NOTICE OF REGULAR MEETING AND AGENDA

Notice is hereby given that a regular meeting of the Board of Trustees of CalTRUST will be held on September 15, 2021 at 9:00 a.m. at the Andaz San Diego, 600 F Street, San Diego, CA 92101.

Zoom Meeting Link: https://us02web.zoom.us/j/9167456701
Public Conference Call Access: (669) 900-6833 Access Code: 916-745-6701

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.

September 15, 2021
AGENDA

Andaz San Diego: Gallery Room

9:00 a.m.  Presiding: John Colville

   1. Roll Call

       ______ John Colville - President
       ______ Don Kent - Secretary
       ______ Mary Zeeb - Treasurer
       ______ Chuck Lomeli
       ______ Brian Mayhew
       ______ Dan McAllister
       ______ Bobbie Ormonde

   2. Welcome and Introduction of Attendees
      John Colville & Laura Labanieh

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

   4. Consider CalTRUST FYE 21 Audit
      Brown Armstrong & Audit Committee – ACTION ITEM

   5. CEO Update
      Laura Labanieh
6. Consider Minutes of the June 24, 2021 Board Meeting  
Laura Labanieh – ACTION ITEM

7. Investment, Market, & Portfolio Strategy Update & Review  
Ron Hill, Paul Kline, & Ludwig Marek

8. Consider Liquidity Fund Yield Floor  
Laura Labanieh & Ron Hill – ACTION ITEM

9. Consider Revised Investment Policy  
Investment Committee & Laura Labanieh – ACTION ITEM

**BREAK (10:50am-11:00am)**

10. Ultimus Update  
Katie Yockey & Ian Martin

11. US Bank Update  
Tim Banach

12. Shareholder Services & Outreach Update  
Laura Labanieh, CSAC FC, and CSDA

   a. Staff Update
   b. CSAC Finance Corporation
   c. California Special Districts Association
   d. League of California Cities

**LUNCH (11:50am-12:45pm)**

13. Consider Revised FY 21-22 Budget  
Laura Labanieh – ACTION ITEM

14. Consider CalTRUST Benefits & Personnel Policies  
Laura Labanieh – ACTION ITEM

   a. Establishment of Benefits
   b. Personnel Policies

15. Nominating Committee Update  
Nominating Committee

16. Product Review Committee Update & Discussion  
Product Review Committee – ACTION ITEM

   a. Fund Accounting RFP
   b. TreasuryCurve & Endorsements

17. Other Business

18. Adjourn

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Agency provide a disability-related modification or accommodation in order to participate in any public meeting of the Agency. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the Agency. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, facsimile, or written correspondence to the Agency office, at least 48 hours before a public Agency meeting.
CalTRUST
Board of Trustees
as of June 24, 2021

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CalTRUST
Board of Trustees
as of June 24, 2021

Audit Committee
Brian Mayhew
Dan McAllister
Bobbie Ormonde

Ad hoc Education Committee
Chuck Lomeli
Dan McAllister
Mary Zeeb

Executive Committee
John Colville – Chair
Don Kent
Mary Zeeb

Investment Committee
John Colville
Don Kent
Chuck Lomeli

Ad hoc Nominating Committee
John Colville
Don Kent
Bobbie Ormonde

Product Review Committee
Don Kent
Brian Mayhew
Mary Zeeb
Agenda Item: 4. Consider CalTRUST FYE 21 Audit
Action Item

Presented By: Brown Armstrong & Audit Committee

BACKGROUND:
The CalTRUST FYE 21 Audit was completed and issued on September 8, 2021. Prior to its issuance, the Audit Committee reviewed the audit and met with the audit team at Brown Armstrong. The audit received a clean/unqualified opinion with no adjustments.

The Audit report has been provided to the Trustees and partners under separate cover.

RECOMMENDATION:
It is recommended that the Board accept the CalTRUST FYE 21 Audit.
Agenda Item: 6. Consider Minutes of the June 24, 2021 Board Meeting
Action Item

Presented By: Laura Labanieh

BACKGROUND:
Following are the Minutes of the CalTRUST Board of Trustees Meeting of June 24, 2021.

RECOMMENDATION:
It is recommended that the Board approve the CalTRUST Board of Trustees Meeting Minutes of June 24, 2021.
CalTRUST Board of Trustees Meeting

Jun 24, 2021
Huntington Beach

MINUTES

The meeting was called to order by President Colville at 9:06 a.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 (*via Zoom*)
   - __X__ Dan McAllister, San Diego County
   - __X__ Bobbie Ormonde, Westlands Water District (*via Zoom*)

   Attendees:
   - Tim Banach, US Bank
   - Chase Broffman, CSAC Finance Corporation
   - Alan Fernandes, CSAC Finance Corporation
   - Laura Labanieh, CalTRUST
   - Leonard Moty, CSAC Finance Corporation
   - Charlie Praska, State Street
   - Katie Yockey, Ultimus Fund Solutions

   Attendees via Zoom:
   - Akiva Dickstein, BlackRock
   - Ron Hill, BlackRock
   - Ed Ingold, BlackRock
   - Nancy Jerez, Treasury Curve
   - Paul Kline, BlackRock
   - Ludwig Marek, BlackRock
   - Sendy Young, CSAC Finance Corporation

2. **Welcome and Introduction of Attendees**
   President Colville welcomed all participants and thanked them for their attendance. In-person attendees proceeded with self-introductions. CEO Labanieh introduced all Zoom participants.

3. **CEO Update**
   CEO Labanieh informed the Board that Matt McCue is no longer employed with the Mission Springs Water District therefore unable to serve on the CalTRUST Board. CEO Labanieh is working with the California Special Districts Association to identify another special district Board candidate.
She also informed the Board that the new audit firm, Brown Armstrong, has started working on the FYE 21 audit, and the audit should be ready to approve at the September meeting.

4. **Investment, Market & Portfolio Strategy Update & Review BlackRock**  
Staff gave a detailed overview of the current market conditions as well as reviewed the position, performance, and strategy of the CalTRUST funds. Connor Dolan, CalTRUST’s relationship manager at BlackRock is no longer with the firm and they will be recruiting for the position.

5. **Consider BlackRock Contract Extension**  
The Board approved the continued engagement of BlackRock for an additional one year.

   Motion: J. Colville  
   Second: D. Kent  
   Absent: C. Lomeli  
   Approved by roll-call vote.

6. **Consider Revised CSAC Finance Corporation Intellectual Property, Royalty, and Services Agreement**  
CEO Labanieh outlined the plan to staff and operate CalTRUST as a truly independent agency. The plan includes hiring two additional staff members, and a third-party bookkeeper. The proposed revised agreement between the CSAC Finance Corporation and CalTRUST reduces the fee to CSAC FC from 2.25 to 1 bps of all assets under management, with the removal of the Administrative Services from the Agreement. The revised agreement would take effect on January 1, 2022, to allow time for a smooth and successful transition.

   The CSAC Finance Corporation CEO, Alan Fernandes, assured the Board that the CSAC Finance Corporation will continued to be committed to help market CalTRUST and help expand the program.

   The Board approved the revised CSAC Finance Corporation Intellectual Property, Royalty, and Services Agreement.

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

7. **Shareholders Services & Outreach Update**  
CEO Labanieh reported that assets are beginning to increase. As of today, CalTRUST held $2.5 billion in assets after holding steady at $2.2 billion for the last year. Staff continues to offer critical and timely market updates and education sessions for both Shareholders and prospects. One of the areas that staff is focusing on are other agency types that are eligible to invest in CalTRUST, such as transit authorities, Indian tribes, and educational institutions. CEO Labanieh has already met with one CSU who indicated that they will most likely be joining CalTRUST.

   The California Special Districts continues to promote CalTRUST through all their marketing efforts, their most recent magazine included an article on CalTRUST.
8. **Consider Minutes of the May 27, 2021 Board Meeting**
The Board approved the Minutes of the May 27, 2021 Board Meeting.

   *Motion: D. McAllister*
   *Second: M. Zeeb*
   *Approved by roll-call vote.*

9. **CalTRUST Board of Trustees**
The Board appointed Brian Mayhew, Chief Financial Officer of Bay Area Toll Authority, to the CalTRUST Board of Trustees and directed staff to obtain ratification of his appointment from the members of the CalTRUST Joint Powers Authority.

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

The Board approved the creation of an Investment Committee.

   *Motion: J. Colville*
   *Second: D. Kent*
   *Approved by roll-call vote*

The Board approved the Resolution to Conduct Business / Delegation of Duties.

   *Motion: D. McAllister*
   *Second: M. Zeeb*
   *Approved by roll-call vote.*

10. **Appoint CalTRUST Committees**
The Board appointed Trustees to the CalTRUST Committees as follows:

    **Audit Committee**
    Mayhew
    McAllister
    Ormonde

    **Investment Committee**
    Colville
    Kent
    Lomeli

    **Product Review Committee**
    Kent
    Mayhew
    Zeeb

    **Ad-Hoc Education Committee**
    Lomeli
    McAllister
    Zeeb
Ad-Hoc Nominating Committee
Colville
Kent
Ormonde

Motion: B. Ormande
Second: D. Kent
Approved by roll-call vote.

11. Review and Consider CalTRUST Documents
The Board reaffirmed the CalTRUST Investment Policy.

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

The Board reaffirmed the CalTRUST Information Statement and authorized staff to make administrative updates as needed on an ongoing basis.

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

The Board reaffirmed the Joint Exercise of Powers Agreement.

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

12. Consider CalTRUST FY 21-22 Budget
The Board adopted the FY 21-22 budget as presented. The FYE 22 proposed budget is based on the adoption of the revised agreement with the CSAC Finance Corporation.

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

13. Treasury Curve Product Demonstration
TreasuryCurve’s Nancy Jerez and State Streets’ Charlie Praska, introduced the TreasuryCurve product to the CalTRUST Board of Trustees to see if it may be a fit for CalTRUST shareholders.

Trustee Zeeb did not think that participants would be comfortable sharing all their bank information with CalTRUST. The possibility of adding a link to the CalTRUST portal was discussed.

The Product Committee will do further diligence on the concept and report back to the Board.

14. Ultimus Update
Ultimus’, Katie Yockey, reported no operational issues and successful business continuity. Ultimus staff is getting ready assist with the audit.
15. **Consider Ultimus Contract Extension**  
The Board approved the continued engagement of Ultimus for an additional one year.

   *Motion: D. Kent*  
   *Second: M. Zeeb*  
   *Approved by roll-call vote.*

16. **U.S. Bank Update**  
U.S. Bank’s Tim Banach, reported no changes, and continues to be grateful for the partnership. He had a meeting with the U.S. Bank government bankers to introduce them to CalTRUST’s services. The information was well received. Staff will provide U.S. Bank with a list of participants to share with the bankers. Tim will provide CalTRUST with a list of the government bankers’ contact information.

17. **Consider U.S. Bank Contract Extension**  
The Board approved the continued engagement of U.S. Bank for an additional one year.

   *Motion: J. Colville*  
   *Second: D. Kent*  
   *Approved by roll-call vote.*

18. **Other Business**  
CEO Labanieh reminded the Board that the September Meeting with take place at the Ritz Carlton Truckee/Tahoe on September 14-15, 2021.

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

20. **Adjourn**  
The meeting was adjourned at 1:22 p.m.
Agenda Item: 7. Investment, Market, & Portfolio Strategy Update & Information Item

Presented By: Ron Hill, Paul Kline, & Ludwig Marek

BACKGROUND:
Presentation attached.

RECOMMENDATION:
Information and discussion only.
Table of Contents

I. Market Update
II. CalTRUST Short and Medium Term Funds
III. CalTRUST Liquidity Fund Overview
IV. LEAF and FedFund
V. Performance
VI. CalTRUST Investment Guidelines
VII. Biographies of Key Investment Professionals
VIII. General Disclosures
Market Update
What happened in July?

Covid case counts have been climbing threatening economic recovery so far...

...Causing volatility to spike amidst concerns around the Delta Variant.

Rising inflation continued to dominate headlines...

The S&P 500 reached new highs in July with a strong earnings season.

The Treasury curve flattened with rate rallies across tenors of the yield curve.


...With Americans now more worried about inflation than unemployment.

The Economist, Data as of August 3, 2021.


Source: Cboe Exchange, Inc. Data as of July 31, 2021.

Source: Barclays, data as of August 9, 2021. Past performance is not indicative of future results.

COVID-19 Vaccine Dynamics

After moving lower, global cases have picked back up driven by the Delta variant

Weekly hospital admissions, a key indicator for state governments, has remained on the rise in the South and the West

Cases have began to peak in counties impacted earliest by the delta variant

Source: BlackRock Investment Institute, Our World in Data, July 30, 2021.
Notes: New confirmed daily covid-19 cases (7-day average, thousands).

Share of population fully vaccinated


Notes: The following chart shows the share of the total population that has received at least one dose of the COVID-19 vaccine. This may not equal the share that are fully vaccinated if the vaccine requires two doses.
Global Economy – Overview & Outlook

Job Openings have been at record highs pointing to the strong demand for labor

Wage growth data has risen as employers must incentivize workers back to the workforce

Global Manufacturing PMIs have shown more strength in developed Western regions

Services activity has continued its recent strength, particularly in the United States (US)

Source: Bloomberg, Data as of August 9, 2021.

2yr Stacked Hourly Wage Growth


Job Openings (thousands)

Source: Bloomberg, Data as of August 9, 2021.

Wage growth data has risen as employers must incentivize workers back to the workforce

Source: Bloomberg. Data as of August 9, 2021.

Global Manufacturing PMIs have shown more strength in developed Western regions

Services activity has continued its recent strength, particularly in the United States (US)

Source: BlackRock Investment Institute with data from Haver Analytics as of August 9, 2021.

Source: Bloomberg. Data as of August 9, 2021.
After a hawkish June FOMC meeting, June’s updated dot plot has priced in 2 rate hikes of 25 bps each for 2023

<table>
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<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>Long-run</th>
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<tr>
<td>Old median</td>
<td>0.125</td>
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<tr>
<td>Change</td>
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<td>0.500</td>
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13 of 18 FOMC participants see upside risks to inflation in June, versus only 5 in March

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<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>Long-run</th>
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<td>New median pace</td>
<td>0.0 hikes</td>
<td>0.0 hikes</td>
<td>2.0 hikes</td>
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<tr>
<td>Old median pace</td>
<td>0.0 hikes</td>
<td>0.0 hikes</td>
<td>0.0 hikes</td>
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</table>

In July, Powell acknowledged progress on its goals that would pave the way to start tapering its bond purchases

Market pricing for rate hikes has moderated to 2 rate hikes in 2023 and 2 more by the end of 2025

| Source: Bloomberg. Data as of August 10, 2021 EFFR refers to the Effective Federal Funds Rate. |
Global rates and the yield curve

We believe real rates in the US should not be at current levels given the growth and accelerated economic cycle.

Yield curves have continued to flatten in the U.S as Fed rate hike expectations re-rate and Term Premium have moved lower.

2022 Net supply net of Fed QE to likely decline moderately yet stay elevated.

- Treasury coupon securities (i.e. excluding T-Bills)
- Annual net supply net of QE *


European peripheral rates have remained attractive given sustained QE upward growth revisions, and lower supply.


Source: BlackRock and Department of Treasury, as of July 30th 2021. *BLK est. 2022 estimate has a relatively wide range due to uncertainties in the assumptions regarding QE (no change or taper) and Treasury coupon auction sizes (no, or one or two, rounds of increases), and the latter will be influenced by details of the infrastructure bill and Treasury's strategy in T-Bill issuance. Projections are based on estimates and assumptions. There is no guarantee that they will be achieved.
Inflation

We expect monthly inflation prints to remain strong for the next few months

Recent inflation is due to reopening factors and chip shortages

Rental inflation has lagged industry indicators
Global Investment Grade Credit

BBG Barclays US Corporate Indices – Excess Return by Sector*

<table>
<thead>
<tr>
<th>Excess Returns (bps)*</th>
<th>US Corp 1-3 YR</th>
<th>US Corp 3-5 YR</th>
<th>US Corp 10+ Yr</th>
<th>US Corp IG Agg</th>
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<td>YTD</td>
<td>MTD</td>
<td>YTD</td>
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<td>25</td>
<td>-6</td>
<td>40</td>
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</table>

Source: Barclays Research. Data as of 31 July, 2021. *Duration adjusted excess returns provided by Barclays. Past performance is not a guarantee of future results. Index performance is for illustrative purposes only. It is not possible to invest directly in an index.

Both Investment Grade Cash and CDX.IG Have Widened over the Past Month but are still within a narrow range

July saw investor hesitancy on the reopening/reflation trade as growth-sensitive spaces underperformed most

The pace of IG primary activity slowed in July, with $86bn of new issuance

Source: Barclays, based on Bloomberg Barclays Credit Universe as of July 31, 2021.

Source: Barclays Research. Data as of August 6, 2021. Based on the Bloomberg Barclays Investment Grade Credit Index Universe

Source: Credit Suisse, data as of July 31, 2021. Based on the Credit Suisse index universe. Past performance is not indicative of future results.
High Yield (HY) Credit

Supply volumes continued at a heavy pace last month with $27bn in total issuance, making it the busiest ever July

$bn

Source: Credit Suisse as of August 2, 2021. Based on Credit Suisse HY Cash Index.

July saw a continued decline in issuer default rate with no new default activity for the month

Reopening sectors underperformed on the back of delta variant concerns, with Energy and Gaming/Lodging leading losses

Source: Credit Suisse as of August 2, 2021. Based on Credit Suisse HY Cash Index. Index returns are shown for illustrative purposes only. It is not possible to invest directly in an index. Past performance is not indicative of future results.

High Yield retail funds reported outflows in July, with the YTD total now at –$14.2bn


Municipal Bonds and Agency MBS

Demand for municipal bonds continues to be strong with 20 consecutive weeks of inflows

Valuations of municipal bonds have still remained rich relative to historical norms, a dynamic likely to continue over the near-term


A majority of mortgage bonds have been held by banks, creating a scarcity of supply

Source: BlackRock Agency Mortgage Team using data from Bloomberg and Barclays as of July 30, 2021.

The mortgage market has been focused on potential Fed MBS taper scenarios

Source: Refinitiv, Bloomberg, BlackRock, as of June 30, 2021.
Securitized Assets

We believe that the housing supply shortage is the key message for the US housing market.

Revolving debt as a function of retail sales has demonstrated that not as much borrowing has taken place despite an increase in consumer spending.


Conduit CMBS spreads have largely retraced COVID-related widening, and the lack of new issue supply is likely to keep a cap on spreads moving materially.

### Short Duration Sectors: Excess Returns vs Treasuries

#### July 2021

**Duration-adjusted excess returns by sector (in basis points)**

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<td>138</td>
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<td>-1</td>
</tr>
<tr>
<td>US Float. Rate Credit**</td>
<td>41</td>
<td>172</td>
<td>164</td>
<td>-33</td>
<td>220</td>
<td>-378</td>
<td>372</td>
<td>70</td>
<td>37</td>
<td>88</td>
<td>17</td>
<td>10</td>
<td>-6</td>
<td>21</td>
<td>7</td>
<td>12</td>
<td>8</td>
<td>27</td>
<td>3</td>
</tr>
<tr>
<td>US High Yield 1-5 Yrs***</td>
<td>-598</td>
<td>1498</td>
<td>557</td>
<td>-162</td>
<td>617</td>
<td>-1561</td>
<td>823</td>
<td>397</td>
<td>586</td>
<td>125</td>
<td>71</td>
<td>104</td>
<td>84</td>
<td>259</td>
<td>80</td>
<td>33</td>
<td>104</td>
<td>217</td>
<td>-19</td>
</tr>
</tbody>
</table>

* Unannualized  
** Represented by Barclays US Floating Rate Corporates Index  
*** Barclays US High Yield 1-5 Yr Cash Pay 2% Index  

Source: Barclays Capital as of 31 July 2021. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index. Past performance is not indicative of future returns. Boxes highlighted in yellow represent the current period.
Positioning – Relative Value Map*

**US Rates / Macro**
- We tactically reduced our short duration bias as rates rose to reduce overall duration risk. We still continue to believe that rates will rise in coming months as the Fed tiptoes towards normalization, and with a strong economic outlook and continued solid inflation expectations.¹

**Global Rates / FX**
- FX volatility has been relatively low, prompting us to prefer trading rates in which we can express similar FX views. We are long Canada vs. the US (via 2-yr swaps) on the belief that the market is overly optimistic on the Bank of Canada’s potential rate hikes and very cautious on the hawkish outlook from the FOMC.

