



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Upon motion of Supervisor Potter, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

Received and accepted the Treasurer's Report of Investments for the quarter ending March 31, 2013.

PASSED AND ADOPTED on this 23rd day of April 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on April 23, 2013.

Dated: April 26, 2013
File Number: 13-0356

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Henao
Deputy

Exhibit A

Investment Portfolio Review Quarter Ending March 31, 2013

OVERVIEW – January 1 – March 31, 2013

During the January to March quarter the Treasury bond curve changed very little in the 1 month – 5 year term. Yields in maturities of six months to three years were down slightly, while very short term bonds with maturity dates under six months and longer term maturities of five years and over were slightly higher. The Federal Reserve continued their plans to expand their Quantitative Easing program, and continued their assurances that they will keep the Fed Funds Rate at or below 0.25. During January and February, the federal government was unable to come to an agreement on budget cuts, which caused the automatic sequestration of \$85 billion in federal spending at the beginning of March and furthered the perception that they are unable to develop solutions to an already difficult recovery. At the end of March, the ongoing financial issues in the EU flared up again, this time in Cyprus. After the Cyprian government refused to adopt the originally proposed austerity measures to receive a bailout from the EU, they later enacted legislation that will break up their second largest bank and restructure the largest. The measures will also allow them to impose large losses on bank deposits larger than \$100,000 Euros. They also placed capitol controls on the amount of funds that could be withdrawn from the banks each day, as well as the amount of funds that each person is allowed to carry out of the country. All of these factors helped contribute to a continued flight to safety and increased investment in U.S. fixed income securities.

The County Treasury was able to outperform all of the portfolio benchmarks due to a consistent investment strategy that ladders short term debt to provide liquidity, while also taking advantage of higher rates by buying small amounts of longer term corporate and callable debt structures. The following indicators reflect key aspects of the County's investment portfolio in light of the above noted conditions:

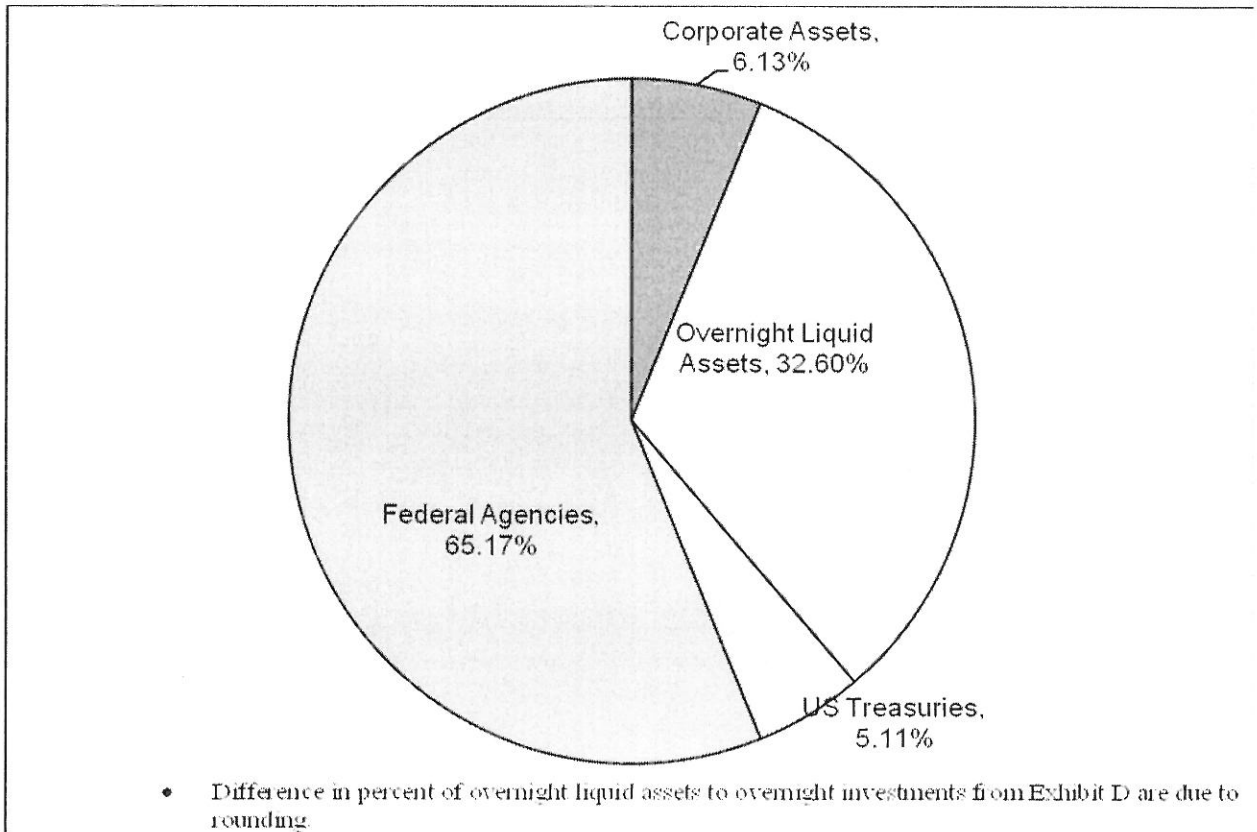
1. Market Access – The U.S. Treasury continued to issue substantial amounts of debt instruments. The continued large issuance is due to their efforts to stimulate the economy by providing funding for financial institutions, social programs, and ongoing military funding requirements. Access to U.S. Treasuries and Agency debt has been plentiful, but yields have continued to remain low as investors seek safe havens from an uncertain world market. These issues have continued to keep yields low on Treasury bonds from January through March.

