INVESTMENT POLICY
COUNTY OF TEHAMA

Updated 06/28/22

POLICY

This policy is intended to provide guidelines for the investment portfolio of the County, and to outline the policies for maximizing the efficiency of the County's cash management system. The ultimate goal is to enhance the economic status of the County while protecting its funds.

SCOPE

This investment policy applies to the County's total investment portfolio which encompasses all monies under the direct oversight of the Treasurer. These include the Agency funds of the county, schools and special districts. It does not apply to bond funds or other assets belonging to the County of Tehama or other affiliated public agency assets that reside outside of the County Treasury Pool.

PRUDENCE

The standard of prudence to be used by investment officials will be the "prudent investor" standard, which 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 agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

OBJECTIVE

The County's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the Treasurer to invest funds to the fullest extent possible. The Treasurer maintains a diversified portfolio to accomplish the primary objectives of safety, liquidity and yield (in that order of priority).

1. **Safety**: The safety/risk associated with an investment refers to the potential loss of principal, accrued interest or a combination of these. The County seeks to mitigate credit risk by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as Moody's Investor, Standard & Poor's and Fitch rating services are utilized for this review.

2. **Liquidity**: The secondary objective of the county treasurer will be to meet the liquidity needs of the depositor. This refers to the ability to provide adequate resources to meet the daily cash flow needs of the county, schools and special districts. Since all cash requirements cannot be anticipated, an adequate percentage of the portfolio should be maintained in liquid short-term securities, including Local Agency Investment Fund (LAIF) or other overnight liquidity vehicles such as money market funds or local government investment pools. Which offer same-day liquidity.

3. **Yield**: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

DEPOSIT AND WITHDRAWAL OF FUNDS

Upon the approval of the county auditor and treasurer, other entities not required to deposit funds with the county treasurer but who wish to do so for investment purposes, may be permitted to deposit funds with the county treasurer subject to the following criteria:

> All funds deposited with the county treasury for investment must be accompanied by a deposit permit and received prior to 2:00 p.m. on the day the funds are deposited. If the deposit exceeds $500,000 notification at least one day prior to the deposit is encouraged.
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> When an agency intends to withdraw funds in excess of $500,000 for the purpose of investing or to deposit those funds outside the county treasury pool, it is required that a written request be submitted to the treasurer for his or her approval. While this approval will normally be received within two working days, in order to protect the integrity of all pooled funds, the treasurer may withhold approval for a maximum of 30 days, and reserves the right to mark the treasury pool investment to market if securities must be sold prior to maturity to meet such requests. This guideline will apply to entities that currently are part of the county pool that are considering investing independently of the pool.

Written notification to the Treasurer and Auditor is required before funds are permanently withdrawn from the county pool.

DELEGATION OF AUTHORITY

In accordance with Government Code sections 27000.1 and 53607 and Tehama County Code section 2.07.040, the county treasurer has been delegated the authority to invest or reinvest the funds of the county and the funds of other depositors in the county treasury. This delegation is subject to review and renewal of authority by the board of supervisors each year. The Treasurer and his or her deputies are further limited by this investment policy.

The Treasurer retains the authority to amend the Investment Policy, Guidelines, and Procedures at any time in order to carry out the duties as chief investment officer for the County, subject to approval by the Board of Supervisors. The Treasurer will annually prepare an Investment Policy which will be submitted to the Board of Supervisors for review and approval.

CONFLICTS OF INTEREST

The Treasurer and Treasury staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. The Treasury staff shall disclose to the County Treasurer any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the County.

DIVERSIFICATION AND LIMITATIONS

The County Treasurer will diversify its investment portfolio, thereby minimizing the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Investments shall be limited to the following listed investment instruments and shall be further limited to the listed percentage of the Total Investment Portfolio. The Total Investment Portfolio for purposes of this Policy, shall apply to all funds under the control of the Treasurer, excluding bond funds, other assets belonging to the County of Tehama or other affiliated public agency assets that reside outside of the County Treasury Pool, and investments purchased with Tax & Revenue Anticipation Note (TRAN's) proceeds. The County's Investment Portfolio will not be directly invested in securities which mature more than five years from the date of purchase.

