



County of Alameda

Investment Policy

Year 2021

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Treasurer-Tax Collector

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Introduction and Overview of the County of Alameda

The County of Alameda is a political subdivision of the State of California in the San Francisco Bay Area formed in 1853. The County covers an area of approximately 821 square miles in the Bay Area of the State, and it is the 20th largest County (by population) in the United States. The City of Oakland, the County seat, is one of the most populous cities in the State.

Governing Authority

The County of Alameda is governed by a five-member Board of Supervisors, each of whom is elected on a non-partisan basis from a separate district where he/she lives. Within the broad limits established by the State Constitution, State General Law, and the Alameda County Charter, the Board exercises both the legislative and the executive functions of government. The Board of Supervisors is also the governing body for a number of "special districts" within Alameda County.

Delegation of Authority and Investment Responsibility

The Alameda County Board of Supervisors, by Ordinance # O-2021-6 adopted on January 05, 2021 has renewed the annual delegation of its investment authority and responsibility to invest and/or to reinvest the funds in the Alameda County treasury to the Alameda County Treasurer. Accordingly, to provide a framework for the oversight of the Treasurer's investment responsibilities and activities, the Government Code of the State of California through Section 27133 requires the Treasurer to prepare an annual investment policy that provides the specific guidelines, pursuant to which, the Treasurer should carry-out investment-related functions.

Policy Statement

The purpose of this Investment Policy is to establish investment guidelines for the Treasurer, to whom the Board of Supervisors annually delegates the responsibility for the stewardship of the County's Investment Program. Each transaction and the entire portfolio must comply with applicable California Government Code, County Ordinances, and this Policy. All investment program activities will be judged by the standards of the Policy and ranking of Primary Investment Objectives. Those activities that violate its spirit and intent will be deemed to be contrary to the Policy. This Policy shall remain in effect until the Board of Supervisors approves a subsequent revision.

Scope

This Investment Policy applies to all funds over which the Treasurer has been delegated the fiduciary responsibility and direct control for its management.



Primary Investment Objectives

The Treasurer shall invest monies in the treasury in accordance with the following basic principles of investing, in the order of priority:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected expenditures.
3. **Investment Income:** The investment portfolio shall be designed with the objective of attaining a market rate of investment income throughout budgetary and economic cycles, considering the investment risk constraints of safety, while bearing in mind the cash-flow characteristics and operating cash needs of County departments, the County's various subdivisions, school districts and special districts.

Primary Investment Philosophy

Securities shall generally be held until maturity, with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. Liquidity needs of the portfolio require that the security be sold.
3. A security swap would improve the quality, yield, or target duration in the portfolio.

Standard of Prudence

The standard of prudence to be used by the Treasurer shall be the Prudent Investor Standard as set forth by California Government Code, Section 53600.3 and 27000.3. The Section reads as follows: The Prudent Investor Standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Treasurer, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Treasurer.

This standard of prudence shall be applied in the context of managing those investments that fall under the Treasurer's direct control. Investment officers acting in accordance with written



procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Allowable Investments

Section 53600 et seq. of the Government Code of the State of California prescribes the statutory requirements relating to investments by local treasurers, including types of allowable investments, proportional limits by investment type relative to the size of the investment pool, maximum maturity of investments, and credit rating criteria. The term to maturity of investments in the pool shall not exceed a final maturity of 5 years from date of purchase, except when specifically authorized by a resolution of the Alameda County Board of Supervisors. Final maturity limits, investment type limits, and issuer ratings and limits are calculated/considered at time of purchase.

The investments shall conform to the legal provisions set forth in the Government Code, except that, the County further prescribes the following requirements:

(Please refer to **Attachment I - SUMMARY OF ALLOWABLE INVESTMENTS**)

U.S. Treasury Obligations or backed by the full faith and credit of the United States

Maximum Term:	5 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable

U.S. Federal Agencies

Maximum Term:	5 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable

Money Market Mutual Funds

Maximum Term:	1 day
Maximum Type Allocation:	20%
Maximum Issuer Concentration:	10%
Minimum Fund Rating:	AAA equivalent or better by two or more Nationally Recognized Statistical Ratings Organizations (NRSRO)
Other:	Maintain a consistent net asset value (NAV) of \$1.00

Commercial Paper

Maximum Term:	270 days
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	10% in aggregate with corporate notes/bonds and CDs



Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO
Other:	Issuer must meet the following criteria: Is organized and operating in the United States as a general corporation, has total assets in excess of \$500 million, has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO, or; is organized within the United States as a special purpose corporation, trust, or limited liability company, and has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