During the quarter, the majority of County investment purchases continue to be in U.S. Treasury and Agency markets with a continued small position in shorter term, highly rated (AA or better) Corporate bonds, Certificates of Deposits and highly rated (A1, P1), short term Commercial Paper. In addition, the Treasurer continues to keep a high level of overnight liquid

assets, reflecting the need to maintain increased levels of available cash to ensure our ability to meet any cash flow needs.

2. Diversification - The Monterey County Treasurer's portfolio consists of fixed income investments, all of which are authorized by the State of California Government Code 53601.

The portfolio asset spread is detailed in the pie chart below:



3. Credit Risk – Approximately 94% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities and other liquid funds. All assets have an investment grade rating. U.S. Treasuries are not specifically rated, but are considered the safest of all investments. The corporate debt (6.13%) is rated in the higher levels of investment grade. All federal agency securities have AA ratings, or they are guaranteed by the U.S. Treasury.
4. Liquidity Risk – Liquidity risk, as measured by the ability of the county's Treasury to meet withdrawal demands on invested assets, was adequately managed during the January to March quarter. The portfolio's average weighted maturity was 514 days, and a large percentage (32.60%) of assets was held in immediately available funds.

PORTFOLIO CHARACTERISTICS

| | <u>December 31, 2013</u> | <u>March 31, 2013</u> |
|--------------------|---------------------------------|------------------------------|
| Total Assets | \$1,033,515,337 | \$980,877,313 |
| Market Value | \$1,034,828,004 | \$982,078,231 |
| Days to Maturity | 425 | 514 |
| Yield | 0.49% | 0.49% |
| Estimated Earnings | \$1,211,697 | \$1,224,338 |

FUTURE STRATEGY

The U.S. Treasury has continued a policy of heavy borrowing for stimulus programs, military funding and other additional needs. Despite the downgrade of U.S. debt by Standard and Poor's last year and the continued uncertainty in global markets; investors continue to prefer the safety of U.S. debt to other investment options.

Continued uncertainty about Congress' ability to work together and find a comprehensive solution to financial issues, and poor economic news from many areas of the world have continued to reinforce the cautious, risk averse attitude of investors. The increasing regulations on financial institutions; overall uncertainty in the ability of the U.S. government work together combined with an overall slowdown of the global economy continues to drag on our economic recovery. This is clearly reflected in the Federal Reserve's new mandate for continued low rates until specific economic targets are met. The current stability and slow but steady improvement of the U.S. economy ensures that our debt products will remain a safe haven for investors for the foreseeable future, which is good for our overall economic outlook, but ensures continued low rates until underlying conditions change.

In the near term the Treasurer believes short term yields will remain extremely low and will not begin to rise until there is a longer history of consistent improvement in the unemployment rate, or the Federal Reserve starts to see significant inflation in the core Consumer Price Index. The Treasurer's rolling investment ladder will access the short term Treasury and Agency market with expected yields over the next 90 days of less than one-half percent. In our efforts to continue to provide the safest vehicles for Treasury investments, the Treasurer will maintain a portfolio weighted with U.S. Treasuries, Federal Agency securities, and other highly liquid assets.

