



# San Mateo County

## Investment Portfolio Compliance Report



**July 31, 2014**

**PFM Asset Management LLC**

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## Compliance Requirements Overview

| Sector                   | Fund Limitation | Per Issuer   | Maturity | Credit Limits           | In Compliance           |
|--------------------------|-----------------|--------------|----------|-------------------------|-------------------------|
| U.S. Treasury            | 100%            | 100%         | 7 years  | Full Faith & Credit     | <b>Yes</b>              |
| Government Agency/GSE    | 100%            | 40%          | 7 years  | AA or A-1 by two        | <b>Yes</b>              |
| <i>Callable Agencies</i> | 25%             | 25%          | 7 years  | AA or A-1 by two        | <b>Yes</b>              |
| Commercial Paper         | 40%             | 5% Aggregate | 270 days | A-1 by two and A by one | <b>Yes</b>              |
| Negotiable CDs           | 30%             | 5% Aggregate | 5 years  | A-1 by two and A by one | <b>Yes</b>              |
| BAs - Domestic           | 15%             | 5% Aggregate | 180 days | A-1 by two and A by one | Yes - None in Portfolio |
| BAs - Foreign            | 15%             | 5% Aggregate | 180 days | A-1 by two and A by one | Yes - None in Portfolio |
| Collateralized CDs       | 15%             | 5% Aggregate | 1 year   | Insured/Collateralized  | Yes - None in Portfolio |
| Asset Backed Securities  | 20%             | 5% Aggregate | 5 years  | AAA by two              | Yes - None in Portfolio |
| Corporate Securities     | 30%             | 5% Aggregate | 5 years  | A by two                | <b>Yes</b>              |
| Repurchase Agreements    | 100%            | 50%          | 92 days  | A-1 by two              | <b>Yes</b>              |
| LAIF                     | \$50 million    | \$50 million | N/A      | None                    | <b>Yes</b>              |
| Registered Warrants      | 100%            | 100%         | 5 years  | None                    | Yes - None in Portfolio |
| Mutual Funds             | 10%             | 5% Aggregate | N/A      | A-1 or p-1              | Yes - None in Portfolio |

## Comments

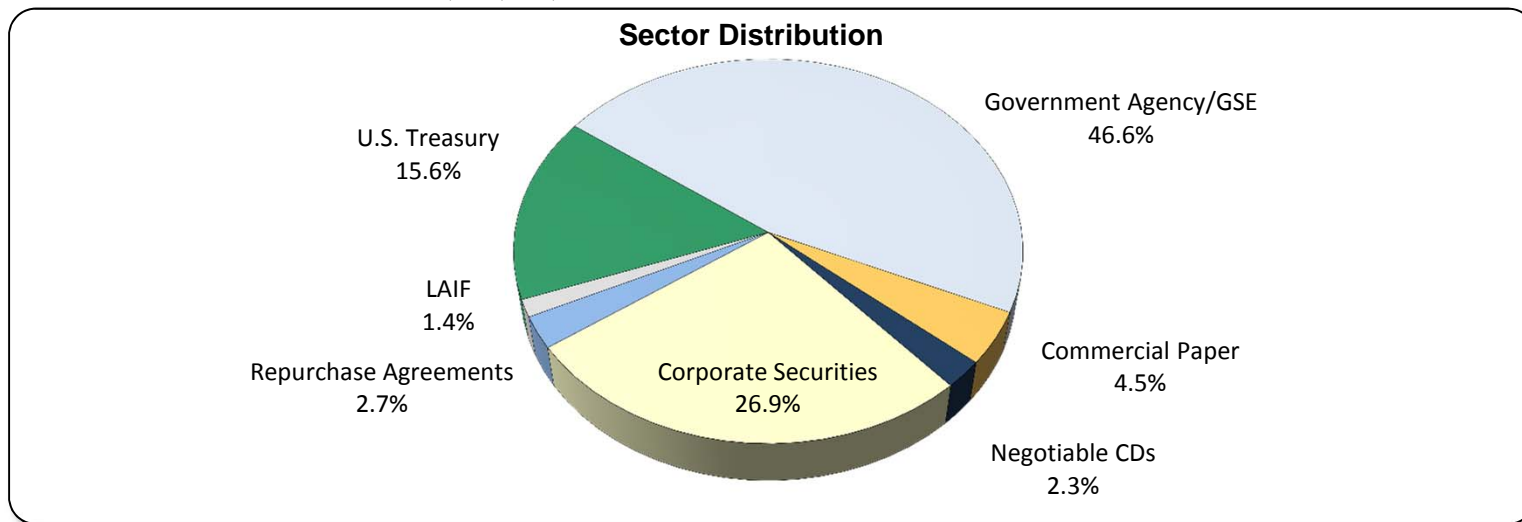
- The portfolio complies with the California Government Code and the County of San Mateo's Investment Policy as of the date of the report.

