NOTICE OF MEETING AND AGENDA

Notice is hereby given that a meeting of the CalTRUST Board of Trustees will be held on March 5, 2021 at 11:30am via teleconference.

Zoom Meeting Link: https://us02web.zoom.us/j/9166508186
Public Conference Call Access: (669) 900-6833 Access Code: 916-650-8186

Public Comment – In accordance with Government Code Section 54954.3, any member of the public may address the Board concerning any matter on the agenda before the Board acts on it and on any other matter during the public comment period at the conclusion of the agenda.

March 5, 2021
AGENDA

11:30 a.m. Presiding: John Colville

1. Roll Call
   _____ John Colville - President
   _____ Don Kent - Secretary
   _____ Mary Zeeb - Treasurer
   _____ Chuck Lomeli
   _____ Dan McAllister
   _____ Matt McCue
   _____ Bobbie Ormonde

2. CEO Update
   Laura Labanieh

3. Consider Minutes of the November 13, 2020 Board Meeting
   Laura Labanieh – ACTION ITEM

4. Consider Temporary BlackRock Fee Adjustment – Liquidity Fund
   Laura Labanieh & BlackRock – ACTION ITEM

5. Other Business

6. Public Comment
   Any member of the public may address the Board concerning any matter not on the Agenda within the Board’s jurisdiction.

7. Adjourn
Agenda Item: 3. Consider Minutes of the November 13, 2020 Board Meeting
Action Item

Presented By: Laura Labanieh

BACKGROUND:
Following are the Minutes of the CalTRUST Board of Trustees Meeting of November 13, 2020.

RECOMMENDATION:
It is recommended that the Board approve the CalTRUST Board of Trustees Meeting Minutes of November 13, 2020.
CalTRUST Board of Trustees Meeting

November 13, 2020
Teleconference

MINUTES

The meeting was called to order by President Colville at 12:04 p.m.

1. Roll Call
   - X John Colville (President), City of Sacramento
   - X Don Kent (Secretary), Riverside County
   - X Mary Zeeb (Treasurer), Monterey County
   - X Chuck Lomeli, Solano County
   - X Dan McAllister, San Diego County
   - X Matt McCue, Mission Springs Water District
   - X Bobbie Ormonde, Westlands Water District

   Other Attendees:
   - Tim Banach US Bank
   - Chase Broffman CSAC Finance Corporation
   - Norman Coppinger League of California Cities
   - Akiva Dickstein BlackRock
   - Connor Dolan BlackRock
   - Alan Fernandes CSAC Finance Corporation
   - Ron Hill BlackRock
   - Ed Ingold BlackRock
   - Bill Jasien NACo
   - Laura Labanieh CalTRUST
   - Garrett MacDonald cashvest
   - Ludwig Marek BlackRock
   - Rick Wood California Special Districts Association
   - Katie Yockey Ultimus Fund Solutions
   - Sendy Young CSAC Finance Corporation

2. CEO Update
   Staff continues focus on outreach activities such as education programs, mailers, and conferences. Since the last Board Meeting, CalTRUST held an Investment Terminology 101 & Market Update webinar with 149 attendees. Staff is currently working on finalizing a webinar for the Association of County Treasurers and Tax Collectors (CACTTC) that will promoted directly through CACTTC as well as working to schedule one final market update before year-end. Staff sent out mailers reminding all CalTRUST participants of available fund features. CalTRUST continues to participate in virtual conferences and work with conference hosts to maximize investment in their conferences.
CEO Labanieh discussed that she would like to undertake an overhaul of the Investment Policy and enhance it to the point where it could be applied for certification through the California Municipal Treasurers Investment Policy Certification Program. The goal is to have this document ready for approval for the Board in April.

Changes to California Code, with the passing of Senate Bill 998, could provide a new pool of eligible CalTRUST participants as it allows federally recognized Indian tribes to be eligible to invest in JPA investment pools. Trustees suggested that staff do research to understand how to approach Tribes, and how they conduct business.

Staff reported that it has been difficult to establish a solid nomination for an additional City representative on the Board due to additional work and stress of COVID.

3. Consider Minutes of the July 23, 2020 Board Meeting
The Board approved the Minutes of the July 23, 2020 Board Meeting.

   Motion: J. Colville
   Second: M. Zeeb
   Approved by roll-call vote.

4. Consider CalTRUST FYE 20 Audit
The CalTRUST FYE 20 Audit was completed and issued on October 27, 2020. The audit received a clean/unqualified opinion with one material adjustment to reclassify $8.5 million as investments instead of receivables for a year-end transaction. The Board accepted the CalTRUST FYE 20 Audit.