INVESTMENT INSTRUMENTS

Investment of County funds are governed by the California Government Code Sections 16429.1, 53601 and 53635. Investments may not have a term or maturity at the time of investment of longer than that authorized by Section 53601 of five years unless the Board of Supervisors has granted express authority at least 3 months prior to the investment. The investment activities of County Treasurers are restricted by state law to a select group of government securities and high credit quality fixed-income investments. To reduce the risk inherent in any one instrument, state law further limits the percentage of the county's investment portfolio that can be invested in any one type of security. See attached Exhibit "A" for a complete description of Authorized Investments, and percentage and term limitations.

The following is a brief description of the eligible investments with some additional restrictions imposed by the Treasurer. Government Code specifies the maximum percentage of the portfolio which may be held in each type of investment at any one time, fluctuations in the portfolio balance will prevent strict adherence to such restrictions. Therefore, percentage limitations shall apply to investments at the time of purchase.

Credit criteria listed in this section refers to the credit rating at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the Treasurer will perform a timely review and decide whether to sell or hold the investment.

The County will limit investments in any one non-government issuer, except investment pools, to no more than 5% regardless of security type.

Within the context of State limitations, the following investments are authorized:

1. **State Treasurer's Local Agency Investment Fund (LAIF).** Local government agencies are authorized to invest up to the amount set by LAIF's Local Investment Advisory Board in this investment program administered by the California State Treasurer. Monies invested with LAIF are pooled with State monies in order to earn the maximum rate of return consistent with safe and prudent treasury management.

2. **Sweep Account** – The commercial Sweep Account provides optimal liquidity management without the effort and cost associated with managing the excess cash in separate investments. The sweep account provides for daily investment confirmations and all purchase, sale and interest transactions are reported on the checking account statement. The excess cash balance is invested in the Treasury Reserve Fund. This Fund invests in short-term U.S. Treasury obligations and repurchase agreements secured by U.S. Treasury obligations. U.S. Treasury obligations are backed by the full faith and credit of the United States government.

3. **Bank Deposits**. FDIC insured or collateralized deposits including, but not limited to, demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity per Government Code section 53638. To be eligible to receive County deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation per Government Code section 53635.2. Bank deposits are required to be collateralized as specified under Government Code section 53630 et seq. The County Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance per Government Code section 53653. The County shall have a signed agreement with any depository accepting County funds per Government Code section 53649.

4. **JPA Investment Pools**--- Local Government Investment Pools authorized under Government Code section 53601(p) that must maintain a credit rating of AAAm.

5. **U.S. Treasury Notes or other indebtedness secured by the full faith and credit of the federal government**. These are guaranteed by the U.S. Government and are considered by most experts as free of credit risk.

6. **Securities Issued by U.S. Government Agencies and Government-Sponsored Enterprises**. These securities consist mostly of notes and debentures of agencies and government sponsored corporations. They are not guaranteed by the U.S. Government and therefore have some credit risk. Their yield is typically higher than U.S. Treasury securities. These include but are

not limited to agency securities issued by the Federal home Loan bank (FHLB), Federal Farm Credit (FFC), Tennessee Valley Authority (TVA), Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

7. **Bankers Acceptances** (40%)---Briefly stated, the function of the bankers' acceptance is as follows: A borrower may, under certain circumstances, obtain short-term credit by arranging for his bank to accept a time draft upon it. The bank stamps its official "accepted" across the face of the draft and converts it into a bankers' acceptance. The instrument, now being a bank obligation, may be sold to an acceptance dealer who, in turn, may sell it to an investor. Most BA's arise out of transactions involving the trade of manufactured goods or commodities and must be rated "A^1/P^1" or higher. Maturities range from one to 180 days and are limited to forty percent (40%) of the total portfolio.