County Comments

➤ County comments: None

Sector Allocations

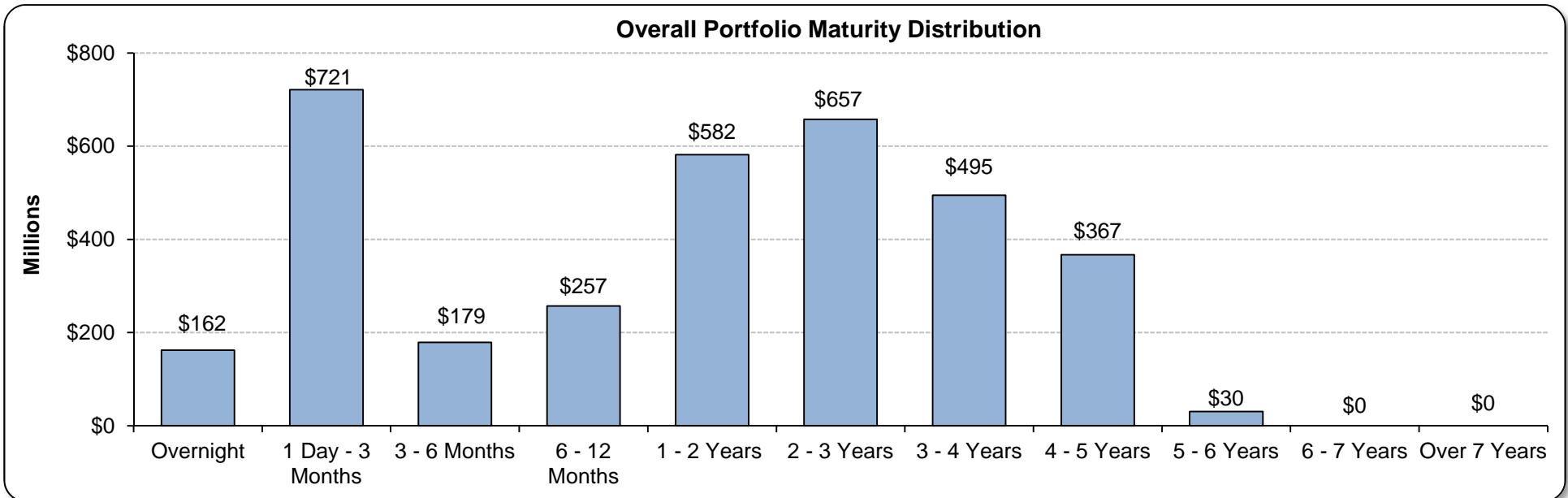
| Sector                   | Market Value <sup>1,3</sup> | Sector Limit | Current Allocation <sup>2</sup> | In Compliance           |
|--------------------------|-----------------------------|--------------|---------------------------------|-------------------------|
| U.S. Treasury            | 538,155,494                 | 100%         | 15.6%                           | Yes                     |
| Government Agency/GSE    | 1,607,058,268               | 100%         | 46.6%                           | Yes                     |
| <i>Callable Agencies</i> | 394,447,489                 | 25%          | 11.4%                           | Yes                     |
| Commercial Paper         | 153,654,375                 | 40%          | 4.5%                            | Yes                     |
| Negotiable CDs           | 80,042,514                  | 30%          | 2.3%                            | Yes                     |
| BAs - Domestic           | -                           | 15%          |                                 | Yes - None in Portfolio |
| BAs - Foreign            | -                           | 15%          |                                 | Yes - None in Portfolio |
| Collateralized CDs       | -                           | 15%          |                                 | Yes - None in Portfolio |
| Asset Backed Securities  | -                           | 20%          |                                 | Yes - None in Portfolio |
| Corporate Securities     | 929,514,877                 | 30%          | 26.9%                           | Yes                     |
| Repurchase Agreements    | 92,250,000                  | 100%         | 2.7%                            | Yes                     |
| LAIF                     | 50,004,889                  | \$50 million | 1.4%                            | Yes                     |
| Registered Warrants      | -                           | 100%         |                                 | Yes - None in Portfolio |
| Mutual Funds             | -                           | 10%          |                                 | Yes - None in Portfolio |
| <b>Totals</b>            | <b>3,450,680,417</b>        |              | <b>100.0%</b>                   |                         |



1. Market values listed in this report are market values including accrued interest as of period end as reported by the County.
2. May not add to 100% due to rounding. Callable Agencies are included in the Government Agency/GSE total.
3. LAIF was temporarily over \$50 million at quarter's end due to accrued interest. This was in compliance with the LAIF requirements.

**Maturity Limits**

| Sector                       | Market Value         | Maturity Limit | Current Maximum   | In Compliance           |
|------------------------------|----------------------|----------------|-------------------|-------------------------|
| U.S. Treasury                | 538,155,494          | 7 years        | 5 years           | Yes                     |
| Government Agency/GSE        | 1,607,058,268        | 7 years        | 5.5 years         | Yes                     |
| Commercial Paper             | 153,654,375          | 270 days       | 78 days           | Yes                     |
| Negotiable CDs               | 80,042,514           | 5 years        | 1 years           | Yes                     |
| BAs - Domestic               | -                    | 180 days       |                   | Yes - None in Portfolio |
| BAs - Foreign                | -                    | 180 days       |                   | Yes - None in Portfolio |
| Collateralized CDs           | -                    | 1 year         |                   | Yes - None in Portfolio |
| Asset Backed Securities      | -                    | 5 years        |                   | Yes - None in Portfolio |
| Corporate Securities         | 929,514,877          | 5 years        | 4.9 years         | Yes                     |
| Repurchase Agreements        | 92,250,000           | 92 days        | 1 day             | Yes                     |
| LAIF                         | 50,004,889           | N/A            | 1 day             | Yes                     |
| Registered Warrants          | -                    | 5 years        |                   | Yes - None in Portfolio |
| Mutual Funds                 | -                    | N/A            |                   | Yes - None in Portfolio |
| <b>Overall Portfolio WAM</b> | <b>3,450,680,417</b> | <b>3 years</b> | <b>1.91 years</b> | <b>Yes</b>              |