Negotiable Certificates of Deposit

Maximum Term:	1 year
Maximum Type Allocation	30%
Maximum Issuer Concentration:	10% in aggregate with corporate notes/bonds and CP
Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO
Other:	Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank

Medium-Term Corporate Notes

Maximum Term:	5 years
Maximum Type Allocation	30%
Maximum Issuer Concentration:	10% in aggregate with CDs and CP
Minimum Issuer Rating:	A category, equivalent or better
Other:	Issued by corporations organized and operating within the United States, depository institutions licensed by the United States, or any state and operating within the United States

Asset-Backed Securities

Maximum Term:	5 years
Maximum Type Allocation	20%
Maximum Issuer Concentration:	5%
Minimum Issuer Rating:	AAA equivalent by a NRSRO
Other:	Equipment lease-backed certificates, consumer receivable pass-through certificates or consumer receivable-backed bonds are eligible for purchase.

State and Local Government Obligations

Maximum Term:	5 years
Maximum Type Allocation	20%
Maximum Issuer Concentration:	5%



Minimum Issuer Rating: A equivalent or better by one NRSRO
 Other: Issued by State and local governments in the United States.

Repurchase Agreements

Maximum Term: 180 days
 Maximum Type Allocation: 20%
 Maximum Issuer Concentration: Not applicable
 Minimum Issuer Rating: Not applicable
 Collateral: 102%, by Treasury or Agency securities with a final maturity of 5 years or less, marked-to-market daily.
 Other: Counter-party requirements: A financial institution that will deliver the securities versus payment, either to the Treasurer's custodian bank or to a third-party custodian.

Reverse Repurchase Agreements

Maximum Term: 180 days
 Maximum Type Allocation: 20%
 Maximum Issuer Concentration: Not applicable
 Minimum Issuer Rating: Not applicable
 Other: Borrowing for leveraging purposes shall conform in all aspects to the governing provisions of the Government Code Section 53601, et. seq. Reverse repurchase agreements which have been entered for purposes of either raising temporary cash needs or for the purpose of leveraging to attain favorable investment spreads, must be approved by the Board of Supervisors, pursuant to Government Code guidelines.

Banker's Acceptances

Maximum Term: 180 days
 Maximum Type Allocation: 30%
 Maximum Issuer Concentration: 10%
 Minimum Issuer Rating: A-1, P-1, F-1 equivalent or better by a NRSRO
 Other: Drawn on and accepted by a commercial bank

Supranationals

Maximum Term: 5 years
 Maximum Type Allocation: 30%
 Maximum Issuer Concentration: 15%
 Minimum Issuer Rating: AA equivalent or better by a NRSRO
 Other: Purchase of U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank of Reconstruction and



Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) that are eligible for purchase or sale in the United States.

Local Agency Investment Fund (LAIF)

Maximum Term: 1 day
 Maximum Type Allocation: Current State limit
 Minimum Issuer Rating: Not applicable

CalTRUST (Joint Powers Authority Investment Trust for California Public Agencies)

Maximum Term: 1 day
 Maximum Type Allocation: Twice the limit of LAIF
 Minimum Issuer Rating: Not applicable

CAMP (Joint Powers Authority created to provide a statewide local government investment pool)

Maximum Term: 1 day
 Maximum Type Allocation: Twice the limit of LAIF
 Minimum Issuer Rating: Not applicable

Collateralized/FDIC Insured Time Deposits

Maximum Term: 5 years
 Maximum Type Allocation: 30%
 Maximum Issuer Concentration: FDIC limit
 Minimum Issuer Rating: Not applicable

Other: The Treasurer may place interest-bearing time deposits with banks and or credit unions located within the State of California, collateralized in accordance with requirements of the Government Code. Further, pursuant to the requirement of Government Code Section 53635.2, to be eligible as a depository of local agency monies, the depository institution must have a CRA (Community Reinvestment Act) rating of "Satisfactory" or better in its most recent evaluation by FFIEC. The bank may use a private sector entity to help place deposits with banks or credit union located in the United States.

Collateralized Money Market Bank Accounts

Maximum Term: 1 day
 Maximum Type Allocation: 30%
 Maximum Issuer Concentration: 20%
 Minimum Issuer Rating: Not applicable
 Other: The Treasurer may deposit funds in interest-bearing collateralized money market bank accounts in banks or credit



unions that qualify under the eligibility requirements required for collateralized/FDIC insured time deposits. Deposits in money market bank accounts are made to provide better short-term yield and over-night liquidity.

Other Investments

Any other legally permitted investments by specific authorizing resolutions of the Alameda County Board of Supervisors shall be eligible investments.

