

# San Mateo County Investment Portfolio



**Credit Quality Ratings Definitions**

**AAAf** The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

**AAf** The fund's portfolio holdings provide very strong protection against losses from credit defaults.

**Af** The fund's portfolio holdings provide strong protection against losses from credit defaults.

**BBBf** The fund's portfolio holdings provide adequate protection against losses from credit defaults.

**BBf** The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

**Bf** The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

**CCCf** The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

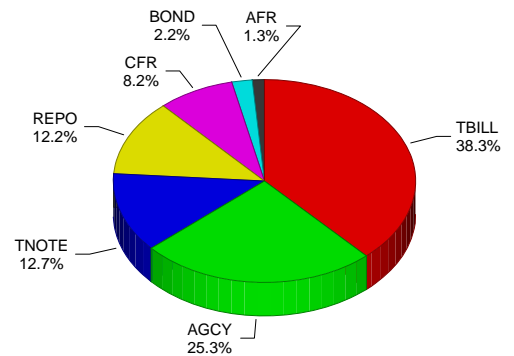
**Plus (+) or Minus (-)** The ratings from 'AAf' to 'CCCf' may be modified to show relative standing within the major rating categories.

Credit quality ratings, identified by the 'f' subscript, are assigned to bond funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

**About the Fund**

Fund Rating	<b>AAAf / S1</b>
Fund Type	Variable NAV Government Investment Pool
Investment Adviser	San Mateo
Portfolio Manager	Charles Tovstein
Date Rating Assigned	July 2009

Portfolio Composition as of September 30, 2009



TBILL - US Treasury Bill; AGCY - Agency Fixed Rate; TNOTE - US Treasury Note; REPO - Repurchase Agreement; CFR - Corporate Floating Rate; BOND - Corporate Fixed Rate; AFR - Agency Floating Rate

\*As assessed by Standard & Poor's

**Fund Highlights**

- This fund is suitable for planned expenditures or capital funds for San Mateo County
- Excellent credit quality

**Management**

The Portfolio was started over 2 decades ago and has been managed internally at the Treasurer's - Tax Collector's Office. The Board of Supervisors, in consultation with the Treasurer, has established an eight member County Treasury Oversight Committee pursuant to California Government Code section 27130 et seq. The Treasury Oversight Committee meets at least three times a year to evaluate general strategies and to monitor results and discuss the economic outlook, portfolio diversification, maturity structure and potential risks to the funds. All actions by the Treasury Oversight Committee are governed by rules set out in section 27131 et seq. of the California Government Code

Lee Buffington is the Tax Collector-Treasurer and has been with the county since 1985. Charles Tovstein has been with the county since 1994 and is the Assistant Treasurer. Mr. Tovstein is the day to day portfolio manager for the portfolio.

**Credit Quality**

The San Mateo County Investment Portfolio's credit quality is excellent. The portfolio holdings are diversified and generally held in higher-rated, short term securities. According to investment guidelines, management is only permitted to buy short term paper rated either A1/P1/F1 or better by at least two of the three nationally recognized rating services and a long term rating of single A or better if applicable. The 'AAAf' rating assigned to the Portfolio's holdings indicates an extremely strong level of protection against losses from credit defaults.

**Portfolio Assets**

The Portfolio's investments are constrained by conservative guidelines outlined in the investment policy and listed below in order of priority: 1. Safety of Principal - The Treasurer shall seek to preserve principal and minimize capital losses by minimizing credit risk and market risk. 2. Liquidity - The pool attempts to match maturities with capital expenditures and other planned outlays. 3. Yield - The County pool is designed as an income fund to maximize the return on investable funds over various market cycles, consistent with limiting risk and prudent investment principles. 4. Leverage - The Treasurer shall not leverage the County pool through any borrowing collateralized or otherwise secured by cash or securities held unless authorized by this investment policy. Security Lending is authorized by this policy and will be limited to a maximum of 20% of the portfolio.