8. **Commercial Paper** (40%)--- These are short-term promissory notes issued by a company to finance current transactions. Commercial paper is issued not only by industrial and manufacturing firms but also by finance companies. The entity that issues the commercial paper must meet all of the following conditions in either paragraph A or paragraph B:

   A. The entity meets the following criteria: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars ($500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in a rating category of "A" or the equivalent or higher by a nationally recognized statistical rating organization (NRSRO).

   B. The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

   Commercial Paper is sold on a discount or interest bearing basis with maturities not exceeding 270 days and must have an "A-1/P-1" or higher rating by one NRSRO. Purchases of commercial paper may not exceed forty percent (40) of the total portfolio.

9. **Negotiable CD's** (30%)-- Negotiable CD's are issued by a national or state-chartered bank, a savings association or federal association, a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. The County Treasurer may invest up to thirty (30%) percent of the total portfolio in Negotiable CD's that are rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or higher by one NRSRO. Negotiable CDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. Negotiable CD's are considered liquid, trading actively in the secondary market.

10. **Money Market Mutual Funds** (20%)--- Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies will either: (i) attain the highest ranking letter or numerical rating provided by at least two NRSROs or (ii) have retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of $500,000,000. No more than 20% of the County's investment portfolio may be invested in money market funds. No more than 10% of the County's investment portfolio may be invested in any single money market fund.

11. **Obligations of the State of California** ---Registered state warrants or treasury notes or bonds of the state of California, as well as bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state, or by a department, board, agency or authority of the state , which finances essential services, with a maximum maturity of five (5) years.

12. **Registered treasury notes or bonds of any of the other 49 states in addition to California**--- Including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of these states with a maximum maturity of five (5) years.

13. **Guaranteed Investment Contracts** (GIC's)--- GIC's provide a predictable, guaranteed, fixed interest rate until the specified maturity date of the contract. GIC participants achieve prudent diversification into a superior credit quality insurer with top financial ratings, while offering participants price stability & competitive rates. Tehama County will limit the use of GIC's to proceeds from Tax & Revenue Anticipation Notes only.

14. **Repurchase Agreements** (Repo's)--- A holder of securities sells securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The County may invest in repurchase agreements with "well capitalized" banks and dealers of primary dealer status recognized by the Federal Reserve with which the County has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 92 days and are limited to twenty percent (20%) of the net portfolio.

    Collateralization will be required on repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. 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 securities that are direct obligations of or that are fully guaranteed by the United States or any agency of the United States.

    Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

Within the context of State limitations, in addition to the investments listed above, the following investments are authorized for the portion of the county portfolio under professional management by an outside advisor:

1. **Medium Term Notes** (30%)--- All corporate and depository institution debt securities that are rated in a rating category of "A" or the equivalent or higher by one NRSRO with a maximum maturity of five (5) years. Medium term notes are restricted to thirty percent (30%) of the total portfolio at time of purchase.

2. **Mortgage Pass-Through Securities/Asset-Backed Securities** (20%)--- Up to twenty percent (20%) of the County's portfolio may be invested in a mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond with a maximum remaining maturity of five years or less. Securities in this category must be rated in a rating category of "AA" or its equivalent or better by one NRSRO.

3. **Supranational Debt** -- United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30% percent of the County's portfolio that may be invested pursuant to this section.

INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of pools and funds is required prior to investing, and on a continual basis.

INELIGIBLE INVESTMENTS

Investments not described above, including but not limited to common stocks, financial futures, contract and options are prohibited. Additionally, the Treasurer shall not invest in reverse or inverse floaters, range notes and principal or interest only strips that are derived from a pool of mortgages, nor may the Treasurer invest in any security that could result in zero interest accrual if held to maturity.

Notwithstanding the prohibition in preceding paragraph, the County may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. The County may hold these instruments until their maturity dates. Purchase of this investment type is prohibited after January 1, 2026.

INVESTMENT DOCUMENTATION AND REVIEW

Each investment transaction must be documented with a completed Security Information Sheet at the time of purchase. The Security Information Sheet shall include the investment purchased, price, coupon, maturity, rating and broker. The confirmation shall also be included in the file and should be reviewed and filed by a person other than the person initiating the transaction. Any discrepancies must be resolved immediately and a new confirmation issued.

