURE

A. Delegation of Authority

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

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

B. CalOptima Treasurer Responsibilities

1. The Treasurer shall be responsible for:
 - a. All actions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and Board-approved Investment Managers;
 - b. The oversight of CalOptima's investment portfolio;
 - c. Directing CalOptima's investment program and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities; and
 - d. Providing a quarterly report to the Board of Directors in accordance with California Government Code, Section 53646, Subdivision (b).
2. The Treasurer shall also be responsible for ensuring that:
 - a. The Operating Funds and Board-Designated Reserve Funds targeted average maturities are established and reviewed monthly.
 - b. All Investment Managers are provided a copy of this Policy, which shall be appended to an Investment Manager's investment contract.
 - i. Any investments made by an Investment Manager outside this Policy may subject the Investment Manager to termination for cause or other appropriate remedies or sanctions, as determined by the Board of Directors.
 - c. Investment diversification and portfolio performance is reviewed monthly to ensure that risk levels and returns are reasonable and that investments are diversified in accordance with this Policy.
 - d. All Investment Managers are selected and evaluated for review by the Chief Executive Officer and the Board of Directors.

C. Investment Advisory Committee

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

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

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

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

- D. Permitted Investments

1. CalOptima shall invest only in instruments as permitted by the Code, subject to the limitations of this Policy.
 - a. Permitted investments under the Operating Funds, unless otherwise specified, are subject to a maximum stated term of ~~four hundred fifty (450) days.~~ two (2) years. Note that the Code allows for up to five (5) years.
 - b. Permitted investments under the Board-Designated Reserve Funds, unless otherwise specified, are subject to a maximum stated term of five (5) years. Note that the Code allows for up to five (5) years.
 - c. Private placement (144a) securities are prohibited.
 - d. The Board of Directors must grant express written authority to make an investment, or to establish an investment program, of a longer term.
2. Permitted investments shall include:
 - a. U.S. Treasuries
 - i. These investments are direct obligations of the United States of America and securities which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America.
 - ii. U.S. Government securities include:
 - a) Treasury Bills: U.S. Government securities issued and traded at a discount;

- b) Treasury Notes and Bonds: Interest bearing debt obligations of the U.S. Government which guarantees interest and principal payments;
- c) Treasury Separate Trading of Registered Interest and Principal Securities (STRIPS): U.S. Treasury securities that have been separated into their component parts of principal and interest payments and recorded as such in the Federal Reserve book-entry record-keeping system;
- d) Treasury Inflation Protected (TIPs) securities: Special U.S. Treasury notes, or bonds, that offer protection from inflation. Coupon payments and underlying principal are automatically increased to compensate for inflation, as measured by the consumer price index (CPI); and
- e) Treasury Floating Rate Notes (FRNs): U.S. Treasury bonds issued with a variable coupon.
- iii. U.S. Treasury coupon and principal STRIPS, as well as TIPs, are not considered to be derivatives for the purposes of this Policy and are, therefore, permitted investments pursuant to this Policy.
- iv. Maximum Term:

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

- b. Federal Agencies and U.S. Government Sponsored Enterprises
- i. These investments represent obligations, participations, or other instruments of, or issued by, a federal agency or a U.S. government sponsored enterprise, including those issued by, or fully guaranteed as to principal and interest by, the issuers.
- ii. These are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (e.g., housing, agriculture). Often simply referred to as "Agencies," the following are specifically allowed:
- a) Federal Home Loan Banks (FHLB);
- b) Federal Home Loan Mortgage Corporation (FHLMC);
- c) Federal National Mortgage Association (FNMA);
- d) Federal Farm Credit Banks (FFCB);
- e) Government National Mortgage Association (GNMA);
- f) Small Business Administration (SBA);

- g) Export-Import Bank of the United States;
- h) U.S. Maritime Administration;
- i) Washington Metro Area Transit Authority (WMATA);
- j) U.S. Department of Housing & Urban Development;
- k) Tennessee Valley Authority;
- l) Federal Agricultural Mortgage Company (FAMC);
- m) Federal Deposit Insurance Corporation (FDIC)-backed Structured Sale Guaranteed Notes (SSGNs); and
- n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

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

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

c. State and California Local Agency Obligations

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

ii. Maximum Term:

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

d. Banker's Acceptances

- i. Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (i.e., the bank's trade finance client) as well as the bank. Once accepted, the

bank is irrevocably obligated to pay the banker's acceptance (BA) upon maturity, if the drawer does not. Eligible banker's acceptances:

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

ii. Maximum Term:

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

e. Commercial Paper (CP)

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

ii. Maximum Term:

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

f. Negotiable Certificates of Deposit

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

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

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary broker-dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, provided:
- a) A broker-dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
- b) The securities are held free and clear of any lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for CalOptima's custodian;
- c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
- d) The Agent will notify CalOptima's custodian and CalOptima if the valuation of the collateral securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such valuation.
- ii. Maximum Term:

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

iii. Reverse repurchase agreements are not allowed.

h. Corporate Securities

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

ii. Maximum Term:

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

i. Money Market Funds

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

j. Joint Powers Authority Pool

- i. A joint powers authority formed pursuant to California Government Code, Section 6509.7 may issue shares of beneficial interest to participating public agencies. The joint

powers authority issuing the shares shall have retained an Investment Advisor that meets all of the following criteria:

- a) Registered or exempt from registration with the Securities and Exchange Commission;
 - b) No less than five (5) years of experience investing in the securities and obligations authorized in the Code; and
 - c) Assets under management in excess of five hundred million dollars (\$500,000,000).
- ii. A joint powers authority pool shall be rated AAA (or equivalent highest ranking) by two (2) of the three (3) largest nationally recognized rating services.
 - iii. Such investment may not represent more than ten percent (10%) of the joint powers authority pool's assets.
 - iv. Maximum Term:

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

k. Mortgage or Asset-backed Securities

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

iv. Maximum Term:

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days <u>2 years</u>	5 years

Board-Designated Reserve Funds		
▪ Tier One (1)	5 years stated final maturity	5 years
▪ Tier Two (2)	5 years stated final maturity	5 years

1. Variable and Floating Rate Securities

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

Fund Type	Term Assigned	Term Allowed by the Code
Operating Funds	450 days 2 years	5 years
Board-Designated Reserve Funds		

▪ Tier One (1)	5 years	5 years
▪ Tier Two (2)	5 years	5 years

m. Supranational Obligations

- i. The three (3) supranational institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
 - a) International Bank for Reconstruction and Development (IBRD);
 - b) International Finance Corporation (IFC); and
 - c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated AA by two (2) of the three (3) largest nationally recognized rating services.
- iii. Maximum Term:

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

n. Pooled Investments

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

E. Diversification Guidelines

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

INSTRUMENTS	MAXIMUM % OF PORTFOLIO AT TIME OF PURCHASE
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS as well as TIPs)	100% (Code)

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

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

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

F. Maximum Stated Term

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

G. Rating Downgrades

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

H. Investment Restrictions

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

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

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

A. None to Date

VII. BOARD ACTIONS~~A. 11/05/18: Special Meeting of the CalOptima Investment Advisory Committee~~~~A.B.~~ 12/07/17: Regular Meeting of the CalOptima Board of Directors~~B.C.~~ 11/16/17: Regular Meeting of the CalOptima Finance Advisory Committee~~C. 12/03/15: Regular Meeting of the CalOptima Board of Directors~~~~D. 03/05/15: Regular Meeting of the CalOptima Board of Directors~~~~E. 06/05/14: Regular Meeting of the CalOptima Board of Directors~~~~F. 12/05/13: Regular Meeting of the CalOptima Board of Directors~~~~G. 01/03/13: Regular Meeting of the CalOptima Board of Directors~~~~H. 10/04/12: Regular Meeting of the CalOptima Board of Directors~~~~I. 01/06/11: Regular Meeting of the CalOptima Board of Directors~~~~J. 08/05/10: Regular Meeting of the CalOptima Board of Directors~~~~K. 12/04/08: Regular Meeting of the CalOptima Board of Directors~~~~L. 12/07/04: Regular Meeting of the CalOptima Board of Directors~~~~M. 01/07/03: Regular Meeting of the CalOptima Board of Directors~~~~N. 01/11/00: Regular Meeting of the CalOptima Board of Directors~~~~O. 03/03/98: Regular Meeting of the CalOptima Board of Directors~~~~P. 02/04/97: Regular Meeting of the CalOptima Board of Directors~~~~Q. 02/27/96: Regular Meeting of the CalOptima Board of Directors~~**VIII. REVIEW/REVISION HISTORY**

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

IX. GLOSSARY

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

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

Term	Definition
Collateral Securities	A security given in addition to the direct security, and subordinate to it, intended to guarantee its validity or convertibility or insure its performance; so that, if the direct security fails, the creditor may fall back upon the collateral security.
Commercial Paper (CP)	Unsecured promissory notes issued by companies and government entities at a discount.
Consumer Price Index (CPI)	The Consumer Price Indexes (CPI) program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
Corporate Securities	Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state, and operating within the U.S.
Credit Risk	The risk of loss due to failure of the issuer of a security.
Custodian Bank	A specialized financial institution responsible for safeguarding a firm's or individual's financial assets and is not engaged in "traditional" commercial or consumer/retail banking such as mortgage or personal lending, branch banking, personal accounts, automated teller machines (ATMs) and so forth.
Designee	For purposes of this policy, a person who has been designated to act on behalf of the CalOptima Treasurer.
Economic Cycles	The natural fluctuation of the economy between periods of expansion (growth) and contraction (recession).
Finance and Audit Committee (FAC)	A standing committee of the CalOptima Board of Directors with oversight responsibilities for all financial matters of CalOptima including but not limited to: budget development and approval, financial reporting, investment practices and policies, purchasing and procurement practices and policies, insurance issues, and capitation and claims. The Committee serves as the primary level of Board review for any finance-related issues or policies affecting the CalOptima program.
Inflation	Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling.
Instrument	Refers to a financial instrument or asset that can be traded. These assets can be cash, bonds, or shares in a company
Investment Advisors	Members of CalOptima Investment Advisory Committee (IAC).
Investment Advisory Committee (IAC)	A standing committee of the CalOptima Board of Directors who provide advice and recommendations regarding the organization's investments.
Investment Managers	A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients.
Investment Portfolio	A grouping of financial assets such as stocks, bonds and cash equivalents, as well as their funds counterparts, including mutual, exchange-traded and closed funds. Portfolios are held directly by investors and/or managed by financial professionals.
Joint Powers Authority Pool	Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code, Section 6509.7; each share represents an equal proportional interest in the underlying pool of securities owned by the joint powers authority.

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

Term	Definition
State and California Local Agency Obligations	Registered state warrants, treasury notes or bonds of any <u>of the fifty (50) U.S. state and states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally,</u> bonds, notes, warrants, or other evidences of indebtedness of any local agency of <u>within</u> the State of California, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.
Supranational Institutions	International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.
Surplus	Assets beyond liabilities.
Underlying Pool of Securities	Those securities and obligations that are eligible for direct investment by local public agencies.
Valuation	An estimation of the worth of a financial instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the valuation of each financial instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual valuations.

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

CEO Approval: Michael Schrader _____

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

I. PURPOSE

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

II. POLICY

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

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

4. Total Return: CalOptima's investment portfolios shall be designed to attain a market-average rate of return through economic cycles given an acceptable level of risk, established by the Board of Directors' and the CalOptima Treasurer's objectives.
 - a. The performance benchmark for each investment portfolio shall be based upon published market indices for short-term investments of comparable risk and duration.
 - i. These performance benchmarks shall be reviewed monthly by CalOptima's Treasurer and the Investment Managers and shall be approved by the Board of Directors.
- B. The investments purchased by an Investment Manager shall be held by the custodian bank acting as the agent of CalOptima under the terms of a custody agreement in compliance with California Government Code, Section 53608.
- C. Investment Managers must certify that they will purchase securities from broker-dealers (other than themselves) or financial institutions in compliance with California Government Code, Section 53601.5 and this Policy.
- D. The Board of Directors, or persons authorized to make investment decisions on behalf of CalOptima (e.g., Chief Officers), are trustees and fiduciaries subject to the Prudent Person Standard, as defined in the Code, which shall be applied in the context of managing an overall portfolio.
- E. CalOptima's Officers, employees, Board members, and Investment Advisory Committee members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
 1. CalOptima's Officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with CalOptima, and are not permitted to have any personal financial, or investment holdings, that could be materially related to the performance of CalOptima's investments.
- F. On an annual basis, CalOptima's Treasurer shall provide the Board of Directors with this Policy for review and adoption by the Board, to ensure that all investments made are following this Policy.
 1. This Policy shall be reviewed annually by the Board of Directors at a public meeting pursuant to California Government Code, Section 53646, Subdivision (a).
 2. This policy may only be changed by the Board of Directors.

III. PROCEDURE

A. Delegation of Authority

1. Authority to manage CalOptima's investment program is derived from an order of the Board of Directors.
 - a. Management responsibility for the investment program shall be delegated to CalOptima's Treasurer, as appointed by the Board of Directors, for a one (1)-year period following the approval of this Policy.

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

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

7 B. CalOptima Treasurer Responsibilities
8

9 1. The Treasurer shall be responsible for:
10

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

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

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

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

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

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

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

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

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

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

41 C. Investment Advisory Committee
42

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

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

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

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

D. Permitted Investments

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

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

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

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

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

k) Tennessee Valley Authority;

l) Federal Agricultural Mortgage Company (FAMC);

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

n) National Credit Union Administration (NCUA) securities.

iii. Maximum Term:

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

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

c. State and California Local Agency Obligations

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

ii. Maximum Term:

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

d. Banker's Acceptances

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

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

- b) May not exceed the five percent (5%) limit of any one (1) commercial bank and may not exceed the five percent (5%) limit for any security of any bank.

ii. Maximum Term:

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

e. Commercial Paper (CP)

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

ii. Maximum Term:

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

f. Negotiable Certificates of Deposit

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

ii. Maximum Term:

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

g. Repurchase Agreements

- i. U.S. Treasury and U.S. Agency Repurchase Agreements collateralized by the U.S. Government may be purchased through any registered primary broker-dealer subject to the Securities Investors Protection Act, or any commercial bank insured by the Federal Deposit Insurance Corporation so long as at the time of the investment, such primary dealer (or its parent) has an uninsured, unsecured, and unguaranteed obligation rated P-1 short-term, or A-2 long-term, or better, by Moody's, and A-1 short-term, or A long-term, or better, by Standard & Poor's, provided:
- A broker-dealer master repurchase agreement signed by the Investment Manager (acting as "Agent") and approved by CalOptima;
 - The securities are held free and clear of any lien by CalOptima's custodian or an independent third party acting as agent ("Agent") for the custodian, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than fifty million dollars (\$50,000,000) and the custodian receives written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for CalOptima's custodian;
 - A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at Title 31, Code of Federal Regulations, Section 306.1 et seq., and such securities are created for the benefit of CalOptima's custodian and CalOptima; and
 - The Agent will notify CalOptima's custodian and CalOptima if the valuation of the collateral securities falls outside of policy. Upon direction by the CalOptima Treasurer, the Agent will liquidate the collateral securities if any deficiency in the required one hundred and two percent (102%) collateral percentage is not restored within one (1) business day of such valuation.

ii. Maximum Term:

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

iii. Reverse repurchase agreements are not allowed.

h. Corporate Securities

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

ii. Maximum Term:

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

i. Money Market Funds

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

j. Joint Powers Authority Pool

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

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

iv. Maximum Term:

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

k. Mortgage or Asset-backed Securities

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

iv. Maximum Term:

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

l. Variable and Floating Rate Securities

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

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

iii. Maximum Term:

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

m. Supranational Obligations

- i. The three (3) supranational institutions that issue, or unconditionally guarantee, obligations that are eligible investments are:
- a) International Bank for Reconstruction and Development (IBRD);
- b) International Finance Corporation (IFC); and
- c) Inter-American Development Bank (IADB).
- ii. Supranational obligations shall be rated AA by two (2) of the three (3) largest nationally recognized rating services.

iii. Maximum Term:

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

n. Pooled Investments

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

E. Diversification Guidelines

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

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

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

ii. Any one repurchase agreement counterparty name:

If maturity/term is ≤ 7 days: 50%

If maturity/term is > 7 days: 25%

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

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

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

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

ii. Within the parameters authorized by the Code, the Investment Advisory Committee recognizes the practicalities of portfolio management, securities maturing and changing status, and market volatility, and, as such, will consider breaches in:

a) The context of the amount in relation to the total portfolio concentration;

b) Market and security specific conditions contributing to a breach of this Policy; and

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

F. Maximum Stated Term

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

G. Rating Downgrades

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

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

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

H. Investment Restrictions

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

IV. ATTACHMENTS

Not Applicable

V. REFERENCES

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

VI. REGULATORY AGENCY APPROVALS

- A. None to Date

VII. BOARD ACTIONS

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

VIII. REVIEW/REVISION HISTORY

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

1 IX. GLOSSARY

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

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

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

Term	Definition
Market Risk	The risk of market value fluctuations due to overall changes in the general level of interest rates.
Maturity Dates	The date on which the principal amount of a note, draft, acceptance bond or another debt instrument becomes due and is repaid to the investor and interest payments stop. It is also the termination or due date on which an installment loan must be paid in full.
Medium Term Notes (MTN)	A debt note that usually matures (is paid back) in five (5) – ten (10) years, but the term may be less than one (1) year or as long as one hundred (100) years. They can be issued on a fixed or floating coupon basis.
Negotiable Certificates of Deposit	A negotiable (i.e., marketable or transferable) receipt for a time deposit at a bank or other financial institution, for a fixed time and interest rate.
Operating Funds	Funds intended to serve as a money market account for CalOptima to meet daily operating requirements. Deposits to this fund are comprised of State warrants that represent CalOptima's monthly capitation revenues from its State contracts. Disbursements from this fund to CalOptima's operating cash accounts are intended to meet operating expenses, payments to providers and other payments required in day-to-day operations.
Prudent Person Standard	When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (California Government Code, Section 53600.3)
Rate of Return	The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost. Gains on investments are defined as income received plus any capital gains realized on the sale of the investment.
Rating Category	With respect to any long-term category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier.
Repurchase Agreements	A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date.
Risk	Investment risk can be defined as the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Description: Stating simply, it is a measure of the level of uncertainty of achieving the returns as per the expectations of the investor.
State and California Local Agency Obligations	Registered warrants, notes or bonds of any of the fifty (50) U.S. states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the fifty (50) U.S. states. Additionally, bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of revenues from a revenue producing property owned, controlled, or operated by the state or local agency, or by a department, board, agency or authority of the State or local agency.

