



# VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

## Committee Members

**Supervisor Peter C. Foy**  
District 4, Chair

**Judge Steven Hintz**  
Treasurer-Tax Collector

**Ms. Misty Key**  
Associate Superintendent  
County Superintendent of Schools

**Ms. Lori Mahoney**  
Investment Advisor

**Mr. Robert Riggs**  
Financial Analyst

## MEETING AGENDA

**VENTURA COUNTY GOVERNMENT CENTER  
HALL OF ADMINISTRATION  
MAIN PLAZA-CARIBBEAN ROOM  
800 South Victoria Avenue  
Ventura, California 93009**

**April 9, 2014**

**1:00 P.M.**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Carla Alvara at (805) 654-3728. Reasonable advance notification of the need for accommodation prior to the meeting (48 hours advance notice is preferable) will enable us to make reasonable arrangements to ensure accessibility to this meeting.

The following information is provided to help you understand, follow, and participate in the Committee meeting:

Pursuant to California Government Code Section 54953 (a) et seq. time is set aside for citizen presentations regarding Committee related issues. Those wishing to speak must fill out a speaker card and submit it to any staff members in attendance. Speaker cards for issues not on the agenda must be submitted to the committee staff prior to the beginning of the public comment period. For agenda items, speaker cards must also be submitted before the item is taken up for consideration.

Members of the public making oral presentations to the Committee in connection with one or more agenda or non-agenda items at a single meeting are limited to a cumulative total of time not to exceed five (5) minutes for all of their oral presentations at such meeting unless otherwise provided. NOTE: The Committee Chair may limit the number or duration of speakers on a matter.

Agenda material is available at <http://www.ventura.org/ttc/treasury-oversight-committee>

## **OPENING**

1. Call to Order.
2. Roll Call.
3. Agenda Review – Consider and approve by majority vote minor revisions and/or ratify inclusion of new items.
4. Approval of Meeting Minutes for November 6, 2013.
5. Committee Members' and Staff Comments.

## **INFORMATIONAL AGENDA**

6. Receive and File February 2014 Monthly Investment Report.

## **AGENDA**

7. Receive and File the Brown Armstrong Audit Report dated March 21, 2014.
8. Review, Discuss, Receive and File an Independent Semi-Annual Ventura County Treasury Portfolio Analysis.
9. Receive An Oral Report Regarding New Investment Purchases, and Receive and File a Report "October 2013-March 2014 Transactions."
10. Discuss, Review, and Approve the Recommended Proposed Modifications to Statement of Investment Policy.
11. Approve the Recommendation of the Delegation of Authority to Invest.
12. Public Comment - Time set aside for public comments regarding matters not appearing on the regular agenda. (Five minutes total per person).
13. Adjournment/Next Scheduled Meeting: November 5, 2014.



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: April 9, 2014

### **Agenda Item #4 - Approval of Meeting Minutes for November 6, 2013**

#### Recommendation

Review and approve the meeting minutes for November 6, 2013.



## VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

**November 6, 2013**

**Ventura County Government Center  
Hall of Administration  
Main Plaza-Caribbean Room  
800 South Victoria Avenue  
Ventura, CA 93009**

### **MINUTES**

#### **Committee Members**

Supervisor Peter C. Foy ..... Chair, Board of Supervisor  
 Judge Steven Hintz ..... Treasurer-Tax Collector  
 Ms. Misty Key ..... Associate Superintendent  
 Ms. Lori Mahoney ..... Investment Advisor  
 Mr. Robert Riggs ..... Financial Analyst

#### **Staff**

Linda Catherine Le ..... Asst. Treasurer-Tax Collector, Treasurer-Tax Collector's Office  
 Connie Mah ..... Treasury Fiscal Manager, Treasurer-Tax Collector's Office  
 Tai Ralston ..... Treasury Supervisor, Treasurer-Tax Collector's Office  
 Carla Alvara ..... Management Assistant, Treasurer-Tax Collector's Office  
 Bertha Lopez ..... Investment Fiscal Assistant, Treasurer-Tax Collector's Office

#### **Absent**

Mr. Scott Blough ..... Banker

#### **Guest(s)**

Paul Derse ..... Chief Financial Officer, County Executive Office  
 Jeff Burgh ..... Assistant Auditor-Controller

### **OPENING (Items 1-5)**

#### **CALL TO ORDER & ROLL CALL**

At 1:10 p.m., Judge Steven Hintz called the meeting of the Ventura County Treasury Oversight Committee (TOC) to order. Roll is called. All committee members are present, with the exception of Scott Blough. Judge Hintz introduced new members, Ms. Misty Key and Ms. Lori Mahoney, and guests Mr. Paul Derse and Mr. Jeff Burgh.



**AGENDA REVIEW & APPROVAL OF MEETING MINUTES FOR APRIL 17, 2013**

There were no additions or revisions of the Agenda.

A motion to approve the Meeting Minutes for April 17, 2013, is moved by Judge Hintz and seconded by Mr. Bob Riggs.

The motion passes unanimously.

**COMMITTEE MEMBERS' AND STAFF COMMENTS**

There were no comments.

**INFORMATIONAL AGENDA**

**AGENDA ITEM 6**

*Receive and File September 2013 Monthly Investment Report.*

Judge Hintz explained that this is a typical report and the 4<sup>th</sup> paragraph holds the Judge's comments, which vary each month. The Investment Work Group's goal is to not sell. Judge Hintz informed the Committee of the new format of credit rating spreadsheets for Commercial Paper Issuers, MTN Issuers and Yankee CD Programs.

The motion passes unanimously.

**AGENDA ITEM 7**

*Receive and File A Letter to the Ventura County Board of Supervisors Recommending Approval to Increase the Size of the Committee Composition and Appointments of New Members.*

Judge Hintz explained that the State no longer requires a treasury oversight committee to exist. However, he does not wish the Committee to disband. He further stated that once an Auditor-Controller is elected, he will recommend the appointment of the Auditor-Controller to the Treasury Oversight Committee. Ms. Le briefly summarized the composition size and required representations per Government Code.

The motion passes unanimously.

**REGULAR AGENDA**

**AGENDA ITEM 8**

*Review, Discuss, Receive and File the Standard and Poor's Ventura County Treasury Portfolio Pool Profile Report.*

Judge Hintz discussed the Report and stated that Ventura County's Pool has been given the highest rating granted by Standard and Poor's, AAAs/S1+. He further stated that the high rating is important to School TRAns, Bonds and other types of TRAns.

The motion passes unanimously.

**AGENDA ITEM 9**

*Review, Discuss, Receive and File an Independent Semi-Annual Ventura County Treasury Portfolio Analysis.*

Judge Hintz stated that this report was done through a financial services contract with the Renaissance Law Group. The report is more detailed than the previous reports that were completed by Standard & Poor's. The report's findings confirmed the portfolio management is in compliance with the Investment Policy.

The motion passes unanimously.

**AGENDA ITEM 10**

*Review, Discuss, Receive and File New Brokers.*

Judge Hintz announced the addition of Ms. Rosa Schulte of Raymond James and Mark Lewis of Mutual Securities as two new brokers that have been added to the approved broker list. The Investment Work Group receives offers daily, first thing in the morning, as well as bond offers that come across their desk in the afternoon. The brokers are focusing on the Corporate Medium Term Notes and California-based municipal notes.

The motion passes unanimously.

**AGENDA ITEM 11**

*Receive an Oral Report Regarding New Investment Purchases, and Receive and File a Report "July 2013-September 2013 Transactions."*

Judge Hintz discussed transactions for Quarter 1 of Fiscal Year 2013-14, especially the addition of CalTrust, which has basis points higher than LAIF. It was reported that the Investment Work Group worked on maturity dates in order to provide a steady cash flow to prevent being in a position to sell. However, it was further reported that there were some sales in the August transactions.

The motion passes unanimously.

**AGENDA ITEM 12**

*Receive and File the "Annual Treasury Oversight Committee Audit Engagement Letter."*


Ms. Le explained this is an annual on-site audit conducted by Brown Armstrong. The report will be a part of the next meeting's Agenda packet.

The motion passes unanimously.

**AGENDA ITEM 13**  
*Public Comment.*

There were no Public Comments.

With no further items to discuss, Supervisor Foy adjourns the meeting at 2:10 p.m. The next meeting will be Wednesday, April 9, 2014, 1:00 p.m. in the Caribbean Room, Main Plaza, Hall of Administration/Ventura County Government Center.

By:   
Carla Alvara  
Management Assistant to Judge Hintz





## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: April 9, 2014

### **Informational Agenda Item #6 – Receive and File February 2014 Monthly Investment Report**

#### Recommendation

Receive and file the February 2014 Monthly Investment Report.





# TREASURER-TAX COLLECTOR VENTURA COUNTY

ITEM 6.1

**STEVEN HINTZ**  
TREASURER  
TAX COLLECTOR

**Linda Catherine Le, MPPA**  
Assistant Treasurer-Tax Collector

March 25, 2014

Ventura County Board of Supervisors  
County Government Center  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT:** Discuss and File Report of Investments, Including Market Values for Investments for the Month Ending February 28, 2014.

**RECOMMENDATION:** Discuss and File

**FISCAL/MANDATES IMPACT:** None

**DISCUSSION:**

The average daily portfolio balance for the month of February amounted to \$1.931 billion. The annualized yield for the month of February was .507%. The weighted average days to maturity decreased 5 days to 355 days. The total net monthly earnings were \$752,000. The portfolio has been structured to satisfy the anticipated cash flow needs of the participants. The investment practices and portfolio holdings are in compliance with the investment policy.

The portfolio has been managed with the stated objectives of safety, liquidity and earning a competitive rate of return, outlined in the Statement of Investment Policy. In striving to maintain the primary objective, safety of principal, the County portfolio has received a rating of "AAAf" by Standard & Poor's (S&P), the highest possible ranking given by the agency. Regarding the secondary objective, maintaining sufficient liquidity to meet cash flow needs, the portfolio is rated "S1+," also the highest ranking given by S&P. In light of the first two objectives, the portfolio has on balance outperformed its benchmarks, satisfying the final objective, that of earning a competitive rate of return.

The Ventura County investment fund is a fixed-income, interest-rate-sensitive portfolio with no direct exposure to equities, commodities or global markets. Accordingly, this report will more specifically focus on factors related to U.S. interest rates.

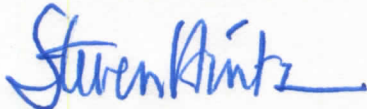
February 2014 marked a return to normalcy for the Investment Work Group. The interest rate market has been quiet. Yields are slowly trending upward, with 1% now being regularly offered on 3-year instruments and .50% on 2-year instruments. 270-day commercial paper is still the place to invest for less than a year, yielding about .30% compared to about .20% for state and federal debt instruments. The federal debt ceiling

was increased practically without comment, and what appear to be major political events world-wide have had no significant impact on our market. All of the purchases by the Investment Work Group in February were of the short variety to maintain appropriate liquidity reserves. February's comparatively high annualized yield of .507% is historically likely to fall back into the .43%-.48% range in the longer month of March. While we continue to be alert for longer-term, higher-yield instruments, I would not expect many such purchases before April.

Accordingly, it is my intent to continue to manage the portfolio based on the cautious assumption that the rise in interest rates within our horizon will rise gradually. Although we will continue to use commercial paper to manage the anticipated cash flow needs of the pool participants, we will seek out higher-yielding instruments in the 12 to 18-month period, as appropriate. It is reasonable to expect that the reported yield will remain in the 43 to 48 basis point range for the next few months.

This letter has been reviewed and approved as to form by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

Please call me at 654-3726 if you have any questions regarding this item.



Steven Hintz  
Treasurer-Tax Collector

- Exhibit 1 – Market Values of Investments
- Exhibit 2 – Monthly Transactions
- Exhibit 3 – Summary of Government Agency Securities
- Exhibit 4 – Graphs
- Exhibit 5 – Portfolio Holdings

**WELLS FARGO****Market/Cost Value Comparison Report  
By Account By Industry Class  
COUNTY OF VENTURA****General Reporting**

From Month End 02/28/2014

03/03/2014 10:00:55 AM EST

**ACCOUNT: All Accounts Selected**

\* = Trade or Other Activity Pending

<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
<b>ACCOUNT: 11435100 COUNTY OF VENTURA</b>										
<b>NET CASH</b>										
NET CASH	.0000		\$ .00	\$ .00	\$ .00	.00			.0000	.00
	U.S. DOLLARS									
<b>SUBTOTAL</b>	<b>.0000</b>		<b>\$ .00</b>	<b>\$ .00</b>	<b>\$ .00</b>	<b>.00</b>			<b>.0000</b>	<b>.00</b>
<b>US GOVERNMENT SHORT-TERM</b>										
GOVERNMENT AGENCY DISCOUNT										
<a href="#">313385US3</a>	5,000,000.0000	03/25/2014	\$4,999,950.00	\$4,999,458.33	\$491.67	.01	N/A	N/A	.0000	.00
		FED HOME LN BK DISC NOTE DTD 03/25/13		03/25/2014						
<b>SUBTOTAL</b>	<b>5,000,000.0000</b>		<b>\$4,999,950.00</b>	<b>\$4,999,458.33</b>	<b>\$491.67</b>	<b>.01</b>			<b>.0000</b>	<b>.00</b>
<b>SAVINGS &amp; CERTIFICATES OF DEPOSIT</b>										
MARKETABLE CERTIFICATES OF DEPOSIT										
<a href="#">06366A6A5</a>	10,000,000.0000	03/10/2014	\$10,000,100.00	\$9,999,999.99	\$100.01	.00	N/A	N/A	.0000	.00
		BANK OF MONTREAL CERT OF DEPOSIT								
<a href="#">22536GVK4</a>	20,000,000.0000	03/24/2014	\$20,002,800.00	\$20,000,000.00	\$2,800.00	.01	N/A	N/A	.0000	.00
		CREDIT IND ET CM NY CERT OF DEPOSIT								
<a href="#">85325BF66</a>	50,000,000.0000	05/27/2014	\$50,011,000.00	\$50,000,000.00	\$11,000.00	.02	N/A	N/A	.0000	.00
		STANDARD CHRTRD BNK NY CERT OF DEPOSIT								
<a href="#">9497P62D9</a>	25,000,000.0000	06/09/2014	\$25,002,750.00	\$25,000,000.00	\$2,750.00	.01	N/A	N/A	.0000	.00
		WELLS FARGO BANK NA CERT OF DEPOSIT								
<a href="#">9497P64Q8</a>	10,000,000.0000	08/22/2014	\$9,998,500.00	\$10,000,000.00	(\$1,500.00)	(.01)	N/A	N/A	.0000	.00
		WELLS FARGO BANK NA CERT OF DEPOSIT								
<a href="#">9497P6X94</a>	25,000,000.0000	03/05/2014	\$25,000,250.00	\$25,000,000.00	\$250.00	.00	N/A	N/A	.0000	.00
		WELLS FARGO BANK, N.A. CERT OF DEPOSIT								
<b>SUBTOTAL</b>	<b>140,000,000.0000</b>		<b>\$140,015,400.00</b>	<b>\$139,999,999.99</b>	<b>\$15,400.01</b>	<b>.01</b>			<b>.0000</b>	<b>.00</b>
<b>COMMERCIAL PAPER</b>										
COMMERCIAL PAPER DISCOUNT										
<a href="#">0556N1LE1</a>	20,000,000.0000	11/14/2014	\$19,950,200.00	\$19,943,883.33	\$6,316.67	.03			.0000	.00
		BNP PARIBAS FIN INC CPDN DTD 02/25/14		11/14/2014						
<a href="#">06538CC33</a>	10,000,000.0000	03/03/2014	\$10,000,000.00	\$9,998,794.40	\$1,205.60	.01			.0000	.00
		BANK OF TOKYO-MITSUBIS CPDN DTD 09/03/13		03/03/2014						
<a href="#">06538CC41</a>	23,400,000.0000	03/04/2014	\$23,400,000.00	\$23,398,986.00	\$1,014.00	.00			.0000	.00

**WELLS FARGO****Market/Cost Value Comparison Report  
By Account By Industry Class  
COUNTY OF VENTURA****General Reporting**  
From Month End 02/28/2014  
03/03/2014 10:00:55 AM EST**ACCOUNT: All Accounts Selected**