**Gov’t Guaranteed / Supranationals**
- We reduced callable exposure as implied volatility declined and the Treasury curve bull flattened in the second quarter of 2021.²

**Investment Grade Corporate Credit**
- Within US IG Credit, we currently favor banking names which are well capitalized and have ample liquidity, in addition to the more resilient names in communications.³ We continue to believe that Asian IG Credit has attractive relative value to US credit and that the Asian growth story will remain robust.⁴

**High Yield Corporate Credit**
- We have continued to slightly reduce high yield exposure given its strong performance. However, we selectively maintain exposure as a potentially compelling source of income.

**Agency MBS**
- We have a muted Agency MBS exposure due to a combination of tight spreads, concerns about extension risk and fears that the market is increasingly dependent on the Federal Reserve for demand. However, we selectively favor MBS with stronger technical backgrounds on the back of bank demand.

**ABS**
- We have continued to favor high-quality CLOs which has offered attractive risk-adjusted carry, as well as have added AAA-rated private student loans which we view as having a good technical backdrop.⁷

**CMBS**
- We have maintained Single Asset Single Borrower (SASB) exposure in Hotel, Office and Industrial space on market expectations of global economic recovery. We have also added AAA-rated new issue CRE CLOs as well as an underwritten loan to a pool of extended stay hospitality properties, which in this deal and as a segment fared remarkably well during the COVID-19 crisis.⁷

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¹BlackRock views expressed and market data points are as of July 31, 2021 and are subject to change at any time due to changes in market or economic conditions. Forecasts are based on estimates and assumptions, there is no guarantee that they will be achieved. Note that strategies employed may vary depending on individual client guidelines. Relative value score is assigned by the Short Duration Portfolio Team based on the mathematical calculation based on duration and spread duration risk budgets for each respective sector. Past performance is not a guarantee of future results. Positioning references are for informational purposes only and not meant to be a recommendation to buy or sell any security. 1 Market-based inflation expectations are proxied by the 10Yr breakeven rate. 2 Based on the Bloomberg Barclays Agency Index. 3 Source: Bloomberg, based on the BBG Barclays Credit Index Universe. 4 Applies for qualified short duration strategies only. 5 Spread data based on Bloomberg Barclays High Yield Index Universe. 6 Based on the BBG Barclays MBS Index. 7 Based on Bloomberg Barclays Securitized Assets Universe. +FX volatility proxied by exchange rates as provided by Bloomberg.
CalTRUST Short and Medium Term Funds
BlackRock US Short Duration

BlackRock manages $73.8 billion in actively managed U.S. short duration portfolios

- **Separate Accounts:**
  - Dedicated separate accounts with customizable guidelines ranging from enhanced cash to total return oriented short duration.

- **Commingled Offering and Registered Strategies:**
  - **BlackRock Low Duration** domestic and off-shore Strategies.
  - **Short Maturity Bond ETF** an actively managed ETF
  - **Short Duration Collective Investment Trust (CIT)**

---

**Source:** BlackRock. All data as of 30 June 2021. *Customized benchmarks include blended indices created by BlackRock on behalf of clients to target a specific duration/yield profile. The products and strategies described may not be suitable for all investors. Strategies include bank collective trust funds maintained and managed by BlackRock Institutional Trust Company, which are available only to certain qualified employee benefit plans and governmental plans and not offered or available to the general public. There are structural and regulatory differences between collective funds, mutual funds, and separate accounts that may affect their respective fees and performance.
The US Short Duration Investment Team leverages the full power of BlackRock’s Fundamental Fixed Income platform

Short Duration Investment Team oversees $73.8 billion in assets

Portfolios

Portfolio Management Team

Risk Management
Reade Ryan (7/19)
+1 investment professionals

Akiva Dickstein*
Managing Director
(12/27)

Scott MacLellan, CFA*
Director
(19/22)

David Chesney
Managing Director
(30/30)

Product Strategy
Ludwig Marek (8/21)
Marta Threlfall, CFA (8/9)
+4 investment professionals

Credit Core PM
Adam Carlin, CFA (11/11)
+2 investment professionals

Multi-Sector Core PM
Amanda Liu, CFA (10/14)
+1 investment professional

Securitized Core PM
Jon Denfeid, CFA (4/28)
+4 investment professionals

Team leverages the breadth and scale of the Fundamental Fixed Income Platform

Sector specialists drive bottom-up security selection

Global Macro
Municipals
CMBS
Non-Agency MBS
ABS
US IG Corp Credit
US HY Credit
European Credit
Asian Credit
Agency MBS
CLO
Emerging Market

BlackRock’s resources benefiting investment teams

BlackRock Investment Institute
Global Capital Markets
Trading & Liquidity
ESG / Impact Investing Platform

* Lead Portfolio Manager
1 Years at BlackRock / Year in Industry as of December 2020.
2 Source: BlackRock as of 30 June 2021
CaITRUST Short Term Bond Fund Portfolio Composition

Credit Quality (% NAV)

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Govt</td>
<td>32%</td>
</tr>
<tr>
<td>AAA</td>
<td>53%</td>
</tr>
<tr>
<td>AA</td>
<td>14%</td>
</tr>
<tr>
<td>A</td>
<td>1%</td>
</tr>
</tbody>
</table>

Sector Allocation Changes (%NAV)

<table>
<thead>
<tr>
<th>Sector</th>
<th>5/28/2021</th>
<th>8/31/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSY</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>SSA</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>ABS</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>IG Financials</td>
<td>10%</td>
<td>24%</td>
</tr>
<tr>
<td>IG Industrials</td>
<td></td>
<td>22%</td>
</tr>
<tr>
<td>Muni</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>CP/CD</td>
<td></td>
<td>6%</td>
</tr>
<tr>
<td>Cash</td>
<td>4%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Portfolio Characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Portfolio</th>
<th>Benchmark</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Duration (yrs.)</td>
<td>0.54</td>
<td>0.56</td>
<td>-0.02</td>
</tr>
<tr>
<td>Spread Duration</td>
<td>0.70</td>
<td>0.13</td>
<td>0.57</td>
</tr>
<tr>
<td>Convexity</td>
<td>-0.03</td>
<td>-0.01</td>
<td>-0.02</td>
</tr>
<tr>
<td>Nominal Yield (%)</td>
<td>0.24</td>
<td>0.13</td>
<td>0.11</td>
</tr>
<tr>
<td>Avg Credit Qual (Mdy/S&amp;P)</td>
<td>Aa3/A+</td>
<td>Aa1/AA</td>
<td>-</td>
</tr>
<tr>
<td>Floating Rate Bonds (%)</td>
<td>26</td>
<td>2</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: BlackRock
Benchmark: BBG Barclays Short Term Gov/Corp Index
*Cash includes Cash & cash like equivalents.
CalTRUST Short Term Bond Fund
Portfolio Composition

August 2021

Portfolio Duration vs Benchmark (Years)

Portfolio Spread Duration (Years)
CalTRUST Short Term Bond Fund Positioning

Active Portfolio Yield Curve Positioning (Years)

Effective Duration and WAL Breakdown (% NAV)

Spread Duration Change (% NAV)

Source: BlackRock
Benchmark: BBG Barclays Short Term Gov/Corp Index

FOR USE WITH CALTRUST ONLY — NOT FOR FURTHER DISTRIBUTION
CalTRUST Short Term Bond Fund
Portfolio Attribution

YTD 2021 Performance Attribution (bps) through 8/31/2021

<table>
<thead>
<tr>
<th></th>
<th>Sector Allocation</th>
<th>Security Selection</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration/Curve</td>
<td>-2</td>
<td>0</td>
<td>-2</td>
</tr>
<tr>
<td>Miscellaneous *</td>
<td>-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>-2</td>
<td>0</td>
<td>-2</td>
</tr>
<tr>
<td>SSA</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>IG Corporates</td>
<td>13</td>
<td>-7</td>
<td>6</td>
</tr>
<tr>
<td>ABS</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Cash</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>12</strong></td>
<td><strong>-3</strong></td>
<td><strong>9</strong></td>
</tr>
<tr>
<td><strong>Total Active Gross Return</strong></td>
<td></td>
<td></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

*Miscellaneous – Includes Trade PnL and un-allocated attribution. Trade PnL reflects the natural bid/offer spreads that exist in the secondary market and doesn’t reflect active trading returns.

Source: BlackRock Attribution calculated on gross returns and may not match the returns provided by Gemini due to methodology differences.
CalTRUST Medium Term Bond Fund
Portfolio Composition

Credit Quality (% NAV)

- Govt: 44%
- AAA: 37%
- AA: 12%
- A: 7%

Sector Allocation Changes (%NAV)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Portfolio Change</th>
<th>Benchmark Change</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSY</td>
<td>41%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>Agencies</td>
<td>4%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>SSA</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>ABS</td>
<td>6%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>IG Financials</td>
<td>22%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>IG Industrials</td>
<td>6%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>IG Utilities</td>
<td>6%</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>Munis</td>
<td>6%</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

Portfolio Characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Portfolio</th>
<th>Benchmark</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Duration (yrs.)</td>
<td>1.68</td>
<td>1.90</td>
<td>-0.22</td>
</tr>
<tr>
<td>Spread Duration</td>
<td>0.76</td>
<td>0.43</td>
<td>0.33</td>
</tr>
<tr>
<td>Convexity</td>
<td>-0.12</td>
<td>0.01</td>
<td>-0.13</td>
</tr>
<tr>
<td>Nominal Yield (%)</td>
<td>0.32</td>
<td>0.26</td>
<td>0.06</td>
</tr>
<tr>
<td>Avg Credit Qual (Mdy/S&amp;P)</td>
<td>Aa2/AA-</td>
<td>Aa1/AA</td>
<td></td>
</tr>
<tr>
<td>Floating Rate Bonds (%)</td>
<td>15</td>
<td>2</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: BlackRock
Benchmark: ICE BofAML Gov/Corp 1-3 Yr Ex BBB (B110)
CalTRUST Medium Term Bond Fund Positioning

Active Portfolio Yield Curve Positioning (Years)

Effective Duration and WAL Breakdown (% NAV)

Spread Duration Change (% NAV)

Source: BlackRock
Benchmark: ICE BofAML Gov/Corp 1-3 Yr Ex. BBB (B110)
### YTD 2021 Performance Attribution (bps) through 8/31/2021

<table>
<thead>
<tr>
<th>Duration/Curve</th>
<th>Sector Allocation</th>
<th>Security Selection</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous *</td>
<td>-2</td>
<td>-1</td>
<td>-3</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>7</strong></td>
<td><strong>1</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td><strong>Total Active Gross Return</strong></td>
<td></td>
<td></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

*Miscellaneous – Includes Trade PnL and un-allocated attribution. Trade PnL reflects the natural bid/offer spreads that exist in the secondary market and doesn’t reflect active trading returns.

Source: BlackRock Attribution calculated on gross returns and may not match the returns provided by Gemini due to methodology differences.
CalTRUST Liquidity Fund Overview
BlackRock liquidity business overview

Client focused solutions

• Outcome-oriented investment process focuses on seeking to deliver stability, liquidity, and yield

• Consultative approach seeks to address the unique needs of cash investors and specific concerns or requirements

• Breadth of products and services provides clients the opportunity to allocate according to cash flow needs

  – Money Market Funds, Ultra Short Fixed Income Funds, Separate Accounts, Exchange Traded Funds and Collective Trust Funds

• Liquidity AUM: $727.6 billion

Capital is at risk; the value of investments and the income from them can fall as well as rise and is not guaranteed. Clients may not get back the amount originally invested.

Diverse global mandates (as of 30 June 2021)

Source: BlackRock. Fund sizes as of 30 June 2021 do not necessarily represent current or future portfolio holdings.

1 AUM in USD as 30 June 2021. BlackRock Liquidity ETF AUM is not counted in the Liquidity assets and is not displayed here.

Market share & assets under management

Variety of investment solutions (as of 30 June 2021)

2 Other includes collective trust funds, etc. Figures may not add up to 100% due to rounding.
Dedicated team leveraging the full scope of BlackRock’s resources

**Global Head of Portfolio Management**
Richard Mejzak, CFA (31, 31)

**Global Head of Credit and Investment Research**
Thomas Kolimago, CFA (32, 32)

**Credit Research**
Mark Schnell, CFA (24, 31)
Mike Eberhardt (3, 21)
Betsy Colucci (5, 20)
Jack Erbeck (33, 34)

**Risk Management**
Dr. Selig Sechzer (16, 43)
Michael Martini, CFA, FRM (7, 29)

**Global Head of Credit and Investment Research**
Thomas Kolimago, CFA (32, 32)

**Product Strategy**
Ronald Hill (19, 23)
Ken Jacob (21, 26)
Nicholas Dodd (8, 16)

**U.S. Dollar: 16 Portfolio Managers**
**Eric Hiatt, CFA, FRM** (9, 25)
Lead USD Prime, Collective Trust Funds Portfolio Manager

**Joseph Markowski** (28, 28)
Lead Government Funds Portfolio Manager

**Bradford Glessner, CFA** (7, 19)
Lead Separate Account Portfolio Manager

**Offshore Cash: 7 Portfolio Managers**
**Matt Clay** (12, 25)
Head of Cash Portfolio Management

**Olivier Guipet** (4, 23)
Head of Cash Short Duration

**Paul Hauff** (28, 32)
Lead GBP Portfolio Manager

**Gregor Harwell, CFA** (9, 17)
Lead EUR Portfolio Manager

**Geeta Sharma** (2, 22)
Lead USD Portfolio Manager

**Municipal: 3 Portfolio Managers**
**Kristi Manidis** (17, 17)
Lead Municipal Portfolio Manager, Head of Municipal Money Market Funds

**James Pruskowski** (24, 24)
Lead Separate Account Portfolio Manager

**Global Sector Specialist Teams**
Responsible for sector oversight, research and analysis

**Rates & FX**

**Securitized Assets**

**Credit**

**Municipals**

**Emerging Markets**

Average investment experience of portfolio management team is 17 years

1 Source: BlackRock. Unless otherwise noted, all data is as of 30 June 2021 (Years at BlackRock, Years in Industry).
BlackRock liquidity positioning – relative value map

U.S. rates and U.S. government agencies

We remain underweight on U.S. rates given a number of dynamics including, but not limited to, the TGA drawdown, the end of the debt ceiling suspension and shrinking supply of T-bills. The end of the debt ceiling suspension is likely to result in negative net T-bill issuance for the months to follow. If the supply of T-bills were to increase due to higher funding needs by the U.S. government, we would look to capitalize on any back-up in rates to add exposure. Continued Fed asset purchases have reduced net supply of Treasury coupons, keeping Treasury-OIS spreads tight. If the Fed begins tapering Treasury purchases, we believe we could see an increase in rates, providing entry points for this asset class.

Short-term credit

We are overweight on Tier 1 CP and CDs as total outstandings increased in July.¹ Money market paper remains insulated from interest rate volatility further out the curve as the Fed is expected to keep rates at the zero lower bound for the next year. Tier 2 CP offers attractive yield per unit of duration as total outstandings grew significantly in July.¹ The yield pick-up between 30-day Tier 2 CP and Tier 1 non-financial CP was 0.09% at month-end.¹ If the U.S. can quell the surge in coronavirus cases and if the economy continues to improve we could see more CP issuance across various non-financial issuers given attractive funding levels as the treasury curve steepens, which could alleviate some of the supply pressures.

Investment grade credit

We are back to neutral on short-term IG credit given a significant decline in issuance during the month. Demand remains strong for short-term bond funds, which saw nearly $15.3 billion of inflows in July². Overall technicals, in our opinion, are favorable as corporate cash on balance sheets remains elevated. We remain opportunistic and active players in the primary market in an effort to find attractive new deals and source supply. Heading into the mid-summer months, we are mindful that this time of the year is typically slower in terms of issuance, so we will seek secondary opportunities in the 13-month to 2-year range.

Asset-backed securities

We have moved up to neutral on ABS as issuance and activity picked up in July. Spreads offered on new ABS issues remain tight and the secondary market provides little opportunity. Still, 1-year ABS reemerged as an attractive relative value opportunity during the month given compressed yields in the front-end. Strong bank earnings and regulatory constraints have helped tighten underwriting standards, which we believe is a positive for this asset class.

Floating-rate notes (FRNs)

We are neutral on FRNs given current valuations and a lack of issuance. FRNs remain well-bid given heavy demand for short duration assets. Previously our preference had been purchasing FRNs in the 3-year part of the curve; however, lack of issuance has made this difficult to implement. Although, given the outlook for growth and inflation in the second half of 2021, we believe FRNs may offer a hedge against interest rate risk. Issuers continue to come to market with SOFR-linked offerings recently, indicating these instruments have become more widely accepted. We also saw additional Bloomberg Short-Term Bank Yield Index (BSBY)-linked notes issued in July and expect more this year; however, in our opinion SOFR is expected to remain the predominant benchmark.

Past performance is not a reliable indicator of current or future results.
The opinions expressed are as of July 2021 and are subject to change at any time due to changes in market or economic conditions. The above descriptions are meant to be illustrative and are not intended to be investment advice or a recommendation to buy or sell any security. There is no guarantee that any forecasts made will come to pass. Sources: ¹ Federal Reserve. ² EPFR. Data as of July 30, 2021. Currency figures are U.S. Dollars.
CalTRUST Liquidity Fund Portfolio Composition

Credit Quality (% NAV)

- AAA: 4%
- A: 1%
- A-1: 72%

Source: BlackRock

Portfolio Duration vs. Benchmark (Years)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Portfolio</th>
<th>Benchmark*</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Duration (yrs.)</td>
<td>0.07</td>
<td>0.24</td>
<td>-0.17</td>
</tr>
<tr>
<td>Spread Duration (yrs.)</td>
<td>0.10</td>
<td>0.00</td>
<td>0.10</td>
</tr>
<tr>
<td>Convexity</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Gross Yield (%)</td>
<td>0.09</td>
<td>0.05</td>
<td>0.04</td>
</tr>
<tr>
<td>Avg Credit Qual (MdY/S&amp;P)</td>
<td>Aa3/A+</td>
<td>Aaa/AA</td>
<td>-</td>
</tr>
<tr>
<td>Daily Liquidity</td>
<td>69.7%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Weekly Liquidity</td>
<td>71.9%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Floating Rate Bonds (%)</td>
<td>9.3%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Benchmark: ICE BofA ML 3 Month Treasury Bill Index
Source: BlackRock

Sector Allocation Changes (%NAV)

- Repo: 61%
- CDs: 35%
- CP: 27%
- MMF: 4%
- IG: Industrial: 3%
- Cash: 3%

Source: BlackRock

Daily Net Yields (Inception to Date)

Source: FundServices@ultimusfundsolutions.com
LEAF and FedFund
BlackRock Funds℠
Liquid Environmentally Aware Fund (Institutional shares)

July 2021 Factsheet

Investment objective
The BlackRock Liquid Environmentally Aware Fund (LEAF℠) seeks as high a level of current income as is consistent with liquidity and preservation of capital while giving consideration to select environmental criteria.