## Issuer Compliance

| Issuer                          | Total                | Current Issuer Allocation <sup>1</sup> | Issuer Limit | Compliant? |
|---------------------------------|----------------------|--|--------------|------------|
| U.S. Treasury                   | 538,155,494          | 15.6%                                  | 100%         | Yes        |
| FHLB                            | 638,091,225          | 18.5%                                  | 40%          | Yes        |
| FHLMC                           | 494,957,400          | 14.3%                                  | 40%          | Yes        |
| FNMA                            | 409,934,643          | 11.9%                                  | 40%          | Yes        |
| FFCB                            | 64,075,000           | 1.9%                                   | 40%          | Yes        |
| Repurchase Agreement            | 92,250,000           | 2.7%                                   | 50%          | Yes        |
| LAIF                            | 50,004,889           | 1.4%                                   | 1.4%         | Yes        |
| Toronto-Dominion Bank           | 95,204,182           | 2.8%                                   | 5%           | Yes        |
| Bank of Nova Scotia             | 90,233,473           | 2.6%                                   | 5%           | Yes        |
| Union Bank                      | 89,981,902           | 2.6%                                   | 5%           | Yes        |
| Apple Inc.                      | 84,654,425           | 2.5%                                   | 5%           | Yes        |
| Wells Fargo                     | 78,035,748           | 2.3%                                   | 5%           | Yes        |
| Bank of Montreal                | 74,173,644           | 2.1%                                   | 5%           | Yes        |
| Berkshire Hathaway              | 68,408,095           | 2.0%                                   | 5%           | Yes        |
| International Business Machines | 66,270,684           | 1.9%                                   | 5%           | Yes        |
| Exxon Mobil Corp.               | 60,178,643           | 1.7%                                   | 5%           | Yes        |
| Deutsche Bank                   | 59,975,034           | 1.7%                                   | 5%           | Yes        |
| General Electric Capital        | 53,695,246           | 1.6%                                   | 5%           | Yes        |
| Royal Bank of Canada            | 35,065,242           | 1.0%                                   | 5%           | Yes        |
| Toyota Motor Credit             | 33,974,017           | 1.0%                                   | 5%           | Yes        |
| Bank of New York Mellon         | 30,072,461           | 0.9%                                   | 5%           | Yes        |
| Coca-Cola                       | 30,015,904           | 0.9%                                   | 5%           | Yes        |
| Walt Disney Company             | 29,947,721           | 0.9%                                   | 5%           | Yes        |
| Oracle                          | 25,035,868           | 0.7%                                   | 5%           | Yes        |
| 3M Company                      | 24,577,710           | 0.7%                                   | 5%           | Yes        |
| Microsoft                       | 22,279,199           | 0.6%                                   | 5%           | Yes        |
| Wal-Mart Stores                 | 17,188,219           | 0.5%                                   | 5%           | Yes        |
| Procter & Gamble                | 15,991,181           | 0.5%                                   | 5%           | Yes        |
| Rabobank                        | 15,115,399           | 0.4%                                   | 5%           | Yes        |
| Westpac Bank                    | 15,080,706           | 0.4%                                   | 5%           | Yes        |
| Costco Corp.                    | 11,046,200           | 0.3%                                   | 5%           | Yes        |
| Chevron                         | 10,071,497           | 0.3%                                   | 5%           | Yes        |
| Merck & Co.                     | 10,045,740           | 0.3%                                   | 5%           | Yes        |
| Google                          | 7,220,878            | 0.2%                                   | 5%           | Yes        |
| United Technologies Corp.       | 5,027,421            | 0.1%                                   | 5%           | Yes        |
| Johnson & Johnson               | 4,645,327            | 0.1%                                   | 5%           | Yes        |
|                                 | <b>3,450,680,417</b> | <b>100%</b>                            |              |            |

1. May not add to 100% due to rounding.

**Notes**

- The purpose of this report is to verify the accuracy of the County's portfolio holdings information and verify the portfolio's compliance with the California Government Code and County's Investment Policy as of the date of the report.
- The report was prepared using the month-end portfolio holdings and market value information provided by the Treasurer's office.
- Percentages listed in this report were calculated using market values, including accrued interest, as of month-end.
- Using the CUSIPs provided by the County, issuer information and credit ratings were verified on Bloomberg for compliance purposes.
- This report is for the purposes indicated above and it is not intended to provide specific investment advice or recommendations.