\* = Trade or Other Activity Pending

<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
		BANK OF TOKYO-MITSUBIS CPDN DTD 12/04/13 03/04/2014								
<a href="#">06538CCD1</a>	10,000,000.0000	03/13/2014	\$9,999,700.00	\$9,998,750.00	\$950.00	.01			.0000	.00
		BANK OF TOKYO-MITSUBIS CPDN DTD 09/13/13 03/13/2014								
<a href="#">06538CCJ8</a>	20,000,000.0000	03/18/2014	\$19,999,000.00	\$19,997,822.20	\$1,177.80	.01			.0000	.00
		BANK OF TOKYO-MITSUBIS CPDN DTD 09/18/13 03/18/2014								
<a href="#">06538CCQ2</a>	50,000,000.0000	03/24/2014	\$49,996,000.00	\$49,986,888.89	\$9,111.11	.02			.0000	.00
		BANK OF TOKYO-MITSUBIS CPDN DTD 09/23/13 03/24/2014								
<a href="#">2254EBCJ8</a>	10,000,000.0000	03/18/2014	\$9,999,500.00	\$9,987,866.70	\$11,633.30	.12			.0000	.00
		CREDIT SUISSE NY CPDN DTD 09/17/13 03/18/2014								
<a href="#">2254EBEW7</a>	10,000,000.0000	05/30/2014	\$9,995,100.00	\$9,984,688.89	\$10,411.11	.10			.0000	.00
		CREDIT SUISSE AG CPDN DTD 09/04/13 05/30/2014								
<a href="#">2254EBF55</a>	5,000,000.0000	06/05/2014	\$4,997,000.00	\$4,992,416.67	\$4,583.33	.09			.0000	.00
		CREDIT SUISSE AG CPDN DTD 11/07/13 06/05/2014								
<a href="#">2254EBFS5</a>	10,000,000.0000	06/26/2014	\$9,992,700.00	\$9,976,922.22	\$15,777.78	.16			.0000	.00
		CREDIT SUISSE AG CPDN DTD 10/01/13 06/26/2014								
<a href="#">2254EBFT3</a>	10,000,000.0000	06/27/2014	\$9,992,600.00	\$9,977,094.40	\$15,505.60	.16			.0000	.00
		CREDIT SUISSE AG CPDN DTD 10/02/13 06/27/2014								
<a href="#">2254EBGG0</a>	10,000,000.0000	07/16/2014	\$9,990,600.00	\$9,976,444.00	\$14,156.00	.14			.0000	.00
		CREDIT SUISSE AG CPDN DTD 10/24/13 07/16/2014								
<a href="#">2254EBGQ8</a>	15,000,000.0000	07/24/2014	\$14,985,150.00	\$14,964,133.33	\$21,016.67	.14			.0000	.00
		CREDIT SUISSE AG CPDN DTD 10/28/13 07/24/2014								
<a href="#">2254EBGR6</a>	13,000,000.0000	07/25/2014	\$12,987,000.00	\$12,968,915.56	\$18,084.44	.14			.0000	.00
		CREDIT SUISSE AG CPDN DTD 10/29/13 07/25/2014								
<a href="#">2254EBHF1</a>	12,000,000.0000	08/15/2014	\$11,984,640.00	\$11,971,520.04	\$13,119.96	.11			.0000	.00
		CREDIT SUISSE AG CPDN DTD 11/20/13 08/15/2014								
<a href="#">2254EBHM6</a>	15,000,000.0000	08/21/2014	\$14,980,050.00	\$14,964,133.33	\$15,916.67	.11			.0000	.00
		CREDIT SUISSE AG CPDN DTD 11/25/13 08/21/2014								
<a href="#">2254EBHN4</a>	15,000,000.0000	08/22/2014	\$14,979,900.00	\$14,964,266.67	\$15,633.33	.10			.0000	.00
		CREDIT SUISSE AG CPDN DTD 11/27/13 08/22/2014								
<a href="#">2254EBJ44</a>	10,000,000.0000	09/04/2014	\$9,984,600.00	\$9,976,088.90	\$8,511.10	.09			.0000	.00
		CREDIT SUISSE AG CPDN DTD 12/09/13 09/04/2014								
<a href="#">2254EBJ51</a>	5,000,000.0000	09/05/2014	\$4,992,250.00	\$4,987,762.50	\$4,487.50	.09			.0000	.00



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By Account By Industry Class  
COUNTY OF VENTURA****General Reporting**  
From Month End 02/28/2014  
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		CREDIT SUISSE AG CPDN DTD 12/11/13 09/05/2014								
<a href="#">2254EBJ85</a>	15,000,000.0000	09/08/2014	\$14,976,450.00	\$14,963,195.84	\$13,254.16	.09			.0000	.00
		CREDIT SUISSE AG CPDN DTD 12/13/13 09/08/2014								
<a href="#">2254EBJB8</a>	5,000,000.0000	09/11/2014	\$4,992,000.00	\$4,987,762.50	\$4,237.50	.08			.0000	.00
		CREDIT SUISSE AG CPDN DTD 12/18/13 09/11/2014								
<a href="#">2254EBK34</a>	10,000,000.0000	10/03/2014	\$9,981,000.00	\$9,975,525.00	\$5,475.00	.05			.0000	.00
		CREDIT SUISSE AG CPDN DTD 01/09/14 10/03/2014								
<a href="#">25153KEW3</a>	27,000,000.0000	05/30/2014	\$26,986,770.00	\$26,958,143.31	\$28,626.69	.11			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 09/04/13 05/30/2014								
<a href="#">25153KF44</a>	9,590,000.0000	06/04/2014	\$9,584,341.90	\$9,573,313.40	\$11,028.50	.12			.0000	.00
		DEUTSCHE BANK FINL LLC CPDN DTD 09/12/13 06/04/2014								
<a href="#">25153KFW2</a>	10,000,000.0000	06/30/2014	\$9,992,400.00	\$9,979,247.00	\$13,153.00	.13			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 10/03/13 06/30/2014								
<a href="#">25153KGE1</a>	5,000,000.0000	07/14/2014	\$4,995,400.00	\$4,989,625.00	\$5,775.00	.12			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 10/25/13 07/14/2014								
<a href="#">25153KGP6</a>	10,000,000.0000	07/23/2014	\$9,990,100.00	\$9,976,800.00	\$13,300.00	.13			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 10/30/13 07/23/2014								
<a href="#">25153KGR2</a>	10,000,000.0000	07/25/2014	\$9,990,000.00	\$9,973,944.00	\$16,056.00	.16			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 10/28/13 07/25/2014								
<a href="#">25153KGX9</a>	5,000,000.0000	07/31/2014	\$4,994,800.00	\$4,986,972.00	\$7,828.00	.16			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 11/05/13 07/31/2014								
<a href="#">25153KH83</a>	10,000,000.0000	08/08/2014	\$9,987,700.00	\$9,973,944.40	\$13,755.60	.14			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 11/13/13 08/08/2014								
<a href="#">25153KHB6</a>	20,000,000.0000	08/11/2014	\$19,975,000.00	\$19,947,500.00	\$27,500.00	.14			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 11/14/13 08/11/2014								
<a href="#">25153KHC4</a>	12,000,000.0000	08/12/2014	\$11,984,880.00	\$11,969,400.00	\$15,480.00	.13			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 11/15/13 08/12/2014								
<a href="#">25153KHF7</a>	15,000,000.0000	08/15/2014	\$14,980,800.00	\$14,962,033.35	\$18,766.65	.13			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 11/20/13 08/15/2014								
<a href="#">25153KHN0</a>	20,000,000.0000	08/22/2014	\$19,973,200.00	\$19,950,683.40	\$22,516.60	.11			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 11/26/13 08/22/2014								
<a href="#">25153KJ24</a>	10,000,000.0000	09/02/2014	\$9,984,800.00	\$9,974,500.00	\$10,300.00	.10			.0000	.00

**WELLS FARGO****Market/Cost Value Comparison Report  
By Account By Industry Class  
COUNTY OF VENTURA****General Reporting**  
From Month End 02/28/2014  
03/03/2014 10:00:55 AM EST**ACCOUNT: All Accounts Selected**

\* = Trade or Other Activity Pending

<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
		DEUTSCHE BK FINL LLC CPDN DTD 12/06/13 09/02/2014								
<a href="#">25153KJ57</a>	9,000,000.0000	09/05/2014	\$8,986,050.00	\$8,977,134.96	\$8,915.04	.10			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 12/09/13 09/05/2014								
<a href="#">25153KLR6</a>	10,000,000.0000	11/25/2014	\$9,974,000.00	\$9,972,250.00	\$1,750.00	.02			.0000	.00
		DEUTSCHE BK FINL LLC CPDN DTD 02/28/14 11/25/2014								
<a href="#">74977LC62</a>	15,000,000.0000	03/06/2014	\$14,999,850.00	\$14,984,775.00	\$15,075.00	.10			.0000	.00
		RABOBANK USA FIN CORP CPDN DTD 09/05/13 03/06/2014								
<a href="#">83365SC35</a>	6,600,000.0000	03/03/2014	\$6,600,000.00	\$6,599,871.67	\$128.33	.00			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 06/06/13 03/03/2014								
<a href="#">83365SC50</a>	5,000,000.0000	03/05/2014	\$4,999,950.00	\$4,999,244.44	\$705.56	.01			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 12/04/13 03/05/2014								
<a href="#">83365SE25</a>	25,000,000.0000	05/02/2014	\$24,993,000.00	\$24,986,861.11	\$6,138.89	.02			.0000	.00
		SOCIETE GENERALE N AMER CPDN DTD 08/08/13 05/02/2014								
<a href="#">83365SFS7</a>	40,000,000.0000	06/26/2014	\$39,970,800.00	\$39,967,466.67	\$3,333.33	.01			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 02/24/14 06/26/2014								
<a href="#">83365SHT3</a>	35,000,000.0000	08/27/2014	\$34,951,700.00	\$34,940,169.44	\$11,530.56	.03			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 02/27/14 08/27/2014								
<a href="#">83365SJ46</a>	25,000,000.0000	09/04/2014	\$24,961,500.00	\$24,931,666.75	\$29,833.25	.12			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 01/07/14 09/04/2014								
<a href="#">83365SJB0</a>	10,000,000.0000	09/11/2014	\$9,984,000.00	\$9,971,869.40	\$12,130.60	.12			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 01/07/14 09/11/2014								
<a href="#">83365SJW4</a>	5,000,000.0000	09/30/2014	\$4,990,600.00	\$4,983,683.35	\$6,916.65	.14			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 01/06/14 09/30/2014								
<a href="#">83365SK10</a>	8,000,000.0000	10/01/2014	\$7,984,960.00	\$7,976,480.00	\$8,480.00	.11			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 01/22/14 10/01/2014								
<a href="#">83365SK36</a>	5,000,000.0000	10/03/2014	\$4,990,500.00	\$4,983,622.20	\$6,877.80	.14			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 01/06/14 10/03/2014								
<a href="#">83365SKN2</a>	5,000,000.0000	10/22/2014	\$4,989,650.00	\$4,983,622.20	\$6,027.80	.12			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 01/27/14 10/22/2014								
<a href="#">83365SLH4</a>	15,000,000.0000	11/17/2014	\$14,962,200.00	\$14,953,800.00	\$8,400.00	.06			.0000	.00
		SOCIETE GEN NO AMER CPDN DTD 02/26/14 11/17/2014								
<a href="#">83365SLM3</a>	5,000,000.0000	11/21/2014	\$4,987,200.00	\$4,984,250.00	\$2,950.00	.06			.0000	.00

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<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
SOCIETE GEN NO AMER CPDN DTD 02/24/14 11/21/2014										
<a href="#">89233HC77</a>	15,000,000.0000	03/07/2014	\$14,999,850.00	\$14,973,061.11	\$26,788.89	.18			.0000	.00
TOYOTA MOTOR CREDIT CO CPDN DTD 06/10/13 03/07/2014										
<a href="#">90526NC37</a>	15,000,000.0000	03/03/2014	\$15,000,000.00	\$14,992,800.00	\$7,200.00	.05			.0000	.00
UNION BANK NA CPDN DTD 09/30/13 03/03/2014										
<a href="#">90526NCA1</a>	10,000,000.0000	03/10/2014	\$9,999,800.00	\$9,998,500.00	\$1,300.00	.01			.0000	.00
UNION BANK NA CPDN DTD 10/22/13 03/10/2014										
<a href="#">90526NET8</a>	10,000,000.0000	05/27/2014	\$9,995,300.00	\$9,985,733.33	\$9,566.67	.10			.0000	.00
UNION BANK NA CPDN DTD 09/25/13 05/27/2014										
<a href="#">90526NF26</a>	5,000,000.0000	06/02/2014	\$4,997,100.00	\$4,991,975.00	\$5,125.00	.10			.0000	.00
UNION BANK NA CPDN DTD 10/25/13 06/02/2014										
<a href="#">90526NF59</a>	10,000,000.0000	06/05/2014	\$9,994,000.00	\$9,984,100.00	\$9,900.00	.10			.0000	.00
UNION BANK NA CPDN DTD 11/05/13 06/05/2014										
<b>SUBTOTAL</b>	<b>755,590,000.0000</b>		<b>\$754,887,641.90</b>	<b>\$754,282,903.86</b>	<b>\$604,738.04</b>	<b>.08</b>			<b>.0000</b>	<b>.00</b>
<b>CORPORATE BONDS</b>										
CORPORATE BONDS										
<a href="#">06406HBL2</a>	12,300,000.0000	05/15/2014	\$12,399,138.00	\$12,855,846.00	(\$456,708.00)	(3.55)	A+	A1	.0000	.00
BANK OF NEW YORK MELLON DTD 05/12/09 4.300 05/15/2014										
<a href="#">06406HCD9</a>	6,053,000.0000	10/23/2015	\$6,073,035.43	\$6,073,364.71	(\$329.28)	(.01)	A+	A1	.0000	.00
BANK OF NEW YORK MELLON DTD 10/25/12 0.700 10/23/2015										
<a href="#">22541LAR4</a>	2,000,000.0000	01/15/2015	\$2,076,980.00	\$2,080,650.00	(\$3,670.00)	(.18)	A	A1	.0000	.00
CREDIT SUISSE FIRST BOSTON USA INC DTD 12/15/04 4.875 01/15/2015										
<a href="#">22546QAA5</a>	35,701,000.0000	05/01/2014	\$35,997,318.30	\$37,207,174.25	(\$1,209,855.95)	(3.25)	A	A1	.0000	.00
CREDIT SUISSE NEW YORK DTD 05/04/09 5.500 05/01/2014										
<a href="#">22546QAE7</a>	19,655,000.0000	03/23/2015	\$20,288,087.55	\$20,503,247.92	(\$215,160.37)	(1.05)	A	A1	.0000	.00
CREDIT SUISSE NEW YORK DTD 03/23/10 3.500 03/23/2015										
<a href="#">36962G4C5</a>	10,000,000.0000	05/13/2014	\$10,105,800.00	\$10,839,800.00	(\$734,000.00)	(6.77)	AA+	A1	.0000	.00
GENERAL ELEC CAP CORP DTD 05/13/09 5.900 05/13/2014										
<a href="#">36962G4G6</a>	5,000,000.0000	11/14/2014	\$5,117,850.00	\$5,196,250.00	(\$78,400.00)	(1.51)	AA+	A1	.0000	.00
GENERAL ELEC CAP CORP DTD 11/16/09 3.750 11/14/2014										
<a href="#">36962G4T8</a>	11,262,000.0000	11/09/2015	\$11,587,922.28	\$11,627,170.35	(\$39,248.07)	(.34)	AA+	A1	.0000	.00
GENERAL ELEC CAP CORP DTD 11/09/10 2.250 11/09/2015										

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<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
<a href="#">36962G5F7</a>	1,700,000.0000	06/30/2015	\$1,743,333.00	\$1,748,356.50	(\$5,023.50)	(.29)	AA+	A1	.0000	.00
		GENERAL ELEC CAP CORP MED TERM NOTE								
<a href="#">36962GK86</a>	5,000,000.0000	09/15/2014	\$5,119,500.00	\$5,313,050.00	(\$193,550.00)	(3.64)	AA+	A1	.0000	.00
		GENERAL ELEC CAP CORP MEDIUM TERM MED TERM NOTE TRANCHE # TR00655								
<a href="#">36962GX41</a>	20,000,000.0000	06/09/2014	\$20,283,000.00	\$21,218,000.00	(\$935,000.00)	(4.41)	AA+	A1	.0000	.00
		GENERAL ELEC CAP CORP MED TERM NOTE TRANCHE # TR 00747								
<a href="#">46623EJW0</a>	2,784,000.0000	04/23/2015	\$2,791,377.60	\$2,786,747.81	\$4,629.79	.17	A	A3	.0000	.00
		JPMORGAN CHASE & CO DTD 04/23/13 0.800 04/23/2015								
<a href="#">46625HCE8</a>	5,000,000.0000	03/01/2015	\$5,203,250.00	\$5,336,880.00	(\$133,630.00)	(2.50)	A	A3	.0000	.00
		JP MORGAN CHASE & CO DTD 02/25/05 4.750 03/01/2015								
<a href="#">46625HHN3</a>	14,000,000.0000	06/01/2014	\$14,129,920.00	\$14,502,980.00	(\$373,060.00)	(2.57)	A	A3	.0000	.00
		JPMORGAN CHASE & CO DTD 05/18/09 4.650 06/01/2014								
<a href="#">46625HHP8</a>	14,385,000.0000	01/20/2015	\$14,797,417.95	\$15,048,939.70	(\$251,521.75)	(1.67)	A	A3	.0000	.00
		JPMORGAN CHASE & CO DTD 09/18/09 3.700 01/20/2015								
<a href="#">585907AM0</a>	6,720,000.0000	12/15/2014	\$6,956,006.40	\$7,187,557.44	(\$231,551.04)	(3.22)	A+	AA3	.0000	.00
		MELLON BANK NA DTD 11/24/04 4.750 12/15/2014								
<a href="#">90331HKP7</a>	1,250,000.0000	10/30/2014	\$1,288,687.50	\$1,319,125.00	(\$30,437.50)	(2.31)	A+	A1	.0000	.00
		U S BK NATL ASSN CINCINNATI OHIO TRANCHE # TR 00230 SER BKNT								
<a href="#">91159HGR5</a>	22,570,000.0000	05/15/2014	\$22,742,434.80	\$23,361,332.24	(\$618,897.44)	(2.65)	A+	A1	.0000	.00
		US BANCORP DTD 05/14/09 4.200 05/15/2014								
<a href="#">949746CR0</a>	11,000,000.0000	11/15/2014	\$11,336,050.00	\$11,471,857.00	(\$135,807.00)	(1.18)	A	A3	.0000	.00
		WELLS FARGO DTD 11/06/02 5.000 11/15/2014								
<b>SUBTOTAL</b>	<b>206,380,000.0000</b>		<b>\$210,037,108.81</b>	<b>\$215,678,328.92</b>	<b>(\$5,641,220.11)</b>	<b>(2.62)</b>			<b>.0000</b>	<b>.00</b>
<b>FEDERAL AGENCY</b>										
GOVERNMENT AGENCIES										
<a href="#">3130A0HD5</a>	15,000,000.0000	12/27/2016	\$15,006,450.00	\$15,000,000.00	\$6,450.00	.04	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 12/27/13 0.800 12/27/2016								
<a href="#">31315PFR5</a>	2,000,000.0000	04/29/2014	\$2,008,780.00	\$2,061,274.00	(\$52,494.00)	(2.55)	N/A	N/A	.0000	.00
		FED AGRIC DTD 04/29/09 3.125 04/29/2014								
<a href="#">31315PSE0</a>	4,500,000.0000	03/25/2014	\$4,500,225.00	\$4,501,935.00	(\$1,710.00)	(.04)	N/A	N/A	.0000	.00
		FARMER MAC MED TERM NOTE SER 0000								
<a href="#">31331KGN4</a>	25,000,000.0000	04/07/2014	\$25,030,750.00	\$25,000,000.00	\$30,750.00	.12	AA+	AAA	.0000	.00