Term	Definition
Supranational Institutions	International institutions formed by two (2) or more governments that transcend boundaries to pursue mutually beneficial economic or social goals.
Surplus	Assets beyond liabilities.
Underlying Pool of Securities	Those securities and obligations that are eligible for direct investment by local public agencies.
Valuation	An estimation of the worth of a financial instrument or asset. CalOptima's asset managers provide CalOptima with reporting that shows the valuation of each financial instrument that they own on behalf of CalOptima. Each asset manager uses a variety of market sources to determine individual valuations.

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken November 15, 2018 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

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

Contact

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

Recommended Action

Recommend the CalOptima Board of Directors reappoint David Young for a two-year term on the CalOptima Board of Directors' Investment Advisory Committee ending October 7, 2020.

Background

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

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

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

Discussion

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

David Young has served as a member of the IAC since June 4, 2009. Mr. Young is founder and Chief Executive Officer of Anfield Group, LLC, a financial consulting and investment advisory firm. In 2008, he retired as Executive Vice President and Account Manager of Pacific Investment Management Company (PIMCO) and rejoined the University of California, Irvine (UCI), Paul Merage School of Business as Adjunct Professor. From 1999 to 2006, he was head of PIMCO's account management

group in London. Prior to that, Mr. Young held positions at Analytic Investment Management, Smith Barney, and Harris Upham. He has over 30 years of investment experience and is a Certified Financial Advisor (CFA). In addition, Mr. Young is a member of the CFA Society of Orange County Board of Directors, and the chair of its Investment Committee. He also is board member of the UCI Paul Merage School of Business Center for Investment & Wealth Management Executive Committee and chairs its Journal editorial board. Mr. Young received his undergraduate degree and M.B.A from UCI.

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

Fiscal Impact

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

Rationale for Recommendation

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

Concurrence

Gary Crockett, Chief Counsel
Board of Directors' Investment Advisory Committee

Attachment

None

/s/ Michael Schrader
Authorized Signature

11/8/2018
Date



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Intergovernmental Transfer (IGT) Funding Update

**Finance and Audit Committee
November 15, 2018**

Greg Hamblin, Chief Financial Officer

Agenda

- Background: CalOptima Share of IGT Funding
- Impact of Final Rule
- Fiscal Impact of IGT 8 & 9
- Potential Strategic Areas for IGT 8 & 9
 - Medi-Cal P4V Program Measures
- Summary

Background: CalOptima Share of IGT Funding

IGT Number	Funding Year	CalOptima Share	Key Points
1	2010-11	\$12.8M	<ul style="list-style-type: none"> IGT 1-7 implemented prior to federal Medicaid and CHIP Final Rule
2	2011-12	\$8.7M	
3	2012-13	\$4.9M	
4	2013-14	\$7.0M	
5	2014-15	\$14.4M	
6	2015-16	\$15.2M	
7	2016-17	\$15.9M	
8 (est.)	2017-18	\$43.2M	<ul style="list-style-type: none"> Effective July 2017, the Final Rule prohibits retrospective payments to Medicaid managed care plans DHCS implemented a new payment model for IGT funding
9 (est.)	2018-19	\$45.6M	

Impact of Final Rule

	IGT 1 – 7	IGT 8 and After
Purpose	To enhance the health of Medi-Cal members we serve	To enhance Medi-Cal covered services
Rate	Retrospective calculation of Medi-Cal costs for prior rate years	Prospective payment model; included in our capitation rates from DHCS for the current year
Permitted Use	Fund enhanced services not already paid for or provided under our DHCS contract	Must be tied to Medi-Cal covered services provided under our DHCS contract
Operations	Reflected below the line and considered a pass through payment; no impact on the regular income statement	Part of our operating income and expenses and can plan during our normal budget process

Fiscal Impact of IGT 8 & 9

Description	FY 2017-18	FY 2018-19 Budget
Consolidated Revenue without IGT	\$3.45B	\$3.46B
IGT Revenue (Funding Partners & CalOptima)	\$0.13B	\$0.14B
Total Revenue including IGT	\$3.58B	\$3.60B
CalOptima Share of IGT Funding	\$0.04B	\$0.05B
<i>% CalOptima IGT/ Total Revenue</i>	<i>1.2%</i>	<i>1.3%</i>

- IGT 8 & 9 is drastically different from previous IGTs as it will include:
 - ACA funding formula for the Medicaid Expansion population (i.e., 95/5 federal/state split)
 - ACA enhanced federal funding for the CHIP population (88/12 federal/state split)

Potential Strategic Areas for IGT 8 & 9

- Starting with IGT 8
 - Must be used for Medi-Cal covered services included in CalOptima's DHCS contract
 - We already pay for contracted Medi-Cal services
 - Funding is not eligible to be used for non-contracted Medi-Cal services
 - Funding is not eligible for services that are NOT included in CalOptima's DHCS contract; has to be used for contracted services
 - Funding can be used to pay for contracted Medi-Cal services through:
 - Multi-year strategic provider rate changes
 - Increased funding of incentive programs/payouts
 - Advantage of increasing funding to existing incentive programs:
Drive outcomes that improve quality of care for members
 - Increase member satisfaction
 - Direct provider behavior and improve outcomes

Potential Strategic Areas for IGT 8 & 9 (cont.)

Strategic Area	Initiatives
Increase member access to health services/providers	<ul style="list-style-type: none">• Offer incentives to address identified barriers to access<ul style="list-style-type: none">➤ Target key specialties, including skilled nursing facilities and long term care➤ Target services, including after-hours office visits• Reduce readmissions through post-hospitalization follow-up<ul style="list-style-type: none">➤ Post-transition primary care provider access incentives➤ Nurse practitioner home visit
Increase Population Health Management	<ul style="list-style-type: none">• Member health education and preventive services<ul style="list-style-type: none">➤ Implement texting outreach system• Trauma-informed care<ul style="list-style-type: none">➤ Required education and training• Pre-diabetes program<ul style="list-style-type: none">➤ Implement additional new requirements

Potential Strategic Areas for IGT 8 & 9 (cont.)

Strategic Area	Initiatives
Increase services related to Member Health Enhancement Programs	<ul style="list-style-type: none">• Maternal Mental Health Program during pregnancy and postpartum<ul style="list-style-type: none">➤ Make enhancements to Bright Steps program• Field-based special population personal care coordinators (PCC) at high-volume clinics or FQHCs• Pain management program<ul style="list-style-type: none">➤ Enhanced services to link to prior IGT initiative to address the opioid crisis• Extend 24/7 nurse triage service to Medi-Cal members
Provider Rates	<ul style="list-style-type: none">• Which providers and how much?<ul style="list-style-type: none">➤ Hospitals➤ Primary Care➤ Specialists➤ Behavioral Health• Needs to be strategic; incentives will drive outcomes vs. straight-up rate increases

Potential Strategic Areas for IGT 8 & 9 (cont.)

- Pay for Value (P4V) Program

- Background

- Recognizes and rewards health networks and CCN providers for demonstrating quality performance
 - Provides comparative information for members, providers and the public on CalOptima's performance against industry benchmarks
 - When combined with public reporting on quality, provides accountability for the additional funding providers receive based on quality performance
 - Current PMPM for Medi-Cal P4V incentive funds if \$2.00
 - Other California Medicaid P4V programs funded at \$4.00 - \$5.00 PMPM

- Recommendations

- Consider using IGT funds to raise PMPM from \$2.00 to \$4.00 - \$5.00 for Medi-Cal P4V program
 - Consider using IGT funds for additional member incentive dollars to promote participation in Population Health Programs

Medi-Cal P4V Program Measures

2018-19 Measurement Year Measures

Adult Clinical Measures

Child Clinical Measures

Adult Access to Preventive Care Services

Adolescent Well-Care Visits

Avoidance of Antibiotic Treatment in Adults with Bronchitis

Appropriate Testing for Children with Pharyngitis

Breast Cancer Screening

Appropriate Treatment for Children with URI

Cervical Cancer Screening

Childhood Immunizations: Combo 10

Diabetes Care: A1C Testing

Children's' Access to Primary Care Physicians: 12-19 yrs

Diabetes Care: Retinal Eye Exams

Medication Management for People with Asthma:
5-11 years 75% covered

Medication Management for People with
Asthma: 19-50 years 75% covered

Well-Child Visits 3-6 years

Well Child Visits in the First 15 months of Life:
six well child visits

Adult and Child Member Experience Measures

Getting Care Quickly

How Well Doctors Communicate

Getting Needed Care

Rating of PCP

Summary

- IGT 8 and 9
 - Funding has to be:
 - Used for Medi-Cal members
 - Tied to Medi-Cal covered services included in CalOptima's DHCS contract
 - DHCS is not allowed to direct CalOptima's expenditure of the IGT payments
 - CalOptima will record IGT revenues and expenses as part of our Income and Expense
 - IGT funds were considered a pass through in prior years
 - IGT is authorized only one year at a time
 - Subject to change or potential elimination by DHCS
 - IGT expenditures need to be for a limited time and amount
 - Strategic funding in order to maximize impact to CalOptima's members
 - Increase member satisfaction and access to care



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Financial Summary

September 2018

Board of Directors' Finance and Audit Committee Meeting
November 15, 2018

Greg Hamblin
Chief Financial Officer

FY 2018-19: Consolidated Enrollment

- September 2018 MTD:
 - Overall enrollment was 774,440 member months
 - Actual lower than budget 10,259 or 1.3%
 - Medi-Cal: unfavorable variance of 10,103 members
 - Temporary Assistance for Needy Families (TANF) unfavorable variance of 5,194 members
 - Medi-Cal Expansion (MCE) unfavorable variance of 4,230
 - Senior Persons with Disabilities (SPD) unfavorable variance of 586 members
 - Long-Term Care (LTC) unfavorable variance of 93
 - OneCare Connect: unfavorable variance of 210 members
 - 1,401 decrease from prior month
 - Medi-Cal: decrease of 2,936 from August
 - OneCare Connect: increase of 1,544 from August
 - OneCare: decrease of 9 from August
 - PACE: no change from August

FY 2018-19: Consolidated Enrollment (cont.)

- September 2018 YTD:
 - Overall enrollment was 2,328,815 member months
 - Actual lower than budget 25,860 or 1.1%
 - Medi-Cal: unfavorable variance of 25,548 members or 1.1%
 - TANF unfavorable variance of 13,282 members
 - MCE unfavorable variance of 11,103 members
 - SPD unfavorable variance of 925 members
 - LTC unfavorable variance of 238 members
 - OneCare Connect: unfavorable variance of 503 members or 1.1%
 - OneCare: favorable variance of 177 or 4.5%
 - PACE: favorable variance of 14 members or 1.7%

FY 2018-19: Consolidated Revenues

- September 2018 MTD:
 - Actual lower than budget \$3.2 million or 1.2%
 - Medi-Cal: unfavorable to budget \$3.0 million or 1.2%
 - Unfavorable volume variance of \$3.3 million
 - Favorable price variance of \$0.2 million
 - OneCare Connect: unfavorable to budget \$0.3 million or 1.4%
 - Unfavorable volume variance of \$0.4 million
 - OneCare: favorable to budget \$100.8 thousand or 6.3%
 - Favorable volume variance of \$61.6 thousand
 - Favorable price variance of \$39.2 thousand
 - PACE: favorable to budget \$67.2 thousand or 3.3%
 - Favorable volume variance of \$21.7 thousand
 - Favorable price variance of \$45.5 thousand

FY 2018-19: Consolidated Revenues (cont.)

- September 2018 YTD:
 - Actual lower than budget \$0.9 million or 0.1%
 - Medi-Cal: unfavorable to budget \$3.9 million or 0.5%
 - Unfavorable volume variance of \$8.2 million
 - Favorable price variance of \$4.4 million due to:
 - \$4.7 million of FY18 LTC revenue from non-LTC aid codes
 - \$3.3 million of FY18 Coordinated Care Initiative (CCI) revenue
 - \$1.1 million of FY18 Applied Behavioral Analysis (ABA) revenue
 - \$1.2 million of FY18 Hepatitis C revenue
 - (\$5.9) million of FY19 non-LTC revenue from non-LTC aid codes
 - (\$1.2) million of FY19 ABA revenue

FY 2018-19: Consolidated Revenues (cont.)

- September 2018 YTD:
 - OneCare Connect: favorable to budget \$3.7 million or 5.0%
 - Unfavorable volume variance of \$0.8 million
 - Favorable price variance of \$4.6 million related to prior year Part D revenue adjustment and \$1.7 million from 2016 Quality Withhold payback
 - OneCare: Unfavorable to budget \$1.0 million or 22.0%
 - Favorable volume variance of \$0.2 million
 - Unfavorable price variance of \$1.3 million due to Centers for Medicare & Medicaid Services (CMS) revenue adjustment as a result of calendar year 2016 Hierarchical Condition Category (HCC) reconciliation
 - PACE: favorable to budget \$0.2 million or 3.7%
 - Favorable volume variance of \$0.1 million
 - Favorable price variance of \$0.1 million

FY 2018-19: Consolidated Medical Expenses

- September 2018 MTD:

- Actual lower than budget \$9.0 million or 3.5%

- Medi-Cal: favorable variance of \$7.7 million

- Favorable volume variance of \$3.1 million

- Favorable price variance of \$4.7 million

- Professional Claim expenses favorable variance of \$9.3 million due to Child Health and Disability Prevention Program (CHDP) and Proposition 56 expenses recorded in Provider Capitation, Behavioral Health Treatment (BHT), and claims Incurred But Not Reported (IBNR) restatement

- Prescription Drug expenses favorable variance of \$3.2 million

- Provider Capitation expenses unfavorable variance of \$4.0 million due to Proposition 56 expense and CHDP that was budgeted in Professional Claim expenses

- Facilities expenses unfavorable variance of \$3.7 million due to higher inpatient and outpatient claims and IBNR restatement

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

- September 2018 MTD:
 - OneCare Connect: favorable variance of \$1.1 million or 4.7%
 - Favorable volume variance of \$0.3 million
 - Favorable price variance of \$0.8 million
 - OneCare: favorable variance of \$48.0 thousand
 - PACE: favorable variance of \$120.2 thousand

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

- September 2018 YTD:

- Actual lower than budget \$7.1 million or 0.9%

- Medi-Cal: favorable variance of \$5.9 million

- Favorable volume variance of \$7.8 million

- Unfavorable price variance of \$2.0 million

- Professional Claim expenses favorable variance of \$14.3 million

- Facilities expenses unfavorable variance of \$11.6 million

- Provider Capitation expenses unfavorable variance of \$10.8 million

- Prescription Drug expenses favorable variance of \$4.6 million

- OneCare Connect: favorable variance of \$0.5 million

- Favorable volume variance of \$0.8 million

- Unfavorable price variance of \$0.3 million

- Medical Loss Ratio (MLR):