Investment policy
LEAF seeks to achieve its investment objective by investing in a broad range of U.S. dollar-denominated money market instruments, including government, U.S. and foreign bank, and commercial obligations and repurchase agreements. Under normal conditions, this Fund will invest at least 80% of the value of its net assets, plus the amount of any borrowings for investment purposes, in securities whose issuer or guarantor, in the opinion of BlackRock, the Fund’s investment manager, at the time of purchase, meets the Fund’s environmental criteria.

Performance (30-day yield %)⁎, 1

7-day SEC yield as of 7/31/21 was 0.03%2

* Sources: BlackRock, Inc. and JP Morgan.

The investment advisor and/or other service providers for the BlackRock Liquid Environmental Aware Fund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expenses are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements can be discontinued at any time. Without such waivers and reimbursements, which were in effect for all or a portion of the period shown, the 7-day SEC yield would be -0.09%2.

% Net total return3 (6/30/21)

Performance data represents past performance and does not guarantee future results. Yields will vary. Current performance may be lower or higher than the performance data quoted. Please call 800-441-7450 or log on to www.blackrock.com/cash to obtain performance data current to the most recent month-end.

% Maturity distribution (days)

Not FDIC Insured • No Bank Guarantee • May Lose Value

Fund details

| Symbol | LEFXX |
| Size   | $1.215.9 million |
| Inception | April 9, 2019 |
| Strategy | Prime |
| Fund type | Institutional |
| NAV type | Floating |
| Trading Deadline | 3pm (ET) |
| Weighted Average Maturity (WAM)⁶ | 50 days |
| Weighted Average Life (WAL)⁷ | 74 days |
| Moody's Fund Rating | Aaa-mf |
| S&P Fund Rating | AAAm |
| Gross Expense Ratio † | 0.23% |
| Net Expense Ratio † | 0.20% |
| CUSIP # | 09258N182 |
| Portfolio # | 2058/203 |

† Expenses are as of the most current prospectus. Investment dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses are included in the Net. BlackRock may contractually agree to waive or reimburse certain fees and expenses until a specified date. Contractual waivers are terminable upon 90 days’ notice by a majority of the funds non-interested trustees or by a vote of the majority of the outstanding voting securities of the fund. The investment advisor and/or other service providers may also voluntarily agree to waive certain fees and expenses which can be discontinued at any time without notice. When waivers or reimbursements are in place, the operating expenses are reduced and total returns to the shareholder in the fund increase. Please see the prospectus for additional information.

Asset Allocation %‡

<table>
<thead>
<tr>
<th>Portion Allocation</th>
<th>Maturity Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Co. CP</td>
<td>34.3</td>
</tr>
<tr>
<td>CD</td>
<td>17.7</td>
</tr>
<tr>
<td>Non-Negotiable Time Deposit</td>
<td>14.7</td>
</tr>
<tr>
<td>U.S. Gov't Agency Repo</td>
<td>13.1</td>
</tr>
<tr>
<td>Tender Option Bond</td>
<td>7.8</td>
</tr>
<tr>
<td>Asset Backed CP</td>
<td>7.7</td>
</tr>
<tr>
<td>Non-Financial Co. CP</td>
<td>2.2</td>
</tr>
<tr>
<td>U.S. Treasury Debt</td>
<td>1.2</td>
</tr>
<tr>
<td>U.S. Gov't Agency Debt</td>
<td>0.8</td>
</tr>
<tr>
<td>VRDN</td>
<td>0.5</td>
</tr>
</tbody>
</table>

‡ Does not reflect other receivables and payables.
Important Notes

You should consider the investment objectives, risks and expenses of the Funds carefully before investing. The Funds’ prospectuses and, if available summary prospectuses, contain this and other information about the Funds and are available by calling our Client Service Center at 800-441-7450 or by visiting www.blackrock.com/cash. Please read the prospectus carefully before investing.

You could lose money by investing in LEAF. Because the share price of LEAF will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. LEAF may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if LEAF’s liquidity falls below required minimums because of market conditions or other factors. An investment in LEAF is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. LEAF’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to LEAF at any time.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment fund strategy. The opinions expressed may change as subsequent conditions vary.

Average annualized 30-day yields are based on net investment income and distributed gains or losses for the period shown. Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. 2 The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. 3 The fund’s current yield more closely reflects the current earnings of the fund than the total net return quotations. 4 Weighted Average Maturity: Calculated by the final maturity for a security and the interest rate reset date held in the portfolio. This is a way to measure a fund’s sensitivity to potential interest rate changes. 6 Weighted Average Life: Measurement of a fund’s sensitivity to a deteriorating credit environment; potential credit spread changes or tightening liquidity conditions. The WAL calculation is based on a security's stated final maturity date or, when relevant, the date of the demand feature when the fund may receive payment of principal and interest.

All portfolio information provided is as of July 31, 2021 unless otherwise noted, and is subject to change. Ratings by S&P and Moody’s apply to the credit quality of a portfolio and are not a recommendation to buy, sell or hold securities of a Fund, are subject to change, and do not remove market risks associated with investments in the Fund. For complete information on the methodology used by each rating agency, please visit the following websites.


Prepared by BlackRock Investments, LLC, member FINRA
FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com
©2021 BlackRock, Inc. All rights reserved. BLACKROCK, is a trademark of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other marks are the property of their respective owners.
BlackRock Liquidity Funds
FedFund (Institutional shares)

July 2021 Factsheet

Investment objective
FedFund seeks as high a level of current income as is consistent with liquidity and stability of principal.

Investment policy
FedFund invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash.

Performance (30-day yield %)*.1

7-day SEC yield as of 7/31/21 was 0.03%2.

Performance data represents past performance and does not guarantee future results. Yields will vary. Current performance may be lower or higher than the performance data quoted. Please call 800-441-7450 or log on to www.blackrock.com/cash to obtain performance data current to the most recent month-end.

Asset Allocation %4

1-7 8-14 15-30 31-60 61-90 91-120 121-150 > 150

U.S. Treasury Debt 46.0
U.S. Treasury Repo 28.8
U.S. Gov't Agency Debt 15.1
U.S. Gov't Agency Repo 10.1

Fund details
Symbol TFDXX
Size $184,779.0 million
Inception October 1, 1975
Strategy Government
Fund type Institutional
NAV type Constant
Minimum Investment $3 million
Trading Deadline 5pm (ET)
Weighted Average Maturity (WAM)* 42 days
Weighted Average Life (WAL)* 93 days
Standard and Poor’s Aaa
Moody’s Aaa-mf
Gross Expense Ratio † 0.19%
Net Expense Ratio † 0.17%
CUSIP # 09248U700
Portfolio # 30

Effective July 1, 2018, Money Market Funds investing in Government Sponsored Entities (GSE’s) not backed by the full faith and credit of the U.S. Government will no longer be eligible for the U.S. Direct Obligations/Full Faith and Credit Exempt List.

† Expenses are as of the most current prospectus. Investment dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses are included in the Net. BlackRock may contractually agree to waive or reimburse certain fees and expenses until a specified date. Contractual waivers are terminable upon 90 days’ notice by a majority of the fund’s non-interested trustees or by a vote of the majority of the outstanding voting securities of the fund. The investment advisor and/or other service providers may also voluntarily agree to waive certain fees and expenses which can be discontinued at any time without notice. When waivers or reimbursements are in place, the operating expenses are reduced and total returns to the shareholder in the fund increase. Please see the prospectus for additional information.

‡ Does not reflect other receivables and payables.

* Sources: BlackRock, Inc. and JP Morgan.

The investment advisor and/or other service providers for the BlackRock FedFund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expenses are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements can be discontinued at any time.

% Maturity distribution (days)

0 10 20 30 40 50

Not FDIC Insured · No Bank Guarantee · May Lose Value
Important Notes

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment fund strategy. The opinions expressed may change as subsequent conditions vary.

This material must be preceded or accompanied by a prospectus (https://www.blackrock.com/cash/literature/prospectus/pro-brliquidity-institutionalshares-feb.pdf).

1 Average annualized 30-day yields are based on net investment income and distributed gains or losses for the period shown. Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. 2 The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. 3 The fund’s current yield more closely reflects the current earnings of the fund than the total net return quotations. 4 Weighted Average Maturity. Calculated by the final maturity for a security and the interest rate reset date held in the portfolio. This is a way to measure a fund’s sensitivity to potential interest rate changes. 5 Weighted Average Life: Measurement of a fund’s sensitivity to a deteriorating credit environment; potential credit spread changes or tightening liquidity conditions. The WAL calculation is based on a security’s stated final maturity date or, when relevant, the date of the demand feature when the fund may receive payment of principal and interest.

All portfolio information provided is as of July 31, 2021, unless otherwise noted, and is subject to change. Ratings by S&P and Moody’s apply to the credit quality of a portfolio and are not a recommendation to buy, sell or hold securities of a Fund, are subject to change, and do not remove market risks associated with investments in the Fund. For complete information on the methodology used by each rating agency, please visit the following websites.


Prepared by BlackRock Investments, LLC, member FINRA
FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com
©2021 BlackRock, Inc. All rights reserved. BLACKROCK, is a registered trademark of BlackRock, Inc., or its subsidiaries in the United States and elsewhere. All other marks are the property of their respective owners.
Performance
CalTRUST Portfolio Performance | July 31, 2021

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Net Return</th>
<th>1 Month</th>
<th>6 Month</th>
<th>1 Year (Annualized)</th>
<th>2 Year (Annualized)</th>
<th>3 Year (Annualized)</th>
<th>5 Year (Annualized)</th>
<th>10 Year (Annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Liquidity:FedFund Inst</td>
<td>0.00%</td>
<td>0.01%</td>
<td>0.03%</td>
<td>0.57%</td>
<td>1.10%</td>
<td>1.02%</td>
<td>0.53%</td>
<td></td>
</tr>
<tr>
<td>BlackRock Liquidity:Environmentally Aware Fund</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.02%</td>
<td>0.69%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>CalTRUST Liquidity Fund</td>
<td>0.00%</td>
<td>0.02%</td>
<td>0.07%</td>
<td>0.66%</td>
<td>1.23%</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>CalTRUST Short Term Fund</td>
<td>0.01%</td>
<td>0.13%</td>
<td>0.23%</td>
<td>1.31%</td>
<td>1.81%</td>
<td>1.53%</td>
<td>0.99%</td>
<td></td>
</tr>
<tr>
<td>CalTRUST Medium Term Fund</td>
<td>0.13%</td>
<td>0.02%</td>
<td>0.27%</td>
<td>2.29%</td>
<td>2.87%</td>
<td>1.80%</td>
<td>1.32%</td>
<td></td>
</tr>
</tbody>
</table>

Source: caltrust.org, iMoneyNet
CaITrust Investment Guidelines
Guidelines

Exhibit A-2
Short Term Portfolio

1. The Portfolio
   This Short Term Short Duration Portfolio is a separate account managed by the Manager for the Client.

2. Investment Objective
   - Preservation of Principal: Preserve principal to the extent reasonably possible in accordance with the applicable investment strategy by investing only in fixed-income oriented investments authorized herein, and in accordance with an investment strategy designed to preserve capital.
   - Liquidity: Provide liquidity.
   - Income: Provide as high a level of current income as is consistent with preserving principal and maintaining liquidity.
   - Professional Management: Investments are managed by investment professionals that follow both general economic and current market conditions affecting interest rates and the value of fixed-income oriented investments.
   - Diversification: The Portfolio will invest in a diversified portfolio of fixed-income oriented investments of varying maturities.

There can be no assurance that the investment objectives of any particular Program will be achieved.

3. Duration/Maturity Guidelines
   - The Portfolio will be managed to have a targeted duration within 0-2 years.
   - Commercial paper shall have a maximum maturity of 270 days or less
   - Corporates shall have a maximum maturity of 5 years or less
   - Any mortgage pass-through security or collateralized mortgage obligation must have a maximum maturity of 5 years or less

4. Benchmark
   Barclays Short-Term U.S. Government/Corporate Index

5. Eligible Investments, Issuer Concentration and Minimum Credit Criteria

<table>
<thead>
<tr>
<th>Eligible Investments</th>
<th>Issue/Issuer Concentration</th>
<th>Minimum Credit Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasuries</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>General obligation and revenue municipal</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>bonds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Agency and government-guaranteed</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial paper</td>
<td>25% maximum</td>
<td>A-1 or higher</td>
</tr>
<tr>
<td></td>
<td>10% maximum in a single issue</td>
<td></td>
</tr>
<tr>
<td>Negotiable certificates of deposits issued</td>
<td>30% maximum</td>
<td></td>
</tr>
<tr>
<td>by a nationally or state-chartered bank, a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>savings association or federal association</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Guidelines

<table>
<thead>
<tr>
<th>Corporates</th>
<th>30% maximum</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Mortgage pass-through security and commercial pass through security</td>
<td>20% maximum (Allocation to MBS, CMBS and ABS must not exceed 20%)</td>
<td>A or higher issuer rating</td>
</tr>
<tr>
<td>ABS</td>
<td>20% maximum (Allocation to MBS and ABS must not exceed 20%)</td>
<td>AA or higher issuer rating</td>
</tr>
<tr>
<td>United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the:</td>
<td>10% maximum</td>
<td>AA or higher</td>
</tr>
<tr>
<td>-International Bank for Reconstruction and Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-International Finance Corporation,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Inter-American Development Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market Fund</td>
<td>20% maximum</td>
<td>AAA/Aaa</td>
</tr>
</tbody>
</table>

(1) All ratings are at time of purchase.
(2) Securities must be rated by at least one nationally recognized statistical rating organizations (NRSRO), such as Moody's, S&P and Fitch, provided that if an NRSRO does not explicitly rate a security and the NRSRO rates a related asset or program (e.g., the security's issuer or a commercial paper program), the NRSRO's rating of the related asset or program may be attributed to the security. For split rate credits the highest rating will be used to assign a rating.

### 6. Other Investment Practices

**Commercial paper shall meet the following criteria:**

Commercial paper purchased must be on BlackRock's First Tier approved list.

**Negotiable CD's shall meet the following criteria:**

Certificate of deposits purchased must be on BlackRock's First Tier approved list.

**Corporates shall meet the following criteria:**

Yankee bonds are prohibited except for banks.

The Client hereby approves the investment of temporary cash balances into the BlackRock Liquidity Fed Fund. Money market instruments must be rated A-1, P-1, F-1 or better at the time of purchase.

### 7. Reinvestment of Income

The Client hereby approves the investment of temporary cash balances into the BlackRock Liquidity Funds Fed Fund. Money market instruments must be rated A-1, P-1, F-1 or better at the time of purchase.

### 8. Prohibited Practices

- Invest in securities of any issuer in which a Trustee, officer, employee, agent or adviser of CalTRUST is an officer, director or 5% shareholder unless such investment is periodically authorized by resolution adopted by the Board, excluding officers, directors or 5% shareholders of such issuer. All such issuers shall be named in a restricted list which shall be provided by the Client to the Manager. The Manager shall be entitled to rely on such restricted list in order to comply with these Investment Guidelines.
- Purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentality) if, as a result, more than 10% of the total assets in the portfolio would be invested in the securities of any one issuer.
- Borrow or lend
- Invest in financial derivatives
- Invest in inverse floaters, range notes or mortgage-derived, interest-only strips, or in any security that could result in zero interest accrual if held to maturity
- Invest in 144a securities

### 9. Custodian

As selected by the Client
Guidelines

Exhibit A-3
Medium Term Short Duration Portfolio

1. The Portfolio
   - This Medium Term Short Duration Portfolio is a separate account managed by the Manager for the Client.

2. Investment Objective
   - Preservation of Principal: Preserve principal to the extent reasonably possible in accordance with the applicable investment strategy by investing only in fixed-income oriented investments authorized herein, and in accordance with an investment strategy designed to preserve capital.
   - Liquidity: Provide liquidity.
   - Income: Provide as high a level of current income as is consistent with preserving principal and maintaining liquidity.
   - Professional Management: Investments are managed by investment professionals that follow both general economic and current market conditions affecting interest rates and the value of fixed-income oriented investments.
   - Diversification: The Portfolio will invest in a diversified portfolio of fixed-income oriented investments of varying maturities.

There can be no assurance that the investment objectives herein will be achieved.

3. Duration/Maturity Guidelines
   - The Portfolio will be managed to have a targeted duration within 1.5-3.5 years.
   - Commercial paper shall have a maximum maturity of 270 days or less.
   - Corporates shall have a maximum maturity of 5 years or less.
   - Any mortgage pass-through security or collateralized mortgage obligation must have a maximum maturity of 5 years or less.
   - ABS must have a maturity of 5 years or less.
   - Permitted Supra-sovereigns shall have a maximum maturity of 5 years or less.

4. Benchmark
   Merrill Lynch U.S. Corporate & Government 1-3 Years, “A” Rated or Above Index

5. Eligible Investments, Issuer Concentration and Minimum Credit Criteria

<table>
<thead>
<tr>
<th>Eligible Investments</th>
<th>Issue/Issuer Concentration Sector</th>
<th>Maximum/Minimum</th>
<th>Minimum Credit Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasuries</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>General obligation and revenue municipal bonds</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>U.S. Agency and government-guaranteed securities</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>25% maximum</td>
<td>10% maximum in a single issuer</td>
<td>A-1 or higher</td>
</tr>
<tr>
<td>Negotiable certificates of deposit</td>
<td>30% maximum</td>
<td>None</td>
<td>A</td>
</tr>
<tr>
<td>Corporates</td>
<td>30% maximum</td>
<td>None</td>
<td>A or higher issuer rating</td>
</tr>
<tr>
<td>Residential Mortgage pass-through security and commercial pass through security</td>
<td>20% maximum (Allocation to MBS, CMBS and ABS must not exceed 20%)</td>
<td>A or higher issuer rating</td>
<td></td>
</tr>
<tr>
<td>ABS</td>
<td>20% maximum (Allocation to MBS, CMBS and ABS must not exceed 20%)</td>
<td>A or higher issuer rating</td>
<td></td>
</tr>
</tbody>
</table>
Guidelines

<table>
<thead>
<tr>
<th>United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by:</th>
<th>30% maximum</th>
<th>AA or higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>-International Bank for Reconstruction and Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-International Finance Corporation,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Inter-American Development Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market Fund</td>
<td>20% maximum</td>
<td>AAA/Aaa</td>
</tr>
</tbody>
</table>

(3) All ratings are as of time of purchase.
(4) Securities must be rated by at least one nationally recognized statistical rating organizations (NRSRO), such as Moody’s, S&P and Fitch, provided that if an NRSRO does not explicitly rate a security and the NRSRO rates a related asset or program (e.g., the security’s issuer or a commercial paper program), the NRSRO’s rating of the related asset or program may be attributed to the security. For split rate credits the highest rating will be used to assign a rating.

6. Other Investment Practices

Commercial paper shall meet the following criteria:

Commercial paper purchased must be on BlackRock’s First Tier approved list

Negotiable CD’s shall meet the following criteria:

Certificate of deposits purchased must be on BlackRock’s First Tier approved list

Corporates shall meet the following criteria:

Yankee bonds are prohibited except for banks

The Client hereby approves the investment of temporary cash balances into the BlackRock Liquidity Funds FedFund. Money market instruments must be rated A+1, P-1, F+1 or better at the time of purchase.

7. Reinvestment of Income

All investment income of the Portfolio and capital gains, if any, will be added to the assets of the Portfolio, unless otherwise directed by the Client.

8. Prohibited Practices

- Invest in securities of any issuer in which a Trustee, officer, employee, agent or adviser of CalTRUST is an officer, director or 5% shareholder unless such investment is periodically authorized by resolution adopted by the Board, excluding officers, directors or 5% shareholders of such issuer. All such issuers shall be named in a restricted list which shall be provided by the Client to the Manager. The Manager shall be entitled to rely on such restricted list in order to comply with these Investment Guidelines.

- Purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalties) if, as a result, more than 10% of the total assets in the portfolio would be invested in the securities of any one issuer.

- Borrow or lend

- Invest in financial derivatives

- Invest in inverse floaters, range notes or mortgage-derived, interest-only strips, or in any security that could result in zero interest accrual if held to maturity.

Invest in 144a securities

9. Custodian

As selected by the Client

The Client acknowledges that the Manager does not warrant or guarantee any particular level of Account performance, that the Account will be profitable over time, or that the Account’s investment objectives will be achieved.
Guidelines

Exhibit A - Investment Guidelines
CalTrust Liquidity Portfolio

I. Portfolio
The CalTrust Liquidity Portfolio ("the Portfolio") would be a separate account managed by BlackRock Financial Management, Inc., ("BlackRock") for Investment Trust of California db/a CalTrust ("the Client").

II. Investment Objective
- The Portfolio is intended to be a source of funds for current and future operations of CalTrust Participants.
- The objectives of the Portfolio are to:
  - Preserve principal value
  - Meet the Client’s liquidity needs
  - Earn a return that is consistent with these guidelines and market conditions

III. Maximum Maturity Limits and Portfolio Duration Guidelines
- The maximum final maturity of fixed rate securities, and non-U.S. Treasury and Agency floating rate obligations is 397 days from date of acquisition. Floating rate U.S. Treasury and Agency Obligations may have a final maturity of more than 397 days from the date of acquisition.
  - Commercial Paper must mature within 270 days from the date of acquisition
- The Weighted Average Maturity ("WAM") of the portfolio will be 60 days or less. The WAM will be calculated based the final maturity date for fixed rate securities, and the next reset date for floating rate notes.
- The Weighted Average Life ("WAL") of the portfolio will be 120 days or less. The WAL will be calculated based on the final maturity or the date principal and interest may be received through demand of each of the securities held in the portfolio. For securities that trade based on their put date, effective maturity or weighted average life; the put date, effective maturity or weighted average life shall be used instead of the legal final maturity.

IV. Eligible Investments, Issuer Concentration and Minimum Credit Criteria
- The funds will be invested only in fixed income instruments denominated and payable in U.S. Dollars.

<table>
<thead>
<tr>
<th>Eligible Investments</th>
<th>Maximum Exposure</th>
<th>Minimum Credit Criteria (S&amp;P, Moody’s, Fitch) (1,2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury obligations</td>
<td>Up to 100%</td>
<td>N/A</td>
</tr>
<tr>
<td>Obligations explicitly guaranteed by the U.S. Government</td>
<td>Up to 100%</td>
<td>N/A</td>
</tr>
<tr>
<td>Eligible Investments</td>
<td>Maximum Exposure</td>
<td>Minimum Credit Criteria (S&amp;P, Moody’s, Fitch) (1,2)</td>
</tr>
<tr>
<td>Direct Obligations of certain supranational / sovereign debt issuers: International Bank for Reconstruction and Development, International Finance Corp, or Inter-American Development Bank</td>
<td>Up to 20%</td>
<td>A-/VP-1/F-1 (Short Term Rating)</td>
</tr>
<tr>
<td>Commercial paper issued by Domestic institutions, including A/GCP</td>
<td>Up to 25%</td>
<td>A-/VP-1/F-1 (Short Term Rating)</td>
</tr>
<tr>
<td>Certificates of deposit, bankers acceptances and time deposits</td>
<td>Up to 30%</td>
<td>A-/VP-1/F-1 (Short Term Rating)</td>
</tr>
<tr>
<td>Corporate debt issued by Domestic financial institutions or corporations</td>
<td>Up to 30%</td>
<td>A-/VP-1/F-1 (Short Term Rating)</td>
</tr>
<tr>
<td>Asset-backed securities (consumer receivables)</td>
<td>Up to 20%</td>
<td>A-/VP-1/F-1 (Short Term Rating)</td>
</tr>
<tr>
<td>Repurchase Agreements collateralized by U.S. Treasury and Agency Obligations</td>
<td>Up to 100%</td>
<td>A-/VP-1/F-1 (Short Term Rating)</td>
</tr>
<tr>
<td>U.S. Rule 2a-7 Government money market mutual funds</td>
<td>Up to 20%</td>
<td>AAA/Aaa/AAA</td>
</tr>
</tbody>
</table>

(1) All ratings are at time of purchase.
Guidelines

V. Other Investment Practices
BlackRock may purchase securities for the Portfolio on a when-issued basis or for forward delivery.

The portfolio may have a maximum exposure of 5% percent to illiquid investments.
The portfolio will maintain a minimum of 10% in daily liquid assets, and minimum of 30% in weekly liquid assets.
The maximum exposure to non-U.S. Treasury and Agency Obligations is limited to 5% per issuer and 10% maximum exposure to one obligor.
The Portfolio may not invest in 144a securities, including Commercial Paper issued under 3(c)7 or secondary transactions in 4(2) Commercial Paper.

VI. Reinvestment of Income
All investment income of the Portfolio and capital gains, if any, will be added to the assets of the Portfolio, unless otherwise directed by the Client.

VII. Benchmark
Determined after guidelines are finalized.

VIII. Custodian
US Bank

Disclosures related to Government MMFs: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

The Client acknowledges that the Manager does not warrant or guarantee any particular level of Account performance, that an Account will be profitable over time, or that the Account’s investment objectives will be achieved.

Disclosures related to Institutional Prime and Institutional Municipal money market funds (“MMFs”): You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Disclosures related to Retail MMFs: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.
Biographies of Key Investment Professionals
Biographies of key investment professionals

**Rich Mejzak, CFA**, Managing Director, is head of Global Portfolio Management for the Cash Management Group and is the head of BlackRock's Philadelphia office. He is primarily responsible for liquidity and short duration portfolios, including securities lending collateral, mutual funds, separate accounts and ETFs.

Mr. Mejzak’s service with the firm dates back to 1990, including his years with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006.

Mr. Mejzak is a member of the CFA Institute and the CFA Society of Philadelphia. He earned a BS degree in accounting from Villanova University and serves on the Villanova School of Business Finance Department Advisory Council.

**Eric D. Hiatt, CFA, FRM**, Managing Director, is a Portfolio Manager within BlackRock's Cash Management Group. As a member of the Trading & Liquidity Strategy (TLS) team, he contributes to the development and implementation of investment strategy serving as lead portfolio manager for the U.S. Prime funds, Cash Collective Trust Funds and securities lending cash collateral.

Prior to joining BlackRock in 2012, Mr. Hiatt was a Senior Portfolio Manager at Dwight Asset Management Company where he was responsible for generating and directing tactical trading for the money market and ultra-short duration desk. Prior to joining Dwight in 2009, Mr. Hiatt was a Senior Portfolio Manager at Lehman Brothers Asset Management where he spent six years on the Global Cash Management team. Previously, he spent five years as a trader and assistant portfolio manager for Opus Investment Management. Mr. Hiatt began his career as an analyst in the Treasury group for Eastern Enterprises, a utility holding company.

Mr. Hiatt earned a BS in finance from Bentley University and an MBA from Boston College's Carroll School of Management. He is a member of the CFA Institute and the Global Association of Risk Professionals.

**Edward C. Ingold, CFA**, Director and portfolio manager, is a member of the Cash Management team, within BlackRock’s Portfolio Management Group. His primary responsibility is managing US Liquidity Portfolios, including retail and institutional money market funds.

Mr. Ingold assumed his current responsibilities in 2006. Previously, his responsibilities included managing short-term US fixed income portfolios for corporate, financial, and insurance clients. Prior to joining the Cash Management Group, he was a member of BlackRock's Trade Operations Group. Before joining BlackRock in 2001, he was with Alliance Capital Management as an account manager. Mr. Ingold is a member of the New York Society of Security Analysts, the CFA Institute and the CFA Society of Philadelphia.

Mr. Ingold earned a BS degree in business administration from Rowan University in 1994.
**Biographies of key investment professionals**

**Akiva Dickstein**, Managing Director, is Head of Customized Multi-Sector, US Short Duration and co-Head of Global Inflation Linked Portfolios within BlackRock’s Fundamental Fixed Income (FFI) group, and a member of the Global Fixed Income executive team. He is also a portfolio manager of BlackRock’s Core Bond, Low Duration Bond and BGF USD Short Duration Bond Funds and associated separate accounts.

Prior to taking on his current responsibilities, Mr. Dickstein was the lead portfolio manager on BlackRock’s mortgage portfolios. Before joining BlackRock in 2009, Mr. Dickstein spent eight years at Merrill Lynch, where he served as Managing Director and head of the U.S. Rates & Structured Credit Research Group. He was responsible for the team that produced MBS, ABS, CMBS, Treasuries, swaps, and interest rate derivatives research. Mr. Dickstein’s publications on MBS strategy included the weekly Mortgage Investor as well as numerous lengthier articles on topics such as optimal loan modifications, the valuation of credit-sensitive MBS and ABS, and the pricing of mortgage derivatives, options, and pass-throughs. In addition, he developed Merrill’s prepayment models for fixed rate and hybrid MBS. Mr. Dickstein earned a BA degree in economics, summa cum laude, from Yale University in 1990, and an MA degree in physics from Princeton University in 1993.

**Scott MacLellan, CFA, CMT**, Director, is a lead portfolio manager for BlackRock’s US Short Duration fixed income platform within the firm’s Fundamental Fixed Income Group. He is the co-portfolio manager of BlackRock’s Low Duration Bond Fund and the BGF USD Short Duration Bond Fund and associated separate accounts.

Prior to assuming his current responsibilities in 2012, Mr. MacLellan was a member of the Global Client Group, covering Japanese clients. He also served as a product specialist for short duration fixed income products. Previously, Mr. MacLellan spent four years with Nomura BlackRock Asset Management (NBAM), a former joint venture between BlackRock and Nomura Asset Management Co., Ltd, in Tokyo as an account manager. Prior to joining NBAM in 2001, Mr. MacLellan spent a year in the Global Finance and Investment Department of IBJ Leasing in Tokyo.

Mr. MacLellan earned a BS degree, with honours, in economics and international development studies from King’s College in 1997.

**David Chesney**, Managing Director, is a senior portfolio within BlackRock’s Fundamental Fixed Income Group. He focuses on managing Short Duration taxable corporate and financial institutions portfolios.

Mr. Chesney’s service with the firm dates to 1989, including his years with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006. At MLIM, Mr. Chesney was a senior investor responsible for managing institutional short duration fixed income portfolios. Previously, he helped manage the Income Opportunities 1999 & 2000 closed end bond funds and managed two general purpose 2a7 money market funds. Prior to joining MLIM, Mr. Chesney served as a mortgage-backed securities specialist and assistant CMO trader for the Merrill Lynch & Co. debt markets group.

Mr. Chesney earned a BS degree in economics from St. Peter’s College in 1989.
General Disclosures
Important information

Disclosures related to institutional prime and institutional municipal money market funds: You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Disclosures related to retail money market funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Disclosures related to government money market funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

An investor should consider the investment objectives, risks and expenses of the Funds carefully before investing. The Funds’ prospectuses and, if available summary prospectuses, contain this and other information about the Funds and are available by calling our Client Service Center at 800-441-7450 or by visiting www.blackrock.com/cash or www.ishares.com. Please read the prospectus carefully before investing.

Risks specific to Short Term Investment options, including short duration bond funds:
Bonds and bond funds will decrease in value as interest rates rise and are subject to credit risk, which refers to the possibility that the debt issuers will not be able to make principal and interest payments. Narrowly focused investments typically exhibit higher volatility and are subject to greater geographic or asset class risk. Shares of the iShares ETFs trade at market price, which may be greater or less than net asset value. The iShares Bonds™ ETFs (“Funds”) will terminate on or about March 31 of the year in each Fund’s name. An investment in the Fund(s) is not guaranteed, and an investor may experience losses and/or tax consequences, including near or at the termination date. In the final months of each Fund’s operation, its portfolio will transition to cash and cash-like instruments. As a result, its yield will tend to move toward prevailing money market rates, and may be lower than the yields of the bonds previously held by the Fund and lower than prevailing yields in the bond market.
Important information

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The credit quality of a particular security of group of securities may be determined either by BlackRock or a NRSRO and does not ensure the stability or safety of an overall portfolio. In the event a security is unrated by a ratings organization, BlackRock may assign an internal rating for purposes of determining credit quality. Past performance is not indicative of future results.

Forward Looking Information
This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, estimates of yields or returns and proposed or expected portfolio composition. Moreover, where certain historical performance information of other investment vehicles or composite accounts managed by BlackRock and/or its subsidiaries (together, “BlackRock”) has been included in this material and such performance information is presented by way of example only. No representation is made that the performance presented will be achieved, or that every assumption made in achieving, calculating, or presenting either the forward-looking information or the historical performance information herein has been considered or stated in preparing this material. Any changes to assumptions that may have been made in preparing this material could have a material impact on the investment returns that are presented herein by way of example.

This material is not intended to be relied upon as a forecast, research, or investment advice, and is not a recommendation, offer, or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any of these views will come to pass.

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Important information

Index
It is not possible to directly invest in an unmanaged index.

Risk
Investing in the bond market is subject to certain risks including market, interest-rate, issuer, credit and inflation risk. Equities may decline in value due to both real and perceived general market, economic, and industry conditions. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and while generally backed by a government, government-agency, or private guarantor there is no assurance that the guarantor will meet its obligations. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Investors will, at times, incur a tax liability. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested.

BlackRock makes no representations or warranties as to the accuracy or completeness of the information contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by, BlackRock whether as to past or future performance results. Past performance is not indicative or predictive of future performance.

These materials are being provided for informational purposes only and are not intended to constitute tax, legal or accounting advice. You should consult your own advisers on such matters. Additional information is available on request. Information contained herein is believed to be reliable but BlackRock does not warrant its accuracy or completeness. Information contained herein represents BlackRock’s own opinions. There can be no assurance that the investment objectives of any strategy referred to herein will be achieved. An investment in any strategy referred to herein involves a high degree of risk, including the risk that the entire amount invested may be lost.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.
Agenda Item: 8. Consider Liquidity Fund Yield Floor

Action Item

Presented By: Laura Labanieh & Ron Hill

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.

In March 2021, the CalTRUST Board of Trustees entered into a temporary fee adjustment with BlackRock to reduce their Liquidity Fund fees an additional two basis points and adjust the yield floor on the fund to five basis points. This adjustment was made as Government Funds were outyielding the Liquidity Fund. This adjustment was made for a temporary 90 days.

In May 2021, the CalTRUST Board of Trustees held their 90-day review and adjusted the yield floor on the fund back to three basis points, as yields again began to decrease. The yield floor is due to be reviewed again at this meeting.

Based on the waivers and the additional BlackRock fee adjustment, a gross yield of at least 11.2 basis points (this number has slight fluctuations depending on actual assets in the fund) is necessary to maintain the three basis points floor without additional waivers.

Based on current market conditions and the performance of the fund since June, the three basis points yield floor remains appropriate. Fee waivers continue to be implemented each month. Average daily gross yields the last three months have been as follows:

- June: 12.7 bps
- July: 12.6 bps
- August: 11.7 bps

The existing Fee Waiver Policy is attached for reference. Please note that the additional two basis points BlackRock reduction is separate from the actual policy.

RECOMMENDATION:
It is recommended that the Board maintain the yield floor on the Liquidity Fund at three basis points and keep the additional two basis points BlackRock fee reduction in place.
Agenda Item: 9. Consider Revised Investment Policy  
Action Item

Presented By: Laura Labanieh & Investment Committee

BACKGROUND:
The CalTRUST Investment Policy was last updated on April 17, 2019. This year, a makeover of the CalTRUST Investment Policy was done in alignment with having it conform to the standards for certification by the California Municipal Treasurers Association (CMTA).

Attached is the draft of the revised Investment Policy. Black text indicates language directly copied from the current Investment Policy, purple text indicates slight changes made from the current policy text, green text indicates language that was copied over directly from the CalTRUST JPA agreement or Information Statement, and blue text indicates new language.

On August 11th, the Investment Committee met, along with BlackRock’s Ludwig Marek, to review, discuss, and provide feedback on the draft agreement.

While the original plan was to submit the Policy to CMTA for their certification, after conversations with CMTA that will no longer take place as they do not want it to seem that they are offering any sort of endorsement of CalTRUST by having our Policy go through their process.

RECOMMENDATION:
It is recommended that the Board adopt the revised Investment Policy.
INVESTMENT TRUST OF CALIFORNIA
doing business as
CalTRUST

A JOINT POWERS AUTHORITY

INVESTMENT POLICY

FOR THE SHARES PROGRAM

EFFECTIVE AS OF:

FEBRUARY 24, 2005
(Updated April 17, 2019 September 15, 2021)

1100 K STREET, SUITE 101 SACRAMENTO, CALIFORNIA 95814 TEL (833) 225-8787
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INVESTMENT POLICY FOR THE CalTRUST SHARES PROGRAM

I. INTRODUCTION AND SCOPE

The following are the investment objectives, policies and restrictions (collectively, the “Investment Policy”) for each of the three separately managed programs (each, a “Series”) within the investment program offered by Investment Trust of California, doing business as CalTRUST (“CalTRUST”), whereby participants (“Participants”) invest in shares issued by CalTRUST (the “Shares Program”).

The three Programs of the Shares Program are the “CalTRUST Liquidity Fund” Series (the “Liquidity Fund”), the “CalTRUST Short-Term Fund” Series (the “Short-Term Fund”), and the “CalTRUST Medium-Term Fund” Series (the “Medium-Term Fund”).

All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Information Statement for the Shares Program (the “Information Statement”) or the Joint Exercise of Powers Agreement (the “Agreement”). The Information Statement and Agreement provide further detailed information about the Shares Program and CalTRUST Participants should read them both carefully prior to participating in the Shares Program.

II. PURPOSE

CalTRUST is a California joint powers authority and public agency established under the provisions of Title 1, Division 7, Chapter 5 of the California Government Code (the “Joint Exercise of Powers Act”), to provide Public Agencies with consolidated investment activities thereby reducing duplication, achieving economies of scale and carrying out coherent and consolidated investment strategies.

III. WHO MAY INVEST

Each Participant must be: (1) a California “Public Agency” as that term is defined in Section 6509.7 of Title 1, Division 7, Chapter 5 of the California Government Code (the “Joint Exercise of Powers Act”), which, as of the date hereof, is defined as “the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of the State of California or another state, or any joint powers authority formed pursuant to [article 1 of the Joint Exercise of Powers Act] by any of these agencies,” and includes “a nonprofit corporation whose membership is confined to public agencies or public officials;” and (2) either the United States, a State, or any political subdivision of a State, or any agency, authority or instrumentality of any one or more of the foregoing, or any corporation which is wholly owned directly or indirectly by any one or more of the foregoing, as those terms are used in the Investment Company Act of 1940, as amended.

IV. PERFORMANCE STANDARDS AND SERIES BENCHMARKS

The investment portfolios shall be designed with the objective of obtaining a market rate of return throughout economic cycles, commensurate with the investment risk constraints and liquidity needs of participants, always aligned with the focus on preservation of capital, liquidity, and yield.