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments March 31, 2013

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity | Maturity Date |
|--|--------------|--------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|---------|-----|------------------|---------------|
| Money Market Accts-GC 53601(k)(2) | | | | | | | | | | | | |
| SYS11672 | 11672 | BlackRock | | | 86,216,000.88 | 86,216,000.88 | 86,216,000.88 | 0.130 | | | 1 | |
| SYS11801 | 11801 | CalTrust | | | 100,000,000.00 | 100,000,000.00 | 100,000,000.00 | 0.305 | Aaa | AAA | 1 | |
| SYS11830 | 11830 | Federated | | | 0.00 | 0.00 | 0.00 | 0.101 | Aaa | AAA | 1 | |
| SYS11578 | 11578 | Fidelity Investments | | | 4,932,312.88 | 4,932,312.88 | 4,932,312.88 | 0.080 | Aaa | AAA | 1 | |
| Subtotal and Average | | | 185,826,347.53 | | 191,148,313.76 | 191,148,313.76 | 191,148,313.76 | | | | 1 | |
| State Pool-GC 53601(p) | | | | | | | | | | | | |
| SYS11361 | 11361 | LAIF | | | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | 0.290 | | | 1 | |
| SYS11422 | 11422 | LAIF | | | 0.00 | 0.00 | 0.00 | 0.322 | | | 1 | |
| Subtotal and Average | | | 70,095,644.44 | | 50,000,000.00 | 50,000,000.00 | 50,000,000.00 | | | | 1 | |
| CAMP-GC 56301(p) | | | | | | | | | | | | |
| SYS10379 | 10379 | Calif. Asset Mgmt | | | 75,500,000.00 | 75,500,000.00 | 75,500,000.00 | 0.139 | | AAA | 1 | |
| SYS11457 | 11457 | Calif. Asset Mgmt | | | 0.00 | 0.00 | 0.00 | 0.128 | | AAA | 1 | |
| SYS11526 | 11526 | Calif. Asset Mgmt | | | 3,067,617.42 | 3,067,617.42 | 3,067,617.42 | 0.144 | | AAA | 1 | |
| Subtotal and Average | | | 92,232,028.50 | | 78,567,617.42 | 78,567,617.42 | 78,567,617.42 | | | | 1 | |
| Negotiable CDs - GC 53601 (i) | | | | | | | | | | | | |
| 78009NGU4 | 11863 | RBC Capital Markets | | 06/25/2012 | 10,000,000.00 | 9,990,000.00 | 10,000,000.00 | 1.500 | Aa | AA | 815 | 06/25/2015 |
| Subtotal and Average | | | 18,122,273.10 | | 10,000,000.00 | 9,990,000.00 | 10,000,000.00 | | | | 815 | |
| Medium Term Notes - GC 53601(k) | | | | | | | | | | | | |
| 36962G4N1 | 11701 | General Electric | | 08/11/2010 | 10,000,000.00 | 10,073,000.00 | 10,000,000.00 | 1.060 | A | AA | 862 | 08/11/2015 |
| 36962G4X9 | 11738 | General Electric | | 01/07/2011 | 5,000,000.00 | 5,063,000.00 | 5,003,360.56 | 2.100 | A | AA | 281 | 01/07/2014 |
| 36962G4X9 | 11749 | General Electric | | 03/09/2011 | 5,000,000.00 | 5,063,000.00 | 5,003,687.23 | 2.100 | A | AA | 281 | 01/07/2014 |
| 36962G5W0 | 11855 | General Electric | | 04/27/2012 | 5,000,000.00 | 5,170,000.00 | 4,994,665.39 | 2.300 | A | AA | 1,487 | 04/27/2017 |
| 36962G5W0 | 11856 | General Electric | | 04/27/2012 | 5,000,000.00 | 5,170,000.00 | 5,006,108.33 | 2.300 | A | AA | 1,487 | 04/27/2017 |
| 89233P5S1 | 11839 | Toyota Motor Corporation | | 02/29/2012 | 5,000,000.00 | 5,190,000.00 | 5,085,130.43 | 2.050 | Aa | AA | 1,382 | 01/12/2017 |
| 89233P5Z5 | 11840 | Toyota Motor Corporation | | 02/29/2012 | 5,000,000.00 | 5,046,000.00 | 5,011,551.50 | 1.000 | Aa | AA | 687 | 02/17/2015 |
| Subtotal and Average | | | 40,498,139.14 | | 40,000,000.00 | 40,775,000.00 | 40,104,503.44 | | | | 917 | |
| Commercial Paper Disc.- GC 53601(h) | | | | | | | | | | | | |
| 89233GT71 | 11879 | Toyota Motor Corporation | | 09/27/2012 | 10,000,000.00 | 9,996,900.00 | 9,993,486.11 | 0.350 | P-1 | A-1 | 67 | 06/07/2013 |
| Subtotal and Average | | | 9,989,159.72 | | 10,000,000.00 | 9,996,900.00 | 9,993,486.11 | | | | 67 | |

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Monterey County Portfolio Management Portfolio Details - Investments March 31, 2013