- September 2018 MTD: Actual: 91.9% Budget: 94.0%

- September 2018 YTD: Actual: 94.3% Budget: 95.1%

FY 2018-19: Consolidated Administrative Expenses

- September 2018 MTD:
 - Actual lower than budget \$2.8 million or 22.7%
 - Salaries, wages and benefits: favorable variance of \$1.4 million
 - Other categories: favorable variance of \$1.4 million
- September 2018 YTD:
 - Actual lower than budget \$7.9 million or 20.8%
 - Salaries, wages & benefits: favorable variance of \$4.1 million
 - Purchased Services: favorable variance of \$1.2 million
 - Other categories: favorable variance of \$2.6 million
- Administrative Loss Ratio (ALR):
 - September 2018 MTD: Actual: 3.4% Budget: 4.4%
 - September 2018 YTD: Actual: 3.6% Budget: 4.6%

FY 2018-19: Change in Net Assets

- September 2018 MTD:
 - \$14.1 million surplus
 - \$9.3 million favorable to budget
 - Lower than budgeted revenue of \$3.2 million
 - Lower than budgeted medical expenses of \$9.0 million
 - Lower than budgeted administrative expenses of \$2.8 million
 - Higher than budgeted investment and other income of \$0.8 million
- September 2018 YTD:
 - \$23.6 million surplus
 - \$19.4 million favorable to budget
 - Lower than budgeted revenue of \$0.9 million
 - Lower than budgeted medical expenses of \$7.1 million
 - Lower than budgeted administrative expenses of \$7.9 million
 - Higher than budgeted investment and other income of \$5.4 million

Enrollment Summary:

September 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,892	64,219	(327)	(0.5%)	Aged	191,296	191,985	(689)	(0.4%)
620	620	-	0.0%	BCCTP	1,862	1,860	2	0.1%
46,863	47,122	(259)	(0.5%)	Disabled	141,101	141,339	(238)	(0.2%)
311,532	315,672	(4,140)	(1.3%)	TANF Child	938,815	948,571	(9,756)	(1.0%)
94,075	95,129	(1,054)	(1.1%)	TANF Adult	282,899	286,425	(3,526)	(1.2%)
3,378	3,471	(93)	(2.7%)	LTC	10,142	10,380	(238)	(2.3%)
237,738	241,968	(4,230)	(1.7%)	MCE	713,489	724,592	(11,103)	(1.5%)
758,098	768,201	(10,103)	(1.3%)	Medi-Cal	2,279,604	2,305,152	(25,548)	(1.1%)
14,681	14,891	(210)	(1.4%)	OneCare Connect	44,217	44,720	(503)	(1.1%)
286	283	3	1.1%	PACE	845	831	14	1.7%
1,375	1,324	51	3.9%	OneCare	4,149	3,972	177	4.5%
774,440	784,699	(10,259)	(1.3%)	CalOptima Total	2,328,815	2,354,675	(25,860)	(1.1%)

Financial Highlights: September 2018

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Budget	% Budget		Actual	Budget	\$ Budget	% Budget
774,440	784,699	(10,259)	(1.3%)	Member Months	2,328,815	2,354,675	(25,860)	(1.1%)
273,800,098	277,026,096	(3,225,998)	(1.2%)	Revenues	826,777,831	827,714,656	(936,825)	(0.1%)
251,502,394	260,513,607	9,011,213	3.5%	Medical Expenses	779,893,304	786,968,561	7,075,257	0.9%
9,390,986	12,154,367	2,763,380	22.7%	Administrative Expenses	29,910,746	37,782,748	7,872,002	20.8%
12,906,718	4,358,122	8,548,596	196.2%	Operating Margin	16,973,781	2,963,347	14,010,434	472.8%
1,187,626	416,667	770,959	185.0%	Non Operating Income (Loss)	6,620,944	1,250,000	5,370,943	429.7%
14,094,345	4,774,789	9,319,556	195.2%	Change in Net Assets	23,594,724	4,213,347	19,381,377	460.0%
91.9%	94.0%	2.2%		Medical Loss Ratio	94.3%	95.1%	0.7%	
3.4%	4.4%	1.0%		Administrative Loss Ratio	3.6%	4.6%	0.9%	
<u>4.7%</u>	<u>1.6%</u>	3.1%		Operating Margin Ratio	<u>2.1%</u>	<u>0.4%</u>	1.7%	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: September 2018 (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
12.1	5.0	7.1	Medi-Cal	14.7	5.9	8.8
0.4	(0.6)	1.0	OCC	2.3	(2.8)	5.1
0.1	(0.0)	0.2	OneCare	(0.8)	(0.2)	(0.6)
<u>0.3</u>	<u>0.0</u>	<u>0.2</u>	<u>PACE</u>	<u>0.8</u>	<u>0.1</u>	<u>0.7</u>
12.9	4.4	8.6	Operating	17.0	3.0	14.0
<u>1.2</u>	<u>0.4</u>	<u>0.7</u>	<u>Inv./Rental Inc, MCO tax</u>	<u>6.6</u>	<u>1.3</u>	<u>5.4</u>
1.2	0.4	0.7	Non-Operating	6.6	1.3	5.4
14.1	4.8	9.3	TOTAL	23.6	4.2	19.4

Consolidated Revenue & Expense:

September 2018 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	520,360	237,738	758,098	14,681	1,375	286	774,440
REVENUES							
Capitation Revenue	\$ 135,130,436	\$ 110,296,653	\$ 245,427,089	\$ 24,555,512	\$ 1,701,094	\$ 2,116,403	\$ 273,800,098
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>135,130,436</u>	<u>110,296,653</u>	<u>245,427,089</u>	<u>24,555,512</u>	<u>1,701,094</u>	<u>2,116,403</u>	<u>273,800,098</u>
MEDICAL EXPENSES							
Provider Capitation	36,001,129	50,216,249	86,217,378	11,050,443	384,233		97,652,054
Facilities	23,349,178	22,765,565	46,114,743	3,034,809	395,068	348,991	49,893,610
Ancillary	-	-	-	457,963	6,478	-	464,441
Professional Claims	13,627,334	4,965,744	18,593,078	-	-	472,748	19,065,826
Prescription Drugs	16,094,887	18,423,410	34,518,297	5,074,377	505,809	147,835	40,246,318
MLTSS	32,388,120	2,919,672	35,307,792	1,409,972	116,360	136	36,834,259
Medical Management	1,999,850	1,022,897	3,022,747	1,059,509	50,125	573,304	4,705,685
Quality Incentives	771,871	407,784	1,179,654	280,460		2,860	1,462,974
Reinsurance & Other	458,623	329,773	788,396	204,511	4,862	179,458	1,177,226
Total Medical Expenses	<u>124,690,991</u>	<u>101,051,093</u>	<u>225,742,085</u>	<u>22,572,043</u>	<u>1,462,934</u>	<u>1,725,332</u>	<u>251,502,394</u>
Medical Loss Ratio	92.3%	91.6%	92.0%	91.9%	86.0%	81.5%	91.9%
GROSS MARGIN	10,439,445	9,245,560	19,685,005	1,983,468	238,160	391,071	22,297,704
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			5,350,469	717,406	29,554	89,178	6,186,608
Professional fees			155,152	58,557	14,666	112	228,486
Purchased services			539,539	179,407	20,782	7,115	746,843
Printing & Postage			384,396	24,095	(1,120)	14,676	422,047
Depreciation & Amortization			392,048			2,074	394,122
Other expenses			1,003,914	30,118	-	2,209	1,036,241
Indirect cost allocation & Occupancy			(218,887)	557,394	34,965	3,168	376,639
Total Administrative Expenses			<u>7,606,630</u>	<u>1,566,977</u>	<u>98,848</u>	<u>118,532</u>	<u>9,390,986</u>
Admin Loss Ratio			3.1%	6.4%	5.8%	5.6%	3.4%
INCOME (LOSS) FROM OPERATIONS			12,078,375	416,492	139,312	272,539	12,906,718
INVESTMENT INCOME							1,157,657
TOTAL GRANT INCOME			29,674				29,674
OTHER INCOME			295				295
CHANGE IN NET ASSETS			<u>\$ 12,108,345</u>	<u>\$ 416,492</u>	<u>\$ 139,312</u>	<u>\$ 272,539</u>	<u>\$ 14,094,345</u>

Consolidated Revenue & Expense:

September 2018 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
MEMBER MONTHS	1,566,115	713,489	2,279,604	44,217	4,149	845	2,328,815
REVENUES							
Capitation Revenue	\$ 405,310,027	\$ 332,992,311	\$ 738,302,338	\$ 78,522,966	\$ 3,709,001	\$ 6,243,526	\$ 826,777,831
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>405,310,027</u>	<u>332,992,311</u>	<u>738,302,338</u>	<u>78,522,966</u>	<u>3,709,001</u>	<u>6,243,526</u>	<u>826,777,831</u>
MEDICAL EXPENSES							
Provider Capitation	107,613,097	150,274,278	257,887,375	35,462,557	834,400		294,184,332
Facilities	71,031,671	69,748,142	140,779,813	9,221,116	1,554,167	1,138,148	152,693,245
Ancillary	-	-	-	1,590,648	64,404	-	1,655,052
Professional Claims	48,481,531	19,661,049	68,142,581	-	-	1,272,955	69,415,535
Prescription Drugs	51,771,338	58,696,402	110,467,740	16,244,579	1,305,642	434,783	128,452,744
MLTSS	98,274,313	8,711,593	106,985,906	4,126,357	314,907	966	111,428,136
Medical Management	6,101,954	2,831,590	8,933,544	3,233,301	166,451	1,722,535	14,055,831
Quality Incentives	2,316,106	1,217,855	3,533,960	841,480		8,450	4,383,890
Reinsurance & Other	1,625,667	766,987	2,392,654	686,415	17,862	527,609	3,624,540
Total Medical Expenses	<u>387,215,676</u>	<u>311,907,896</u>	<u>699,123,572</u>	<u>71,406,453</u>	<u>4,257,833</u>	<u>5,105,446</u>	<u>779,893,304</u>
Medical Loss Ratio	95.5%	93.7%	94.7%	90.9%	114.8%	81.8%	94.3%
GROSS MARGIN	18,094,351	21,084,415	39,178,766	7,116,513	(548,833)	1,138,080	46,884,527
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			17,247,439	2,265,612	87,911	274,902	19,875,865
Professional fees			506,285	66,890	44,000	336	617,512
Purchased services			1,915,309	551,809	50,327	24,215	2,541,660
Printing & Postage			900,076	124,501	5,618	21,077	1,051,272
Depreciation & Amortization			1,197,790			6,222	1,204,012
Other expenses			3,369,143	126,120	60	(726)	3,494,596
Indirect cost allocation & Occupancy			(660,650)	1,672,182	104,895	9,402	1,125,829
Total Administrative Expenses			<u>24,475,392</u>	<u>4,807,114</u>	<u>292,812</u>	<u>335,428</u>	<u>29,910,746</u>
Admin Loss Ratio			3.3%	6.1%	7.9%	5.4%	3.6%
INCOME (LOSS) FROM OPERATIONS			14,703,374	2,309,399	(841,645)	802,653	16,973,781
INVESTMENT INCOME							6,620,364
OTHER INCOME			580				580
CHANGE IN NET ASSETS			<u>\$ 14,703,953</u>	<u>\$ 2,309,399</u>	<u>\$ (841,645)</u>	<u>\$ 802,653</u>	<u>\$ 23,594,724</u>

Balance Sheet:

As of September 2018

ASSETS

Current Assets

Operating Cash	\$526,049,187
Investments	448,077,160
Capitation receivable	276,409,875
Receivables - Other	24,651,358
Prepaid expenses	5,425,513

Total Current Assets	1,280,613,092
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Capital Assets

Furniture & Equipment	34,328,849
Building/Leasehold Improvements	8,450,614
505 City Parkway West	49,743,943
	92,523,406
Less: accumulated depreciation	(42,726,533)
Capital assets, net	49,796,873

Other Assets

Restricted Deposit & Other	300,000
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Board-designated assets

Cash and Cash Equivalents	9,445,741
Long-term Investments	531,035,490
Total Board-designated Assets	540,481,230

Total Other Assets	540,781,230
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TOTAL ASSETS	1,871,191,196
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Deferred Outflows

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

TOTAL ASSETS & DEFERRED OUTFLOWS	1,882,324,246
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LIABILITIES & FUND BALANCES

Current Liabilities

Accounts Payable	\$37,401,847
Medical Claims liability	793,283,942
Accrued Payroll Liabilities	11,840,799
Deferred Revenue	86,708,180
Deferred Lease Obligations	101,741
Capitation and Withholds	114,416,290

Total Current Liabilities	1,043,752,798
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Other (than pensions) post

employment benefits liability	24,937,253
Net Pension Liabilities	24,978,524
Bldg 505 Development Rights	100,000

TOTAL LIABILITIES	1,093,768,575
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Deferred Inflows

Change in Assumptions	3,329,380
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TNE	83,012,013
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Funds in Excess of TNE	702,214,278
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Net Assets	785,226,291
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TOTAL LIABILITIES & FUND BALANCES	1,882,324,246
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Board Designated Reserve and TNE Analysis As of September 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,932,482				
	Tier 1 - Logan Circle	147,797,556				
	Tier 1 - Wells Capital	147,252,243				
Board-designated Reserve						
		442,982,281	315,046,704	485,643,298	127,935,577	(42,661,016)
TNE Requirement	Tier 2 - Logan Circle	97,498,949	83,012,013	83,012,013	14,486,936	14,486,936
	Consolidated:	540,481,230	398,058,718	568,655,311	142,422,513	(28,174,081)
	<i>Current reserve level</i>	<i>1.90</i>	<i>1.40</i>	<i>2.00</i>		



UNAUDITED FINANCIAL STATEMENTS

September 2018

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**CalOptima - Consolidated
Financial Highlights
For the Three Months Ended September 30, 2018**

Month-to-Date			
Actual	Budget	\$ Budget	% Budget
774,440	784,699	(10,259)	(1.3%)
273,800,098	277,026,096	(3,225,998)	(1.2%)
251,502,394	260,513,607	9,011,213	3.5%
9,390,986	12,154,367	2,763,380	22.7%
12,906,718	4,358,122	8,548,596	196.2%
1,187,626	416,667	770,959	185.0%
14,094,345	4,774,789	9,319,556	195.2%
91.9%	94.0%	2.2%	
3.4%	4.4%	1.0%	
<u>4.7%</u>	<u>1.6%</u>	3.1%	
100.0%	100.0%		

Member Months
Revenues
Medical Expenses
Administrative Expenses

Operating Margin

Non Operating Income (Loss)

Change in Net Assets

Medical Loss Ratio
Administrative Loss Ratio
Operating Margin Ratio
Total Operating

Year-to-Date			
Actual	Budget	\$ Budget	% Budget
2,328,815	2,354,675	(25,860)	(1.1%)
826,777,831	827,714,656	(936,825)	(0.1%)
779,893,304	786,968,561	7,075,257	0.9%
29,910,746	37,782,748	7,872,002	20.8%
16,973,781	2,963,347	14,010,434	472.8%
6,620,944	1,250,000	5,370,943	429.7%
23,594,724	4,213,347	19,381,377	460.0%
94.3%	95.1%	0.7%	
3.6%	4.6%	0.9%	
<u>2.1%</u>	<u>0.4%</u>	1.7%	
100.0%	100.0%		

CalOptima
Financial Dashboard
For the Three Months Ended September 30, 2018

MONTH - TO - DATE

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	758,098	768,201 ↓	(10,103)	(1 3%)
OneCare Connect	14,681	14,891 ↓	(210)	(1 4%)
OneCare	1,375	1,324 ↑	51	3 9%
PACE	286	283 ↑	3	1 1%
Total	774,440	784,699 ↓	(10,259)	(1 3%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 12,108	\$ 4,988 ↑	\$ 7,120	142 8%
OneCare Connect	416	(622) ↑	1,039	166 9%
OneCare	139	(40) ↑	179	447 5%
PACE	273	33 ↑	240	727 5%
505 Bldg	-	- ↑	-	0 0%
Investment Income & Other	1,158	417 ↑	741	177 7%
Total	\$ 14,094	\$ 4,776 ↑	\$ 9,318	195 1%

MLR	Actual	Budget	% Point Var	
Medi-Cal	92 0%	94 0% ↑	2 0	
OneCare Connect	91 9%	95 1% ↑	3 2	
OneCare	86 0%	94 4% ↑	8 4	

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,607	\$ 10,020 ↑	\$ 2,414	24 1%
OneCare Connect	1,567	1,834 ↑	267	14 5%
OneCare	99	129 ↑	31	23 6%
PACE	119	171 ↑	52	30 6%
Total	\$ 9,391	\$ 12,154 ↑	\$ 2,763	22 7%