The performance benchmarks for the Liquidity Fund, Short-Term Fund, and Medium-Term Fund are specified below:
Liquidity Fund: Three Month Treasury Bill
Short-Term Fund: Local Agency Investment Fund
Barclays Short-Term U.S. Government/Corporate Index
Medium-Term Fund: Merrill Lynch U.S. Corporate & Government 1-3 Years, “A” Rated or Above Index

V. FIDUCIARY RESPONSIBILITY

The California Government Code, Section 53600.3 defines the prudent investor standard to which the CalTRUST Board of Trustees and staff applies in the context of managing the CalTRUST funds. This standard requires 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. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

VI. INVESTMENT OBJECTIVES

By purchasing Shares in any Series, the Investment Advisor seeks to adhere to the following objectives:

- **Preservation of Principal.** Preserve principal to the extent reasonably possible in accordance with the applicable investment strategy by investing only in fixed-income oriented Authorized Investments, and in accordance with an investment strategy designed to preserve capital.

- **Liquidity.** Provide liquidity so that Participants have ready access to their Shares to the extent described in this Information Statement.

- **Income.** Provide as high a level of current income in each Series as is consistent with preserving principal and maintaining liquidity.

- **Professional Management.** Investments are managed by investment professionals that follow both general economic and current market conditions affecting interest rates and the value of fixed-income oriented investments

- **Diversification.** Each Participant in a Series will own Shares in a diversified portfolio of high-quality securities.

- **Accounting, Safekeeping and Separate Series.** The Participants’ investments are accounted for in compliance with governmental accounting and auditing requirements, and Participants will be provided with all necessary information to do the bookkeeping and safekeeping associated with the ownership of the Shares. Participants will have secure online access to their accounts, as well as being provided with monthly statements.

*There can be no assurance that the investment objectives of any particular Program will be achieved.*

VII. DELEGATION OF AUTHORITY

Per the CalTRUST JPA, the CalTRUST Board of Trustees delegates the authority to invest or reinvest funds of the JPA, or to sell or exchange securities so purchased, to a third-party Investment Manager. The Investment Manager
shall be selected through a Request for Proposals process. Any investment manager retained by CalTRUST shall meet all of the criteria set forth in Section 6509.7 of the Act, as such provision may be amended from time to time, which, as of the date hereof, requires that:

- the investment manager shall be registered or exempt from registration with the Securities and Exchange Commission;
- the investment manager shall not have less than five (5) years of experience investing in the securities and obligations authorized by the Law; and
- the investment manager shall have assets under management in excess of five hundred million dollars ($500,000,000).

CalTRUST may exercise broad discretion in allowing the Investment Manager to administer and regulate the operations of the Shares Program, to act as agent for CalTRUST, to execute documents on behalf of CalTRUST, and to make decisions which conform to general policies and general principles established by CalTRUST. In furtherance of the Shares Program, CalTRUST may authorize the Investment Manager to effect purchases, sales, loans or exchanges of securities of CalTRUST on behalf of CalTRUST or may authorize any officer, employee or Trustee to effect such purchases, sales, loans or exchanges pursuant to recommendations of the Investment Manager, all without further action by CalTRUST. Any such purchases, sales, pledges and exchanges shall be deemed to have been authorized by CalTRUST.

VIII. ETHICS AND CONFLICTS OF INTEREST

Trustees, officers, and staff members involved in the investment activity shall refrain from personal business activity that could conflict with proper execution and management of the policy and the investment program, or which could impair their ability to make impartial decisions. All Trustees and specified staff positions must annually file a Form 700 (Statement of Economic Interests) in accordance with the JPA’s Conflict-of-Interest Code and governing laws.

IX. AUTHORIZED INVESTMENTS

The Shares purchased by the Investment Advisor will be comprised exclusively of the following investments (the “Authorized Investments”). These investments are authorized investments under the California Government Code, as may be amended from time to time, for money not required for the immediate needs of Local Agencies. The California Government Code limits the amount of surplus money of a Local Agency which may be invested in certain of the investments described below. Each Participant shall be responsible for monitoring the aggregate amount of its investments in any of these kinds of investments, to assure its own compliance with the California Government Code. None of the Investment Advisor, the Administrator or CalTRUST shall be responsible for such monitoring. The Board may revise this Investment Policy from time to time subject to Section 4.2(a) of the Agreement. Pursuant to the Agreement, the Board shall cause the amended Investment Policy to be delivered to each Participant. The Investment Policy may additionally be administratively revised to reflect updates to California Government Code.

1) Unites States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

2) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

3) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
4) 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 the other 49 states, in addition to California.

5) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

6) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days’ maturity or 40 percent of the assets in a Series. However, no more than 30 percent of the assets in a Series may be bankers acceptances of any one commercial bank.

7) Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (“NRSRO”). The entity that issues the commercial paper shall meet all of the following criteria in either clause (a) or (b): (a)(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 “A” or higher, without gradation, by an NRSRO; or (b)(i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond and (iii) has commercial paper that is rated “A-1” or higher, without gradation, or the equivalent, by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 25 percent of the assets in a Series may be eligible commercial paper. No more than 10 percent of the assets in a Series may be outstanding commercial paper of any single issuer. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased for a Series.

8) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the assets in a Series. Purchases shall not exceed the equity of any depository bank. Shareholder's equity shall be determined in accordance with Section 118 of the California Financial Code, but shall be deemed to include capital notes and debentures. Purchases shall not exceed the total of the net worth of any savings association or federal association, except that deposits not exceeding a total of five hundred thousand dollars ($500,000) may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law. Purchases of negotiable certificates of deposit from any regularly chartered credit union shall not exceed the total of the unimpaired capital and surplus of the credit union, as defined by rule of the California Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding five hundred thousand dollars ($500,000) may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the California Financial Code or are secured as required by law. Purchases of negotiable certificates of deposit issued by a state or federal credit union are prohibited if a member of the CalTRUST Board of Trustees, or any person with investment decision making authority for CalTRUST, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

9) Investments in repurchase agreements of Authorized Investments as long as the agreements are subject to the requirements of California Government Code Section 53601(j), including the delivery requirements specified in California Government Code Section 53601(j). “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery. Investments in repurchase agreements may be made, on any Authorized Investments, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement may not exceed one year. The market value of securities that underlay a repurchase agreement does not exceed one year. The market value of securities that underlay a repurchase agreement does not exceed one year.
agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

10) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subsection shall be rated “A” or better, without gradation, by a nationally recognized rating service. Purchases of medium-term notes (not including other Authorized Investments) may not exceed 30 percent of the assets in a Series.

11) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Such companies shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subsection shall not include any commission that the companies may charge and shall not exceed 20 percent of the assets in a Series.

12) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted

13) Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Securities eligible for investment under this subsection shall have an “AA” or higher rating, without gradation, for the issuer’s debt as provided by a nationally recognized rating service and rated in a rating category of “AA” or its equivalent or better, without gradation, by a nationally recognized rating service and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subsection may not exceed 20 percent of the assets in a Series.

14) 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 “AA”, without gradation, or better by an NRSRO and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

Funds invested through a Series will be invested by the Investment Advisor in accordance with the prudent investor standard of the California Government Code. Any investments consisting of notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants shall be legal investments for savings banks in the State. Funds invested through a Series will not be invested in any inverse floaters, range notes or mortgage-derived, interest-only strips, or in any security that could result in zero interest accrual if held to maturity.
X. DURATION AND DIVERSIFICATION

Each Series seeks to attain as high a level of current income as is consistent with the preservation of principal. Each Series will invest in only fixed-income oriented Authorized Investments. The Short-Term Fund seeks a target portfolio duration of 0 to 2 years. The Medium-Term Fund seeks a target portfolio duration of 1 ½ to 3 ½ years. The Long-Term Fund seeks a target portfolio duration of 5 to 7 years. The Liquidity Fund will have a maximum portfolio duration weighted average maturity of 60 days and a maximum weighted average life of 120 days.

Each Series will invest in a diversified portfolio of fixed-income oriented investments of varying maturities with a different portfolio “duration.” Duration is a measure of the expected life of a fixed-income oriented investment that was developed as a more precise alternative to the concept of “term to maturity.” Duration incorporates a bond’s yield, coupon interest payments, final maturity, call and put features and prepayment exposure into one measure. Traditionally, a fixed-income oriented investment’s “term to maturity” has been used to determine the sensitivity of the investment’s price to changes in interest rates (which is the “interest rate risk” or “volatility” of the investment). However, “term to maturity” measures only the time until a fixed-income oriented investment provides its final payment, taking no account of the pattern of the investment’s payments prior to maturity. Duration is used in the management of Series as a tool to measure interest rate risk. For example, a Series with a portfolio duration of two years would be expected to change in value 2% for every 1% move in interest rates.

XI. INVESTMENT RESTRICTIONS

The Board has adopted the following investment restrictions for the Shares Program, which may not be changed in a material way by the Board, except as may be required by applicable law, without the approval of the Participants holding a majority of the Shares in the affected Series. Funds invested through a Series will not be used to:

1) Purchase any securities other than those described under “Authorized Investments,” unless California law at some future date redefines the types of securities which are legal investments for all classes of Participants, in which case the permitted investments for the Series may be changed by the Board to conform to California law.

2) Invest in securities of any issuer in which a Trustee, officer, employee, agent or adviser of CalTRUST is an officer, director or 5% shareholder unless such investment is periodically authorized by resolution adopted by the Board, excluding officers, directors or 5% shareholders of such issuer.

3) Make loans, except that repurchase agreements may be entered into as specified under “Authorized Investments.”

4) Borrow money or pledge, hypothecate or mortgage the assets in a Series or otherwise engage in any transaction that has the effect of creating leverage with respect to a Series; provided, however, that short-term credits necessary for the settlement of securities trades may be used, and forward purchases and sales of securities that are expected to settle beyond a normal “T+3” basis may be entered into.

5) Purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than 10% of the total assets in a series would be invested in the securities of any one issuer.

XII. COLLATERALIZATION

CalTRUST does not partake in investment activities that require collateralization by the JPA.
XIII. **APPLICATION OF PERCENTAGES**

Any percentage limitation or rating requirement described in this Investment Policy will be applied at the time of purchase.

XIV. **OVERSIGHT AND DUE DILIGENCE**

The Investment Committee shall receive and review all investment holdings on a quarterly basis. The following information shall be required in each quarterly investment portfolio report:

- Listing of individual securities held at the end of the reporting period;
- Rating of each individual securities;
- Percentage of portfolio by investment type;
- Investments stated rate and book value;
- Average rate of return;
- Maturity aging by type of investment; and
- Market value of securities.

Holdings shall be updated on the public website, at minimum, semi-annually. Statements shall be provided to participants by 5pm PT the first business day of the following month. Performance reports shall be provided to participants and on the website by 5pm PT on the fifth business day of the following month.

In-depth due diligence meetings with the Investment Manager shall be conducted by the Investment Committee at least once annually. The Investment Manager shall present holdings and current strategy to the Board of Trustees at least twice annually.

XV. **REPORTING**

In the event that a Portfolio investment is downgraded below the minimum mandated credit quality guidelines, the Investment Manager shall notify CalTRUST and provide an evaluation and a plan of action within five (5) business days.

XVI. **SAFEKEEPING AND CUSTODY**

Securities will be held by an independent third-party custodian selected by the JPA as evidenced by safekeeping receipts in the JPA’s name and monthly reports from the custodian. Any custodian retained by the JPA shall meet the following criteria:

- the custodian shall be a bank or trust company, in good standing, duly authorized to exercise trust powers and subject to supervision or examination by a federal or state banking authority; and
- the custodian shall have combined capital and surplus in excess of fifty million dollars ($50,000,000).

Notwithstanding the foregoing, a custodian that does not meet the requirement of clause (ii) above may be retained as the custodian for CalTRUST if its obligations under the Custody Agreement are guaranteed by an Affiliate which meets all of the qualifications set forth above, and such guaranty is acceptable in form and substance to the JPA.

XVII. **INTERNAL CONTROLS**

A system of internal controls to ensure compliance with investment policies and procedures of the JPA and the California Government Code are established in conjunction with the Investment Manager, Custodian and Transfer
Agent/Recordkeeper. The controls are reviewed annually through an independent audit of the funds conducted by a third-party auditor.

XVIII. INVESTMENT POLICY REVIEW

The investment policy shall be reviewed annually by the Investment Committee and Board of Trustees. The Board shall take action annually to either amend or reaffirm the Investment Policy.
XIX. GLOSSARY

ACCRUED INTEREST – Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

AGENCY ISSUES – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

ASSET-BACKED SECURITY (ABS) – A financial security backed by a loan, lease, or receivables against assets other than real estate and mortgage-backed securities.

COLLATERALIZATION – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT – An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER – Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

COUPON – The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY – An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

CREDIT RATING – A standardized assessment, expressed in alphanumeric characters, of a company’s creditworthiness.

CREDIT RISK – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DIVERSIFICATION – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY – The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION – Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

GOVERNMENT OBLIGATIONS – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE’S) – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include:
ILLIQUID – A security that is difficult to buy or sell or has a widespread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

INVERSE FLOATERS – Floating rate notes that pay interest in inverse relationship to an underlying index.

LIQUID – A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

LOCAL AGENCY OBLIGATION – An indebtedness issued by a local agency, department, board, or authority within the State of California.

MARKET VALUE – An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

PAR – The stated maturity value, or face value, of a security.

PASS-THRU SECURITIES – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond.

PORTFOLIO VALUE – The total book value amount of all the securities held in each fund.

PRIMARY DEALER – A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

PRIVATE PLACEMENTS – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

RANGE NOTES – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

REPURCHASE AGREEMENT – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor, the other is the commitment by the seller (i.e., a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT – The mirror image of Repurchase Agreements.

SAFEKEEPING – A custodian bank's action to store and protect an investor’s securities by segregating and identifying the securities.
SECURITIES LENDING – A transaction wherein the pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SPECIAL PURPOSE ENTITY (or TRUST) - A legally separated pass-through entity, trust or equivalent that makes its obligation secure and independent from the parent entity. This term is used to define purchase of Asset-Backed Securities at either the depositor or master trust level.

TOTAL RETURN – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

WHEN-ISSUED SECURITIES – A security traded before it receives final trading authorization with the investor receiving the certificate/security only after the final approval is granted.

YIELD – The gain, expressed as a percentage that an investor derives from a financial asset.

YIELD TO MATURITY – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.
Agenda Item: 10. Ultimus Update
Information Item

Presented By: Katie Yockey & Ian Martin

BACKGROUND:
Background materials attached.

Staff has reached out individually to all agencies that utilize the manual transaction form and is actively conducting individual training meetings on the online platform.

RECOMMENDATION:
Information only.
PARTICIPANT DATA
Totals as-of 08/31/2021; New/Closed for the period 03/01/2021 – 08/31/2021

<table>
<thead>
<tr>
<th>Fund Number</th>
<th>Fund Name</th>
<th>Total Participant Sub-Accounts</th>
<th>New Participant Sub-Accounts</th>
<th>Participant Sub-Accounts Closed</th>
<th>Average Assets Per Sub-Account</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>CalTRUST Short Term Fund</td>
<td>113</td>
<td>0</td>
<td>0</td>
<td>$ 9,965,406.19</td>
<td>$ 1,126,090,899.99</td>
</tr>
<tr>
<td>202</td>
<td>CalTRUST Medium Term Fund</td>
<td>101</td>
<td>2</td>
<td>2</td>
<td>$ 9,608,948.06</td>
<td>$ 970,503,754.05</td>
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<tr>
<td>206</td>
<td>CalTRUST Liquidity Fund</td>
<td>17</td>
<td>1</td>
<td>1</td>
<td>$ 7,995,549.80</td>
<td>$ 135,924,346.57</td>
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<tr>
<td>204</td>
<td>BlackRock FedFund</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>$ 6,183,683.09</td>
<td>$ 86,571,563.25</td>
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<tr>
<td>207</td>
<td>BlackRock LEAF</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>$ 7,226,364.56</td>
<td>$ 28,905,458.25</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>249</td>
<td>3</td>
<td>3</td>
<td></td>
<td>$ 2,347,996,022.12</td>
</tr>
</tbody>
</table>

08/31/2021 Total Unique Entities = 139

FUND ASSET DATA
Month-End Totals through 08/31/2021

<table>
<thead>
<tr>
<th>Month Ending</th>
<th>CalTRUST Short Term Fund</th>
<th>CalTRUST Medium Term Fund</th>
<th>CalTRUST Liquidity Fund</th>
<th>BlackRock FedFund</th>
<th>BlackRock LEAF</th>
<th>Total</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2021</td>
<td>$1,131,072,767.26</td>
<td>$793,144,831.99</td>
<td>$127,373,381.12</td>
<td>$34,541,683.97</td>
<td>$37,420,874.60</td>
<td>$2,123,553,538.93</td>
<td>$8,129,995.27</td>
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<tr>
<td>4/30/2021</td>
<td>$1,150,328,625.06</td>
<td>$852,325,919.76</td>
<td>$209,543,687.27</td>
<td>$52,908,148.90</td>
<td>$37,547,799.24</td>
<td>$2,302,654,180.22</td>
<td>$179,100,641.29</td>
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<tr>
<td>5/31/2021</td>
<td>$1,305,706,942.56</td>
<td>$851,942,886.85</td>
<td>$159,560,905.50</td>
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<td>$37,548,173.06</td>
<td>$2,466,018,029.74</td>
<td>$163,363,849.51</td>
</tr>
<tr>
<td>6/30/2021</td>
<td>$1,234,793,532.31</td>
<td>$950,452,727.34</td>
<td>$118,796,114.83</td>
<td>$103,010,329.04</td>
<td>$37,548,534.90</td>
<td>$2,444,601,238.41</td>
<td>$(21,416,791.32)</td>
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<tr>
<td>7/31/2021</td>
<td>$1,146,063,987.81</td>
<td>$949,972,479.04</td>
<td>$82,810,609.17</td>
<td>$41,711,455.05</td>
<td>$37,548,908.70</td>
<td>$2,258,107,439.77</td>
<td>$(186,493,798.65)</td>
</tr>
<tr>
<td>8/31/2021</td>
<td>$1,126,090,899.99</td>
<td>$970,503,754.05</td>
<td>$135,924,346.57</td>
<td>$86,571,563.25</td>
<td>$28,905,458.25</td>
<td>$2,347,996,022.12</td>
<td>$(89,888,582.35)</td>
</tr>
<tr>
<td>Overall Change</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$224,442,483.19</td>
<td></td>
</tr>
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</table>

ULTIMUS/CALTRUST WORK ITEM DATA
For the period between 03/01/2021 – 08/31/2021

<table>
<thead>
<tr>
<th></th>
<th>Number of Participant Wires</th>
<th>Toll-Free Phone Calls Answered</th>
<th>Audit Requests Completed</th>
<th>Transactions Processed</th>
<th>Total Work Items Processed</th>
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</thead>
<tbody>
<tr>
<td>CalTRUST</td>
<td>197</td>
<td>38</td>
<td>127</td>
<td>398</td>
<td>1399</td>
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</table>
**TRANSACTION DATA**
For the period between 03/01/2021 – 08/31/2021

<table>
<thead>
<tr>
<th>Fund Number</th>
<th>Fund Name</th>
<th>Number of Subscriptions</th>
<th>Average Subscription Size</th>
<th>Number of Redemptions</th>
<th>Average Redemption Size</th>
<th>Total Wires Sent</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>CalTRUST Short Term Fund</td>
<td>56</td>
<td>$5,515,727.70</td>
<td>88</td>
<td>$5,269,522.37</td>
<td>463,719,968.30</td>
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<tr>
<td>202</td>
<td>CalTRUST Medium Term Fund</td>
<td>35</td>
<td>$11,685,739.35</td>
<td>19</td>
<td>$4,640,495.17</td>
<td>88,169,408.30</td>
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<tr>
<td>206</td>
<td>CalTRUST Liquidity Fund</td>
<td>58</td>
<td>$11,346,410.78</td>
<td>57</td>
<td>$11,261,095.25</td>
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<tr>
<td>204</td>
<td>BlackRock FedFund</td>
<td>49</td>
<td>$11,544,878.47</td>
<td>52</td>
<td>$9,802,010.74</td>
<td>509,704,558.45</td>
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<tr>
<td>207</td>
<td>BlackRock LEAF</td>
<td>4</td>
<td>$2,331,608.68</td>
<td>3</td>
<td>$5,947,880.02</td>
<td>17,843,640.06</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td>202</td>
<td></td>
<td>219</td>
<td></td>
<td>$1,721,318,004.21</td>
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</table>

**ONLINE PORTAL TRANSACTION DATA**
For the period between 03/01/2021 – 08/31/2021

<table>
<thead>
<tr>
<th>Customer Name</th>
<th>Account Registration</th>
<th>Manual Entry</th>
<th>Online Portal</th>
<th>Total Trades</th>
<th>% of Trades Placed Online</th>
<th>% of Trades Placed Online (last period)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOLANO COUNTY</td>
<td>SOLANO COUNTY TREASURER TAX COLLECTOR - COUNTY CLERK</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>100.00%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>GPS/CVB</td>
<td>GREATER PALM SPRINGS CONVENTION &amp; VISITORS BUREAU</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>100.00%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>RTA LCTOP OPERATING FY20</td>
<td>RTA LCTOP OPERATING FY20</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>100.00%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>OILDALE MUTUAL WATER COMPANY</td>
<td>OILDALE MUTUAL WATER COMPANY</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>100.00%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>LEAGUE OF CA CITIES-CAPITOL ASSET</td>
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| Grand Total                        | 123 | 300 | 423 | 70.92% | 76.52% | -5.60% |
Agenda Item: 12. Shareholder Services & Outreach Update Information Item

Presented By: Laura Labanieh

BACKGROUND:
CalTRUST has brought on three new participants in the last month, including our first CSU! We are excited to have welcomed CSU Channel Islands, El Dorado County, and San Bernardino County. Conversations are ongoing with multiple prospect agencies as well.