   Motion: C. Lomeli
   Second: D. McAllister
   Approved by roll-call vote.

5. Budget Update
Staff reviewed the FYE 20 actuals, and the FY 20-21 budget. CalTRUST maintains a reserve balance of $487,045.

6. Consider Extension of CSAC FC Executive Staffing Agreement
The Board approved the one-year extension to the current Executive Staffing Agreement with the CSAC Finance Corporation as presented.

   Motion: M. Zeeb
   Second: B. Ormonde
   Approved by roll-call vote.

7. BlackRock Update
In mid-October, BlackRock implemented some internal reorganization whereby they are now more fully incorporating their US Short Duration team into their fundamental fixed income (FFI) platform. As a result, Tom Musmanno is no longer with BlackRock and senior portfolio manager Akiva Dickstein has assumed the role as CalTRUST’s portfolio manager of our short- and medium-term funds.

Akiva Dickstein presented a macro market update to the Board including fiscal and monetary policy as well as the forward-looking economy and interest rates. Ludwig Marek presented an
update on the short-term and medium-term fund, their composition and yield curve positioning. Ron Hill presented an overview on BlackRock’s liquidity business overview and money market fund to the Board. Ed Ingold finished the BlackRock presentation by discussing the portfolio composition of the Liquidity fund and divulged into the sustainability of liquidity and preservation of principle within the fund. Laura Labanieh reiterated to the Board that BlackRock has continued to be a great partner and has continued to be available as a resource for new and existing shareholders.

8. **Ultimus Update**
Katie Yockey informed the Board that Ultimus remains working remotely. Staff has been working with Ultimus to finalize the contract amendment approved at the July Board Meeting as well as to establish the S&P license. Ultimus is also working on a new portal which is expected to launch early next year and could provide additional features for CalTRUST. Laura Labanieh thanked Katie Yockey and her team for helping with the audit.

9. **US Bank Update**
US Bank still remains a steady partner. No changes or service issues to report.

10. **CalTRUST Endorsing Partners Updates**
The California Special Districts Association continues to promote and market CalTRUST through their publications and website.

    The CSAC Finance Corporation is satisfied with all the results that CalTRUST has provided. The April 2021 Annual Meeting for both CalTRUST and CSAC FC is scheduled to happen in-person at Hotel Yountville.

11. **Presentation on “cashvest by threeplusone”**
The “cashvest by threeplusone” team presented an overview of their services to the CalTRUST Board. The program is a new offering under the CSAC Finance Corporation.

12. **Other Business**
    There was no other business.

13. **Public Comment**
    There was no public comment.

14. **Adjourn**
The meeting was adjourned at 2:30 p.m.
Agenda Item: 4. Consider Temporary BlackRock Fee Adjustment – Liquidity Fund
Action Item

Presented By: Laura Labanieh & BlackRock

BACKGROUND:
In July 2020, the CalTRUST Board of Trustees adopted a Fee Waiver Policy for the
CalTRUST Liquidity Fund. As part of the policy, a three basis point yield floor was
established in the Fund. Since then, the Fee Waiver has been implemented and the
Liquidity Fund is currently yielding three basis points.

As Government Funds are now yielding slightly higher, BlackRock has offered to
temporarily waive an additional two basis points of the Investment Management fee on
the Liquidity Fund so a new floor of five basis points could be established, in order to
maintain the Fund as a desirable option.

Practically speaking, once the yield drops below five basis points, this fee adjustment
would go into effect to bridge the gap between a new five basis point floor and the
existing Fee Waiver Policy of three basis points. The existing Policy would remain and
continue to be implemented as necessary.

As such, the Board is being asked to consider implementing the additional fee
adjustment with BlackRock in order to establish a five basis points floor for 90 days, at
which point the market conditions and arrangement would be reconsidered. While it
would be a separate agreement and not alter the existing Fee Waiver Policy, a copy of
the existing Policy is attached for reference.