Total FTE s Month	Actual	Budget	Fav / (Unfav)	
Medi-Cal	927	1,054	127	
OneCare Connect	221	234	13	
OneCare	5	6	1	
PACE	59	79	20	
Total	1,212	1,373	161	

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	817	729	89	
OneCare Connect	66	64	3	
OneCare	279	221	58	
PACE	5	4	1	
Total	1,168	1,016	151	

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	2,279,604	2,305,152 ↓	(25,548)	(1 1%)
OneCare Connect	44,217	44,720 ↓	(503)	(1 1%)
OneCare	4,149	3,972 ↑	177	4 5%
PACE	845	831 ↑	14	1 7%
Total	2,328,815	2,354,675 ↓	(25,860)	(1 1%)

Change in Net Assets (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 14,704	\$ 5,931 ↑	\$ 8,773	147 9%
OneCare Connect	2,309	(2,835) ↓	5,144	181 5%
OneCare	(842)	(198) ↓	(643)	(324 1%)
PACE	803	65 ↑	738	1129 6%
505 Bldg	-	- ↑	-	0 0%
Investment Income & Other	6,621	1,250 ↑	5,371	429 7%
Total	\$ 23,595	\$ 4,213 ↑	\$ 19,382	460 1%

MLR	Actual	Budget	% Point Var	
Medi-Cal	94 7%	95 0% ↑	0 3	
OneCare Connect	90 9%	96 2% ↑	5 3	
OneCare	114 8%	95 9% ↓	(18 9)	

Administrative Cost (000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 24,475	\$ 31,246 ↑	\$ 6,771	21 7%
OneCare Connect	4,807	5,665 ↑	857	15 1%
OneCare	293	396 ↑	103	26 0%
PACE	335	477 ↑	141	29 6%
Total	\$ 29,911	\$ 37,783 ↑	\$ 7,872	20 8%

Total FTE s YTD	Actual	Budget	Fav / (Unfav)	
Medi-Cal	2,783	3,118	336	
OneCare Connect	659	702	43	
OneCare	14	18	4	
PACE	178	223	45	
Total	3,634	4,061	427	

MM per FTE	Actual	Budget	Fav / (Unfav)	
Medi-Cal	819	739	80	
OneCare Connect	67	64	3	
OneCare	306	221	86	
PACE	5	4	1	
Total	1,197	1,027	170	

CalOptima - Consolidated
Statement of Revenues and Expenses
For the One Month Ended September 30, 2018

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	774,440		784,700		(10,260)	
REVENUE						
Medi-Cal	\$ 245,427,089	\$ 323 74	\$ 248,476,558	\$ 323 45	\$ (3,049,468)	\$ 0 29
OneCare Connect	24,555,512	1,672 60	24,900,078	1,672 04	(344,566)	0 56
OneCare	1,701,094	1,237 16	1,600,255	1,208 65	100,839	28 51
PACE	2,116,403	7,400 01	2,049,205	7,241 01	67,198	159 00
Total Operating Revenue	<u>273,800,098</u>	<u>353 55</u>	<u>277,026,096</u>	<u>353 03</u>	<u>(3,225,998)</u>	<u>0 52</u>
MEDICAL EXPENSES						
Medi-Cal	225,742,085	297 77	233,468,419	303 92	7,726,334	6 15
OneCare Connect	22,572,043	1,537 50	23,688,789	1,590 71	1,116,746	53 21
OneCare	1,462,934	1,063 95	1,510,900	1,141 16	47,965	77 21
PACE	1,725,332	6,032 63	1,845,499	6,521 20	120,167	488 57
Total Medical Expenses	<u>251,502,394</u>	<u>324 75</u>	<u>260,513,607</u>	<u>331 99</u>	<u>9,011,213</u>	<u>7 24</u>
GROSS MARGIN	22,297,704	28 80	16,512,489	21 04	5,785,215	7 76
ADMINISTRATIVE EXPENSES						
Salaries and benefits	6,186,608	7 99	7,555,479	9 63	1,368,872	1 64
Professional fees	228,486	0 30	412,334	0 53	183,848	0 23
Purchased services	746,843	0 96	1,235,016	1 57	488,173	0 61
Printing & Postage	422,047	0 54	533,145	0 68	111,097	0 14
Depreciation & Amortization	394,122	0 51	464,167	0 59	70,045	0 08
Other expenses	1,036,241	1 34	1,581,993	2 02	545,752	0 68
Indirect cost allocation & Occupancy expense	376,639	0 49	372,234	0 47	(4,406)	(0 02)
Total Administrative Expenses	<u>9,390,986</u>	<u>12 13</u>	<u>12,154,367</u>	<u>15 49</u>	<u>2,763,380</u>	<u>3 36</u>
INCOME (LOSS) FROM OPERATIONS	12,906,718	16 67	4,358,122	5 55	8,548,596	11 12
INVESTMENT INCOME						
Interest income	2,566,654	3 31	416,667	0 53	2,149,988	2 78
Realized gain/(loss) on investments	(226,274)	(0 29)	-	-	(226,274)	(0 29)
Unrealized gain/(loss) on investments	(1,182,723)	(1 53)	-	-	(1,182,723)	(1 53)
Total Investment Income	<u>1,157,657</u>	<u>1 49</u>	<u>416,667</u>	<u>0 53</u>	<u>740,991</u>	<u>0 96</u>
NET RENTAL INCOME	-	-	-	-	-	-
TOTAL MCO TAX	(0)	-	-	-	(0)	-
TOTAL GRANT INCOME	29,674	0 04	-	-	29,674	0 04
QAF/IGT	-	-	-	-	-	-
OTHER INCOME	295	-	-	-	295	-
CHANGE IN NET ASSETS	<u>14,094,345</u>	<u>18.20</u>	<u>4,774,789</u>	<u>6.08</u>	<u>9,319,556</u>	<u>12.12</u>
MEDICAL LOSS RATIO	91.9%		94.0%		2.2%	
ADMINISTRATIVE LOSS RATIO	3.4%		4.4%		1.0%	

CalOptima - Consolidated
Statement of Revenues and Expenses
For the Three Months Ended September 30, 2018

	Actual		Budget		Variance	
	\$	PMPM	\$	PMPM	\$	PMPM
MEMBER MONTHS	2,328,815		2,354,675		(25,860)	
REVENUE						
Medi-Cal	\$ 738,302,338	\$ 323 87	\$ 742,155,159	\$ 321 96	\$ (3,852,821)	\$ 1 91
OneCare Connect	78,522,966	1,775 85	74,781,595	1,672 22	3,741,371	103 63
OneCare	3,709,001	893 95	4,757,651	1,197 80	(1,048,651)	(303 85)
PACE	6,243,526	7,388 79	6,020,250	7,244 58	223,276	144 21
Total Operating Revenue	<u>826,777,831</u>	<u>355 02</u>	<u>827,714,656</u>	<u>351 52</u>	<u>(936,825)</u>	<u>3 50</u>
MEDICAL EXPENSES						
Medi-Cal	699,123,572	306 69	704,977,747	305 83	5,854,175	(0 86)
OneCare Connect	71,406,453	1,614 91	71,951,816	1,608 94	545,363	(5 97)
OneCare	4,257,833	1,026 23	4,560,541	1,148 17	302,708	121 94
PACE	5,105,446	6,041 95	5,478,457	6,592 61	373,011	550 66
Total Medical Expenses	<u>779,893,304</u>	<u>334 89</u>	<u>786,968,561</u>	<u>334 22</u>	<u>7,075,257</u>	<u>(0 67)</u>
GROSS MARGIN	46,884,527	20 13	40,746,094	17 30	6,138,432	2 83
ADMINISTRATIVE EXPENSES						
Salaries and benefits	19,875,865	8 53	23,986,093	10 19	4,110,228	1 66
Professional fees	617,512	0 27	1,237,000	0 53	619,488	0 26
Purchased services	2,541,660	1 09	3,707,538	1 57	1,165,878	0 48
Printing & Postage	1,051,272	0 45	1,599,436	0 68	548,164	0 23
Depreciation & Amortization	1,204,012	0 52	1,392,499	0 59	188,487	0 07
Other expenses	3,494,596	1 50	4,743,482	2 01	1,248,886	0 51
Indirect cost allocation & Occupancy expense	1,125,829	0 48	1,116,700	0 47	(9,129)	(0 01)
Total Administrative Expenses	<u>29,910,746</u>	<u>12 84</u>	<u>37,782,748</u>	<u>16 05</u>	<u>7,872,002</u>	<u>3 21</u>
INCOME (LOSS) FROM OPERATIONS	16,973,781	7 29	2,963,347	1 26	14,010,434	6 03
INVESTMENT INCOME						
Interest income	7,356,911	3 16	1,250,000	0 53	6,106,911	2 63
Realized gain/(loss) on investments	(655,074)	(0 28)	-	-	(655,074)	(0 28)
Unrealized gain/(loss) on investments	(81,472)	(0 03)	-	-	(81,472)	(0 03)
Total Investment Income	<u>6,620,364</u>	<u>2 84</u>	<u>1,250,000</u>	<u>0 53</u>	<u>5,370,364</u>	<u>2 31</u>
NET RENTAL INCOME	(0)	-	-	-	(0)	-
TOTAL MCO TAX	0	-	-	-	0	-
TOTAL GRANT INCOME	-	-	-	-	-	-
QAF/IGT	-	-	-	-	-	-
OTHER INCOME	580	-	-	-	580	-
CHANGE IN NET ASSETS	<u>23,594,724</u>	<u>10.13</u>	<u>4,213,347</u>	<u>1.79</u>	<u>19,381,377</u>	<u>8.34</u>
MEDICAL LOSS RATIO	94.3%		95.1%		0.7%	
ADMINISTRATIVE LOSS RATIO	3.6%		4.6%		0.9%	

CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended September 30, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
MEMBER MONTHS	520,360	237,738	758,098	14,681	1,375	286	774,440
REVENUES							
Capitation Revenue	\$ 135,130,436	\$ 110,296,653	\$ 245,427,089	\$ 24,555,512	\$ 1,701,094	\$ 2,116,403	\$ 273,800,098
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>135,130,436</u>	<u>110,296,653</u>	<u>245,427,089</u>	<u>24,555,512</u>	<u>1,701,094</u>	<u>2,116,403</u>	<u>273,800,098</u>
MEDICAL EXPENSES							
Provider Capitation	36,001,129	50,216,249	86,217,378	11,050,443	384,233		97,652,054
Facilities	23,349,178	22,765,565	46,114,743	3,034,809	395,068	348,991	49,893,610
Ancillary	-	-	-	457,963	6,478	-	464,441
Professional Claims	13,627,334	4,965,744	18,593,078	-	-	472,748	19,065,826
Prescription Drugs	16,094,887	18,423,410	34,518,297	5,074,377	505,809	147,835	40,246,318
MLTSS	32,388,120	2,919,672	35,307,792	1,409,972	116,360	136	36,834,259
Medical Management	1,999,850	1,022,897	3,022,747	1,059,509	50,125	573,304	4,705,685
Quality Incentives	771,871	407,784	1,179,654	280,460		2,860	1,462,974
Reinsurance & Other	458,623	329,773	788,396	204,511	4,862	179,458	1,177,226
Total Medical Expenses	<u>124,690,991</u>	<u>101,051,093</u>	<u>225,742,085</u>	<u>22,572,043</u>	<u>1,462,934</u>	<u>1,725,332</u>	<u>251,502,394</u>
Medical Loss Ratio	92.3%	91.6%	92.0%	91.9%	86.0%	81.5%	91.9%
GROSS MARGIN	10,439,445	9,245,560	19,685,005	1,983,468	238,160	391,071	22,297,704
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			5,350,469	717,406	29,554	89,178	6,186,608
Professional fees			155,152	58,557	14,666	112	228,486
Purchased services			539,539	179,407	20,782	7,115	746,843
Printing & Postage			384,396	24,095	(1,120)	14,676	422,047
Depreciation & Amortization			392,048			2,074	394,122
Other expenses			1,003,914	30,118	-	2,209	1,036,241
Indirect cost allocation & Occupancy			(218,887)	557,394	34,965	3,168	376,639
Total Administrative Expenses			<u>7,606,630</u>	<u>1,566,977</u>	<u>98,848</u>	<u>118,532</u>	<u>9,390,986</u>
Admin Loss Ratio			3.1%	6.4%	5.8%	5.6%	3.4%
INCOME (LOSS) FROM OPERATIONS			12,078,375	416,492	139,312	272,539	12,906,718
INVESTMENT INCOME							1,157,657
NET RENTAL INCOME							-
TOTAL MCO TAX							(0)
TOTAL GRANT INCOME			29,674				29,674
QAF/IGT							-
OTHER INCOME			295				295
CHANGE IN NET ASSETS			<u>\$ 12,108,345</u>	<u>\$ 416,492</u>	<u>\$ 139,312</u>	<u>\$ 272,539</u>	<u>\$ 14,094,345</u>
BUDGETED CHANGE IN NET ASSETS			4,987,664	(622,384)	(40,091)	32,934	4,774,789
VARIANCE TO BUDGET - FAV (UNFAV)			<u>\$ 7,120,681</u>	<u>\$ 1,038,876</u>	<u>\$ 179,404</u>	<u>\$ 239,605</u>	<u>\$ 9,319,556</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Three Months Ended September 30, 2018

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare Connect</u>	<u>OneCare</u>	<u>PACE</u>	<u>Consolidated</u>
MEMBER MONTHS	1,566,115	713,489	2,279,604	44,217	4,149	845	2,328,815
REVENUES							
Capitation Revenue	\$ 405,310,027	\$ 332,992,311	\$ 738,302,338	\$ 78,522,966	\$ 3,709,001	\$ 6,243,526	\$ 826,777,831
Other Income	-	-	-	-	-	-	-
Total Operating Revenue	<u>405,310,027</u>	<u>332,992,311</u>	<u>738,302,338</u>	<u>78,522,966</u>	<u>3,709,001</u>	<u>6,243,526</u>	<u>826,777,831</u>
MEDICAL EXPENSES							
Provider Capitation	107,613,097	150,274,278	257,887,375	35,462,557	834,400		294,184,332
Facilities	71,031,671	69,748,142	140,779,813	9,221,116	1,554,167	1,138,148	152,693,245
Ancillary	-	-	-	1,590,648	64,404	-	1,655,052
Professional Claims	48,481,531	19,661,049	68,142,581	-	-	1,272,955	69,415,535
Prescription Drugs	51,771,338	58,696,402	110,467,740	16,244,579	1,305,642	434,783	128,452,744
MLTSS	98,274,313	8,711,593	106,985,906	4,126,357	314,907	966	111,428,136
Medical Management	6,101,954	2,831,590	8,933,544	3,233,301	166,451	1,722,535	14,055,831
Quality Incentives	2,316,106	1,217,855	3,533,960	841,480		8,450	4,383,890
Reinsurance & Other	1,625,667	766,987	2,392,654	686,415	17,862	527,609	3,624,540
Total Medical Expenses	<u>387,215,676</u>	<u>311,907,896</u>	<u>699,123,572</u>	<u>71,406,453</u>	<u>4,257,833</u>	<u>5,105,446</u>	<u>779,893,304</u>
Medical Loss Ratio	95.5%	93.7%	94.7%	90.9%	114.8%	81.8%	94.3%
GROSS MARGIN	18,094,351	21,084,415	39,178,766	7,116,513	(548,833)	1,138,080	46,884,527
ADMINISTRATIVE EXPENSES							
Salaries & Benefits			17,247,439	2,265,612	87,911	274,902	19,875,865
Professional fees			506,285	66,890	44,000	336	617,512
Purchased services			1,915,309	551,809	50,327	24,215	2,541,660
Printing & Postage			900,076	124,501	5,618	21,077	1,051,272
Depreciation & Amortization			1,197,790			6,222	1,204,012
Other expenses			3,369,143	126,120	60	(726)	3,494,596
Indirect cost allocation & Occupancy			(660,650)	1,672,182	104,895	9,402	1,125,829
Total Administrative Expenses			<u>24,475,392</u>	<u>4,807,114</u>	<u>292,812</u>	<u>335,428</u>	<u>29,910,746</u>
Admin Loss Ratio			3.3%	6.1%	7.9%	5.4%	3.6%
INCOME (LOSS) FROM OPERATIONS			14,703,374	2,309,399	(841,645)	802,653	16,973,781
INVESTMENT INCOME							6,620,364
NET RENTAL INCOME							(0)
TOTAL MCO TAX							0
TOTAL GRANT INCOME			-				-
QAF/IGT							-
OTHER INCOME			580				580
CHANGE IN NET ASSETS			<u>\$ 14,703,953</u>	<u>\$ 2,309,399</u>	<u>\$ (841,645)</u>	<u>\$ 802,653</u>	<u>\$ 23,594,724</u>
BUDGETED CHANGE IN NET ASSETS			5,931,317	(2,834,775)	(198,471)	65,275	4,213,347
VARIANCE TO BUDGET - FAV (UNFAV)			<u>\$ 8,772,636</u>	<u>\$ 5,144,174</u>	<u>\$ (643,173)</u>	<u>\$ 737,377</u>	<u>\$ 19,381,377</u>