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity | Maturity Date |
|--|--------------|----------------------------|-----------------|---------------|---------------|---------------|---------------|-------------|---------|-----|------------------|---------------|
| Fed Agcy Coupon Sec - GC 53601(f) | | | | | | | | | | | | |
| 31331KHL7 | 11763 | Federal Farm Credit Bank | | 04/15/2011 | 10,000,000.00 | 10,003,200.00 | 10,000,192.50 | 0.850 | Aaa | AA | 14 | 04/15/2013 |
| 3133EAKP2 | 11844 | Federal Farm Credit Bank | | 04/04/2012 | 10,000,000.00 | 9,990,800.00 | 10,000,000.00 | 1.360 | Aaa | AA | 1,464 | 04/04/2017 |
| 3133EAPB8 | 11857 | Federal Farm Credit Bank | | 05/02/2012 | 10,000,000.00 | 10,010,900.00 | 10,000,000.00 | 1.230 | Aaa | AA | 1,492 | 05/02/2017 |
| 3133EAF86 | 11864 | Federal Farm Credit Bank | | 08/07/2012 | 10,000,000.00 | 10,020,700.00 | 10,000,000.00 | 0.970 | Aaa | AA | 1,589 | 08/07/2017 |
| 3133EAF60 | 11867 | Federal Farm Credit Bank | | 08/06/2012 | 10,000,000.00 | 10,008,600.00 | 10,000,000.00 | 0.430 | Aaa | AA | 857 | 08/06/2015 |
| 3133EAZF8 | 11868 | Federal Farm Credit Bank | | 08/03/2012 | 10,000,000.00 | 10,000,400.00 | 10,000,000.00 | 0.625 | Aaa | AA | 1,087 | 03/23/2016 |
| 3133ECD35 | 11902 | Federal Farm Credit Bank | | 01/17/2013 | 10,000,000.00 | 9,997,800.00 | 9,999,435.94 | 0.150 | Aaa | AA | 291 | 01/17/2014 |
| 31331KAH3 | 11909 | Federal Farm Credit Bank | | 03/19/2013 | 10,000,000.00 | 10,085,900.00 | 10,086,033.14 | 1.125 | Aaa | AA | 332 | 02/27/2014 |
| 3133XQU34 | 11767 | Federal Home Loan Bank | | 04/28/2011 | 10,000,000.00 | 10,058,200.00 | 10,045,687.16 | 3.625 | Aaa | AA | 58 | 05/29/2013 |
| 3133795A3 | 11853 | Federal Home Loan Bank | | 04/20/2012 | 10,000,000.00 | 10,000,500.00 | 10,000,000.00 | 0.220 | Aaa | AA | 18 | 04/19/2013 |
| 313379BY4 | 11858 | Federal Home Loan Bank | | 05/01/2012 | 10,000,000.00 | 10,000,000.00 | 9,999,458.77 | 0.125 | Aaa | AA | 29 | 04/30/2013 |
| 313378YY1 | 11860 | Federal Home Loan Bank | | 05/08/2012 | 10,000,000.00 | 10,000,500.00 | 10,000,153.55 | 0.240 | Aaa | AA | 15 | 04/16/2013 |
| 313379FZ7 | 11865 | Federal Home Loan Bank | | 07/30/2012 | 10,000,000.00 | 10,001,200.00 | 10,000,595.04 | 0.230 | Aaa | AA | 43 | 05/14/2013 |
| 313376DF9 | 11869 | Federal Home Loan Bank | | 08/23/2012 | 10,000,000.00 | 10,002,300.00 | 10,001,591.25 | 0.310 | Aaa | AA | 45 | 05/16/2013 |
| 3133XXYX9 | 11872 | Federal Home Loan Bank | | 08/29/2012 | 10,000,000.00 | 10,039,900.00 | 10,037,169.86 | 1.875 | Aaa | AA | 81 | 06/21/2013 |
| 313379D89 | 11873 | Federal Home Loan Bank | | 08/29/2012 | 10,000,000.00 | 9,999,900.00 | 9,999,540.98 | 0.125 | Aaa | AA | 32 | 05/03/2013 |
| 313380RB5 | 11877 | Federal Home Loan Bank | | 09/14/2012 | 10,000,000.00 | 10,001,000.00 | 10,000,000.00 | 0.180 | Aaa | AA | 74 | 06/14/2013 |
| 313380EC7 | 11878 | Federal Home Loan Bank | | 09/17/2012 | 10,000,000.00 | 9,968,500.00 | 9,956,619.74 | 0.750 | Aaa | AA | 1,621 | 09/08/2017 |
| 313380XB8 | 11881 | Federal Home Loan Bank | | 10/17/2012 | 10,000,000.00 | 10,000,400.00 | 9,997,341.67 | 0.625 | Aaa | AA | 1,295 | 10/17/2016 |
| 3133803P0 | 11883 | Federal Home Loan Bank | | 11/07/2012 | 10,000,000.00 | 10,003,700.00 | 10,001,753.11 | 0.250 | Aaa | AA | 109 | 07/19/2013 |
| 313370TW8 | 11888 | Federal Home Loan Bank | | 12/05/2012 | 10,000,000.00 | 10,539,900.00 | 10,502,880.35 | 2.000 | Aaa | AA | 1,257 | 09/09/2016 |
| 313379Z36 | 11889 | Federal Home Loan Bank | | 12/06/2012 | 10,000,000.00 | 10,003,200.00 | 10,001,933.97 | 0.250 | Aaa | AA | 95 | 07/05/2013 |
| 313380S40 | 11895 | Federal Home Loan Bank | | 12/12/2012 | 10,000,000.00 | 10,002,500.00 | 10,001,055.31 | 0.190 | Aaa | AA | 171 | 09/19/2013 |
| 313381K46 | 11896 | Federal Home Loan Bank | | 12/20/2012 | 10,000,000.00 | 10,001,500.00 | 10,000,000.00 | 0.170 | Aaa | AA | 172 | 09/20/2013 |
| 313381LS2 | 11897 | Federal Home Loan Bank | | 01/07/2013 | 10,000,000.00 | 10,000,500.00 | 9,999,661.54 | 0.150 | Aaa | AA | 179 | 09/27/2013 |
| 313379QS1 | 11898 | Federal Home Loan Bank | | 01/09/2013 | 10,000,000.00 | 10,005,100.00 | 10,004,643.46 | 0.250 | Aaa | AA | 158 | 09/06/2013 |
| 313381WC5 | 11900 | Federal Home Loan Bank | | 01/15/2013 | 10,000,000.00 | 9,995,900.00 | 9,997,081.11 | 0.125 | Aaa | AA | 289 | 01/15/2014 |
| 313376UF0 | 11901 | Federal Home Loan Bank | | 01/16/2013 | 10,000,000.00 | 10,016,200.00 | 10,017,176.94 | 0.375 | | | 303 | 01/29/2014 |
| 3133805T0 | 11904 | Federal Home Loan Bank | | 01/23/2013 | 10,000,000.00 | 10,007,400.00 | 10,009,968.96 | 0.270 | Aaa | | 297 | 01/23/2014 |
| 313381ZH1 | 11905 | Federal Home Loan Bank | | 02/21/2013 | 10,000,000.00 | 9,988,500.00 | 10,000,000.00 | 1.200 | Aaa | AA | 1,787 | 02/21/2018 |
| 3133825F6 | 11907 | Federal Home Loan Bank | | 02/27/2013 | 10,000,000.00 | 10,007,400.00 | 10,000,000.00 | 1.300 | Aaa | AA | 1,793 | 02/27/2018 |
| 313382DF7 | 11908 | Federal Home Loan Bank | | 03/06/2013 | 10,000,000.00 | 9,995,000.00 | 9,995,265.33 | 0.125 | Aaa | AA | 330 | 02/25/2014 |
| 313380EE3 | 11910 | Federal Home Loan Bank | | 03/19/2013 | 10,000,000.00 | 10,006,100.00 | 10,008,407.66 | 0.250 | Aaa | AA | 319 | 02/14/2014 |
| 3134G3DZ0 | 11820 | Federal Home Loan Mtg Corp | | 12/14/2011 | 10,000,000.00 | 10,013,600.00 | 10,000,000.00 | 1.250 | Aaa | AA | 1,170 | 06/14/2016 |
| 3134G3RV4 | 11838 | Federal Home Loan Mtg Corp | | 03/21/2012 | 10,000,000.00 | 10,059,600.00 | 10,000,000.00 | 0.800 | Aaa | AA | 903 | 09/21/2015 |
| 3137EADC0 | 11852 | Federal Home Loan Mtg Corp | | 04/18/2012 | 10,000,000.00 | 10,122,000.00 | 9,973,994.83 | 1.000 | Aaa | AA | 1,437 | 03/08/2017 |

Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments March 31, 2013

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity | Maturity Date |
|---|--------------|----------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|---------|-----|------------------|---------------|
| Fed Agcy Coupon Sec - GC 53601(f) | | | | | | | | | | | | |
| 3134G3WB2 | 11862 | Federal Home Loan Mtg Corp | | 06/07/2012 | 10,000,000.00 | 10,018,600.00 | 10,000,000.00 | 1.300 | Aaa | AA | 1,528 | 06/07/2017 |
| 3137EACJ6 | 11866 | Federal Home Loan Mtg Corp | | 08/02/2012 | 10,000,000.00 | 10,006,600.00 | 10,005,526.62 | 1.625 | Aaa | AA | 14 | 04/15/2013 |
| 3134G3H52 | 11871 | Federal Home Loan Mtg Corp | | 09/12/2012 | 10,000,000.00 | 10,017,200.00 | 10,000,000.00 | 1.000 | Aaa | AA | 1,625 | 09/12/2017 |
| 3134G3K33 | 11875 | Federal Home Loan Mtg Corp | | 09/27/2012 | 10,000,000.00 | 10,010,500.00 | 9,997,383.33 | 0.700 | Aaa | AA | 1,275 | 09/27/2016 |
| 3134G3S50 | 11887 | Federal Home Loan Mtg Corp | | 11/30/2012 | 10,000,000.00 | 10,015,500.00 | 10,022,995.83 | 0.625 | Aaa | AA | 1,310 | 11/01/2016 |
| 3135G0HV8 | 11837 | Federal National Mtg Assn | | 03/06/2012 | 10,000,000.00 | 10,067,900.00 | 9,976,416.67 | 1.200 | Aaa | AA | 1,435 | 03/06/2017 |
| 3135G0NX7 | 11870 | Federal National Mtg Assn | | 09/13/2012 | 10,000,000.00 | 10,014,500.00 | 10,000,000.00 | 1.000 | Aaa | AA | 1,442 | 03/13/2017 |
| 3136G0B26 | 11874 | Federal National Mtg Assn | | 09/27/2012 | 10,000,000.00 | 10,032,200.00 | 10,000,000.00 | 1.000 | Aaa | AA | 1,640 | 09/27/2017 |
| 3135G0NH2 | 11876 | Federal National Mtg Assn | | 09/13/2012 | 10,000,000.00 | 10,023,200.00 | 9,994,667.42 | 0.950 | Aaa | AA | 1,605 | 08/23/2017 |
| 3136G04Q1 | 11884 | Federal National Mtg Assn | | 11/20/2012 | 10,000,000.00 | 10,178,200.00 | 10,184,239.06 | 1.500 | Aaa | AA | 1,694 | 11/20/2017 |
| 3136G06Z9 | 11885 | Federal National Mtg Assn | | 12/13/2012 | 10,000,000.00 | 9,990,700.00 | 10,000,000.00 | 0.650 | Aaa | AA | 1,352 | 12/13/2016 |
| 3136G14N6 | 11890 | Federal National Mtg Assn | | 01/02/2013 | 10,000,000.00 | 9,970,400.00 | 9,992,913.06 | 0.750 | Aaa | AA | 1,549 | 06/28/2017 |
| 3135G0BR3 | 11893 | Federal National Mtg Assn | | 12/12/2012 | 10,000,000.00 | 10,013,300.00 | 10,011,719.83 | 0.500 | Aaa | AA | 130 | 08/09/2013 |
| 31398AX31 | 11894 | Federal National Mtg Assn | | 12/12/2012 | 10,000,000.00 | 10,042,700.00 | 10,041,587.90 | 1.250 | Aaa | AA | 141 | 08/20/2013 |
| 3135G0TK9 | 11899 | Federal National Mtg Assn | | 01/30/2013 | 10,000,000.00 | 10,014,900.00 | 10,000,000.00 | 1.050 | Aaa | AA | 1,765 | 01/30/2018 |
| 3135G0PP2 | 11903 | Federal National Mtg Assn | | 01/18/2013 | 10,000,000.00 | 10,027,100.00 | 10,031,567.78 | 1.000 | Aaa | AA | 1,633 | 09/20/2017 |
| 3135G0UH4 | 11906 | Federal National Mtg Assn | | 02/22/2013 | 10,000,000.00 | 10,023,700.00 | 10,000,000.00 | 1.200 | Aaa | AA | 1,788 | 02/22/2018 |
| 3135G0AP8 | 11911 | Federal National Mtg Assn | | 03/28/2013 | 10,000,000.00 | 10,107,400.00 | 10,097,354.10 | 1.250 | Aaa | AA | 332 | 02/27/2014 |
| Subtotal and Average | | | 533,057,304.67 | | 540,000,000.00 | 541,533,400.00 | 540,994,013.77 | | | | 805 | |
| US Treasury Note-GC 53601(b) | | | | | | | | | | | | |
| 912828NN6 | 11771 | U.S. Treasury | | 05/16/2011 | 10,000,000.00 | 10,026,200.00 | 10,011,096.52 | 1.000 | Aaa | AA | 105 | 07/15/2013 |
| 912828NH9 | 11880 | U.S. Treasury | | 10/12/2012 | 10,000,000.00 | 10,021,100.00 | 10,019,531.25 | 1.125 | Aaa | AA | 75 | 06/15/2013 |
| 912828NN6 | 11882 | U.S. Treasury | | 11/01/2012 | 10,000,000.00 | 10,026,200.00 | 10,023,391.72 | 1.000 | Aaa | AA | 105 | 07/15/2013 |
| 912828RD4 | 11891 | U.S. Treasury | | 12/10/2012 | 10,000,000.00 | 10,000,000.00 | 9,997,975.86 | 0.125 | Aaa | AA | 152 | 08/31/2013 |
| 912828NU0 | 11892 | U.S. Treasury | | 12/10/2012 | 10,000,000.00 | 10,023,400.00 | 10,022,064.01 | 0.750 | Aaa | AA | 136 | 08/15/2013 |
| Subtotal and Average | | | 50,106,891.23 | | 50,000,000.00 | 50,096,900.00 | 50,074,059.36 | | | | 115 | |
| Federal Agency Step Up-GC 53601(f) | | | | | | | | | | | | |
| 3136G07K1 | 11886 | Federal National Mtg Assn | | 12/06/2012 | 10,000,000.00 | 9,970,100.00 | 9,995,319.44 | 0.700 | Aaa | AA | 1,710 | 12/06/2017 |
| Subtotal and Average | | | 12,661,862.59 | | 10,000,000.00 | 9,970,100.00 | 9,995,319.44 | | | | 1,710 | |