RECOMMENDATION:
It is recommended that the Board approve the temporary BlackRock Fee Adjustment
and authorize staff to enter into a side letter agreement, or other contractual means as
necessary, with BlackRock to implement the adjustment.
### CalTRUST Liquidity Fund Fee Schedule

<table>
<thead>
<tr>
<th>Fund Service</th>
<th>Current Up to $50m</th>
<th>Current Over $50m; up to $200m</th>
<th>Current Over $200; up to $500m</th>
<th>Current Over $500m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advisory Fee</strong></td>
<td>0.1000%</td>
<td>0.0800%</td>
<td>0.0400%</td>
<td>0.0200%</td>
</tr>
<tr>
<td>BlackRock</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fund Accounting Fee</strong></td>
<td>0.0200%</td>
<td>0.0200%</td>
<td>0.0200%</td>
<td>0.0150%</td>
</tr>
<tr>
<td>Ultimus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Custody Fee</strong></td>
<td>0.0050%</td>
<td>0.0050%</td>
<td>0.0050%</td>
<td>0.0033%</td>
</tr>
<tr>
<td>US Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Administrative Fee</strong></td>
<td>0.0225%</td>
<td>0.0225%</td>
<td>0.0225%</td>
<td>0.0225%</td>
</tr>
<tr>
<td>CSAC FC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Fee</strong></td>
<td>0.0335%</td>
<td>0.0335%</td>
<td>0.0335%</td>
<td>0.0335%</td>
</tr>
<tr>
<td>CalTRUST/Sponsors</td>
<td><strong>0.1810%</strong></td>
<td><strong>0.1610%</strong></td>
<td><strong>0.1210%</strong></td>
<td><strong>0.0943%</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## CalTrust Liquidity Fund
### ProForma Fee Schedule

#### Advisory Fees
<table>
<thead>
<tr>
<th>Net Assets</th>
<th>May totals</th>
<th>Administrative</th>
<th>Fund Accounting</th>
<th>Operating</th>
<th>Custody</th>
<th>Total Fees</th>
<th>Annualized</th>
<th>Annualized (Bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50 Mil</td>
<td>$4,234.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-200 Mil</td>
<td>10,163.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-500 Mil</td>
<td>10,163.93</td>
<td></td>
<td>8,469.95</td>
<td></td>
<td>2,117.49</td>
<td>$62,764.86</td>
<td>$753,178.31</td>
<td>0.137%</td>
</tr>
<tr>
<td>Over 500 Mil</td>
<td>826.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly ($)</td>
<td>$25,389.71</td>
<td>$10,458.93</td>
<td>$9,090.11</td>
<td>$15,572.19</td>
<td>$2,253.92</td>
<td>$62,764.86</td>
<td>$753,178.31</td>
<td>0.137%</td>
</tr>
<tr>
<td>Annualized (Bps)</td>
<td>0.056%</td>
<td>0.023%</td>
<td>0.020%</td>
<td>0.034%</td>
<td>0.005%</td>
<td>0.137%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Net Assets
<table>
<thead>
<tr>
<th>Net Assets</th>
<th>May totals</th>
<th>Administrative</th>
<th>Fund Accounting</th>
<th>Operating</th>
<th>Custody</th>
<th>Total Fees</th>
<th>Annualized</th>
<th>Annualized (Bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>150,000,000</td>
<td>150 Mil</td>
<td>150 Mil</td>
<td>150 Mil</td>
<td>150 Mil</td>
<td>150 Mil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-50 Mil</td>
<td>$4,234.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-200 Mil</td>
<td>6,775.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly ($)</td>
<td>$11,010.93</td>
<td>$2,858.61</td>
<td>$2,540.98</td>
<td>$4,256.15</td>
<td>$635.25</td>
<td>$21,301.91</td>
<td>$255,622.96</td>
<td>0.170%</td>
</tr>
<tr>
<td>Annualized (Bps)</td>
<td>0.088%</td>
<td>0.023%</td>
<td>0.020%</td>
<td>0.034%</td>
<td>0.005%</td>
<td>0.170%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Net Assets
<table>
<thead>
<tr>
<th>Net Assets</th>
<th>May totals</th>
<th>Administrative</th>
<th>Fund Accounting</th>
<th>Operating</th>
<th>Custody</th>
<th>Total Fees</th>
<th>Annualized</th>
<th>Annualized (Bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>300,000,000</td>
<td>300 Mil</td>
<td>300 Mil</td>
<td>300 Mil</td>
<td>300 Mil</td>
<td>300 Mil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-50 Mil</td>
<td>$4,234.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-200 Mil</td>
<td>10,163.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-500 Mil</td>
<td>3,387.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly ($)</td>
<td>$17,786.88</td>
<td>$5,717.21</td>
<td>$5,081.97</td>
<td>$8,512.30</td>
<td>$1,270.49</td>
<td>$38,368.85</td>
<td>$460,426.17</td>
<td>0.153%</td>
</tr>
<tr>
<td>Annualized (Bps)</td>
<td>0.071%</td>
<td>0.023%</td>
<td>0.020%</td>
<td>0.034%</td>
<td>0.005%</td>
<td>0.153%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Net Assets
<table>
<thead>
<tr>
<th>Net Assets</th>
<th>May totals</th>
<th>Administrative</th>
<th>Fund Accounting</th>
<th>Operating</th>
<th>Custody</th>
<th>Total Fees</th>
<th>Annualized</th>
<th>Annualized (Bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>400,000,000</td>
<td>400 Mil</td>
<td>400 Mil</td>
<td>400 Mil</td>
<td>400 Mil</td>
<td>400 Mil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-50 Mil</td>
<td>$4,234.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-200 Mil</td>
<td>10,163.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-500 Mil</td>
<td>6,775.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly ($)</td>
<td>$21,174.86</td>
<td>$7,622.95</td>
<td>$6,775.96</td>
<td>$11,349.73</td>
<td>$1,693.99</td>
<td>$48,617.48</td>
<td>$583,409.80</td>
<td>0.146%</td>
</tr>
<tr>
<td>Annualized (Bps)</td>
<td>0.064%</td>
<td>0.023%</td>
<td>0.020%</td>
<td>0.034%</td>
<td>0.005%</td>
<td>0.146%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Net Assets
<table>
<thead>
<tr>
<th>Net Assets</th>
<th>May totals</th>
<th>Administrative</th>
<th>Fund Accounting</th>
<th>Operating</th>
<th>Custody</th>
<th>Total Fees</th>
<th>Annualized</th>
<th>Annualized (Bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>500,000,000</td>
<td>500 Mil</td>
<td>500 Mil</td>
<td>500 Mil</td>
<td>500 Mil</td>
<td>500 Mil</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-50 Mil</td>
<td>$4,234.97</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-200 Mil</td>
<td>10,163.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-500 Mil</td>
<td>10,163.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly ($)</td>
<td>$24,562.83</td>
<td>$9,528.69</td>
<td>$8,469.95</td>
<td>$14,187.16</td>
<td>$2,117.49</td>
<td>$58,866.11</td>
<td>$706,393.30</td>
<td>0.141%</td>
</tr>
<tr>
<td>Annualized (Bps)</td>
<td>0.059%</td>
<td>0.023%</td>
<td>0.020%</td>
<td>0.034%</td>
<td>0.005%</td>
<td>0.141%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CalTRUST Policies and Procedures
Liquidity Fund Fee Waiver