September 30, 2018 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is \$14.1 million, \$9.3 million favorable to budget
- Operating surplus is \$12.9 million with a surplus in non-operating of \$1.2 million

YEAR TO DATE RESULTS:

- Change in Net Assets is \$23.6 million, \$19.4 million favorable to budget
- Operating surplus is \$17.0 million, with a surplus in non-operating of \$6.6 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>
12.1	5.0	7.1	Medi-Cal	14.7	5.9	8.8
0.4	(0.6)	1.0	OCC	2.3	(2.8)	5.1
0.1	(0.0)	0.2	OneCare	(0.8)	(0.2)	(0.6)
<u>0.3</u>	<u>0.0</u>	<u>0.2</u>	<u>PACE</u>	<u>0.8</u>	<u>0.1</u>	<u>0.7</u>
12.9	4.4	8.6	Operating	17.0	3.0	14.0
<u>1.2</u>	<u>0.4</u>	<u>0.7</u>	<u>Inv./Rental Inc, MCO</u>	<u>6.6</u>	<u>1.3</u>	<u>5.4</u>
			<u>tax</u>			
1.2	0.4	0.7	Non-Operating	6.6	1.3	5.4
14.1	4.8	9.3	TOTAL	23.6	4.2	19.4

CalOptima
Enrollment Summary
For the Three Months Ended September 30, 2018

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
63,892	64,219	(327)	(0.5%)	Aged	191,296	191,985	(689)	(0.4%)
620	620	-	0.0%	BCCTP	1,862	1,860	2	0.1%
46,863	47,122	(259)	(0.5%)	Disabled	141,101	141,339	(238)	(0.2%)
311,532	315,672	(4,140)	(1.3%)	TANF Child	938,815	948,571	(9,756)	(1.0%)
94,075	95,129	(1,054)	(1.1%)	TANF Adult	282,899	286,425	(3,526)	(1.2%)
3,378	3,471	(93)	(2.7%)	LTC	10,142	10,380	(238)	(2.3%)
237,738	241,968	(4,230)	(1.7%)	MCE	713,489	724,592	(11,103)	(1.5%)
758,098	768,201	(10,103)	(1.3%)	Medi-Cal	2,279,604	2,305,152	(25,548)	(1.1%)
14,681	14,891	(210)	(1.4%)	OneCare Connect	44,217	44,720	(503)	(1.1%)
286	283	3	1.1%	PACE	845	831	14	1.7%
1,375	1,324	51	3.9%	OneCare	4,149	3,972	177	4.5%
774,440	784,699	(10,259)	(1.3%)	CalOptima Total	2,328,815	2,354,675	(25,860)	(1.1%)
Enrollment (By Network)								
167,119	168,158	(1,039)	(0.6%)	HMO	501,115	505,016	(3,901)	(0.8%)
218,315	222,237	(3,922)	(1.8%)	PHC	653,398	666,905	(13,507)	(2.0%)
192,897	192,537	360	0.2%	Shared Risk Group	578,474	580,030	(1,556)	(0.3%)
179,767	185,269	(5,502)	(3.0%)	Fee for Service	546,617	553,201	(6,584)	(1.2%)
758,098	768,201	(10,103)	(1.3%)	Medi-Cal	2,279,604	2,305,152	(25,548)	(1.1%)
14,681	14,891	(210)	(1.4%)	OneCare Connect	44,217	44,720	(503)	(1.1%)
286	283	3	1.1%	PACE	845	831	14	1.7%
1,375	1,324	51	3.9%	OneCare	4,149	3,972	177	4.5%
774,440	784,699	(10,259)	(1.3%)	CalOptima Total	2,328,815	2,354,675	(25,860)	(1.1%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2019

Network Type	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	MMs
HMO													
Aged	3,844	3,866	3,841										11,551
BCCTP	1	1	1										3
Disabled	6,744	6,789	6,789										20,322
TANF Child	58,435	58,267	58,162										174,864
TANF Adult	29,473	29,373	29,404										88,250
LTC	2	2	3										7
MCE	68,597	68,602	68,919										206,118
	167,096	166,900	167,119										501,115
PHC													
Aged	1,600	1,621	1,620										4,841
BCCTP	-	-	-										-
Disabled	7,243	7,239	7,230										21,712
TANF Child	157,157	156,755	157,444										471,356
TANF Adult	12,731	12,684	12,787										38,202
LTC	-	1	-										1
MCE	39,060	38,992	39,234										117,286
	217,791	217,292	218,315										653,398
Shared Risk Group													
Aged	3,593	3,605	3,621										10,819
BCCTP	-	-	-										-
Disabled	7,626	7,554	7,486										22,666
TANF Child	67,471	67,226	67,159										201,856
TANF Adult	30,936	30,567	30,622										92,125
LTC	2	-	1										3
MCE	83,554	83,443	84,008										251,005
	193,182	192,395	192,897										578,474
Fee for Service (Dual)													
Aged	49,903	50,943	50,657										151,503
BCCTP	16	15	18										49
Disabled	20,706	20,863	20,741										62,310
TANF Child	2	3	2										7
TANF Adult	1,081	1,083	1,064										3,228
LTC	3,025	3,019	3,007										9,051
MCE	2,327	2,367	2,416										7,110
	77,060	78,293	77,905										233,258
Fee for Service (Non-Dual)													
Aged	4,702	3,727	4,153										12,582
BCCTP	613	596	601										1,810
Disabled	4,802	4,672	4,617										14,091
TANF Child	30,166	31,801	28,765										90,732
TANF Adult	20,308	20,588	20,198										61,094
LTC	353	360	367										1,080
MCE	44,399	44,410	43,161										131,970
	105,343	106,154	101,862										313,359
MEDI-CAL TOTAL													
Aged	63,642	63,762	63,892										191,296
BCCTP	630	612	620										1,862
Disabled	47,121	47,117	46,863										141,101
TANF Child	313,231	314,052	311,532										938,815
TANF Adult	94,529	94,295	94,075										282,899
LTC	3,382	3,382	3,378										10,142
MCE	237,937	237,814	237,738										713,489
	760,472	761,034	758,098										2,279,604
PACE	273	286	286										845
OneCare	1,390	1,384	1,375										4,149
OneCare Connect	16,399	13,137	14,681										44,217
TOTAL	778,534	775,841	774,440										2,328,815

ENROLLMENT:

Overall September enrollment was 774,440

- Unfavorable to budget 10,259 or 1.3%
- Decreased 1,401 or 0.2% from prior month (August 2018)
- Decreased 21,741 or 2.7% from prior year (September 2017)

Medi-Cal enrollment was 758,098

- Unfavorable to budget 10,103
 - Temporary Assistance for Needy Families (TANF) unfavorable 5,194
 - Medi-Cal Expansion (MCE) unfavorable 4,230
 - Senior Persons with Disabilities (SPD) unfavorable 586
 - Long-Term Care (LTC) unfavorable 93
- Decreased 2,936 from prior month

OneCare Connect enrollment was 14,681

- Unfavorable to budget 210
- Increased 1,544 from prior month due to adjustments to prior year (PY) enrollment

OneCare enrollment was 1,375

- Favorable to budget 51
- Decreased 9 from prior month

PACE enrollment was 286

- Favorable to budget 3
- No change from prior month

**CalOptima
Medi-Cal Total
Statement of Revenues and Expenses
For the Three Months Ended September 30, 2018**

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
758,098	768,201	(10,103)	(1.3%)	Member Months	2,279,604	2,305,152	(25,548)	(1.1%)
				Revenues				
245,427,089	248,476,558	(3,049,468)	(1.2%)	Capitation revenue	738,302,338	742,155,159	(3,852,821)	(0.5%)
-	-	-	0.0%	Other income	-	-	-	0.0%
245,427,089	248,476,558	(3,049,468)	(1.2%)	Total Operating Revenue	738,302,338	742,155,159	(3,852,821)	(0.5%)
				Medical Expenses				
87,397,032	84,492,271	(2,904,762)	(3.4%)	Provider capitation	261,421,335	253,407,431	(8,013,904)	(3.2%)
46,114,743	43,012,174	(3,102,568)	(7.2%)	Facilities	140,779,813	130,678,836	(10,100,977)	(7.7%)
18,593,078	28,228,162	9,635,084	34.1%	Professional Claims	68,142,581	83,376,603	15,234,023	18.3%
34,518,297	38,196,935	3,678,638	9.6%	Prescription drugs	110,467,740	116,400,704	5,932,965	5.1%
35,307,792	35,605,853	298,061	0.8%	MLTSS	106,985,906	108,784,874	1,798,968	1.7%
3,022,747	3,402,390	379,643	11.2%	Medical management	8,933,544	10,737,397	1,803,852	16.8%
788,396	530,634	(257,762)	(48.6%)	Reinsurance & other	2,392,654	1,591,902	(800,752)	(50.3%)
225,742,085	233,468,419	7,726,334	3.3%	Total Medical Expenses	699,123,572	704,977,747	5,854,175	0.8%
				Gross Margin	39,178,766	37,177,412	2,001,354	5.4%
19,685,005	15,008,139	4,676,866	31.2%	Administrative Expenses				
5,350,469	6,569,668	1,219,199	18.6%	Salaries, wages & employee benefits	17,247,439	20,893,680	3,646,240	17.5%
155,152	349,651	194,499	55.6%	Professional fees	506,285	1,048,950	542,665	51.7%
539,539	945,149	405,610	42.9%	Purchased services	1,915,309	2,837,938	922,629	32.5%
384,396	423,309	38,913	9.2%	Printing and postage	900,076	1,269,928	369,852	29.1%
392,048	462,076	70,028	15.2%	Depreciation and amortization	1,197,790	1,386,227	188,437	13.6%
1,003,914	1,494,214	490,300	32.8%	Other operating expenses	3,369,143	4,480,146	1,111,004	24.8%
(218,887)	(223,591)	(4,704)	(2.1%)	Indirect cost allocation, Occupancy Expense	(660,650)	(670,774)	(10,124)	(1.5%)
7,606,630	10,020,475	2,413,845	24.1%	Total Administrative Expenses	24,475,392	31,246,095	6,770,703	21.7%
				Operating Tax				
10,636,084	10,777,853	(141,769)	(1.3%)	Tax Revenue	31,982,897	32,341,282	(358,385)	(1.1%)
10,636,084	10,777,853	141,769	1.3%	Premium tax expense	31,982,897	21,557,144	(10,425,753)	(48.4%)
-	-	-	0.0%	Sales tax expense	-	10,784,138	10,784,138	100.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
				Grant Income				
66,301	249,874	(183,573)	(73.5%)	Grant Revenue	198,032	749,622	(551,590)	(73.6%)
47,813	223,107	175,295	78.6%	Grant expense - Service Partner	142,800	669,321	526,521	78.7%
(11,186)	26,767	37,953	141.8%	Grant expense - Administrative	55,232	80,301	25,069	31.2%
29,674	-	29,674	0.0%	Total Grant Income	-	-	-	0.0%
-	-	-	0.0%	QAF and IGT - Net	0	-	0	0.0%
295	-	295	0.0%	Other income	580	-	580	0.0%
295	-	295	0.0%	MC Other income	580	-	580	0.0%
12,108,345	4,987,664	7,120,681	142.8%	Change in Net Assets	14,703,953	5,931,317	8,772,636	147.9%
				Medical Loss Ratio	94.7%	95.0%	0.3%	0.3%
92.0%	94.0%	2.0%	2.1%	Admin Loss Ratio	3.3%	4.2%	0.9%	21.3%
3.1%	4.0%	0.9%	23.1%					

MEDICAL INCOME STATEMENT – SEPTEMBER MONTH:

REVENUES of \$245.4 million are unfavorable to budget \$3.0 million, driven by:

- Unfavorable volume related variance of \$3.3 million
- Favorable price related variance of \$0.2 million

MEDICAL EXPENSES are \$225.7 million, favorable to budget \$7.7 million due to:

- **Professional Claims** expense is favorable to budget \$9.6 million due to Child Health and Disability Prevention Program (CHDP) expenses of \$2.0 million, BHT expenses of \$2.0 million, Proposition 56 expenses of \$2.6 million and Incurred But Not Reported (IBNR) expenses of \$1.1 million. Actual CHDP and Proposition 56 expenses reported in Provider Capitation
- **Prescription Drug** expense is favorable to budget \$3.7 million
- **Facilities** expense is unfavorable to budget \$3.1 million due to outpatient claims totaling \$2.1 million and inpatient claims totaling \$0.6 million
- **Provider Capitation** expense is unfavorable to budget \$2.9 million due to CHDP and Proposition 56 capitation expense of \$2.0 million that were budgeted in Professional Claims
- **Managed Long Term Services and Supports (MLTSS)** expense is favorable to budget \$0.3 million

ADMINISTRATIVE EXPENSES are \$7.6 million, favorable to budget \$2.4 million, driven by:

- **Salary & Benefits:** \$1.2 million favorable to budget from open positions
- **Purchased Services:** \$0.4 million favorable to budget
- **Other Non-Salary:** \$0.8 million favorable to budget

CHANGE IN NET ASSETS is \$12.1 million for the month, \$7.1 million favorable to budget

CalOptima
OneCare Connect Total
Statement of Revenue and Expenses
For the Three Months Ended September 30, 2018

Month				Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
14,681	14,891	(210)	(1.4%)	Member Months	44,217	44,720	(503)	(1.1%)
Revenues								
2,675,363	3,325,465	(650,102)	(19.5%)	Medi-Cal Capitation revenue	7,915,788	10,058,392	(2,142,604)	(21.3%)
16,825,562	16,880,288	(54,726)	(0.3%)	Medicare Capitation revenue part C	52,391,843	50,624,458	1,767,385	3.5%
5,054,587	4,694,325	360,262	7.7%	Medicare Capitation revenue part D	18,215,334	14,098,745	4,116,589	29.2%
-	-	-	0.0%	Other Income	-	-	-	0.0%
24,555,512	24,900,078	(344,566)	(1.4%)	Total Operating Revenue	78,522,966	74,781,595	3,741,371	5.0%
Medical Expenses								
11,330,903	11,315,021	(15,882)	(0.1%)	Provider capitation	36,304,037	33,940,101	(2,363,936)	(7.0%)
3,034,809	3,537,994	503,185	14.2%	Facilities	9,221,116	10,737,761	1,516,645	14.1%
457,963	635,949	177,986	28.0%	Ancillary	1,590,648	1,939,893	349,245	18.0%
1,409,972	1,645,953	235,981	14.3%	Long Term Care	4,126,357	5,102,422	976,065	19.1%
5,074,377	5,180,974	106,597	2.1%	Prescription drugs	16,244,579	15,874,247	(370,332)	(2.3%)
1,059,509	1,218,719	159,210	13.1%	Medical management	3,233,301	3,905,706	672,405	17.2%
204,511	154,179	(50,332)	(32.6%)	Other medical expenses	686,415	451,686	(234,729)	(52.0%)
22,572,043	23,688,789	1,116,746	4.7%	Total Medical Expenses	71,406,453	71,951,816	545,363	0.8%
1,983,468	1,211,289	772,179	63.7%	Gross Margin	7,116,513	2,829,779	4,286,734	151.5%
Administrative Expenses								
717,406	818,709	101,303	12.4%	Salaries, wages & employee benefits	2,265,612	2,619,662	354,050	13.5%
58,557	42,917	(15,640)	(36.4%)	Professional fees	66,890	128,750	61,860	48.0%
179,407	251,415	72,009	28.6%	Purchased services	551,809	754,245	202,437	26.8%
24,095	86,202	62,106	72.0%	Printing and postage	124,501	258,605	134,104	51.9%
-	-	-	0.0%	Depreciation & amortization	-	-	-	0.0%
30,118	77,037	46,918	60.9%	Other operating expenses	126,120	231,110	104,990	45.4%
557,394	557,394	-	0.0%	Indirect cost allocation	1,672,182	1,672,182	-	0.0%
1,566,977	1,833,673	266,697	14.5%	Total Administrative Expenses	4,807,114	5,664,554	857,440	15.1%
Operating Tax								
-	-	-	0.0%	Tax Revenue	-	-	-	0.0%
-	-	-	0.0%	Premium tax expense	-	-	-	0.0%
-	-	-	0.0%	Sales tax expense	-	-	-	0.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
416,492	(622,384)	1,038,876	166.9%	Change in Net Assets	2,309,399	(2,834,775)	5,144,174	181.5%
91.9%	95.1%	3.2%	3.4%	Medical Loss Ratio	90.9%	96.2%	5.3%	5.5%
6.4%	7.4%	1.0%	13.3%	Admin Loss Ratio	6.1%	7.6%	1.5%	19.2%