AUTHORIZED DEALERS, DEPOSITORIES & FINANCIAL INSTITUTIONS

For the purchase of all investments, the dealer must operate from an office within the United States. Dealers must provide current audited financial statements. Each Dealer will receive a copy of this investment policy and copy of the County Resolution authorizing the Treasurer/Tax Collector to invest county funds. The Dealer shall be identified on each confirmation of transaction be name. Certificates of Deposit may be purchased directly from the issuer instead of through a dealer.

At least once a year the Treasurer will review all dealers with which the County conducts business. A list of authorized broker/dealers, depositories and financial institutions will be prepared and maintained. The list will include all securities dealers, depositories and investment advisory firms eligible to conduct business with the County under the criteria established in this policy.

No broker, brokerage firm or dealer of securities shall be selected that has made any political contribution to the local treasurer, any member of the board of supervisors or any candidate for those offices.
If the County has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the County, subject to any conditions contained in the agreement between the County and the investment advisor.

DESIGNATED SERVICE BANK

The Treasurer shall designate a State or Federally chartered bank operating within the State of California to serve as the primary service and the treasurer shall use said bank as a clearing house for all funds.

SAFEKEEPING AND CUSTODY

Security transactions entered into by the county shall be conducted on a delivery-vs-payment (DVP) basis where funds are not transferred until the security is delivered to a custodian (third party), by physical delivery to our safekeeping account or safekept in the Treasurer's vault. All negotiable securities shall be secured through third party custody and safekeeping. No security will be safekept with the dealer or financial institution selling the investment.

INTERNAL CONTROLS

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

CALCULATING AND APPORTIONING COSTS

The County Treasurer will determine the administrative cost of investing or handling of funds. A portion of the administrative cost is recovered through the Cost Plan, the remaining cost shall be deducted from total interest earnings prior to the interest apportionment and shall be shared proportionately by all pooled and self-directed investments. The administrative costs are the actual direct and indirect costs charged to the Treasurer's office for salaries, benefits and operating expenses.

POOLING OF FUNDS AND DISTRIBUTION OF EARNINGS

Funds available from all sources may be pooled in order to achieve greater investment potential. The earnings from the pooled investments shall be deposited in a special fund each quarter the earnings fund will be charged and each participant in the pool will be credited with interest in proportion to their aggregate total for the quarter based on an average daily balance.

REPORTING REQUIREMENTS

The Treasurer shall generate daily and monthly reports for management purposes. In addition, the Board of Supervisors will be provided monthly reports detailing investment activities and holdings, including a description of the security, maturity date, book value, par value, market value and stated coupon.

PERFORMANCE STANDARDS

The investment portfolio will be managed in accordance with the parameters specified within this policy. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The County will measure the portfolio's performance against a market benchmark that is commensurate with the County's investment risk constraints and the cash flow characteristics of the portfolio.

Glossary

Asset-Backed Securities are securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Bankers' Acceptances are short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument.

Benchmark is a comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker-Dealer is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

JPA Investment Pools are California Joint Powers Authority ("JPA") established as a stable net asset value (NAV) short-term money market portfolio and cash management vehicle.

Collateral refers to securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. "Security" means any of the eligible securities or obligations listed in Government Code Section 53651. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

Commercial Paper is a short term, unsecured, promissory note issued by a corporation to raise working capital.

Federal Agency Obligations are issued by U.S. Government Agencies or Government Sponsored Enterprises (GSE). Although they were created or sponsored by the U.S. Government, most Agencies and GSEs are not guaranteed by the United States Government. Examples of these securities are notes, bonds, bills and discount notes issued by Fannie Mae (FNMA), Freddie Mac (FHLMC), the Federal Home Loan Bank system (FHLB), and

Federal Farm Credit Bank (FFCB). The Agency market is a very large and liquid market, with billions traded every day.