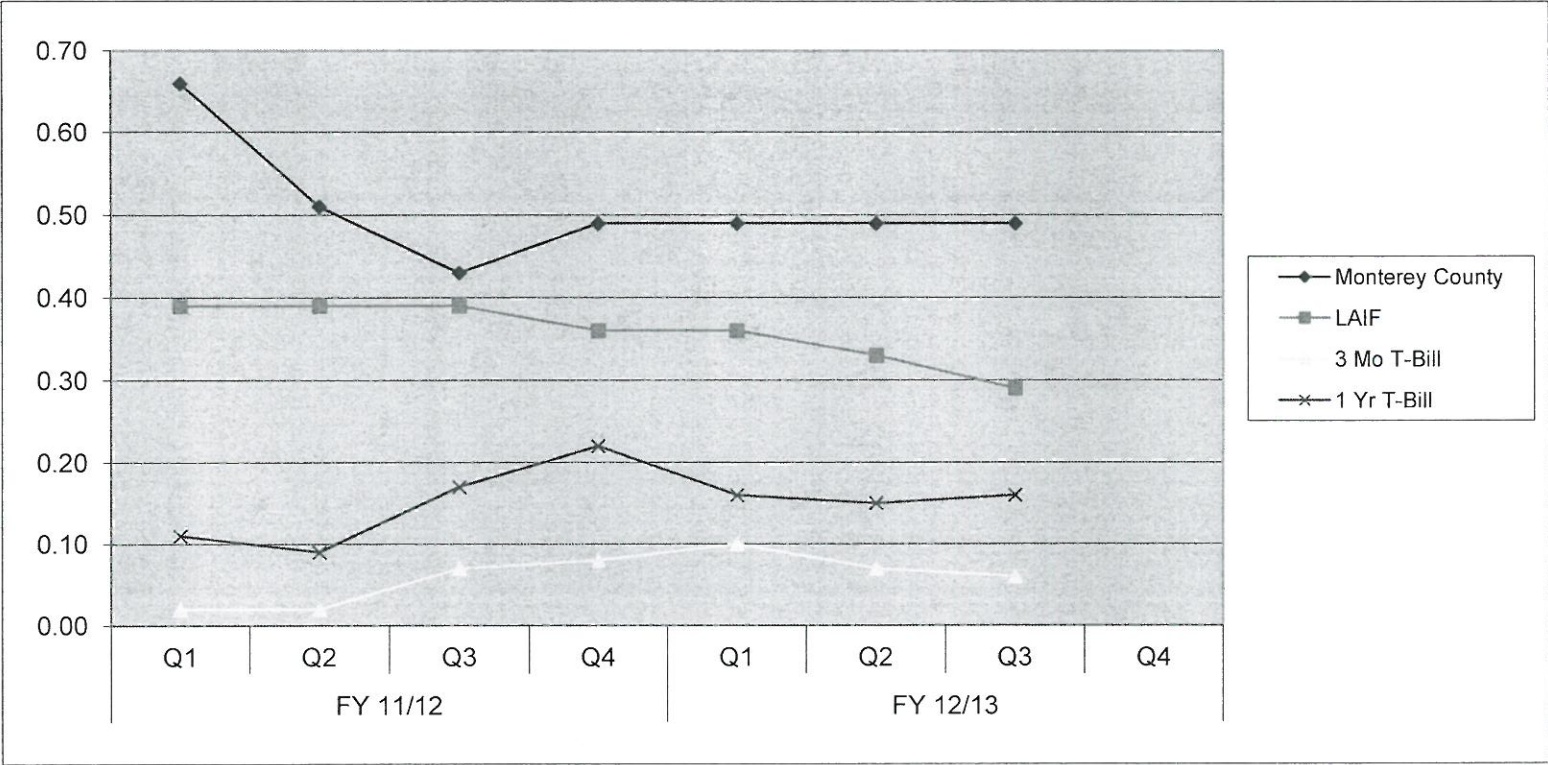
Exhibit B

Monterey County Portfolio Management Portfolio Details - Investments March 31, 2013

| CUSIP | Investment # | Issuer | Average Balance | Purchase Date | Par Value | Market Value | Book Value | Stated Rate | Moody's | S&P | Days to Maturity |
|-------|--------------|-------------------|------------------|---------------|----------------|----------------|----------------|-------------|---------|-----|------------------|
| | | Total and Average | 1,012,589,650.92 | | 979,715,931.18 | 982,078,231.18 | 980,877,313.30 | | | | 514 |

