

Compliance Requirements Overview

Sector	Fund Limitation	Per Issuer	Maturity	Credit Limits	In Compliance
U.S. Treasury	100%	100%	7 years	None	Yes
Government Agency/GSE	100%	40%	7 years	None	Yes
<i>Callable Agencies</i>	25%	25%	7 years	None	Yes
Commercial Paper	40%	5% Aggregate	270 days	A-1 by two and A by one	Yes
Negotiable CDs	30%	5% Aggregate	5 years	A-1 by two and A by one	Yes
BAs - Domestic	15%	5% Aggregate	180 days	A-1 by two and A by one	Yes - None in Portfolio
BAs - Foreign	15%	5% Aggregate	180 days	A-1 by two and A by one	Yes - None in Portfolio
Collateralized CDs	15%	5% Aggregate	5 years	Insured/Collateralized	Yes - None in Portfolio
Asset Backed Securities	20%	5% Aggregate	5 years	A or AA by type	Yes - None in Portfolio
Corporate Securities	30%	5% Aggregate	5 years	A by two	Yes
Repurchase Agreements	100%	100%	92 days	Collateralized/A by One	Yes
LAIF	\$50 million	\$50 million	N/A	None	Yes
Registered Warrants	100%	100%	5 years	None	Yes - None in Portfolio
Mutual Funds	10%	5%	N/A	AAA or \$500 million in assets	Yes - None in Portfolio

Comments

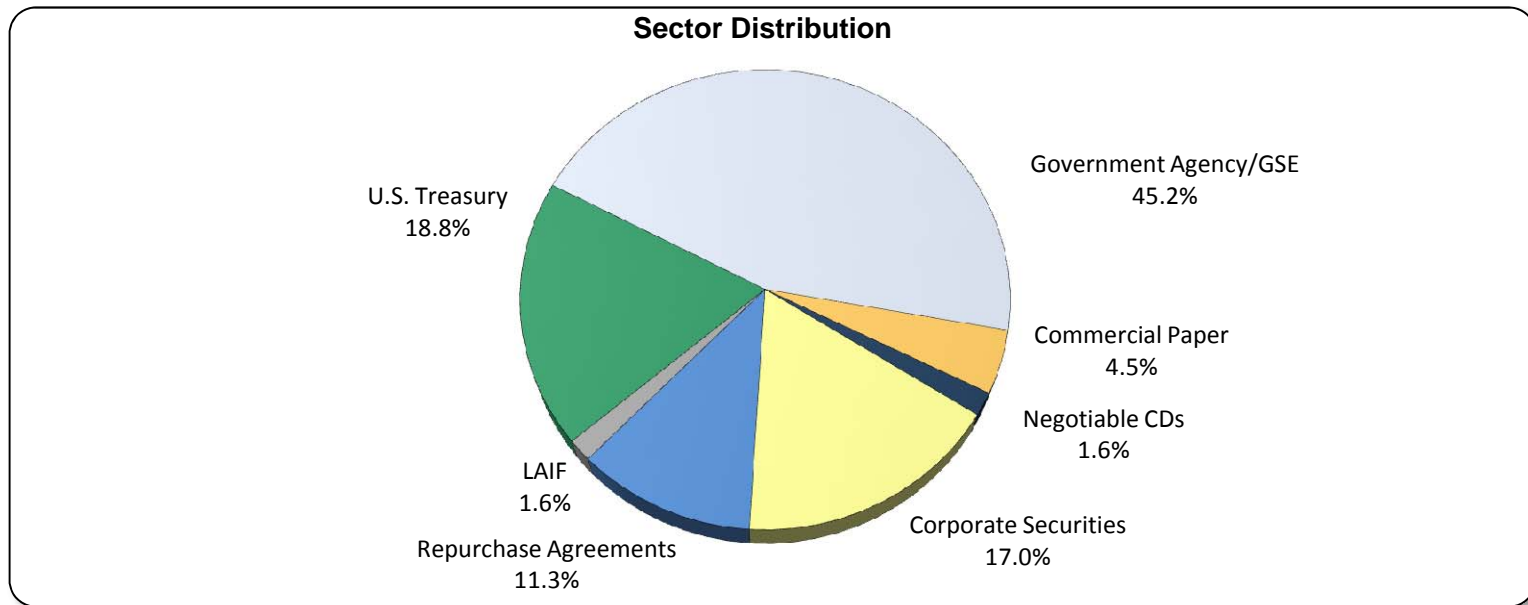
- The portfolio complies with the California Government Code and the County of San Mateo's Investment Policy as of the date of the report.