Issuer means any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity refers to the ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Local Agency Investment Fund (LAIF) is a voluntary investment program for California local governments administered by the California State Treasurer. LAIF provides local agencies a way to invest cash held in the treasury pool that may be withdrawn as needed on a same-day basis to meet an agency's cash flow needs, while realizing interest. The Local Investment Advisory Board (LIAB) provides oversight for LAIF. Due to the portfolio's characteristics, credit risk is minimal. The pool is managed to ensure the safety of the portfolio by investing in high quality securities and by maintaining a mix of securities that provide reasonable assurance that no single investment or class of investments will have a disproportionate impact on the total portfolio. Additionally, LAIF funds are protected by statute and are not borrowable.

Market Value is the price at which a security is trading and could presumably be purchased or sold.

Maturity is the date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Notes are debt obligations issued by corporations and banks, usually in the form of unsecured promissory notes. These are negotiable instruments that can be bought and sold in a large and active secondary market. For the purposes of California Government Code, the term "Medium Term" refers to a maximum remaining maturity of five years or less. They can be issued with fixed or floating-rate coupons, and with or without early call features, although the vast majority are fixed-rate and non-callable. Corporate notes have greater risk than Treasuries or Agencies because they rely on the ability of the issuer to make payment of principal and interest.

Money Market Fund is a type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must strive to maintain a stable net asset value (NAV) of $1 per share.

Negotiable Certificates of Deposit are large-denomination CDs. They are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.

Principal describes the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Repurchase Agreements are short-term investment transactions. Banks buy temporarily idle funds from a customer by selling him U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date at an agreed upon interest rate. Repurchase Agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal Funds and the maturity of the Repo. Repurchase Agreements must be collateralized.

U.S. Treasury Issues are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

1. **Treasury Bills** which are non-interest-bearing discount securities issued by the U.S. Treasury to finance the national debt. Bills are currently issued in one, three, six, and twelve month maturities.

2. **Treasury Notes** that have original maturities of one to ten years.

3. **Treasury Bonds** that have original maturities of greater than 10 years.

Yield to Maturity is the rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

Exhibit "A"
Authorized Investments

Investment Instruments	Gov't Code Section	Minimum Rating	Government Code		County Policy	
			% or $ limitation	Term limitation	% or $ limitation	Term limitation
State Treasurer's Local Agency Investment Fund	16429.1	*N/R	Maximum set by LAIF Board	-	Amount allowed by LAIF Board	-
U.S. Treasury Instruments	53601 (b)	n/a	100%	5 yrs	100%	5 yrs
Federal Agency Securities	53601 (f)	n/a	100%	5 yrs	100%	5 yrs
Bankers Acceptance	53601 (g)	A1, P1	40% <30% in one bank	180 days	40% <5% in one bank	180 days
Commercial Paper	53601 (h) 53635 (a)	A1, P1	<40% total <10% single issuer	270 days	<40% total <5% single issuer	270 days
Negotiable CD's	53601 (i)	"A" or equivalent,	30%	5 yrs	30% total <5% single issuer	5 yrs
Medium Term Notes Corporate Obligations	53601 (k)	"A" or equivalent	30%	5 yrs	30% total <5% single issuer	5 yrs
Money Market Mutual Funds	53601 (l)	"AAA" or equivalent or Advisor Requirements	<20% total <10% single issuer	5 yrs	<20% total <10% single issuer	5 yrs
Mortgage/Asset-Backed Securities	53601 (o)	"AA" issue or equivalent	20%	5 yrs	20%	5 yrs
Repurchase Agreements	53601 (j)	n/a	20%	92 days	20%	92 days
JPA Investment Pools	53601 (p)	AAAm or equivalent	100%	-	Amount allowed by JPA board	-
California Municipals	53601(c,e) 53651(c,h,i)	"A"; A-1/P-1 or equivalent	100%	5 yrs	100%	5 yrs
Other 49 State Municipals	53601(d)	n/a	100%	5 yrs	100%	5 yrs
Supranational Debt	53601 (q)	"AA" or equivalent	30%	5 yrs	30% total <5% single issuer	5 yrs

*Not Rated