On September 9th, we held our Market Risk and the Current Environment webinar, attracting 65 registrants and 48 actual attendees.

We will be scheduling another webinar for October to discuss the market again and the impact of higher rates on fixed income securities and funds that invest in fixed income securities. To round out the calendar year, we will aim to hold our final webinar of the year November or early December with another Coffee with CalTRUST.

Associations are returning to in-person conferences this summer/fall and we have a number on the horizon where CalTRUST has, or will be, exhibiting or attending including:

- California Special Districts Association (Aug 30 – Sept 1)
- Government Investment Officers Association (Sept 8-10)
- League of California Cities (Sept 22-24)
- California Association of County Treasurers and Tax Collectors Education Conference (October 5-8)
- Public Funds Forum (Oct 26-28)
- California Transit Association (Nov 2-4)
- Association of Finance Professionals (Nov 7-10)
- Association of California Water Agencies (Nov 30-Dec 2)

RECOMMENDATION:
Information only.
Agenda Item: 13. Consider Revised FY 21-22 Budget
Action Item

Presented By: Laura Labanieh

BACKGROUND:
Attached are the FYE 21 year-end actuals, the adopted FYE 22 budget, a proposed revised FYE 22 budget, and a draft preview of the FYE 23 budget.

FYE 21 actuals were better than budgeted revenue projections with net excess revenue of $2,731, to be transferred to reserves.

The proposed budget for FY 21-22 includes two changes; a correction to the budgeted CSAC Finance Corporation fee as it had been erroneously overstated in the adopted budget, as well as an increase to the Salaries & Benefits line item. This increase is partly due to the revelation that CSAC/CSAC Finance Corporation will not be able to provide the benefits administration to our new CalTRUST employees so we may have variations from the predicted costs of employment.

Since FY 21-22 is a transition year where we will only realize increased operating revenue for six months of the year, I have provided a preview of a draft FY 22-23 budget as well to illustrate that our net revenues will normalize to the positive when we are past this transition year. This draft is included to provide additional context and no action is requested on the FY 22-23 budget.

RECOMMENDATION:
It is recommended that the Board approve the revised budget for FY 21-22.
## CalTRUST Budget

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Agenda Item: 14. Consider CalTRUST Benefits & Personnel Policies

Action Item

Presented By: Laura Labanieh

a. Establishment of Benefits

BACKGROUND:
The adoption of the new Intellectual Property License, Royalty, and Services Agreement with the CSAC Finance Corporation included “Payroll and Benefits Administration” for CalTRUST employees. Under this scenario, it was assumed that the existing CSAC/CSAC Finance Corporation benefits programs would be provided to CalTRUST employees. On August 25th, I was informed that due to CSAC policies, they would not allow new CalTRUST employees to access the San Bernardino County Employees Retirement Association (SBCERA) defined benefit program through CSAC and therefore we would be required to establish our own retirement program relationship. Further, this change inherently affects the ability to access the rest of the suite of benefits through CSAC as CSAC would need to be the employer of record in order to do so; which would not be possible with CalTRUST having to be the employer of record for the purpose of the retirement program. This shift means that it is necessary for CalTRUST to establish our own personnel services and benefits including workers compensation, medical, dental, vision, group life, and long-term disability insurances as well as a retirement, flexible spending account, and employee assistance programs.

I immediately started reaching out to find a solution including submitting the preliminary CalPERS application necessary to begin a conversation with CalPERS, having a conversation with the SBCERA management team, and having a conversation with Public Agency Retirement Services (PARS) regarding the defined benefit piece of the puzzle as that is the most complex and takes the longest amount of time to establish.

I have initiated conversations with the Golden State Risk Management Authority (GSRMA) regarding accessing their workers compensation, medical, dental, and vision programs.

At this time, I am actively researching options for the remaining benefit programs.

Aside from the defined benefit program, the establishment of benefits should be able to be accomplished in a relatively efficient manner of time.

In order to make timely decisions, I would recommend that President Colville appoint an Ad Hoc Committee for the purpose of working with me to shape the retirement benefit.
RECOMMENDATION:
It is recommended that the Board authorize the Chief Executive Officer to establish CalTRUST benefits and programs including workers compensation, medical, dental, vision, group life, and long-term disability insurances as well as a flexible spending account and an employee assistance program.

It is further recommended that Board delegate the authority to structure a retirement benefit offering to an Ad Hoc Retirement Benefits Committee and the Chief Executive Officer.

b. Personnel Policies

BACKGROUND:
Attached are Payroll, Employee Benefit, Employee Conduct, and COVID Vaccine policies to establish our CalTRUST Employee Handbook. Per the item above, items highlighted in the yellow in the Employee Benefit policy will need to be updated once specific benefits are established.

RECOMMENDATION:
It is recommended that the Board adopt the policies as presented and authorize the Chief Executive Officer to make updates as necessary to the specifics that are pending confirmation.
WORK SCHEDULES AND PAYROLL PROCEDURES

DEFINITIONS

Full-Time Employees

Full-time employees are those who normally work the number of hours that constitute a full workweek - 40 hours per week. Full-time employees are eligible for all benefits described herein for which they qualify.

Part-Time Employees

Part-time employees are those who normally work at least 20 hours per week on a regularly scheduled basis. Part-time employees may earn sick leave and vacation benefits in proportion to the number of hours worked. Similarly, part-time employees receive applicable holiday wages equivalent to the hours normally worked on that day. Except for vacation and holiday wages, and possible retirement benefits, part-time employees are not eligible to participate in any other benefits described herein absent a written agreement to the contrary.

Temporary Employees

Temporary employees are those who are employed only for a specific project, for a specific period. Temporary employees are not eligible for any of the benefits described herein absent a written contract to the contrary.

Exempt and Nonexempt (Hourly) Employees

Exempt employees are those in executive, administrative, and professional positions who meet the criteria established by state and federal law and who are exempt from overtime pay provisions. All other employees are classified as nonexempt (hourly) and are eligible for overtime pay as provided herein.

WORK SCHEDULES

Regular Workweek and Workday

The official CalTRUST workweek is 40 hours and consists of five eight-hour days. The CalTRUST office is open from 8:30 a.m. to 5:00 p.m., Monday through Friday. The official pay period is Monday, 12:01 a.m. through Sunday, midnight. To ensure sufficient office coverage during business hours, each employee will coordinate hours of work, lunch periods, and rest periods with his or her immediate supervisor.
Flexible Schedule

The following principles shall be considered prior to approval of a "flexible schedule":

- All flex schedules require the written approval of the Chief Executive Officer or designee.
- Flex schedules may be approved provided they do not interfere with or inhibit the business needs of CalTRUST including, but not limited to, provision of services to clients and other employees during business hours.
- Flex schedules that would create overtime obligations, for non-exempt employees, (e.g., working a 10-hour day) shall not be approved.
- Flex schedules may be discontinued at any time at the discretion of the CEO, or designee.

Remote Work Policy

All policies relating to flexible schedules (above) shall apply to remote work, in addition to the following:

- Any purchase of equipment, any use of existing CalTRUST equipment, and any reimbursement for costs associated with remote work must receive prior approval of the CEO.
- The agreement between the CEO and the remote worker shall address limits of liability to CalTRUST for general liability and Worker’s Compensation.

Lunch Periods and Rest Breaks for Non-exempt Employees

**Meal Periods:** If you are scheduled to work more than five hours in any given day, then you must take a minimum 30-minute, duty-free meal period (unless the sixth hour would complete your workday, and you and your manager agree to waive the meal period). You also must take a second 30-minute duty-free meal period if you work ten hours (unless the 12th hour would complete your workday, and you and your manager have agreed to waive the second meal period in writing for each occasion).

Daily meal periods are scheduled according to the needs of each position. Your manager will coordinate with you to schedule your meal periods. Duty-free meal periods are unpaid. Non-exempt employees are required to record the beginning and ending of their meal periods on their time record.

**Rest Periods:** You must take a 10-minute rest period for every four hours of work or major portion thereof (defined as two hours). It is CalTRUST policy that you are allowed 15 minutes per rest period. Your manager will coordinate with you to schedule your rest periods. Rest periods are paid. Below is a chart illustrating the number of paid rest periods to which an employee is entitled based on the number of hours worked in a workday:
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<th>Hours Worked</th>
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<td>6.0 – 10.0</td>
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<tr>
<td>14.0 – 18.0</td>
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Paid rest periods are authorized and permitted and employees are expected to take them. You are required to take your meal and rest breaks as required by law. Failure to do so may result in further disciplinary action, up to and including termination.

**PAYROLL PROCEDURES**

State law requires CalTRUST to keep an accurate record of the time each employee works. Thus, each employee is responsible for accurately completing his/her time card. The employee's immediate supervisor must approve each time card.

CalTRUST employees are paid bi-weekly on Fridays. If a payday falls on a bank holiday, paychecks will be issued on the closest day preceding the actual payday.

CalTRUST reserves the right to deduct from an employee's paycheck amounts related to any unapproved absence from work. Otherwise, deductions will be made from a check only if authorized by the employee or permitted by law. Deductions for federal and state withholding taxes are required by law.

**Overtime for Non-Exempt Employees**

CalTRUST provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law as follows:

- All hours worked in excess of eight hours in one workday or 40 hours in one workweek, or for the first eight hours on the seventh consecutive day of work in one workweek, will be treated as overtime.

- One and a half (1 ½) times your regular rate of pay for hours worked in excess of 40 for the workweek, or in excess of eight and not more than 12 for the workday, and for the first eight hours worked on the seventh consecutive day of work in one workweek.
• Two times your regular rate of pay for hours worked in excess of 12 in one workday and/or in excess of eight hours on the seventh consecutive workday in the same workweek.

In all cases, worked hours, not earned hours, are to be used in calculating the overtime premium. (Example: If an employee is off sick or on a holiday on Monday and received sick pay or holiday pay, and then worked Tuesday through Sunday, 8 hours per day, compensation for Saturday work will be at the employee’s base rate of pay, not at 1 ½ base rate, since he/she actually worked only 5 days/40 hours. The 8 vacation hours on Monday do not count as actual hours worked.)

An employee may work overtime only if it has been authorized in advance by his or her supervisor. This authorization requirement applies to hours worked before regular starting time, after closing hours, or on weekends. Working overtime without prior approval may result in disciplinary action to the employee. Employees are responsible for accurately reporting all overtime work on his/her time card.

During required attendance at CalTRUST events and meetings, overtime must be authorized by the employee’s supervisor and will be paid for hours the employee is required to work and for travel to and from the conference that exceeds the normal work day in accordance with the applicable law.

Unless otherwise provided, the workweek on which overtime calculations are based begins each Sunday at midnight.

Management personnel and other employees classified as exempt under applicable law do not receive compensation for hours worked in excess of their regular schedule.

**Makeup Time for Non-exempt Employees**

In accordance with state law, CalTRUST allows the use of makeup time when non-exempt employees need time off to tend to personal obligations. State law sets the requirements for makeup time. The requirements are as follows:

Makeup time worked is not paid at an overtime rate.

Employees may take time off and then make up the time later in the same workweek, or may work extra hours earlier in the workweek to make up for time that will be taken off later in the workweek.

Makeup time requests must be approved in advance by the employee’s supervisor. Requests will be considered for approval based on the legitimate business needs of CalTRUST.
If an employee requests time off that he/she will make up later in the week, he/she must submit a written request at least 24 hours in advance of the desired time off. If the employee requests to work makeup time first in order to take time off later in the week, he/she must submit a written request at least 24 hours before working the makeup time. The makeup time request must be approved in writing before the employee takes the requested time off or work makeup time, whichever is first.

All makeup time must be worked in the same workweek as the time taken off. The CalTRUST’s seven- day workweek is Monday through Sunday. Employees may not work more than 11 hours in a day or 40 hours in a workweek as a result of making up time that was or would be lost due to a personal obligation.

If an employee takes time off and is unable to work the scheduled makeup time for any reason, the hours missed will normally be unpaid. However, the manager may arrange with the employee another day to make up the time if possible, based on scheduling needs. If an employee works makeup time in advance of time he/she plans to take off, he/she must take that time off, even if he/she no longer needs the time off for any reason.

An employee’s use of makeup time is completely voluntary. CalTRUST does not encourage, discourage, or solicit the use of makeup time.
EMPLOYEE BENEFITS

CalTRUST provides its employees with a complete Benefits package. Insurance and retirement benefits are described more fully in plan brochures.

Any discrepancy between the benefits as described in this handbook and those described in the plan brochures shall be governed by the description provided in the plan brochure.

CalTRUST reserves the right to change or eliminate coverage and/or carriers as it deems necessary.

GROUP INSURANCE COVERAGE

Group Medical Insurance

Regular full-time employees are eligible for participation in CalTRUST's medical care insurance program. A full-time employee becomes eligible for medical benefits on the first day of the calendar month following the employee’s hire date. Part-time employees are not eligible for group insurance benefits absent a written agreement to the contrary.

Presently, plans provided through the PRISMHealth Small Group Program. Plans available to eligible full-time employees include Kaiser, Anthem PPO, Anthem HMO, Blue Cross PPO, and Blue Cross HMO. Selection of a plan is at the option of the employee. These plans may change at the discretion of CalTRUST management or the PRISMHealth Small Group Program.

For full-time employees and their dependents, CalTRUST pays the entire premium of the plan that has the lowest premium cost of the plans offered. If an employee chooses to select one of the offered plans that have higher premiums, the employee must pay the difference between that plan's premium and the lowest available. Any premiums paid by employees are deducted each pay period on a pre-tax basis.

Continuation of group coverage following termination or other change of status will be according to COBRA or other applicable state and federal laws.

Employees should consult the summary plan description for details of coverage and rules.

If an employee chooses to opt out of group insurance coverage, he/she may receive cash in lieu of premium payment in the amount equal to the lowest rate for a single individual. Proof of alternate benefit coverage must be given.
Group Dental Insurance

Full-time employees and their dependents are eligible for participation in CalTRUST's dental program on the first day of the calendar month following the first day of employment. CalTRUST pays the entire cost of premiums for full-time employees and their dependents. Presently, Delta Dental is the plan, provided through the PRISMHealth Small Group Program. This plan may change at the discretion of CalTRUST management or the PRISMHealth Small Group Program. Employees should consult the summary plan description for details of coverage and rules.

Vision Care Insurance

Full-time employees and their dependents are eligible to participate in CalTRUST's vision care program. Full-time employees become eligible to participate in the vision care program on the first day of the calendar month following the first day of employment. CalTRUST pays the entire cost of premiums for full-time employees and their dependents. Presently, VSP Vision is the plan, provided through the PRISMHealth Small Group Program. This plan may change at the discretion of CalTRUST management or the PRISMHealth Small Group Program. Employees should consult the summary plan description for details of coverage and rules.

Group Life Insurance

CalTRUST provides a group life insurance plan for eligible full-time employees. This policy includes accidental death and dismemberment insurance. Coverage will be available on the first day of the calendar month following the employee's hire date. Employees should consult the summary plan description for details of coverage and rules.

Long-Term Disability Insurance

CalTRUST provides long-term disability insurance for full-time employees subject to a health appraisal by the insurer. Long-term disability benefits begin after an employee has been disabled continually for two months. Employees should consult the summary plan description for details of coverage and rules.

Continuation of group medical and dental insurance coverage during the long-term disability period will be according to COBRA or other applicable state and federal laws. Vacation and sick hours do not continue to accrue. Retirement contributions will be suspended during the long-term disability period; however, time lost in the retirement system may be purchased back from CalPERS.

RETIREMENT PLAN

All full-time CalTRUST employees participate in the California Public Employees' Retirement System (CalPERS). This savings and investment plan can help each employee set aside a "nest egg" for retirement. Full-time employees are eligible to participate in the plan on the first day of their hire date.
Employees desiring additional information should consult the **CalPERS Handbook**.

Part-time employees may be eligible to participate in the retirement plan. The requirements for eligibility are set forth by **CalPERS**.

All CalTRUST employees will have access to make additional retirement contributions to **457 or 410A defined contribution plans**. Presently, **Nationwide Retirement Solutions is the plan provider**. This plan may change at the discretion of CalTRUST management. This is an elective benefit. Unless otherwise agreed upon, contributions to the defined contribution plan will be solely the responsibility of the employee with no additional contributions provided by CalTRUST.

**EMPLOYEE ASSISTANCE PROGRAM**

CalTRUST provides an employee assistance program for eligible full-time employees who receive life insurance. This policy gives assistance with issues such as relationship and family troubles, physical health concerns, substance abuse, chronic health ailments, minor medical emergencies, financial worries, work-related stress, questions about medications and personal legal problems. Employees should consult the summary plan description for details of coverage.

**EMPLOYEE ELECTIVE BENEFITS**

The benefits listed below currently are offered to CalTRUST employees. Employees are responsible for the full cost of these benefits if they choose to participate. Details on each of these benefits will be in your employee hire packet.

- Supplemental Life Insurance
- Flexible Spending Accounts for Dependent Care and Medical Costs
- Nationwide Deferred Compensation Program

**CONTINUING EDUCATION**

All extracurricular educational reimbursement agreements shall be in writing and must be approved by the Chief Executive Officer, or designee. They shall consider the following principles:

- Education reimbursement shall be for course work directly related to the employee's current job or to promotional opportunities within CalTRUST.

- Education reimbursement shall be 75% of the cost of tuition and books up to a maximum reimbursement of $3,000 annually for extracurricular programs. Costs for directly applicable education programs may be fully covered.

- Any expectations that CalTRUST has that the employee will repay these funds
if the employee voluntarily terminates shall be included in the written agreement.

- Extracurricular continuing education shall be undertaken voluntarily by the employee and shall occur during non-working hours. Should consideration be given to flexible work schedules or use of working hours to attend course work, the business necessity of CalTRUST shall first be considered and shall be compelling.

- Reimbursement shall be paid upon successful completion of the course(s). Demonstration of successful completion of the course shall be included in the written agreement.