Credit Rating Information

Credit rating requirements for eligible securities referred-to in this policy shall mean the numeric, alpha, and/or alpha-numeric designations assigned by the following National Recognized Statistical Rating Organizations (NRSRO) rating agencies:

- Moody's Investor Service
- Standard & Poor's Rating Services
- Fitch IBCA, Inc.
- Thompson Bank Watch

A list of possible ratings for Standard and Poor's, Moody's and Fitch are in **Attachment II - RATINGS INTERPRETATION**

Socially Responsible Investment Objectives

In addition to and subordinate to the objectives set forth in the County's Primary Investment Objectives, the Treasurer seeks to implement a policy of responsible investment, which is a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions. Investments will be made with responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to other investment opportunities available at the same time.

The Treasurer will actively incorporate ESG factors in its investment analysis and decision-making process and will work to enhance its effectiveness in implementing the principles of responsible investing.

Within the guidance for responsible investing, the Treasurer will consider additional socially responsible and impact investing criteria. Such criteria shall be consistent with values promulgated by the County of Alameda.

Securities Lending

Pursuant to Section 53601 (j) (3) of the Government Code, the Treasurer may engage in securities lending through a third-party custodian and lending administrator. Revenues derived from



securities lending will be considered incremental investment income to be shared among participating funds in the investment pool.

Prohibited Investments and Transactions

The following are prohibited investments and transactions:

- Range notes
- Inverse floating rate securities
- Step-down securities
- Short selling
- Any security that could result in zero interest accrual if held to maturity

Diversification Parameters

The investment program shall follow the following diversification parameters:

- Issuer: No more 10% in aggregate corporate exposure (CD, CP, Corporate Notes)
- Floating Rate, Structured Notes, and Other Derivative Securities: No more than 15%

Maturity Parameters

The investment program shall follow the following maturity parameters:

- Weighted Average Maturity no greater than 3 years (using stated final maturity)
- At least 10% of the County Investment Pool maturing within 90 days

Investment Procedures

The Treasurer has written procedures for the operation of the investment program. The procedures include such items as delegation of duties/authority, reconciliation, trade settlement, investment strategy/selection, compliance monitoring, reporting, and internal controls.

Performance Information

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the County. The County's investment strategy is conservative and is reflected in its general "hold to maturity" philosophy. Given this strategy, the Treasurer shall develop an appropriate custom benchmark for investment considerations which shall reflect the prominent and persistent characteristics of the portfolio over time. The benchmark will be adjusted periodically when material changes take place regarding asset allocation and/or duration.



Directed Investments and Withdrawal Policy

School Districts and Community College Districts

Pursuant to Education Code section 15146(g), at no time shall bond proceeds be withdrawn by the school districts or community college districts for investment outside the county treasury.

Special Districts

Self-directed investments made by any special district, including deposits by same districts into the State's Local Agency Investment Fund (LAIF) are considered withdrawal of funds from the County treasury. Each special district withdrawing funds for the purpose of investing outside of the Treasurer's investment pool may only do so once each month, upon a 3-day written notice to the Treasurer in an amount not exceeding \$20,000,000. Such withdrawal is hereafter referred to as a "Permissible Withdrawal". Permissible withdrawals are further subject to the following requirements:

- Each special district wishing to invest bond proceeds and/or bond funds outside of the Treasurer's investment pool, must notify the Treasurer no later than on the day of the bond closing, so that the Treasurer could place such bond proceeds in short-term investment/s whose maturity would coincide with the settlement/purchase date of the directed investment.
- Securities representing district- directed investments shall be held solely for the purpose of safekeeping by the County Treasurer at the County's custodial bank.
- Directed investments shall be the direct responsibility of each respective district with respect to their accounting and accountability.

Other Provisions

Further, the Treasurer sets forth the following:

1. The Treasurer shall maintain sufficient funds in the County Treasury, to meet the estimated normal daily operating cash demands of the County and investment pool participants by investing funds to maturities that anticipate major cash needs. Investments shall, whenever possible, be made in securities that have active secondary or resale markets to provide maximum portfolio liquidity.
2. The Treasurer's investment pool practices a "buy and hold" strategy, thus, funds are invested in securities that mature on dates coincident with the anticipated operating cash requirements of all participating entities. Consequently, withdrawal of funds for purposes other than to pay operating expenditures is unanticipated and could risk the pool's liquidity and stability. Nevertheless, subject to the **Directed Investments and Withdrawal Policy**, the Treasurer may liquidate securities to meet unanticipated cash withdrawals or disbursements made by the County or any pool participant, whether the purpose of such withdrawal or disbursement is to make payment for a legitimate obligation or to pull out funds to reinvest outside the Treasurer's pool. Except for permissible withdrawals as



described in the previous section, in the event the Treasurer is obligated to liquidate investments in an adverse market due to a withdrawal for the purpose of investing funds outside of the Treasurer's investment pool, the resulting loss, if any, shall be borne by the withdrawing district alone. Losses due to the sale of securities to meet unanticipated cash needs other than for investing funds outside the Treasurer's pool shall be considered as a normal cost of providing unanticipated liquidity needs.