County Comments

➤ County comments:

Sector Allocations

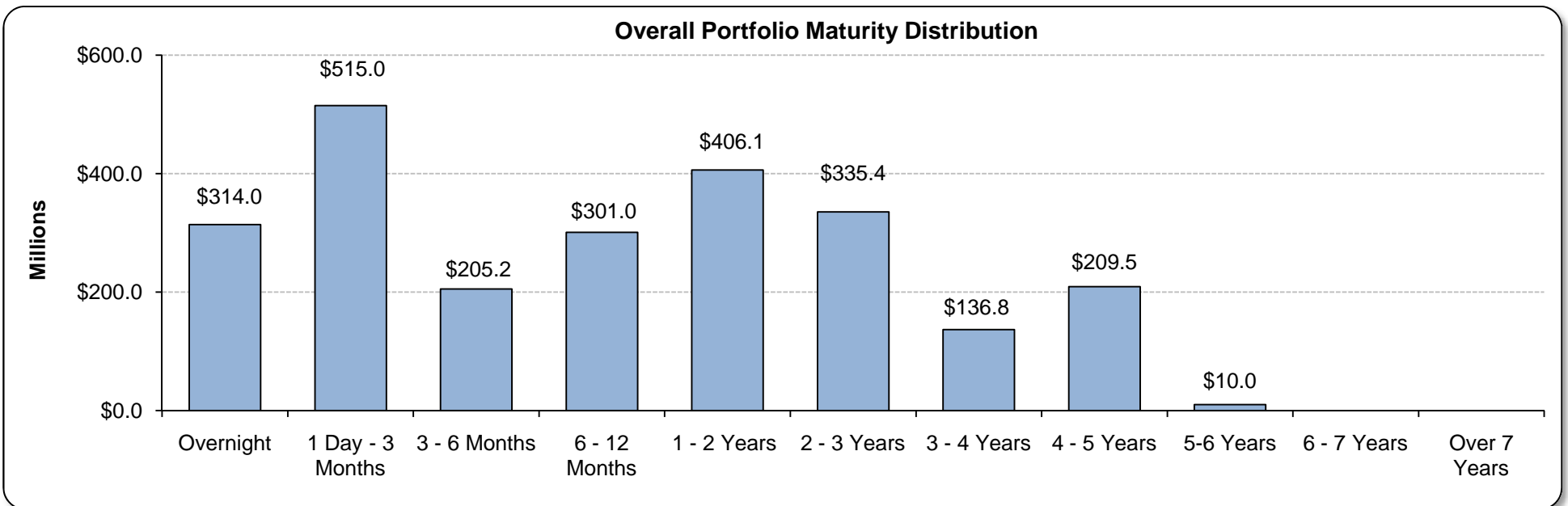
Sector	Market Value¹	Sector Limit	Current Allocation	In Compliance
U.S. Treasury	456,774,590	100%	18.8%	Yes
Government Agency/GSE	1,098,907,815	100%	45.2%	Yes
<i>Callable Agencies</i>	395,223,122	25%	16.2%	Yes
Commercial Paper	108,979,321	40%	4.5%	Yes
Negotiable CDs	40,033,657	30%	1.6%	Yes
BAs - Domestic	-	15%		Yes - None in Portfolio
BAs - Foreign	-	15%		Yes - None in Portfolio
Asset Backed Securities	-	20%		Yes - None in Portfolio
Corporate Securities	414,298,317	30%	17.0%	Yes
Repurchase Agreements	276,000,000	100%	11.3%	Yes
LAIF	38,008,867	\$50 million	1.6%	Yes
Registered Warrants	-	100%		Yes - None in Portfolio
Mutual Funds	-	10%		Yes - None in Portfolio
Totals	2,433,002,567		100.0%	



1. Market values listed in this report are market values including accrued interest as of period end as reported by the County.