**Market/Cost Value Comparison Report**  
**By Account By Industry Class**  
**COUNTY OF VENTURA**

**General Reporting**  
From Month End 02/28/2014  
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**ACCOUNT: All Accounts Selected**

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Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
		FED FARM CREDIT BK DTD 04/07/11	1.400	04/07/2014						
<a href="#">31331XWW8</a>	5,190,000.0000	04/25/2014	\$5,226,537.60	\$5,462,625.51	(\$236,087.91)	(4.32)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 04/25/07	5.000	04/25/2014						
<a href="#">31331YHM5</a>	9,600,000.0000	12/15/2014	\$9,902,112.00	\$10,551,552.00	(\$649,440.00)	(6.15)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 12/12/07	4.300	12/15/2014						
<a href="#">313373JR4</a>	35,000,000.0000	05/28/2014	\$35,105,350.00	\$35,679,450.00	(\$574,100.00)	(1.61)	AA+	AAA	.0000	.00
		FED HOME LN BK DTD 04/15/11	1.375	05/28/2014						
<a href="#">3133ECFD1</a>	10,000,000.0000	05/13/2014	\$10,001,900.00	\$10,000,592.00	\$1,308.00	.01	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 02/13/13	0.200	05/13/2014						
<a href="#">3133ECGH1</a>	10,000,000.0000	03/04/2014	\$10,000,000.00	\$9,999,300.00	\$700.00	.01	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 03/04/13	0.180	03/04/2014						
<a href="#">3133EDBC5</a>	30,575,000.0000	09/12/2016	\$30,480,829.00	\$30,559,721.25	(\$78,892.25)	(.26)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 12/12/13	0.600	09/12/2016						
<a href="#">3133EDBK7</a>	9,101,000.0000	12/09/2016	\$9,061,228.63	\$9,090,078.80	(\$28,850.17)	(.32)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 12/09/13	0.680	12/09/2016						
<a href="#">3133EDC42</a>	20,000,000.0000	12/19/2016	\$19,926,000.00	\$20,000,000.00	(\$74,000.00)	(.37)	AA+	AAA	.0000	.00
		FED FARM CREDIT BK DTD 12/19/13	0.700	12/19/2016						
<a href="#">3134G2UA8</a>	50,000,000.0000	08/20/2014	\$50,200,000.00	\$50,384,100.00	(\$184,100.00)	(.37)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP DTD 07/26/11	1.000	08/20/2014						
<a href="#">3134G4N53</a>	20,000,000.0000	12/19/2016	\$20,012,800.00	\$20,000,000.00	\$12,800.00	.06	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0000								
<a href="#">3134G4N79</a>	23,000,000.0000	12/19/2016	\$23,014,720.00	\$23,000,000.00	\$14,720.00	.06	AA+	N/A	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE SER 0001								
<a href="#">3134G4NH7</a>	25,000,000.0000	06/24/2016	\$25,003,500.00	\$25,000,000.00	\$3,500.00	.01	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
<a href="#">3134G4NJ3</a>	12,000,000.0000	12/20/2016	\$11,992,560.00	\$12,000,000.00	(\$7,440.00)	(.06)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
<a href="#">3134G4NK0</a>	15,000,000.0000	12/09/2016	\$14,970,000.00	\$14,998,500.00	(\$28,500.00)	(.19)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
<a href="#">3134G4NT1</a>	25,000,000.0000	06/09/2016	\$24,988,250.00	\$25,000,000.00	(\$11,750.00)	(.05)	AA+	AAA	.0000	.00
		FED HOME LN MTG CORP MED TERM NOTE								
<a href="#">3134G4NU8</a>	25,000,000.0000	12/23/2016	\$25,014,500.00	\$25,000,000.00	\$14,500.00	.06	AA+	AAA	.0000	.00

# WELLS FARGO

## Market/Cost Value Comparison Report By Account By Industry Class COUNTY OF VENTURA

**General Reporting**  
From Month End 02/28/2014  
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<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
FED HOME LN MTG CORP MED TERM NOTE										
<a href="#">3134G4PF9</a>	30,000,000.0000	12/27/2016	\$30,013,200.00	\$30,000,000.00	\$13,200.00	.04	AA+	AAA	.0000	.00
FED HOME LN MTG CORP MED TERM NOTE										
<a href="#">3134G4Q27</a>	30,000,000.0000	12/27/2016	\$30,006,900.00	\$30,000,000.00	\$6,900.00	.02	AA+	AAA	.0000	.00
FED HOME LN MTG CORP MED TERM NOTE SER 0000										
<a href="#">3134G4Q76</a>	20,000,000.0000	12/19/2016	\$20,011,600.00	\$20,000,000.00	\$11,600.00	.06	AA+	AAA	.0000	.00
FED HOME LN MTG CORP MED TERM NOTE										
<a href="#">3134G4QW1</a>	31,500,000.0000	12/30/2016	\$31,546,620.00	\$31,500,000.00	\$46,620.00	.15	AA+	AAA	.0000	.00
FED HOME LN MTG CORP DTD 12/30/13 0.850 12/30/2016										
<a href="#">31359MW41</a>	1,260,000.0000	09/15/2016	\$1,409,536.80	\$1,420,020.00	(\$10,483.20)	(.74)	AA+	AAA	.0000	.00
FED NATL MTG ASSN DTD 08/17/06 5.250 09/15/2016										
<a href="#">3135G0BY8</a>	20,000,000.0000	08/28/2014	\$20,075,200.00	\$20,167,600.00	(\$92,400.00)	(.46)	AA+	AAA	.0000	.00
FED NATL MTG ASSN DTD 07/18/11 0.875 08/28/2014										
<a href="#">3135G0XU2</a>	8,000,000.0000	05/27/2016	\$7,999,120.00	\$8,000,000.00	(\$880.00)	(.01)	AA+	AAA	.0000	.00
FED NATL MTG ASSN DTD 05/30/13 0.520 05/27/2016										
<a href="#">3135G0YW7</a>	108,725,000.0000	11/25/2016	\$108,597,791.75	\$108,885,289.50	(\$287,497.75)	(.26)	AA+	AAA	.0000	.00
FED NATL MTG ASSN SER 0000										
<a href="#">3136G1WJ4</a>	3,980,000.0000	10/21/2016	\$3,987,522.20	\$3,995,920.00	(\$8,397.80)	(.21)	AA+	N/A	.0000	.00
FED NATL MTG ASSN DTD 10/21/13 0.900 10/21/2016										
<a href="#">3136G1Y52</a>	18,000,000.0000	12/23/2016	\$17,959,500.00	\$18,000,000.00	(\$40,500.00)	(.22)	AA+	AAA	.0000	.00
FED NATL MTG ASSN DTD 12/23/13 0.750 12/23/2016										
<a href="#">3136G1YC7</a>	15,000,000.0000	12/27/2016	\$14,980,950.00	\$15,000,000.00	(\$19,050.00)	(.13)	AA+	AAA	.0000	.00
FED NATL MTG ASSN SER 0001										
<a href="#">3136G1YH6</a>	17,000,000.0000	12/30/2016	\$17,000,000.00	\$17,000,000.00	\$0.00	.00	AA+	AAA	.0000	.00
FED NATL MTG ASSN DTD 12/30/13 0.800 12/30/2016										
STRIPPED AND ZERO-COUPON										
<a href="#">313586QR3</a>	25,000,000.0000	07/05/2014	\$24,983,500.00	\$24,893,500.00	\$90,000.00	.36	AA+	AAA	.0000	.00
FED NATL MTG ASSN DEB ZERO CPN DTD 07/05/84 07/05/2014										
<a href="#">912820XU6</a>	15,000,000.0000	03/15/2014	\$14,999,550.00	\$14,998,545.72	\$1,004.28	.01	N/A	N/A	.0000	.00
US TREASURY ZERO CPN DTD 03/15/11 03/15/2014										
<b>SUBTOTAL</b>	<b>714,431,000.0000</b>		<b>\$715,017,482.98</b>	<b>\$717,150,003.78</b>	<b>(\$2,132,520.80)</b>	<b>(.30)</b>			<b>.0000</b>	<b>.00</b>
<b>MUNICIPAL BONDS</b>										
MUNICIPAL BONDS - TAX-EXEMPT										
<a href="#">1306852L3</a>	2,575,000.0000	04/01/2014	\$2,584,064.00	\$2,615,324.50	(\$31,260.50)	(1.20)	A-	A2	.0000	.00

**WELLS FARGO****Market/Cost Value Comparison Report  
By Account By Industry Class  
COUNTY OF VENTURA****General Reporting**

From Month End 02/28/2014

03/03/2014 10:00:55 AM EST

**ACCOUNT: All Accounts Selected**

\* = Trade or Other Activity Pending

<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody's Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
CALIFORNIA ST PUBLIC WKS BRD LEASE REVENUE										
<a href="#">764411BN3</a>	12,100,000.0000	07/31/2014	\$12,102,299.00	\$12,100,000.00	\$2,299.00	.02	SP-1+	N/R	.0000	.00
RICHMOND CA TRANS-SER A										
MUNICIPAL TAXABLE										
<a href="#">03254CFW5</a>	1,305,000.0000	11/01/2016	\$1,379,163.15	\$1,372,786.15	\$6,377.00	.46	N/R	AA3	.0000	.00
ANAHEIM CA CITY SCH DIST BANS-TXBL-QUALIFIED SCH CONSTR										
<a href="#">13063A5C4</a>	1,870,000.0000	04/01/2015	\$1,972,756.50	\$1,995,888.40	(\$23,131.90)	(1.16)	A	A1	.0000	.00
CALIFORNIA ST BUILD AMERICA BONDS-TXB-VAR PU										
<a href="#">13063A7F5</a>	5,130,000.0000	10/01/2014	\$5,266,919.70	\$5,312,243.00	(\$45,323.30)	(.85)	A	A1	.0000	.00
CALIFORNIA ST TAXABLE-VAR PURP										
<a href="#">13063BHZ8</a>	5,200,000.0000	11/01/2015	\$5,496,400.00	\$5,548,608.00	(\$52,208.00)	(.94)	A	A1	.0000	.00
CALIFORNIA ST TAXABLE										
<a href="#">13063BN73</a>	2,735,000.0000	02/01/2016	\$2,751,847.60	\$2,761,848.15	(\$10,000.55)	(.36)	A	A1	.0000	.00
CALIFORNIA ST TXBL-VARIOUS PURPOSE										
<a href="#">13063BNQ1</a>	1,800,000.0000	10/01/2014	\$1,819,080.00	\$1,826,856.00	(\$7,776.00)	(.43)	A	A1	.0000	.00
CALIFORNIA ST TXBL-VARIOUS PURPOSE										
<a href="#">13063BNR9</a>	6,000,000.0000	10/01/2015	\$6,206,520.00	\$6,243,970.00	(\$37,450.00)	(.60)	A	A1	.0000	.00
CALIFORNIA ST TXBL-VARIOUS PURPOSE										
<a href="#">13063CFD7</a>	950,000.0000	11/01/2016	\$958,417.00	\$958,445.50	(\$28.50)	.00	A	A1	.0000	.00
CALIFORNIA ST TXBL-VARIOUS PURPOSE										
<a href="#">91412GSW6</a>	5,000,000.0000	05/15/2015	\$5,016,900.00	\$5,000,000.00	\$16,900.00	.34	AA	AA1	.0000	.00
UNIV OF CALIFORNIA CA REVENUES TXBL-GEN-SER AJ										
<b>SUBTOTAL</b>	<b>44,665,000.0000</b>		<b>\$45,554,366.95</b>	<b>\$45,735,969.70</b>	<b>(\$181,602.75)</b>	<b>(.40)</b>			<b>.0000</b>	<b>.00</b>
OTHER ASSETS										
OTHER ASSETS										
<a href="#">MS6232818</a>	50,000,000.0000		\$50,000,000.00	\$50,000,000.00	\$ .00	.00			.0000	.00
CA LAIF STATE OF CALIFORNIA INVESTMENT FD										
<a href="#">MS6615459</a>	15,000,000.0000		\$15,000,000.00	\$15,000,000.00	\$ .00	.00			.0000	.00
CALTRUST SHORT TERM ACCT										
<b>SUBTOTAL</b>	<b>65,000,000.0000</b>		<b>\$65,000,000.00</b>	<b>\$65,000,000.00</b>	<b>\$ .00</b>	<b>.00</b>			<b>.0000</b>	<b>.00</b>
<b>ACCOUNT 11435100 TOTAL</b>	<b>1,931,066,000.0000</b>		<b>\$1,935,511,950.64</b>	<b>\$1,942,846,664.58</b>	<b>(\$7,334,713.94)</b>	<b>(.38)</b>			<b>.0000</b>	<b>.00</b>
<b>GRAND TOTAL</b>	<b>1,931,066,000.0000</b>		<b>\$1,935,511,950.64</b>	<b>\$1,942,846,664.58</b>	<b>(\$7,334,713.94)</b>	<b>(.38)</b>			<b>.0000</b>	<b>.00</b>

**WELLS FARGO**  
**Market/Cost Value Comparison Report**  
**By Account By Industry Class**  
**COUNTY OF VENTURA**

**General Reporting**  
From Month End 02/28/2014  
03/03/2014 10:00:55 AM EST

**ACCOUNT: All Accounts Selected**  
\* = Trade or Other Activity Pending

<u>Asset ID</u>	<u>Units</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Fed Tax Cost</u>	<u>Gain/Loss Amount</u>	<u>%</u>	<u>S &amp; P Rating</u>	<u>Moody`s Rating</u>	<u>Units in Transition</u>	<u>Encumbrd Units</u>
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END OF REPORT



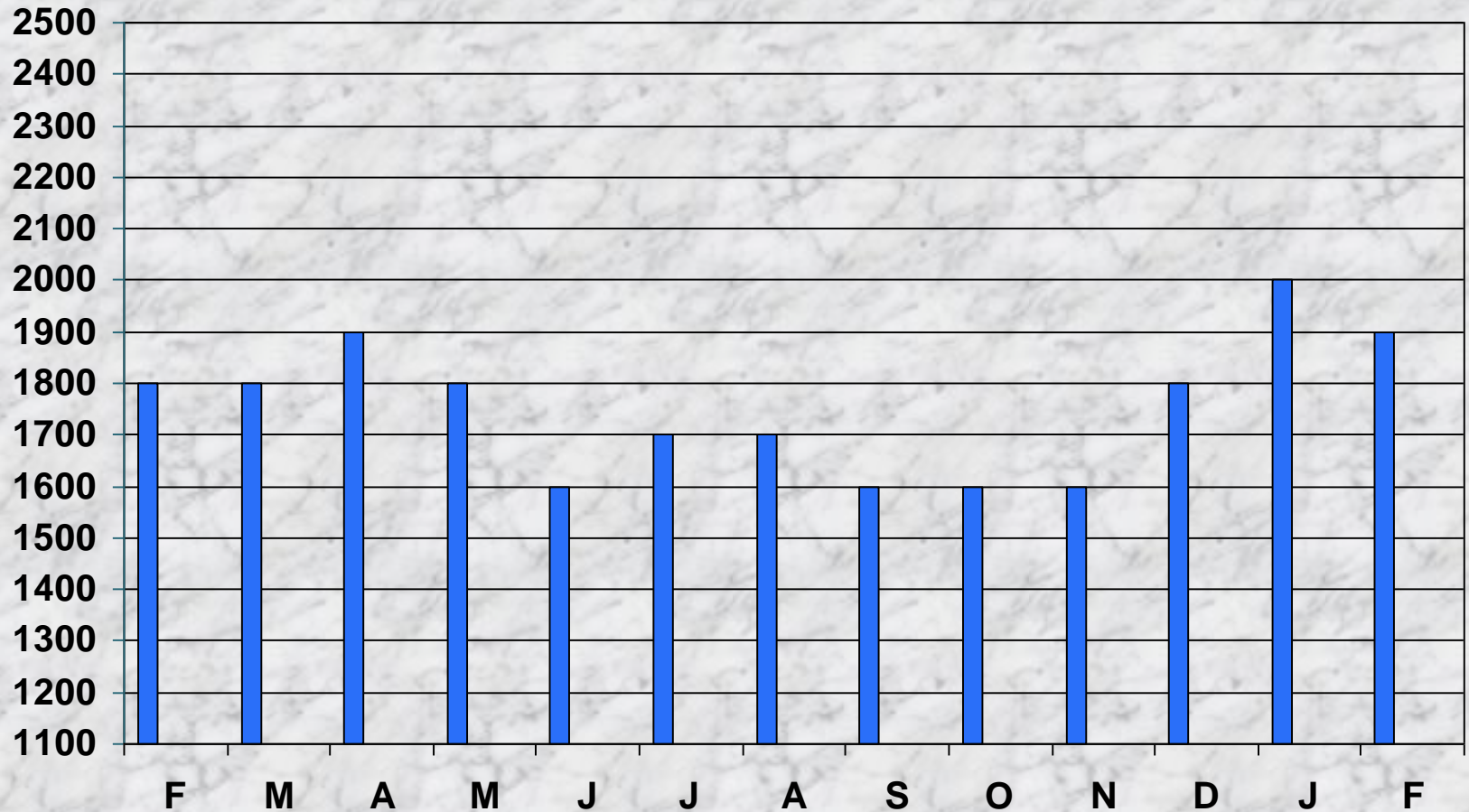
FEBRUARY 2014 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
02/04/14	Purchase	15.00	US Treas	STRIP PRINCIPAL	03/15/14	0.09
02/04/14	Purchase	10.00	US Treas	STRIP PRINCIPAL	02/28/14	0.06
02/05/14	Purchase	25.00	CP	SOCIETE GENERALE	05/02/14	0.22
02/11/14	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	03/13/14	0.15
02/18/14	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	03/18/14	0.14
02/20/14	Purchase	23.40	CP	BANK OF TOKYO MIT UFJ NY	03/04/14	0.13
02/21/14	Purchase	6.60	CP	SOCIETE GENERALE	03/03/14	0.07
02/24/14	Purchase	5.00	CP	SOCIETE GENERALE	11/21/14	0.42
02/24/14	Purchase	40.00	CP	SOCIETE GENERALE	06/26/14	0.24
02/25/14	Purchase	10.00	NCD	WELLS FARGO BANK NA	08/22/14	0.21
02/26/14	Purchase	15.00	CP	SOCIETE GENERALE	11/17/14	0.42
02/27/14	Purchase	2.00	MTN	CREDIT SUISSE USA, INC.	01/15/15	0.300059
02/27/14	Purchase	35.00	CP	SOCIETE GENERALE	08/27/14	0.34
02/28/14	Purchase	10.00	CP	DEUTSCHE BANK FIN	11/25/14	0.37
02/28/14	Purchase	20.00	CP	BNP PARIBAS FINANCE	11/14/14	0.39