Eligible securities include treasuries, agencies, Commercial paper, Certificates of deposits, Banker Acceptances, Collateralized CDs, Asset Backed Securities, corporates, repurchase agreements, and Local Agency Investment Fund.

The 'S1+' volatility rating on the portfolio signifies that a portfolio possesses extremely low sensitivity to changing market conditions, and a level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of one year or less.

**Standard & Poor's Analyst:** Wendy Immerman - (1) 212-438-5052

[www.standardandpoors.com](http://www.standardandpoors.com)

*Investors should consider the investment objectives, risks and charges and expenses of the fund before investing. The prospectus which can be obtained from your broker-dealer, contains this and other information about the fund and should be read carefully before investing.*

**Volatility Ratings Definitions**

**S1** Low sensitivity to changing market conditions. Within this category of (S-1) certain funds may be designated with a plus sign (+). This indicates the fund's extremely low sensitivity to changing market conditions.

**S2** Low to moderate sensitivity to changing market conditions.

**S3** Moderate sensitivity to changing market conditions.

**S4** Moderate to high sensitivity to changing market conditions.

**S5** High sensitivity to changing market conditions.

**S6** Highest sensitivity to changing market conditions.

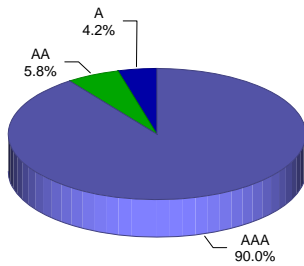
Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

Not all bond funds have volatility ratings

**Data Bank as of September 30, 2009**

Ticker Symbol.....	N/A	Net Assets (millions).....	\$2,362.42
NAV.....	\$2,362.42	Inception Date.....	N/A

Portfolio Credit Quality as of September 30, 2009 \*



**Total Returns as of September 30, 2009, (%)**

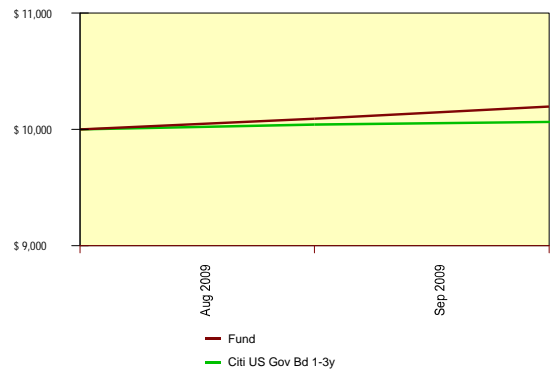
	Annualized		Cumulative
	Fund	Index *	Fund
Year to Date	NA	NA	NA
1 Year	NA	3.36	NA
3 Years	NA	5.12	NA
5 Years	NA	3.99	NA

\* Citi US Gov Bd 1-3y

The returns shown above do not reflect the deduction of sales loads or charges. Inclusion of the sales load would reduce the performance shown.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, which when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be available by calling the fund at the phone number listed in the 'About the Fund' section on page 1

**Portfolio Historical Performance Comparison (Growth of \$ 10,000)**



**Top Ten Holdings as of September 30, 2009**

<u>Security</u>	<u>%</u>	<u>Security</u>	<u>%</u>
Treasury Bills	38.25	Morgan Stanley	2.76
Treasury Notes	12.67	Wells Fargo	2.59
Repurchase Agreement	12.17	Suntrust Bank	1.06
FHLMC	11.58	Deutsche Bank	1.06
FNMA	9.93		

The volatility rating for this fund issued by Standard & Poor's can be found in the 'About the Fund' section on page 1. There is no standard method for determining volatility ratings. The rating is current as of the date of this profile report. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same rating or perform in the future as rated. Not all bond mutual funds have volatility ratings and those that do may have paid for them. The fact that a fund has a rating is not an indication that it is more or less risky or volatile than a fund that does not. The fund or a third party participating the marketing of fund shares paid Standard & Poor's for this rating. Standard & Poor's receives no payment for disseminating ratings, except for subscriptions to its publications

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