

# Solano County Treasurer's Investment Pool

**Fund 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.

Fund 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 Pool

Pool Rating	<b>AAf / S1</b>
Pool Type	Variable NAV Government Investment Pool
Investment Adviser	Solano County
Portfolio Manager	Michael Cooper
Pool Rated Since	February 2007
Custodian	Union Bank of California

## Pool Highlights

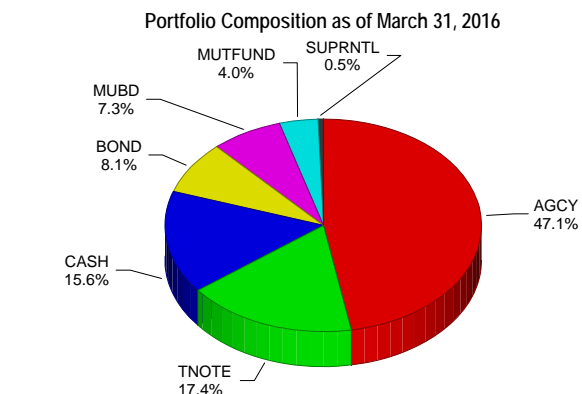
- Solano County Treasurer's Investment Pool serves as a depository for more than 80 local government units, with assets totaling more than \$964 million as of March 31, 2016.
- The pool joins San Diego County and Ventura County to become the third California County pool rated by Standard & Poor's.

## Management

Solano County was incorporated in 1850 as one of the original 27 counties in the state of California. The Solano County Treasurer's Investment Pool is managed by the staff of Treasurer/Tax Collector/County Clerk, Charles Lomeli. The pool acts as a depository for more than 80 units of local government, including funds of the county school districts, special districts and other entities. Solano County joins San Diego County and Ventura County to become the third California County pool rated by Standard & Poor's. The County maintains a contract with Union Bank of California to provide custodial services for the pool.

## Credit Quality

The Solano County Treasurer's Investment Pool is invested in accordance with the County's investment policy and the state of California government code. Based on these guidelines, the pool is generally invested in bank deposits, corporate securities (including commercial paper and medium-term notes), federal agency securities, U.S. Treasury securities, municipal bonds and other mutual funds/investment pools. Investment guidelines limit short-term investments to issuers rated 'A-1'/P1' or better and long-term investments to issuers rated 'A' or better. Standard & Poor's rates the fund 'AAf' (adjusted from 'AAAf' on August 8, 2011), based on its exposures to direct or indirect investments in U.S. Treasury and U.S. government agency



AGCY - Agency Fixed Rate; TNOTE - US Treasury Note; CASH - Cash; BOND - Corporate Fixed Rate; MUBD - Municipal Bonds; MUTFUND - Mutual Funds (non-MMF); SUPRNTL - Supranational

\*As assessed by S&P Global Ratings

securities that mature in more than one year. The ratings adjustment followed Standard & Poor's downgrade of the United States of America to 'AA+' on August 5, 2011. Pools rated 'AAf' provide very strong protection against losses from credit defaults. As a general practice, the pool's duration is managed within a range of 0.5 to 2.0 years.

## Portfolio Assets

Standard & Poor's has assigned Solano County Treasurer's Investment Pool an 'S1' volatility rating. The 'S1' rating indicates the fund's low sensitivity to changing market conditions and is based a comprehensive analysis of the pool's investment holdings and strategies, historical return volatility, and management. The 'S1' rating signifies that the fund possesses an aggregate level of risk that is less than or equal to that of a portfolio of government securities maturing within one to three years. The objectives of the Solano County Treasurer's Investment Pool are to meet the cash requirements of the pool participants, invest the funds in a safe, legal and prudent manner, and achieve a rate of return commensurate with the risks taken. It is the policy of the Solano County Treasurer to invest public funds in a manner that provides security of principal and sufficient liquidity, to insure that the specific portfolio is able to meet its cash flow needs and generate returns consummate with the inherent risks being managed.

**S&P Global Ratings Analyst:** Michael Masih - (1) 212-438-1642

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

*Participants should consider the investment objectives, risks, charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool 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.

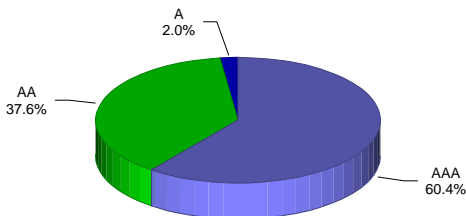
Not all bond funds have volatility ratings

**Data Bank as of March 31, 2016**

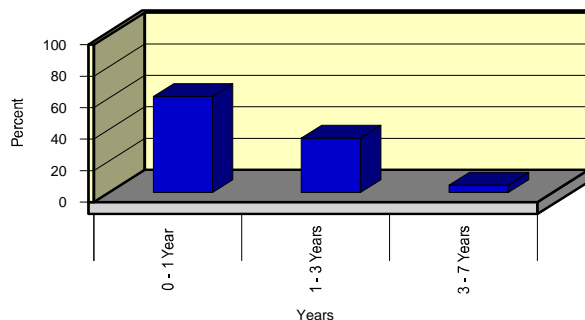
Ticker Symbol..... N/A  
 NAV..... \$1.00

Net Assets (millions)..... \$938.61  
 Inception Date..... N/A

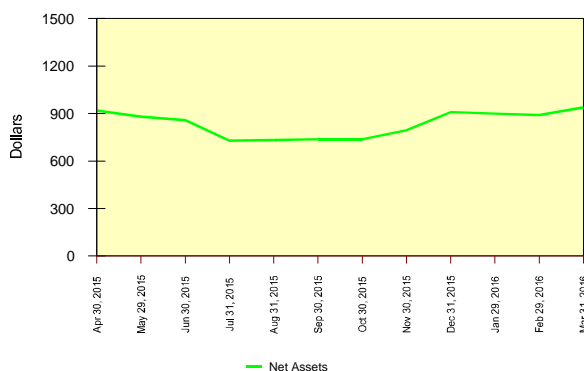
Portfolio Credit Quality as of March 31, 2016 \*



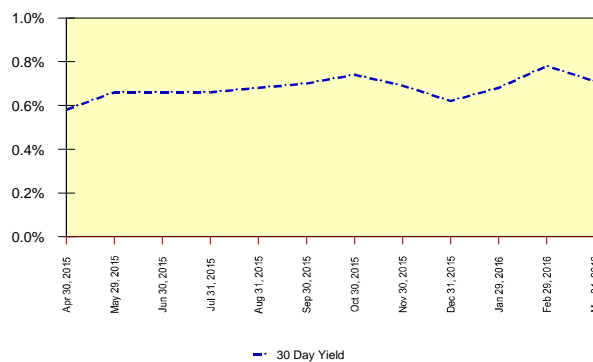
Portfolio Maturity Distribution as of March 31, 2016



Net Assets as of March 31, 2016



Portfolio 30 Day Yield as of March 31, 2016



**Top Ten Holdings as of March 31, 2016**

Security	%	Security	%
FHLB	22.38	Cal Trust Money Market	4.09
UST	17.38	FFCB	3.29
FHLMC	13.36	CAMP	2.99
FNMA	5.22	Cal Trust Government Money Market	2.56
LAIF	4.92	Cal Trust Short	2.35

A Volatility Rating is not a credit rating. S&P Global Ratings is neither associated nor affiliated with the fund.

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