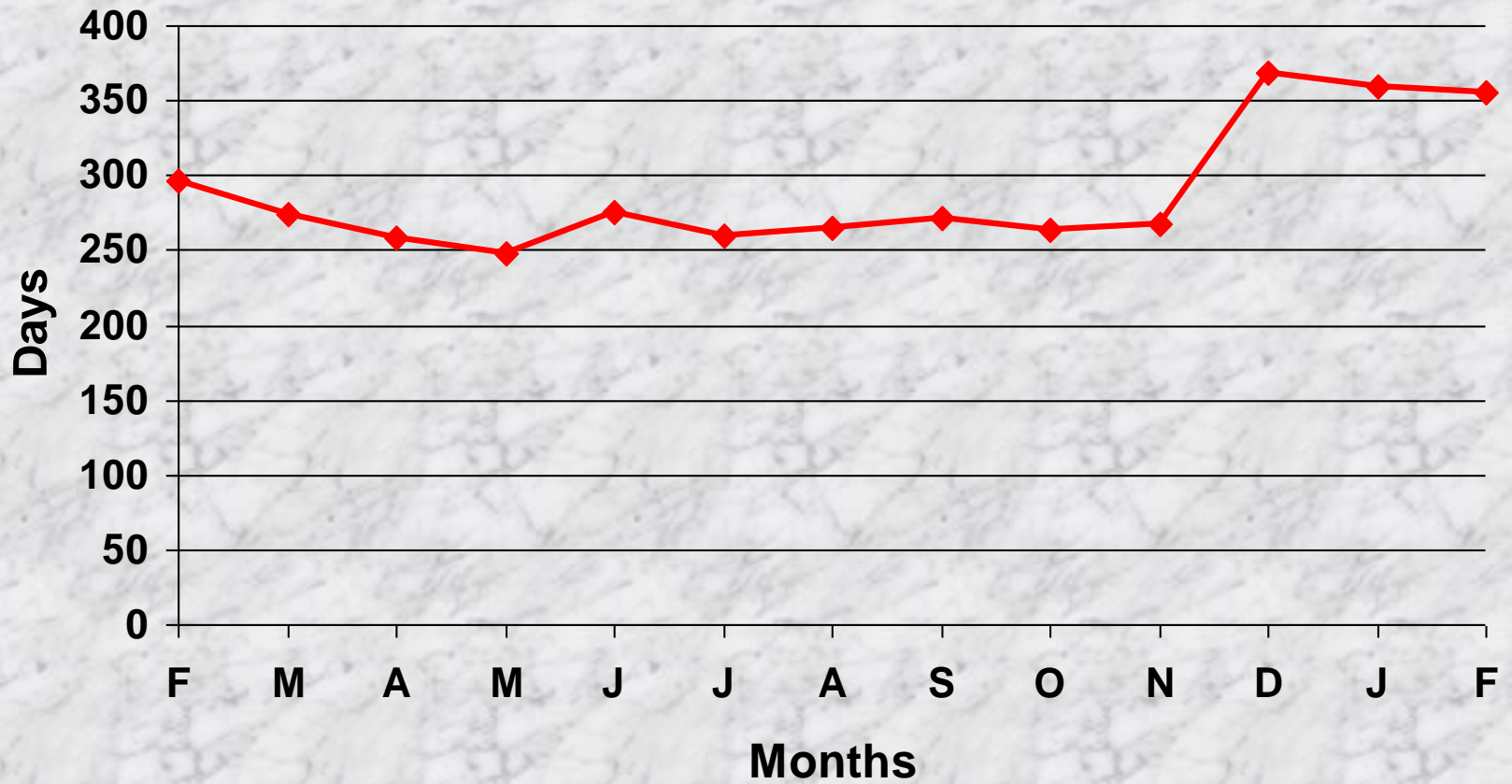
GA summary

TOTAL PORTFOLIO =	1,931.066					
FEDERAL AGENCIES			2/28/2014			Percent of Portfolio
	NOTES		Discount Notes		TOTAL	
Federal Home Loan Bank	50.000		5.000		55.000	2.85%
Federal National Mortgage Association	191.965		25.000		216.965	11.24%
Federal Home Loan Mortgage Corporation	306.500		0.000		306.500	15.87%
Federal Farm Credit Bank	119.466		0.000		119.466	6.19%
Federal Agricultural Mortgage Corp	6.500		0.000		6.500	0.34%
Tennessee Valley Authority	0.000		0.000		0.000	0.00%
	674.431		30.000		704.431	36.49%
					704.431	