HOLIDAYS

CalTRUST observes the following holidays:

New Year's Day
Martin Luther King Day
Lincoln's Birthday
President's Day
Cesar Chavez Day
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran’s Day
Thanksgiving Day
Friday following Thanksgiving
Christmas Day

Full-time employees are eligible for paid holidays at 100% of regular salary or daily rate. Part-time employees are paid in proportion to the number of hours regularly worked. If a part-time employee does not normally work on a day scheduled for a holiday, the employee does not earn holiday pay.

In order to be paid for a holiday, the employee must work or be in a paid leave status on the day before and the day after the holiday. Thus, employees on unpaid leaves of absence are not eligible for pay for any holiday that occurs during their leave period.
CalTRUST LEAVE POLICIES

Vacation Leave Policy

CalTRUST realizes that employees need to have time away from their jobs for rest, relaxation, and to handle personal needs. To make this possible, full-time employees are entitled to paid vacation when they qualify under the provisions of our vacation policy.

Annual vacation leave is based upon length of employment, measured from the employee’s anniversary date and accrued each pay period, unless otherwise agreed upon. Full-time employees earn vacation at the following rate:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Vacation Benefit</th>
<th>Accrual Per Pay Period</th>
<th>Maximum Vacation Accrual (CAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 years</td>
<td>10 days/year</td>
<td>3.08</td>
<td>140 hours</td>
</tr>
<tr>
<td>3-5 years</td>
<td>15 days/year</td>
<td>4.62</td>
<td>210 hours</td>
</tr>
<tr>
<td>6 years</td>
<td>16 days/year</td>
<td>4.92</td>
<td>224 hours</td>
</tr>
<tr>
<td>7 years</td>
<td>17 days/year</td>
<td>5.23</td>
<td>238 hours</td>
</tr>
<tr>
<td>8 years</td>
<td>18 days/year</td>
<td>5.54</td>
<td>252 hours</td>
</tr>
<tr>
<td>9 years</td>
<td>19 days/year</td>
<td>5.85</td>
<td>266 hours</td>
</tr>
<tr>
<td>10 years</td>
<td>20 days/year</td>
<td>6.15</td>
<td>280 hours</td>
</tr>
<tr>
<td>11 years</td>
<td>21 days/year</td>
<td>6.46</td>
<td>294 hours</td>
</tr>
<tr>
<td>12 years</td>
<td>22 days/year</td>
<td>6.77</td>
<td>308 hours</td>
</tr>
<tr>
<td>13 years</td>
<td>23 days/year</td>
<td>7.08</td>
<td>322 hours</td>
</tr>
<tr>
<td>14 years</td>
<td>24 days/year</td>
<td>7.38</td>
<td>336 hours</td>
</tr>
<tr>
<td>15+ years</td>
<td>25 days/year</td>
<td>7.69</td>
<td>350 hours</td>
</tr>
</tbody>
</table>

Eligible part-time employees earn vacation in proportion to their regular work schedule.

Employees will be permitted, with prior approval of the Chief Executive Officer, or designee, to “cash out” up to 10 days of vacation leave per calendar year at a rate of one day of vacation “cash out” for each vacation day taken. Any vacation “cash outs” will be paid in December at the end of the calendar year.

Employees who reach their maximum vacation accrual or cap will cease accruing vacation during the first pay period of the new calendar year. Vacation accrual will recommence after the accrued balance has dropped below the maximum. Accrued but unused vacation will be paid upon an employee’s termination. Upon retirement, up to the employees’ annual accrual may be cashed out for the purposes of calculating pensionable compensation. Any additional “cash out” will be considered a one-time benefit not reflected in determining final pensionable compensation.

Vacation may not be taken in advance of being earned, and must be approved in writing in advance of the time taken. Employees should normally schedule vacation periods well in advance, avoiding times of heavy activity. Staff shall coordinate their vacation plans with their
immediate supervisor. While every effort will be made to accommodate an employee’s preference when scheduling time off, an employee may be asked to defer or adjust his/her plans due to the demands of CalTRUST business.

Exempt employees are not required to report partial vacation days if a minimum of 4 hours are worked.

**Sick Leave**

Full-time employees earn one paid sick leave day (8 hours) per month of employment, for a total of 12 days (96 hours) per year. Sick leave may not be taken in advance of being earned unless the employee qualifies for short-term disability.

Employees on unpaid leave do not accrue sick leave during the period of their unpaid status.

Unused sick leave may be carried past the employee's anniversary date into the following year. Because sick leave benefits are intended to assist an employee in his/her time of illness or incapacity, pay in lieu of sick leave is never permitted. Sick leave may not be used for vacation or other personal reasons. Upon separation or retirement from CalTRUST, 25 percent of the cash value of an employee’s sick leave balance, up to a maximum value of $5000, will be paid to the employee.

Each employee must personally and promptly notify his/her immediate supervisor on the first day of illness in order to be eligible to receive sick pay. In case of continuing illness, the supervisor should be kept advised of the employee's progress and anticipated date of return to work. Exempt employees are not required to report partial sick days if a minimum of 4 hours are worked.

CalTRUST may require a doctor's written verification of illness and/or certification of ability to return to work, regardless of length of illness.

Pursuant to state law, an employee may utilize up to half of the sick leave he or she accrues in a year to take time off to care for an ill family member. Pursuant to state law, with regard to this policy a family member includes a child, parent, spouse/domestic partner.

**Bereavement Leave**

Full-time employees may take up to three days bereavement leave and two days of sick leave if there is a death in the employee’s immediate family. For purposes of administering this policy, CalTRUST considers the immediate family to include the employee's spouse/domestic partner, child, parent, legal guardian, brother, sister, father-in-law or mother-in-law, grandparent and grandchild.

An employee may use up to three days sick leave for the death of any other person related by blood, adoption, or marriage, or any person residing in the employee’s household.
Bereavement leave for an individual other than those described above is unpaid. Upon approval of their immediate supervisor, an employee may use vacation in lieu of unpaid time off for bereavement leave for an individual other than those described above.

**Parental Leave**

This policy entitles a regular full-time employee, with at least one year of continuous employment, to schedule a paid parental leave of up to 240 hours (6 weeks) upon the birth or adoption of a child. This leave may be taken by either/both the male or female parent. Leave time is subject to the approval of the Chief Executive Officer, or designee, and must be taken within 4 months of the child's birth or adoption. Pursuant to the provisions of Short-Term Disability, an employee shall opt into the provisions of either the Short Term Disability or the Parental Leave policy.

**Administrative Leave for Exempt Employees**

Exempt employees are occasionally required to work more hours than the normal work week or to travel extensively in support of their work assignment. The purpose of the Administrative Leave program is to compensate those employees who do not qualify for overtime pay under the provisions of the applicable Industrial Wage Order.

Exempt employees shall be provided up to five days (40 hours) of paid administrative leave time per calendar year, upon approval of the Chief Executive Officer. This must be used after July 1 and by the end of the calendar year in leave amounts of no less than 1 day (8 hours) at a time, and cannot be "cashed out". For new employees, administrative leave time will be prorated based on the number of pay periods worked in the first year of employment.

To receive administrative leave, an exempt CalTRUST employee submits a request in writing to his or her designated supervisor to use up to five days of administrative leave, either at one time or on multiple occasions. The approval must be submitted with the time sheet for the pay period for which the leave time is used.

**School Visitation Leave**

In addition, California law provides that an employee who is a parent, guardian, or grandparent having custody, of one or more children in kindergarten or grades 1 to 12, inclusive, or attending a licensed child day care facility, may take up to 40 hours each year to participate in activities of the school or licensed child day care facility of any of his or her children. The employee must give reasonable notice of any planned absence. The employee must use accrued vacation leave for any absence or the employee may request leave without pay.

**Shared Leave: Donating Leave Time**

The shared leave program allows eligible CalTRUST employees to donate accrued sick and/or vacation leave to a co-worker who has been approved to receive voluntary shared leave because
of a medical condition of the employee or of a member of the employee’s immediate family that will require the employee’s absence for a prolonged period of time.

A request to seek shared leave donations must be submitted in writing and approved by the Chief Executive Officer. Shared leave will only be approved when the employee has exhausted all leave balances and will be credited to the employee as sick leave.

The minimum amount of vacation or sick leave that may be donated is four hours. The maximum amount of sick leave donated may not reduce the donor’s sick leave balance below 32 hours. The maximum donation may not total more than 160 hours of sick or vacation leave or a combination thereof.

If the recipient's employment with CalTRUST ceases, or the employee returns to work, all unused donated hours shall be returned to the donors’ accounts on a pro-rata basis.

Participation in the shared leave program is voluntary and confidential. An employee may not intimidate, threaten, or coerce any other employee for the purpose of interfering with any right which such employee may have with respect to donating, receiving, or using leave under this program.

Administrative Leave is not eligible for donation.

**Short-Term Disability**

This benefit is an “advance” of unearned sick leave and is to be used with approval of the Chief Executive Officer, or designee, for employees who have exhausted all available paid leave, and who have not yet qualified for long-term disability insurance. It shall begin after one calendar week of medical leave without pay. (This is not considered a break in service and will not result in a loss of benefit accrual.) It is to be used for employees who are in continuing sick leave status. In the case of parental leave, the employee shall choose to activate the provisions of the short-term disability policy or the parental leave policy. And, the employee shall be advised that the policies are mutually exclusive (see parental leave). Short-term disability payments shall retain the employee on payroll at two-thirds of his/her normal wages. Such short-term disability hours shall be repaid from the employee's sick leave accruals as accrued. The employee must provide a physician’s certification of disability, including anticipated date of return.

**Pregnancy Disability Leave ("PDL")**

CalTRUST provides PDL without pay to any employee who is temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions (see also Parental Leave Policy). This includes leave for severe morning sickness and for prenatal care.

Upon the request of an employee and recommendation of the employee’s physician, the employee’s work assignment may be changed if necessary to protect the health and safety of the employee and/or the child.
Employees who are affected by pregnancy or a related medical condition are also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated. Where transfers are made based on the employee's health needs, the employee will receive the pay that accompanies the alternative position.

**Procedures for requesting PDL, reasonable accommodation, or transfer:** Employees should make requests for PDL to the Chief Executive Officer at least thirty (30) days in advance of foreseeable events and as soon as possible for unforeseeable events. Pregnancy leave usually begins when ordered by the employee’s physician. The employee must provide CalTRUST with a written certification from a health care provider for the need of PDL, reasonable accommodation, or transfer.

The certification indicating the need for disability leave should contain:

1. The date on which the employee became disabled due to pregnancy, childbirth or related medical condition, or the date on which the need for a transfer or accommodation became medically advisable;
2. The probable duration of the period or periods of disability or the need for transfer or accommodation; and
3. If the employee needs a reasonable accommodation or transfer, a medical certification is sufficient if it contains all of the following: a description of the requested reasonable accommodation or transfer; a statement that describes the medical advisability of the reasonable accommodation or transfer; and the date on which the need for reasonable accommodation or transfer became/will become medically advisable and the estimated duration of the reasonable accommodation or transfer.

Re-certification may be required if the employee requests an extension beyond the original certification.

Any changes in this information contained in the health care provider's statement should be promptly reported to the Chief Executive Officer.

**Length of PDL:** Duration of PDL will be determined by the advice of the employee’s physician, but full-time employees disabled by pregnancy, childbirth, or related medical condition may take unpaid leave for the period of the disability, up to a maximum of four (4) months (88 working days). Part-time employees are granted unpaid leave on a pro-rata basis.

PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. In other words, PDL may be taken intermittently or on a reduced work schedule when determined medically advisable by the employee’s health care provider. The smallest increment of time that can be used for such leave is one hour.
If intermittent leave or leave on a reduced work schedule is medically advisable, the employee may, in some instances be required to transfer temporarily to an available alternative position that meets the employee’s needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The employee must be qualified for the position. The position must better accommodate the employee’s leave requirements than the regular job. Transfer to an alternative position can include altering an existing job to better accommodate the employee’s need for intermittent leave or a reduced work schedule.

**Compensation during PDL:** PDL is unpaid. However, the employee must use accrued sick leave during the first 60 days of her absence and, thereafter, may use accrued vacation. If the employee does not have 60 days of accrued sick time, she may qualify for short-term disability pay. If the employee elects not to use accrued vacation for the remaining portion of the leave, the remaining portion of the leave is unpaid.

**Benefits during PDL:** Employees on unpaid status during PDL will not continue to accrue sick leave or vacation and will not be paid for holidays during the leave.

An employee taking PDL will receive continued benefits on the same terms and conditions as other medical leaves.

**Return to Work:** So that an employee's return to work can be properly scheduled, an employee on PDL is requested to provide the Chief Executive Officer with at least two weeks' advance notice of the date they intend to return to work.

When a PDL ends, an employee will be reinstated to their original position or to a comparable position with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if an employee on PDL would have been laid off had they not gone on leave, or if the employee's position has been eliminated during the leave and there is no comparable position available, then the employee would not be entitled to reinstatement. An employee's use of PDL will not result in the loss of any employment benefit that the employee earned or was entitled to before the leave.

Employees returning from PDL must submit a health care provider's verification of fitness to return to work.

If an employee fails to report to work promptly at the end of PDL, CalTRUST will assume that the employee has resigned.

**Family and Medical Leave**

The California Family Rights Act (CFRA-for California based employees only) allow an eligible employee to take up to a maximum of 12 workweeks of unpaid family/medical leave within a 12-month period (see also Parental Leave Policy).

Employees are eligible for Family/Medical Leave when the following requirements are met (or
as outlined by current law):

1. Employee has 12 months or more of service,
2. Employee has worked at least 1,250 hours during the previous 12-month period before the date the leave is to begin, and

Family/medical leave time is permitted for the birth of the employee’s child or placement of a child with the employee for adoption or foster care, to care for the employee’s spouse, registered domestic partner, child or parent (“covered relations”) who has a serious health condition, or for a serious health condition that makes the employee unable to perform his/her job. A "serious health condition" includes a period of incapacity of more than three (3) consecutive calendar days.

California based employees who are disabled due to pregnancy will be eligible for up to 88 work days while considered disabled due to pregnancy which are additional benefits under the Pregnancy Disability Leave law. (See the Pregnancy Disability Leave policy for more information.)

Pregnant employees may have the right to take a pregnancy disability leave in addition to family or medical leave; such employees should contact their manager regarding their individual situation. Any leave taken for the birth, adoption or foster care placement of a child does not have to be taken in one continuous period of time. CFRA leave taken for the reason of birth or placement of a child will be granted in minimum amounts of two weeks. However, CalTRUST will grant a request for a CFRA leave (for birth/placement of a child) of less than two weeks duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

Procedures for all employees

The following procedures shall apply to all employees when requests for family/medical leave are made:

The employee must contact the Chief Executive Officer as soon as the employee becomes aware of the need for family/medical leave. The employee must complete a written request for CFRA and Pregnancy Disability leaves. Leave of Absence Request forms are available upon request.

1. If the event necessitating the leave is based on the expected birth of a child, placement for adoption or foster care, or planned medical treatment for a serious health condition of the employee or a family member, CalTRUST requests the employee submit a request at least 30 days in advance before leave is to begin. Any scheduling for a planned medical treatment of a serious health condition is subject to the approval of the health care provider of the employee or the health care provider of the employee’s child, parent, spouse or registered domestic partner.

If a 30 day advance request is not possible, the request must be submitted as soon as practicable.
CalTRUST will require that the employee provide certification as explained below within 15 days of the employee’s request for CFRA leave, unless it is not practicable for the employee to do so. CalTRUST may require recertification from the health care provider if additional leave is required.

2. If the leave is needed to care for a sick child, spouse, registered domestic partner or parent, the employee must provide a certification from the health care provider which states:
   a. date of commencement of the serious health condition;
   b. probable duration of the condition;
   c. estimated amount of time the health care provider will provide care; and
   d. confirmation that the serious health condition warrants the participation of the employee.

3. In cases where both parents are employed by CalTRUST and the leave requested is for the birth, adoption or foster care of a child, CalTRUST will not grant more than 12 work-weeks total of family/medical leave.

4. If the leave is needed for the employee’s own serious health condition, the employee must provide a certification from the health care provider which states:
   a. date of commencement of the serious health condition;
   b. probable duration of the condition;
   c. a statement that the employee is unable to work at all or is unable to perform any one or more of the essential functions of his/her position because of the employee’s serious health condition.

5. Employees on approved leave are eligible for continued paid coverage in CalTRUST medical/dental insurance plans. During this period, the employee is responsible for submitting his/her medical premium payments to the Payroll Department by the 20th day of each month in order to be covered the following month. CalTRUST’s obligation to maintain health benefits under CFRA stops if and when an employee informs CalTRUST of the employee’s intent not to return to work at the end of the leave period, or if the employee fails to return to work when the family/medical leave entitlement is exhausted. CalTRUST’s obligation also stops if the employee’s premium payment is more than 30 days late and CalTRUST has given the employee written notice at least 15 days in advance advising that coverage will cease if payment is not received.

CalTRUST medical insurance will continue until the last calendar day of the month following the period in which the family/medical leave ends or the employee fails to pay the required premium, at which time the employee may elect the COBRA coverage. Information regarding COBRA coverage will be sent directly to the employee.

6. Under most circumstances, upon return from family/medical leave, an employee will be reinstated to his/her original job or to an equivalent job with equivalent pay, benefits, and
other employment terms and conditions. However, an employee has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if an employee on family/medical leave would have been laid off had he/she not gone on leave, or if the employee’s job has been eliminated during the leave and there is no equivalent or comparable job available, then the employee would not be entitled to reinstatement.

Employees on CFRA leave will not continue to accrue vacation, sick leave, paid time off during unpaid CFRA leave.

7. Paid and unpaid leave granted under any of the reasons provided by state and federal law will be counted as family/medical leave and will be considered as part of the 12 workweek entitlement in a 12-month period. The 12-month period is measured forward from the date an employee’s first CFRA leave begins. Successive 12-month periods commence on the date of an employee’s first use of such leave after the preceding 12-month period has ended. There is no carryover of unused leave from one 12-month period to the next 12-month period.

8. Employees may take CFRA leave intermittently (in blocks of time, or by reducing their normal weekly or daily work schedule) if the leave is for the serious health condition of the employee’s child, parent, spouse or registered domestic partner of the employee and the reduced leave schedule is medically necessary as determined by the health care provider of the person with the serious health condition. The smallest increment of time that can be used for such leave is the shortest period that the payroll system uses to account for absences or use of leave.

9. Employees (or their designee if they are not able) are expected to provide regular reports of their status and intent to return to work while on CFRA leave. Employees are expected to return to work on the date agreed to on the Family/Medical Leave Request form. If the employee does not report his/her status, or return to work on the expected return date, or has not submitted a request for additional leave in writing and had it approved, then CalTRUST will assume that the employee has voluntarily resigned.

10. Reinstatement after family/medical leave may be denied to certain salaried "key" employees who are among the highest paid 10 percent of salaried employees when the refusal to reinstate is necessary because the employee's reinstatement will cause substantial and grievous economic injury to CalTRUST's operations. In any case in which the leave has already begun, CalTRUST will give the employee a reasonable opportunity to return to work following the notice described above.

Company policy requires that employees use any accrued sick leave before going on unpaid family/medical leave, including cases of Workers’ Compensation. Any accrued vacation may be used after sick leave has been exhausted. In any case, both paid and unpaid leave time will count toward the annual allowance of up to 12 work weeks of CFRA leave.
**Service Member Family and Medical Leave**

The California Family Rights Act (CFRA) also provides eligible employees time off from work for a covered family member’s service in the Armed Forces. Service member CFRA provides eligible employees unpaid leave for the following reasons:

1. A “qualifying exigency” arising out of a spouse, parent or child’s active duty or call to active duty in the Armed Forces

2. To care for a spouse, parent, child or next of kin who has suffered an injury or illness in the line of duty while on active duty in the Armed Forces, National Guard, and Reserves provided that such injury or illness renders the family member medically unfit to perform duties of the member’s office, grade, rank or rating.