3. The Treasurer shall hold all securities including collateral on repurchase agreements, in safekeeping with the County's custodial bank or with a national bank located in a Federal Reserve City which has provided the County with a safekeeping agreement.
4. Pursuant to Government Code Section 53684(a) and unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the County Treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635, or Section 20822 of the Revenue and Taxation Code after signing an Investment Management Agreement.

Investment Reporting and Review

The Treasurer shall submit a report on the monthly transactions and the status of the investment pool to the Alameda County Board of Supervisors, the Treasurer's Oversight Committee and the participating districts. The investment report must include the book and market value of securities held, income received, book yield, duration, liquidity profile, and investment policy compliance.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Treasurer's investment pool.

Further, any securities broker or dealer who has made a political contribution to the Treasurer, any member of the Board of Supervisors, or any candidate for those offices, in an amount that exceeds the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board



within any consecutive 48-month period following January 1, 1996, shall be disqualified from transacting securities trades (purchase, sale and/or exchange) with the Treasurer.

Internal Controls

The Treasurer shall employ internal controls designed to prevent losses of public funds arising from fraud, employee error, misrepresentations by third parties, or imprudent actions by employees and officers of County.

Internal and External Audit

The custodian/safekeeping account, investment transactions, and records shall be audited at least quarterly by internal auditors independent of the Treasurer and/or by outside independent auditors and the audit results reported to the members of the Treasury Oversight Committee, Board of Supervisors, or the Auditor-Controller. Pursuant to the Treasury Oversight Committee mandate, the investment pool shall be audited annually by an independent auditor and the results reported to the members of the Treasury Oversight Committee, the Board of Supervisors, the Grand Jury, the Auditor-Controller, and all participating entities in the investment pool as governed by state law.

Safekeeping and Custody

The following process shall be maintained for safekeeping and custody of securities:

1. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the Alameda County's safekeeping institution prior to the release of funds.
2. All marketable securities except for money market funds registered in the County's name shall be deposited for safekeeping with banks contracted to provide the Treasurer with custodial security clearance services. Securities are **NOT** to be held in investment firm/broker-dealer account.

Authorized Financial Institutions, Depositories, and Broker/Dealers

The Treasurer shall maintain a list of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of broker/dealers that are approved to conduct investment security transactions with the Treasurer. These may include primary dealers, regional broker/dealers, minority-owned broker/dealers and direct issuers of securities.

All financial institutions and depositories, including broker-dealers, must provide certification of having read and understood and agreeing to comply with the Treasurer's investment policy on an annual basis.



All broker/dealers who desire to become qualified for investment transactions must supply the following (as appropriate):

1. Audited financial statements
2. Proof of FINRA registration
3. Proof of state registration
4. Completed broker/dealer questionnaire
5. Certification of having read and understood and agreeing to comply with the Treasurer's investment policy

Allocation of Investment Income and Costs

The Treasurer shall account for investment income to be apportioned based on average daily cash balances of participating funds during the quarterly allocation period. Government Code Section 27013 permits the Treasurer to charge the cost of the treasury operations and administration to the investment income prior to distribution. The cost of operating the County treasury which includes tax and revenue receipt processing, county-wide central cashing and banking, investment services, management, operations, safekeeping and accounting, daily redemption of county warrants/checks and other direct and indirect treasury operations costs, shall be netted on a quarterly basis against the un-apportioned income prior to its allocation to the pool participants. The treasury operations costs are determined each fiscal year as part of the budgeting process, during which the departmental budget is allocated among the various functioning units of the Treasurer-Tax Collector's department.

Treasury Oversight Committee

The Treasury Oversight Committee shall meet at least once annually, preferably in May. The responsibilities of the Treasury Oversight Committee are:

1. To ensure that an annual audit of the investment portfolio is performed;
2. To review and monitor the Treasurer's Annual Investment Policy before it is submitted to the Board of Supervisors for authorization; and
3. To ensure that the Treasurer's investments conform to the requirements of the annual investment policy.

Limit on Receipt of Honoraria, Gifts and Gratuities

No individual responsible for the management of the County's investment portfolio or any member of the Treasury Oversight Committee shall accept honoraria, gifts or gratuities from any advisor, broker, dealer, banker or other person with whom the county treasury conducts business, consistent with the state law.