# PORTFOLIO AVERAGE MONTHLY BALANCE

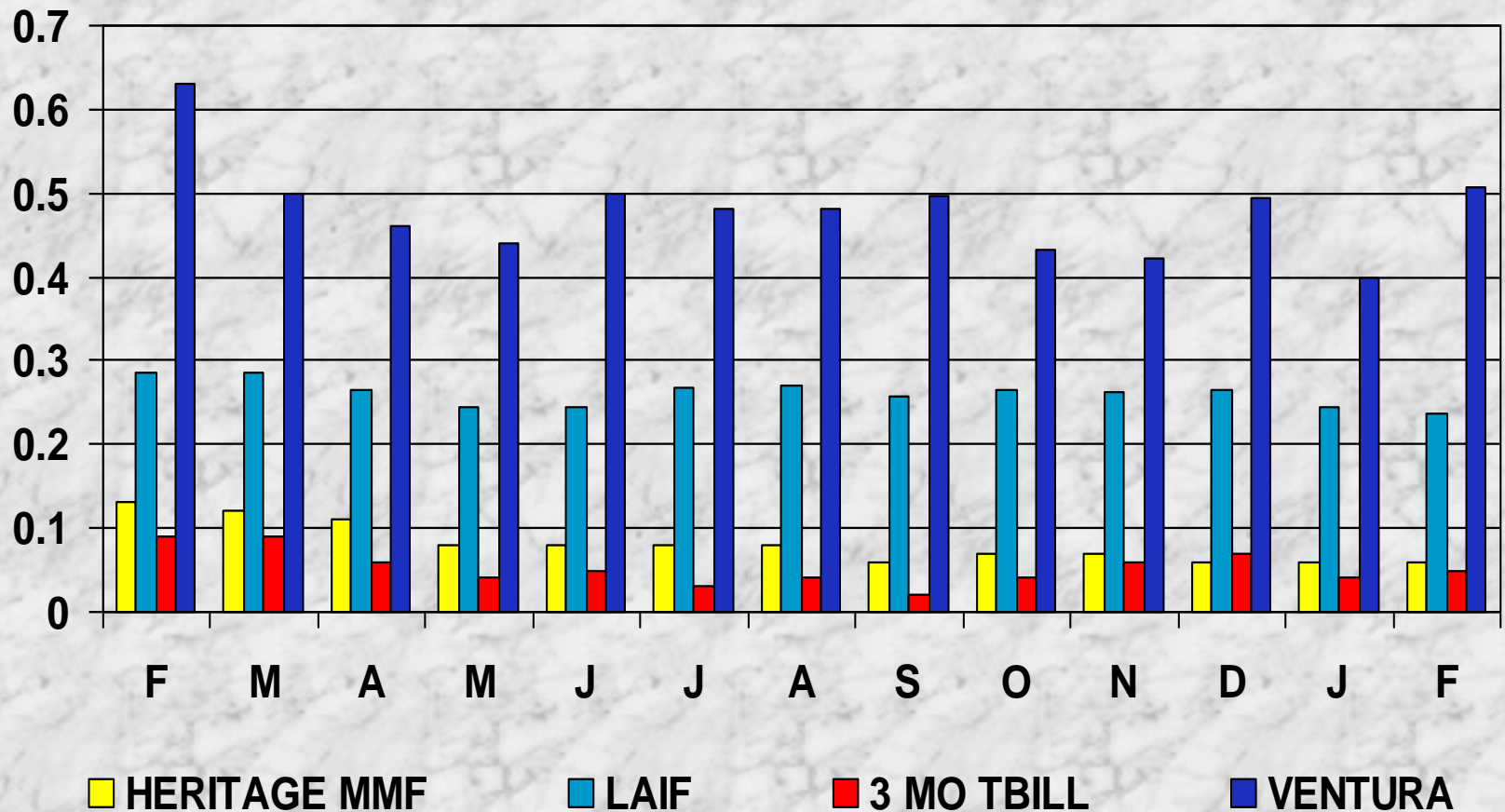


# AVERAGE MATURITY

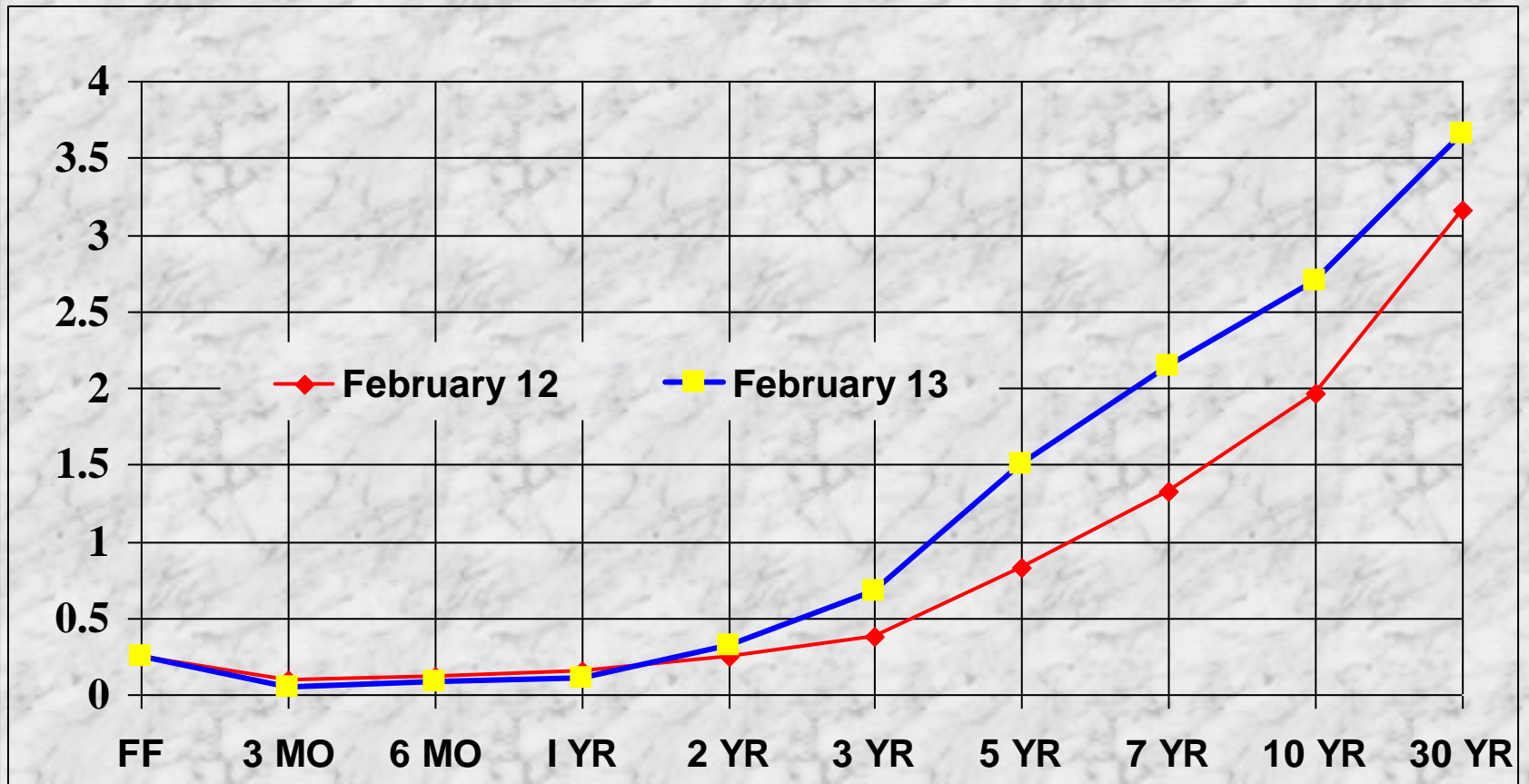




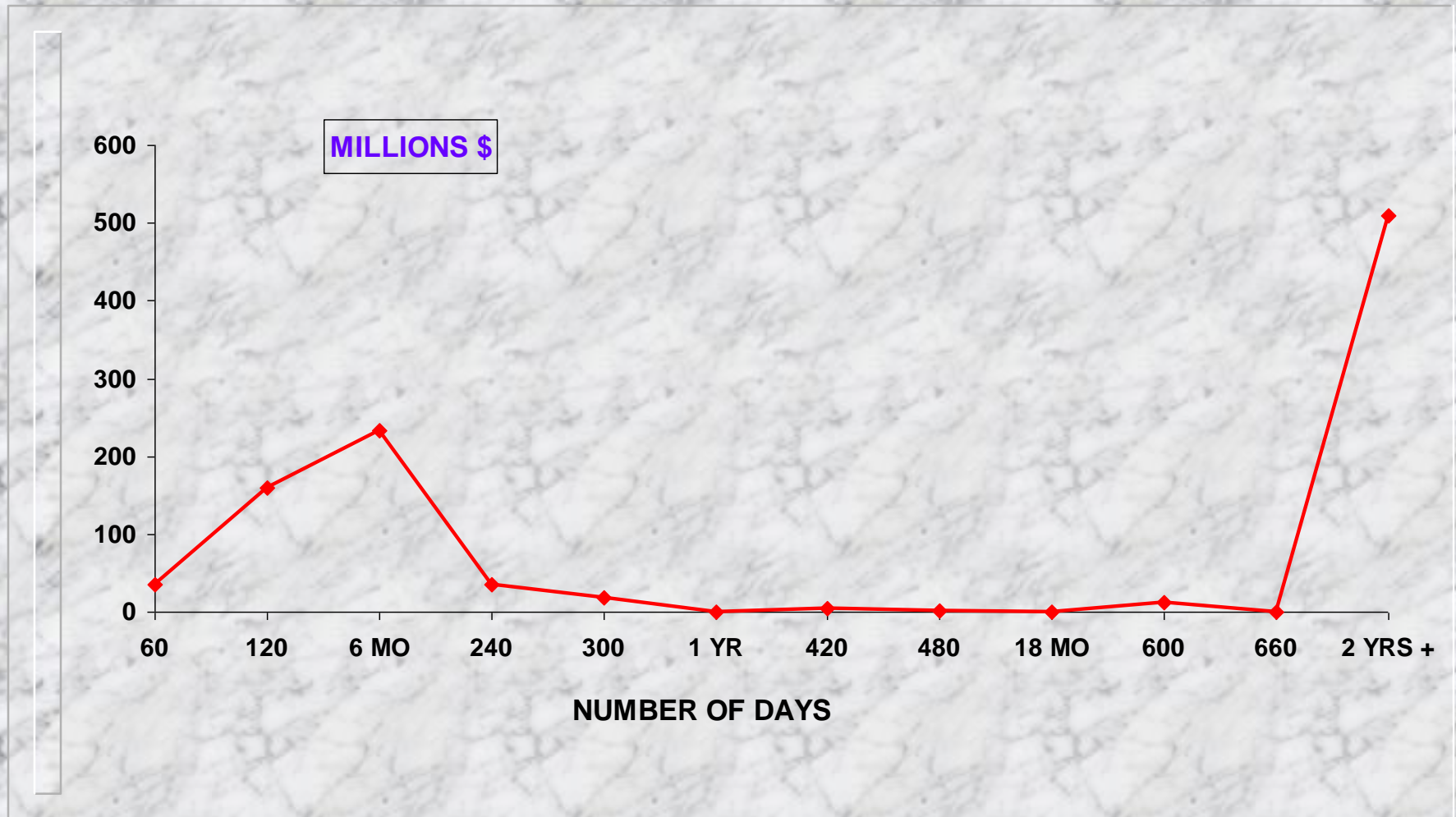
# ++++YIELD COMPARISON



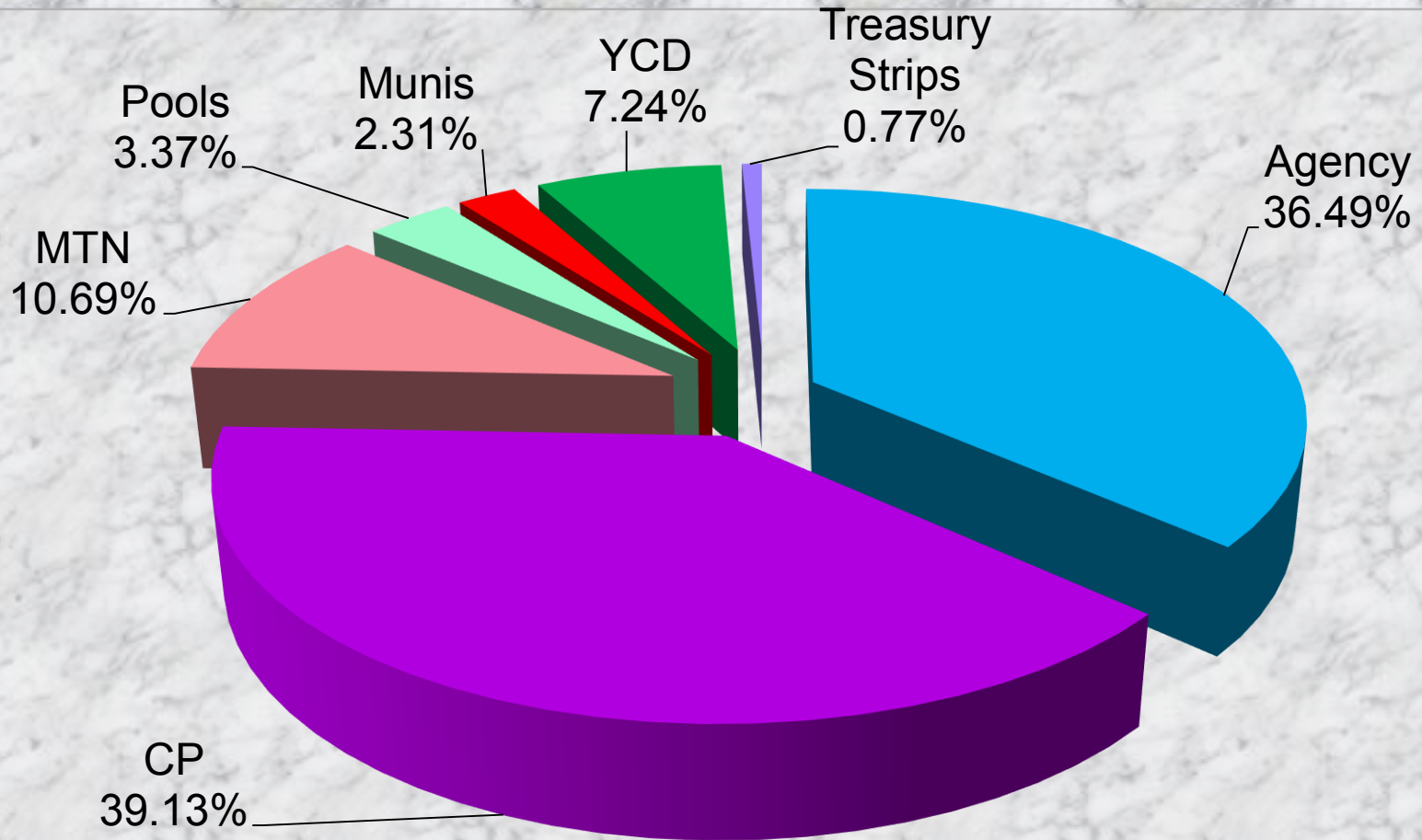
# YIELD CURVE



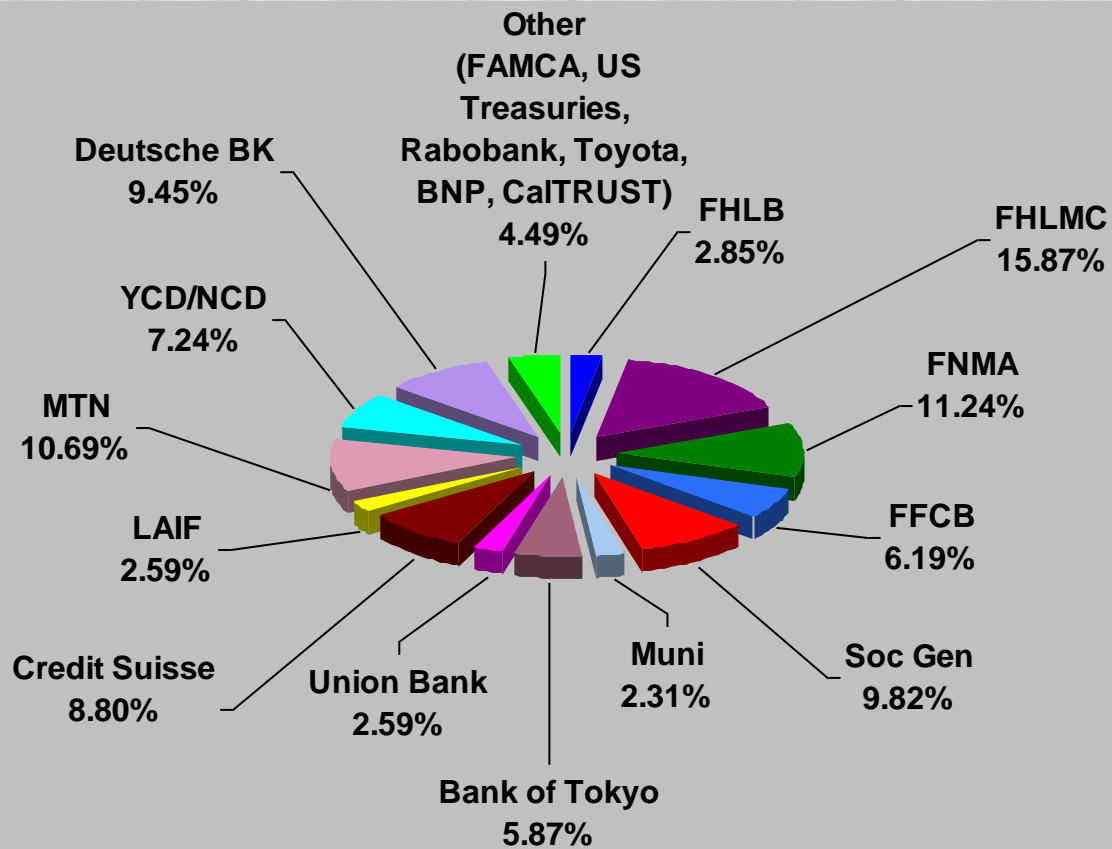
# MATURITY DISTRIBUTION



# PORTFOLIO HOLDINGS BY CLASS



# PORTFOLIO HOLDINGS





## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: April 9, 2014

**Agenda Item #7 – Receive and File the Brown Armstrong Audit Report dated March 21, 2014.**

### Recommendation

Receive and file the Brown Armstrong Audit Report dated March 21, 2014.





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ARMSTRONG

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REGISTERED with the Public Company  
Accounting Oversight Board and  
MEMBER of the American Institute of  
Certified Public Accountants

# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Ventura County  
Treasury Oversight Committee  
Ventura, California

### Report on Compliance

We have audited management's assertion, included in its representation letter dated March 21, 2014, that the County of Ventura Treasurer-Tax Collector (the County TTC) complied with the provisions of the California Government Code and the County TTC's Investment Policy during the year ended June 30, 2013.

### Management's Responsibility

As discussed in the representation letter, management is responsible for the County TTC's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the County TTC's compliance based on our examination.

### Auditor's Responsibility

Our audit was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County TTC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County TTC's compliance with the specified requirements.

### Opinion

In our opinion, management's assertion that the County TTC complied with the aforementioned requirements for the year ended June 30, 2013, is fairly stated in all material respects.

This report is intended solely for the information of the Ventura County Treasury Oversight Committee, the County Board of Supervisors, management, and applicable legislative bodies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
March 21, 2014



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

---

Date: April 9, 2014

### **Agenda Item #8 – Review, Discuss, Receive and File an Independent Semi-Annual Ventura County Treasury Portfolio Analysis.**

#### Background

Standard & Poor's will no longer complete the "Portfolio Monitoring Report" as reported to the Committee in April 2013.

The Ventura County Treasurer-Tax Collector entered a financial services agreement with the Renaissance Law Group to perform two semi-annual portfolio reports. The principal author, Mr. Russ Charvonia, is a financial professional in the finance industry with a concentration in the areas of governmental entities' investment policies, practices and requirements.

#### Recommendation

Review, discuss, receive and file the "Ventura County Treasury Portfolio Analysis Report."

**VENTURA COUNTY TREASURY**  
**PORTFOLIO ANALYSIS REPORT**

**Prepared March 28, 2014**



Prepared by Russ Charvonja, ChFC, CLU, CFP®, Esq.  
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Ventura, California 93001-2816  
805.652.6941  
Facsimile: 805.832.6744  
Russ@RenLawGroup.com

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This report was prepared based on information provided by the Fund and upon other information deemed relevant by the preparer. This report does not represent an audit by the preparer of the Fund or of any such information used in its preparation. This report is not a recommendation to buy, hold or sell any security or other financial obligation held by the Fund. The preparer is not an advisor or fiduciary for the Fund or to any recipient of this report. The preparer makes no warranties or guarantees as to the (1) the accuracy, adequacy, completeness or timeliness of this report or of any information relied upon in connection with this report, (2) the results obtained from the use of such information or this report, or (3) whether this report is sufficient for purposes of compliance by the Fund, its employees, agents, fiduciaries, participants or advisors with any federal, state or local law or regulation.

## **OVERVIEW**

The Treasurer-Tax Collector of Ventura County manages a pooled cash investment fund (the “Fund”) that is invested in a variety of fixed income securities. Management of the Fund is subject to compliance with the Statement of Investment Policy (the “Statement”) and Section 53601 of the California State Government Code. The policies of the Fund were developed and are monitored by the Ventura County Treasury Oversight Committee, with ultimate acceptance by the Ventura County Board of Supervisors. The Statement was most recently approved and adopted by the Board of Supervisors on May 7, 2013.

The primary objectives of the Fund are:

- 1) Safety of principal.
- 2) Maintenance of liquidity to meet cash flow needs of the various participants in the Fund.
- 3) To earn a competitive rate of return within the confines of the California Government Code and the Fund’s Statement of Investment Policy.

This Monitoring Report covers the period of July 1, 2013 through December 31, 2013.

## **PROCESS**

In order to accomplish the objectives of safety, liquidity, and yield, the economy and various financial markets are monitored daily to assess the probable course of interest rates and thus maximize yield on the County's temporarily idle funds.

The Fund is to be made up of a selection of investments that ensure diversification and meet the liquidity needs of the organization. A major overriding premise underlying the County's investment philosophy is always to ensure safety of principal.

The Treasurer-Tax Collector and his staff believe the Fund contains sufficient cash flow liquidity to meet the next six months of expected expenditures.

The Treasurer-Tax Collector has established a system of internal controls, which is documented in writing.

## **INVESTMENT PARAMETERS**

The Fund is mandated to ensure the safety of the portfolio by limiting credit and interest rate risk.

*Credit Risk* is to be mitigated by:

- 1) Pre-qualifying financial institutions with which the Fund will conduct business through the utilization of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.
- 2) Diversifying the portfolio so that the failure of any one issuer or backer will not place any undue financial burden on the Fund.
- 3) Monitoring all investments of the Fund on a daily basis to anticipate and respond appropriately to a significant reduction in the credit worthiness of a depository.
- 4) Limiting holdings of any one federal agency security to a maximum of 25% of the total fund at the time of purchase.
- 5) Avoiding investments in asset backed securities such as Collateralized Mortgage Obligations.

## **RECOMMENDATIONS**

Several recommendations were made for Board consideration in the report our firm prepared as of June 30, 2013. None of these recommendations appear to have been implemented to date.

It is strongly encouraged that the Treasury Oversight Committee reviews the prior recommendations (summarized at the end of this report) and either:

- Accept and recommend that the Ventura County Board of Supervisors adopt them; or
- Formally reject them.

## **CREDIT RISK ANALYSIS**

- 1) **PRE-QUALIFYING FINANCIAL INSTITUTIONS** with which the Fund does business through the utilization of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.
  - The Fund mitigates credit risk by using a variety of brokers (Dealers) for the purchase (and occasional sale) of fixed income securities.
  - There have been no changes to the Pre-Qualified Dealers and Issuers during the period covered by this report.



The authorized Dealers (D) and Issuers (I) are:

- Mutual Securities, Inc. (D)
- JP Morgan (D)
- Wells Fargo (D)
- Raymond James (D)
- Citigroup (D)
- GE Capital Corp. (I)
- Toyota Motor Credit (I)

In addition, the Fund has the ability to place funds with the Local Agency Investment Fund (LAIF), Investment Trust of California (CalTRUST) and the California Asset Management Program (CAMP). As of December 31, 2013, the Fund held \$50 million with LAIF and \$15 million with CalTRUST. The Fund had no holdings with CAMP. See Exhibit A for an analysis of the LAIF holding and Exhibit B for the CalTRUST portfolio analysis.

For the period ending December 31, 2013, the following Dealers and Issuers were used:

Dealer (D) / Issuer (I)	Amount of Transactions	Percent of Transactions
MUTUAL SECURITIES, INC (D)	\$889,933,155	39.53%
JP MORGAN (D)	\$57,137,926	2.54%
RAYMOND JAMES (D)	\$219,302,668	9.74%
CITIGROUP (D)	\$354,124,292	15.73%
WELLS FARGO (D)	\$549,693,838	24.42%
LAIF	\$11,000,000	0.49%
CalTRUST	\$15,000,000	0.67%
G.E. CAPITAL (I)	\$19,977,817	0.89%
TOYOTA MOTOR CREDIT CORP (I)	\$134,882,385	5.99%
GRAND TOTAL	\$2,251,052,081	100.00%

As no more than 40% of the purchases for the fiscal year were made through a single Dealer (Mutual Securities, Inc.), no undue amount of risk is present in this area.

The Fund is also in compliance with the Statement requirement that the combined investment in CalTrust and CAMP not exceed \$15,000,000 at the time of the purchase. There is no such policy requirement for LAIF.

**CREDIT RISK OF THE ISSUERS**—With the exception of LAIF, CalTRUST, insured deposits, and U.S. Treasury and Government Agency issues, the Statement requires that investments be placed only in those instruments and institutions rated favorably as determined by the Treasurer-Tax Collector, with the assistance of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.

**NOTE**—The Farmer Mac (FAMCA) Notes are not rated by any credit rating agency. The Notes are not obligations of, and are not guaranteed as to principal or interest by, the Farm Credit Administration, the United States, or any other agency or instrumentality of the United States other than Farmer Mac.

Commercial Paper—The Commercial Paper holdings comply with the Statement in that:

- All of the holdings are rated in the top tier of the rating agencies,
- None of the holdings exceed 270 days to maturity,
- No single Issuer totals more than 10% of the Fund, and
- At 38% of the total Fund, holdings of Commercial Paper holdings do not exceed 40% of the Fund.

Medium-Term Notes—The Medium-Term Notes holdings comply with the Statement in that:

- All of the holdings are rated in the top tier of the rating agencies, in accordance with the Statement,
- At 12% of the total Fund, holdings of Medium-Term Notes do not exceed 15% of the Fund, and
- None of the holdings exceed 24 months to maturity.

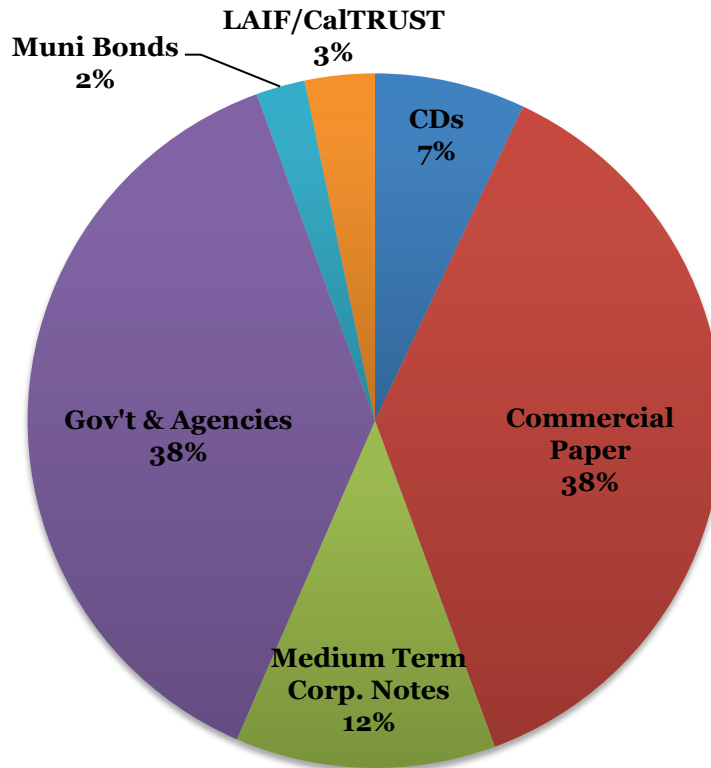
See Exhibit C for an explanation of Commercial Paper and Medium-Term Notes ratings.

**RATINGS CHANGES**—If the rating of any *depository* drops during the course of time with which the County *has placed* an investment, the investment will be *matured* at the earliest possible convenience. If the rating of any *security* drops below the minimum acceptable rating for that security class, resulting in a split rating, the investment will be *sold if no significant loss of principal is involved or matured* at the earliest possible convenience. These sales must be individually approved by the Treasurer-Tax Collector. A rating of “NR” by one rating service is not a split rating and does not bar the purchase of the security.

- 2) **DIVERSIFYING THE PORTFOLIO** so that the failure of any one issuer or backer will not place any undue financial burden on the Fund.

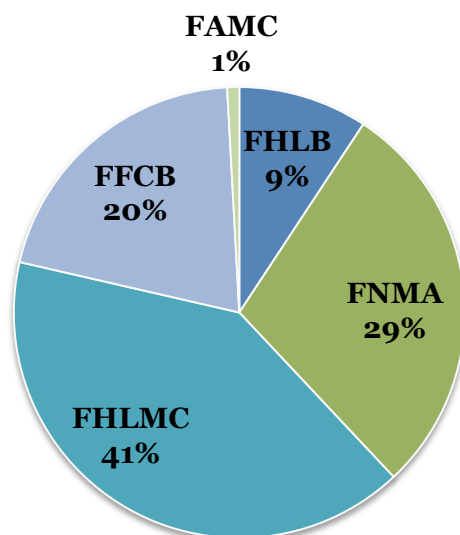
The following chart summarizes the allocation of the Fund’s 125 investment holdings among 26 different issuers as of December 31, 2013.