Should the net yield of the CalTRUST Liquidity Fund drop below 3 bps (0.03%), the following fee waivers will begin going into effect, in the order such specified, to maintain the net yield at no lower than 3 bps (0.03%). The fee waivers will only be in effect for the time period as necessary to maintain the aforementioned yield. The waivers will be removed in the reverse order as applied to maintain the 3 bps (0.03%) net yield until all waivers are removed. (Triggers may vary based on actual assets and those listed below are for example and based off of average assets of $300 million.)

Waiver 1
Trigger: Gross Yield < 18.3 bps
Action: Decrease Advisory Fees on 0-50 Mil to 8 bps.

Waiver 2
Trigger: Gross Yield < 18 bps
Action: Decrease Advisory Fees on 50-200 Mil to 6 bps.

Waiver 3
Trigger: Gross Yield < 17 bps
Action: Decrease Fund Accounting Fees to 1.5 bps.

Waiver 4
Trigger: Gross Yield < 16.5 bps
Action: Decrease Administrative Fees to 1.5 bps.

Waiver 5
Trigger: Gross Yield < 15.7 bps
Action: Decrease Operating Fees to 2.5 bps. Discontinue Sponsor Fee Payments.

Waiver 6
Trigger: Gross Yield < 14.9 bps
Action: Decrease Advisory Fees on 200-500 Mil to 3 bps.

Waiver 7
Trigger: Gross Yield < 14.5 bps
Action: Decrease Advisory Fees on 0-50 Mil to 6 bps.

Waiver 8
Trigger: Gross Yield < 14.2 bps
Action: Decrease Advisory Fees on 50-200 Mil to 5 bps.

Waiver 9
Trigger: Gross Yield < 13.7 bps
Action: Decrease Fund Accounting Fees to 1.25 bps.

Waiver 10
Trigger: Gross Yield < 13.4 bps
Action: Decrease Administrative Fees to 1.25 bps.

Waiver 11
Trigger: Gross Yield < 13.2 bps
Action: Decrease Operating Fees to 2.25 bps.