Business Continuity

The Treasurer has developed a Business Continuity Plan describing the Treasurer's anticipated response to a range of events that could significantly disrupt its business. Because the timing and impact of disasters, emergencies and other events is unpredictable, flexibility is necessary when responding to actual disruptions as they occur. With that in mind, the goal of the Plan is to resume operations as quickly and smoothly as possible.

The Plan for responding to a significant business disruption addresses safeguarding of employees' lives and County property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all the Treasurer's books and records, and allowing the continued ability to manage the investment program and transact business.

Investment Policy Adoption

The Treasurer shall submit the County's Investment Policy to the Board of Supervisors for annual adoption by resolution. The policy shall be reviewed annually by the Treasury Oversight Committee and any modifications made thereto must be authorized by the Board of Supervisors.

Conclusion

Any provision in this, the investment policy of Alameda County, which may later be disallowed by the governing sections of the Government Code of the State of California, shall also be so disallowed. Conversely, any new permissive provisions under the governing sections of the Government Code shall be allowed without necessarily amending the investment policy during the year that the law takes effect. However, such new provision shall be adopted by policy in the next annual investment policy. This investment policy shall be in effect until revised or replaced by the investment policy of the following year.



SUMMARY OF ALLOWABLE INVESTMENTS

AUTHORIZED INVESTMENTS	MAXIMUM % HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	CREDIT QUALITY
US Treasury Obligations	100%	N/A	5 years	N/A
Federal Agencies	100%	Max issuer 100%	5 years	N/A
Money-Market Mutual Funds	20%	Max 10% issuer, must maintain constant NAV	Daily Liquidity	AAA rated from at least 2 NRSROs
Commercial Paper	25%	Max issuer 10%, combined with corporates and CP	270 days	A-1 equivalent or better by 2 NRSROs
Negotiable CDs	30%	Max issuer 10%, combined with corporates and CP	1 year	A-1 equivalent or better by 2 NRSROs
Medium Term Corporate Notes	30%	Max issuer 10%, combined with corporates and CP	5 years	A equivalent or better by 2 NRSROs
Asset-Backed Securities	20%	Max issuer 5%, equipment leased-backed certificate, consumer receivable pass-throughs, consumer receivables-backed bonds	5 years	AA equivalent or better by 2 NRSROs
State and Local Government Bonds	20%	Max issuer 5%	5 years	A equivalent or better by 1 NRSROs
Repurchase Agreements (REPO)	20%	Collateral to be US Government or Federal Agency with max maturity of 5 years. 102% of funds borrowed and marked-to-market daily	180 days	N/A
Reverse Repurchase Agreements (Reverse REPO)	20%	Prior approval of the Board of Supervisors	180 days	N/A
Banker's Acceptances	30%	Drawn on and accepted by a commercial bank	180 days	A-1 equivalent or better by 2 NRSROs
Supranational	30%	Max 15% issuer, Senior unsecured unsubordinated or guaranteed by IBRD, IFC, or IADB	5 years	AA equivalent or better by 2 NRSROs
LAIF	State Limit	Per LAIF	Daily Liquidity	N/A
CalTRUST	2X LAIF	Per CalTRUST	Daily Liquidity	N/A
CAMP	2X LAIF	Per CAMP	Daily Liquidity	N/A
Collateralized/FDIC Insured Time Deposits	30%	Refer to page 8	5 years	N/A
Collateralized Money Market Bank Accounts	30%	Refer to page 8	Daily Liquidity	N/A



Attachment II

RATINGS INTERPRETATION

LONG TERM DEBT RATINGS			
MOODY'S	S&P	FITCH	RATINGS INTERPRETATION FOR CREDIT
Aaa	AAA	AAA	STRONGEST QUALITY
Aa1	AA+	AA+	STRONG QUALITY
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	GOOD QUALITY
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	MEDIUM QUALITY
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	SPECULATIVE
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	LOW
B2	B	B	
B3	B-	B-	
Caa	CCC+	CCC	POOR
-	CCC	-	HIGHLY SPECULATIVE TO DEFAULT
-	CCC-	-	
Ca	CC	CCC	
C	-	-	
-	-	DDD	
-	-	DD	
-	D	D	

SHORT TERM DEBT RATINGS			
MOODY'S	S&P	FITCH	RATINGS INTERPRETATION FOR CREDIT
P-1	A-1+	F1+	STRONGEST QUALITY
	A-1	F1	STRONG QUALITY
P-2	A-2	F2	GOOD QUALITY
P-3	A-3	F3	MEDIUM QUALITY