Exhibit C

Monterey County Historical Yields vs. Benchmarks



| Quarterly Yield | FY 11/12 | | | | FY 12/13 | | | |
|-----------------|----------|------|------|------|----------|------|------|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Monterey County | 0.66 | 0.51 | 0.43 | 0.49 | 0.49 | 0.49 | 0.49 | |
| LAIF | 0.39 | 0.39 | 0.39 | 0.36 | 0.36 | 0.33 | 0.29 | |
| 3 Mo T-Bill | 0.02 | 0.02 | 0.07 | 0.08 | 0.10 | 0.07 | 0.06 | |
| 1 Yr T-Bill | 0.11 | 0.09 | 0.17 | 0.22 | 0.16 | 0.15 | 0.16 | |

- The 3Mo and 1 Yr T-Bill yields are obtained from the B of A Merrill Lynch Global Bond Indices



Exhibit D Monterey County Aging Report By Maturity Date As of April 1, 2013

| Aging Interval: | Maturity Par Value | Percent of Portfolio | Current Book Value | Current Market Value |
|---|--------------------|----------------------|--------------------|----------------------|
| 0 days (04/01/2013 - 04/01/2013) | 319,715,931.18 | 32.63% | 319,715,931.18 | 319,715,931.18 |
| 1 - 30 days (04/02/2013 - 05/01/2013) | 50,000,000.00 | 5.10% | 50,005,331.44 | 50,010,800.00 |
| 31 - 90 days (05/02/2013 - 06/30/2013) | 80,000,000.00 | 8.17% | 80,097,601.65 | 80,120,500.00 |
| 91 - 180 days (07/01/2013 - 09/28/2013) | 120,000,000.00 | 12.25% | 120,116,883.23 | 120,148,300.00 |
| 181 - 365 days (09/29/2013 - 04/01/2014) | 90,000,000.00 | 9.19% | 90,217,770.97 | 90,337,700.00 |
| 366 - 730 days (04/02/2014 - 04/01/2015) | 5,000,000.00 | 0.51% | 5,011,551.50 | 5,046,000.00 |
| 731 - 1095 days (04/02/2015 - 03/31/2016) | 50,000,000.00 | 5.10% | 50,000,000.00 | 50,131,600.00 |
| 1096 days and after (04/01/2016 -) | 265,000,000.00 | 27.05% | 265,712,243.33 | 266,567,400.00 |
| Total for 78 Investments | | 100.00 | 980,877,313.30 | 982,078,231.18 |