Maturity Limits

<u>Sector</u>	<u>Market Value</u>	<u>Maturity Limit</u>	<u>Current Maximum</u>	<u>In Compliance</u>
U.S. Treasury	456,774,590	7 years	5 years	Yes
Government Agency/GSE	1,098,907,815	7 years	5.1 years	Yes
Commercial Paper	108,979,321	270 days	77 days	Yes
Negotiable CDs	40,033,657	5 years	1.4 years	Yes
BAs - Domestic	-	180 days		Yes - None in Portfolio
BAs - Foreign	-	180 days		Yes - None in Portfolio
Collateralized CDs	-	5 years		Yes - None in Portfolio
Asset Backed Securities	-	5 years		Yes - None in Portfolio
Corporate Securities	414,298,317	5 years	5 years	Yes
Repurchase Agreements	276,000,000	92 days	1 days	Yes
LAIF	38,008,867	N/A	1 day	Yes
Registered Warrants	-	5 years		Yes - None in Portfolio
Mutual Funds	-	N/A		Yes - None in Portfolio
Overall Portfolio WAM	2,433,002,567	3 years	1.42 years	Yes



Issuer Compliance

<u>Issuer</u>	<u>Total</u>	<u>Current Issuer Allocation</u>	<u>Issuer Limit</u>	<u>Compliance?</u>
U.S. Treasury	456,774,590	18.8%	100%	Yes
FFCB	40,036,978	1.6%	40%	Yes
FHLB	536,584,325	22.1%	40%	Yes
FHLMC	257,251,654	10.6%	40%	Yes
FNMA	265,034,858	10.9%	40%	Yes
Repurchase Agreement	276,000,000	11.3%	100%	Yes
LAIF	38,008,867	1.6%	\$50,000,000	Yes
Abbott Laboratories	10,674,800	0.4%	5%	Yes
Berkshire Hathaway	30,631,234	1.3%	5%	Yes
Canadian Imperial Bank of Commerce	20,028,194	0.8%	5%	Yes
Chevron	10,995,126	0.5%	5%	Yes
Cisco Systems	20,011,482	0.8%	5%	Yes
Coca-Cola	20,016,888	0.8%	5%	Yes
Deutsche Bank	20,005,463	0.8%	5%	Yes
General Electric Capital	49,188,666	2.0%	5%	Yes
Goldman Sachs	23,329,525	1.0%	5%	Yes
Google	17,489,909	0.7%	5%	Yes
Harvard University	19,994,300	0.8%	5%	Yes
Hewlett-Packard	24,965,207	1.0%	5%	Yes
International Business Machines	6,101,457	0.3%	5%	Yes
Johnson & Johnson	10,244,953	0.4%	5%	Yes
JPMorgan Chase	19,968,160	0.8%	5%	Yes
Microsoft	13,865,735	0.6%	5%	Yes
Morgan Stanley	14,735,758	0.6%	5%	Yes
Procter & Gamble	35,172,039	1.4%	5%	Yes
Toronto-Dominion Bank	57,373,309	2.4%	5%	Yes
Toyota Motor Credit	80,616,879	3.3%	5%	Yes
Verizon Communications	12,055,967	0.5%	5%	Yes
Wal-Mart Stores	20,837,172	0.9%	5%	Yes
Wells Fargo	25,009,074	1.0%	5%	Yes
	2,433,002,567	100%		

Notes

- The purpose of this report is to verify the accuracy of the County's portfolio holdings information and verify the portfolio's compliance with the California Government Code and County's Investment Policy as of the date of the report.
- The report was prepared using the month-end portfolio holdings and market value information provided by the Treasurer's office.
- Percentages listed in this report were calculated using market values, including accrued interest, as of month-end.
- Using the CUSIPs provided by the County, issuer information and credit ratings were verified on Bloomberg for compliance purposes.
- This report is for the purposes indicated above and it is not intended to provide specific investment advice or recommendations.
- On August 6, 2011, Standard & Poor's (S&P) downgraded the long-term credit rating of the U.S from AAA to AA+. S&P did not change the short-term credit rating of the U.S., which is still A-1+.
 - S&P also downgraded the long-term credit rating of the federal agencies and government sponsored enterprises from AAA to AA+. The federal agencies' short-term credit ratings are still A-1+ by S&P.
 - S&P is the only rating agency that took action to downgrade the U.S. and its related agencies. Moody's and Fitch affirmed the U.S.'s AAA and short-term ratings (P1/F-1+) after the passage of the debt ceiling legislation.
 - The action by S&P does not have any impact on the portfolio's compliance with either the County's Investment Policy or the California Government Code.