## Asset Breakdown



- All holdings comply with the Statement's diversification requirements.
- 3) **MONITORING ALL INVESTMENTS** of the Fund on a daily basis to anticipate and respond appropriately to a significant reduction in the credit worthiness of a depository.
    - Per the policies established by the Treasurer-Tax Collector, all investments are monitored daily in order to identify and respond to a reduction in credit worthiness of an issuer's securities.
  - 4) **LIMITING HOLDINGS OF ANY ONE FEDERAL AGENCY SECURITY** to a maximum of 25% of the total fund at the time of purchase.
    - While Government and Agencies Securities are 38% of the total Fund, the maximum single category is 41% held in Federal Home Loan Mortgage Corp. (FHLMC) debt; therefore at approximately 20% of the total portfolio, the Fund is in compliance with the Statement. The Government and Agencies Securities are divided among four different issuers as indicated in the chart below:

## Government & Agency Debt



5) **AVOIDING INVESTMENTS IN ASSET BACKED SECURITIES** such as Collateralized Mortgage Obligations.

- No investments were made in CMOs during the fiscal year.

---

*Interest rate risk* is to be mitigated by:

- 1) Limiting the average maturity of the portfolio holdings to 375 days; and
- 2) Allowing no single investment to have a maturity exceeding 1150 days.

### **INTEREST RATE RISK ANALYSIS**

As of December 31, 2013, the weighted average maturity of the portfolio was 368 days (not including LAIF or CalTRUST), which conforms with the policy limit of 375 days. There were no holdings that matured in more than 1,150 days.

---

### **RECOMMENDATIONS**

While there are no new recommendations, reconsideration of the prior recommendations is strongly encouraged.

- The portion on Page 2 of the Statement of Investment Policies should be edited to separate the qualification of Dealers from that of Issuers. Ratings from the major rating agencies such as Moody's, Standard and Poor's and Fitch are much

more meaningful in relationship to Issuers than for Dealers. Therefore, the rating agencies should not be utilized to pre-qualify Dealers. The means described in the Statement for identifying suitable Dealers are sufficient.

- Each of the Dealers provide information prior to their acceptance by the Fund. It is recommended that each Dealer be required to submit an annual certification of their compliance with the requirements in the Statement of Investment Policies.
- Page 2 of the Statement requires that the *average* maturity of the portfolio holdings not exceed 375 days. The policy should be changed to read “*the weighted average.*”
- Amend the portion of the Statement (Page 5) relating to *Ratings Changes* to read:

If the rating of any *holding* drops during the course of time with which the County *owns* an investment, the investment will be *liquidated* at the earliest possible convenience. If *any of the rating agencies cuts* the rating of any *holding* ~~drops~~ below the minimum acceptable rating for that security class, resulting in a split rating, the investment will be *liquidated* at the earliest possible convenience *at the discretion of the Treasurer-Tax Collector*. These sales must be individually approved by the Treasurer-Tax Collector. A rating of “NR” by one rating service is not a split rating and does not bar the purchase *or holding* of the security.

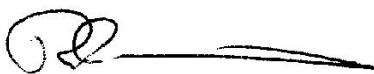
## **CONCLUSION**

I confirm, to the best of my knowledge and belief, that during the year ended December 31, 2013, all investments made on behalf of the Fund complied with the guidelines and provisions of the Fund’s Statement of Investment Policy dated May 7, 2013, particularly with regard to:

- The weighted average maturity requirements;
- Liquidity requirements; and
- Risk requirements.

I thank you for the opportunity to prepare this report on behalf of the Ventura County Treasury Portfolio and welcome any questions you may have about its contents or conclusions.

Respectfully submitted,



Russ Charvonja, ChFC, CLU, CFP®, Esq.  
March 27, 2014

## **“EXHIBIT A”**

### **Local Agency Investment Fund (LAIF)**

As of December 31, 2013

Effective Yield 0.26%

Average Life (in days) 209

Total Market Value \$54.2 billion

<b><u>Asset Breakdown</u></b>	
<b><u>Type of Security</u></b>	<b><u>Percent</u></b>
Governments	
Bills	24.3%
Notes	<u>29.9%</u>
Total Governments	54.2%
Federal Agency Debentures	2.8%
Certificates of Deposit	15.5%
Federal Agency Discount Notes	2.3%
Time Deposits	7.7%
Commercial Paper	5.5%
FHLMC / REMICS	0.3%
AB 55 Loans	0.6%
GF Loans	10.8%
Other	<u>0.3%</u>
<b>Total, All Types</b>	<b>100.00%</b>



## **“EXHIBIT B”**

### **Investment Trust of California (CalTRUST)**

As of December 31, 2013

Effective Yield	0.38%
Average Life (in days)	223
Average Maturity (in days)	511
Total Market Value	\$667.5 million

<b><u>Asset Breakdown</u></b>	
<b><u>Type of Security</u></b>	<b><u>Percent</u></b>
US Government Agency	31.5%
Corporate	29.8%
MBS/ABS	19.1%
Municipal	14.0%
Commercial Paper	3.9%
Certificate of Deposit	1.5%
Money Market Fund	0.2%
<b>Total, All Types</b>	<b>100.00%</b>

## **“EXHIBIT C”**

### **Commercial Paper and Medium-Term Notes Ratings**

	Moody's	S&P	Fitch
superior	P1	A1+ or A1	F1+ or F1
satisfactory	P2	A2	F2
adequate	P3	A3	F3
speculative	NP	B or C	F4
defaulted	NP	D	F5



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: April 9, 2014

**Agenda Item #9 – Receive An Oral Report Regarding New Investment Purchases, and Receive and File a Report “October 2013-March 2014 Transactions.”**

### Recommendation

Receive an oral report from the Treasurer-Tax Collector regarding new investment purchases, and receive and file “October 2013-March 2014 Transactions” report.

## OCTOBER 2013 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
10/01/13	Purchase	10.00	CP	CREDIT SUISSE NY	06/26/14	0.31
10/02/13	Purchase	5.00	MUNI	UNIVERSITY OF CA	05/15/15	0.528
10/04/13	Purchase	10.00	CP	UNION BANK NA	11/04/13	0.06
10/04/13	Purchase	10.00	CP	CREDIT SUISSE NY	06/27/14	0.31
10/07/13	Purchase	10.00	CP	TMCC	11/06/13	0.06
10/24/13	Purchase	10.00	GA	FHLB	06/17/16	0.638118
10/24/13	Purchase	10.00	CP	CREDIT SUISSE NY	07/16/14	0.32
10/25/13	Purchase	10.00	CP	UNION BANK NA	05/27/14	0.24
10/28/13	Purchase	2.050	GA	FFCB	10/28/15	0.387561
10/28/13	Purchase	15.00	CP	CREDIT SUISSE NY	07/24/14	0.32
10/29/13	Purchase	13.00	CP	CREDIT SUISSE NY	07/25/14	0.32
10/30/13	Purchase	10.00	CP	CREDIT SUISSE NY	05/30/14	0.26
10/30/13	Purchase	10.00	CP	DEUTSCHE BANK FIN	07/25/14	0.35
10/31/13	Purchase	5.00	CP	UNION BANK NA	06/02/14	0.27
10/31/13	Purchase	9.590	CP	DEUTSCHE BANK FIN	06/04/14	0.29

NOVEMBER 2013 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
11/01/13	Purchase	1.00	Muni	ANAHEIM CA	11/01/16	1.35
11/01/13	Purchase	2.00	Muni	CAL MUNI	10/01/14	0.40
11/01/13	Purchase	10.00	CP	DEUTSCHE BANK	06/30/14	0.31
11/04/13	Purchase	10.00	CP	DEUTSCHE BANK	07/23/14	0.32
11/04/13	Purchase	2.575	Muni	CAL ST PUBLIC WORKS	04/01/14	0.16
11/05/13	Purchase	10.00	CP	UNION BANK NA	06/05/14	0.27
11/05/13	Purchase	5.00	CP	DEUTSCHE BANK	07/31/14	0.35
11/06/13	Purchase	5.00	Muni	CAL MUNI	10/01/15	0.52
11/07/13	Purchase	0.950	Muni	CAL MUNI	11/01/16	0.947
11/07/13	Purchase	5.00	CP	DEUTSCHE BANK	07/14/14	0.30
11/07/13	Purchase	5.00	CP	CREDIT SUISSE NY	06/05/14	0.26
11/13/13	Purchase	0.030	Muni	CAL MUNI	10/01/14	0.40
11/13/13	Purchase	10.00	CP	DEUTSCHE BANK	08/08/14	0.35
11/14/13	Purchase	10.00	GA	FNMA	11/14/16	0.75
11/14/13	Purchase	20.00	CP	DEUTSCHE BANK	08/11/14	0.35
11/15/13	Purchase	0.305	Muni	ANAHEIM CA	11/01/16	1.35
11/15/13	Purchase	12.00	CP	DEUTSCHE BANK	08/12/14	0.35
11/18/13	Purchase	12.00	CP	DEUTSCHE BANK	05/30/14	0.29
11/19/13	Purchase	1.870	Muni	CAL MUNI	04/01/15	0.50
11/19/13	Purchase	15.00	CP	DEUTSCHE BANK	05/30/14	0.29
11/20/13	Purchase	15.00	CP	DEUTSCHE BANK	08/15/14	0.34
11/21/13	Purchase	3.00	MTN	JP MORGAN CHASE & CO	01/20/15	0.631561
11/21/13	Purchase	12.00	CP	CREDIT SUISSE NY	08/15/14	0.32
11/25/13	Purchase	4.00	MTN	JP MORGAN CHASE & CO	06/01/14	0.360728
11/25/13	Purchase	1.385	MTN	JP MORGAN CHASE & CO	01/20/15	0.628359
11/25/13	Purchase	15.00	CP	CREDIT SUISSE NY	08/21/14	0.32
11/26/13	Purchase	3.00	MTN	WELLS FARGO & CO	11/15/14	0.520089
11/26/13	Purchase	20.00	CP	DEUTSCHE BANK	08/22/14	0.33
11/27/13	Purchase	5.650	GA	FHLMC	05/27/16	0.53
11/27/13	Purchase	50.00	YCD	STAND CHART NY	05/27/14	0.25
11/27/13	Purchase	15.00	CP	UNION BANK NA	03/03/14	0.18
11/27/13	Purchase	15.00	CP	CREDIT SUISSE NY	08/22/14	0.32
11/27/13	Purchase	100.00	GA	FNMA	11/25/16	0.6006
11/29/13	Purchase	3.00	MTN	WELLS FARGO & CO	11/15/14	0.510036
11/29/13	Purchase	3.980	GA	FNMA	10/21/16	0.451293

DECEMBER 2013 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
12/02/13	Purchase	2.784	MTN	JP MORGAN CHASE & CO	04/23/15	0.728499
12/02/13	Purchase	5.00	MTN	WELLS FARGO & CO	11/15/14	0.510005
12/03/13	Purchase	25.00	NCD	WELLS FARGO BANK NA	03/05/14	0.16
12/03/13	Purchase	12.10	MUNI	RICHMOND CA TRANS	07/31/14	0.38
12/04/13	Purchase	1.00	MUNI	CAL MUNI	10/01/15	0.45
12/06/13	Purchase	1.80	MUNI	CAL MUNI	10/01/14	0.30
12/06/13	Purchase	10.00	CP	DEUTSCHE BANK FIN	09/02/14	0.34
12/09/13	Purchase	25.00	GA	FHLMC	06/09/16	0.45
12/09/13	Purchase	15.00	GA	FHLMC	12/09/16	0.703375
12/09/13	Purchase	8.00	GA	FNMA	05/27/16	0.519910
12/09/13	Purchase	10.00	CP	CREDIT SUISSE NY	09/04/14	0.32
12/10/13	Purchase	11.295	GA	FHLMC MULTI-STEP	09/06/16	0.270473
12/10/13	Purchase	9.00	CP	DEUTSCHE BANK FIN	09/05/14	0.34
12/10/13	Purchase	25.00	NCD	WELLS FARGO BANK NA	06/09/14	0.21
12/11/13	Purchase	1.500	MUNI	CAL MUNI	02/01/16	0.60
12/11/13	Purchase	9.101	GA	FFCB	12/09/16	0.720578
12/12/13	Purchase	25.00	GA	FFCB	09/12/16	0.622082
12/12/13	Purchase	13.500	GA	FAMCA	12/12/16	0.720168
12/12/13	Purchase	5.575	GA	FFCB	09/12/16	0.601877
12/12/13	Purchase	8.725	GA	FNMA	11/25/16	0.600261
12/12/13	Purchase	1.050	MUNI	CAL MUNI	02/01/16	0.53
12/12/13	Purchase	1.260	GA	FNMA	09/15/16	0.600282
12/12/13	Purchase	5.00	CP	CREDIT SUISSE NY	09/05/14	0.33
12/13/13	Purchase	10.00	CP	CREDIT SUISSE NY	09/08/14	0.33
12/17/13	Purchase	5.00	CP	CREDIT SUISSE NY	09/08/14	0.33
12/18/13	Purchase	5.00	CP	CREDIT SUISSE NY	09/11/14	0.33
12/19/13	Purchase	15.00	GA	FHLMC MULTI-STEP	12/19/16	0.50
12/19/13	Purchase	7.50	GA	FHLMC MULTI-STEP	12/19/16	0.50
12/19/13	Purchase	12.50	GA	FHLMC MULTI-STEP	12/19/16	0.50
12/19/13	Purchase	8.00	GA	FHLMC MULTI-STEP	12/19/16	0.50
12/19/13	Purchase	20.00	GA	FFCB	12/19/16	0.70
12/19/13	Purchase	20.00	GA	FHLMC	12/19/16	0.75
12/20/13	Purchase	12.00	GA	FHLMC	12/20/16	0.72
12/20/13	Purchase	11.262	MTN	GECC	11/09/15	0.520038
12/23/13	Purchase	25.00	GA	FHLMC MULTI-STEP	12/23/16	0.50
12/23/13	Purchase	18.00	GA	FNMA	12/23/16	0.75
12/23/13	Purchase	1.600	MTN	CREDIT SUISSE NY	03/23/15	0.50009
12/23/13	Purchase	13.00	CP	DEUTSCHE BANK FIN	12/30/13	0.110008
12/23/13	Purchase	7.00	LAIF	LAIF	DAILY	VARIED
12/24/13	Purchase	25.00	GA	FHLMC	06/24/16	0.5
12/24/13	Purchase	10.00	GA	FHLMC MULTI-STEP	06/24/16	0.25
12/24/13	Purchase	3.100	MUNI	CAL MUNI	10/01/14	0.651
12/26/13	Sale	10.00	GA	FHLMC	12/29/14	0.237527
12/26/13	Sale	20.00	GA	FHLMC	08/28/15	0.451136
12/26/13	Sale	15.00	GA	FHLMC	08/08/16	0.752062
12/26/13	Sale	20.00	GA	FNMA	01/29/16	0.543307
12/26/13	Sale	20.00	GA	FNMA	03/16/15	0.309342
12/27/13	Purchase	15.00	GA	FNMA	12/27/16	0.75
12/27/13	Purchase	30.00	GA	FHLMC MULTI-STEP	12/27/16	0.5
12/27/13	Purchase	18.00	GA	FHLMC MULTI-STEP	12/27/16	0.5



12/27/13	Purchase	12.00	GA	FHLMC MULTI-STEP	12/27/16	0.5
12/27/13	Purchase	15.00	GA	FHLB	12/27/16	0.8
12/27/13	Purchase	4.00	LAIF	LAIF	DAILY	VARIED
12/30/13	Purchase	30.00	GA	FHLMC	12/30/16	0.85
12/30/13	Purchase	17.00	GA	FNMA	12/30/16	0.8
12/30/13	Purchase	1.500	GA	FHLMC	12/30/16	0.85
12/30/13	Sale	10.00	MTN	GECC	07/02/15	0.655553
12/30/13	Sale	22.467	MTN	GECC	01/09/15	0.369342
12/30/13	Purchase	25.00	CP	TCPR	01/09/14	0.04
12/30/13	Purchase	75.00	CP	SOCIETE GENERALE N AMER	12/31/13	0.06012
12/30/13	Purchase	25.00	CP	DEUTSCHE BANK FIN	12/31/13	0.10008
12/31/13	Sale	20.00	GA	FNMA	11/06/15	0.044074
12/31/13	Sale	10.00	GA	FNMA	11/14/16	0.820614
12/31/13	Sale	9.00	GA	FNMA DISCOUNT NOTE	11/15/14	0.290067
12/31/13	Sale	13.500	GA	FAMCA	12/12/16	0.883223
12/31/13	Sale	5.650	GA	FHLMC	05/27/16	0.622257
12/31/13	Sale	11.295	GA	FHLMC MULTI-STEP	09/06/16	0.470982
12/31/13	Sale	2.050	GA	FFCB	10/28/15	0.413517
12/31/13	Sale	10.00	GA	FHLMC MULTI-STEP	06/24/16	0.682353
12/31/13	Purchase	20.00	GA	FHLB DISCOUNT NOTE	01/02/14	0
12/31/13	Purchase	5.00	GA	FFCB	01/23/14	0.050459
12/31/13	Purchase	50.00	CP	BANK OF TOKYO MIJ UFJ NY	01/07/14	0.080001
12/31/13	Purchase	125.00	CP	BANK OF TOKYO MIJ UFJ NY	01/14/14	0.110005