ONECARE CONNECT INCOME STATEMENT – SEPTEMBER MONTH:

REVENUES of \$24.6 million are unfavorable to budget \$0.3 million due to volume and member mix

MEDICAL EXPENSES of \$22.6 million are favorable to budget \$1.1 million due to volume and IBNR

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

CHANGE IN NET ASSETS is \$0.4 million, \$1.0 million favorable to budget

**CalOptima
OneCare**
Statement of Revenues and Expenses
For the Three Months Ended September 30, 2018

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,375	1,324	51	3.9%	Member Months	4,149	3,972	177	4.5%
				Revenues				
1,166,356	1,111,243	55,113	5.0%	Medicare Part C revenue	2,138,789	3,265,276	(1,126,486)	(34.5%)
534,739	489,012	45,726	9.4%	Medicare Part D revenue	1,570,211	1,492,376	77,836	5.2%
1,701,094	1,600,255	100,839	6.3%	Total Operating Revenue	3,709,001	4,757,651	(1,048,651)	(22.0%)
				Medical Expenses				
384,233	455,700	71,467	15.7%	Provider capitation	834,400	1,340,622	506,222	37.8%
395,068	504,048	108,980	21.6%	Inpatient	1,554,167	1,534,324	(19,842)	(1.3%)
6,478	54,025	47,547	88.0%	Ancillary	64,404	163,561	99,157	60.6%
116,360	25,991	(90,369)	(347.7%)	Skilled nursing facilities	314,907	79,706	(235,201)	(295.1%)
505,809	431,189	(74,620)	(17.3%)	Prescription drugs	1,305,642	1,320,252	14,610	1.1%
50,125	33,384	(16,740)	(50.1%)	Medical management	166,451	102,395	(64,056)	(62.6%)
4,862	6,563	1,701	25.9%	Other medical expenses	17,862	19,681	1,819	9.2%
1,462,934	1,510,900	47,965	3.2%	Total Medical Expenses	4,257,833	4,560,541	302,708	6.6%
238,160	89,355	148,805	166.5%	Gross Margin	(548,833)	197,110	(745,943)	(378.4%)
				Administrative Expenses				
29,554	37,367	7,813	20.9%	Salaries, wages & employee benefits	87,911	119,344	31,432	26.3%
14,666	19,600	4,934	25.2%	Professional fees	44,000	58,800	14,800	25.2%
20,782	17,425	(3,357)	(19.3%)	Purchased services	50,327	52,275	1,948	3.7%
(1,120)	13,206	14,326	108.5%	Printing and postage	5,618	39,618	34,000	85.8%
-	6,883	6,883	100.0%	Other operating expenses	60	20,650	20,590	99.7%
34,965	34,965	-	0.0%	Indirect cost allocation, occupancy expenses	104,895	104,895	-	0.0%
98,848	129,447	30,599	23.6%	Total Administrative Expenses	292,812	395,581	102,769	26.0%
139,312	(40,091)	179,404	447.5%	Change in Net Assets	(841,645)	(198,471)	(643,173)	(324.1%)
86.0%	94.4%	8.4%	8.9%	Medical Loss Ratio	114.8%	95.9%	(18.9%)	(19.8%)
5.8%	8.1%	2.3%	28.2%	Admin Loss Ratio	7.9%	8.3%	0.4%	5.1%

**CalOptima
PACE
Statement of Revenues and Expenses
For the Three Months Ended September, 30, 2018**

Month					Year to Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
286	283	3	1.1%	Member Months	845	831	14	1.7%
				Revenues				
1,593,914	1,582,731	11,183	0.7%	Medi-Cal capitation revenue	4,705,749	4,651,670	54,079	1.2%
393,058	375,266	17,792	4.7%	Medicare Part C revenue	1,189,918	1,101,607	88,311	8.0%
129,431	91,208	38,223	41.9%	Medicare Part D revenue	347,859	266,973	80,886	30.3%
2,116,403	2,049,205	67,198	3.3%	Total Operating Revenue	6,243,526	6,020,250	223,276	3.7%
				Medical Expenses				
573,304	666,869	93,565	14.0%	Medical Management	1,722,535	2,033,248	310,713	15.3%
348,991	423,337	74,346	17.6%	Claims payments to hospitals	1,138,148	1,235,194	97,046	7.9%
472,748	452,988	(19,760)	(4.4%)	Professional claims	1,272,955	1,327,229	54,274	4.1%
179,458	126,158	(53,300)	(42.2%)	Patient transportation	527,609	370,451	(157,158)	(42.4%)
147,835	163,301	15,466	9.5%	Prescription drugs	434,783	477,928	43,145	9.0%
136	10,046	9,910	98.6%	MLTSS	966	26,157	25,191	96.3%
2,860	2,800	(60)	(2.1%)	Other Expenses	8,450	8,250	(200)	(2.4%)
1,725,332	1,845,499	120,167	6.5%	Total Medical Expenses	5,105,446	5,478,457	373,011	6.8%
391,071	203,706	187,365	92.0%	Gross Margin	1,138,080	541,793	596,287	110.1%
				Administrative Expenses				
89,178	129,735	40,557	31.3%	Salaries, wages & employee benefits	274,902	353,408	78,506	22.2%
112	167	55	32.8%	Professional fees	336	500	164	32.8%
7,115	21,027	13,911	66.2%	Purchased services	24,215	63,080	38,865	61.6%
14,676	10,428	(4,248)	(40.7%)	Printing and postage	21,077	31,285	10,208	32.6%
2,074	2,091	17	0.8%	Depreciation & amortization	6,222	6,272	50	0.8%
2,209	3,859	1,650	42.8%	Other operating expenses	(726)	11,576	12,302	106.3%
3,168	3,466	298	8.6%	Indirect cost allocation, Occupancy Expense	9,402	10,397	995	9.6%
118,532	170,772	52,240	30.6%	Total Administrative Expenses	335,428	476,518	141,090	29.6%
				Operating Tax				
3,993	-	3,993	0.0%	Tax Revenue	11,796	-	11,796	0.0%
3,993	-	(3,993)	0.0%	Premium tax expense	11,796	-	(11,796)	0.0%
-	-	-	0.0%	Total Net Operating Tax	-	-	-	0.0%
272,539	32,934	239,605	727.5%	Change in Net Assets	802,653	65,275	737,377	1129.6%
81.5%	90.1%	8.5%	9.5%	Medical Loss Ratio	81.8%	91.0%	9.2%	10.1%
5.6%	8.3%	2.7%	32.8%	Admin Loss Ratio	5.4%	7.9%	2.5%	32.1%

CalOptima
BUILDING 505 - CITY PARKWAY
Statement of Revenues and Expenses
For the Three Months Ended September 30, 2018

Month					Year to Date				
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance	
Revenues									
0	0	0	0.0%	Rental Income	0	0	0	0.0%	
0	0	0	0.0%	Total Operating Revenue	0	0	0	0.0%	
Administrative Expenses									
42,951	22,982	(19,969)	(86.9%)	Purchase services	103,898	68,945	(34,953)	(50.7%)	
161,022	162,935	1,913	1.2%	Depreciation & amortization	483,460	488,804	5,344	1.1%	
15,816	15,916	100	0.6%	Insurance expense	47,447	47,750	303	0.6%	
91,012	173,136	82,124	47.4%	Repair and maintenance	291,467	519,408	227,941	43.9%	
70,697	1,635	(69,062)	(4224.0%)	Other Operating Expense	221,476	4,905	(216,571)	(4415.3%)	
(381,499)	(376,604)	4,895	1.3%	Indirect allocation, Occupancy	(1,147,748)	(1,129,812)	17,936	1.6%	
0	0	0	0.0%	Total Administrative Expenses	0	0	0	0.0%	
0	0	0	0.0%	Change in Net Assets	0	0	0	0.0%	

OTHER STATEMENTS – SEPTEMBER MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is \$139.3 thousand, \$179.4 thousand favorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS is \$272.5 thousand, \$239.6 thousand favorable to budget

CalOptima
Balance Sheet
September 30, 2018

ASSETS

Current Assets	
Operating Cash	\$526,049,187
Investments	448,077,160
Capitation receivable	276,409,875
Receivables - Other	24,651,358
Prepaid expenses	5,425,513
Total Current Assets	<u>1,280,613,092</u>
Capital Assets	
Furniture & Equipment	34,328,849
Building/Leasehold Improvements	8,450,614
505 City Parkway West	49,743,943
	<u>92,523,406</u>
Less: accumulated depreciation	<u>(42,726,533)</u>
Capital assets, net	<u>49,796,873</u>
Other Assets	
Restricted Deposit & Other	300,000
Board-designated assets	
Cash and Cash Equivalents	9,445,741
Long-term Investments	531,035,490
Total Board-designated Assets	<u>540,481,230</u>
Total Other Assets	<u>540,781,230</u>
TOTAL ASSETS	<u>1,871,191,196</u>
Deferred Outflows	
Pension Contributions	953,907
Difference in Experience	1,365,903
Excess Earnings	1,017,387
Changes in Assumptions	7,795,853
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>1,882,324,246</u>

LIABILITIES & FUND BALANCES

Current Liabilities	
Accounts Payable	\$37,401,847
Medical Claims liability	793,283,942
Accrued Payroll Liabilities	11,840,799
Deferred Revenue	86,708,180
Deferred Lease Obligations	101,741
Capitation and Withholds	114,416,290
Total Current Liabilities	<u>1,043,752,798</u>
Other (than pensions) post employment benefits liability	24,937,253
Net Pension Liabilities	24,978,524
Bldg 505 Development Rights	100,000
TOTAL LIABILITIES	<u>1,093,768,575</u>
Deferred Inflows	
Change in Assumptions	3,329,380
TNE	83,012,013
Funds in Excess of TNE	<u>702,214,278</u>
Net Assets	<u>785,226,291</u>
TOTAL LIABILITIES & FUND BALANCES	<u>1,882,324,246</u>

CalOptima
Board Designated Reserve and TNE Analysis
as of September 30, 2018

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	147,932,482				
	Tier 1 - Logan Circle	147,797,556				
	Tier 1 - Wells Capital	147,252,243				
Board-designated Reserve						
		442,982,281	315,046,704	485,643,298	127,935,577	(42,661,016)
TNE Requirement	Tier 2 - Logan Circle	97,498,949	83,012,013	83,012,013	14,486,936	14,486,936
Consolidated:		540,481,230	398,058,718	568,655,311	142,422,513	(28,174,081)
<i>Current reserve level</i>		<i>1.90</i>	<i>1.40</i>	<i>2.00</i>		

CalOptima
Statement of Cash Flows
September 30, 2018

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	14,094,345	23,594,724
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	557,057	1,687,472
Changes in assets and liabilities:		
Prepaid expenses and other	1,043,960	871,834
Catastrophic reserves		
Capitation receivable	71,535,638	20,089,784
Medical claims liability	(5,161,083)	(39,335,671)
Deferred revenue	(22,310,607)	(26,994,769)
Payable to providers	4,531,535	17,967,398
Accounts payable	9,779,976	30,585,554
Other accrued liabilities	112,200	230,881
Net cash provided by/(used in) operating activities	<u>74,183,020</u>	<u>28,697,206</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Investments	(63,286,724)	132,221,788
Change in Property and Equipment	(186,663)	(726,096)
Change in Board designated reserves	212,857	(2,233,558)
Net cash provided by/(used in) investing activities	<u>(63,260,530)</u>	<u>129,262,134</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 10,922,490	 157,959,340
 CASH AND CASH EQUIVALENTS, beginning of period	 515,126,697	 368,089,847
 CASH AND CASH EQUIVALENTS, end of period	 <u>526,049,187</u>	 <u>526,049,187</u>

BALANCE SHEET:

ASSETS increased \$1.0 million from August or 0.1%

- **Operating Cash** increased by \$10.9 million or 2.1% driven by month-end cut off and variable cash requirements
- **Investments** increased \$63.3 million due to the Department of Health Care Services (DHCS) return of \$66.0 million for Medi-Cal Expansion that they reclaimed on the July check, as this had previously been paid in full by CalOptima in May 2018
- **Net Capitation Receivables** decreased \$72.9 million related to DHCS's return of funds mentioned in Investments above

LIABILITIES decreased \$13.0 million from August or 1.2%

- **Medical Claims Liability** by line of business decreased \$5.2 million due to reduction of DHCS overpayment
- **Deferred Revenue** decreased \$22.3 million due to timing of capitation payment
- **Capitation Payable** increased \$4.5 million due to increase in Risk Sharing reserve
- **Accounts Payable** increased \$10.1 million due to timing of sales tax reserve and payment

NET ASSETS are \$785.2 million, an increase of \$14.1 million from August

CalOptima Foundation
Statement of Revenues and Expenses
For the Three Months Ended September 30, 2018
Consolidated

Actual	Budget	Month	
		\$	%
		Variance	Variance
<hr/>			
0	0	0	0.0%
<hr/>			
0	6,184	6,184	100.0%
0	2,985	2,985	100.0%
0	0	0	0.0%
0	0	0	0.0%
0	0	0	0.0%
916	229,840	228,924	99.6%
<hr/>			
916	239,009	238,093	99.6%
<hr/>			
305	0	(305)	0.0%
<hr/>			
(611)	(239,009)	(238,398)	(99.7%)
<hr/>			

Revenues

Total Operating Revenue

Operating Expenditures

Personnel

Taxes and Benefits

Travel

Supplies

Contractual

Other

Total Operating Expenditures

Investment Income

Program Income

Actual	Budget	Year - To - Date	
		\$	%
		Variance	Variance
<hr/>			
0	0	0	0.0%
<hr/>			
0	18,553	18,553	100.0%
0	8,954	8,954	100.0%
0	0	0	0.0%
0	0	0	0.0%
0	0	0	0.0%
2,750	689,519	686,769	99.6%
<hr/>			
2,750	717,026	714,276	99.6%
<hr/>			
305	0	(305)	0.0%
<hr/>			
(2,445)	(717,026)	(714,582)	(99.7%)
<hr/>			

CalOptima Foundation
Balance Sheet
September 30, 2018

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,843,445	Accounts payable-Current	2,750
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,843,445</u>	Grants-Foundation	0
		Total Current Liabilities	<u>2,750</u>
		Total Liabilities	<u>2,750</u>
		Net Assets	<u>2,840,695</u>
TOTAL ASSETS	<u><u>2,843,445</u></u>	TOTAL LIABILITIES & NET ASSETS	<u><u>2,843,445</u></u>

CALOPTIMA FOUNDATION - SEPTEMBER MONTH

INCOME STATEMENT:

OPERATING REVENUE

- No activity

OPERATING EXPENSES

- Audit Fees \$0.9 thousand, \$2.8 thousand year to date (YTD)

BALANCE SHEET:

ASSETS

- Cash of \$2.8 million remains from the fiscal year (FY) 2014 \$3.0 million transferred by CalOptima for grants and programs in support of providers and community

LIABILITIES

- \$2.8 thousand for audit fees

NET INCOME is (\$2.4) thousand YTD

Budget Allocation Changes
Reporting Changes for September 2018

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

No Activity for September

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

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

Board of Directors' Finance and Audit Committee Meeting November 15, 2018

Information Systems Security Update - Quarter Ending September 30, 2018

Recent and Upcoming Activities:

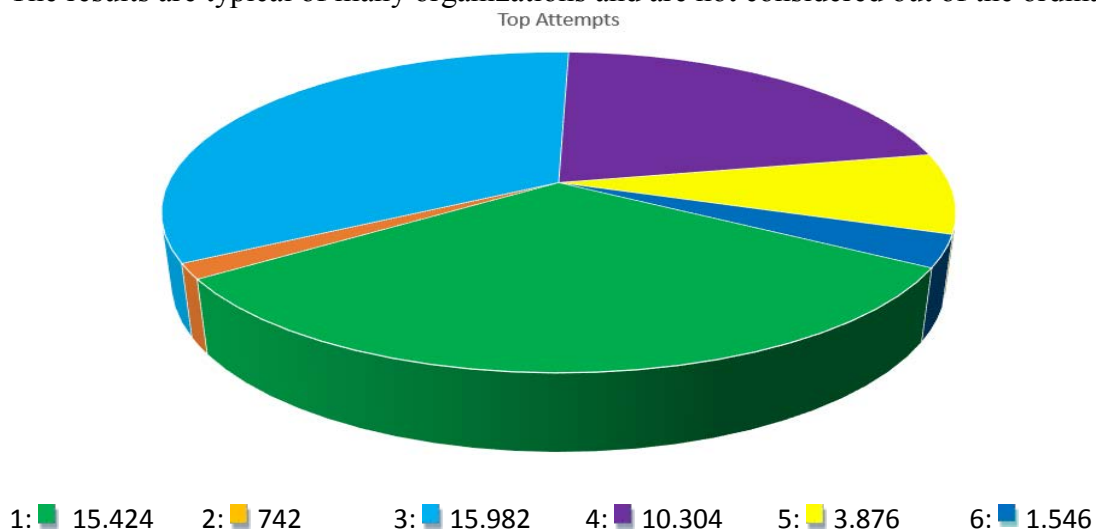
1. In this quarter, the Information Security team has reported 4 data loss prevention incidents to the Privacy team.
2. The Information Security team has completed another quarterly phishing simulation test on new employees.
3. The Information Security team developed a plan for the National Cyber Security Awareness Month activities in October (and has since been completed).
4. The new Symantec Data Loss Prevention (DLP) cloud solution is in the process of being tested. This tool will ensure that the existing strong DLP practices continue with anything that is migrated to or accessed via the Microsoft cloud.
5. Since the completion of this year's Internal/External Penetration Tests and the annual HIPAA Risk Assessment, the project plan for the remediation items has been developed and the work is in progress.