When leave is due to a “qualifying exigency,” an eligible employee may take up to 12 workweeks of leave during any 12 month period.

When leave is to care for an injured or ill service member, an eligible employee may take up to 26 workweeks of leave during a single 12 month period to care for the service member. Leave to care for an injured or ill service member, when combined with other CFRA qualifying leave, may not exceed 26 weeks in a single 12 month period.

If the employee and the employee’s spouse both work for CFRA, the combined leave can be limited to 26 weeks in a 12 month period.

Service member CFRA runs concurrent with other leave entitlements provided under federal, state and local law.

Employees must provide as much advance notice as practicable of their need for service member CFRA. Failure to notify CalTRUST of the employees availability for work when it occurs, failure to return to work when called by CalTRUST, or the employees continued absence from work due to the employee’s leave extending beyond the maximum time allowed, may be deemed a voluntary termination.

In addition, California law provides that an employee may take up to 10 days of unpaid leave if his or her spouse is on leave from deployment during a period of military conflict. An employee must provide notice for the intent to take unpaid leave within two business days of receiving official notice that his or her spouse will be on leave from deployment.

**Jury Duty**

An employee should notify his/her supervisor immediately when subpoenaed for jury duty, and provide the supervisor with a copy of the "Notice of Jury Duty" from the court, upon request.

CalTRUST will provide employees with paid time in order to fulfill the employee’s civic
obligation to serve on jury duty.

After being released from duty, an employee must provide his/her supervisor with a copy of the statement from the court indicating the service dates of jury duty.

An employee continues to accrue sick leave and vacation benefits during the time served on jury duty.

Military Leave

An employee should notify the Chief Executive Officer, or designee, immediately when required to serve on military duty, and provide the supervisor with a copy of the notice requiring the employee's attendance.

Full-time employees are eligible to receive up to ten days paid time off per year while satisfying their obligation to serve on military duty. The employer will allow unpaid leave for all documented military service beyond the maximum ten paid days. The employee may use accrued vacation leave but is not required to do so.

After being released from duty, an employee must submit to the Chief Executive Officer a copy of the statement from the military indicating the service dates.

Civil Air Patrol Leave

The Civil Air Patrol Employment Protection Act provides that employees who have been employed for 90 days or more may take an unpaid leave of absence to respond to an emergency operational mission of the California Wing of the Civil Air Patrol. Under this law an eligible employee may take up to 10 unpaid days off per year. Leave is limited to three days on any one occasion, but can be extended if authorized by the government entity that called for the mission and the employer agrees. An employee seeking to take Civil Air Patrol leave should give as much notice as possible of the intended dates upon which the Civil Air Patrol leave will begin and end.

Domestic Violence and Sexual Assault Victims Leave

California law provides that a victim of domestic violence may not be discharged or otherwise discriminated against for taking time off to: 1) seek medical attention for injuries caused by domestic violence or sexual assault; 2) obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence or sexual assault; 3) obtain psychological counseling related to an experience of domestic violence or sexual assault; or 4) participate in safety planning and take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation. The employee must provide advance notice of the need for any leave where feasible.
EMPLOYEE CONDUCT AND RESPONSIBILITY

EQUAL EMPLOYMENT OPPORTUNITY

CalTRUST is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available person in every job. We prohibit unlawful discrimination based on race, color, creed, gender (including gender identity and gender expression), religion (all aspects of religious beliefs, observance or practice, including religious dress or grooming practices), marital status, registered domestic partner status, age, national origin or ancestry, physical or mental disability, medical condition (including cancer or a record or history of cancer, and genetic characteristics), sex (including pregnancy, childbirth, breastfeeding, or related medical condition), genetic information, sexual orientation, veteran status, or any other consideration made unlawful by federal, state, or local laws. We also prohibit unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship. All such discrimination is unlawful.

CalTRUST is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in CalTRUST operations and prohibits unlawful discrimination by any employee, including managers and co-workers.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, we will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any applicant or employee who believes he or she requires an accommodation in order to perform the essential functions of the job should contact the Chief Executive Officer to request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job. CalTRUST then will conduct an investigation to identify the barriers that interfere with the equal opportunity of the applicant or employee to perform his or her job. We will identify possible accommodations, if any, that will help eliminate the limitation. An applicant or employee who requires an accommodation of a religious belief or practice (including religious dress and grooming practices, such as religious clothing or hairstyles) should contact the Chief Executive Officer with day-to-day personnel responsibilities and discuss the need for an accommodation. If the accommodation is reasonable and will not impose an undue hardship, CalTRUST will make the accommodation.

If you believe you have been subjected to any form of unlawful discrimination, bring your complaint to the Chief Executive Officer or CalTRUST Board President. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. CalTRUST will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.
BUSINESS PRACTICES

Telephone Calls

Employees are required to comply with all state and local laws regarding the use of wireless phones while driving.

CalTRUST Property

Each employee is directly responsible for the proper care of CalTRUST property and equipment placed in his/her charge. Such property shall be used in a safe and proper manner.

CalTRUST assumes no responsibility for the personal property of its employees.

Dress Guidelines

While CalTRUST has established no specific dress code, certain common sense guidelines should be followed in selecting proper business-like dress when representing the organization.

Attendance

In the event of an unscheduled absence from work and/or expected tardiness, an employee must notify his/her immediate supervisor as soon as possible.

Regular and prompt attendance is an important requirement of each job, and excessive and unexcused absenteeism or tardiness constitutes grounds for disciplinary action up to and including discharge.

OUTSIDE EMPLOYMENT

CalTRUST employees shall perform their duties to the best of their ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by CalTRUST. Employees shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law.

CalTRUST employees may engage in outside employment provided such employment is not incompatible with their CalTRUST position and provided that such employment does not in any way interfere with CalTRUST operations. Any outside employment by CalTRUST employees must be approved in writing by the Chief Executive Officer, or designee, prior to commencement of such outside employment.
STANDARDS OF PERSONAL CONDUCT

Policy

Employees are expected to observe certain standards of job performance and good conduct. The rules set forth below are intended to provide employees with fair notice of what is expected of them. Necessarily, however, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below, but which adversely affects or is otherwise detrimental to the interests of CalTRUST, other employees, or members, may also result in disciplinary action.

Nothing in this policy is intended to alter the at-will status of employment with CalTRUST. Either CalTRUST or the employee may terminate the employment relationship at any time with or without cause and with or without prior notice. CalTRUST reserves its right to terminate any employment relationship without resort to these disciplinary procedures.

Job Performance

Employees may be disciplined, up to and including termination for poor job performance, including but not limited to the following:

- Below-average work quality or quantity;
- Poor attitude (for example, rudeness or lack of cooperation);
- Excessive absenteeism, tardiness, or abuse of break and lunch privileges;
- Failure to follow instructions or CalTRUST procedures.

Misconduct

Employees may be disciplined, up to and including termination for misconduct, including but not limited to the following:

- Insubordination, dishonesty, theft, discourtesy;
- Failing to support or interfering with CalTRUST’s goals and objectives;
- Creating or promoting dissent among CalTRUST employees;
- Misusing or destroying CalTRUST property;
- Disclosing or using confidential or proprietary information without authorization;
- Falsifying or altering CalTRUST records, including the application for employment or time cards;
- Interfering with the work performance of others;
- Altercations;
- Harassing, including sexually harassing another employee;
- Violating CalTRUST’s Substance Abuse Policy contained herein;
- Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of CalTRUST, its employees, members, participants, or property.
CONFLICT OF INTEREST

In order to protect CalTRUST’s interests when it is contemplating entering into a transaction or arrangement that might benefit the private economic interests of an employee, CalTRUST requires employees to immediately disclose any actual or possible conflict of interest to the Chief Executive Officer, or designee. CalTRUST employees will have the opportunity to disclose all material facts. The Chief Executive Officer or designee shall review each possible conflict of interest and take action as is necessary to ensure CalTRUST’s interests are protected. Failure to disclose any actual or possible conflict of interest may result in disciplinary and corrective action.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable and the CalTRUST adopted Conflict of Interest Policy.

An employee of CalTRUST has a private economic interest either, directly or indirectly, through business, investment, or family if any of the following exists:

- An ownership or investment interest in any entity with which CalTRUST has a transaction or arrangement,
- A compensation arrangement with any entity or individual with which CalTRUST has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CalTRUST is negotiating a transaction or arrangement.

ACCESS TO COMPUTER, VOICE MAIL AND ELECTRONIC SYSTEMS

It is the policy of CalTRUST that all electronic office data storage systems including, but not limited to, voice mail, computers, and email are the property of CalTRUST and are provided to employees for their use in conducting CalTRUST business. These systems belong to CalTRUST and are accessible at all times by CalTRUST management for any business purpose. The use of these systems by an employee to conduct any outside business activity is prohibited.

For purposes of these policies, the following definitions apply: Computers are defined as desktop computers, laptops, handheld devices (including but not limited to iPhones, smart phones, iPads, and other electronic tablets and cell phones), and computer software/hardware and servers. CalTRUST also uses various forms of electronic communication. Electronic communications include e-mail, text messages, telephones, cell phones and other handheld devices, and online services. Electronic information is any information created by an employee using computers or any means of electronic communication, including but not limited to, data, messages, multimedia data, and files.

While CalTRUST respects the privacy of its employees, that privacy does not extend to work-related conduct or the use of CalTRUST’s equipment. Personal use should be kept to a minimum. Although incidental personal use of CalTRUST’s computer, internet access, and voice mail systems is permitted, all personal messages, data or files generated will be treated the same as any other system file or data and may be accessed by CalTRUST management.
Because CalTRUST may access your personal data, files and messages without notice, you should not access, transmit, or maintain any data in the system that you would not want viewed or read by a third party. CalTRUST also reserves the right to change or override voicemail or computer passwords or personal codes for all company equipment.

CalTRUST employees should be aware that abuse of these systems, including transmission of improper messages or the viewing of improper materials is prohibited and will subject employees to appropriate discipline up to and including termination. Employees are specifically prohibited from sending any messages of an offensive or harassing nature either to co-workers or to individuals outside of CalTRUST. Examples of prohibited conduct include viewing data or transmission of information which includes sexually explicit messages or jokes; slurs or jokes based on an ethnic or other protected classification or any other message that may be construed as harassing or offensive, including those based on any status or class protected by law. Any employee who feels the system is being abused or is offended by activities on the system should report it immediately to CalTRUST management.

Any use of the email system should not be detrimental to the mission or goals of the organization nor create any non-business-related liabilities for CalTRUST.

Specific levels of access are designed into CalTRUST’s systems. Employees are prohibited from attempting to gain access to unauthorized areas of the systems or “hacking” into unauthorized areas.

**ANTI-HARASSMENT AND ANTI-DISCRIMINATION POLICY**

All employees, applicants, and independent contractors (“workers”) working with CalTRUST are to be treated with respect and dignity. CalTRUST is committed to providing an atmosphere free of unlawful harassment and discrimination based on such factors as race, color, religion (including religious dress and grooming practices), national origin or ancestry, physical or mental disability, medical condition, genetic characteristics, pregnancy, childbirth, breastfeeding or related conditions, marital or registered domestic partner status, gender, gender identity, age, sexual orientation, veteran status, or any other characteristic protected by law.

Harassment and discrimination are against the law. CalTRUST strongly disapproves of and will not tolerate unlawful harassment or discrimination of its workers by managers or co-workers. Similarly, CalTRUST will not tolerate unlawful harassment or discrimination of its workers by others with whom CalTRUST has a business, service, or professional relationship.

Conduct that may violate this policy includes verbal, physical, and visual contact that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Some examples include racial or sexist slurs, ethnic or sexist jokes, posting of offensive statements, posters or cartoons, and unwanted touching or blocking of normal movement.

Sexual harassment is a form of harassment. Sexual harassment includes the making of any unwelcome advances and/or visual, verbal, or physical conduct of a sexual nature, as well as offering employment benefits in exchange for sexual favors or threatening reprisals after a negative response
to a sexual advance.

The definition of sexual harassment includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. Some examples of behavior that may violate this policy include: requests for sexual favors, demeaning sexual remarks, leering, making sexual gestures, displaying of sexually suggestive objects or pictures, making or using derogatory comments, epithets, slurs, or jokes, comments about an individual’s body, touching, impeding, or blocking movements, or any other conduct based upon an individual’s sex that creates an atmosphere or environment that interferes with that individual’s job performance or is intimidating, hostile, or offensive to that individual.

If you believe you have been subjected to or witnessed conduct that violates this policy, you should immediately report such conduct to the Chief Executive Officer or a CalTRUST Trustee. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. CalTRUST will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation. Every complaint that is reported will be taken seriously and investigated thoroughly. If possible policy violations are not reported, they cannot be investigated. Every worker’s cooperation is crucial.

If CalTRUST determines this policy has been violated, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken in an effort to deter any future inappropriate conduct. CalTRUST will not retaliate against you for bringing a complaint and will not knowingly permit retaliation by management, employees, or your co-workers.

In addition to these internal policies and procedures, the State of California Department of Fair Employment and Housing (DFEH) provides additional information regarding the legal remedies and complaint process available through the government agency. If you believe you have been harassed, discriminated against, or retaliated against for raising a complaint you may file a complaint or obtain additional information from the DFEH.

SECURITY/PREVENTING VIOLENCE in the WORKPLACE

CalTRUST is committed to providing its employees a safe work environment. CalTRUST will not tolerate any violent or threatening behavior by or toward our employees. This policy prohibits actual or threatened violence against any person at any CalTRUST meeting or event, and/or while engaging in any CalTRUST-related activity. Some examples of conduct that violates this policy include:

- Threats of any kind;
- Physically aggressive or violent behavior;
- Intimidating or harassing behavior; or
- Sabotage or destruction of any CalTRUST property or property of any employee.

Any conduct violating this policy, including any threats of or actual violence, both direct and indirect, must be reported as soon as possible to your manager or any other member of management. This includes threats by employees, as well as threats by clients, vendors, solicitors, or other members of
the public. All suspicious individuals or activities must be reported as soon as possible to a manager. Anyone receiving a report of a violation of this policy must report the matter immediately to your manager.

**SUBSTANCE ABUSE POLICY**

CalTRUST has a vital interest in maintaining safe, healthy, and productive working conditions for its employees. Employees who are under the influence of drugs or alcohol on the job compromise CalTRUST's interests, endanger their own health and safety and the health and safety of others, and can cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, and increased workloads for co-workers.

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, CalTRUST has established this substance abuse policy. As a condition of continued employment with CalTRUST, each employee must abide by this policy.

Under this policy, CalTRUST forbids employees to use, purchase, transfer, possess, or sell illegal drugs or controlled substances while engaged in CalTRUST business. "Illegal drugs or controlled substances" as defined in this policy include all forms of narcotics, depressants, stimulants, hallucinogens, or other drugs whose use, possession, or transfer is restricted or prohibited by law.

An employee may use controlled substances only as directed by a physician.

Personnel who may entertain as part of their job duties are expected to exercise moderation in the consumption of alcohol during business entertainment. Excessive consumption of alcohol or use of alcohol in any circumstances posing a risk to the safety of the employee or that of others, is neither condoned nor encouraged by CalTRUST, and may result in disciplinary action up to and including termination.

**TERMINATION**

Employees who leave CalTRUST for any reason are required to return all CalTRUST property. Arrangements for clearing any outstanding debts with CalTRUST and for receiving final pay also will be made at this time.

**EXIT INTERVIEW**

CalTRUST may provide an opportunity for all employees terminating employment to participate in an oral exit interview with the Chief Executive Officer, or designee. This interview is intended to permit terminating employees the opportunity to communicate their views regarding their work with CalTRUST including job duties, job training, job supervision, and job benefits.
PERSONAL INFORMATION

State and federal laws require all employers to maintain accurate records reflecting each employee's address. CalTRUST also likes to have a current phone number at which the employee can be reached if necessary. Accordingly, CalTRUST requests that each employee keep CalTRUST informed of any changes in this information.

Furthermore, every employee has the obligation to notify management if he/she has any work-related problem. The employee should discuss any such problem with his/her immediate supervisor. If for any reason the employee does not feel comfortable speaking to his/her supervisor about these problems, the employee must report these problems to the Executive Officer or CalTRUST President.

Questions regarding the information in this handbook should be discussed with the Chief Executive Officer, or designee.
COVID 19 Vaccination Policy

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency as a result of novel coronavirus, COVID-19;

WHEREAS, COVID-19 vaccines have been developed to help combat the spread of COVID-19 and prevent people from getting seriously ill from COVID-19;

WHEREAS, the state is now experiencing increased spread due to the highly transmissible Delta variant;

WHEREAS, on July 26, 2021, the State of California announced a requirement that all State employees must provide proof of vaccination or submit to at least weekly testing, and encouraged localities and businesses to implement similar programs;

WHEREAS, on July 26, 2021, the Department of Justice released a Memorandum Opinion stating that Section 564 of the Food, Drug, and Cosmetic Act does not prohibit public or private employers from imposing vaccination requirements for a vaccine that is subject to an emergency use authorization;

WHEREAS, on July 29, 2021, President Biden announced that he would direct the Department of Defense to look into how and when they will add the COVID-19 vaccination to the list of required vaccinations for members of the military;

WHEREAS, on July 29, 2021, President Biden announced every federal government employee and onsite contractor will be asked to attest to their vaccination status, and those who do not must comply with testing at least once per week, a masking requirement, physical distancing from other employees and visitors, and restrictions on official travel;

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which set a date of October 1, 2021 for public agencies to transition back to public meetings held under the Brown Act.

NOW, THEREFORE, IT IS HEREBY THE POLICY OF CalTRUST THAT:

All employees of CalTRUST are mandated to have received the COVID-19 vaccination and provide proof of full vaccination upon request.

Date: September 15, 2021
**Agenda Item: 15. Nominating Committee Update**  
Information Item

**Presented By:** Nominating Committee

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**BACKGROUND:**
The Nominating Committee met on August 10th to consider Matt McCue’s request for reappointment to the CalTRUST Board of Trustees. Matt is now independently consulting for agencies, including the Coachella Valley Public Cemetery District (CVPCD) and asked to be considered via his work with them. CVPCD is not currently a CalTRUST participant. The Committee decided not to move forward with the consideration at this time. While they valued his service to CalTRUST, it would be more appropriate to consider the reappointment should CVPCD become a CalTRUST Shareholder, or he is working with another agency that is actively participating in CalTRUST.

**RECOMMENDATION:**
Information only.
Agenda Item: 16. Product Review Committee Update & Discussion
Action Item

Presented By: Product Review Committee

a. Fund Accounting RFP

BACKGROUND:
A fund accounting request for proposal (RFP) was issued in the Fall 2019. Due to COVID, the RFP was cancelled in Spring 2020. As our current fund accounting contract has now been in place for over four years and work flows during COVID are normalizing, it is time to consider reissuing the RFP. By 2023, RFPs for all service providers (fund accounting, custody, and investment management) will be due to go to bid so consideration should be given to staggering the release of the RFPs so we are not in a position again of RFP'ing all at the same time.

RECOMMENDATION:
It is recommended that the Board consider issuing an RFP for fund accounting/transfer agent services.

b. TreasuryCurve & Endorsements

BACKGROUND:
The Product Review Committee had a follow-up meeting with TreasuryCurve to get a deeper demonstration of their product offering. TreasuryCurve is proposing an endorsement partnership with CalTRUST. This proposition leads to a deeper discussion as to whether CalTRUST wants to enter into the business of endorsement-type arrangements.

RECOMMENDATION:
It is recommended that the Board consider whether CalTRUST should engage in endorsement agreements and partnerships.