JANUARY 2014 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
01/02/14	Purchase	2.900	CP	SOCIETE GENERALE	01/31/14	0.10
01/03/14	Purchase	25.00	GA	FHLB DISCOUNT NOTE	01/31/14	0.02
01/03/14	Purchase	20.00	GA	FHLB DISCOUNT NOTE	01/31/14	0.02
01/03/14	Purchase	23.00	CP	DEUTSCHE BANK FIN	01/10/14	0.10
01/06/14	Purchase	5.00	GA	SOCIETE GENERALE	09/30/14	0.44
01/06/14	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	02/06/14	0.15
01/06/14	Purchase	5.00	GA	FHLB DISCOUNT NOTE	03/25/14	0.05
01/07/14	Purchase	10.00	CP	SOCIETE GENERALE	09/11/14	0.41
01/07/14	Purchase	25.00	CP	SOCIETE GENERALE	09/04/14	0.41
01/08/14	Purchase	5.00	CP	SOCIETE GENERALE	10/03/14	0.44
01/09/14	Purchase	10.00	CP	UNION BANK NA	03/10/14	0.09
01/09/14	Purchase	10.00	CP	CREDIT SUISSE NY	10/03/14	0.33
01/09/14	Purchase	10.00	YCD	BANK OF MONTREAL	03/10/14	0.14
01/10/14	Purchase	7.341	MTN	WELLS FARGO & CO	04/15/15	0.50057
01/10/14	Purchase	0.185	MUNI	CAL MUNI	02/01/16	0.80
01/13/14	Purchase	10.00	MTN	WELLS FARGO & CO	04/15/15	0.480002
01/14/14	Purchase	6.053	MTN	BANK OF NEW YORK MELLON	10/23/15	0.50
01/14/14	Purchase	98.00	CP	SOCIETE GENERALE	01/15/14	0.06
01/14/14	Purchase	1.00	CP	SOCIETE GENERALE	01/15/14	0.06
01/14/14	Purchase	22.00	CP	DEUTSCHE BANK FIN	01/15/14	0.07
01/15/14	Purchase	101.00	CP	SOCIETE GENERALE	01/16/14	0.06
01/15/14	Purchase	15.00	CP	DEUTSCHE BANK FIN	01/16/14	0.07
01/16/14	Purchase	22.00	CP	DEUTSCHE BANK FIN	01/17/14	0.07
01/16/14	Purchase	93.00	CP	BANK OF TOKYO MIT UFJ NY	01/23/14	0.09
01/17/14	Purchase	25.00	CP	BANK OF TOKYO MIT UFJ NY	01/24/14	0.08
01/22/14	Purchase	8.00	CP	SOCIETE GENERALE	10/01/14	0.42
01/23/14	Purchase	34.00	CP	UNION BANK NA	01/24/14	0.01
01/23/14	Purchase	50.00	CP	UNION BANK NA	01/24/14	0.01
01/24/14	Purchase	50.00	CP	UNION BANK NA	01/28/14	0.02
01/24/14	Purchase	50.00	CP	BANK OF TOKYO MIT UFJ NY	03/24/14	0.16
01/27/14	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	02/18/14	0.13
01/27/14	Purchase	5.00	CP	SOCIETE GENERALE	10/22/14	0.44
01/28/14	Purchase	30.00	CP	BANK OF TOKYO MIT UFJ NY	02/18/14	0.12
01/29/14	Purchase	50.00	CP	BANK OF TOKYO MIT UFJ NY	02/05/14	0.10
01/30/14	Purchase	25.00	CP	BANK OF TOKYO MIT UFJ NY	02/28/14	0.14
01/30/14	Purchase	5.00	CP	SOCIETE GENERALE	03/05/14	0.16
01/31/14	Purchase	10.00	MTN	CREDIT SUISSE NY	03/23/15	0.42032
01/31/14	Sale	17.341	MTN	WELLS FARGO & CO	04/15/15	0.585035
01/31/14	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	03/03/14	0.14

FEBRUARY 2014 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
02/04/14	Purchase	15.00	US Treas	STRIP PRINCIPAL	03/15/14	0.09
02/04/14	Purchase	10.00	US Treas	STRIP PRINCIPAL	02/28/14	0.06
02/05/14	Purchase	25.00	CP	SOCIETE GENERALE	05/02/14	0.22
02/11/14	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	03/13/14	0.15
02/18/14	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	03/18/14	0.14
02/20/14	Purchase	23.40	CP	BANK OF TOKYO MIT UFJ NY	03/04/14	0.13
02/21/14	Purchase	6.60	CP	SOCIETE GENERALE	03/03/14	0.07
02/24/14	Purchase	5.00	CP	SOCIETE GENERALE	11/21/14	0.42
02/24/14	Purchase	40.00	CP	SOCIETE GENERALE	06/26/14	0.24
02/25/14	Purchase	10.00	NCD	WELLS FARGO BANK NA	08/22/14	0.21
02/26/14	Purchase	15.00	CP	SOCIETE GENERALE	11/17/14	0.42
02/27/14	Purchase	2.00	MTN	CREDIT SUISSE USA, INC.	01/15/15	0.300059
02/27/14	Purchase	35.00	CP	SOCIETE GENERALE	08/27/14	0.34
02/28/14	Purchase	10.00	CP	DEUTSCHE BANK FIN	11/25/14	0.37
02/28/14	Purchase	20.00	CP	BNP PARIBAS FINANCE	11/14/14	0.39



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: April 9, 2014

**Agenda Item #10 – Discuss, Review and Approve the Recommended Proposed Modifications to Statement of Investment Policy.**

### Recommendation

Discuss, review and approve the recommended proposed modifications to Statement of Investment Policy.

# **VENTURA COUNTY**

## **STATEMENT OF INVESTMENT POLICY**

**AS APPROVED APRIL 22, 2014**



### **BOARD OF SUPERVISORS**

**SUPERVISOR STEVE BENNETT, DISTRICT 1, CHAIR**  
**SUPERVISOR KATHY I. LONG, DISTRICT 3, VICE-CHAIR**  
**SUPERVISOR LINDA PARKS, DISTRICT 2**  
**SUPERVISOR PETER C. FOY, DISTRICT 4**  
**SUPERVISOR JOHN C. ZARAGOZA, DISTRICT 5**

**DRAFT – FOR DISCUSSION ONLY**

**Judge Steven Hintz**  
**Treasurer-Tax Collector**

**Linda Catherine Le**  
**Assistant Treasurer-Tax Collector**

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## STATEMENT OF INVESTMENT POLICY

This Statement of Investment Policy (“Policy”) provides the guidelines for prudent investment of public funds in a manner which will provide the highest investment return with optimal security and liquidity. The Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000.1 - 27000.5; 27130 - 27137; and 53600 - 53686. The Policy outlines the policies and practices essential to ensuring the safety and financial strength of the County’s investment portfolio.

This Policy is based on the principles of prudent money management and conforms to all applicable Federal and State laws governing the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy will supersede.

The County of Ventura’s Statement of Investment Policy will be adopted by resolution of the County of Ventura’s Board of Supervisors. The Policy shall be reviewed annually and any modifications made thereto must be approved by the Board of Supervisors.

### Introduction

The Treasurer-Tax Collector of Ventura County manages pooled cash under the prudent investor rule. This rule states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

This rule allows the County the option to operate over a broad spectrum of investment opportunity defined within Section 53601 *et seq* of the California Government Code. The County's portfolio will be made up of a selection of investments that ensure diversification and meet the liquidity needs of the organization. The major overriding premise underlying the County's investment **objective philosophy** is always to ensure that funds are available when needed.

### Investment **Objective Philosophy**

It is the policy of the County to invest public funds in a manner which will provide for the preservation of capital while meeting the daily cash flow requirements of the County **and other participants**, **and while** attaining a market average yield within an acceptable and defined level of risk.

~~The investment process is an art form and not a science. Therefore, the basic objectives of the investment art involve:~~

The Policy has three primary objectives, in order of priority:

- 1) Safety of principal;
- 2) Maintenance of liquidity to meet cash flow needs; and,
- 3) Earning a competitive rate of return (i.e., yield) within the confines of the California Government Code and this Policy.

In order to accomplish the objectives of safety, liquidity, and yield, the economy and various financial markets are monitored daily in order to assess the probable course of interest rates and thus maximize yield on the County's temporarily idle funds. In a market with increasing interest rates, the Treasury will attempt to invest in securities with shorter maturities. This strategy allows funds to be available for other investments when interest rates are at higher levels. Conversely, when interest rates appear to be near a plateau, the Treasury will attempt to lock in a higher rate of return. The length of term for all investments shall be commensurate with the short, medium, and long-term cash flow needs of the County and other investment pool participants.

### ***Investment and the Notion of Risk***

In order to accomplish the investment philosophy outlined above, the concept of risk must be clearly defined as it relates to the investment of public funds. This concept of risk finds its ultimate translation in a structured and well-diversified portfolio.

The County shall ensure the safety of its funds by limiting credit and interest rate risk. These are the two types of risk that can clearly damage a public sector portfolio.

Credit risk is defined as the risk of loss due to the failure of the issuer of a security and shall be mitigated by:

- 1) Pre-qualifying financial institutions with which it will do business through the utilization of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings;
- 2) Diversifying the portfolio so that the failure of any one issuer or backer will not place any undue financial burden on the County; and,
- 3) Monitor all County investments on a daily basis to anticipate and respond appropriately to a significant reduction in the credit worthiness of a depository.

Interest rate risk is defined as the risk that the market value of portfolio securities will fall due to an increase in interest rates. This risk shall be mitigated by:

- 1) Structuring the portfolio so that securities mature at times to meet the ongoing cash needs of the County;
- 2) Restructure of the portfolio to minimize the loss of market value or cash flow; and,
- 3) Limit the average maturity of the portfolio holdings to 375 days.

The investment program of Ventura County shall be managed with a degree of professionalism that is worthy of the public trust and adheres to the tenets of modern portfolio theory.

The Treasury is very cognizant of past losses of public funds by local agencies throughout California. Those losses resulted in a loss of confidence by the public in public sector investment expertise. This policy seeks to ensure that proper controls are maintained by the Treasurer-Tax Collector and subordinate staff.

There are times when it becomes necessary for losses to be taken:

- A) Interest rates appear to be rising and the funds can be invested shorter term at higher rates;
- B) When opportunities arise that will result in an increase in overall interest income to the County; and,
- C) When cash needs are greater than expected.

Therefore, in order to mitigate these event risks to the County's portfolio all investment losses shall be approved by the Treasurer-Tax Collector, exclusively. This authority shall not be delegated.

### ***Liquidity***

The County's portfolio will be structured so that securities will mature at or about the same time as cash is needed to meet demand and in accordance with the economic projections mentioned above.

The Treasury will construct a portfolio that will consist of securities with active secondary and resale markets. Any investments for which no secondary market exists, such as time deposits, shall not exceed 375 days and no investment will have a maturity of more than 1150 days.

## ***Yield***

The Treasurer-Tax Collector shall always attempt to obtain a competitive rate of return on any investment type consistent with the required safety, liquidity, and other parameters of this policy, departmental procedures, and the laws of the State of California.

## **INTERNAL CONTROLS**

The Treasurer-Tax Collector shall establish a system of internal controls, which shall be documented in writing. The controls will be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, and unanticipated changes in financial markets.

Except for declared emergencies, the County Treasurer-Tax Collector's Office shall observe the following procedures on a daily basis:

- All investment transactions shall be entered into the accounting system.
- County investments shall be transacted, confirmed, accounted for, and audited by different people.

## ***Safekeeping of Securities***

To protect against potential losses caused by the collapse of individual securities dealers, all securities owned by the County, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department, acting as agent for the County under the terms of a custody agreement executed by the bank and the Treasurer-Tax Collector. All trades executed between the County and a dealer will settle on a delivery vs. payment basis with a custodial bank. All security transactions engaged in by the Treasurer-Tax Collector shall be countersigned by another authorized treasury department employee.

## ***Security Custody & Deliveries***

All securities purchased shall be deposited for safekeeping with the custodial bank that has contracted to provide the County Treasurer with custodial security clearance services.

All security holdings shall be reconciled monthly by the County Treasurer-Tax Collector's Office and audited at least quarterly by the internal audit division of the Auditor-Controller's Office.

All security transactions are to be conducted on a "delivery-versus-payment basis". Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Confirmations resulting from securities purchased under repurchase agreements should clearly state the exact and complete nomenclature of the underlying securities purchased, that these securities have been

sold to the County under a repurchase agreement, and the stipulated date and amount of the resale by the County back to the seller of the securities.

## **SECURITY INSTRUMENTS**

### ***Qualifications of Brokers, Dealers, and Financial Institutions***

The Treasurer-Tax Collector will maintain a list of approved financial institutions authorized to provide investment services. Additionally, the Treasurer-Tax Collector shall transact business only with approved direct issuers; security brokers/dealers selected by credit worthiness that are licensed by the State of California and licensed by the Financial Industry Regulatory Authority (FINRA); National or State chartered bank or savings institutions; and primary government dealers designated by the Federal Reserve.

Any broker/dealer interested in conducting business with the County must have an office within the State of California and is required to fill out an extensive questionnaire maintained by the Treasurer-Tax Collector. This questionnaire is then reviewed by the Treasurer-Tax Collector and upon acceptance permits the County to deal with the broker/dealer.

The Treasurer-Tax Collector views the relationship of the firm and its representatives to the County as being a long-term mutually beneficial business relationship. We expect the firm and its staff to act with integrity and trust. The firm must ensure that its staff is aware of the County Treasurer's Investment Policy as well as California Government Code sections 53601 and 53635 that govern the securities transactions of the County. The firm will be required to sign the County's Investment Policy at the initial brokers/dealers' approval and once a year, thereafter, no later than the 31<sup>st</sup> of July of each calendar year.

No broker/dealer may have made political contributions greater than the limits expressed in Rule G-37 of the Municipal Securities Rule Making Body to the Treasurer-Tax Collector, Board of Supervisors, or candidate for those offices, or Treasury Oversight Committee members.

The Treasury staff shall investigate dealers with which it will conduct business in order to determine: if the firm is adequately capitalized and meets the Federal Reserve's minimum capital requirements for broker/dealer operations, makes markets in securities appropriate to the County's investment policy, the individual covering the account has a minimum of three years dealing with large institutional accounts, and receives three favorable recommendations from other short term cash portfolio managers.

Upon application and as requested by the Treasurer-Tax Collector, all the firms are required to provide a copy of their most recent published annual report, quarterly reports issued since the last annual report, Financial and Operational Combined Uniform Single (FOCUS) Report, organization chart, any financial information

regarding credit lines and debt support provided by the parent firm and any other data required.

## ***Ratings***

With the exception of LAIF, insured deposits, and U.S. Treasury and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by the Treasurer-Tax Collector in accordance with this Statement and with the assistance of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.

If the rating of any ~~depository~~ **investment** drops during the course of time with which the County has placed an investment, the investment will be matured at the earliest possible convenience. If the rating of any security drops below the minimum acceptable rating for that security class, resulting in a split rating, the investment will be sold if no significant loss of principal is involved or matured at the earliest possible convenience. These sales must be individually approved by the Treasurer-Tax Collector. A rating of "NR" by one rating service is not a split rating and does not bar the purchase of the security.

## ***U.S. Agencies***

The purchase of U.S. agency securities shall be limited to issues of the Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corp. (Freddie Mac/FHLMC), ~~Tennessee Valley Authority (TVA)~~, the Federal National Mortgage Corporation (Fannie Mae/FNMA), Federal Agricultural Mortgage Corporation (Farmer Mac/FAMCA), or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored or backed entity. The fund's holdings of any one federal agency security shall not exceed 25% of the total fund at the time of purchase. ~~TVA notes shall be limited to a value of \$300 million at the time of purchase.~~ The maximum maturity of any one agency investment shall not exceed ~~three years or~~ 1150 days.

## ***U. S. Government***

United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio which can be invested in this category. The maturity of a security is limited to a maximum of three years ~~or 1150 days~~.

## ***Commercial Paper***

Commercial Paper is a short term unsecured promissory note issued to finance short term credit needs. Commercial Paper eligible for investment must be of "prime" quality of the highest ranking or of the highest short-term letter and numerical rating as provided for by Standard and Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings (S&P A-1+, A-1; Moody's P-1; Fitch F1+, F1). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and have total assets



in excess of \$500 million and an “A” or higher rating for the issuer’s debt, other than commercial paper, if any, as provided for by S&P (A or higher), Moody’s (A2 or higher) and Fitch (A or higher). Purchases of eligible Commercial Paper may not exceed 270 days to maturity. Purchases of Commercial Paper may not exceed 40 percent of the investment portfolio at the time of the purchase. No more than 10 percent of the total assets of the pool at the time of the purchase may be invested in the outstanding paper of any single issuing corporation. The Treasurer-Tax Collector shall establish a list of approved Commercial Paper issuers in which investments may be made.

### ***Medium-Term Notes and Deposit Notes***

Medium-Term Notes eligible for investment must be rated in the same categories described in **Commercial Paper**, above, to wit: Short-term ratings by S&P A-1 or higher; Moody’s P-1; and Fitch F1 or higher; and long-term ratings of S&P A or higher, Moody’s A2 or higher, and Fitch A or higher. Medium-Term Notes may not exceed ~~15~~ **20** percent of the investment portfolio at the time of the purchase and may not have a maturity of longer than ~~24 months~~ **2 years or 735 days**.

### ***Municipal Notes, Bonds and Other Obligations***

Municipal notes, bonds, and other obligations are securities issued by California-based state and local government agencies to finance capital and operating expenses. The characteristics of a municipal bond or note often are similar to the characteristics of corporate bonds and notes or the U.S. government and federal agency bonds and notes. Municipal notes normally have a specific maturity date, and bear interest that is scheduled to be paid at specific intervals. Municipal notes, bonds and other obligations may not exceed a maximum of three years or 1150 days. Municipal notes must meet the minimum debt rating described above in Medium Term Notes and Deposit Notes.

### ***Bankers Acceptances***

A Bankers Acceptance is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in the secondary market. Bankers Acceptances may be purchased for a period of up to 180 days and in an amount not to exceed 40 percent of the investment portfolio at the time of the purchase, with no more than 30 percent of the investment portfolio at the time of the purchase in the Bankers Acceptances of any one commercial bank. The Treasurer-Tax Collector shall establish a list of those banks deemed most credit worthy for the investment in Bankers Acceptances, limited to those institutions rated as noted in **Commercial Paper** and **Medium-Term Notes**, above.