Top External Attempts

Quarterly Executive Report July-September 2018

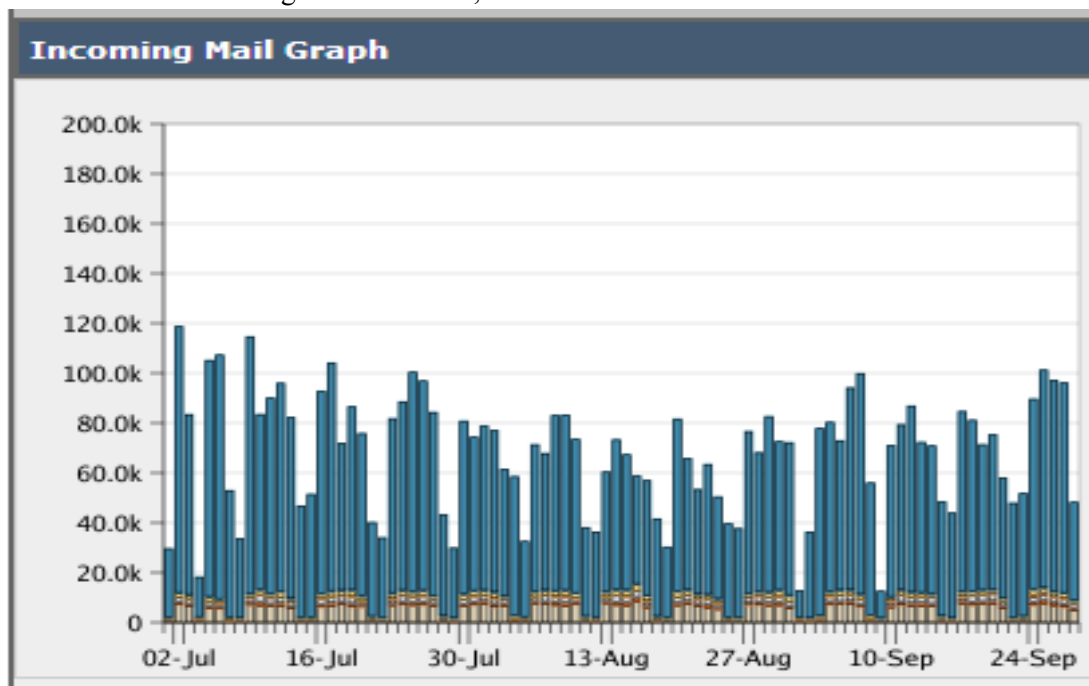
Background















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



	Attack Name	Severity	Hit Count	Description
1	CLDAP: MS Windows Server CLDAP Reflection DDoS Vulnerability	Critical	15,424	This uses native windows LDAP to amplify denial of service type attacks.
2	Backdoor: Zero Access Trojan Communication Attempt.	Major	742	A Trojan horse that uses an advanced rootkit to download malware.
3	Invalid TCP Traffic: Possible Recon Scan (No Flags Set)	Minor	15,982	An attack designed to map internal networks for further attack and exploitation.
4	DNS: Version Request (UDP)	Minor	10,304	Requests the DNS version looking for vulnerable versions, used for exploitation.
5	DNS: Suspicious DNS Lookup NOERROR Response (DGA)	Minor	3,876	A compromised host on the Internet tried to contact CalOptima's systems to launch an attack on other hosts but was unsuccessful.
6	HTTP: zgrab Scanner Detection	Minor	1,546	This filter detects the usage of the application layer scanner zgrab.

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



Incoming Mail Summary +		
Message Category	%	Messages
 Stopped by Reputation Filtering	86.4%	5.3M
 Stopped as Invalid Recipients	0.6%	37.7k
 Spam Detected	2.0%	121.1k
 Virus Detected	0.0%	66
 Detected by Advanced Malware Protection	0.0%	0
 Messages with Malicious URLs	0.1%	8,198
 Stopped by Content Filter	0.0%	33
 Stopped by DMARC	0.0%	0
 S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	89.0%	5.4M
 Marketing Messages	2.3%	140.6k
 Social Networking Messages	0.1%	6,180
 Bulk Messages	1.3%	77.8k
Total Graymails:	3.7%	224.6k
 S/MIME Verification/Decryption Successful	0.0%	0
 Clean Messages	7.3%	445.6k
Total Attempted Messages:		6.1M



CalOptima
Better. Together.

Cost Containment Improvements/Initiatives

**Board of Directors' Finance & Audit Committee Meeting
November 15, 2018**

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

Resources Committee - Labor

Report of Open Position/Temporary - September 2018

Line of Business	Sep-18		YTD Open Position (\$)	Temporary Help		Variance
	FTE's	Dollars		Actual	Budget	
MC	121.75	\$ 1,200,461	\$ 3,302,843	\$ 716,581	\$ 147,997	\$ (568,584)
EX		\$ -	\$ -	\$ -	\$ -	\$ -
OC		\$ -	\$ -	\$ -	\$ -	\$ -
OCC	10.00	\$ 86,848	\$ 234,644	\$ 37,246	\$ -	\$ (37,246)
PACE	16.00	\$ 150,352	\$ 315,139	\$ 66,947	\$ -	\$ (66,947)
MSSP	1.00	\$ 11,834	\$ 35,503	\$ -	\$ -	\$ -
Total	148.75	\$ 1,449,495	\$ 3,888,129	\$ 820,774	\$ 147,997	\$ (672,777)

Notes:

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

Resources Committee – Non-Labor

Professional Fees

LOB	September MTD		Variance		YTD		Variance		FY 2019
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 161,468	\$ 353,618	\$ 192,150	54%	\$ 522,326	\$ 1,060,850	\$ 538,524	51%	\$ 4,328,600
OC	\$ 14,666	\$ 15,975	\$ 1,309	8%	\$ 44,000	\$ 47,925	\$ 3,925	8%	\$ 191,700
OCC	\$ 58,557	\$ 38,292	\$ (20,265)	-53%	\$ 67,585	\$ 114,875	\$ 47,290	41%	\$ 459,500
PACE	\$ 2,800	\$ 4,167	\$ 1,367	33%	\$ 8,400	\$ 12,500	\$ 4,100	33%	\$ 50,000
MSSP	\$ 710	\$ 750	\$ 41	5%	\$ 2,129	\$ 2,250	\$ 122	5%	\$ 9,000
Total	\$ 238,200	\$ 412,801	\$ 174,601	42%	\$ 644,440	\$ 1,238,400	\$ 593,960	48%	\$ 5,038,800

Purchased Services

LOB	September MTD		Variance		YTD		Variance		FY 2019
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 655,902	\$ 1,051,704	\$ 395,802	38%	\$ 2,143,657	\$ 3,155,099	\$ 1,011,442	32%	\$ 12,620,394
OC	\$ 12,175	\$ 22,050	\$ 9,875	45%	\$ 24,162	\$ 66,150	\$ 41,988	63%	\$ 264,600
OCC	\$ 157,072	\$ 200,915	\$ 43,844	22%	\$ 344,608	\$ 602,745	\$ 258,137	43%	\$ 2,413,481
PACE	\$ 7,117	\$ 25,667	\$ 18,549	72%	\$ 25,111	\$ 77,000	\$ 51,889	67%	\$ 308,000
MSSP	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -
Total	\$ 832,266	\$ 1,300,336	\$ 468,070	36%	\$ 2,537,538	\$ 3,900,994	\$ 1,363,456	35%	\$ 15,606,475

Resources Committee – Non-Labor (cont.)

Printing and Postage

LOB	September MTD		Variance		YTD		Variance		FY 2019	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget	
MC	\$ 426,221	\$ 450,224	\$ 24,003	5%	\$ 985,669	\$ 1,350,678	\$ 365,009	27%	\$ 5,402,715	
OC	\$ (1,120)	\$ 12,039	\$ 13,159	109%	\$ 5,975	\$ 36,118	\$ 30,143	83%	\$ 144,471	
OCC	\$ 24,095	\$ 88,902	\$ 64,806	73%	\$ 125,610	\$ 266,705	\$ 141,095	53%	\$ 1,066,820	
PACE	\$ 14,676	\$ 12,708	\$ (1,968)	-15%	\$ 21,422	\$ 38,125	\$ 16,703	44%	\$ 152,500	
MSSP	\$ -	\$ 150	\$ 150	100%	\$ -	\$ 450	\$ 450	100%	\$ 1,800	
Total	\$ 463,873	\$ 564,023	\$ 100,151	18%	\$ 1,138,676	\$ 1,692,076	\$ 553,400	33%	\$ 6,768,306	

Other Operating Expenses

LOB	September MTD		Variance		YTD		Variance		FY 2019	
	Actual	Budget	\$	%	Actual	Budget	\$	%	Budget	
MC	\$ 1,083,440	\$ 1,585,119	\$ 501,679	32%	\$ 3,666,678	\$ 4,752,865	\$ 1,086,187	23%	\$ 19,076,612	
OC	\$ 444	\$ 1,368	\$ 924	68%	\$ 1,016	\$ 4,104	\$ 3,088	75%	\$ 16,416	
OCC	\$ 31,354	\$ 72,084	\$ 40,730	57%	\$ 130,556	\$ 216,252	\$ 85,696	40%	\$ 865,009	
PACE	\$ 53,590	\$ 62,317	\$ 8,727	14%	\$ 124,408	\$ 186,950	\$ 62,542	33%	\$ 747,800	
MSSP	\$ 11,331	\$ 7,478	\$ (3,853)	-52%	\$ 20,955	\$ 22,433	\$ 1,478	7%	\$ 89,732	
Total	\$ 1,180,159	\$ 1,728,365	\$ 548,207	32%	\$ 3,943,613	\$ 5,182,604	\$ 1,238,991	24%	\$ 20,795,569	

Resources Committee – Non-Labor (cont.)

Consolidated - Non-Labor

LOB	September MTD		Variance			YTD		Variance			FY 2019 Budget
	Actual	Budget	\$	%		Actual	Budget	\$	%		
MC	\$ 2,327,032	\$ 3,440,665	\$ 1,113,633	32%		\$ 7,318,329	\$ 10,319,492	\$ 3,001,162	29%		\$ 41,428,321
OC	\$ 26,165	\$ 51,432	\$ 25,267	49%		\$ 75,153	\$ 154,297	\$ 79,144	51%		\$ 617,187
OCC	\$ 271,077	\$ 400,193	\$ 129,115	32%		\$ 668,360	\$ 1,200,578	\$ 532,218	44%		\$ 4,804,810
PACE	\$ 78,183	\$ 104,858	\$ 26,675	25%		\$ 179,341	\$ 314,575	\$ 135,234	43%		\$ 1,258,300
MSSP	\$ 12,040	\$ 8,378	\$ (3,663)	-44%		\$ 23,084	\$ 25,133	\$ 2,049	8%		\$ 100,532
Total	\$ 2,714,498	\$ 4,005,526	\$ 1,291,028	32%		\$ 8,264,267	\$ 12,014,074	\$ 3,749,808	31%		\$ 48,209,150

Contingency Contract Report

CalOptima Active Contingency Contracts			Q1 FY19		invoiced as of 10/22/2018							
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid												
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Qtr 1	
MEDICAL COST												
<i>HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/2020)</i>												
Savings	\$ 1,189,393	\$ 2,811,751	\$ 1,937,748	\$ 2,565,125	\$ 2,346,048	\$ 1,444,807	\$ 3,336,995	\$ 3,954,564	\$ 4,067,881	\$ 5,864,338	\$ 1,720,384	
Fee	\$ 297,348	\$ 702,938	\$ 484,359	\$ 641,281	\$ 586,762	\$ 361,202	\$ 794,557	\$ 909,550	\$ 935,613	\$ 1,348,798	\$ 395,688	
Net Savings	\$ 892,045	\$ 2,108,813	\$ 1,453,389	\$ 1,923,843	\$ 1,759,286	\$ 1,083,605	\$ 2,542,438	\$ 3,045,014	\$ 3,132,268	\$ 4,515,540	\$ 1,324,696	
<i>Verscend (Verisk/HCI) - Claims review for appropriate billing - (expires 1/31/2019)</i>												
Savings	\$ 164,913	\$ 2,397,831	\$ 3,385,560	\$ 2,517,497	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 2,690,597	\$ 2,571,045	\$ 736,990	
Fee	\$ 37,165	\$ 483,209	\$ 691,554	\$ 559,136	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 393,455	\$ 580,345	\$ 184,248	
Net Savings	\$ 127,748	\$ 1,914,622	\$ 2,694,006	\$ 1,958,361	\$ 2,221,482	\$ 1,920,508	\$ 2,191,722	\$ 2,885,495	\$ 2,297,143	\$ 1,990,700	\$ 552,743	
<i>Verscend (Verisk/HCI)/ TAG - Facility claims forensic review - (services terminated 12/31/17)</i>												
Savings		-	\$ 900,976	\$ 1,362,980	\$ 3,516,297	\$ 3,727,308	\$ 16,538,781	\$ 3,726,475	\$ 4,068,735	\$ 1,234,305		
Fee		-	\$ 270,293	\$ 408,904	\$ 1,054,889	\$ 1,118,193	\$ 2,008,000	\$ 791,798	\$ 1,140,356	\$ 308,576		
Net Savings	-	-	\$ 630,683	\$ 954,076	\$ 2,461,408	\$ 2,609,114	\$ 14,530,781	\$ 2,934,678	\$ 2,928,380	\$ 925,729	\$ -	
<i>OptumInsight - Credit balance recovery - (expires 12/31/2018)</i>												
Savings	-	-	-	\$ 76,715	\$ 26,203	\$ 30,246	N/A	\$ 44,834	\$ 404,824	\$ 154,308	\$ 84,433	
Fee	-	-	-	\$ 9,206	\$ 3,144	\$ 3,630	N/A	\$ 5,380	\$ 48,579	\$ 18,517	\$ 10,132	
Net Savings	-	-	-	\$ 67,509	\$ 23,059	\$ 26,616		\$ 39,454	\$ 356,245	\$ 135,791	\$ 74,301	
TOTAL												
Savings	\$ 1,354,306	\$ 5,209,582	\$ 6,224,285	\$ 6,522,317	\$ 8,705,661	\$ 7,850,202	\$ 23,438,635	\$ 11,249,969	\$ 11,232,038	\$ 9,823,995	\$ 2,541,807	
Fee	\$ 334,514	\$ 1,186,146	\$ 1,446,206	\$ 1,618,527	\$ 2,240,427	\$ 2,210,357	\$ 4,173,694	\$ 2,345,328	\$ 2,518,002	\$ 2,256,236	\$ 590,068	
Net Savings	\$ 1,019,792	\$ 4,023,436	\$ 4,778,079	\$ 4,903,791	\$ 6,465,234	\$ 5,639,844	\$ 19,264,941	\$ 8,904,640	\$ 8,714,036	\$ 7,567,760	\$ 1,951,740	
REVENUE												
<i>Human Arc - SSI Outreach & Aid Code Conversion - (expires 6/30/2020)</i>												
Capitation Revenue				\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 9,281,708	\$ 11,188,354	\$ 3,058,176	
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 360,018	\$ 350,084	\$ 98,000	
Total Net Revenue	-	-	-	\$ 1,221,535	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 8,921,690	\$ 10,838,270	\$ 2,960,176	

Board of Directors' Finance and Audit Committee Meeting November 15, 2018

Shared Risk Pool Performance Update

Medi-Cal: As of September 30, 2018, Medi-Cal has five (5) Shared Risk Groups (SRGs).

