



San Mateo County

Investment Portfolio Compliance Report



September 30, 2012

PFM Asset Management LLC

50 California Street, Suite 2300

San Francisco, CA 94111

415-982-5544

www.pfm.com

Compliance Requirements Overview

Sector	Fund Limitation	Per Issuer	Maturity	Credit Limits	In Compliance
U.S. Treasury	100%	100%	7 years	Full Faith & Credit	Yes
Government Agency/GSE	100%	40%	7 years	AA or A-1 by two	Yes
<i>Callable Agencies</i>	25%	25%	7 years	<i>AA or A-1 by two</i>	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	1 year	Insured/Collateralized	Yes - None in Portfolio
Asset Backed Securities	20%	5% Aggregate	5 years	AAA by two	Yes - None in Portfolio
Corporate Securities	30%	5% Aggregate	5 years	A by two	Yes
Repurchase Agreements	100%	100%	92 days	A-1 by two	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% Aggregate	N/A	AAA or \$500 million in assets	Yes - None in Portfolio

Comments

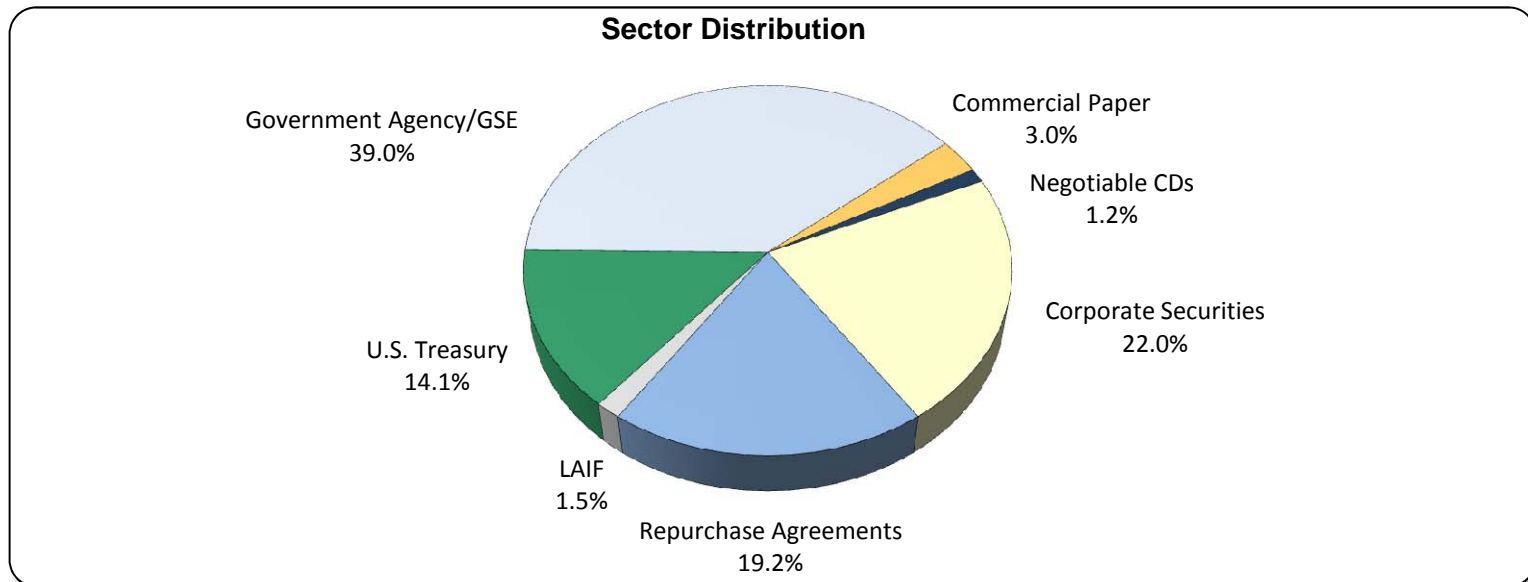
- The portfolio complies with the California Government Code and the County of San Mateo's Investment Policy as of the date of the report.

County Comments

➤ County comments:

Sector Allocations

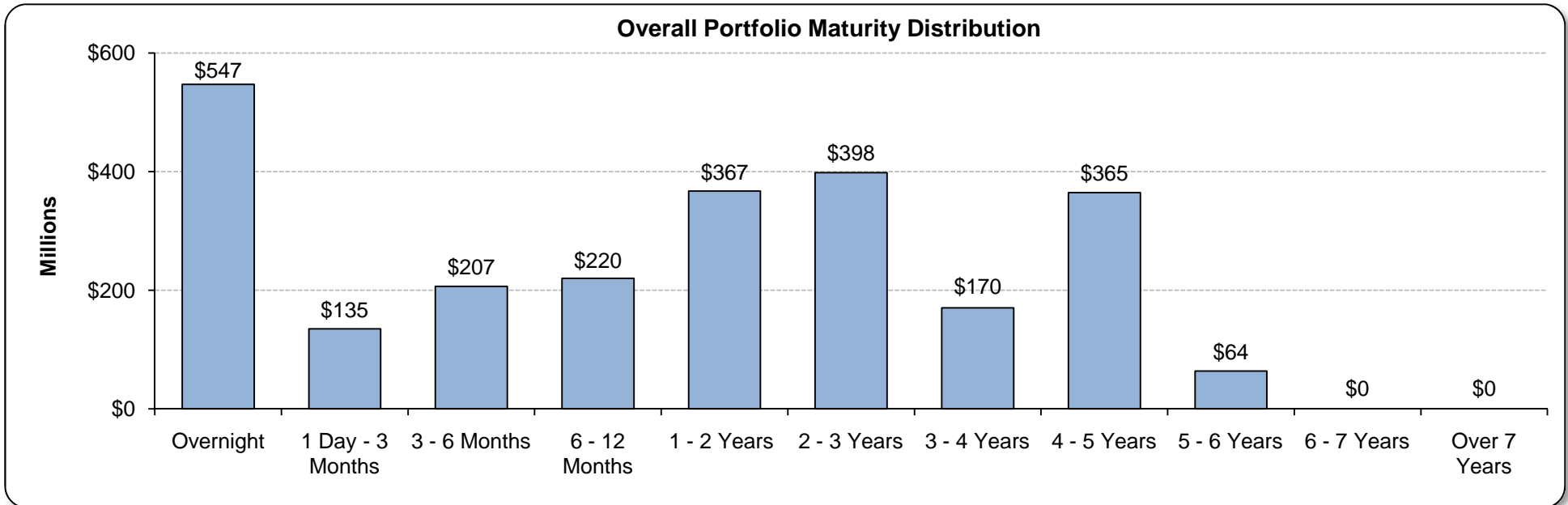
Sector	Market Value¹	Sector Limit	Current Allocation	In Compliance
U.S. Treasury	348,603,724	100%	14.1%	Yes
Government Agency/GSE	963,352,775	100%	39.0%	Yes
<i>Callable Agencies</i>	427,174,655	25%	17.3%	Yes
Commercial Paper	74,995,293	40%	3.0%	Yes
Negotiable CDs	30,246,877	30%	1.2%	Yes
BAs - Domestic	-	15%		Yes - None in Portfolio
BAs - Foreign	-	15%		Yes - None in Portfolio
Collateralized CDs	-	15%		Yes - None in Portfolio
Asset Backed Securities	-	20%		Yes - None in Portfolio
Corporate Securities	543,711,895	30%	22.0%	Yes
Repurchase Agreements	474,003,187	100%	19.2%	Yes
LAIF	38,157,482	\$50 million	1.5%	Yes
Registered Warrants	-	100%		Yes - None in Portfolio
Mutual Funds	-	10%		Yes - None in Portfolio
Totals	2,473,071,231		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

Sector	Market Value	Maturity Limit	Current Maximum	In Compliance
U.S. Treasury	348,603,724	7 years	6 years	Yes
Government Agency/GSE	963,352,775	7 years	5.1 years	Yes
Commercial Paper	74,995,293	270 days	26 days	Yes
Negotiable CDs	30,246,877	5 years	0.5 years	Yes
BAs - Domestic	-	180 days		Yes - None in Portfolio
BAs - Foreign	-	180 days		Yes - None in Portfolio
Collateralized CDs	-	1 year		Yes - None in Portfolio
Asset Backed Securities	-	5 years		Yes - None in Portfolio
Corporate Securities	543,711,895	5 years	5 years	Yes
Repurchase Agreements	474,003,187	92 days	1 day	Yes
LAIF	38,157,482	N/A	1 day	Yes
Registered Warrants	-	5 years		Yes - None in Portfolio
Mutual Funds	-	N/A		Yes - None in Portfolio
Overall Portfolio WAM	2,473,071,231	3 years	1.79 years	Yes



Issuer Compliance

<u>Issuer</u>	<u>Total</u>	<u>Current Issuer Allocation</u>	<u>Issuer Limit</u>	<u>In Compliance</u>
U.S. Treasury	348,603,724	14.1%	100%	Yes
FNMA	374,767,558	15.2%	40%	Yes
FHLB	244,585,942	9.9%	40%	Yes
FHLMC	317,885,754	12.9%	40%	Yes
FFCB	26,113,522	1.1%	40%	Yes
Repurchase Agreement	474,003,187	19.2%	100%	Yes
LAIF	38,157,482	1.5%	2%	Yes
Toyota Motor Credit	70,804,650	2.9%	5%	Yes
Toronto-Dominion Bank	62,881,751	2.5%	5%	Yes
Berkshire Hathaway	61,988,232	2.5%	5%	Yes
General Electric Capital	56,602,031	2.3%	5%	Yes
Procter & Gamble	47,705,119	1.9%	5%	Yes
Royal Bank of Canada	45,421,276	1.8%	5%	Yes
International Business Machines	36,529,524	1.5%	5%	Yes
Deutsche Bank	35,039,270	1.4%	5%	Yes
Microsoft	31,482,891	1.3%	5%	Yes
Walt Disney Company	25,332,959	1.0%	5%	Yes
Pepsi Co.	25,262,824	1.0%	5%	Yes
Wal-Mart Stores	20,961,633	0.8%	5%	Yes
Wells Fargo	20,410,667	0.8%	5%	Yes
National Australian Bank	20,248,311	0.8%	5%	Yes
Cisco Systems	20,091,821	0.8%	5%	Yes
Google	17,618,832	0.7%	5%	Yes
Abbott Laboratories	10,668,470	0.4%	5%	Yes
Chevron	10,527,675	0.4%	5%	Yes
Johnson & Johnson	10,191,660	0.4%	5%	Yes
AT&T	10,096,964	0.4%	5%	Yes
United Technologies Corp.	5,064,104	0.2%	5%	Yes
Anheuser-Busch InBev	4,023,403	0.2%	5%	Yes
	2,473,071,231	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.