### ***Negotiable Certificates of Deposit and Yankee Certificates of Deposit***

Negotiable Certificates of Deposit (NCD) are issued by commercial banks, foreign banks, and thrift institutions against funds deposited for a specified period of time and earn specified or variable rates of interest. The Treasurer-Tax Collector may invest up to 30 percent of the investment portfolio at the time of the purchase in NCD's. Negotiable

certificates of deposit shall be limited to those institutions rated as noted in **Commercial Paper** and **Medium-Term Notes**, above.

NCD's differ from other Certificates of Deposit in that they are illiquid instruments which are traded in secondary markets. The maximum term to maturity of any NCD shall be **186 days ~~6 months~~**. The Treasurer-Tax Collector shall establish a list of eligible domestic commercial banks, thrifts and state licensed foreign banks (Yankee Certificates of Deposit) which will be eligible for investment.

**Yankee Certificates of Deposit (YCD) are issued in the United States by a branch or agency of a foreign bank. They are negotiable instruments, and most have a minimum face value of \$100,000, making them appropriate for large investors.**

### ***Certificates of Deposit***

Certificates of Deposit are deposits by the Treasurer-Tax Collector in commercial banks or savings and loan associations within the State of California and shall be limited to those institutions rated as noted above in **Negotiable Certificates of Deposit**. Local institutions shall receive preference for deposits up to \$250,000 if competitive rates are offered. These investments are non-negotiable. The maximum term to maturity shall not exceed 375 days and shall be fully insured by the FDIC.

### ***Repurchase Agreements***

The County may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the County has entered into a repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the Treasurer-Tax Collector and will not be allowed to fall below 102% of the value borrowed against those funds. The value is adjusted quarterly based on the value of the repurchase agreement.

In order to conform with provisions of the Federal Bankruptcy Code which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible bankers' acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States. Furthermore, this collateral shall not exceed **three years or 1150 days** to maturity.

There shall be a \$75 million limitation in repurchase agreements entered into with any one institution.

### ***Securities Lending***

Securities Lending is permissible as an agreement to lend securities to a borrower who provides collateral to the local agency. The local agency retains ownership and continues to receive all interest, dividends, and capital appreciation. Both securities and collateral are

held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

### ***Local Agency Investment Fund***

The Treasurer-Tax Collector may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law.

### ***CalTrust and California Asset Management Program (CAMP)***

The Treasurer-Tax Collector may invest in The Investment Trust of California, doing business as CalTRUST, and in California Asset Management Program (CAMP), California joint powers authorities in which local agencies may invest funds pursuant to Government Code section 53601(p). The combined investment in CalTrust and CAMP shall not exceed ~~\$15,000,000~~ \$20,000,000 at the time of the purchase. The Treasurer-Tax Collector shall withdraw its entire investment in a program if the S&P rating falls below AAf/S-1+ for CalTrust or AAAM for CAMP.

### ***Local Agency Debt and State Warrants***

The Treasurer-Tax Collector may invest in bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

The Treasurer-Tax Collector may invest in registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state, or by a department, board, agency, or authority of the state.

### ***Prohibited Transactions and Asset-Backed Securities***

At the time of purchase, all permitted investments shall conform in all respects with this Investment Policy Statement and with applicable provisions of the California Government Code.

The Treasurer-Tax Collector may not invest in asset backed securities such as Collateralized Mortgage Obligations.

### ***Apportionment of Interest and Costs***

Interest shall be apportioned to all pool participants quarterly, based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Investment Pool. The amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was actually earned. The Treasurer-Tax Collector may deduct from the gross interest earnings

those administrative costs relating to the management of the Treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, cashiering, accounting, reporting remittance processing, depositing of public funds, audit, and any other costs as provided by Section 27013, 27133(f), and 27135.

## **AUTHORITY AND RESPONSIBILITIES OF THE TREASURER-TAX COLLECTOR**

### ***Delegation of Authority to Invest***

The Treasurer-Tax Collector's authority to invest is delegated by the Board of Supervisors in accordance with the California Government Code. Statutory authority for the investment and safekeeping functions are found in Sections 53600 et seq and 53630 et seq of the California Government Code.

The Treasurer-Tax Collector has the authority to react to unstable market conditions in order to preserve the safety, liquidity or yield of the portfolio. The Treasurer-Tax Collector's reaction may temporarily change the investment parameters or investment practices of the County until the market has stabilized or until the Board of Supervisors has approved a revised Investment Policy.

The Treasurer-Tax Collector shall immediately notify the Treasury Oversight Committee members and the Board of Supervisors at their next scheduled meeting of any changes to the investment parameters or practices that were precipitated by the unstable market conditions.

### ***Authority to Execute Investment Transactions***

The authority to execute investment transactions on a daily basis is limited to the Treasurer-Tax Collector. This function may be delegated to the Assistant Treasurer-Tax Collector and/or other Treasury personnel at the discretion of the Treasurer-Tax Collector.

### ***Competitive Bidding***

All purchase/sales shall be made only after a process of competitive bidding, unless information provided on electronic market quotation services, faxes, or email transmissions show current market rates. A minimum of three offer/bids should be obtained before an investment is purchased or sold. Exceptions to the above would involve transactions in U.S. Treasury or agency obligations, repurchase agreements, securities possessing unique characteristics which would make competitive bidding impractical, or market circumstances in which competitive bidding could be adverse to the best interest of the Treasurer-Tax Collector's investment program.

## ***Place and Time for Conducting Business***

Investment transactions shall not be conducted from any place other than the office of the Treasurer-Tax Collector during normal business hours established for Treasury operations. Exceptions must have the approval of the Treasurer-Tax Collector.

## ***Conflict of Interest***

No agency employee nor Treasury Oversight Committee member may directly or indirectly accept or solicit from any persons, corporations, or group having a business relationship with this Agency anything of economic value as a gift, gratuity, or favor which would be in conflict with the County Administrative Policy.

No agency employee nor Treasury Oversight Committee member shall, outside of regular working hours, engage in any profession, trade, business, or occupation which is incompatible or involves a conflict of interest with his duties as a county officer or employee, or which in any way may reflect unfavorably on this Agency, the appointing authority, or his fellow employees.

## ***Portfolio Reporting***

The Treasurer-Tax Collector shall prepare a monthly Investment Report to be presented at a regularly scheduled meeting of the Board of Supervisors, including a succinct management summary that provides a clear picture of the status of the current investment portfolio, market conditions and strategy for the coming months. The report will also include a listing of all investments by type, name of issuer, date of maturity, par and dollars amount invested in each security, investment, and the money within the Treasury. There will be a separate statement advising the Board of the longest maturity of a security in the portfolio. The report will contain a statement assuring the Board that the anticipated cash flow needs of the participants will be met. The report will also include a statement that the investment practices and portfolio holdings are in compliance with the investment policy or an explanation as to why there is a condition which exists outside of the investment policy. The Treasurer-Tax Collector will also provide a copy of the monthly Investment Report to the Treasury Oversight Committee members each month.

## ***Disaster Recovery Program***

The Treasurer-Tax Collector's Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel, as well as, currently approved bankers and broker/dealers. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable. In the event the Treasurer or authorized staff is unable to invest the portfolio, the Treasurer has an agreement with the custodian for a daily sweep of all uninvested cash with the custody bank into an interest-bearing account.

Until normal operations of the Treasurer's office have been restored, the limitations on the size of an Individual issuer and the percentage restrictions by investment type would

be allowed to exceed those approved in this Investment Policy Statement and would be required to be reported to the Board of Supervisors and Pool Participants in a timely manner.

### ***Extraordinary Withdrawals***

The Treasurer-Tax Collector will maintain a schedule of seasonal deposits into and withdrawals from the investment pool by participating districts. Constant contact with the pool participants will be maintained to ascertain any cash needs beyond the anticipated cash-flow patterns. Our investment strategy is based upon the known cash-flow patterns, which allow the Treasurer-Tax Collector to maximize interest earnings for the County and other pool participants.

Extraordinary withdrawals could create a liquidity problem and negatively impact the earnings of the remaining pool participants if the Treasurer-Tax Collector is forced to liquidate securities before their scheduled maturity date. A pool participant who wishes to withdraw from the pool or make an extraordinary withdrawal, will be encouraged to work with the Treasury to arrange a withdrawal schedule that would prevent losses to the withdrawing district or the remaining pool participants. Losses experienced by the County investment pool, which were precipitated by the unnoticed extraordinary withdrawal of funds, will be borne by the district who caused such losses to occur. The Treasurer-Tax Collector reserves the right to choose which securities to liquidate and could choose to sell the securities that have the lowest earnings.

### ***Terms and Conditions that a Local Agency May Participate in the Pool***

Local agencies may, by resolution of their governing bodies and the approval of the Treasurer-Tax Collector, deposit excess funds in the County Treasury for the purpose of investment by the Treasurer-Tax Collector. The procedures for this process are contained in the Treasury Procedural Manual.

## **INVESTMENT GLOSSARY**

**Accrued Interest** – Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

**Agency Issues** – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

**Amortized Cost** – The original cost of the principal adjusted for the periodic reduction of any discount or premium from the purchase date until a specific date (also called “Book Value”).

**Bankers Acceptance** – Money market instrument created from transactions involving foreign trade. In its simplest and most traditional form, a bankers’ acceptance is merely a check, drawn on a bank by an importer or exporter of goods.

**Basis Point** – A unit of measurement equal to 1/100 of 1 percent. As an example, the difference between a security yielding 3.25% and one yielding 3.20% is five basis points.

**Benchmark** – An index or security used to compare the performance of a portfolio.

**Bond** – A long-term debt instrument of a government or corporation promising payment of the original investment plus interest by a specified future date.

**Bullet** – A colloquial term for a bond that cannot be redeemed, or called, prior to maturity.

**Callable Bond** – A bond in which all or a portion of its outstanding principal may be redeemed prior to maturity by the issuer under specified conditions.

**Collateralization** – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

**Collateralized Certificate of Deposit** – An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

**Commercial Paper** – Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

**Coupon** – The stated interest rate on a debt security that an issuer promises to pay.

**Credit Quality** – An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.



**Credit Rating** – A standardized assessment, expressed in alphanumeric characters, of a company’s creditworthiness.

**Credit Risk** – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

**Derivatives** – Securities which derive their value from that of another security or an underlying index, currency or other measure. Floating rate notes (also “floaters”) are not considered derivatives.

**Discount Instruments** – Securities that are sold at a discount to face value.

**Diversification** – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

**Dollar Weighted Average Maturity** – The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

**Duration** – Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

**Earnings Apportionment** – Is the quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

**Government Obligations** – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

**Government Sponsored Enterprises (GSE’S)** – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government.

**Highly Liquid** – The most eminent type of security that is easily converted to cash because there are many interested buyers and sellers to trade large quantities at a reasonable price.

**Illiquid** – A security that is difficult to buy or sell or has a wide spread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

**Interest Rate Risk** – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. Also called “Market Risk”.

**Liquid** – A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

**Local Agency Obligation** – An indebtedness issued by a local agency, department, board, or authority within the State of California.

**Long-Term** – The term used to describe a security when the maturity is greater than one year.

**Market Value** – An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

**Medium-Term Notes** – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

**Money Market Mutual Fund** – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

**Municipal Notes, Bonds and Other Obligations** - Municipal notes, bonds, and other obligations are securities issued by state and local government agencies to finance capital and operating expenses. The characteristics of a municipal bond or note often are similar to the characteristics of corporate bonds and notes or the U.S. government and federal agency bonds and notes. Municipal notes normally have a specific maturity date, and bear interest that is scheduled to be paid at specific intervals. Municipal notes, bonds and other obligations may not exceed a maximum of three years or 1150 days. Municipal notes must meet the minimum debt rating described above in Medium Term Notes and Deposit Notes.

**Negotiable Certificate of Deposit** – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

**Par** – The stated maturity value, or face value, of a security.

**Pass-Through Securities** – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond.

**Pool** – In this context, the pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

**Portfolio Value** – The total book value amount of all the securities held in the Treasurer’s Pooled Money Fund.

**Primary Dealer** – A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

**Private Placements** – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

**Range Notes** – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

**Repurchase Agreement** – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

**Reverse Repurchase Agreement** – The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

**Safekeeping** – A custodian bank’s action to store and protect an investor’s securities by segregating and identifying the securities.

**Securities Lending** – A transaction wherein the Treasurer’s Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

**Short-Term** – The term used to describe a security when the maturity is one year or less.

**Total Return** – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

**Voluntary Participants** – Local agencies that are not required to deposit their funds with the County Treasurer.

**Weighted Average Maturity** – The remaining average maturity of all securities held in a portfolio.

**Yankee Certificates of Deposit** - Yankee Certificates of Deposit (YCD) are issued in the United States by a branch or agency of a foreign bank. They are negotiable instruments, and most have a minimum face value of \$100,000, making them appropriate for large investors.

**Yield** – The gain, expressed as a percentage that an investor derives from a financial asset.

**Yield to Maturity** – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

## **APPENDIX A: INVESTMENT INSTRUMENTS**

<b>Investment Instruments</b>	<b>Maximum Maturity</b>	<b>Maximum Specified Percentage of Portfolio</b>	<b>Approved Selected Agencies</b>
U.S. Agencies	3 years or 1150 days	25%	Yes
Commercial Paper (CP)	270 days	40%	Yes
Medium Term Notes (MTN)	2 years or 735 days	20%	Yes
U.S. Government Treasury Bills, Notes, and Bonds	3 years or 1150 days	N/A	
Yankee Certificates of Deposit (YCD)	186 days	30%	Yes
Negotiable Certificates of Deposit (NCD)	186 days	30%	Yes
Certificates of Deposits (CD)	375 days	30%	Yes
Local Agency Investment Fund (LAIF)	N/A	\$50 MM	
CalTrust/CAMP		\$20MM	
Cal-based Munis	3 years or 1150 days		



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: April 9, 2014

**Agenda Item #11 – Approve the Recommendation of the Delegation of Authority to Invest.**

### Recommendation

Approve the recommendation of the Delegation of Authority to Invest.

**FOR DISCUSSION ONLY AT THE VENTURA COUNTY TREASURY  
OVERSIGHT COMMITTEE MEETING, APRIL 9, 2014**

April 22, 2014

Ventura County Board of Supervisors  
County Government Center  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT:** Delegation of Authority to Invest

**RECOMMENDATION:**

Adoption of the Attached Resolution to Renew the Delegation of Authority to the Treasurer to Invest or Reinvest the Funds of the County and the Funds of All Depositors in the County Treasury.

**FISCAL/MANDATES IMPACT:**

There is no fiscal impact to the County of Ventura.

**DISCUSSION:**

Pursuant to Government Code Section 27000.1, the Board may, by ordinance, delegate to the Treasurer the authority to invest or reinvest the funds of the County and the funds of all depositors in the County Treasury. This delegation must be reviewed by the Board of Supervisors annually, and may be renewed each year by resolution pursuant to Government Code Section 53607.

The most recent delegation was accomplished by resolution passed on April 23, 2013, pursuant to Government Code Section 53607. This delegation expires at 12:01 a.m., Pacific Time, on May 2, 2014, unless renewed by your Board under the provisions of Government Code Section 53607. At its biannual meetings, the Treasury Oversight Committee reviews the County's investment policy and performance and has consistently supported annual renewal of this delegation. Further, as demonstrated by the monthly report on investments, the Treasurer continues to successfully implement the County's investment policy and achieve its objectives of safety, liquidity and earning a competitive rate of return. It is therefore, recommended that your Board renew the delegation of authority to invest for another



one year period. This delegation shall take effect upon adoption and shall expire, unless earlier revoked, at 12:01 a.m., Pacific Time, on May 2, 2015.

This letter has been reviewed and approved as to form by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions regarding this item, please call me at 654-3726.

Steven Hintz  
Treasurer-Tax Collector

Exhibit – Delegation of Authority to Invest Resolution

**FOR DISCUSSION ONLY AT THE VENTURA COUNTY TREASURY  
OVERSIGHT COMMITTEE MEETING, APRIL 9, 2014**

**RESOLUTION**

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA,  
RENEWING THE DELEGATION OF AUTHORITY TO THE TREASURER TO INVEST OR  
REINVEST THE FUNDS OF THE COUNTY AND THE FUNDS OF OTHER DEPOSITORS IN  
THE COUNTY TREASURY

WHEREAS, Pursuant to Government Code Section 27000.1, the Board may, by ordinance,  
delegate to the Treasurer the authority to invest or reinvest the funds of the County and the  
funds of all depositors in the County Treasury;

WHEREAS, A delegation of authority to invest must be reviewed by the Board of Supervisors  
annually, and may be renewed each year by resolution pursuant to Government Code Section  
53607;

WHEREAS, the most recent delegation by the Board of Supervisors was accomplished by  
resolution, adopted April 23, 2013, effective May 2, 2013, pursuant to Government Code  
Section 25123, and expires at 12:01 a.m., Pacific Time, on May 2, 2014, unless renewed by  
your Board under the provisions of Government Code Section 53607;

WHEREAS, the Board of Supervisors has reviewed the delegation of authority to the Treasurer  
to invest funds and desires to renew this delegation for another year pursuant to Government  
Code Section 53607;

NOW, THEREFORE, BE IT RESOLVED, the Board hereby renews the delegation of authority  
to the Treasurer to invest or reinvest the funds of the County and the funds of all depositors in  
the County Treasury. This delegation shall take effect upon adoption and shall expire, unless  
earlier revoked, at 12:01 a.m., Pacific Time, on May 2, 2015.

Upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_,  
and duly carried, the Board hereby adopts the foregoing resolution on April 22, 2014.

\_\_\_\_\_  
Chair, Board of Supervisors  
County of Ventura

ATTEST:

MICHAEL POWERS  
Clerk of the Board of Supervisors  
County of Ventura, State of California

By: \_\_\_\_\_  
Deputy Clerk of the Board