Effective Dates:

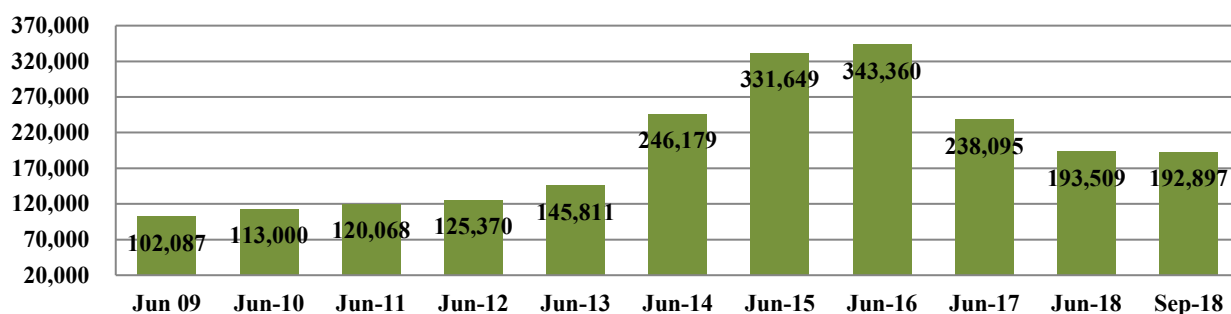
- Noble and Talbert – January 2008
- AltaMed – March 2014
- Prospect* – May 2007 to June 2017
- Arta and UCMG – July 2008
- Monarch* – July 2008 to January 2017

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

Enrollment

- SRGs are serving approximately 193,000 members. It represents about 25% of CalOptima's Medi-Cal enrollment.

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



Pool Performance - (Medi-Cal Classic + Expansion)

Period	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2007	\$ (729,095)	\$ -	\$ (573,542)	\$ (155,553)	1	1	0
2008	(534,826)	618,829	247,532	(163,529)	3	1	2
2009	(6,786,764)	623,088	(2,465,470)	(3,698,206)	6	3	3
2010	(5,890,543)	1,636,861	(1,701,473)	(2,552,209)	6	4	2
2011	(5,127,172)	5,042,040	(34,053)	(51,079)	6	3	3
2012	(1,688,610)	7,574,810	2,354,480	3,531,720	6	3	3
One-Time Revenue		17,233,958	12,917,452	4,316,506	6	3	3
2013	(1,568,113)	10,019,190	3,372,857	5,078,220	6	1	5
2014	-	57,808,875	23,123,550	34,685,325	7	0	7
2015	-	358,004,843	143,201,937	214,802,906	7	0	7
2016	-	403,275,493	161,310,197	241,965,296	7	0	7
2017	-	296,558,588	118,623,435	177,935,153	7	0	7

Period	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2018	-	106,814,479	42,725,791	64,088,687	5	0	5
	\$(22,325,123)	\$1,265,211,054	\$ 503,102,694	\$ 739,783,237			

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

OneCare: As of September 30, 2018, OneCare has eight (8) Participating Medical Groups (PMGs).

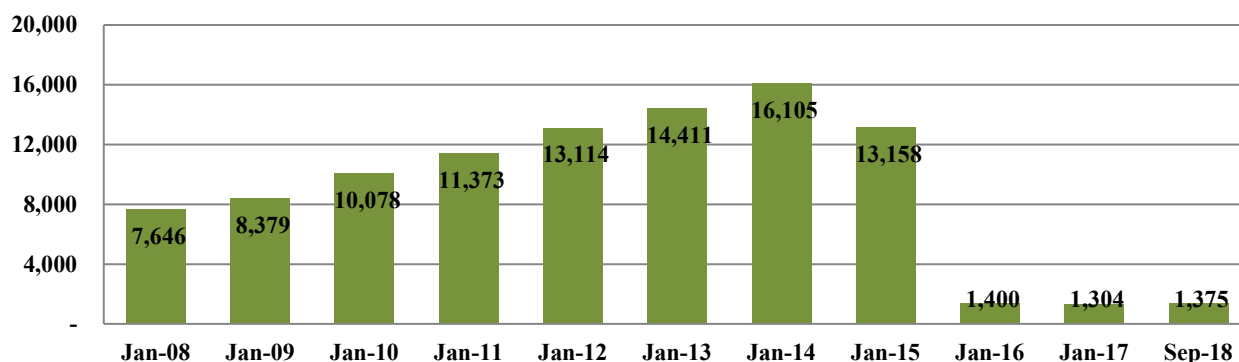
Effective Dates:

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

Enrollment

- Overall enrollment decrease due to transitioning of members from OneCare to OneCare Connect in January 2016.

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



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2005	\$(14,221)	\$163,580	\$67,920	\$81,435	4	1	3
2006	-	15,004,268	7,502,134	7,502,134	5	0	5
2007	(21,936)	3,759,945	1,859,817	1,878,193	8	2	6
2008	(491,522)	3,919,765	1,591,331	1,836,913	8	2	6
2009	(313,648)	5,643,332	2,525,933	2,803,751	9	2	7
2010	(566,705)	4,769,324	1,892,617	2,310,002	8	3	5
2011	-	9,406,281	4,703,141	4,703,141	8	0	8
2012	(433,732)	7,325,076	3,305,088	3,586,257	11	2	9
2013	(1,949,544)	11,124,918	4,015,560	5,159,814	13	2	11
2014	(3,485,139)	10,050,507	1,962,394	4,602,974	13	3	10
2015	(154,268)	10,372,797	5,050,405	5,168,124	8	1	7

2016	(386,678)	340,937	(185,231)	139,490	8	3	5
2017	(334,985)	310,098	(156,120)	131,233	8	5	3
2018Q2	(1,076,659)	273,781	(912,904)	110,026	8	4	4
	\$ (9,229,037)	\$ 82,464,609	\$ 33,222,086	\$ 40,013,486			

Note: Group share deficit limited to \$5.00 PMPM

OneCare Connect: As of September 30, 2018, OneCare Connect has six (6) Shared Risk Groups (SRGs).

Effective Dates:

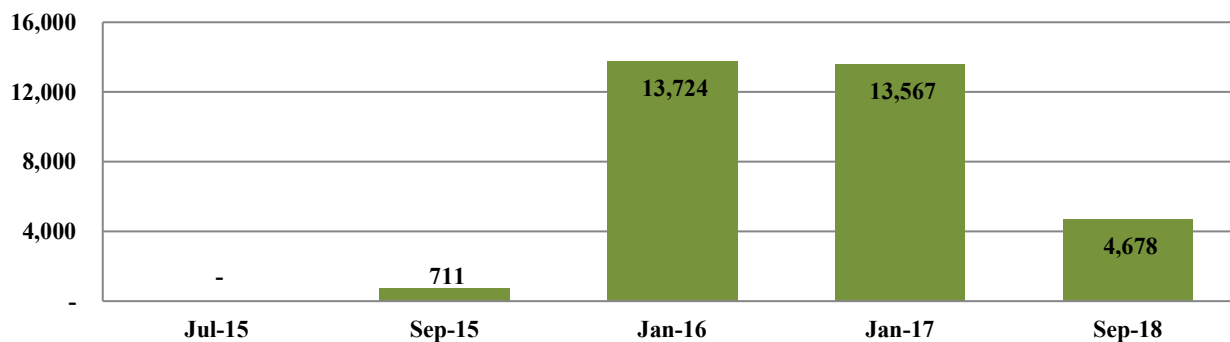
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Monarch* – July 2015 to January 2017
- FCMG – January 2016
- Talbert – January 2016
- Arta Western – January 2016
- Prospect* – July 2015 to June 2017

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

Enrollment

SRGs are serving approximately 4,700 members. It represents about 32% of CalOptima's OneCare Connect enrollment.

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



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2015	(261,199)	224,558	(121,755)	85,114	5	2	3
2016	(769,273)	19,502,913	9,016,973	9,716,667	8	1	7
2017	(815,878)	7,030,668	2,856,356	3,358,434	8	3	5
2018Q3	-	5,775,643	2,887,822	2,887,822	6	0	6
	\$ (1,846,350)	\$ 32,533,782	\$ 14,639,396	\$ 16,048,036			

Note: Group share deficit limited to \$5.00 PMPM



Board of Directors' Finance and Audit Committee Meeting November 15, 2018

Quarterly Reinsurance Report

Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Providers for Policy Years (PY) 2017, 2018, and 2019

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

The figures reported below reflect the estimated results for PY 2017, PY 2018, and PY2019 as of September 30, 2018.

	PY 2017	PY 2018	PY 2019
Total Budgeted Reinsurance Costs	\$4,628,918	\$2,780,209	\$5,016,633
Amount paid through 09/30/18	\$3,912,268	\$2,265,550	\$ -
Potential Remaining Payments by CY	\$ 716,650	\$ 514,659	\$5,016,633
Total Accrued Liability @ 09/30/18	\$ 517,487	\$1,291,183	\$ 888,515
Under/(Over) Budget	\$ 199,163	\$ (776,524)	\$ 4,128,118

The total estimated liability at September 30, 2018 is \$2.7 million.

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

PY 2018 and PY2019 threshold increased to \$17,000 for Professional and \$150,000 for Hospital, coinsurance level is at 20%.

Policy Years:

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

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

PY 2019 = Fiscal Year 2019 (July 1, 2018 through June 30, 2019)

**Board of Directors' Finance and Audit Committee Meeting
November 15, 2018**

Quarterly Health Network Financial Update

On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated Physician Groups, Hospitals and HMOs that comprise CalOptima's Health Networks. After internal review, CalOptima's financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

With the exception of one entity whose quarter-end financial statements ended as of April 30, 2018, all other Health Network entities were required to submit their unaudited financial statements for the period ending June 30, 2018.

Results of the June 30, 2018 Financial Review

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

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

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

Note 2: HMOs must pass the following test:

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

Note 3: Financial Security Reserves:

- a) Medi-Cal, OneCare, and OneCare Connect Total Current Balance = \$18.4M



Purchasing Report

**Board of Director's Finance and Audit Committee Meeting
November 15, 2018**

Greg Hamblin, Chief Financial Officer

Ken Wong, Director, Budget and Vendor Management

Quarterly Purchasing Reports Commitments

Quarterly Purchase Report
July 1, 2018 through September 30, 2018
Completed Major Commitments over \$100,000

<i>Nature of Services</i>	<i>FY19 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2019</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
PACE Software License	\$ 103,940	SHI International Corp	2 bidders	New	\$ 103,940	\$ 90,940	\$ 13,000	10/15/19
Employee Benefit Insurance(s)	\$ 105,000	Relation Insurance Services of California	Renewal		\$ 105,000	\$ 24,750	\$ 80,250	06/30/19
Copy Machine Services	\$ 110,000	Xerox Corp	Renewal		\$ 110,000	\$ 7,308	\$ 102,692	12/13/19
Federal Advocacy Services	\$ 123,630	Akin Gump Strauss Hauer & Feld LLC	Renewal		\$ 123,630	\$ -	\$ 123,630	02/20/20
Interpreting Services	\$ 127,000	Avantpage Inc	Renewal		\$ 127,000	\$ 58,101	\$ 68,899	12/31/18
Upgrade Air Conditioning Equipment	\$ 130,000	Emcor Services - Mesa Energy	Bid Exception		\$ 130,000	\$ -	\$ 130,000	12/31/18

Quarterly Purchasing Reports Commitments

<i>Nature of Services</i>	<i>FY19 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2019</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Business Intelligence Software	\$ 132,130	Microstrategy Services Inc	Renewal		\$ 132,130	\$ -	\$ 132,130	09/19/19
Risk Adjustment Software	\$ 149,571	Optuminsight Inc	Renewal		\$ 149,571	\$ 39,035	\$ 110,536	12/31/19
PACE PCP (Primary Care Physician) Services	\$ 150,000	House Call Medical Associates Inc	Renewal		\$ 150,000	\$ 40,326	\$ 109,674	06/30/19
Member Medication Review Services	\$ 156,000	Star MTM LLC	Renewal		\$ 156,000	\$ 26,000	\$ 130,000	03/31/20
OneCare Bid Submission Actuarial Services	\$ 170,000	Milliman USA	Bid Exception		\$ 170,000	\$ 42,500	\$ 127,500	06/30/19
PACE Homecare Services	\$ 180,000	Catalina Health Care	Renewal		\$ 180,000	\$ 25,019	\$ 154,982	06/30/19
PACE EHR Software	\$ 180,000	Mediture, LLC	Renewal		\$ 180,000	\$ 29,611	\$ 150,389	02/28/19

Quarterly Purchasing Reports Commitments

<i>Nature of Services</i>	<i>FY19 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2019</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Interpreting Services	\$ 198,590	Voiance Language Services, LLC	Renewal		\$ 198,590	\$ 57,871	\$ 140,719	12/31/18
Interpreting Services	\$ 202,500	Hanna Interpreting Services LLC	Renewal		\$ 202,500	\$ 143,960	\$ 58,540	12/31/18
After-hours phone answering services - Customer Service	\$ 213,000	Ansafone Communications	Renewal		\$ 213,000	\$ 17,738	\$ 195,262	08/30/19
PACE Homecare Services	\$ 225,000	Cambrian Home Care	Renewal		\$ 225,000	\$ 32,050	\$ 192,950	06/30/19
Data Co-location Services	\$ 240,000	Orange County Treasurer-Tax	Renewal		\$ 240,000	\$ 38,724	\$ 201,276	02/28/23
PACE On-site physicians	\$ 270,000	Regents of the University of California of Irvine	Renewal		\$ 270,000	\$ 35,400	\$ 234,600	06/30/19
Microsoft Office Migration Consulting Services	\$ 300,000	Teksystems Inc.	7 bidders	New	\$ 300,000	\$ -	\$ 300,000	12/31/18

Quarterly Purchasing Reports Commitments

<i>Nature of Services</i>	<i>FY19 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2019</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Data Clearinghouse Services	\$ 300,000	Change Healthcare Solutions, LLC	2016 COBAR		\$ 300,000	\$ 39,076	\$ 260,924	12/31/20
Provider Point Software	\$ 311,520	LexisNexis	Renewal		\$ 311,520	\$ 11,365	\$ 300,155	07/31/19
Durable Medical Equipment Evaluation and Assessment	\$ 405,000	The DME Consulting Group	Renewal		\$ 405,000	\$ -	\$ 405,000	06/30/19
CAHPS Member Survey	\$ 522,984	DataStat	3 bidders	DataStat	\$ 522,984	\$ -	\$ 522,984	04/30/21
COB and Overpayment Services	\$ 600,000	Health Management Systems Inc	Renewal		\$ 600,000	\$ 228,673	\$ 371,327	05/14/20
Data Clearinghouse Services	\$ 720,000	Office Ally, LLC	Renewal		\$ 720,000	\$ 112,213	\$ 607,787	12/31/20
DRG Forensic Review - Claims	\$ 765,000	Varis LLC	3 bidders	Verscend	\$ 765,000	\$ -	\$ 765,000	09/24/20

Quarterly Purchasing Reports Commitments

<i>Nature of Services</i>	<i>FY19 Q1 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2019</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
PACE Transportation	\$ 990,000	Secure Transportation	Renewal		\$ 990,000	\$ -	\$ 990,000	06/30/19
Meaningful Use Services Foundation	\$ 1,000,000	e20 Health Inc	Renewal		\$ 1,000,000	\$ 139,825	\$ 860,175	01/31/19
Claims Editing Services	\$ 1,360,000	Verscend Technologies Inc	6 bidders	Optum	\$ 1,360,000	\$ -	\$ 1,360,000	10/07/20
Medical Management Services	\$ 1,450,000	Altruista Health Inc.	Renewal		\$ 1,450,000	\$ 228,628	\$ 1,221,372	04/07/19
Web Portal Delegated Networks	\$ 1,584,000	Medecision Inc	Renewal		\$ 1,584,000	\$ 391,962	\$ 1,192,038	12/31/19

Quarterly Purchasing Report – In Process

Quarterly Purchasing Report
July 1, 2018 through September 30, 2018
Major Commitments Greater than \$100,000 in Process

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>CG CAHPS Survey</u> 18-026	RFP issued 11/30/17 Three proposals were received Staff is negotiating Contract
<u>Timely Access Survey</u> 18-030	RFP issued 11/30/17 Three proposals received Staff is negotiating Contract
<u>508 Remediation Services</u> 18-037	RFP issued 03/01/18 Seven proposals received Staff is awaiting approval from Audit and Oversight
<u>Disaster Recovery Services</u> 18-055	RFP issued 5/24/18 4 proposals received Staff is negotiating Contract
<u>Disposable Incontinence Supplies</u> 19-003	RFP issued 07/16/18 7 proposals received Staff is interviewing finalist vendors