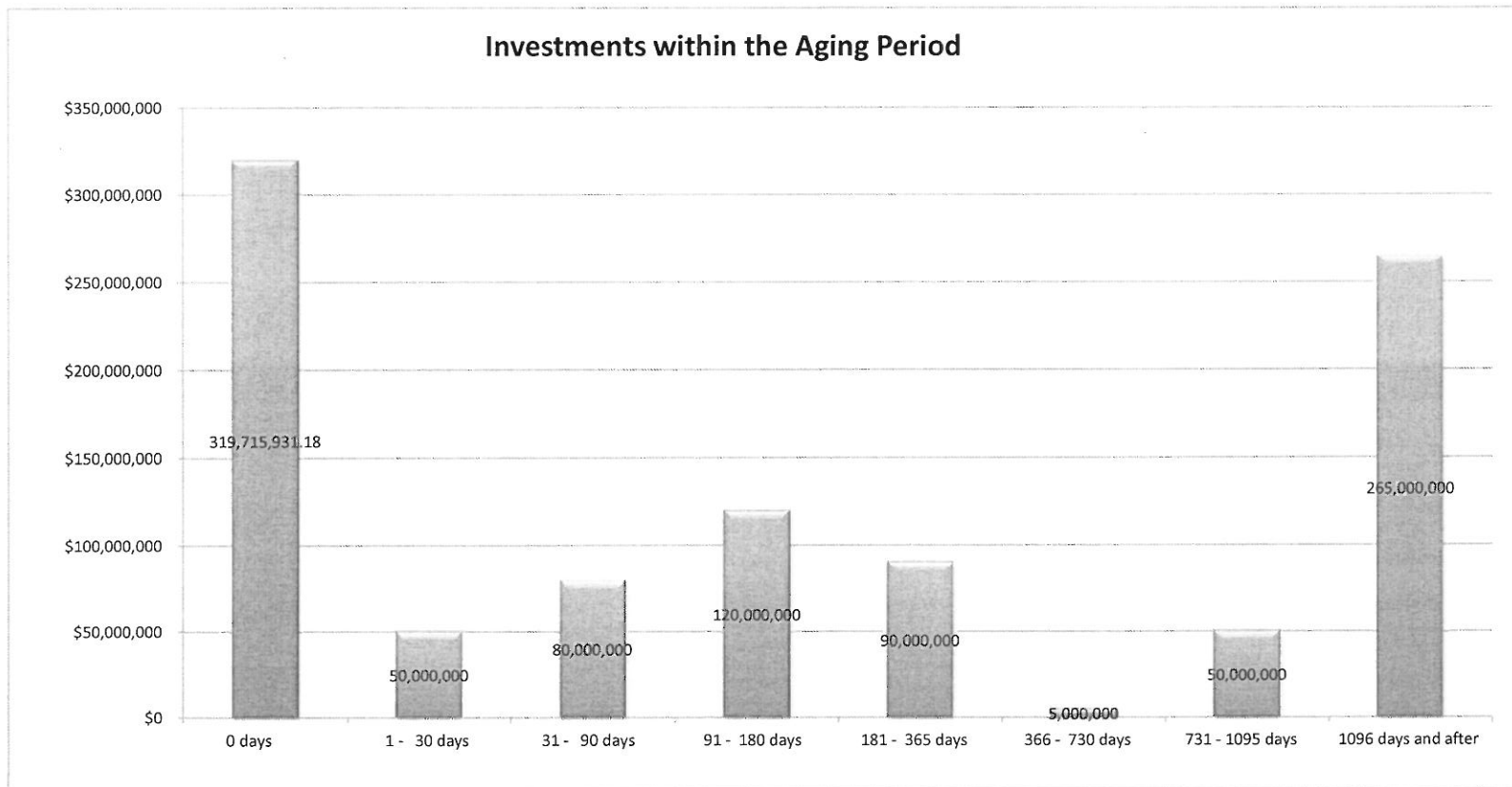
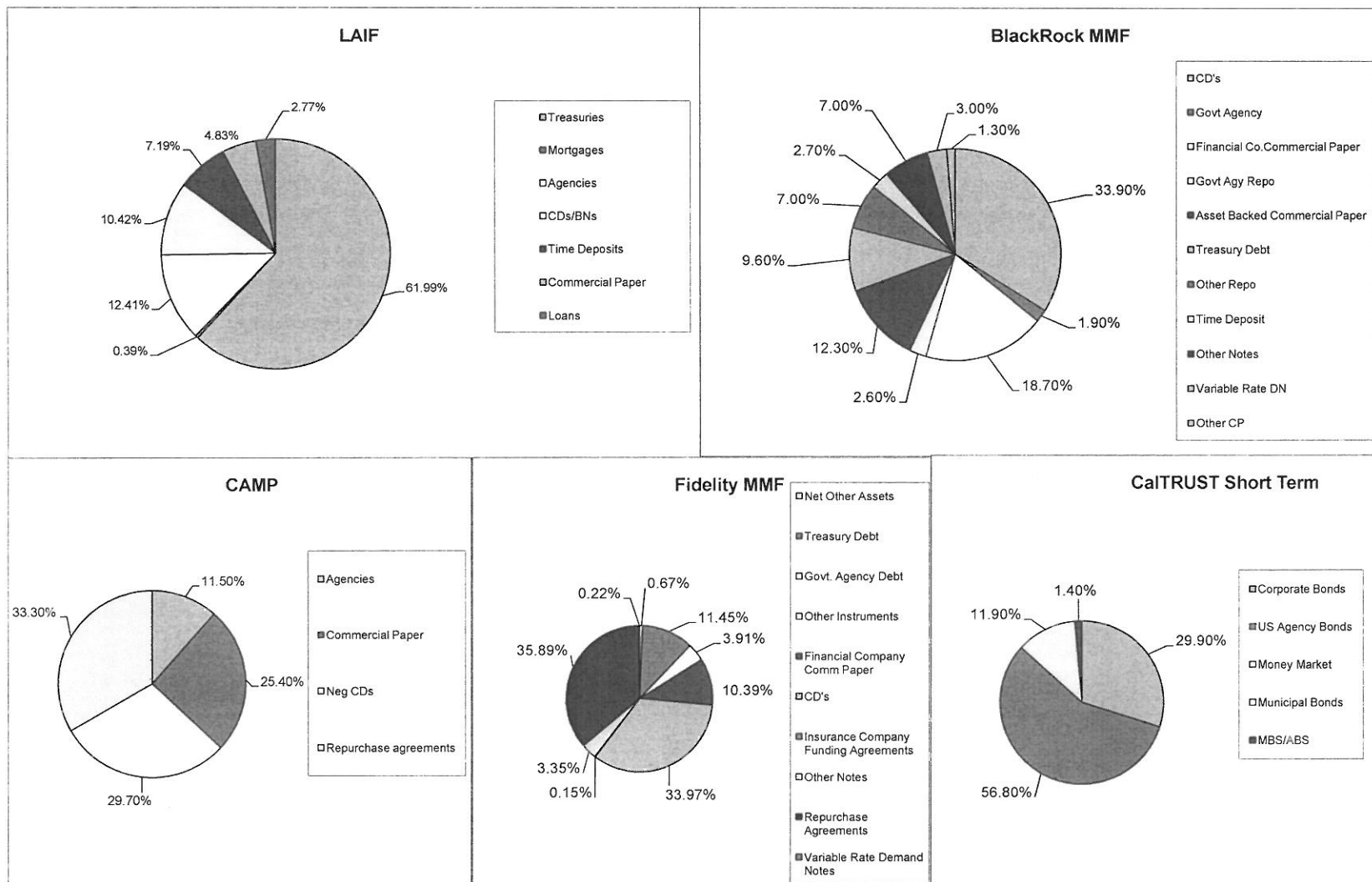


Exhibit E Overnight (Liquid) Asset Distribution



* Percent total may not equal 100 due to rounding

* Net Other Assets may include cash and receiveables and payables related to open security or capital stock trades

| | LAIF | CAMP | Fidelity MMF | BlackRock | CalTRUST Short-Term |
|---------------------------------------|----------------|----------------|----------------|-----------|---------------------|
| Credit Rating | NR | AAAm | AAAm | NR | NR |
| Fund Assets | \$59.0 Billion | \$1.89 Billion | \$45.1 Billion | \$8.91 | \$ 691 Million |
| WAM | 212 | 44 days | 59 days | 53 days | 453 days |
| Percent of Portfolio Invested in Fund | 5.10% | 8.02% | 0.50% | 8.80% | 10.21% |
| Fund Quarterly Return | 0.29% | 0.16% | 0.10% | 0.14% | 0.34% |